SALUS

Annual Report of the SALUS Group and the joint-stock company SALUS, Ljubljana, d.d.

2025

This report does not comply with the requirements of the Transparency Directive and is not deemed compliant with the ESEF Regulation.

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STATEMENT OF THE MANAGEMENT'S RESPONSIBILITY

The Management Board adopts and approves the Annual Report of the SALUS Group and SALUS, Ljubljana, d.d. for 2025.

The Management Board confirms that the Annual Report of the SALUS Group and SALUS, Ljubljana, d.d. for 2025, including all its constituent parts, has been prepared and published in accordance with the Companies Act ("ZGD-1"), the Financial Instruments Market Act ("ZTFI-1") and the International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU").

The Management Board declares:

- that the financial statements, together with the notes, have been prepared on the going concern basis of the Group / Company;
- that appropriate accounting policies have been applied consistently in the preparation of the financial statements of the Group / Company and that accounting estimates have been made on the basis of fair value, prudence and sound management;
- that the financial statements of the SALUS Group and SALUS, Ljubljana, d.d. give a true and fair view of the financial position of the Group / Company and of their performance for 2025;
- that the Business Report of the SALUS Group and SALUS, Ljubljana, d.d. for 2025 includes a fair review of the development and results of the Company's operations and of its financial position, together with a description of the principal risks to which the Company and the other companies included in the consolidation, taken as a whole, are exposed.

The Management Board is responsible for maintaining the accounting records properly, for taking appropriate measures to safeguard the assets and preserve the value of the property of the SALUS Group and SALUS, Ljubljana, d.d., and for preventing and detecting fraud and other irregularities or unlawful acts.

Tax authorities may at any time within five years following the end of the year in which a tax should have been levied audit the Company's operations. This could give rise to additional liabilities for the payment of tax, default interest and penalties relating to corporate income tax ("CIT") or other taxes and duties. The Management Board is not aware of any circumstances that could give rise to a material liability of this kind.

Date: 27 February 2026

Žiga Hieng, M.Sc., CFA,
Chairman of the Management Board

Gregor Jenko, B.A.,
Member of the Management Board

LETTER FROM THE MANAGEMENT BOARD

2025 in numbers: A clear strategy. Outstanding growth. A team that makes a difference.

The year 2025 marked a turning point for the SALUS Group, characterized by strong growth and the consolidation of our position as one of the most important partners in the regional healthcare ecosystem. With results that exceeded all plans and expectations, we have shown that our strategic direction, operational excellence and the dedication of our colleagues are the right combination for delivering durable and sustainable success.

Results 2025

696 million EUR Revenue 7.27% vs 2024	**28** million EUR Regular EBITDA 13.35% vs 2024	**17** million EUR Net Income 30.31% vs 2024

Despite a demanding market and regulatory environment, the SALUS Group continued to strengthen its core business pillars, deepen partnerships, expand its presence in foreign markets and complete a series of strategic investments that lay solid foundations for future development.

With dedication, expertise and energy, we build the story of the SALUS Group every day

31/12/2025

8 countries

723 employees

SALUS, Ljubljana, d.d.: Reliability that builds value. Integrity that builds trust.

From the perspective of the parent company SALUS, Ljubljana, d.d., 2025 was a significant year marked by several key corporate and strategic moves. A new corporate visual identity was launched in March 2025, reflecting the modern, dynamic strategic direction and the sustainability positioning of the Company and the Group. At the General Meeting held in April, shareholders approved an increase in share capital from the Company's own funds and a 1:78 split of the SALR share, which materially improved share liquidity. At the end of November, **for the second consecutive year, the Company received the Share of the Year award in the standard listing of the Ljubljana Stock Exchange ("LJSE")**. In December, the Company received an official note from the Slovenian Competition Protection Agency confirming that prosecution in the 2014 minor-offence proceedings concerning alleged prevention, obstruction and distortion of competition was time-barred. Notwithstanding this, SALUS, Ljubljana, d.d. clearly emphasises that it has never engaged in the conduct alleged and therefore continues to firmly reject all the allegations.

Sustainability: Environment. People. Integrity. Our long-term commitment.

In line with the commitments set out in its first sustainability report, **the SALUS Group continued in 2025 to strengthen its integrated sustainability governance**. It adopted an updated Business Sustainability Policy and initiated the development of a Decarbonisation Strategy up to 2050, which will include an action plan for systematic emissions reductions and for strengthening energy self-sufficiency through greater use of renewable energy. At the same time, the Group further reinforced its social responsibility — from investing in employee development to fostering an inclusive and collaborative organisational culture based on mutual trust, professionalism and good communication. In the area of governance, particular emphasis was placed on consolidating high standards of ethical conduct, transparency and compliance, including the further development of anti-corruption mechanisms, whistleblower protection and responsible conduct towards suppliers and other stakeholders.

SALUS, Veletrgovina, d.o.o.: Dependable. Resilient. Strategically stronger than ever.

For the largest company in the Group, SALUS, Veletrgovina, d.o.o., 2025 continued on familiar tracks but in a demanding environment characterised by wholesaler margins that have remained unchanged for over a decade, regulatory uncertainty, changes in public-pharmacy ordering and continuing weak payment discipline by Slovenian public hospitals. Despite clear arguments and the burdens highlighted — from high regulatory requirements and necessary technology investments to financing the liquidity gaps of hospitals — decision-makers have shown no willingness to adjust wholesaler margins. From the beginning of 2025, public-pharmacy institutions came under a new ordering regime under the Pharmacy Practice Act ("ZLD-1"), which did not bring material operational changes for the Company. However, because of the deviation from EU public-procurement rules, Slovenia received an initial warning from the European Commission. No direct impact is currently expected, but a degree of regulatory risk remains. At year-end, the Act on Additional Intervention Measures in the Field of Healthcare ("ZDIUZ") — adopted in response to the critical financial situation of hospitals, the rapidly growing overdue liabilities and the cumulative losses — provided a one-off financial injection of approximately EUR 65 million and once again extended payment terms to a maximum of 60 days until the end of 2027. While the additional hospital liquidity is a welcome measure for the Company as one of their largest suppliers, the problem of high overdue hospital liabilities has unfortunately not been fully resolved.

Warehouse and Distribution Centre, Litostrojska cesta, Ljubljana

At the end of the year, the Company also **received the use permit for new warehouse capacities** at its warehousing and distribution centre on Litostrojska cesta. This enables partners to benefit from greater product availability, faster and more reliable distribution, additional possibilities for tailored logistics services and an even higher level of quality in the supply of medicines and medical devices.

After more than a decade of efforts, repeated attempts and lengthy negotiations, SALUS, Veletrgovina, d.o.o. succeeded in completing one of the most important strategic steps in its history: the **successful acquisition of the entire business interest in FARMADENT d.o.o., together with its subsidiary GOPHARM d.o.o.**

For the SALUS Group, this acquisition represents an exceptional strategic milestone, bringing together two respected players in the Slovenian pharmaceutical distribution market and further consolidating the Group's position as the leading integrated provider of healthcare solutions in Central and Eastern Europe. With the acquisition of the two companies, the SALUS Group's annual revenue will increase by approximately EUR 70 million, and more than 60 new colleagues have been proudly welcomed into the SALUS community. With their expertise and dedication, they will contribute to even stronger support for healthcare professionals, partners and patients across the region. This step represents a significant upgrade that consolidates partnerships, accelerates access to modern therapies and strengthens the creation of lasting value for all stakeholders.

SANOLABOR, d.d.: Growing. Agile. Indispensable in consumer supply.

With the joint efforts of engaged and committed employees, SANOLABOR, d.d. once again exceeded its business plan in 2025. The key shift of the year was the overhaul of the Company's operations, including its information system and warehouse processes, which enabled the Company to increase sales with an unchanged headcount. In the wholesale market, the Company won, through public tenders, large one-off equipment projects for the Infectious Diseases Clinic in Ljubljana, the oncology department of UKC Maribor and the Veterinary and Medical Faculties. The retail network was expanded by **two new outlets, and three existing outlets were refurbished**.

All three key pillars of the consumer business (food supplements, dermo-cosmetics and medical devices) recorded double-digit growth. In the supply of products on the Health Insurance Institute of Slovenia ("ZZZS") prescription, the most significant change concerned products for interstitial-fluid glucose monitoring, as at the end of 2024 the market also opened to other providers. Despite this, the Company still managed to grow revenue in 2025.

Sanolabor's subsidiary in Croatia also concluded 2025 successfully, returning to a growth trajectory after a challenging 2024 by strengthening sales of both medicines and medical devices and of devices for medicine preparation.

MEDITRADE d.o.o.: Specialists. Innovators. Unmatched in expert support.

MEDITRADE d.o.o. and its subsidiary in Bosnia and Herzegovina performed successfully in 2025, which is reflected in significantly improved results across all key financial indicators. Both companies adapted effectively to the more challenging conditions and changes in the business environment while maintaining a high level of service quality, reliability and stable relationships with business partners.

MEDITRADE

MEDITRADE d.o.o. secured **three key and three smaller partnerships of global manufacturers in laboratory diagnostics, robotics and orthopaedic surgery**, while also extending several important long-term contracts with customers. In 2025, measurable improvements were achieved in the organisation and planning of the logistics function as well as in service-engineering and applications support. The performance of its subsidiary stabilised despite less favourable forecasts, while the Company also made important additions to its workforce.

Comprehensive employee- and business-partner satisfaction analyses were carried out, and a **systematic supplier-evaluation process was established covering the key areas of quality, compliance, environmental protection, information security and anti-corruption**. With these measures, the two companies further strengthened risk management, transparency and responsible corporate governance.

SALUS Region: Globally connected. Locally committed. Key to broadening access to modern therapies.

The companies in the so-called "SALUS region", which actively represent international pharmaceutical companies and manufacturers of medical equipment and food supplements in Central and Eastern Europe, continued to expand their portfolios in 2025.

Medicines for reducing cardiovascular risk, for the treatment of multiple sclerosis and for the treatment of acute moderate pain were successfully launched. In the area of rare diseases, a medicine for the treatment of autoimmune haemolytic anaemia in patients with cold agglutinin disease (CAD) was successfully included in an early-access programme in Croatia. In oncology, more specifically in the treatment of high-risk neuroblastoma, medicine sales commenced in Kosovo.

In endocrinology, a medicine for the treatment of Cushing's syndrome was included in Bulgaria on the list of medicines fully reimbursed by the health-insurance fund, materially improving access to therapy for local patients. Medicines for the treatment of Wilson's disease and Fabry disease became available to patients in Latvia and Estonia, successfully extending therapy supply from Lithuania to the wider Baltic region. In the consumer healthcare segment, an important upgrade of the portfolio was achieved in 2025 through the expansion of cooperation with two key partners, Jamieson and Alcon.

Particularly noteworthy is the subsidiary in North Macedonia, which reached an important milestone with sales revenue exceeding EUR 10 million. It successfully launched three new products in pain management, paediatric endocrinology (with a long-acting growth hormone) and in dermatology and immunology (with a medicine for the treatment of the most severe forms of atopic dermatitis). The company also signed a distribution agreement covering medical devices and hospital supplies.

Looking forward: An unstoppable growth path

The SALUS Group's business plan for 2026 is ambitious and at the same time grounded in our 2023–2027 strategic vision.

Plan 2026

812 million EUR Revenue	28 million EUR Regular EBITDA	15.5 million EUR Net Income

These targets confirm that the SALUS Group remains on a path of growth, innovation and responsible governance, with a significant share of our investment continuing to be directed to development projects, digitalisation, strengthening information security and exploring new business opportunities.

For more than half a century, courage, reliability and professionalism have been the foundations on which we build our role as a key partner in the regional healthcare ecosystem. **Our journey is one of breakthroughs, growth and the opening up of new horizons — a path that has taken us from a domestic wholesaler to the leading integrator of healthcare solutions in Central and Eastern Europe**.

This is the story of all those who help shape the SALUS Group — our employees, partners, principals, healthcare institutions and the communities we serve.

With clear goals, carefully considered strategic direction and unwavering commitment, we will continue to build a stable, innovative and sustainability-oriented future for the SALUS Group and all our stakeholders.

Thank you for your trust,

which remains the foundation of our commitment to our shared goal — making health accessible.

REPORT OF THE SUPERVISORY BOARD

Composition of the Supervisory Board

In 2025, the Supervisory Board of SALUS, Ljubljana, d.d. (the "Supervisory Board") operated in the following composition:

- Chairman of the Supervisory Board: Boris Šefman, appointed for a four-year term from 28 April 2022;
- Deputy Chairman of the Supervisory Board: Peter Jenčič, appointed for a four-year term from 28 April 2022;
- Members of the Supervisory Board: Bogomir Kos (shareholder representative, appointed for a four-year term from 28 April 2022), Žiga Zore (employee representative, appointed for a four-year term from 27 April 2022), Miha Lebinger (employee representative, appointed for a four-year term from 27 April 2022).

The diversity of the Supervisory Board members is reflected in their professional profiles, experience and personal qualities, which enables effective mutual complementarity and a constructive exchange of views and, consequently, considered and well-informed joint decision-making.

Activities of the Supervisory Board

In 2025, the Supervisory Board again carried out its duties in accordance with the ZGD-1, the Articles of Association of the Company, the Rules of Procedure of the Supervisory Board and the Slovenian Corporate Governance Code for Listed Companies. Through high attendance at meetings, thorough preparation on the topics discussed and considered, well-reasoned proposals, the members made a significant contribution to the quality of decision-making. In their work, they also relied on the expert recommendations of the Audit Committee.

The Supervisory Board bases its work on the fundamental principles that must be fulfilled for the effective functioning of this body, namely:

- respect for the orientations and rules set out in the Rules of Procedure of the Supervisory Board;
- regular training and continuing development of Supervisory Board members and the adoption and implementation of new corporate-governance good practices;
- a sufficient number of meetings to enable detailed insight into the operations and processes of the Company and the Group and the direction of their future development;
- a high level of attendance at meetings, together with appropriate and in-depth preparation by the members and their effective and proactive participation in the discussion of individual matters;
- transparency of operations both in relation to the Management Board and to other stakeholders;
- cooperation with key staff and familiarity with the structure of the SALUS Group and its processes;
- regular self-assessments to identify deviations from recommended good practice for the performance of supervisory boards and the implementation of the necessary changes.

The Supervisory Board is kept informed on an ongoing basis of the occurrence of any facts that could affect the independence of its members. In 2025, no relevant conflicts of interest were identified, nor was the Supervisory Board notified of any.

The self-assessment of the work of the Supervisory Board and the Audit Committee in 2025 largely confirmed their effectiveness. At the same time, the two bodies identified appropriate changes and improvement measures in areas with lower scores.

Communication with the public regarding key decisions and information with a material effect on the Company's operations does not take place through the Chairman of the Supervisory Board, as all material information is disclosed to the public by the Company without delay, in accordance with applicable law, internal rules, the Slovenian Corporate Governance Code for Listed Companies and the resolution of the Supervisory Board.

All costs of the Supervisory Board's operation in financial year 2025 are disclosed in the Annual Report and in the Report on the Remuneration of Members of the Management and Supervisory Bodies of SALUS, Ljubljana, d.d.

Key topics of the Supervisory Board's meetings in 2025

At six regular and three written-procedure (correspondence) meetings held in 2025, the Supervisory Board addressed the results of SALUS, Ljubljana, d.d. and the SALUS Group and all other material business events, of which the Management Board kept it regularly, promptly and fully informed.

At its first regular meeting on 10 March 2025, the Supervisory Board considered and approved the report of the Supervisory Board and the report of the Audit Committee for 2024. The Supervisory Board further considered and approved the Audited Annual Report of SALUS, Ljubljana, d.d. and the SALUS Group for 2024 and the Corporate Governance Statement, including departures from the Code. The Supervisory Board also considered and approved the Audited Sustainability Report for 2024 and reviewed the implementation of the Business Sustainability Policy of the SALUS Group and SALUS, Ljubljana, d.d. At this meeting, the Supervisory Board also adopted the updated Remuneration Policy for the Management and Supervisory Bodies and approved the Report on the Remuneration of Members of the Management and Supervisory Bodies for 2024 and the compliance of the remuneration system with applicable law and good practice. The Supervisory Board also approved the proposed allocation of distributable profit, the convening of the General Meeting of Shareholders, made a proposal for the bonus for the members of the Management Board and the Supervisory Board and for the external member of the Audit Committee, and determined the attendance fees and remuneration of Supervisory Board members for financial years 2025 and 2026. It also set the indicative annual costs for the training of Supervisory Board and Audit Committee members and the training plan and adopted the calendar of meetings for 2025. It also gave its consent to the 1:78 split of the SALR shares of SALUS, Ljubljana, d.d. and to the cancellation of the obligation to publish results for SALUS, Veletrgovina, d.o.o.

At the first regular meeting, the Supervisory Board also adopted the criteria for intra-group lending within the SALUS Group.

At the first written-procedure meeting of the Supervisory Board on 12 March 2025, the convening notice of the 40th regular General Meeting of Shareholders of SALUS, Ljubljana, d.d. was adopted with a revised meeting date.

At its second regular meeting on 17 April 2025, the Supervisory Board gave its consent to the submission of a binding offer by SALUS, Veletrgovina, d.o.o. for the acquisition of the equity interests in FARMADENT d.o.o. and also approved the proposal for the planned investment in the expansion and modernisation of the warehousing capacities of SALUS, Veletrgovina, d.o.o.

The third regular meeting of the Supervisory Board on 14 May 2025 was dedicated to approving the Report on the Operations of the SALUS Group and SALUS, Ljubljana, d.d. in the first quarter of 2025. The Supervisory Board also took note of the updated Rules on Trading in Shares of SALUS, Ljubljana, d.d. (SALR).

At its second written-procedure meeting on 17 July 2025, the Supervisory Board gave its consent to the extension of the binding offer by SALUS, Veletrgovina, d.o.o. for the acquisition of equity interests in FARMADENT d.o.o.

At its third written-procedure meeting on 28 July 2025, the Supervisory Board approved the amendment of the earlier resolution concerning the conditions precedent in the share-purchase agreement for the acquisition of the equity interests in FARMADENT d.o.o. and approved the convening of an extraordinary General Meeting, which decided on the acquisition of those equity interests by SALUS, Veletrgovina, d.o.o.

At its fourth regular meeting on 27 August 2025, the Supervisory Board approved the Report on the Operations of the SALUS Group and SALUS, Ljubljana, d.d. in the first half of 2025 and took note of the list of related parties of SALUS, Ljubljana, d.d. It also approved the proposed agreements with BDO Revizija d.o.o. for 2025–2028 covering the audit of the financial statements, the assurance engagements under International Standard on Assurance Engagements 3000 in respect of the sustainability report and the remuneration report. At this meeting, the Supervisory Board also took note of the content of the independence statements of the Supervisory Board and Audit Committee members and concluded that no further procedures were required.

At its fifth regular meeting on 13 November 2025, the Supervisory Board considered and approved the Report on the Operations of the SALUS Group and SALUS, Ljubljana, d.d. in the first nine months of 2025. It also approved the SALUS Group Accounting Manual. It also discusses the results of the analysis of the Supervisory Board's self-assessment.

At the last, sixth regular meeting on 16 December 2025, the Supervisory Board took note of the estimated results for 2025 and approved the business plan for 2026 for the Group and for the individual companies in the SALUS Group, and also the payment of an interim dividend for 2025. It was briefed on the management of cybersecurity and sustainability risks in the companies of the SALUS Group.

It approved the updated Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group, and took note of the updated Code of Conduct of the company SALUS, Ljubljana, d.d. and the SALUS Group (the "Code of Conduct"), the updated Anti-Bribery and Anti-Corruption Policy of the company SALUS, Ljubljana, d.d. and the SALUS Group and the decarbonisation strategy for the period 2030–2050. The Supervisory Board further adopted the updated Corporate Governance Policy of the joint-stock company SALUS, Ljubljana, d.d. and the Rules on the Selection of Supervisory Board Members.

Activities of the Audit Committee

In 2025, the Audit Committee of the Supervisory Board operated in the following composition:

- Boris Šefman, Chairman;
- Peter Jenčič, Member;
- Martin Železnik, independent expert in auditing and accounting.

In 2025, the Audit Committee held four regular meetings. The first regular meeting was devoted primarily to the consideration of the 2024 Annual Report and to the analysis of cooperation with the audit firm. At the other meetings, the Audit Committee considered the quarterly Reports on the Operations of the SALUS Group and SALUS, Ljubljana, d.d. for 2025. At the first regular meeting, the Audit Committee took note of the analysis of the Committee's self-assessment for 2024 and adopted the proposed improvement measures. At the second regular meeting, the Audit Committee addressed risk management at SALUS, Ljubljana, d.d. and the SALUS Group, the procedures for financial reporting and for ensuring the integrity of information, both of which it assessed as effective and appropriate. It also examined the existence of any transactions between Supervisory Board members and companies which they manage or which they own and the companies of the SALUS Group and invited the Supervisory Board members to provide statements that no such transactions exist. At the fourth regular meeting, the Audit Committee considered the SALUS

Group Accounting Manual and held a discussion with representatives of the audit firm BDO Revizija d.o.o. on the progress of the interim audit for 2025.

At the first meeting, the Supervisory Board confirmed that the Committee had carried out its work successfully in 2024 and, at its regular meetings in 2025, took note of the reports on the work of the Audit Committee.

Approval of the Annual Report

The financial statements of the SALUS Group and SALUS, Ljubljana, d.d. for 2025 were examined and approved by the independent auditor, BDO Revizija d.o.o. The auditor issued an unqualified opinion, thereby confirming that the financial statements have been prepared in accordance with the ZGD-1 and the International Financial Reporting Standards as adopted by the EU ("IFRS") and give a true and fair view of the financial position of the Company and the SALUS Group as at 31 December 2025 and of their financial performance and cash flows for the year then ended. The auditor also performed a review of the Sustainability Report, which forms an integral part of the Audited Annual Report of the SALUS Group and SALUS, Ljubljana, d.d., and provided a limited-assurance conclusion on the compliance of the disclosures covered with the European Sustainability Reporting Standards ("ESRS"), Directive (EU) 2022/2464 on Corporate Sustainability Reporting (the "CSRD Directive"), Regulation (EU) 2020/852 on the Taxonomy (the "Taxonomy Regulation") and the ZGD-1. Representatives of the audit firm also met with the members of the Audit Committee and presented in greater detail the conduct of the final audit for 2025, on which the Audit Committee in turn briefed the Supervisory Board. The Supervisory Board agreed with the auditor's report and had no observations on its opinion on the Annual Report.

On the basis of the auditor's opinion and its own review of the Annual Report and the financial statements with notes, the Supervisory Board had no observations on the Annual Report of the SALUS Group and SALUS, Ljubljana, d.d., including the Consolidated Sustainability Report, for 2025, and approved it. The Supervisory Board also adopted a resolution agreeing with the Management Board's proposal on the allocation of distributable profit and separately considered the Corporate Governance Statement (an integral part of the Audited Annual Report), including deviations from the recommendations of the Code, confirming that the disclosures in that statement reflect the actual state of the Company's governance in 2025.

This report was prepared by the Supervisory Board in accordance with Article 282 of the ZGD-1 and is also intended for the General Meeting of Shareholders.

Boris Šefman, B.A.
Chairman of the Supervisory Board

Ljubljana, March 2026

Business Report

1 COMPOSITION OF THE SALUS GROUP

The SALUS Group is a vital link in the supply of medicines, food supplements, medical devices and high-quality, innovative services that bring health and well-being to people, specialising in the provision of a comprehensive service of distribution, promotion and active sales and related services to bring a medicine or a medical device to the market. Regionally, it is present in Central and Eastern European markets, either through its own companies (in Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia, Albania and Lithuania) or through local partners (in Kosovo, Romania and Bulgaria). The activities of the SALUS Group companies can broadly be divided into three areas: wholesale, services and partnerships, and retail. Some Group companies are active in several of the above areas, while others focus on only a few activities or even narrower business segments within them.

As at 31 December 2025, the SALUS Group comprised the following companies:

- SALUS, Ljubljana, d.d., Litostrojska cesta 46 A, Ljubljana, Slovenia, as the parent company,
- SALUS, Veletrgovina, d.o.o., Litostrojska cesta 46 A, Ljubljana, Slovenia, as a subsidiary,
- SALUS International d.o.o., Litostrojska cesta 46 A, Ljubljana, Slovenia, as a subsidiary,
- SALUS Zagreb d.o.o., Ulica Grada Vukovara 284, Zagreb, Croatia, as a subsidiary,
- CARSO pharm DOOEL Ilinden, Ulica 34 br. 5 a, Ilinden, Skopje, North Macedonia, as a subsidiary,
- SANOL International d.o.o., Beograd, Ustanička 128a, Belgrade, Serbia, as a subsidiary,
- SALUS Podgorica d.o.o. Podgorica, Ulica Svetlane Kane Radević, Europoint Business Building, 1st floor, Podgorica, Montenegro, as a subsidiary,
- SALUS Vilnius UAB, Jogailos st. 4, Vilnius, Lithuania, as a subsidiary,
- SALUS Sarajevo d.o.o., Ul. Fra Anđela Zvizdovića br. 1, Sarajevo, Bosnia and Herzegovina, as a subsidiary,
- SALUS Tirana International SHPK, Rruga Ibrahim Rugova, P. 70 H. 5 Ap. 5, Tirana, Albania, as a subsidiary,
- SANOLABOR, d.d., Leskoškova cesta 4, Ljubljana, Slovenia, as a subsidiary,
- MEDITRADE d.o.o., Brnčičeva ulica 17b, Ljubljana, Slovenia, as a subsidiary,
- MEDORION d.o.o., Ulica Janka Draškovića 5, Samobor, Croatia, as a subsidiary,
- SANOL H d.o.o., Franje Lučića 32, Zagreb, Croatia, as a subsidiary of the subsidiary SANOLABOR, d.d.,
- Medichem d.o.o., Ul. Bugojanska broj 12, Sarajevo – Novo Sarajevo, Bosnia and Herzegovina, as a subsidiary of the subsidiary MEDITRADE d.o.o.,
- FARMADENT d.o.o., Minařikova ulica 6, Maribor, Slovenia, as a subsidiary of SALUS, Veletrgovina, d.o.o.,
- GOPHARM d.o.o., Cesta 25. junija 1D, Nova Gorica, Slovenia, as a subsidiary of FARMADENT d.o.o.,
- NENSI d.o.o., Cesta na Brdo 100, Ljubljana, Slovenia, as a subsidiary, indirectly controlled through the subsidiaries SALUS, Veletrgovina, d.o.o. (35%) and FARMADENT d.o.o. (20%).

As at 31 December 2025, the following associate is linked to the SALUS Group:

- ASW d.o.o., Leskoškova cesta 4, Ljubljana, Slovenia, as an associate of the subsidiary SANOLABOR, d.d.

As at 31 December 2025, the SALUS Group had no established branches.

2 STRATEGIC DIRECTIONS AND BUSINESS PLAN

Mission, vision and values

MISSION

We improve lives by providing the most advanced pharmaceutical products and medical devices.

VISION

The CEE region's most trusted partner in pharmaceutical and medical device distribution.

VALUES

We are brought together by team spirit. We are distinguished by a growth mindset. We are professional, driven and built to last. We enjoy our work and take pride in our achievements.

SALUS Group strategy for the 2023–2027 period

In 2022, SALUS, Ljubljana, d.d. adopted the Business Strategy of the SALUS Group for the 2023–2027 period, which was developed on the basis of a detailed analysis of the macroeconomic environment, the markets in which the SALUS Group operates, an analysis of the Company's operations and value chain and selected key strategic initiatives. Four key areas were defined for the next five years: consolidation, internationalisation, employees and sustainability. Within these initiatives, the SALUS Group defined five strategic objectives:

- consolidating the position in the Slovenian market,
- cost efficiency and accelerated digitalisation,
- expansion of operations in the CEE region,
- competent and engaged employees,
- creating long-term value for all stakeholders.

The strategic objectives defined above summarise the 2023–2027 Strategy as: by 2027, to reach EUR 25 million of EBITDA through consolidation of the position in the Slovenian market and the internationalisation of operations in the CEE region. The targeted EBITDA does not include new initiatives in foreign markets but reflects the organic growth of the SALUS Group structure as it stood at the time the Strategy was prepared. New initiatives from internationalisation have not been quantified.

The key strategic directions for the new development period are consolidating the position in the Slovenian market and internationalisation in the CEE region. The objectives defined for both areas will be achieved through competent and engaged employees, cost efficiency and accelerated digitalisation. An important emphasis in the new Strategy is on sustainability as the creation of long-term value for all stakeholders.

Quality and full compliance of operations remain the fundamental principles of operation and a competitive advantage of the SALUS Group. The SALUS Group's quality system is regularly reviewed, upgraded and improved, and changes are managed in accordance with good-practice rules and applicable law, thereby managing risks and continuously improving working procedures and processes, which in turn enhances the quality of our services. The SALUS Group will continue to enforce zero tolerance of non-compliant business conduct, behaviour and practices on the part of both employees and subcontractors, thereby demonstrating that it is a respected, reliable and trustworthy partner.

Since the strategy began to be implemented, the SALUS Group has made successful progress in several key strategic directions. It has consolidated its position in the Slovenian market and delivered revenue and EBITDA growth in line with its organic-growth targets. Its international presence in the CEE region has been further strengthened, with the Group expanding distribution and service models through its subsidiaries. Digitalisation and process-optimisation activities are being implemented intensively, contributing to higher cost efficiency. The focus on people has also been strengthened — development activities have been expanded, the organisational culture and the competence profiles of employees have been improved. In the area of sustainability, the Group continues to develop its quality systems and enforces strict business compliance and zero tolerance of non-conformities, which remains a cornerstone of its business model.

SALUS Group business plan for 2026

For financial year 2026, the SALUS Group plans:

- net sales revenue of approximately EUR 812 million,
- operating profit from ordinary operations of EUR 19 million,
- earnings before interests, taxes, depreciation and amortisation (ordinary EBITDA) of EUR 28 million,
- net profit of EUR 15.5 million.

With the above plans, the SALUS Group is following its 2023–2027 strategy, with a substantial share of operating costs dedicated to development activities and to the launch of new business opportunities.

In 2026, the SALUS Group will invest in further expansion of warehousing capacities, new sales outlets and in particular in information technology and digitalisation.

Relationship with stakeholders

We can only live and achieve our values and mission in close interaction with our stakeholders. SALUS, Ljubljana, d.d. and the SALUS Group build open, two-way communication with all stakeholders. By identifying and reconciling the various positions, interests, impacts and views of stakeholders within and outside the SALUS Group, we shape and implement our sustainability strategy. We are aware that the impacts are mutual: economic, environmental and social developments affect our operations, and at the same time we, through our actions, affect the sustainable development of wider society.

For the identified areas of communication with specific stakeholder groups, we use a wide range of communication channels and tools.

Stakeholder group	Content of communications	Communication channels and tools
Shareholders, investors	Material information for the exercise of their rights: on governance, compliance and risks, resilience in crisis situations, etc.	• public disclosures on SEOnet • website • General Meeting
Customers: pharmacies, hospitals, specialist and veterinary clinics, primary-care health centres, patients and other end-users	Timely, high-quality and safe supply of medicines, medical devices and other products, a high level of trust, fast and expert responsiveness, open dialogue, participation in public-tender procedures	• personal contact with professional staff • telephone, e-mail, video and teleconferences • digital information boards • ordering portal • professional journals and catalogues • B2B and B2C tools • website • public-procurement portal, eJN portal
Suppliers	Safe storage and handling of products, fair business relationships	• personal contact with professional staff (telephone, e-mail) • telephone, e-mail, video and teleconferences • B2B tools • annual report
Employees	Employment relationship with employees and relationships between employees: committed, engaged, satisfied and motivated colleagues, personal and career development of employees, health and safety, well-being, respect for human rights in the workplace, equal opportunities, fair pay, work-life balance	• internal web portal • internal working-group meetings • digital notice boards • suggestion box • workers' assembly • meetings with line managers • open days held by the Management Board and management teams • quarterly meetings of the Management Board / management teams with employees • monthly Mentimeter: ask the Management Board / management team, share your opinion • employee satisfaction survey • social events, team-building events and workplace health-promotion events • whistleblower trustees, data protection officers, compliance officer
Subsidiaries	Successful management, risk management, business compliance, achievement of business and strategic objectives	• periodic meetings with the management of subsidiaries • monthly reporting • general meetings, meetings of supervisory boards/committees • internal training
Associates and other equity investments	Exercise of shareholder rights under the shareholders' agreement	• general meetings / supervisory bodies
State institutions and regulatory bodies	Communication regarding compliance with legal requirements (administrative and other procedures), participation in public-tender and competition procedures	• public disclosures on SEOnet, AJPES • mail • filing offices • portals (e.g. public procurement, e-JN, eRevizija)
Media	Replies to journalists' questions, publication of information on operations	• e-mail • public disclosures on SEOnet • website
Professional associations	Representing the Company's interests and cooperation, including providing proposals	• personal participation (round tables, meetings, etc.) • e-mail • portals
Other interested public	Material information on business compliance, market supply and other corporate-responsibility topics	• public disclosures on SEOnet • website • sponsorships and donations

3 CORPORATE GOVERNANCE STATEMENT

3.1 Reference to the applicable corporate governance code

For the parent company SALUS, Ljubljana, d.d., the Corporate Governance Code for Listed Companies adopted on 2 December 2024 and effective from 1 January 2025 (the "Code") applied throughout the period from 1 January 2025 to 31 December 2025. The Code is publicly available in Slovenian on the website of the LJSE and at the following link:

Slovenian Corporate Governance Code for Listed Companies, 2024.pdf

SALUS, Ljubljana, d.d. does not apply any other code on a voluntary basis. In its operations, the Company complies with applicable laws, regulations and other statutory and implementing acts, internal rules and instructions, and operates within the framework of the Code. The Company's management and governance system provides a framework for setting, achieving and monitoring the achievement of business objectives, thereby ensuring setting direction of the Company's operations. It establishes values, principles and standards for fair and responsible decision-making and conduct, defines the allocation of rights and responsibilities between the management and supervisory bodies, and sets rules and procedures for decision-making on corporate matters.

At the 6th regular Supervisory Board meeting held on 16 December 2025, the Supervisory Board and the Management Board of SALUS, Ljubljana, d.d. adopted the updated Corporate Governance Policy of the joint-stock company SALUS, Ljubljana, d.d., which was published on 19 December 2025 in the SEOnet stock-exchange information system of the LJSE.

3.2 Deviations from provisions of the Code

The Company complies with the Code to the greatest possible extent and deviates from certain provisions of the Code, as explained below:

- Provision 2.1 of the Code

The Supervisory Board adopts all activities of a more operational nature separately (it adopts the meetings calendar at its first regular meeting of the year and governs the procedure for proposing Supervisory Board appointments to the General Meeting in its Rules on the Selection of Supervisory Board Members), rather than together with the adoption of the Corporate Governance Policy. The Corporate Governance Policy is the Company's fundamental document defining key areas and orientations, which do not extend to operational activities.

- Provisions 4.1–4.3 of the Code

The Company has adopted a Diversity Policy, however the gender diversity objectives set therein were not implemented in 2025. In addition, in 2025 the Company was not subject to the related obligations under the ZGD-1, as it does not meet all the conditions of Article 254.b of ZGD-1. For this reason, the Diversity Policy does not specify concrete targets, criteria and proportions for each individual aspect of diversity and for each body separately. The Diversity Policy also does not specify how those targets are to be implemented and how they affect personnel procedures and other processes in the Company.

Furthermore, the Articles of Association provide that elections must be carried out so that, as a rule, at least two existing shareholder representatives remain on the Supervisory Board. The General Meeting generally follows this rule. In 2022, all three proposed candidates for Supervisory Board members were male and were re-elected for a new term. The workers' assembly elects two employee representatives. Both nominations and the election process take place independently of the Company, and the voter must, in accordance with the Worker Participation in Management Act ("ZSDU"), be guaranteed freedom and secrecy of voting. In 2022, two Supervisory Board members were elected, both also male. The Supervisory Board members' terms expire in April 2026. In line with the Rules on the Selection of Management Board Members, which aims to ensure continuity in the Management Board's operations, the Supervisory Board reappointed both incumbent Management Board members (both male) in 2022 for a new term running from 1 January 2023 to 31 December 2027. The above reflects the reasons for the 100% male representation in the management and supervisory bodies. The achievement of gender-diversity targets thus depends on candidacies, on the decisions of the General Meeting and the workers' assembly, and on legislation, over which the Company has no influence. Nonetheless, in the selection of management and supervisory body members, the Company respects diversity, does not discriminate and ensures equal opportunities to all, regardless of personal characteristics.

- Provision 5.2 of the Code

The management body addresses departures from all recommendations of the Code in the Corporate Governance Statement, while the supervisory body does not. The supervisory body addresses the departures in the Report of the Supervisory Board, together with its assessment of the Corporate Governance Statement as a whole, in accordance with point 5 of the Code. This delineation arises from the fact that the Corporate Governance Statement is presented to the Supervisory Board for consideration at a meeting held later than the preparation of the Statement itself.

- Provision 5.6 of the Code

The Company does not engage an independent external institution to assess the appropriateness of the Corporate Governance Statement. The Statement is prepared and reviewed by a number of in-house functions (the Finance Department, the Legal Department and the Management Board) and is periodically also reviewed by a law firm. The Corporate Governance Statement is also reviewed by the external auditor in the course of the audit of the Annual Report. On this basis, the Company considers that an additional external assessment of the appropriateness of the Statement is not currently necessary.

- Provision 7.4 of the Code

The Company has adopted a Business Sustainability Policy, which however does not include mechanisms for the control of non-financial risks, including risks of corrupt, dishonest, unethical or other unlawful conduct arising from the activities of the Company, its subsidiaries, suppliers and subcontractors, since, given their scope and the need for ongoing updating, those mechanisms are set out in other acts and policies.

- Provision 10.16 of the Code

In its disclosures on General Meetings, the Company does not identify the five largest shareholders present or represented, as the shares are bearer shares and the Company is not permitted, or not able, to disclose this information. The only shareholder of the Company that has exceeded the statutory ownership threshold triggering an obligation to notify the Company and the public is disclosed in other Company documents that are publicly available.

- Provision 11 of the Code

In the composition of the Supervisory Board appointed in 2022, the Company did not follow the implementation of the Diversity Policy with respect to gender, the substance of which is explained above in the departure from Provisions 4.1–4.3 of the Code.

- Provision 12 of the Code

The procedure for selecting candidates for shareholder representatives on the Supervisory Board is transparent and follows the objectives of the Diversity Policy to the greatest possible extent. The gender-diversity dimension of the Policy is currently not implemented, the substance of which is explained above in the departure from Provisions 4.1–4.3 of the Code.

- Provision 12.1 of the Code

When assessing the suitability of a candidate for Supervisory Board member, the objectives of the Diversity Policy and the conditions for serving on the Supervisory Board are taken into account to the greatest possible extent. In most cases, comprehensive business knowledge and relevant work experience prevail, even if the candidate does not hold a certificate evidencing specialised qualification for Supervisory Board membership.

- Provision 13.1 of the Code

The Company does not publish the signed independence statements of Supervisory Board members on its website, in order to protect personal data (signatures). The Company further notes that, given the assumptions in Annex B of the Code, a potential conflict of interest exists in respect of two Supervisory Board members, namely in the provision stating that no member should serve more than three terms on the same Supervisory Board. Shareholders freely decide for how many terms any individual proposed candidate is appointed to the Supervisory Board. This potential conflict of interest is not permanent, as it is linked to a time-limited term, and is not relevant, as it in no way affects the objective judgement of the Management Board or the operations of the Company. All decisions and conduct to date have likewise shown no indication of a conflict of interest.

- Provision 14.3 of the Code

The Supervisory Board does not specify in its Rules of Procedure (the "Rules") the deadlines applied by the Management Board for regular reporting, since the Rules are the underlying basis for the work of the Supervisory Board, while deadlines are operational in nature and are set at the beginning of the calendar year.

- Provision 14.4 of the Code

Employee representatives have not formed a workers' council, and the Supervisory Board therefore cannot take a position on its reports. Employees exercise their rights through their trade union and the workers' assembly.

- Provision 14.10 of the Code

The Company has not established separate procedures for procuring external services required for the work of the Supervisory Board — split between services for which the Company is represented by the Management Board and those for which it is represented by the Chairman of the Supervisory Board — as the Supervisory Board's needs for external services are infrequent and no need for separate processes has so far been identified.

- Provision 16.4 of the Code

The Supervisory Board has not so far carried out an external review of its work, as the benefits of such a review would be substantially lower than the related costs.

- Provision 17.3 of the Code

The Chairman of the Supervisory Board also acts as Chairman of the Audit Committee, as this ensures professional expertise, integration, continuity and easier coordination of procedures.

- Provision 18.1 of the Code

At the constitutive meeting of the Supervisory Board, the Supervisory Board appointed the members of the Audit Committee. It has not established a Nomination Committee and/or a Human Resources Committee, as no need for these has so far been identified. The tasks of the committees specified in Annex A of the Code are carried out, in accordance with the Code, by the Supervisory Board.

- Provision 28.1 of the Code

Before commencing the procedure for selecting the auditor of the Annual Report, the Supervisory Board and the Audit Committee establish non-discriminatory criteria, including the price of the offered service and the reputation of the audit firm. The disclosure of any (non-)audit services provided by the audit firm or any other firm in its network in the year in which the auditor-selection procedure starts, or in the preceding year, is treated as a separate criterion only if the amount is material. The Audit Committee obtains this information from the accounting department of SALUS, Ljubljana, d.d.

- Provision 28.4 of the Code

In 2025, on the basis of the established non-discriminatory criteria for appointing the auditor, the Audit Committee again proposed BDO Revizija d.o.o. to the Supervisory Board for appointment. As this firm was also appointed as auditor for the preceding period (for 2022, 2023 and 2024), the Audit Committee did not again review the draft agreements for compliance with applicable law and the Company's needs, as it received confirmation from the Company's Legal Department that the agreements are substantively the same as the previous ones.

- Provisions 29 and 29.3–29.8 of the Code

The Company has not established a dedicated internal audit department, as the controls performed to date have not indicated a need to establish internal audit. The Company regularly updates and improves its processes and reports on this to the Supervisory Board’s Audit Committee, taking into account the Committee's recommendations.

- Provision 31.2 of the Code

For information security and protection reasons, the Company does not publish on its website the contact details of the persons responsible for investor relations and public relations. Instead of direct contact details, a contact form has been established for communication, through which interested persons select the relevant area (Investor Relations or Public Relations) and submit their questions or comments.

- Provision 31.3 of the Code

The Company publishes material information on its own website and on the website of the LJSE in Slovenian, as it is listed for trading on the Slovenian stock-exchange market, for which no requirement to publish in a foreign language is prescribed. The Company informs foreign partners about material information by e-mail.

- Provision 32.7 of the Code

The Company has adopted rules of procedure for its governing bodies but, due to certain specific provisions on the manner of operation and the protection of confidential information, does not publish them on its website. They are, however, available to all those who require them for their work.

The Management Board of SALUS, Ljubljana, d.d. considered the Corporate Governance Statement, including deviations from the recommendations of the Code, at the Management Board meeting on 27 February 2026 and confirmed that it is a true reflection of the actual state of governance of the Company in 2025.

3.3 Information and disclosures in connection with the ZPre-1 (paragraph 8 of Article 70 of ZGD-1)

- Structure of the Company's share capital

All shares of the Company are ordinary no-par-value bearer shares with voting rights, traded on the regulated market under the ticker symbol SALR. The shares entitle their holders to participate in the management of the Company, to vote at the General Meeting, to a proportionate share of profit (dividend), and to a corresponding share of the residual assets following liquidation or bankruptcy of the Company. All shares form a single class.

The Company's share register is maintained by the Central Securities Clearing Corporation (“KDD”). As of 24 August 2021, when Article 235.a of the ZGD-1 entered into force, the Company acquired the right to identify its shareholders — i.e. the right to obtain information on the holders of bearer shares. No owner of the Company exercises a dominant influence.

The Company's share capital amounts to EUR 8,300,000.00 and is divided into 8,219,250 ordinary no-par-value bearer shares. In accordance with the provisions of Section 4 of Part 6 of the ZGD-1, the General Meeting of Shareholders held on 17 April 2025 adopted a resolution to increase share capital from Company funds (capital reserves), increasing the Company's share capital from EUR 439,722.87 to EUR 8,300,000.00. The General Meeting also adopted a resolution to split the SALR shares at a ratio of 1:78, meaning that, following completion of all required procedures on 30 May 2025, the number of shares increased from 105,375 to 8,219,250.

According to the records of the regular General Meeting of Shareholders held on 17 April 2025, of the (then) total of 105,375 no-par-value shares with voting rights, 32,202 shares were present, in respect of which KDD certificates evidencing entitlement to vote with bearer shares were submitted by 25 persons:

25 persons	Number of shares	Percentage
21 natural persons	29,853	28.33%
Studio V d.o.o.	811	0.77%
NLB Funds – Slovenia mixed	776	0.74%
P&C Velenje d.o.o.	759	0.72%
NLB Funds – Pharmaceuticals and Healthcare mixed	3	0.003%

Members of the Management Board and the Supervisory Board attending the General Meeting submitted KDD certificates evidencing entitlement to vote (including proxies) for the following numbers of shares:

	Number of shares (including proxies)	Percentage
Žiga Hieng, Chairman of the Management Board	3,112	2.95%
Gregor Jenko, Member of the Management Board	14,220	13.50%
Boris Šefman, Chairman of the Supervisory Board	3,298	3.13%

There are no cross-shareholdings with other companies in the SALUS Group.

- Restrictions on the transfer of shares

All shares of the Company are freely transferable.

- Qualifying holdings under the ZPre-1

According to information obtained by the Company up to 31 December 2025 under the ZPre-1 (regarding qualifying holdings), JENFIN d.o.o., Štihova ulica 20, Ljubljana, whose sole owner is Gregor Jenko, Member of the Management Board of SALUS, Ljubljana, d.d., holds a qualifying holding, holding 858,780 dematerialised ordinary no-par-value bearer SALR shares, representing 10.45% of the share capital of SALUS, Ljubljana, d.d.

In addition, the Company is required to disclose transactions by persons performing managerial duties and persons closely associated with them, in respect of which JH investicije d.o.o. (whose beneficial co-owners are Žiga Hieng and Gregor Jenko, Members of the Management Board of SALUS, Ljubljana, d.d.) holds a 2.95% equity stake in SALUS, Ljubljana, d.d. That company does not reach the qualifying holding threshold.

- Holders of securities granting special control rights

The Company has not issued any securities granting special control rights.

- Employee share scheme

The Company has no employee share scheme.

- Restrictions on voting rights

There are no restrictions on voting rights.

- Shareholder agreements that may result in restrictions on the transfer of shares or voting rights

The Company is not aware of any such agreements.

- Company rules
  - on the appointment and replacement of members of the management or supervisory bodies

The Chairman and other members of the Management Board are appointed and dismissed by the Supervisory Board in accordance with the ZGD-1, the Company's Articles of Association, and the Rules on the Selection of Management Board Members. Management Board members serve a five-year term and may be reappointed. The Supervisory Board consists of five members: three shareholder representatives and two employee representatives. Supervisory Board members serve a four-year term and may be re-elected. In accordance with the ZGD-1 and the Articles of Association, the shareholder representatives on the Supervisory Board are elected by the shareholders at the General Meeting by a majority of the votes of shareholders present and may be removed early by the General Meeting by a three-quarters majority of the votes of shareholders present. Employee representatives on the Supervisory Board are elected and removed, in accordance with the legislation, by the workers' assembly by a majority of the votes of workers who have active voting rights at the time of the vote.

- on amendments to the Articles of Association

Amendments to the Articles of Association are decided by the General Meeting by a three-quarters majority of the share capital represented at the meeting.

- Powers of members of the Management Board, in particular regarding treasury shares

At its 38th regular session held on 14 April 2023, the General Meeting authorised the Management Board to acquire treasury shares, on the condition that the aggregate of all treasury shares, together with those already held by the Company, may not exceed 10 (ten) % of the Company's share capital, i.e. 10,437 shares. The authorisation to acquire treasury shares is valid for 36 months from the date of the General Meeting resolution. The Company may acquire treasury shares through transactions concluded on the regulated securities market at the prevailing market price. It may also acquire treasury shares outside the regulated securities market. When acquiring shares on the regulated or unregulated securities market, the purchase price per share must not be lower than EUR 707.51 or higher than EUR 1,881.93. In addition, with the prior consent of the Supervisory Board, the Management Board may use these treasury shares to exchange them for shares or equity interests in other companies, with the shareholders' pre-emptive right being excluded. If the Management Board does not use the treasury shares for that purpose, it shall cancel the treasury shares acquired under this authorisation without any further resolution on the reduction of share capital, and has the authorisation of the General Meeting to align the wording of the Articles of Association with any reduction of share capital arising from the cancellation of treasury shares acquired under the said authorisation. The Company did not acquire any treasury shares during the period from receipt of the General Meeting's authorisation to 31 December 2025.

- Significant agreements that take effect are amended, or terminate as a result of a change of control of the Company arising from a public takeover bid

The Company is not aware of any such agreements.

- Agreements between the Company and members of its management or supervisory bodies or employees providing for compensation if they resign, are dismissed without just cause, or their employment is terminated as a result of an offer governed by the takeovers act

The Company has no agreements under which members of the management or supervisory bodies or employees would receive compensation if they were to resign, be dismissed without just cause, or have their employment terminated as a result of an offer governed by the takeovers act.

In the event of resignation, Management Board members are not entitled to severance pay. In the event of removal and termination of the employment contract without just cause, Management Board members are entitled to severance pay in accordance with their individual management contracts and the Remuneration Policy of SALUS, Ljubljana, d.d.

3.4 Internal controls and risk management in relation to financial reporting

The Management Board is responsible for keeping appropriate books of account, establishing the operation of the system of internal controls, safeguarding Company assets, and selecting and applying accounting policies. The system of internal controls ensures that accounting records are accurate, reliable, and complete, and that financial reporting is true and fair. Controls are embedded in business processes and systems, thereby ensuring compliance with legislation and other regulations, standards, contracts, and internal Company rules, the efficient and effective conduct of operations, the achievement of strategic objectives, and the management of key risks relating to financial reporting. The risk management system in relation to financial reporting is designed to ensure the identification and assessment of material risks, the definition of measures to manage those risks, and reporting on risks. Risk management and risk-related control mechanisms are described in more detail in a dedicated section of this report.

To ensure an effective system of internal controls that flags errors or fraud as early as possible — thereby limiting the likelihood of an adverse event while remaining cost-effective — the Company has put in place clear and uniform accounting policies (based on IFRS as adopted by the EU), applied consistently across the SALUS Group for the purposes of preparing the consolidated financial statements, and has organised an effective accounting function within the individual Group companies and at Group level. In addition, the SALUS Group places strong emphasis on compliance and transparency at all levels of operations, providing regular training to employees and business partners, which is the cornerstone of effective oversight of operations and the prevention of misconduct.

The operation of the system of internal controls is monitored by management, external auditors, and other independent assessors. Oversight is also exercised by the Audit Committee of the Supervisory Board, which monitors the effectiveness and accuracy of financial reporting in connection with the Company's overall risk management system. The Company does not have an internal audit function.

We consider that the current system of internal controls in the Company and the Group in 2025 ensured the efficient and effective achievement of business objectives, operations in compliance with statutory requirements, and fair and transparent reporting in all material respects.

3.5 Information on the operation of the General Meeting

The General Meeting of Shareholders is the highest body of the Company. Shareholders exercise their governance rights and powers at the General Meeting, where they take decisions. The General Meeting is conducted in accordance with the applicable legislation and the valid Articles of Association of SALUS, Ljubljana, d.d. The General Meeting is convened at the initiative of the Management Board, the Supervisory Board, or holders of ordinary shares representing at least 5% of the share capital. Notice of the General Meeting is published at least thirty days before the meeting on the websites of the LJSE, the Agency of the Republic of Slovenia for Public Legal Records and Related Services ("AJPES"), and the Company. All bearer-shareholders are entitled to attend and vote at the General Meeting, provided they evidence their entitlement by a certificate as at the record date and have registered their attendance no later than by the end of the fourth day before the meeting. Any counter-proposals by shareholders must be filed in writing no later than 7 days after publication of the notice convening the General Meeting.

The Company published the notice convening the 40th Annual General Meeting ("AGM") of Shareholders on 11 March 2025, scheduled to be held on 11 April 2025. However, the notice was cancelled the following day due to its late publication on the AJPES portal. The notice convening the 40th AGM dated 13 March

2025 was published within the required timeframe and through the channels prescribed by the Company's Articles of Association, i.e. at least thirty days prior to the meeting on the websites of the LJSE, AJPES and the Company. At the General Meeting held on 17 April 2025, the shareholders took note of the Annual Report of SALUS, Ljubljana, d.d. and the Consolidated Annual Report of the SALUS Group for the financial year 2024, including the Auditor's Report. The shareholders adopted a resolution on the use of accumulated profit and granted discharge to the Management Board and the Supervisory Board for the financial year 2024. The General Meeting appointed the auditor for the financial years 2025, 2026, 2027 and 2028, resolved on the remuneration of Supervisory Board members for 2024, and determined the attendance fees and remuneration of the members of the Supervisory Board and its committees for 2025 and 2026. Furthermore, the shareholders approved the revised Remuneration Policy for the members of the Management Board and the Supervisory Board and the Remuneration Report for the management and supervisory bodies for 2024, adopted amendments to the Articles of Association and approved the amendment of Article 10 of the Deed of Incorporation of SALUS, Veletrgovina, d.o.o.

3.6 Information on the composition and operation of the management or supervisory bodies

The Company has a two-tier governance system. The Company is managed by a two-member Management Board and supervised by the Supervisory Board. The corporate bodies of the Company are the General Meeting of Shareholders, the Supervisory Board, and the Management Board. The Audit Committee operates within the Supervisory Board as an advisory body. The Company has no other standing committees.

Management Board

The Company is managed by the Management Board. The Management Board is competent and responsible for adopting and implementing all management decisions. The Management Board consists of two members: a Chairman and a member of the Management Board, both of whom represent the Company independently and without limitation. The Management Board is appointed and dismissed by the Supervisory Board. The Management Board operates through Management Board meetings. In addition to formal meetings, it exercises its competencies and responsibilities in day-to-day operations and its competencies and responsibilities towards the General Meeting as defined by the ZGD-1.

The Management Board is appointed for a five-year term and may be reappointed. The Company has adopted Rules on the Selection of Management Board Members, which sets out the rules, criteria, and procedure for selecting members of the management body, with particular emphasis on ensuring continuity of the management body.

In 2025, the Management Board comprised of:

- Žiga Hieng, Chairman of the Management Board,
- Gregor Jenko, Member of the Management Board,

both appointed at the Supervisory Board meeting on 22 December 2022 for a five-year term running from 1 January 2023 to 31 December 2027.

Supervisory Board

The Company has a five-member Supervisory Board. Three members of the Supervisory Board are appointed and elected by the General Meeting of Shareholders upon the proposal of the Supervisory Board. Two members are employee representatives and are elected by the employees. The Supervisory Board elects a Chairman and a Deputy Chairman from among its members. The Supervisory Board operates in accordance with the applicable legislation, the Articles of Association, and the Rules of Procedure of the Supervisory Board. Supervisory Board members sign a statement of independence upon taking up their mandate and once a year thereafter, and report annually on the implementation of the Code of Conduct.

The members of the Supervisory Board representing capital — Boris Šefman, Peter Jenčič, and Bogomir Kos — were elected on 22 April 2022 by the General Meeting of Shareholders of SALUS, Ljubljana, d.d. for a four-year term beginning 28 April 2022. The employee representatives on the Supervisory Board, Miha Lebinger and Žiga Zore, were elected by the employees for a four-year term beginning 27 April 2022, of which the General Meeting of Shareholders was informed.

In 2025, the Supervisory Board comprised of:

- Boris Šefman, Chairman of the Supervisory Board,
- Peter Jenčič, Deputy Chairman of the Supervisory Board,
- Bogomir Kos, Member of the Supervisory Board,

- Miha Lebinger, Member of the Supervisory Board, and
- Žiga Zore, Member of the Supervisory Board.

Audit Committee

The Supervisory Board has established an Audit Committee consisting of three members. The Chairman and one member of the Audit Committee are appointed by the Supervisory Board from among its members. The third member is an independent expert qualified in auditing and accounting. The Audit Committee operates in accordance with the provisions of the ZGD-1 and the Rules of Procedure of the Audit Committee.

The Audit Committee, appointed at the third regular meeting of the Supervisory Board on 5 May 2022 for a term beginning 14 May 2022, comprised of the following members in 2025:

- Boris Šefman, Chairman of the Audit Committee
- Peter Jenčič, Member of the Audit Committee
- Martin Železnik, independent expert in auditing and accounting

Diversity Policy

The Company and the Supervisory Board of SALUS, Ljubljana, d.d. adopted an updated Diversity Policy of the joint-stock company SALUS, Ljubljana, d.d. on 13 November 2023.

The purpose of the Diversity Policy is to define the elements of diversity taken into account in relation to representation on the Company's management and supervisory bodies with a view to ensuring effective governance. The Policy sets the framework for representation on the Company's management and supervisory bodies and for ensuring equal opportunities for all, regardless of nationality, race, gender, age, religion, beliefs, financial status, or other personal characteristics. The aim of the Diversity Policy is to promote a diverse composition of the management and supervisory bodies in order to enable better-quality decision-making, the consideration of different perspectives, and effective governance and oversight of the Company.

The Diversity Policy is implemented through the process of identifying, selecting and proposing candidates for members of the Supervisory Board (shareholder representatives) to the General Meeting of Shareholders, and on the appointment of members of the Management Board and members of the Supervisory Board's Audit Committee.

In 2025, the objectives of the Diversity Policy were largely met. These objectives relate to diversity of education, profession, experience, and age. The gender diversity objective of the Diversity Policy was not met. Both the Management Board and the Supervisory Board of the Company are composed of male representatives, which is a result of the most recent appointments in 2022, which prioritised continuity on the shareholder representatives' side. On the employee representatives' side, the process is conducted independently of the Company, as the Workers' Participation in Management Act requires that voters be guaranteed freedom and secrecy of voting. Although the Company is not subject to the requirements of Article 254b of the Companies Act, as it does not meet all the prescribed criteria (specifically, it does not employ more than 250 employees), it will endeavour, to the greatest extent possible, to comply with the adopted Diversity Policy in future appointments.

Remuneration Policy for the Management and Supervisory Bodies

In accordance with Article 294.a of the ZGD-1, SALUS, Ljubljana, d.d. has adopted a Remuneration Policy for the Management and Supervisory Bodies (the "Remuneration Policy"). The latest revised Remuneration Policy was approved at the 40th General Meeting of the Company. The remuneration received by individual members of the Management Board and the Supervisory Board in financial year 2025 is consistent with the Remuneration Policy and is set out in this report, with further detail provided in the Report on Remuneration of Members of the Management and Supervisory Bodies of SALUS, Ljubljana, d.d. for 2025, which is published as a separate document.

In accordance with the Remuneration Policy, members of the Management Board are entitled to:

- a salary, as the fixed component of Management Board remuneration, intended to compensate the performance of duties and the assumption of responsibilities, determined in accordance with the powers, duties, experience, and responsibilities of the individual Management Board member and general market conditions;
- a performance-related bonus, as the variable component of Management Board remuneration, based on the operating performance of the SALUS Group and assessed against quantitatively selected economic and financial indicators and qualitative criteria that contribute to fulfilling the Company's values and objectives and to achieving specific project or development goals;
- other remuneration, such as a holiday allowance, retirement severance pay, and long-service bonus (all of the above under the same conditions and in the same amounts as apply to Company employees), bonus for an increase in the value of the SALUS Group at the end of the mandate, compensation in the event of early dismissal or termination of the mandate by mutual agreement, a co-financed voluntary supplementary pension insurance premium, compensation for performing functions in other companies, and monetary compensation for compliance with the non-compete clause after termination of the mandate.

The remuneration of the Supervisory Board is determined by the General Meeting of SALUS, Ljubljana, d.d. At the General Meeting held on 17 April 2025, a resolution was adopted setting the attendance fees for members of the Supervisory Board and members of the Supervisory Board who serve on Supervisory Board committees, as well as the amount of remuneration for Supervisory Board members for the past year 2024 and for the years 2025 and 2026.

C.1: Composition of the Management Board in 2025

Name and surname, function (gender, nationality, year of birth)	Area of responsibility on the Management Board	First appointment to function / end of term	Education	Professional profile	Membership in supervisory bodies of non-affiliated companies
Žiga Hieng **Chairman of the Management Board / Director** **(male, Slovenian, 1980)**	sales, logistics, quality, human resources	1 January 2018 / ongoing	M.Sc., CFA	competencies across all areas of management	no
Gregor Jenko **Member of the Management Board / Director** **(male, Slovenian, 1981)**	finance, legal affairs, business development, IT	1 January 2018 / ongoing	B.A in Economics	competencies across all areas of management	no

C.2: Composition of the Supervisory Board and its committees in 2025

Name and surname, function (gender, nationality, year of birth)	First appointment to function / end of term	Representative of capital / employees	Meetings attended / total number of Supervisory Board meetings	Education	Professional profile	Independence under Article 25 of the Code	Existence of conflict of interest in the financial year	Membership in supervisory bodies of non-affiliated companies	Membership in Supervisory Board committees	Meetings attended / total number of committee meetings
Boris Šefman **Chairman of the Supervisory Board** **(male, Slovenian, 1951)**	25 April 2002 / ongoing	capital	6/6	B.Sc. in Economics	economist	no*	yes*	no	Chairman of the Audit Committee	4/4
Peter Jenčič **Deputy Chairman of the Supervisory Board** **(male, Slovenian, 1981)**	27 April 2018 / ongoing	capital	5/6	B.Sc. in Economics	investor relations	yes	no	no	Member of the Audit Committee	4/4
Bogomir Kos **Member of the Supervisory Board** **(male, Slovenian, 1951)**	22 May 2010 / ongoing	capital	6/6	B.Sc. in Economics	economist	no*	yes*	no	no	/
Miha Lebinger **Member of the Supervisory Board** **(male, Slovenian, 1970)**	27 April 2022 / ongoing	employees	6/6	DVM	commercial sales representative	yes	no	no	no	/
Žiga Zore **Member of the Supervisory Board** **(male, Slovenian, 1989)**	27 April 2022 / ongoing	employees	6/6	M.A. in Sociology	HR and organisational development associate	yes	no	no	no	/

* Has served more than 3 terms; however, this circumstance is not permanent or relevant.

External members of Supervisory Board committees

Name and surname, function (gender, nationality, year of birth)	Committee	Meetings attended / total number of Supervisory Board committee meetings	Education	Professional profile	Membership in supervisory bodies of non-affiliated companies
Martin Železnik (male, Slovenian, 1981)	Audit Committee	4/4	B.Sc. in Economics	certified auditor	no

4 ANALYSIS OF OPERATIONS IN 2025

4.1 Explanation of the calculation of financial indicators

The SALUS Group measures business performance using a range of indicators that best reflect its strategic priorities of growth, efficiency, and shareholder returns. The use of these indicators, which is not intended to replace IFRS-derived measures, provides additional useful information about the Group's operations to all stakeholders. These so-called alternative performance measures ("APMs") are also used within the SALUS Group for planning future operations, internal reporting, and setting objectives, including the related employee remuneration system. The key APMs are: operating profit from ordinary operations, ordinary EBITDA, net debt, and net working capital.

The calculation and intended use of each APM are explained below.

Ordinary EBITDA and operating profit from ordinary operations

Definition	Intended use
Operating profit from ordinary operations: operating result minus other expenses plus other income	The SALUS Group uses adjusted operating profit to monitor business performance before extraordinary, unusual, or one-off items, which are captured under other income and other expenses. The Management Board considers this indicator useful because it provides an indication of the profitability of the SALUS Group's ordinary operations, excluding the effects of significant events and/or decisions that occur less frequently.
Ordinary EBITDA: operating profit from ordinary operations, increased by depreciation and amortisation	EBITDA is an indicator widely used by investors and analysts to assess companies' business performance. The SALUS Group uses adjusted EBITDA, which excludes extraordinary, unusual, or one-off items recognised under other income and other expenses. The Group uses EBITDA because the indicator provides a good approximation of cash flow from ordinary operations and offers useful information on the Group's ability to repay debt and finance investments.

The table below shows the reconciliation of the SALUS Group's ordinary EBITDA to operating profit under IFRS:

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Ordinary EBITDA	-692,806	-1,177,360	27,667,876	24,409,523
Depreciation and amortisation	-174,736	-206,018	-7,999,965	-7,704,658
Profit from ordinary operations	-867,542	-1,383,378	19,667,911	16,704,865
Other income	0	0	0	0
Other expenses	0	0	0	0
Operating profit	**-867,542**	**-1,383,378**	**19,667,911**	**16,704,865**

Gross profit

Definition	Intended use
Gross profit: revenue from the sale of goods and services minus cost of goods sold	Gross profit is an important indicator of business performance for the SALUS Group, as it directly reflects the margin the Group achieves from its core activities, i.e. the surplus generated on the sale of goods and services over the cost of goods sold.

The calculation of gross profit is shown in the statement of profit or loss.

Net debt

Definition	Intended use
Net debt: non-current financial liabilities plus current financial liabilities minus cash and cash equivalents minus current financial assets	Net debt is a measure of the Group's indebtedness that directly reflects its ability to repay its debts. The SALUS Group also monitors this measure regularly because banking covenants under the loan agreement are linked to it.

The SALUS Group calculates net debt as follows:

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Non-current financial liabilities	3,581,096	4,898,560	19,747,568	14,141,744
Current financial liabilities	1,327,485	2,859,099	7,322,195	5,133,433
Current financial assets	-151,093	-107,333	-104,966	-107,441
Cash and cash equivalents	-1,110,196	-113,025	-14,097,393	-16,508,399
Net debt	**3,647,292**	**7,537,301**	**12,867,404**	**2,659,337**

Net working capital

Definition	Intended use
Net working capital: current trade receivables, including income tax receivables, plus inventories minus current trade payables, including income tax liabilities	Net working capital is an important indicator for the SALUS Group, essential to financial stability and business performance. The Management Board considers it a good indicator of the Group's ability to use working capital to maintain the balance between growth, profitability, and liquidity. In its calculation, the SALUS Group does not include other receivables and other current assets, or provisions and deferred taxes, as the Group's core activity is the sale of goods and the provision of services, on which the aforementioned items have no material impact.

The SALUS Group calculates net working capital as set out in the table below.

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Current trade receivables and income tax receivables	117,268	34,283	85,061,971	73,414,753
Inventories	0	0	79,991,518	61,892,411
Current trade payables and income tax liabilities	-83,283	-50,294	-125,220,081	-106,168,711
Net working capital	**33,985**	**-16,011**	**39,833,408**	**29,138,453**

4.2 Market in 2025

In 2025, the market for medicinal products, over-the-counter medicines, and food supplements in the Republic of Slovenia — in which the SALUS Group's companies predominantly operate — grew by 4.57% compared with 2024, according to internal data from the IMS database.

Total sales value was EUR 1,275.6 million, compared with EUR 1,219.8 million the previous year. By volume, the market recorded moderate growth in 2025, with 0.26% more units of medicinal products, over-the-counter medicines, and food supplements sold than in 2024.

The value of medicines sold to pharmacies in 2025 amounted to EUR 941.54 million, representing 5.28% growth compared with 2024. The volume of medicines sold in this segment increased by 0.84%. The value of medicines sold to hospitals in 2025 amounted to EUR 288.42 million, representing 1.07% growth compared with 2024, with the volume of medicines sold decreasing by 9.64%.

The reason that market growth in value terms significantly outpaced volume growth is primarily a shift in the mix of medicines sold. On the Slovenian market, the share of relatively more expensive medicines, particularly prescription medicines, is increasing.

4.3 Financial performance

In 2025, the SALUS Group generated EUR 696,194,446 in **operating revenue** (2024: EUR 648,830,142), an increase of EUR 47,364,304 over the previous year. The largest share of revenue was contributed by sales of goods on the Slovenian market, amounting to EUR 624,456,220 in 2025 (2024: EUR 587,625,522). The SALUS Group also generated EUR 1,525,477 in rental income (2024: EUR 699,361) and EUR 407,988 in other operating income.

In 2025, the SALUS Group recorded **gross profit** of EUR 83,220,691, an increase of EUR 9,701,407 over the previous year (2024: EUR 73,519,284).

The SALUS Group's **operating expenses** in 2025 totalled EUR 62,278,866 (2024: EUR 55,938,794). Within the structure of operating expenses, labour costs are by far the most significant in both absolute and relative terms (53.84%), followed by costs of services and materials (33.31%) and depreciation and amortisation (12.85%).

In 2025, the SALUS Group recorded **operating profit from ordinary operations** of EUR 19,667,911 (2024: EUR 16,704,865) and **ordinary EBITDA** of EUR 27,667,876 (2024: EUR 24,409,523).

The **financial result**, calculated as the difference between finance income and finance expenses, was a positive EUR 1,798,241 in 2025 (2024: EUR -37,566).

Net profit for the 2025 financial year was EUR 16,962,858 (2024: EUR 13,017,104).

4.4 Financial position

The SALUS Group's total assets as at 31 December 2025 amounted to EUR 253,617,976 (31 December 2024: EUR 217,078,431).

Consolidated **non-current assets** as at 31 December 2025 amounted to EUR 69,090,455 (31 December 2024: EUR 62,617,714). Property, plant and equipment, intangible assets, and investment property increased compared with the previous year, primarily as a result of business combinations.

The SALUS Group's **net working capital** as at 31 December 2025 amounted to EUR 39,833,408, an increase over the previous year (2024: EUR 29,138,453), also as a result of business combinations.

The SALUS Group's **financial liabilities** as at 31 December 2025 amounted to EUR 27,069,763, of which the non-current portion was EUR 19,747,568 and the current portion was EUR 7,322,195 (31 December 2024: EUR 14,141,744 non-current, EUR 5,133,433 current). Liabilities increased primarily due to new borrowings (to fund the purchase price in business combinations).

4.5 Cash flows

Cash flows generated from operating activities of the SALUS Group in 2025 amounted to EUR 19,427,739, an increase over the previous year (2024: EUR 12,088,094). The SALUS Group used the funds generated internally for investing activities, dividend payments, and loan repayments.

5 KEY BUSINESS EVENTS IN 2025

- Pursuant to the Public Call for Tenders by the sellers — the City Municipality of Maribor, the Municipality of Duplek, the Municipality of Hoče-Slivnica, the Municipality of Rače–Fram, the Municipality of Miklavž na Dravskem polju, and the Municipality of Starše — published in the Official Gazette of the Republic of Slovenia, No. 87/2024 of 11 October 2024, as subsequently amended, on 18 April 2025 SALUS, Veletrgovina, d.o.o. submitted a binding offer to purchase all business shares of FARMADENT d.o.o. The process of acquiring the entire business interest in FARMADENT d.o.o., together with its subsidiary GOPHARM d.o.o., was successfully completed on 15 October 2025, in accordance with the Sale and Purchase Agreement for 100% of the business shares in Farmadent, signed on 2 September 2025. Upon fulfilment of the contractual conditions, SALUS, Veletrgovina, d.o.o. paid the purchase price of EUR 8,460,000.00. With this acquisition, SALUS, Veletrgovina, d.o.o. became the sole owner of FARMADENT d.o.o. and, indirectly, of GOPHARM d.o.o., further strengthening the SALUS Group's position on the Slovenian pharmaceutical wholesale market.

- In accordance with the provisions of Section 4 of Chapter 6 of the ZGD-1, at the General Meeting of Shareholders held on 17 April 2025 a resolution was adopted to increase the Company's share capital from the Company's own funds by charging the capital reserves, increasing the Company's share capital from EUR 439,722.87 to EUR 8,300,000.00. The General Meeting of Shareholders also adopted a resolution to split the shares with the ticker symbol SALR at a ratio of 1:78, meaning that the number of shares increased from the existing 105,375 to 8,219,250 shares. Following the entry of the amendment of the Company's Articles of Association concerning the share split, the automatic share split was carried out on 30 May 2025 via KDD in the central securities register: through the issuer's corporate action, the SALR shares were allocated to the accounts of the shareholders who were registered as holders in the central register on the record date.

- On 19 December 2024, the National Assembly of the Republic of Slovenia adopted the Act Amending the Pharmacy Practice Act ("ZLD-1D"), which provides that, from 1 January 2025, the provisions of the ZLD-1 (and not the provisions of the act governing public procurement) apply to the procedure for ensuring appropriate stocks of medicinal products that public pharmacy institutions must provide at the primary level of healthcare activity. The Act also sets out the method/guidelines for ordering, the obligation to order from at least three wholesalers, the restriction that no more than 70% of annual turnover in medicinal products may be generated with a single wholesaler, and the principles, conditions, and obligations to be observed when ordering medicinal products. On 18 June 2025, the European Commission issued an initial letter of formal notice to the Republic of Slovenia for non-compliance with EU public procurement rules. The European Commission considers that the Republic of Slovenia has not correctly implemented the provisions of the EU Public Procurement Directive, as the provisions of the Pharmacy Practice Act that exempt public pharmacy institutions from conducting public procurement procedures for medicinal products are not in compliance with EU legislation. The Republic of Slovenia has been granted an extension of the deadline for submitting its response, which would otherwise have expired on 18

October 2025. Should the European Commission deem the response unsatisfactory, it may issue a reasoned opinion as the next step in the infringement procedure, and subsequently initiate proceedings against the Republic of Slovenia before the Court of Justice of the European Union.

- In accordance with the provisions of the Sale and Purchase Agreement for the business shares in Medorion d.o.o., Ulica Janka Draškovića 5, 10430 Samobor, Republic of Croatia ("Medorion"), concluded on 16 June 2023 between SALUS, Ljubljana, d.d. as buyer and Mr Rastislav Baričevec as seller, on 17 July 2025 SALUS, Ljubljana, d.d. acquired an additional 16% business interest in Medorion for consideration of EUR 1,150,927. SALUS, Ljubljana, d.d. currently holds a 67% ownership interest in Medorion.

- On 19 December 2025, SALUS, Ljubljana, d.d. received an Official Note from the Slovenian Competition Protection Agency (the "Agency"), from which it follows that prosecution in misdemeanour proceedings No. 3063-4/2014 against the offenders — including SALUS, Ljubljana, d.d., FARMADENT d.o.o. and GOPHARM d.o.o. and their responsible persons — for the misdemeanour under the first indent of paragraph 1 of Article 73 of the Prevention of the Restriction of Competition Act ("ZPOmK-1"), or the misdemeanour under paragraph 2 of Article 73 of the ZPOmK-1 in conjunction with the first indent of paragraph 1 of Article 73 of the ZPOmK-1, had become time-barred, as more than 10 years have elapsed since the cessation of the infringement, and that therefore no misdemeanour decision will be issued. In administrative proceedings, on 14 October 2013 the Agency issued Decision No. 306–45/2010–224, in which it found that SALUS, Ljubljana, d.d., together with other parties to the proceedings, had infringed Article 6 of the ZPOmK-1 and Article 101 of the Treaty on the Functioning of the European Union. The Agency alleged that, in the wholesale distribution of medicinal products for human use to public pharmacy institutions in the Republic of Slovenia, all parties to the proceedings had entered into agreements or engaged in concerted practices relating to the setting of medicine prices, market sharing and/or public procurement for the supply of medicinal products for human use to public pharmacy institutions, as well as the submission of collusive tenders in public procurement procedures of public sector contracting authorities, with the aim of preventing, restricting or distorting competition. In connection with the aforementioned proceedings, SALUS, Ljubljana, d.d. exhausted all available legal remedies in Slovenia, but nevertheless continues to deny all alleged infringements. With regard to the misdemeanour proceedings initiated by the Agency on 3 June 2014, the Company received the above-mentioned official record, in which the Agency concluded that prosecution in the case had become time-barred.

- On 27 December 2025, the Act on Additional Intervention Measures in Healthcare ("ZDIUPZ", Official Gazette of the Republic of Slovenia, No. 111/25) entered into force, which, inter alia, sets a maximum payment term of 60 days for public healthcare institutions founded by the Republic of Slovenia that provide healthcare services at the secondary and tertiary levels. This measure applies until 31 December 2027.

6 JUDICIAL AND ADMINISTRATIVE PROCEEDINGS

SALUS, Ljubljana, d.d. is not a party — either as plaintiff or as defendant — in any material judicial proceedings.

In the event of material developments concerning open judicial and administrative proceedings, the Company will inform all stakeholders and the interested public via the websites of the LJSE (SEOnet) and on its own website.

7 RISK MANAGEMENT

The SALUS Group regularly monitors its risk exposures and takes measures to manage them. In accordance with the law and good practice, risk management is the responsibility of the Management Board, which reports on risks and on the measures taken to the Audit Committee and the Supervisory Board. Risk management is integrated into all business processes. In this respect, the SALUS Group relies on a range of standard operating procedures and other internal instructions, which incorporate process-level controls to ensure smooth operations and to minimise risk.

To support risk management, we have prepared a SALUS Group risk register, which provides a comprehensive inventory of risks and is intended for the timely identification and management of factors that may jeopardise the achievement of the Group's objectives.

The SALUS Group divides risks into two main categories: operational risks and financial risks.

7.1 Operational risks

The SALUS Group divides operational risks into external environment risks and internal environment risks.

Among external environment risks, the Group monitors risks in the macroeconomic and microeconomic environment in which it operates. Among internal environment risks, the Group monitors risks related to its own operations.

7.1.1 External environment risks

Among external environment risks, the SALUS Group monitors political risks, global and industry economic risks, legislative and regulatory risks, natural-environment risks, and risks related to customers, suppliers, and competitors.

7.1.1.1 Macroeconomic environment risks

- Political risks

The SALUS Group operates in eight countries in the Central and Southern European region, including some countries classified as having a high risk of corruption and political instability. To limit these risks, the SALUS Group devotes considerable attention to monitoring and analysing the political environment in the countries concerned (both current political conditions and the history of political instability). In addition, the Group's operations are diversified across multiple markets, reducing the impact of political risk in any individual country on the Group as a whole. In 2026, parliamentary elections will be held in several countries where the SALUS Group operates — including Slovenia, Bosnia and Herzegovina, and Lithuania — but, based on the current situation, the Group does not anticipate significant political upheaval or impact on its operations.

Western Balkan countries have recently experienced large-scale border crossing blockades, organised by professional drivers in protest against stricter enforcement of the Schengen rule limiting third-country nationals' stays (including numerous Western Balkan drivers) to 90 days within any 180-day period, and against the introduction of the EES (Entry/Exit System). The protests and stricter enforcement of the rules have caused significant disruptions on the region's main logistics corridors. There is increased risk of temporary delivery delays, which may be particularly problematic for temperature-sensitive products. The risk is currently manageable, as the Group actively monitors the situation and, where necessary, uses alternative transport routes and reinforced supply chain control procedures. Additional mitigation measures include maintaining higher safety stock levels and intensified communication with logistics partners.

In addition to regional risks, global geopolitical events also materially affect the SALUS Group's operations. The war in Ukraine continues to cause disruptions on European logistics corridors and to increase energy, raw material, and transport costs. Conflicts in the Middle East — including tensions between Israel and Palestine and security risks in the Strait of Hormuz — are increasing volatility in energy prices and risks in maritime supply chains. Conditions in Iran and the related sanctions further affect global energy supply, which may indirectly translate into higher distribution costs. Such geopolitical risks, including trade sanctions, disruptions on international corridors, and energy-price fluctuations, affect product availability, operating costs, and the overall stability of the business environment. As a result, the Group continuously monitors developments and adjusts its supply chain and risk management measures accordingly.

- Legislative and regulatory risks

The SALUS Group protects itself against legislative and regulatory change risk through systematic monitoring of developments and prompt response to them. The Group actively participates in industry associations through which it can voice its opinion and seek to have such opinions taken into account in the adoption of relevant legislation. The Group immediately analyses the impact of relevant new laws to assess their potential effects on its operations.

The main regulatory risk for Group companies engaged in wholesale activities is changes in legislation concerning the medicinal products market and the activities of wholesalers in medicinal products and medical devices. In Slovenia, the implementing regulations under the Medicinal Products Act ("ZZdr-2") — which would set out in detail the framework for the operation of wholesalers with full-scope activities (which include SALUS, Veletrgovina, d.o.o., FARMADENT d.o.o., and GOPHARM d.o.o.) and wholesalers with contact-limited and product-limited scope of activities (which include SANOLABOR, d.d.) — have not yet been adopted. We do not expect the adoption of these implementing regulations to worsen the position of the Group companies, but the risk is present to a moderate extent.

In Slovenia, an amendment to the Pharmacy Practice Act ("ZLD-1C") entered into force on 1 December 2021, which once again permits vertical integration in pharmacy activities, provided that the wholesaler is established by a public pharmacy or a municipality. For SALUS, Veletrgovina, d.o.o., business cooperation with a vertically integrated wholesaler represents a business risk, as vertical integration leads to an unequal position on the market relative to other wholesalers. The Company manages the said risk through competitive market positioning and ongoing improvements in service quality.

In 2023, the legal framework and quality standards in the area of medical device leasing changed, as a result of which SANOLABOR, d.d. was required to invest significant resources, which also resulted in a strengthening of its market position. The ZZZS also adopted a new agreement on the supply of medical devices, which entered into force in 2024, with updated cooperation agreements with ZZZS signed accordingly. The Company's position did not deteriorate in 2025, but the risk is present to a moderate extent.

On 17 July 2023, the National Assembly adopted, under an urgent procedure, the Act on Urgent Measures for Ensuring the Uninterrupted Supply of Medicinal Products for 2023 and 2024 ("ZNUZNNZ"). Under that Act, for prescription medicinal products that public pharmacy institutions are required to provide within 24 hours of an order or by the next working day, during the period until 31 December 2024 the provisions of the act governing public procurement did not need to be applied. On 19 December 2024, the National Assembly adopted the Act Amending the Pharmacy Practice Act ("ZLD-1D"), which provides that, from 1 January 2025, the provisions of the ZLD-1 (and not the provisions of the act governing public procurement) apply to the procedure for ensuring appropriate stocks of medicinal products that public pharmacy institutions must provide at the primary level of healthcare activity.

In 2025, Group companies headquartered in Slovenia also closely monitored draft amendments to the Medicinal Products Act ("ZZdr-2") and the proposed new Medical Devices Act. The adoption procedures for both regulations had not yet been completed in 2025. Deterioration of the companies' position is not expected, but the risk is present to a moderate extent.

In the other countries in which the Group operates, the main regulatory risk likewise relates to changes in legislation governing the activities of the individual companies.

- Global and industry economic risks

Current macroeconomic conditions in Slovenia are stable, with inflation at around 2-3%. Energy price pressures have eased (although prices remain higher than pre-crisis levels), but domestic energy-related costs, such as grid charges, are rising. In 2025, new domestic sources of inflation have emerged, mainly wage growth and food prices. The European Central Bank began gradually lowering interest rates in 2025, but rates remain relatively high due to the slow pace of the monetary policy easing cycle.

The wholesalers' margin, which is regulated, has remained unchanged for more than 10 years, so rising costs on the purchasing side cannot be passed on or even partially offset through sales. This represents a significant business risk for the Group, which it manages primarily (but not exclusively) through contracts and the building of long-term relationships with contractual partners, the pursuit of new business opportunities to generate revenue, investments in productivity improvements, and, in some Group companies, by increasing the share of energy from their own solar power plants. As a result, no impact on debt servicing or liquidity challenges for the Group is currently observed.

Import and trade tensions between the US and the EU may pose several risks for pharmaceutical wholesalers. Key risks include increases in purchase prices for medicinal products, disruptions to supply chains and the resulting longer delivery times, as well as delays in the availability of certain therapies. A material risk arising from trade tensions relates to access to innovative medicines, as the US is a leading global producer of advanced and patented therapies. Additional uncertainty stems from the potential introduction of Most-Favoured-Nation (MFN) pricing mechanisms in the US, which would tie US medicine prices to the lowest prices in comparable countries, including European markets. Such an arrangement could prompt US manufacturers to restrict or delay the launch of innovative medicines on European markets, where prices are traditionally lower, thereby directly affecting the availability of the latest therapies in Europe, particularly in smaller and more price-sensitive markets. Chinese biotechnology companies are increasingly emerging as alternative sources of supply, rapidly developing advanced therapies and obtaining regulatory approvals at the global level. European innovators, as well as manufacturers from Japan and South Korea, continue to play an important complementary role, particularly in specific therapeutic areas and in the development of biosimilar medicines. Despite the global concentration of suppliers of innovative therapies, the SALUS Group considers the current risks to be contained. Most of key therapies within the Group’s portfolio are sourced from European suppliers, where an extensive network of manufacturers and alternative procurement channels has been established. The SALUS Group systematically monitors regulatory, pricing and trade developments and, where necessary, adjusts its procurement and portfolio strategies in order to ensure a stable supply of medicines and their long-term availability.

- Natural environment risks

Catastrophe risks have a low frequency of occurrence but are significant.

MEDITRADE d.o.o., SALUS, Veletrgovina, d.o.o., and SANOLABOR, d.d. hold ISO 14001 (Environmental Management Systems) certification, so procedures have been established in these companies for identifying possible environmental risks, including risks of emergencies, accidents, and natural disasters due to climate change (major floods, severe storms, etc.). These risks are already managed through the management of logistics infrastructure and the provision of business continuity.

In 2025, no emergencies or accidents with adverse environmental impact were recorded.

7.1.1.2 Microeconomic environment risks

In the area of commercial and market risks, SALUS, Veletrgovina, d.o.o. is observing a decline in the volumes of medicines sold in certain segments of the Slovenian medicinal products market and a shift in the mix of medicines sold in favour of more expensive medicines. This results in decline in the price differential for a particular market segment, as the wholesale margin is regulated (and has not been adjusted, not even for inflation, since 2010). The scope and amount of this margin are influenced mostly by the quantity of medicines sold and to a lesser extent by the price of medicines sold. The Company manages this risk through expansion of its range of services, geographic diversification of the provision of existing services, and management of the volumes of medicines sold.

A certain risk also exists for SALUS, Veletrgovina, d.o.o. in the expected execution of medicines ordering by public pharmacy institutions under the amended ZLD-1D, which governs the medicines ordering procedure as of 1 January 2025.

For Group companies that also participate in public procurement procedures, there is a risk of contracting authorities' "non-commitment" to actually order or purchase the goods quantities tendered. Some Group companies headquartered in other countries face risks due to deficient legal frameworks in the area of public procurement.

7.1.2 Internal environment risks

Among internal environment risks, the Group monitors logistics infrastructure risks, inventory management risks, quality assurance risks, information system risks, human resources management risks, and risks of fraud and compliance.

7.1.2.1 Logistics infrastructure risks

Logistics infrastructure risks include risks related to energy supply and the reliability and availability of technical systems. In the event of a power outage, Group companies with their own warehouse infrastructure are equipped with diesel power generators.

The risk of reliability and availability of technical systems is mitigated through continuous operational monitoring by a team of qualified maintenance technicians, regular inspections and servicing, and equipment upgrades.

7.1.2.2 Inventory management risks

The SALUS Group devotes considerable attention to inventory planning and control. Optimal ordering (which at SALUS, Veletrgovina, d.o.o. is largely carried out through an artificial intelligence and machine learning system), maintenance of safety stocks, automation of processes, strict physical and accounting controls in inventory management, effective supplier relationship management, and expansion of the supplier base ensure continuous access to the goods offered by the Company on the market and the maintenance of an appropriate level of inventory. The other Group companies likewise maintain safety stocks through their IT systems, automate processes, expand their supplier base, and carry out controls, all of which reduce risks in this area.

7.1.2.3 Quality assurance risks

In the Group companies engaged in wholesale activities, risk management is an important part of an effective quality management system. The companies assess risks from the perspective of maintaining product and service quality in the processes of production and wholesale of medicinal products and medical devices. Risk management is based on ICH guideline Q9 "Quality Risk Management".

To ensure the quality of products and services, the SALUS Group companies implement technology-supported processes with built-in control mechanisms. The quality system is regularly reviewed, upgraded, and improved, with changes managed in accordance with good practice rules and applicable legislation.

For all processes, we periodically perform a risk assessment and implement preventive measures where necessary. In addition, the effectiveness of the quality system is verified by the regulatory authority and through audits by contractual partners. In this way, we verify the effectiveness of the established quality system, introduce necessary improvements, and effectively manage risks in the area of products and services.

7.1.2.4 Information system risks

Information system risks are materially influenced by the Group's business model and strategy, which are based on centralised data management in business applications, ensuring greater management efficiency but at the same time increasing dependence on its own infrastructure. The risks include risks of inadequate deployment of information systems, risks of malfunctions or interruptions in operation, risks of inadequate cyber protection, data-related risks, and risks of insufficient or inadequate adaptation of systems to business needs.

The Group manages the risk of inadequate deployment of information systems through thorough planning, the selection of technology and systems tailored to the Group's business processes and long-term strategy, appropriate testing of functionality prior to full implementation, cooperation with experienced contractors and consultants, and adequate training of all key users prior to system rollout.

Regarding the risks of malfunctions or interruptions in the operation of information systems, the largest companies in the Group have adopted guidelines and processes to ensure business continuity, which govern the management and implementation of a comprehensive business continuity management system, including an established business continuity strategy and procedures, as well as recovery plans based on a business impact analysis, all with the aim of ensuring uninterrupted operation and the fastest possible restoration of business processes following major scale incidents. The business continuity strategy is divided into four different scenarios, differentiated according to the form in which major incidents occur. For each of these, procedures for ensuring business continuity have been defined, along with measures for resolving incidents and mitigating direct damage, contingency plans for operating under emergency conditions until a return to normal business operations, and a recovery plan. The companies in the Group further reduce these risks through regular maintenance (providing updates and preventive inspections), the provision of redundancy systems and backup copies, continuous monitoring of system operation to enable the rapid detection of errors or irregularities, and through contracts with external providers that guarantee appropriate response times in the event of faults and an appropriate level of service. The two largest companies in the Group monitor key performance indicators in this area, such as the operation of critical systems (including server and network connections), which must be ensured 99.95% of the time, as well as response times and the resolution rate of user requests.

Group companies manage the risks of inadequate cyber protection in accordance with the adopted documentation on information security and business continuity, as well as domain-specific security policies for users, external users, and information system administrators, based on the methodology of the information security management system in accordance with the ISO 27001 standard. Within the framework of the security policy, risk assessments and based thereon the criticality of business processes and the supporting information resources are defined. These assessments provide the basis for the design of appropriate control activities. The Group companies regularly train employees in the field of information security. The largest companies in the Group carry out annual comprehensive security reviews of information systems and access rights. The results are documented in formal assessment reports that include proposed measures for eliminating any vulnerabilities identified. Additional training sessions and penetration tests are carried out. By logging system records, the operation of systems is monitored on a daily basis and deviations from normal operation are identified. In accordance with the security policy, suspicious emails are deleted or moved to quarantine. The updating and checking of malicious code is linked to the cloud, which provides the most up-to-date protection. The strategy of the SALUS Group is to connect to additional SIEM (Security Information and Event Management) and SOC (Security Operations Center) systems, which provide a higher level of protection and faster incident response. In 2025, the Group initiated the implementation of a solution for advanced endpoint protection and successfully deployed alerting mechanism for the detection of potentially compromised corporate credentials being offered for sale on the dark web. The Group also reduces information security risks by ensuring the backup of all critical data and through the use and continuous upgrading of modern tools for protection against cyber threats and risks. Among other duties, the Group's Information Security Officer is responsible for carrying out an annual risk assessment, addressing the risks identified, and coordinating the implementation of corrective measures to eliminate any shortcomings. The key performance indicator in the field of information security is the number of recorded security incidents. In 2025, no cyber incidents were detected.

Data-related risks are risks arising from data collection and processing, the risk of data loss, and the risk of unauthorised access to and disclosure of data. To manage data collection and processing risks, the Group has clearly defined procedures for data capture and automated processing using verified systems, and data quality is regularly checked. Data loss risks are addressed by ensuring data storage with simultaneous recording at multiple separate locations and by the regular performance of backups. Risks of unauthorised access and disclosure of data are minimised through strict data access rules and controls, monitoring of user activity, providing an audit trail, and training employees on the importance of data protection.

Risks of insufficient or inadequate adaptation of systems to business needs are addressed through IT modernisation projects. Regular checks are made on whether the systems meet current and future business requirements, and users are involved in the development and adaptation of the systems.

In 2025, three SALUS Group companies headquartered in Slovenia qualified as entities subject to the Information Security Act ("ZInfV-1"), which establishes a higher level of information security at the national level. All three companies are classified as essential entities under the ZInfV-1.

7.1.2.5 Human resources management risks

The SALUS Group is keenly aware of the importance of human resources to business performance. We therefore pay particular attention to managing the risk of unwanted turnover of key personnel and young talent, who are important for achieving the Group's objectives, the risk of insufficient competencies, knowledge, skills, experience, and motivation of employees, and the risk of inadequate management and communication with employees.

The SALUS Group manages human resources risks through regular employee satisfaction surveys and other internal surveys in which employees express their opinions and flag possible irregularities, and, in some Group companies, also through a system of personal business and development plans, providing for the regular exchange of information about work, achievements, and the planned development of each employee. Employee education and development are planned and regularly monitored, and at the same time we increase employees' responsibility and encourage them to take on new tasks. Strong emphasis is also placed on compliance with the code of ethics. Together with other motivational measures, this ensures employee loyalty and thereby reduces the likelihood of departures. We also actively manage a succession system. Managers receive regular training in the field of managing human resources.

The trend of certain personnel shortages in Slovenia is also noticeable in certain areas in SALUS Group companies. SANOLABOR in particular, which has successfully opened several new retail outlets in recent years, has experienced a shortage of pharmaceutical technicians, but has so far successfully addressed these challenges.

In the area of occupational health and safety, we assess risks periodically and, through appropriate protective measures, keep them at an acceptable level.

7.1.2.6 Fraud and compliance risks

Fraud and non-compliance risks include unlawful or unethical conduct such as management fraud, embezzlement, deception, extortion, bribery, theft, misuse of resources, and conduct that may endanger human safety or the environment.

Management of these risks in the SALUS Group is based on continuous oversight and internal controls built into all of the Group's key business processes.

The SALUS Group upholds high standards of business ethics and integrity and pursues a zero-tolerance policy towards conduct that could jeopardise its reputation or is legally, ethically, or morally unacceptable. These efforts are based on the Code of Conduct, the Anti-Bribery and Anti-Corruption Policy, and other internal rules ensuring compliance and the prevention of non-compliant conduct.

The SALUS Group has appointed a Compliance Officer, who advises employees and the Management Board and provides expert support in the area of corporate integrity, and chairs the Compliance Committee (the "Committee"). The Committee monitors the implementation and, where necessary, updating of the Code of Conduct, has an advisory role on Group compliance matters, and receives and reviews reports of irregularities and suspected breaches.

In 2025, the Committee received one report of a breach of the Code of Conduct. The Committee handled the report with due diligence, reviewed its content, and, based on the information gathered, informed the Management Board of its findings. The Committee also proposed that an internal audit be carried out at the company where the alleged breach occurred. The audit is scheduled for the first half of 2026 with a view to further assessing the compliance and effectiveness of existing policies and procedures.

7.2 Financial risks

The objectives of financial risk management include reducing exposure to financial risks, ensuring stable cash flows, maintaining adequate liquidity reserves, and implementing measures in line with the principles of prudence and cost-effectiveness.

The most significant and most probable financial risks for the SALUS Group are credit risk and liquidity risk, while currency and interest rate risks are less significant.

We have also assessed financial risks in view of continued growth in energy prices, including as a result of rising emission allowance prices. Due to the nature of its activities, most Group companies are low energy consumers, while the Group's larger companies are medium-sized energy consumers. This price growth therefore does not represent a material financial risk. Nevertheless, we manage energy carefully and improve the energy efficiency of our activities, and we have already invested in the generation and storage of our own solar energy at larger sites. Subject to market conditions, we will also consider further investments in this segment.

More detailed information on exposure to individual financial risks and disclosures concerning financial instruments and risks can be found in the Financial report.

7.2.1 Credit risk

The SALUS Group is most exposed to credit risk in the sale of goods and services.

The Group manages credit risk through a two-stage receivables management system. The first stage involves thorough vetting of prospective new customers to determine their creditworthiness and to set the permitted credit limit. The Group additionally secures certain receivables through bank guarantees and/or credit insurance. For existing customers, creditworthiness is reviewed periodically.

The second stage involves monitoring existing customer receivables and active collection, which is carried out daily, so that the Group can respond immediately to any deterioration in a customer's credit position with a view to keeping its exposure to bad debt low. The Group continuously enhances its credit risk monitoring system. We assess that the SALUS Group satisfactorily manages credit risk, which is also reflected in a low percentage of write-offs and impairments of receivables. Nevertheless, risks arising from bankruptcies and compulsory settlements cannot be completely avoided.

7.2.2 Liquidity risk

Among business partners, the SALUS Group is regarded as a reliable partner known for its payment discipline, low indebtedness, and stable cash flows. The SALUS Group ensures liquidity through a unified approach to banks and through short-, medium-, and long-term cash flow plans, which enable timely forecasting of any liquidity surpluses or shortfalls and their optimal management. Liquidity risk is mainly associated with the payment indiscipline of certain public healthcare institutions (other than pharmacy institutions), but Group companies manage this through appropriate measures to ensure sufficient liquidity, enabling them to bridge short-term liquidity gaps.

The Group places surplus cash in bank deposits and liquid securities.

7.2.3 Currency risk

The SALUS Group is exposed to the risk of exchange rate fluctuations in certain sales and procurement markets, arising from differing values of assets and liabilities in individual currencies in the Group's statement of financial position and differing amounts of operating revenue and expenses generated by the Group in individual currencies.

The key categories making up the currency position are trade receivables and trade payables. The Group purchases most of its goods on the European market in EUR. Procurement in other currencies is not significant for currency risk relative to total procurement. Sales are conducted predominantly in the local currencies of the Group companies. In 2025, the euro accounted for the largest share, while the shares of the Macedonian denar, the Bosnian convertible mark, the Albanian lek, and the Serbian dinar were small. In addition, these currencies were relatively stable against the euro. Given the low exposure to foreign currencies and the historical fluctuations of foreign currencies against the euro, the SALUS Group assesses currency risk as low and does not use currency hedging instruments.

7.2.4 Interest rate risk

Interest rate risk is defined by the SALUS Group as the risk that, as a result of changes in reference market interest rates, the Group will suffer an increase in financing costs on its non-current sources of finance or a decrease in income on its non-current financial assets. Interest rate risk on current sources of finance and current financial assets is managed within liquidity risk management.

The Group's exposure to interest rate risk is negligible. The Group has four external sources of non-current financing. The loan in the amount of EUR 7,162,193 (to fund the acquisition of MEDITRADE d.o.o.) was taken out by SALUS, Ljubljana, d.d. and bears a fixed interest rate. The loans of EUR 8,460,000 taken out by SALUS, Veletrgovina, d.o.o. (to fund the acquisition of FARMADENT d.o.o.) and EUR 300,000 taken out by MEDICHEM d.o.o. (to fund working capital) also bear fixed interest rates. One loan of EUR 500,000 was taken out by MEDITRADE d.o.o. with a variable interest rate based on 3M EURIBOR for working capital financing. Because the two largest loans bear fixed interest rates, changes in profit or loss due to changes in interest rates are not material.

Although the Group's non-current financial assets in loans granted are tied to reference market interest rates, their volume is very low.

8 THE COMPANY'S SHARE

8.1 Book value per share and earnings per share

Pursuant to the resolution of the General Meeting of Shareholders of 17 April 2025, SALR shares were split at a ratio of 1:78. In accordance with the provisions of Section 4 of Chapter 6 of the ZGD-1, the General Meeting of Shareholders on 17 April 2025 adopted a resolution to increase the Company's share capital from the Company's own funds (capital reserves), increasing the Company's share capital from EUR 439,722.87 to EUR 8,300,000.00. The General Meeting of Shareholders also approved a resolution to split the shares with the ticker symbol SALR at a ratio of 1:78, meaning that, following the completion of all required procedures, the number of shares increased from 105,375 to 8,219,250 shares on 30 May 2025.

Earnings per share

Basic and diluted earnings per share of SALUS, Ljubljana, d.d. as at 31 December 2025 amounted to EUR 1.63 or, on the basis of the pre-split number of shares, EUR 127.14 (31 December 2024: EUR 1.32 or, on the pre-split number of shares, EUR 102.96). Basic and diluted earnings per share of the SALUS Group attributable to the owners of the parent company as at 31 December 2025 amounted to EUR 2.03 or, on the pre-split number of shares, EUR 158.24 (31 December 2024: EUR 1.56 or, on the pre-split number of shares, EUR 121.68).

Book value per share

The book value per share of SALUS, Ljubljana, d.d. as at 31 December 2025 amounted to EUR 7.78 or, on the pre-split number of shares, EUR 606.84 (31 December 2024: EUR 7.17 or, on the pre-split number of shares, EUR 559.26). The book value per share of the SALUS Group as at 31 December 2025 amounted to EUR 11.21 or, on the pre-split number of shares, EUR 874.38 (31 December 2024: EUR 10.31 or, on the pre-split number of shares, EUR 804.18).

Number of shares

Following the share split in 2025, the number of issued shares as at 31 December 2025 was 8,219,250 shares (31 December 2024: 105,375), all of which are fully paid up.

8.2 Share price and trading volume

The average price of the SALUS, Ljubljana, d.d. share (SALR) in 2025 was EUR 39.04 per share (2024: EUR 1,980.74 or, restated for the new number of shares, EUR 25.39). The closing price as at 31 December 2025 was EUR 49.00 per share (31 December 2024: EUR 2,100.00 or, restated for the new number of shares, EUR 26.92), representing a significant increase (+82%).

Index of growth of the SALUS, Ljubljana, d.d. share price compared with the index of growth of the main Slovenian stock exchange index SBITOP in 2025 (base = 100 on 1 January 2025)

The capital return on the share, calculated by comparing the end-of-2025 share price with the end-of-2024 share price, was 82.00% (2024: 20.00%). The general increase in the value of shares comprising the main stock exchange index SBITOP over the same period was 50.33% (2024: 32.98%). The main stock exchange index SBITOP rose from 1,666.60 on 31 December 2024 to 2,505.44 on 31 December 2025.

The total value of transactions in the SALUS, Ljubljana, d.d. share on the LJSE in 2025 amounted to EUR 5,414,540 (2024: EUR 2,798,860).

8.3 Dividend

In January 2025, SALUS, Ljubljana, d.d. paid an interim dividend for 2024 in the gross amount of EUR 40.00 per share. In April 2025, the Company paid the remaining dividend for 2024 in the amount of EUR 40.00 per share, for a total gross dividend of EUR 80.00 per share (on the pre-split number of shares), an increase over the previous year.

The dividend yield on the share, calculated as the ratio of dividends paid in 2025 to the share price on the selected date, was 2.09% as at 31 December 2025 (31 December 2024: 3.33%).

9 RESEARCH AND DEVELOPMENT ACTIVITIES

SALUS, Ljubljana, d.d. and the SALUS Group do not engage in research and development activities.

10 INTANGIBLE ASSETS

The SALUS Group has identified the following intangible assets as critical to the Group's successful operations and as representing long-term value enabling the Group to generate revenue and secure a competitive advantage:

Intangible asset	Role in the business model and value creation
Brands	Strong brands are a key element of the successful operations of SALUS Group companies, clearly differentiating these companies and their products from competitors, increasing recognition, building customer trust and loyalty, attracting new business partners, and accelerating the building of long-term relationships with existing partners.
Goodwill and reputation	Through a long tradition, excellent quality, and expertise, SALUS Group companies have earned a reputation as a reliable partner. Reputation is a key competitive advantage in an industry where trust is critical. It affects the ability to acquire new customers, sign contracts with suppliers, and obtain financing.
Customer relationships	Long-standing business relationships, based on reliable supply and a high level of service quality, combined with strong knowledge of customers and their preferences, enable Group companies to grow sales and revenue and strengthen their market position.
Supplier relationships	Sound business relationships with leading pharmaceutical and other manufacturers ensure access to high-quality products and supply stability, reduce costs and risks, and enable flexibility in serving the market.
Licences, permits, and certificates	Licences and permits provide the basis for carrying out the core activities of certain Group companies, ensuring that all necessary legal and regulatory requirements are met. Certificates (e.g. ISO 9001, 14001, 27001) demonstrate the holders' commitment to high standards of quality and safety in products, services, and business processes, increasing the trust of business partners and providing a basis for long-term cooperation and the creation of competitive advantage.
Know-how	These are highly specialised technical, marketing, regulatory, and logistics skills in the area of activity, enabling SALUS Group companies to solve problems faster and adapt to market changes and to customers' wishes and needs, thereby increasing process efficiency, creating added value for customers, and strengthening competitive advantage.
Specialised software	Specialised IT solutions optimise internal processes, lower costs, reduce the risk of errors and non-conformities, improve customer experience, and ensure compliance with applicable laws and regulatory requirements.

11 REPORT ON INCOME TAX INFORMATION

SALUS, Ljubljana, d.d. did not prepare a report on income tax information under Article 70.f of the ZGD-1 for 2025, as, on the basis of data for the last two consecutive financial years, on the balance sheet date of 31 December 2025 the SALUS Group did not exceed the threshold of EUR 750 million of revenue at Group level.

12 MATERIAL EVENTS AFTER THE END OF THE REPORTING PERIOD

On 30 January 2026, the European Commission decided to issue a reasoned opinion to the Republic of Slovenia regarding public procurement of medicinal products by public pharmacy institutions. As noted in the section “Key Business Events in 2025” section of this report, Slovenia amended its national legislation so that the provisions of ZLD-1D apply to the procedure for ensuring appropriate stocks of medicinal products that public pharmacy institutions must provide at the primary level of healthcare activity. In June 2025, the European Commission issued a formal notice to the Republic of Slovenia, taking the view that the amendments introduced by ZLD-1D were not fully compliant with certain provisions of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC. The Republic of Slovenia subsequently submitted its response to the formal notice. In its reasoned opinion, the European Commission stated that the arguments presented by the Republic of Slovenia in its response did not adequately address the concerns raised in the Commission’s initial assessment. The Republic of Slovenia has two months to address the issues identified in the reasoned opinion. Otherwise, the European Commission may decide to refer the matter to the Court of Justice of the European Union.

There were no other material business events after the reporting date.

SALUS

Consolidated Sustainability Report

13 INDEPENDENT AUDITOR'S REPORT

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THE INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT
(Translation from the original in Slovene language)

To the shareholders of SALUS, Ljubljana, d.d.

We have carried out a limited assurance engagement on the Consolidated Sustainability Report of the SALUS, Ljubljana, d.d. Group (hereinafter the "Group"), included in the Group's annual report for the year ended 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 (hereinafter the "Consolidated Sustainability Report").

Definition of Criteria used

The Consolidated Sustainability Report has been prepared by the Group's management to comply with the requirements of Articles 70.c and 70.č of the Companies Act (ZGD-1), which implements Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS) introduced by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards, including the fact that the process carried out by the Group for the Identification of Information Reported in the Consolidated Sustainability Report (the Process) in accordance with the description in Note 14.11 'Description of the process for identifying and assessing material impacts, risks and opportunities (IRO-1)' under Section 14 of the ESRS 2 'General Disclosures';
- the compliance of the disclosures in the 'Taxonomy' section of the Consolidated Sustainability Report with Article 8 of EU Regulation 2020/852 (the Taxonomy Regulation); and
- compliance with the requirements for the preparation of the Consolidated Sustainability Report in accordance with Article 58 of the Companies Act (ZGD-1), which requires the Group to prepare the Consolidated Sustainability Report in a standardised electronic format, as specified in Article 3 of Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 amending Directive 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the determination of a uniform electronic reporting format (ESEF Regulation).

Responsibility of the Management and Those Charged with Governance for the Consolidated Sustainability Report

Management is responsible for designing and implementing procedures to identify the information set out in the Consolidated Sustainability Report in accordance with the ESRS and for disclosing this procedure in the explanatory note ESRS 2 IRO-1 in the Consolidated Sustainability Report. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place, and gaining an understanding of the affected stakeholders;
- an identification of the actual and potential impacts (both negative and positive) associated with sustainability issues, as well as the risks and opportunities that affect, or can reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or the Group's cost of capital in the short, medium or long term;
- assessing the materiality of the identified impacts, risks and opportunities relating to sustainability issues by selecting and applying appropriate thresholds; and
- the use of assumptions that are reasonable in the given circumstances.

Management is further responsible for preparing the Consolidated Sustainability Report in accordance with Articles 70.c and 70.č of the Companies Act (ZGD-1), which implements Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- the preparation of disclosures in Chapter 18 'Taxonomy' within the Consolidated Sustainability Report in accordance with Article 8 of European Union Regulation No 2020/852 ('the Taxonomy Regulation');
- the design, implementation and maintenance of such internal controls as management determines are necessary to enable the preparation of a Consolidated Sustainability Report that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and the use of assumptions and estimates relating to specific sustainability disclosures that are reasonable in the circumstances.

The Group's management is also responsible for preparing the Consolidated Sustainability Report in accordance with the technical requirements relating to the standardised electronic format, as set out in Article 58 of the Companies Act (ZGD-1) and Article 3 of the ESEF Regulation. This responsibility includes designing, implementing and maintaining such internal controls as enable the preparation of a Consolidated Sustainability Report that is not materially out of compliance with the requirements of Article 58 of the ZGD-1 and Article 3 of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

The Auditor's Responsibility for the Limited Assurance Engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance as to whether the Consolidated Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report setting out our conclusion. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Consolidated Sustainability Report as a whole.

As part of a limited assurance engagement in accordance with ISA 3000 (revised), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in relation to the Consolidated Sustainability Report in connection with the Procedure include:

- gaining an understanding of the Process, but not for the purpose of expressing an opinion on the effectiveness of the Process, including its outcome;
- planning and carrying out procedures to assess whether the Process complies with the Group's Process description set out in Note 14.11 'Description of the process for identifying and assessing significant impacts, risks and opportunities (IRO-1) under point 14 of ESRS 2 General Disclosures.

Our other responsibilities in relation to the Consolidated Sustainability Report include:

- gaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Report, but without assessing the design of individual control activities, obtaining evidence of their implementation or testing the effectiveness of their operation;
- identifying disclosures where material misstatements are likely to occur, whether due to fraud or error;
- planning and performing procedures to address instances where material misstatements might occur in the Consolidated Sustainability Report. The risk of failing to detect a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal controls; and
- an assessment of whether the Consolidated Sustainability Report has, in all material respects, been prepared in the form required by Article 58 of the ZGD-1 and Article 3 of the ESEF Regulation.

Our Independence and Quality Management

We have acted in accordance with the independence and ethical requirements of EU Regulation No 537/2014 and the International Code of Ethics for Professional Accountants (including the International Standards on Independence) issued by the International Ethics Standards Board for Accountants. The Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our audit firm operates in accordance with the International Standard on Quality Management (ISQM) 1 - Quality Management in Firms that Conduct Audits and Reviews of Financial Statements and Other Assurance and Related Services, and, in accordance with it, maintains a comprehensive quality management system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations in the Preparation of the Consolidated Sustainability Report

The criteria, the nature of the Consolidated Sustainability Report and the absence of long-established professional guidelines, standard practices and reporting conventions allow for the adoption of different, yet acceptable, measurement methodologies, which may result in differences between organisations. The measurement methodologies adopted may also affect the comparability of sustainability matters reported by different organisations and from year to year within an organisation, as methodologies evolve.

When reporting forward-looking information in accordance with the ESRS, management must prepare forward-looking information based on disclosed assumptions about events that may occur in the future and the Group's potential future actions. Actual results are likely to differ, as expected events often do not occur as anticipated.

In determining the disclosures in the Consolidated Sustainability Report, the Group's management interprets undefined legal and other terms. Undefined legal and other terms may be interpreted in different ways, including with regard to the legal validity of their interpretation, and are therefore subject to uncertainty.

References to external sources or websites in the Consolidated Sustainability Report are not included in our review procedures for the Consolidated Sustainability Report. We therefore do not provide any assurance on them.

We draw attention to the following specific limitations discussed in the Consolidated Sustainability Report:

- Environmental reporting, as practised by all companies, includes information based on climate scenarios that involve inherent uncertainty due to incomplete scientific and economic knowledge regarding the likelihood, timing or impact of potential future physical and transitional climate-related impacts. For the avoidance of doubt, the scope of our engagement and our responsibilities did not include carrying out the procedures necessary to provide any assurance as to the reliability, proper presentation or accuracy of the forward-looking information.
- Emissions metrics, particularly in relation to Scope 3, as set out in the Consolidated Sustainability Report, may include information provided by suppliers or third parties. Our procedures did not include obtaining assurance regarding information provided by suppliers or third parties.
- The Consolidated Sustainability Report may include metrics derived from reported incidents relating to employees and subcontractors. Our testing may therefore not reveal misstatements regarding completeness, for example in cases where incidents may have occurred but were not reported.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence regarding the Consolidated Sustainability Report.

The nature, timing and extent of the procedures selected are subject to professional judgement, including the identification of disclosures in the Consolidated Sustainability Report where material misstatements are likely to occur, whether due to fraud or error.

In carrying out the limited assurance engagement in relation to the Process, we:

- gained an understanding of the Process through:
  - making enquiries to gain an understanding of the sources of information used by management (e.g. stakeholder engagement, business plans and strategic documents); and
  - reviewing the Group's internal documentation relating to its Process; and
- assessed whether the evidence obtained through our procedures relating to the Process implemented by the Group was consistent with the description of the Process in Note 14.11 'Description of the process for identifying and assessing material impacts, risks and opportunities (IRO-1) under item 14 of ESRS 2 General Disclosures.

In carrying out our limited assurance engagement in relation to the Consolidated Sustainability Report, we:

- gained an understanding of the Group's reporting processes relevant to the preparation of the Consolidated Sustainability Report through enquiries, with the aim of gaining an understanding of the control environment, the Group's processes and information systems relevant to the preparation of the Consolidated Sustainability Report, but not for the purpose of forming a conclusion on the effectiveness of the Group's internal controls.
- assessed whether the material information identified through the Process has been included in the Consolidated Sustainability Report;
- assessed whether the structure and presentation of the Consolidated Sustainability Report are consistent with the ESRS;
- carried out enquiries of relevant personnel and analytical procedures on selected information in the Consolidated Sustainability Report;
- performed audit procedures on selected information in the Consolidated Sustainability Report on a sample basis;
- where and when appropriate, compared the disclosures in the Consolidated Sustainability Report with the relevant disclosures in the financial statements;
- obtained evidence regarding the methods and procedures used to formulate material estimates and forward-looking information, and how these methods were applied;
- gained an understanding of the Group's process for identifying economic activities that are eligible for the taxonomy and those that are aligned with the taxonomy, as well as the relevant disclosures in the Consolidated Sustainability Report;
- obtain information and supporting documentation for the figures disclosed in the section of the Consolidated Sustainability Report relating to the taxonomy;
- assessed whether the Consolidated Sustainability Report has been prepared in the form prescribed by Article 58 of the Companies Act (ZGD-1) and Article 3 of the ESEF Regulation.

Limited Assurance Conclusion

We have carried out a limited assurance engagement on the Consolidated Sustainability Report of the SALUS Group, Ljubljana, d.d. (hereinafter the 'Group'), included in the Group's annual report for the year ended 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 (hereinafter the 'Consolidated Sustainability Report').

Based on the procedures performed and the evidence obtained, nothing has come to our attention that would lead us to believe that the Consolidated Sustainability Report is not, in all material respects, prepared in accordance with Articles 70.c and 70.č of the Companies Act (ZGD-1), which transposes Article 29(a) of EU Directive 2013/34/EU into Slovenian law, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including the fact that the process for identifying the information reported in the Group's Consolidated Sustainability Report (the 'Procedure") is consistent with the description in Note 14.11 'Description of the procedure for identifying and assessing material impacts, risks and opportunities (IRO-1)' under Section 14 of the ESRS 2 'General Disclosures';
- the compliance of the disclosures in the 'Taxonomy' section within the environmental section of the Consolidated Sustainability Report with Article 8 of European Union Regulation No 2020/852 (the 'Taxonomy Regulation'); and
- compliance with the requirements for the preparation of the Consolidated Sustainability Report in XHTML format, as set out in Article 58 of the Companies Act (ZGD-1) and Article 3 of Commission Delegated Regulation (EU) 2019/815.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAS) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAS 3000 (Revised)'), issued by the International Auditing and Assurance Standards Board.

The procedures performed as part of a limited assurance engagement differ in nature and duration and are less extensive than those in a reasonable assurance engagement. Consequently, a limited assurance engagement provides significantly less assurance than a reasonable assurance engagement would. Our responsibilities under this standard are described in more detail in the section *'The auditor's responsibilities for a limited assurance engagement'* in our report.

We believe that the evidence obtained provides a sufficient and appropriate basis for our conclusion.

Ljubljana, 5 March 2026

BDO Revizija d.o.o.
Cesta v Mestni log 1, Ljubljana

BDO Revizija d.o.o.
Družba za revidiranje

Maruša Hauptman,
Key Sustainability Partner
Certified auditor
(signature on original Slovene version)

14 ESRS 2 General Disclosures

14.1 General basis for preparation of the sustainability statement (BP-1)

The SALUS Group's Sustainability Report has been prepared in accordance with the CSRD Directive, the ZGD-1 and the ESRS. The report is based on the double materiality analysis, in which all material impacts, risks and opportunities related to the SALUS Group's own activities as a whole, as well as to the upstream and downstream value chain activities, were identified and assessed. More detailed information about the SALUS Group's value chain is available in section SBM-1.

The report has been prepared on a consolidated basis and covers all companies in the SALUS Group as included in the financial section of the annual report. It has been prepared for the period from 1 January 2025 to 31 December 2025, with the exception that for the companies FARMADENT d.o.o., GOPHARM d.o.o. and NENSI d.o.o. reporting covers the period from 1 November 2025 to 31 December 2025. The scope of consolidation is the same as for the consolidated financial statements of the SALUS Group.

We have not omitted any specific information in the report relating to intellectual property, know-how and innovation.

14.2 Disclosures in relation to specific circumstances (BP-2)

Time horizons

In preparing the sustainability report, we used the time horizons defined in ESRS 1, 6.4, which are defined as follows:

- short-term horizon – up to 12 months,
- medium-term horizon – from 1 to 5 years,
- long-term horizon – more than 5 years.

Value chain estimation

The table below contains metrics that include value chain data estimated using indirect sources.

Metrics estimated using indirect sources

Metric	Sub-section	Basis of preparation	Level of accuracy	Planned actions to improve accuracy
Scope 3 GHG emissions	E1-6	Scope 3 GHG emissions were calculated using a combination of primary data sources, such as data on purchased goods and services and transport, and recognised secondary data sources, such as emission factors and estimates based on research and studies (e.g. for end-of-life treatment of sold products). More details can be found in sub-section E1-6.	The use of secondary data sources, such as emission factors and research and studies, results in less accurate information than if only primary sources were used. Details on the level of uncertainty are described in sub-section E1-6.	It is expected that more accurate and activity-, industry- and location-specific emission factors will become available in the future. If new factors are relevant to calculations for past years, we will perform a recalculation in line with the established criteria.

Sources of estimation and outcome uncertainty

The table below contains metrics subject to a high level of measurement uncertainty.

Metrics with a high level of measurement uncertainty

Metric	Reasons for measurement uncertainty	Assumptions, approximations and judgements applied in measurement
Scope 3 GHG emissions	The calculation method based on emission factors from sources such as environmentally-extended input-output (EEIO) analyses, which allocate emissions based on monetary flows, and on estimates from research/studies or in-house expert estimates entails a certain inherent measurement uncertainty, as these are generalised estimates and not precise values specific to a particular emission source. More information is available in sub-section E1-6.	The full methodology with the assumptions used is described in sub-section E1-6.

Going forward, we will continue to ensure the highest possible level of accuracy of our disclosure metrics by upgrading our methodologies and data.

Changes in preparation or presentation of sustainability information

A recalculation of the carbon footprint was performed due to changes in the emission factors of certain electricity and heating, cooling and steam suppliers (Scope 2). Changes were identified for the electricity supplier NGEN (update of the emission factor from 2022 to 2024), the heating supplier Energetika Ljubljana (update of the emission factor from 2023 to 2024) and the emission factors provided by the Association of Issuing Bodies (AIB) (update of the emission factors from 2023 to 2024).

In comparison with the values reported in 2025 for 2024, due to changes in the factors the carbon footprint for indirect Scope 2 emissions for "Electricity - market-based" decreased from 538.9 t CO_2 eq. to 265.5 t CO_2 eq., "Electricity - location-based" increased from 507.2 t CO_2 eq. to 509.2 t CO_2 eq., while the carbon footprint for "Heat" decreased from 485.0 t CO_2 eq. to 414.9 t CO_2 eq.

We did not identify any errors in reporting in the prior period.

Inclusion by reference

- ESRS 2 GOV-1: the composition and operation of the management, administrative and supervisory bodies is disclosed in point 3.6 "Information on the composition and operation of the management or supervisory bodies" of the annual report
- ESRS 2 SBM-2: the group of stakeholders, the communication channels and the content of communications is disclosed in the business section of the annual report in section 2 "Strategic orientation and business plan"
- ESRS 2 IRO-2: the list of disclosure requirements complied with in preparing the sustainability statement is presented as a table of contents
- E1 GOV-3: the integration of sustainability-related performance into incentive systems is described in ESRS 2 GOV-3
- E1-6: the list of companies included in the calculation of Scope 1 and 2 GHG emissions is presented in Chapter I "Composition of the SALUS Group" in point 1 of the business section of the annual report
- ESRS 2, IRO-1: description of the processes for identifying and assessing material climate-related impacts, risks and opportunities (IRO-1)
- E2 IRO-1: the process for identifying material impacts, risks and opportunities related to pollution is described in ESRS 2 IRO-1
- E2-3: targets relating to pollution; see description in ESRS 2 MDR-T

- E5 IRO-1: the process for identifying material impacts, risks and opportunities related to resource use and the circular economy is described in ESRS 2 IRO-1
- S1 SBM-3: the link between impacts and the strategy and business model is generally addressed in ESRS 2 SBM-3
- S1 SBM-2: methods of communication with employees are set out in ESRS 2 SBM-2
- S1-2: methods of communication with employees are set out in ESRS 2 SBM-2
- S2 SBM-3: the link between impacts and the strategy and business model; see description in ESRS 2 SBM-3
- S4 SBM-3: the link between impacts and the strategy and business model; see description in ESRS 2 SBM-3
- G1-2: the network of suppliers in the value chain is shown in the graphic representation of the value chain in ESRS 2 SBM-1
- G1-3: procedures for reporting violations, including in relation to corruption and bribery, are described in G1-1 Policies on business conduct and corporate culture

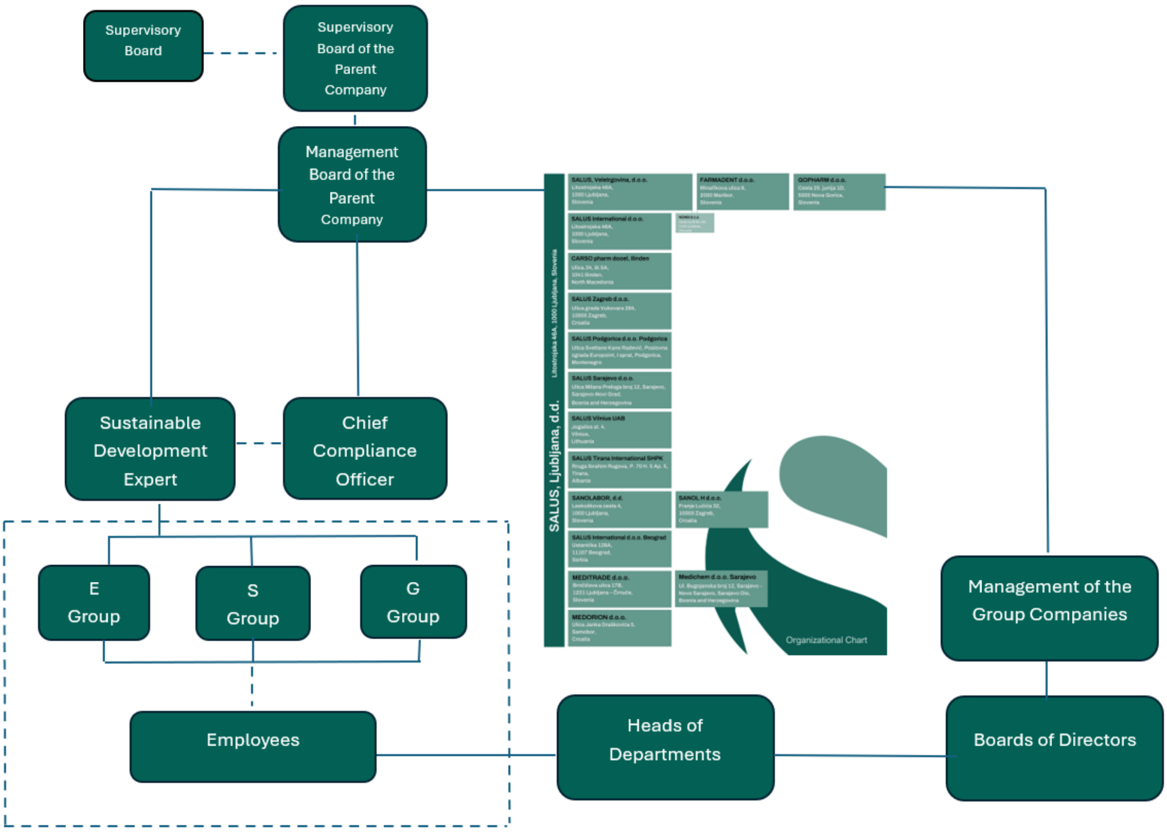
Application of phase-in provisions in accordance with Appendix C to ESRS 1

For the disclosures on the financial effects of environmental risks and opportunities (E1-9 and E5-6) and the topics from standards S2 "Workers in the value chain" and S4 "Consumers and end-users" that have been identified as material, the SALUS Group has opted to make use of the extended phase-in of additional sustainability information or data points for S2 and S4 under the "Quick-fix" directive. This directive was adopted by the EU Commission to ease the obligations for all companies in the first wave of CSRD reporting. Notwithstanding, in the sections for S2 and S4 the SALUS Group has disclosed the information required pursuant to paragraph 17 of ESRS 2.

14.3 The role of the administrative, management and supervisory bodies (GOV-1)

Information on the composition and operation of the management and supervisory bodies of SALUS, Ljubljana, d.d. is described in point 3.6 "Information on the composition and operation of the management or supervisory bodies" of the annual report (Business Report) for 2025.

Schematic overview of relationships and responsibilities for sustainability reporting in the SALUS Group



Sustainability management within the Group is the responsibility of the Management Board of the parent company SALUS, Ljubljana, d.d., which approves the Group's sustainability commitments and ensures their alignment with the business strategy. The Management Board is also responsible for strategic planning, the approval and adoption of the decarbonisation strategy together with the Supervisory Board, and the assessment and regular review of the sustainability management system.

The integrated implementation of the sustainable development strategy is the responsibility of the Sustainable Development Expert at the parent company SALUS, Ljubljana, d.d. Her role is to monitor progress in delivering on commitments and to cooperate with the Management Board and members of the working groups.

The operational delivery of sustainability commitments is the responsibility of all management personnel of the companies in the Group, together with directors' committees and the employees involved in implementing these commitments.

Together with the Management Board of the parent company, the Sustainable Development Expert presents the status of implementation and progress towards the established sustainability commitments to the Supervisory Board at least once a year, at the end of the calendar year or upon approval of the Group's annual report.

In the area of sustainability, the Management Board and the Supervisory Board of the parent company have adopted the Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group (the "Policy"), which is based on the integration of sustainable practices into all aspects of business with the aim of creating long-term value for all stakeholders and contributing to environmental, social and economic sustainability.

The Supervisory Board of the parent company:

- oversees and verifies the implementation of the Policy and whether the level of achievement of the commitments is at the expected level,
- monitors whether the Policy promotes the achievement of long-term successful and sustainable business of the Group, taking into account the economic, environmental, social and governance dimensions,
- monitors the Group's progress in setting up and developing an integrated sustainability management system and assesses the performance of the Management Board, including reviewing the strategy and business model, understanding impacts, risks and opportunities, and adopting a systemic approach to integrating sustainable development,
- takes a position on the auditor's report in its report to the General Meeting,
- approves and adopts the Group's decarbonisation strategy together with the Management Board.

The Audit Committee:

- monitors and oversees the sustainability reporting process and prepares recommendations and proposals,
- assesses whether the information included in the sustainability report is complete, accurate, relevant and comparable,
- reviews and assesses whether the sustainability report has been prepared in accordance with the applicable sustainability reporting standards and approves it,
- prepares a recommendation for the appointment of the auditor for the audit of the sustainability report,
- cooperates with the external auditor, in particular by exchanging information on key matters relevant to the audit,
- monitors the statutory audits of the sustainability report and the consolidated sustainability report, in particular the performance of the statutory audit,
- reports to the Supervisory Board on the outcome of the statutory audit, including an explanation of how the statutory audit contributed to the integrity of sustainability reporting and what role the Audit Committee played in that process,
- cooperates with the external auditor, in particular by exchanging information on key matters relevant to the audit of the sustainability report,
- reports to the Supervisory Board on sustainability reporting and the role it played in that process.

At SALUS, Veletrgovina, d.o.o., SANOLABOR, d.d. and MEDITRADE d.o.o., a management review is performed once a year to monitor progress against the established targets and strategies in relation to the internal environmental quality policy, with the aim of verifying compliance of the environmental management system, which is in line with regulatory requirements and standards. The goal is to ensure its suitability, adequacy and effectiveness and to identify and assess trends, risks and opportunities for improvement of processes and consequently business results.

Effective management of sustainability matters requires expertise and skills in sustainable development, and therefore education and training is made available to all those involved in implementation (in the area of management systems, such as the ISO 14001 "Environmental management" standard, sustainable mobility, human rights, solar power plant operation, corporate energy management, etc.) online or in-person, through consultations, exchanges of views and other trainings organised by educational organisations, universities, associations, institutes, etc.

In addition, the SALUS Group cooperates with external sustainability experts who provide advice and support in identifying key sustainability risks and opportunities specific to our sector, and with experts in the field of environmental standards and carbon emissions management.

The parent company has adopted the Diversity Policy of the joint-stock company SALUS, Ljubljana, d.d., which sets out the framework for representation in the management and supervisory bodies and the conditions and criteria for selection (e.g. education, knowledge, skills, experience, reputation, etc.), pursuing diversity objectives to the greatest extent possible. The members of the management and supervisory bodies have appropriate expertise, competences and many years of experience to perform their functions. The Chairman of the Management Board of the parent company holds a Master's degree in economics and is a CFA (Chartered Financial Analyst). He is also the President of the Section for Wholesale Distributors of Medicinal Products at the Chamber of Commerce of Slovenia and a member of the Managers' Association. The member of the Management Board and three members of the Supervisory Board hold bachelor’s degrees in economics, one member of the Supervisory Board holds a doctorate in veterinary medicine and another a Master's degree in sociology. Members of the management and supervisory bodies in other companies also have appropriate education (among others, two lawyers also have membership in a supervisory body).

The members of the management and supervisory bodies regularly attend strategically important international healthcare-financial conferences, congresses and expert discussions related to the development of the activities of individual companies in the SALUS Group. Participation in leading global events such as the J.P. Morgan Healthcare Conference and the Jefferies London Healthcare Conference enables timely identification of key industry trends, active monitoring of the investment environment and the strengthening of relationships with international partners.

In this way, the SALUS Group systematically strengthens its competitive advantage and long-term presence in the Central and Eastern Europe (CEE) region. At the same time, it is establishing itself as a trusted and preferred partner for the commercialisation of innovative healthcare solutions in CEE markets.

One member of the Supervisory Board is a member of the Chapter Zero Slovenia association. The aim of Chapter Zero Slovenia is to systematically develop the competences of supervisory boards, management boards and boards of directors in Slovenia and to equip them with knowledge and practical tools to understand climate risks, regulatory expectations and the strategic opportunities of the green transition. Through its membership in Chapter Zero Slovenia, the Supervisory Board is kept informed of all current developments relating to climate and environmental issues. The members of the Supervisory Board attended sustainability training organised by the Slovenian Directors' Association. The Audit Committee of the Supervisory Board contributes knowledge on risk management and regulatory compliance.

The Management Board has undergone specialised training in sustainability management and reporting, with a focus on the requirements of the CSRD and the ESRS, delivered by an external consultancy company and through internal presentations.

The Chief Compliance Officer is professionally trained in the field of corporate ethics, regulatory integrity and compliance frameworks, contributing to the Group's alignment with sustainability and responsible business standards.

In the area of business compliance, the Management Board of the parent company has adopted a Code of Conduct. The Management Board actively puts the principles of the Code of Conduct into practice through its own actions, by incorporating the Code of Conduct into all important business decisions and by actively promoting an ethical culture within the SALUS Group.

The Management Board and the Supervisory Board play a key role in promoting ethical behaviour within the company. By adopting and enforcing the Code of Conduct, the Management Board sets clear standards of integrity and credibility and leads by example, as its actions reflect the company's values. It actively supports the establishment of safe and confidential channels and systems for reporting violations and ensures that there are no retaliatory measures against whistleblowers. It also promotes a culture of open communication, regularly monitors the implementation of ethical guidelines and provides appropriate training to raise awareness of the importance of compliance and accountability at all levels of the organisation.

The SALUS Group manages ESG risks in accordance with the principles of responsible management and the requirements of relevant regulatory frameworks. The risk management process involves the systematic identification, assessment, classification and monitoring of risks that may materially affect operations or cause negative impacts on the environment, society and governance. Risks are addressed across the entire value chain, including internal processes, partners and suppliers.

In managing risks, the SALUS Group applies the principle of double materiality and regularly performs assessments to evaluate both the financial materiality of risks and their actual or potential impact on sustainability factors. Based on these assessments, priority risks are identified and appropriate preventive and corrective measures are designed to reduce the likelihood of risks occurring or to mitigate their consequences.

Oversight of ESG risk management is part of an integrated compliance management system that includes defined responsibilities, clear accountabilities and regular reporting to the competent management bodies. In this way, the SALUS Group ensures transparency, compliance with legislation and strengthens the resilience and sustainability of its business model.

Owing to the constantly changing business environment, competitors' activities, new technologies and changes in regulatory requirements and legislation, the way risks are managed is continuously adjusted in order to detect and manage potential new risks. ESG risks are not a new category of risk, but are managed within the established risk management framework, which the SALUS Group monitors, manages and systematically and comprehensively mitigates. The management of the individual companies within the SALUS Group is operationally responsible for risk management as part of its day-to-day activities and obligations.

We reduce environmental risks by complying with applicable legislation, implementing instructions and procedures, training and raising awareness among employees, operating in compliance with ISO 9001:2015 ("Quality management") and ISO 14001:2015 ("Environmental management") standards, occupational health and safety standards, and regular monitoring and audits of the above.

Social risks in the SALUS Group are reduced by ensuring respect for personal rights and the personality of employees, the protection of personal data, the prohibition of all forms of discrimination, humane and respectful communication, payment for work in line with labour legislation standards, consistent compliance with safety legislation and quality criteria, and ensuring business continuity.

Governance risks are reduced by establishing and putting into practice a strong culture of compliance and ethics at all levels of business, by regularly training employees in this area and through control mechanisms established in all business processes.

14.4 Information provided to the company’s administrative, management, and supervisory bodies, and sustainability matters addressed by these bodies (GOV-2)

The administrative, management and supervisory bodies are informed of sustainability matters as a rule by the Sustainable Development Expert, at the bodies' regular meetings. The sustainability report is presented to the bodies once a year, while other topics relating to measures, monitoring of indicators and targets in relation to material sustainability topics, or reporting on changes in legislation and on proposals and concerns of interested parties, are addressed by the management or supervisory bodies several times a year at the initiative of the Sustainable Development Expert and colleagues involved in the sustainability working groups. This process ensures that the bodies are informed in a timely and comprehensive manner about the effectiveness of the implementation of policies and measures in relation to material impacts, risks and opportunities.

In 2025, the material topics under double materiality remained unchanged from 2024. At the workshops held in September 2025, the working groups, whose members were appointed by a resolution of the Management Board of the parent company of the SALUS Group, systematically defined the time horizons of material impacts and the time-related effects of material risks and opportunities. Within this framework, the sustainability teams identified appropriate indicators for all material topics and prepared overarching ESG targets, which were approved by the Management Board of the parent company.

While the Management Board formally approved the identified material topics upon the first publication of the report under the CSRD, in 2025 the process was upgraded with their substantive operationalisation, long-term integration and support for more comprehensive sustainability management.

Impacts and risks were presented to the Audit Committee of the Supervisory Board of the parent company, with the emphasis that these will form the basis for further preparation of strategies and targets and of the measures adopted to prevent, manage or reduce negative risks across all environmental, social and governance ("ESG") areas.

The Management Board was also presented with the report "Calculation of the SALUS Group's carbon footprint for Scopes 1, 2 and 3 for 2024". On the basis of the report, targets were set in line with the Science Based Targets initiative (SBTi), and a strategy and measures were prepared to reduce the carbon footprint across all three scopes. The document "SALUS Group Decarbonisation Strategy to 2030 and 2050" (the "Decarbonisation Strategy") was presented to the Management Board and the Supervisory Board of the parent company, as were the risks and opportunities. The Decarbonisation Strategy is in the process of being approved.

14.5 Integration of sustainability-related performance into incentive schemes (GOV-3)

SALUS, Ljubljana, d.d. is a company whose securities are traded on a regulated market and is therefore required, in accordance with the provisions of the ZGD-1, to draw up a remuneration policy. The Remuneration Policy for the management and supervisory bodies of the public limited company SALUS, Ljubljana, d.d. (the "Remuneration Policy") was drawn up by the parent company and adopted by the Supervisory Board. The Company submitted the Remuneration Policy to a vote at the General Meeting and published it on the Company's website and on the SEOnet stock exchange information system of the LJSE. SALUS, Ljubljana, d.d. submits the Remuneration Policy to a vote of the General Meeting upon every significant change, and in any event at least every four years.

At present, the Management Board of the parent company has, in the Remuneration Policy, set out an exceptional performance bonus, which is linked to the Supervisory Board's assessment of whether the member of the Management Board has met the targets in the areas for which he or she is responsible, has promoted sustainable development and has made a constructive positive contribution to the targets of the Company and the SALUS Group set out in the approved business plans and strategy, such as the creation of new jobs, the improvement of relationships between employees, the improvement of relationships with suppliers and customers, successfully completed projects in the area of corporate finance, sustainability, etc. As noted, bonuses or incentives linked to the achievement of targets relating to the identified sustainability topics are in place to a certain extent but are not elaborated in more detail.

The Company does not currently have any formally defined key performance indicators (KPIs) or other measurable targets relating to climate aspects that would be incorporated into the remuneration system for members of the administrative, management or supervisory bodies.

Climate aspects are not directly included in the variable component of remuneration for the time being. The Company monitors regulatory requirements and the development of good practices in the field of sustainable governance and will, as part of the further development of its sustainability strategy, consider the possibility of incorporating appropriate indicators into the remuneration policy.

14.6 Statement on due diligence (GOV-4)

Due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and the business model	ESRS 2 GOV-2; ESRS 2 GOV-3; ESRS 2 SBM-3; E1 SBM-3; S1 SBM-3
Engaging with affected stakeholders in all key steps of due diligence	ESRS 2 GOV-2; ESRS 2 SBM-2; ESRS 2 IRO-1; ESRS 2 MDR-P; S1-2; G1-2
Identifying and assessing adverse impacts	ESRS 2 IRO-1; ESRS 2 SBM-3
Taking actions to address those adverse impacts	ESRS 2 MDR-A; E1-1; E1-3; E5-2; S1 Job security; S1 Work-life balance, S1 Prevention of violence and harassment in the workplace; S1-11; G1-2; G1-3
Tracking the effectiveness of these efforts and communicating	E1-5; E1-6; E5-5; S1-6; S1-7; S1 Job security; S1 Work-life balance; S1-15; S1 Prevention of violence and harassment in the workplace; S1-17; G1-2; G1-3

14.7 Risk management and internal controls over sustainability reporting (GOV-5)

The SALUS Group has put in place a system of internal controls and risk management for sustainability information, which is integrated into the existing corporate management, compliance and reporting processes. The purpose of the system is to ensure that sustainability data, disclosures and reports are accurate, complete, timely, traceable and prepared in accordance with applicable legal and regulatory requirements.

Designated persons in each reporting company of the Group are responsible for collecting, recording and the first level of verification of sustainability data. These persons perform operational controls, ensure the quality of source data and apply the methodologies established by the Group.

The professional departments at Group level and the working groups for the environmental, social and governance (E, S, G) areas are responsible for methodological alignment, oversight of reporting processes, storage of source documentation and support to the companies on substantive and technical issues.

The Sustainable Development Expert and the Chief Compliance Officer perform independent control procedures at the consolidated level, verify the completeness, methodological accuracy and year-on-year comparability of the data, approve the inclusion of data in the consolidated report and monitor changes in legislation and update internal methodologies and control procedures.

The Audit Committee and the Supervisory Board exercise the highest level of oversight over the sustainability reporting process, including reviewing the control environment, procedures, risks and the final sustainability report, which they approve in accordance with their powers.

The reporting control process is performed at the following levels:

- First level (operational control): Designated persons within each company verify the completeness, accuracy and consistency of source data.
- Second level (parent company control): The parent company performs additional controls over the subsidiaries and verifies methodological alignment and the consistency of procedures.
- Third level (expert review): The Sustainable Development Expert and the Chief Compliance Officer verify the completeness of the data, the methodology, comparability and the accuracy of consolidation.
- Top level: The Audit Committee and the Supervisory Board examine and approve the final sustainability report and oversee the operation of the internal control system.

Since the internal control system was not yet fully standardised in the first two years of reporting, an upgrade process is under way, which includes:

- introduction of additional mechanisms for data quality verification,
- formalisation of control points at the operational and oversight levels,
- improving data traceability through the introduction of a structured audit trail,
- strengthening documentation and archiving of source records,
- additional training for employees and the person responsible for reporting.

The Group systematically manages the risks associated with the preparation of sustainability reporting, including the risks of:

- incomplete or untimely data,
- incorrect methodology or inadequate calculations,
- insufficient substantive or procedural alignment,
- non-preparation of, or delay in, the sustainability report.

To manage these risks, the Group cooperates with internal and external experts in individual thematic areas, which enables methodological accuracy, compliance with standards and an understanding of operational procedures across all business units.

The Group will continue to upgrade the system in the future, with the aim of ensuring the highest level of quality of sustainability disclosures and compliance with the ESRS standards.

14.8 Strategy, business model and value chain (SBM-1)

The SALUS Group represents a vital link in the supply of medicinal products, food supplements, medical devices and high-quality and innovative services that bring health and well-being to people, as it specialises in providing an integrated service of distribution, promotion and active sale, and accompanying services, to bring a medicinal product, food supplement or medical device to market. Regionally, it is present in the markets of Central and Eastern Europe (the "CEE region"), through its companies (in Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia, Albania and Lithuania) or through local partners (in Kosovo, Romania and Bulgaria).

Business models

From a sustainability perspective, the activities of the companies in the SALUS Group can be broadly divided into three areas:

- Wholesale

We provide reliable, safe and uninterrupted supply of high-quality and safe medicinal products, vaccines, medical devices, diagnostic products, medical supplies, food supplements, cosmetic products, pharmaceutical packaging and other products that contribute to the health and well-being of people and animals.

- Retail

We offer access to an extensive network of specialised stores selling medical devices, over-the-counter medicines, food supplements and other products for human health and well-being.

- Services and representations

We provide warehousing and logistics services with comprehensive IT support, as well as services in the field of representation, medical marketing, marketing and sales.

Market position and general strategy

Company	Main products/services	Markets/customers served	Employee locations	Banned products/services
SALUS, Veletrgovina, d.o.o.	Medicines and medical devices, warehousing services, regulatory services and pharmacovigilance	Slovenia, EU, other markets	Slovenia	n/a
SANOLABOR, d.d.	Food supplements, medical devices	Slovenia, Croatia	Slovenia	n/a
Meditrade, d.o.o.	Medical equipment, devices and consumables	Slovenia, Bosnia and Herzegovina, Montenegro	Slovenia	n/a
Other companies in the SALUS Group in the EU	Regulatory services, pharmacovigilance, market access services for products, pricing, medicines and medical devices, warehousing and distribution services	Local markets	Slovenia, Croatia, Lithuania	n/a
Other companies in the SALUS Group outside the EU	Medicines and medical devices, regulatory services, pharmacovigilance, market access services for products, pricing	Local markets	Bosnia and Herzegovina, Montenegro, Serbia, North Macedonia, Albania	n/a

We disclose employee characteristics under standard S1-6, namely the total number of employees by headcount and the breakdown by gender and country for countries where the SALUS Group has 50 or more employees and which account for at least 10% of the total number of employees. Sales revenue is set out in the financial section of the annual report.

Based on the implementation of the value chain concept and the selected key strategic initiatives, four key areas were defined in the SALUS Group Strategy for the 2023–2027 period (the "Strategy"): consolidation, internationalisation, employees and sustainability, in the context of which the SALUS Group has defined 5 strategic targets for the five-year period:

- consolidating its position on the Slovenian market

- cost efficiency and accelerated digitalisation
- expansion of business in the CEE region
- competent and committed employees
- creating long-term value for all stakeholders

The SALUS Group sells its own products only to a minimal extent and therefore has no specific targets in this regard. It does not select customers, consumers or end-users.

Ensuring reliable inputs is essential to delivering our strategy. Our business model is based on four key inputs:

- Product portfolio: ensuring the supply of safe and effective medicines and medical devices is the basis of our activity. Access to products is ensured through strategic partnerships with suppliers and a rigorous quality control system.
- Employees: competent and committed employees are key to achieving our targets. We build their satisfaction and commitment by creating safe and stable jobs, a supportive work environment, investment in development and a culture of integrity.
- Compliance and quality: as an entry condition for operations, we maintain a strict quality system and full compliance with legislation, which ensures that we are a reliable partner in the value chain. The quality system is regularly upgraded in line with good-practice rules, which enables us to manage risks in the supply chain and ensure a high quality of service.
- Infrastructure and digitalisation: modern warehouses, vehicle fleet and advanced IT systems are key to the efficient distribution of our product portfolio, enabling cost efficiency and traceability.

Assessment of material products and services in relation to sustainability targets

In setting the overarching sustainability targets described in section SBM-3, we proceeded from the assessment that a substantial reduction in negative impacts can only be achieved if the overarching ESG targets are directly linked to our core activities: the distribution of medicinal products and medical devices and warehousing and logistics services. We have thus linked the targets for decarbonisation and waste reduction (mainly packaging and medicinal products) to the medicinal products distribution segment and to logistics, where the impacts are greatest, while in relation to medical devices the focus is directed towards circular usage models. Ensuring safety and quality remains the foundation of all our product groups, and we recognise that achievement of the targets across all three ESG areas is inseparably linked to active management of relationships with our suppliers.

Value chain

The SALUS Group has divided the stakeholders in the value chain into the following groups and identified the benefits of its operations/business model for each of them:

- internal stakeholders
    - owners and shareholders: greater long-term value of the company, reduction of risks, attractiveness for sustainable investment;
    - employees: a safe and healthy working environment, development of competences, greater motivation and commitment;
    - subsidiaries: alignment with sustainability standards, enhancement of reputation and competitiveness.
- upstream value chain stakeholders – supply chain

    - suppliers, long-term partnerships, fostering innovation and sustainable practices, business stability
    - workers in the value chain: improved working conditions, respect for human rights;
    - other stakeholders in the supply chain: greater transparency and compliance with legislation.

- downstream value chain stakeholders

    - workers in the value chain (transport, warehousing): improved working conditions, respect for human rights;
    - customers and users: access to high-quality, safe and sustainable products/services;
    - consumers: greater trust in the brand, awareness of the sustainable properties of products;
    - stakeholders in waste and recycling: support for the circular economy, reduction of the environmental footprint.

- other stakeholders

    - regulatory bodies and legislators: compliance with legislation, contribution to the achievement of national and global sustainability targets;
    - institutes, associations and societies: participation in projects for social responsibility and the environment;
    - media and the professional public: transparent reporting;
    - competitors: promoting innovation and sustainable practices in the industry;
    - financial institutions: risk reduction.

A graphic representation of the SALUS Group's value chain is shown in the figure below.

Graphic representation of the value chain

VALUE CHAIN STAKEHOLDERS

UPSTREAM VALUE CHAIN – SUPPLY CHAIN

Value chain – Stakeholders

Suppliers' suppliers

API manufacturers	Suppliers of minerals and metals	Farmers and cultivators of plant and microbial cultures (bacteria, fungi)	Manufacturers of intermediate products

Alcohol, anesthetics, cotton, bristles, plastic packaging, essential oils, rubber, indicators, cardboard, chemicals, ceramics, cornstarch, metal, cosmetics, lactose, latex, wood, magnesium stearate, methylcellulose, milk, nitrile, paper, plastic, polyester, glass, textiles, leather, water, gold

Activities: Procurement of materials and raw materials and production of semi-finished products

Other suppliers	Suppliers of pharmaceutical and medical products
Suppliers of various support services	Suppliers of medicinal products Suppliers of medical consumables
Transport and fleet suppliers	Suppliers of medical devices and equipment Suppliers of food supplements and cosmetic products Suppliers of laboratory diagnostics
Packaging suppliers	Suppliers and manufacturers of veterinary products Suppliers of pharmaceutical packaging Suppliers of eco-friendly products

Activities: Supplier activities

SALUS GROUP

SALUS, Ljubljana, D.D.

SUBSIDIARIES

ASSOCIATED COMPANIES

Business activities of the SALUS Group

Main activity: Trade in pharmaceutical products and medical supplies and materials

Procurement

Other company activities
- Verification of the authenticity of medicines
- Secondary packaging
- Pharmacoeconomics
- Reporting of adverse reactions (pharmacovigilance, medical device vigilance)
- Regulatory services
- Destruction

Marketing communication
- Wholesale
- Retail

Storage, transport and distribution

DOWNSTREAM VALUE CHAIN

STORAGE

TRANSPORT SERVICES

Customers	Users	End users, customers
Hospitals	Doctors	Children
Private clinics	Nurses	Elderly
Dental	Laboratory technicians	Adults
Industry	Dentist and dental assistants	Patients
Pharmacies	Professors and researches	Healthy persons
Speciality stores	Veterinarians	
Wholesale stores	Pharmacists	
Veterinary		
Retirement homes		
Distributors		
Public contracting authorities		
Private customers		
End customers		

Recycling

Waste

Sustainable operations

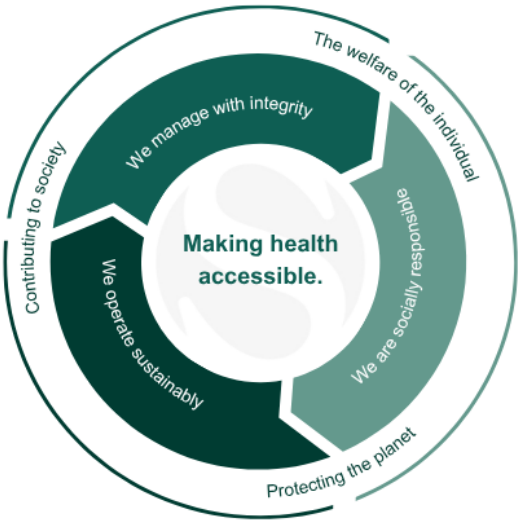
Sustainable operations are the foundation of our long-term strategy and responsible governance. In the Group, we are aware that our success is inseparably linked to the well-being of people, care for the environment and the trust of stakeholders.

In caring about the good of the individual, the benefit of society and protection of the planet, the Group has shaped three pillars of sustainable development, connected by our guiding principle: "For people's health".

These three key pillars represent the guidelines and core orientations for the Group's sustainability management and development. By delivering them, we aim to strengthen stakeholder trust and contribute to the long-term well-being of the communities in which we operate.

The pillars of sustainable operations, in connection with the ESG (Environment, Social, Governance) dimensions, are shown in the figure below.

Pillars of sustainable operations of the SALUS Group



Pillar 1: We operate in an environmentally friendly way (E)

In our efforts to operate sustainably, we place emphasis on the responsible use of resources, improving energy efficiency and reducing our carbon footprint, waste volumes and other impacts on the environment.

Our commitments are:

- We are committed to energy efficiency

Through our activity we do not directly contribute to high CO_2 emissions; rather, we reduce them by optimising distribution routes, using green means of transport and increasing our own production of solar energy. Throughout the value chain we encourage the use of renewable energy sources and low-carbon modes of transport, and we are also working towards greater energy efficiency and self-sufficiency.

- We are focused on reducing emissions

We promote sustainable ways of commuting to work, including the use of carpooling, public transport, cycling, walking, electric scooters and electric vehicles. Where possible, we also enable working from home, thus further reducing emissions and promoting sustainable mobility.

- We use resources efficiently and reduce waste

We use resources efficiently, prevent the generation of waste, introduce sustainable and returnable packaging, optimise processes through document digitalisation and encourage employees in the rational use of resources, sustainable materials and consistent recycling.

Pillar 2: We are socially responsible (S)

We deliver social responsibility by providing safe, stable and inclusive jobs, promoting equal opportunities and contributing to the sustainable economic and social development of employees, business partners and other stakeholders.

Our social responsibility commitments are:

- We co-create a better society together with stakeholders in the value chain

With a broad range of stakeholders and a partnership approach, we strive for sustainable and inclusive growth that benefits both the Group and society at large. As the linking element in the value chain between suppliers, customers and end-users, we foster long-term and responsible cooperation and provide safe, effective and high-quality products and services, while also supporting the transition to a circular economy.

- We take care of a safe, healthy and supportive working environment

We are building an organisational culture with values that are shared by all employees, and we enable regular training and the development of their potential. We take care to provide a safe, pleasant and supportive working environment, with an emphasis on work-life balance, while not tolerating any form of violence or harassment.

- We give back to society

The Group's success is closely linked to the well-being of the community in which we operate, which is why we are committed to its development and to giving back to society. In this context, we support local organisations, schools, associations and other institutions that care for vulnerable groups, education, human health and culture, enabling the delivery of significant projects and initiatives. Our employees are happy to take part in volunteer activities, contribute their time and knowledge, participate in charity initiatives and provide financial support for charitable causes.

Pillar 3: We manage with integrity (G)

We are committed to long-term, responsible and transparent business operations, built on ethical principles, good governance and respect for the highest standards of integrity.

Our commitments within this pillar are:

- We operate transparently, ethically and in compliance with legislation

Compliance and ethical business conduct are the responsibility of managers and all employees, and the Group's operations are based on respect for legislation, internal rules and absolute zero tolerance for non-compliant and unethical practices. All employees and managers must comply with the Code of Conduct and the anti-corruption policies, and report any breaches. The Group provides full protection for whistleblowers acting in good faith. In our cooperation with third parties, we require ethical standards, and therefore, before entering into any new partnership, we verify business compliance in various ways. Transparent communication and regular reporting are key; we publish business and other reports on our website and respond to media enquiries.

- We manage and act responsibly

We have a clearly defined sustainability policy that sets out our targets and principles, and we report regularly and transparently on our sustainability achievements. We actively cooperate with various stakeholders – employees, suppliers, customers and local communities – and promote sustainable practices in the supply chain. We continuously improve our sustainability orientation, train and raise awareness among employees and build an organisational culture with values that are shared by all.

- We are focused on growth and efficiency

We strive to optimise all aspects of business; through innovative solutions, identifying synergies and continuously improving processes, we increase productivity and create added value for our customers. Our growth orientation is reflected in responsible resource management, expansion into new markets and the development of new products and services, through which we build long-term performance and create opportunities for the further development of the Group and its employees.

14.9 Interests and views of stakeholders (SBM-2)

The SALUS Group regularly involves key stakeholders in the development of strategies and business practices. The SALUS Group's most important stakeholders include primarily employees, customers and suppliers, shareholders and investors, subsidiaries, regulatory bodies and state institutions, and professional associations and the media.

Communication with stakeholders takes place in various ways. Feedback obtained from stakeholders is analysed and used to adjust the strategy, in particular in the areas of sustainability, service quality and compliance with legislation.

Going forward, we will continue actively engaging with stakeholders to ensure long-term success and sustainable development.

A detailed description of the stakeholder groups, the channels and tools used for communicating with them and the content of communications is set out in the business report, in section 2 "Strategic orientation and business plan".

14.10 Material impacts, risks and opportunities and their interaction with strategy and the business model (SBM-3)

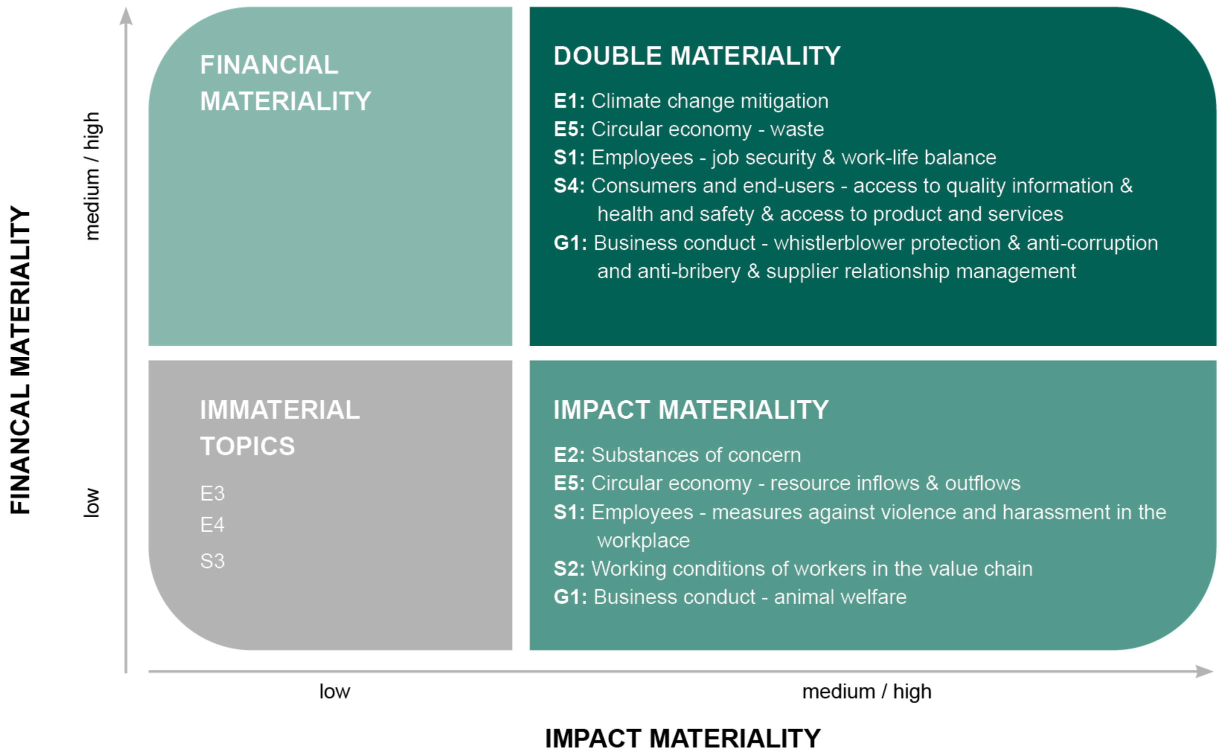
We disclose all material impacts, risks and opportunities at either the topic, sub-topic or sub-sub-topic level in a way that does not obscure the materiality of the content.

In 2025, the material topics remained the same as in 2024. As the expected time horizons of impacts and the time-related effects of risks and opportunities were not yet defined in the initial double materiality analysis process, they were determined subsequently during the working groups' workshops in 2025, taking into account the recommendations of an external consultancy.

In 2025, SALUS, Veletrgovina, d.o.o. successfully completed the acquisition of a 100% business interest in the company FARMADENT, trgovina, proizvodnja in storitve, d.o.o. Due to the nature of its activities, the company does not differ from other companies within the SALUS Group, and it is therefore unlikely to have a material effect on changes in material topics. The same impacts, risks and opportunities are therefore also relevant in 2025.

The results of the time-horizon analysis are included in the table "Impacts, risks and opportunities with identification of time horizons", with an added column setting out the time horizons of impacts and the time-related effect of risks and opportunities.

Double materiality matrix



Material sustainability topics respectively the outcome of the double materiality analysis

	ESRS		FINANCAL MATERIALITY			IMPACT MATERIALITY			Where in the value chain?		
			HIGH	MEDIUM	LOW	LOW	MEDIUM	HIGH			
ENVIRONMENTAL (E)	E1	Climate Change / Climate Change Mitigation		r				−	→	●	→
	E2	Pollution / Substances of Concern			r&o			−	→	●	
	E5	Resource Use and Circular Economy / Resource Inflows (including resource use)			r&o			−	→		
		Resource Use and Circular Economy / Resource Outflows related to Products and Services			r&o			−			→
		Resource Use and Circular Economy / Waste		r&o				−		●	
SOCIAL (S)	S1	Own Workforce / Working Conditions / Job Security		o				+		●	
		Own Workforce / Working Conditions / Work–Life Balance		o				−		●	
		Own Workforce / Working Conditions / Measures against Violence and Harassment at Work			r&o			−		●	
	S2	Workers in the Value Chain / Working Conditions / Job Security			r&o			−	→		→
		Workers in the Value Chain / Working Conditions / Working Time			r			−	→		→
		Workers in the Value Chain / Working Conditions / Health and Safety			r&o			−	→		→
	S4	Consumers and End Users / Information-related Impacts / Access to (Quality) Information	r					−		●	
		Consumers and End Users / Personal Safety / Health and Safety	r&o					+ −	→	●	
		Consumers and End Users / Social Inclusion / Access to Products and Services	r					−			→
GOVERNANCE (G)	G1	Business Conduct / Whistleblower Protection		r				−		●	
		Business Conduct / Animal Welfare			r&o			−	→		
		Business Conduct / Corruption and Bribery	r					−	→	●	→
		Business Conduct / Supply Chain Stability and Integrity	r&o					+	→	●	
		Business Conduct / ESG Impacts in the Supply Chain		r&o				−	→		

r financial risk o financial opportunity + positive impact − negative impact

Impacts, risks and opportunities with defined time horizons

TOPIC	IMPACT RISK OPPORTUNITY	IRO RECORD	OCCURRENCE IN THE VALUE CHAIN			TIME HORIZON/EFFECT	MATERIALITY OF IMPACTS, RISKS & OPPORTUNITIES
Sub-topic			Upstream	Own operations	Down stream	Short-term (S) Medium-term (M) Long-term (L)	
ENVIRONMENT							
E1 Climate change							
Climate change mitigation	Impact	Actual negative impact through transport, distribution and warehousing of medicinal products and medical devices, and consumption of electricity and energy for heating and cooling of buildings.	→	⌂	→	S/M/L	High
Climate change mitigation	Risk	Because the logistics centre at Litostrojska 46a in Ljubljana is located on the edge of a water protection area, it is not possible to obtain consent for a transition to water-to-water heating, which would be less energy-intensive.				L	High
Climate change mitigation	Risk	Potential tightening of regulation on GHG emissions. Potential negative consequences in the event of failing to meet decarbonisation targets.				M	High
Climate change mitigation	Risk	New, more environmentally friendly technological solutions could also be more expensive, which could have a negative effect on demand for, and the availability of, such products.				M	High
Climate change mitigation	Risk	Stakeholders in the value chain (in particular suppliers) have material impacts on climate change through emissions and energy consumption. Stricter regulation in this area would represent a material risk and significant financial consequences for them. Risks faced by the SALUS Group's suppliers could result in an increase in product prices.				M	High
E2 Pollution							
Substances of concern	Impact	Actual negative impact due to substances of concern, via the product offering.	→	⌂		S/M/L	High
E5 Resource use and circular economy							
Resource inflows, including resource use	Impact	Actual negative impact due to the large volume of resource and material use at suppliers.	→			S/M/L	High
Resource outflows related to products and services	Impact	Actual negative impact due to the distribution of large quantities of single-use products and devices that do not return to the process of reuse or recycling.			→	S/M/L	High
Waste	Impact	Actual negative impact due to plastic packaging, paper and cardboard packaging, waste electrical and electronic equipment, waste chemicals and medicinal products.		⌂		S/M/L	High
Waste	Risk	Strong legislative regulation of the area of medical devices and medicinal products, as increasingly restrictive legislation is expected in the area of resource and waste management.				M	Medium
Waste	Risk	Financial risk arising from the transition to greener raw materials and from a higher share of product reuse and recycling.				M	Medium

Impacts, risks and opportunities with defined time horizons

TOPIC	IMPACT RISK OPPORTUNITY	IRO RECORD	OCCURRENCE IN THE VALUE CHAIN			TIME HORIZON/EFFECT	MATERIALITY OF IMPACTS, RISKS & OPPORTUNITIES
Sub-topic			**Upstream**	**Own operations**	**Down stream**	**Short-term (S) Medium-term (M) Long-term (L)**	
Waste	Risk	Risks also arise from the SALUS Group's supply chain. The potential failure of the SALUS Group's suppliers to adapt to sustainability requirements, or risks associated with disruptions in the supply chain and the availability of materials and raw materials.				M	Medium
Waste	Opportunity	Identifying ways to recycle packaging and to fully reduce the amount of packaging. This can further help producers reduce energy consumption.				M	Medium
Waste	Opportunity	Reducing the generation of waste arising from expired chemicals and medicinal products.				S	Medium
SOCIAL							
S1 Own workforce							
Working conditions / Job security	Impact	Actual positive impact on the security and stability of employment, as evidenced by the high share of permanent employees and moderate turnover.		⌂		S/M/L	High
Working conditions / Job security	Opportunity	The security and stability of employment at the SALUS Group can attract new employees and reduce employee turnover.				M	Medium
Working conditions / Work-life balance	Impact	Actual negative impact related to working time, in particular two-shift work, weekend work, overtime work and the availability of certain groups of employees outside working hours.		⌂		S/M/L	High
Working conditions / Work-life balance	Opportunity	Increased employee motivation as a result of establishing work-life balance.				M	Medium
Equal treatment and opportunities for all / Measures against violence and harassment in the workplace	Impact	Potential negative impacts on employees due to violence and harassment in the workplace. To date, no violence or harassment in the workplace has been identified. Identified risks and measures adopted in relation to these risks.		⌂		S/M/L	High
S2 Workers in the value chain							
Working conditions / Job security	Impact	Potential negative impact due to employment insecurity, poorer working conditions, working time, etc.	→		→	S/M	High
Working conditions / Working time	Impact	Potential negative impacts related to working time, overtime work, longer absence from home, multi-shift work, etc., in particular in the transport and warehousing sector.	→		→	S/M	High
Working conditions / Health and safety	Impact	Potential negative impact due to hazards and accidents at work involving stakeholders in the value chain (transport and warehousing, suppliers to suppliers and utility services).	→		→	S/M/L	High

Impacts, risks and opportunities with defined time horizons

TOPIC	IMPACT RISK OPPORTUNITY	IRO RECORD	OCCURRENCE IN THE VALUE CHAIN			TIME HORIZON/EFFECT	MATERIALITY OF IMPACTS, RISKS & OPPORTUNITIES
Sub-topic			Upstream	Own operations	Down stream	Short-term (S) Medium-term (M) Long-term (L)	
S4 Consumers and end-users							
Information-related impacts on consumers and/or end-users / Access to (quality) information	Impact	Potential negative impact arising from product labelling, re-packaging, direct communication with customers and end-users, access to all material information about products from suppliers, and through direct communication of customers (healthcare professionals) with end-users.		⌂		S/M/L	High
Information-related impacts on consumers and/or end-users / Access to (quality) information	Risk	Improper practices in relation to product labelling could lead to lawsuits, damage to the SALUS Group's reputation and otherwise undermine the trust of customers and users.				S	High
Information-related impacts on consumers and/or end-users / Access to (quality) information	Risk	Improper practices in relation to labelling and a lack of transparency in products from the SALUS Group's suppliers could have serious consequences for the SALUS Group in the form of lawsuits, damage to reputation and the undermining of customer and user trust.				S	High
Personal safety of consumers and/or end-users / Health and safety	Impact	Actual positive impact due to the introduction of technologically supported processes embedding control mechanisms. Regular verification, upgrading and improvement of the quality system.	→	⌂		S/M/L	High
Personal safety of consumers and/or end-users / Health and safety	Impact	Potential negative impact in the event of adverse drug effects, defects or failures in medical equipment, or other product deviations that may pose a risk to the health and safety of end-users.	→	⌂		S/M/L	High
Personal safety of consumers and/or end-users / Health and safety	Risk	Companies operating in the healthcare sector are evaluated based on their exposure to potential recalls or product safety concerns, the strength of their supply chain and procurement systems, their efforts in manufacturing quality management and their responsible marketing practices.				M	High
Personal safety of consumers and/or end-users / Health and safety	Risk	Information about product safety and side effects can emerge after controlled clinical trials and approvals. If companies are not transparent about this, they may be exposed to the financial consequences of recalls and other adverse events. Issues concerning product safety, such as equipment failures, manufacturing defects, design defects or inadequate disclosure of risks associated with the product, can lead to substantial product liability claims. Companies that appropriately manage product quality and safety may be able to avoid such risks and increase shareholder value.				M	High
Personal safety of consumers and/or end-users / Health and safety	Risk	Risks associated with the possibility of mislabelled products and the risks of counterfeit medicinal products.				S	High

Impacts, risks and opportunities with defined time horizons

TOPIC	IMPACT RISK OPPORTUNITY	IRO RECORD	OCCURRENCE IN THE VALUE CHAIN			TIME HORIZON/EFFECT	MATERIALITY OF IMPACTS, RISKS & OPPORTUNITIES
Sub-topic			Upstream	Own operations	Down stream	Short-term (S) Medium-term (M) Long-term (L)	
Personal safety of consumers and/or end-users / Health and safety	Risk	A decrease in patients'/users' trust in products due to legal or other infringements, breaches of privacy or failure to report pharmacovigilance and vigilance events.				S	High
Personal safety of consumers and/or end-users / Health and safety	Risk	The interruption of IT systems due to security incidents, or of warehousing systems due to mechanical and other failures.				S	High
Personal safety of consumers and/or end-users / Health and safety	Opportunity	Ensuring the visibility of the SALUS Group and expanding the regional presence to obtain representations for new or innovative products.				L	High
Personal safety of consumers and/or end-users / Health and safety	Opportunity	Strengthening the role in society as part of the social infrastructure and additional acquired trust of stakeholders.				L	
Social inclusion of consumers and/or end-users / Access to products and services	Impact	Potential negative impact in relation to price-related affordability and access to innovative medicinal products.			→	M	High
Social inclusion of consumers and/or end-users / Access to products and services	Risk	The SALUS Group notes that the volume-linked margin is stagnating due to an increasing share of more expensive prescription medicines and a rise in sales of larger pack sizes.				L	High
GOVERNANCE							
G1 Business conduct							
Whistleblower protection	Impact	Potential negative impacts that could arise from the failure to protect whistleblowers and from violations not being reported due to fear of retaliation.		⌂		S	High
Whistleblower protection	Risk	Failure to protect whistleblowers could result in private litigation or public exposure if the whistleblower were to turn to the media or competent (civil) organisations that would deal with their report (e.g. the Commission for the Prevention of Corruption (KPK), Transparency International, etc.). The negative financial consequences would manifest in reduced reputation, court costs, fines and penalties.				S/M/L	Medium
Animal welfare	Impact	Potential negative impact of suppliers in the production of products that are tested on animals, or in the production of products whose ingredients also include ingredients of animal origin.	→			S/M/L	High
Corruption and bribery	Impact	Potential negative impacts that could arise from corruption and bribery on the part of employees, representatives or other related parties of the SALUS Group.		⌂		S/M/L	High

Impacts, risks and opportunities with defined time horizons

TOPIC	IMPACT RISK OPPORTUNITY	IRO RECORD	OCCURRENCE IN THE VALUE CHAIN			TIME HORIZON/EFFECT	MATERIALITY OF IMPACTS, RISKS & OPPORTUNITIES
Sub-topic			**Upstream**	**Own operations**	**Down stream**	**Short-term (S) Medium-term (M) Long-term (L)**	
Corruption and bribery	Risk	Bribery, fraud, corruption, violations of fundamental human rights in relation to business partners or employees, and non-compliant or unethical conduct may affect the Group's reputation and financial position.				M	High
Corruption and bribery	Risk	Companies engaged in medical equipment and supplies are subject to various international and national legislation relating to healthcare fraud and abuse. The ability of companies to ensure compliance across their entire global and domestic operating footprint can have significant consequences. Corporate disclosures of legal and regulatory penalties and codes of ethics governing interactions with healthcare professionals can enable shareholders to monitor performance in this area.				M	High
Corruption and bribery	Impact	Potential negative impacts that could arise from corruption and bribery in the SALUS Group's value chain.	→		→	S/M/L	High
Management of relationships with suppliers / Stability and integrity of the supply chain	Impact	Actual positive impacts associated with efforts to deliver safe, effective and high-quality products to consumers in a timely manner.	→	⌂		S/M/L	High
Management of relationships with suppliers / Stability and integrity of the supply chain	Risk	Interruption in the supply of products due to natural disasters, wars and other instances of force majeure. The measure adopted in this regard is to ensure that the supply base is broad enough to provide product substitutes/alternatives.				S	High
Management of relationships with suppliers / Stability and integrity of the supply chain	Risk	The interruption of IT systems due to security incidents, or of warehousing systems due to mechanical and other failures. The SALUS Group's measure: training in information security, pharmacovigilance, good distribution practices and a Business Continuity Plan.				S	High
Management of relationships with suppliers / Stability and integrity of the supply chain	Risk	The pharmaceutical wholesale industry faces risks associated with counterfeit medicinal products. Effective supply chain management is essential to mitigate these challenges.				S	High
Management of relationships with suppliers / Stability and integrity of the supply chain	Risk	Pharmaceutical wholesalers that do not manage their supply chains may incur costs associated with medicinal product recalls. Such incidents can pose a significant risk in terms of customer loss.				S	High
Management of relationships with suppliers / Stability and integrity of the supply chain	Opportunity	Good supply chain management can reduce risks and build trust among partners and with customers.				L	High
Management of relationships with suppliers / Stability and integrity of the supply chain	Opportunity	Ensuring the Group's visibility and expanding the regional presence to obtain representations for new or innovative products.				L	High

Impacts, risks and opportunities with defined time horizons

TOPIC	IMPACT RISK OPPORTUNITY	IRO RECORD	OCCURRENCE IN THE VALUE CHAIN			TIME HORIZON/EFFECT	MATERIALITY OF IMPACTS, RISKS & OPPORTUNITIES
Sub-topic			Upstream	Own operations	Down stream	Short-term (S) Medium-term (M) Long-term (L)	
Management of relationships with suppliers / Stability and integrity of the supply chain	Opportunity	Strengthening the role in society as part of the social infrastructure and additional acquired trust of stakeholders.				L	High
Management of relationships with suppliers / ESG impacts in the supply chain	Impact	Potential negative impacts if risks in the supply chain materialise and through non-transparent operations.	→			S/M/L	High
Management of relationships with suppliers / ESG impacts in the supply chain	Risk	Negative ESG impacts (in particular bribery, fraud, violations of fundamental human rights) in the supply chain may affect the Group's reputation and financial position. The termination of distribution and other contracts due to violations of fundamental human rights, non-compliance with quality standards and unethical practices.				S/M/L	Medium
Management of relationships with suppliers / ESG impacts in the supply chain	Opportunity	Stable supply and good relationships with suppliers as a result of strict adherence to ethical business practices, fundamental human rights, environmental care and compliant conduct.				M	Medium
Management of relationships with suppliers / ESG impacts in the supply chain	Opportunity	Improved credit ratings from financial institutions and suppliers, easier access to cheaper financing.				M	Medium
Management of relationships with suppliers / ESG impacts in the supply chain	Opportunity	Opportunities in the supply chain exist across all ESG areas, where through cooperation and activation in ESG initiatives the SALUS Group could address its ESG challenges (e.g. emissions reductions, opportunities in the circular economy, safety and traceability of products, etc.) and thereby increase its visibility and reputation.				L	Medium

In the identification phase, impacts, risks and opportunities relating to water and marine resources (potential negative impact due to high water consumption in production at the SALUS Group's suppliers and suppliers to its suppliers, and the risks of potential disruptions in the supply chain) and biodiversity and ecosystems (potential negative impact due to research and development programmes of the pharmaceutical industry and the related potential negative impact arising from the use of certain products; opportunity to become an early adopter of innovations in the field of green chemistry) were also considered, but were assessed as low and medium materiality.

A reciprocal link exists between the SALUS Group's strategy and business model and the identified impacts, risks and opportunities. On the one hand, the identified material sustainability topics influence the Group's strategic direction, and on the other hand, strategic decisions influence the material sustainability topics.

Building on the material impacts, risks and opportunities identified above, in 2025 we defined the overarching ESG targets.

Overarching ESG targets

Strategic ESG goals

STRATEGIC DIRECTIONS OF SUSTAINABLE BUSINESS

E	S	G
Reducing the carbon footprint in scopes 1, 2 and 3 by 42% by 2030 and by 90% by 2050 compared to the baseline year 2024.	Building employee loyalty, a culture of safety and employee satisfaction through work-life balance and creating new jobs.	Strengthening integrity and preventing corruption through training programs. Ensuring an effective and trustworthy system for reporting and addressing irregularities.
Reducing the amount of waste (destroyed chemicals and medicines due to expired expiration dates and packaging waste) and increasing the proportion of waste that is reused or recycled.	To provide safe, efficient and high-quality products and services through a partnership and as a connecting link in the value chain between suppliers, customers and end users.	Encouraging and increasing the share of key suppliers that have adopted a decarbonization plan in line with science-based targets.
Increasing the number of circular business models and promoting the use of more sustainable raw materials (medical equipment rental model, returnable transport packaging, promoting responsible use of resources and safer chemicals throughout the supply chain.).	Ensuring an excellent user experience and continuous improvement of the portal's informativeness to effectively support business partners.	Transparent communication, stakeholder engagement and achieving high quality ESG disclosures based on relevant and reliable data.

The following table shows how the SALUS Group's strategic targets are linked to the material sustainability topics and the overarching ESG targets.

Linkage of ESG targets to material sustainability topics and strategic targets

Overarching ESG target	Material sustainability topics	Strategic target
Reducing the carbon footprint in Scopes 1, 2 and 3 by 42% by 2030 and by 90% by 2050 compared to the 2024 baseline year. Encouraging and increasing the share of key suppliers with an adopted decarbonisation plan in line with science-based targets. Reducing the volume of waste (chemicals and medicinal products destroyed due to expiry and packaging waste) and increasing the share of waste sent for reuse or recycling. Increasing the share of medical devices/equipment that are part of the rental business model. By means of a partnership approach, and as the linking element in the value chain between suppliers, customers and end-users, providing safe, effective and high-quality products and services. Ensuring an excellent user experience and continuous improvement of the informativeness of the portal to provide effective support to business partners. Strengthening integrity and preventing corruption through training programs – ensuring an effective and trustworthy system for reporting and dealing with irregularities. Transparent communication, stakeholder engagement and achieving high-quality ESG disclosures based on relevant and reliable data.	Climate change mitigation Resource use and circular economy / Resource inflows Resource use and circular economy / Resource outflows Resource use and circular economy / Waste Pollution / Substances of concern Workers in the value chain / Working conditions Consumers and end-users / Information-related impacts on consumers and/or end-users / Access to (quality) information Consumers and end-users / Personal safety of consumers and/or end-users / Health and safety Consumers and end-users / Social inclusion of consumers and/or end-users / Access to products and services Business conduct / Whistleblower protection Business conduct / Animal welfare Business conduct / Corruption and bribery Business conduct / Management of relationships with suppliers / Stability and integrity of the supply chain Business conduct / Management of relationships with suppliers / ESG impacts in the supply chain	Creating long-term value for all stakeholders
Building employee commitment, a culture of safety and employee satisfaction through work-life balance, and creating new jobs.	Own workforce / Working conditions / Job security Own workforce / Working conditions / Work-life balance Own workforce / Equal treatment and opportunities for all / Measures against violence and harassment in the workplace	Competent and committed employees
By means of a partnership approach, and as the linking element in the value chain between suppliers, customers and end-users, providing safe, effective and high-quality products and services. Ensuring an excellent user experience and continuous improvement of the informativeness of the portal to provide effective support to business partners. Strengthening integrity and preventing corruption through training programs. Ensuring an effective and trustworthy system for reporting and dealing with irregularities.	Consumers and end-users / Information-related impacts on consumers and/or end-users / Access to (quality) information Consumers and end-users / Personal safety of consumers and/or end-users / Health and safety Consumers and end-users / Social inclusion of consumers and/or end-users / Access to products and services	Consolidating its position on the Slovenian market Expansion of business in the CEE region
Reducing the carbon footprint in Scopes 1, 2 and 3 Reducing the volume of waste (chemicals and medicinal products destroyed due to expiry and packaging waste) and increasing the share of waste sent for reuse or recycling.	Climate change mitigation Resource use and circular economy / Waste	Cost efficiency and accelerated digitalisation

The SALUS Group has not yet performed a formal and structured assessment of the resilience of its strategy and business model, which it intends to do in the next five years. We estimate that this resilience is high, but with the aim of strengthening it we have upgraded the Sustainability Policy, the ESG targets and put in place a governance model for material sustainability topics.

14.11 Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)

Since the last analysis, there have been no material changes in the organisational or operational structure of the Group, nor any material changes in external factors that could have created new impacts, risks and opportunities or altered existing ones, or affected the materiality of individual disclosures. The Group has not entered new markets or discontinued existing activities, nor has it materially changed its key suppliers or supply chain. There have also been no global events or changes in social expectations or scientific evidence that could have led to a reassessment of the materiality of individual topics.

In 2025, the acquisition of a 100% business interest in FARMADENT d.o.o. and its subsidiary GOPHARM d.o.o. was completed. As a consequence, the company NENSI d.o.o. also entered consolidation as a subsidiary. The activities of these companies do not differ materially from those of the other companies in the SALUS Group.

In the double materiality analysis process, we cooperated with external experts. The activities were coordinated by the Compliance Officer, and in 2025, with the appointment of the Sustainable Development Expert in June, the activities already under way continued in close cooperation with employee representatives from various departments of subsidiaries (purchasing, sales, HR, legal, management, finance, logistics and quality and regulatory).

The process for identifying material impacts, risks and opportunities is part of the due diligence procedure, in the context of which we identified and assessed impacts, risks and opportunities related both to the SALUS Group's own activities and the upstream and downstream value chain. Stakeholders were also actively involved in the process.

Set out below are the key phases of the process which, over the past year, led to the identification of high-materiality sustainability topics (based on the assessment of the severity and likelihood of impacts and the scale and likelihood of financial risks and opportunities). In the years ahead, we will work intensively on measures and targets for these and regularly monitor the effectiveness of our efforts to deliver them.

All our material topics relate to the ESRS list of topics.

Identifying impacts, risks and opportunities

As a first step, an analysis was performed of the situation and existing activities in the area of the SALUS Group's sustainable development, as these – together with the ESG topics of the ESRS standards – were the starting point for identifying impacts, risks and opportunities.

We identified impacts, risks and opportunities from existing internal ESG documents, publicly available documents of competitors, professional literature and certain other sectoral standards and frameworks, such as MSCI, SASB, CSR Risk Check, etc. This was followed by workshops with representatives of the SALUS Group's subsidiaries, who actively identified all impacts, risks and opportunities, regardless of the size of the individual subsidiary. Risks and opportunities were identified on the basis of their links to impacts, which is also evident in more detail from the list of impacts, risks and opportunities in section SBM-3.

The SALUS Group intends in 2026 to reassess the current materiality of individual topics, including by performing a comparative analysis of the material topics of comparable companies (which, with the evolving practice of publishing sustainability reports that include a double materiality analysis, will become substantially more relevant and accessible).

Assessing impacts, risks and opportunities

The assessment process was carried out primarily from the perspective of the three largest companies, which together account for the majority of the SALUS Group's revenues, while taking into account any deviations on the part of smaller companies that could affect the overall assessment. The result of the workshops was that the sustainability topics were thus identified and assessed from the perspective of impacts, risks and opportunities. Following the workshops, we reviewed the assessments and adjusted them as appropriate, also taking into account the assessments of material stakeholder groups (employees, suppliers and customers), which they provided through survey questionnaires. The survey was completed by 283 employees and 280 customers and suppliers. In addition, we also took into account the material topics identified through existing methods of communicating with stakeholders, such as complaints mechanisms, opinion surveys and other analyses and regular dialogue with stakeholders in the companies.

Confirmation of the results

The results of the double materiality analysis, together with the final assessments, were approved by the Management Board of the parent company.

Method of assessing impacts, risks and opportunities

- Impacts

We identified and assessed actual and potential, and positive and negative, impacts of the SALUS Group on people and the environment (inside-out perspective). Impacts associated with the SALUS Group's own operations and its upstream and downstream value chain are covered.

We assessed the materiality of impacts based on severity, using two indicators – scale and scope – for positive impacts, and, for negative impacts, additionally using the criterion of irremediability.

The materiality of actual impacts was assessed solely in terms of severity, while the materiality of potential impacts was additionally assessed considering their likelihood.

The qualitative descriptors of the assessments were defined precisely according to the topic or sub-topic within which the impacts were assessed.

- Risks and opportunities

We assessed risks and opportunities by considering their likelihood of occurrence and the potential scale of their short-, medium- and long-term financial effects (outside-in perspective). Scale was assessed quantitatively, based on the percentage reduction or increase in net profit from sales. Alignment of the approaches to assessing risks and opportunities related to sustainability matters with the risks that the SALUS Group manages in its risk register was not performed at this stage.

The assessment was performed using scores from 1 to 5 and taking into account additional requirements and exceptions which the ESRS standards lay down for the double materiality assessment (ESRS 1, sections 3.4, 3.5, AR 9 – AR 11, ESRS 2, section 4.1). The scores were converted into three-tier scales, so that in the end impacts, risks and opportunities were assessed as "high", "medium" or "low" materiality.

- Dependencies

In the assessment process, the company systematically reviews what the business model depends on (e.g. natural resources, human resources, infrastructure, regulation, technology), on which stakeholders and parts of the value chain it depends, and which external conditions affect operations.

Threshold for identifying material sustainability topics

The aim of the double materiality assessment, i.e. the materiality of impacts, risks and opportunities, was to identify those sustainability topics that are material to the SALUS Group either from an impact perspective or from a financial materiality perspective, or both (double materiality). We identified as material those topics with a high impact-materiality score, a high financial-materiality score or a high double materiality. A topic is material from a double materiality perspective if both impact and financial materiality are assessed as high materiality, or if one of them is assessed as high and the other as medium materiality.

Description of the processes for identifying and assessing material climate-related impacts, risks and opportunities

In identifying and assessing climate-related impacts, we started from the greenhouse gas emissions calculation for the subsidiary of SALUS, Veletrgovina, d.o.o. and from energy consumption data, and we also drew on sectoral standards. We did not perform a resilience analysis that would simultaneously include a climate scenario analysis. In identifying physical risks, we started from the locations of our main activities, environmental impact assessments under the ISO 14001 standard, legislative requirements and the expectations of our key customers. Based on the location of activities, the physical risk of heavy rainfall and consequent flooding of warehouses and business buildings was identified, but was assessed as less material, since the three largest companies of the SALUS Group (SALUS, Veletrgovina, d.o.o., MEDITRADE d.o.o., SANOLABOR, d.d.) are not located in flood-prone areas. Transition risks associated with climate change were identified as material, namely regulatory (tightening of legislation, failure to meet targets), technological (high cost of new solutions) and market-related in the value chain (increase in suppliers' prices due to their decarbonisation costs). The scale and likelihood of risks were assessed in accordance with the risk assessment method described in this section. In the previous year we identified the time-related effect only for material risks identified, as disclosed in the table in section ESRS 1 SBM-3. Assets and business activities that are incompatible with, or require significant efforts to be compatible with, the transition to a climate-neutral economy were not identified.

Description of the processes for identifying and assessing material pollution-related impacts, risks and opportunities

In the double materiality analysis process, in identifying impacts within the pollution topic and assessing them, we examined our business locations and activities. We assessed that our direct activities (warehousing, offices, retail stores) do not represent a source of material emissions to air, water or soil. However, on the basis of our knowledge of our product portfolio and analysis of sectoral standards, we identified a material indirect impact relating to the potential presence of substances of concern in certain product groups.

Description of the processes for identifying and assessing material impacts, risks and opportunities related to resource use and the circular economy

We analysed material flows through our operations and value chain. Given that our core activity is distribution, in the area of resource inflows we focused on suppliers' material consumption, and in the area of resource outflows on the generation of waste. On the basis of knowledge of our product portfolio, we identified the key negative impacts in the upstream (resource use in production at suppliers) and downstream value chain (post-use waste generation, since the majority of products or packaging are single-use). In our own operations, we identified waste packaging and hazardous waste as the principal sources of impact. In identifying risks, we started from legislative pressures (more stringent regulation on waste management) and we also identified market and operational risks (higher cost of transitioning to green materials, disruptions in the supply of raw materials). At the same time, we identified opportunities in the optimisation and recycling of packaging and in reducing the volumes of destroyed expired products.

14.12 Disclosure requirements under the ESRS covered in the undertaking's sustainability statement (IRO-2)

List of data points from cross-cutting and topical standards that arise from other EU legislation

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page / relevance
ESRS 2 GOV-1 Gender representation on the boards, paragraph 21(d)	✓		✓		69-73
ESRS 2 GOV-1 Proportion of independent board members, paragraph 21(e)			✓		69-73
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	✓				74
ESRS 2 SBM-1 Involvement in activities related to fossil fuels, paragraph 40(d)(i)	✓	✓	✓		Not relevant
ESRS 2 SBM-1 Involvement in activities related to chemicals production, paragraph 40(d)(ii)	✓		✓		Not relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	✓		✓		Not relevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40(d)(iv)			✓		Not relevant
ESRS E1-1 Transition plan to climate neutrality by 2050, paragraph 14				✓	103
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16(g)		✓	✓		103
ESRS E1-4 GHG emission reduction targets, paragraph 34	✓	✓	✓		104
ESRS E1-5 Energy consumption from fossil sources disaggregated by source (high climate impact sectors only), paragraph 38	✓				104-106
ESRS E1-5 Energy consumption and energy mix, paragraph 37	✓				104-106
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	✓				104-106
ESRS E1-6 Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions, paragraph 44	✓	✓	✓		106-107
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	✓	✓	✓		106-107
ESRS E1-7 GHG removals and carbon credits, paragraph 56				✓	Not relevant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			✓		Subject to phase-in
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a)		✓			Subject to phase-in
ESRS E1-9 Location of significant assets exposed to material physical risk, paragraph 66(c)		✓			Subject to phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c)			✓		Not relevant

List of data points in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page / relevance
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	✓				Not relevant
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	✓				Not relevant
ESRS E3-1 Water and marine resources, paragraph 9	✓				Not relevant
ESRS E3-1 Dedicated policy, paragraph 13	✓				Not relevant
ESRS E3-1 Sustainable oceans and seas, paragraph 14	✓				Not relevant
ESRS E3-4 Total amount of recycled and reused water, paragraph 28(c)	✓				Not relevant
ESRS E3-4 Total water consumption in m³ per net revenue from own operations, paragraph 29	✓				Not relevant
ESRS 2 – SBM-3 – E4, paragraph 16(a)(i)	✓				Not relevant
ESRS 2 – SBM-3 – E4, paragraph 16(b)	✓				Not relevant
ESRS 2 – SBM-3 – E4, paragraph 16(c)	✓				Not relevant
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24(b)	✓				Not relevant
ESRS E4-2 Sustainable ocean/sea practices or policies, paragraph 24(c)	✓				Not relevant
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	✓				Not relevant
ESRS E5-5 Non-recycled waste, paragraph 37(d)	✓				121-122
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	✓				121-122
ESRS 2 – SBM-3 – S1 Risk of incidents of forced labour, paragraph 14(f)	✓				86
ESRS 2 – SBM-3 – S1 Risk of incidents of child labour, paragraph 14(g)	✓				86
ESRS S1-1 Human rights policy commitments, paragraph 20	✓				128-131
ESRS S1-1 Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8, paragraph 21			✓		128-131
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	✓				Not relevant
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	✓				128-131
ESRS S1-3 Grievance mechanisms, paragraph 32(c)	✓				132-134
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	✓		✓		Not relevant
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88(e)	✓				Not relevant
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	✓		✓		Not relevant
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	✓				Not relevant
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	✓				143
ESRS S1-17 Non-compliance with UN Guiding Principles on Business and Human Rights and OECD, paragraph 104(a)	✓		✓		143
ESRS 2 – SBM-3 – S2 High risk of child labour or forced labour in the value chain, paragraph 11(b)	✓				86
ESRS S2-1 Human rights policy commitments, paragraph 17	✓				128-131
ESRS S2-1 Policies related to value chain workers, paragraph 18	✓				144

List of data points in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page / relevance
ESRS S2-1 Non-compliance with UN Guiding Principles on Business and Human Rights and OECD Guidelines, paragraph 19	✓		✓		144
ESRS S2-1 Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8, paragraph 19			✓		144
ESRS S2-4 Human rights issues and incidents connected to upstream and downstream parts of its value chain, paragraph 36	✓				144
ESRS S3-1 Human rights policy commitments, paragraph 16	✓				Not relevant
ESRS S3-1 Non-compliance with UN Guiding Principles on Business and Human Rights, ILO principles and/or OECD Guidelines, paragraph 17	✓		✓		Not relevant
ESRS S3-4 Human rights issues and incidents, paragraph 36	✓				Not relevant
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	✓				145-147
ESRS S4-1 Non-compliance with UN Guiding Principles on Business and Human Rights and OECD Guidelines, paragraph 17	✓		✓		145-147
ESRS S4-4 Human rights issues and incidents, paragraph 35	✓				145-147
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	✓				149-151
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	✓				150-151
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24(a)	✓		✓		156
ESRS G1-4 Standards for combating corruption and bribery, paragraph 24(b)	✓				156

14.13 Policies adopted to manage material sustainability matters (MDR-P)

Within its business model and strategy, the SALUS Group comprehensively integrates policies addressing material sustainability topics and reflecting activities in the areas of environment, society and governance. The policies are aligned with relevant legislative requirements and stakeholder expectations and contribute to achieving the objectives of sustainable business. The key policies are described in the table below. Policies that are specific to an individual area and are not relevant to the entire SALUS Group are additionally included within each material topic.

Policies

Key content	ESRS topic covered	Scope of the policy	Implementation responsibility	Accessibility
Corporate Governance Policy of the joint-stock company SALUS, Ljubljana, d.d.				
The policy sets out the corporate governance framework of the Company, established and adopted by the Supervisory Board and the Management Board for the management and oversight of the Company / Group.	S4, G1	For the parent company SALUS, Ljubljana, d.d.	The policy is adopted by the Management Board and the Supervisory Board of the parent company SALUS, Ljubljana, d.d., who are also responsible for its implementation.	https://www.salus.eu/vlagatelji/#menu-javne-objave
Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group				
The policy describes the strategic approach to business decision-making and conduct based on integrating sustainability principles into all aspects of operations in order to create long-term value for all stakeholders. It rests on three pillars — environment, social responsibility and integrity — and sets key objectives and measures based on the double materiality assessment.	E1, E5, S1, S4, G1	For the companies of the SALUS Group and external stakeholders	The policy is adopted by the Management Board and the Supervisory Board of the parent company SALUS, Ljubljana, d.d. Sustainability management within the Group is the responsibility of the Management Board of the parent company SALUS, Ljubljana, d.d. The Supervisory Board oversees and reviews implementation of the Policy. The Sustainable Development Specialist is responsible for the integrated implementation of the sustainable development strategy. All members of the management bodies of SALUS Group companies, together with department heads and employees, are responsible for the operational implementation of sustainability commitments.	https://www.salus.eu/vlagatelji/#menu-javne-objave
Code of Conduct of the company SALUS, Ljubljana, d.d. and the SALUS Group				
The Code consolidates the key principles and expectations guiding the operations of the SALUS Group. It defines standards for stakeholder relations, rules on information security, responsible business conduct and compliance with legislation. It includes a commitment to sustainable development, political neutrality, accountability to shareholders and secure procedures for reporting breaches.	S1, S4, G1	For the companies of the SALUS Group	Each company of the SALUS Group and each individual employee is responsible for implementation.	https://www.salus.eu/vlagatelji/#menu-javne-objave
Anti-Bribery and Anti-Corruption Policy of the company SALUS, Ljubljana, d.d. and the SALUS Group				
The policy sets out responsibilities for the ethical, transparent and lawful operation of the SALUS Group. It includes rules on preventing corruption, dealings with public officials, integrity checks on partners and the prohibition of improper benefits. It is intended to protect the Company, its employees and stakeholders from legal, financial and reputational risks and constitutes the foundation of compliance.	S1, S4, G1	For SALUS Group companies	The policy is adopted by the Management Board. Each company of the SALUS Group and each individual employee is responsible for implementation.	DNA, internal by company
Code of Conduct for Third Parties of the SALUS Group companies				

Policies

Key content	ESRS topic covered	Scope of the policy	Implementation responsibility	Accessibility
The Code enforces compliance with the highest ethical standards and principles of corporate social responsibility on the part of all business partners and their subcontractors. It requires compliance with legislation, regulations and good practice, thereby strengthening integrity and accountability across the supply chain.	S1, S2, S4, G1	For contractually bound partners; for others, it is publicly published as guidance for conduct	Employees in the departments of SALUS Group companies who have direct contact with business partners are responsible for communicating the policy to those partners. Implementation is the responsibility of all business partners and their subcontractors.	https://www.salus.eu/vlagatelji/#menu-javne-objave
Rules on Internal Reporting of Breaches				
The rules set out the procedure for reporting irregularities and alleged breaches of the Code of Conduct, internal rules and legislation, while ensuring the secure handling of such reports. The SALUS Group operates an open-door policy and zero tolerance towards conduct that harms the integrity, reputation or compliance of the business, and promotes each individual's responsibility for ethical conduct.	S1, G1	For SALUS Group companies	Each company of the SALUS Group and each individual employee is responsible for implementation.	DNA, internally by companies
Employment and Working-Time Regulations at individual companies				
Set out the rights and obligations of employers and employees, including types of contract and recruitment procedures. Govern working-time arrangements, overtime, breaks, leave and special absences. Include rules on remuneration, allowances and compensation during absence.	S1, S4, G1	For the companies of the SALUS Group	Each company of the SALUS Group and each individual employee is responsible for implementation.	DNA, internally by companies
Anti-Harassment and Anti-Bullying Rules				
Describe impermissible conduct and define measures to ensure a safe, respectful environment. Include procedures for reporting and handling breaches and provide protection of the victim against retaliation. Provide for sanctions against offenders and preventive activities such as training and employee awareness.	S1, G1	For SALUS Group companies with their registered office in Slovenia	All workers, including self-employed persons and agency workers, are responsible for implementation.	DNA, internally by companies
Policies / Rules under the Whistleblower Protection Act				
The rules establish secure and confidential channels for reporting alleged irregularities and define the types of breach to be reported. They emphasise open communication, individual responsibility to report in a timely manner and zero tolerance towards conduct that harms the reputation or integrity of the Company, with a commitment to handle every report carefully and objectively.	S1, G1	For SALUS Group companies based in Slovenia with more than 50 employees	Implementation is the responsibility of Slovenian companies with more than 50 employees.	DNA, internally by companies

In 2025 we updated the Business Sustainability Policy and aligned it with the areas and topics identified as highly material in the double materiality assessment. For topics where it has not yet been established, we intend to supplement it over the next two years.

The SALUS Group's commitment to respect fundamental human rights is set out in the Code of Conduct, and it undertakes to conduct its business in a manner that prevents and precludes any form of slavery or exploitation of people. The Code of Conduct defines the basic principles of acceptable conduct and behaviour by individuals and constitutes fundamental and binding guidelines for individuals at all hierarchical and organisational levels of the SALUS Group; it also defines a zero-tolerance policy regarding acts by individuals that may adversely affect the reputation of the SALUS Group or are impermissible from a legal, moral or ethical standpoint.

14.14 Actions and resources related to material sustainability matters (MDR-A)

In 2025, the activities of the SALUS Group focused on:

- establishing a governance model for material sustainability topics (recruitment of a sustainable development specialist, appointment and confirmation of members of working groups for ESG areas, and launch of operational meetings),
- defining metrics for material sustainability topics,
- defining overarching ESG targets,
- updating the sustainability policy,
- calculating the Scope 1, 2 and 3 carbon footprint and developing a decarbonisation plan.

Because the key metrics for material sustainability topics were only defined in 2025, sufficient data has not yet been collected for many of these topics; for certain topics where data are already being collected, they are described under the relevant material topic.

15 Climate change (E1)

Based on the 2024 double materiality assessment, which remains valid, the SALUS Group has identified one material impact in the area of climate change, related to climate change mitigation, and within it four transition risks. These are set out in the table "Impacts, risks and opportunities (E1)" together with reference to the key policies addressing this topic. The key content, scope and implementation responsibility for each policy are defined in the ESRS 2 MDR-P chapter.

Impacts, risks and opportunities (E1)

Impacts, risks and opportunities	Category	Policies
Climate change / Climate change mitigation		
Actual negative impact through the transport, distribution and storage of medicinal products and medical devices, electricity consumption and energy for heating and cooling buildings.	Actual negative impact	Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group
Because the logistics centre at Litostrojska 46a in Ljubljana lies on the edge of a water protection area, consent cannot be obtained to switch to a water-to-water heating system, which would be less energy-intensive.	Transition risk	
Possible tightening of regulations on GHG emissions. Possible adverse consequences if decarbonisation targets are not met.	Transition risk	
New, more environmentally friendly technological solutions could also be more expensive, which could have a negative impact on demand for and availability of such products.	Transition risk	
Stakeholders in the value chain (primarily suppliers) have significant impacts on climate change through their emissions and energy consumption. Stricter regulation in this area would represent a significant risk for them, with material financial consequences. Risks to SALUS Group suppliers could result in increases in product prices.	Transition risk	

The integration of sustainability-related performance into incentive systems (GOV-3) is explained in chapter ESRS 2, GOV-3, and a description of the processes for identifying and assessing material climate-related impacts, risks and opportunities (IRO-1) is provided in chapter ESRS 2, IRO-1.

15.1 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The SALUS Group has an actual negative impact through the transport, distribution and storage of medicinal products and medical devices, electricity consumption and energy for heating and cooling buildings.

Linked to the material impact highlighted, we have also identified material risks. The risks were assessed by an internal group of SALUS Group employees together with an external expert, taking as a starting point the assessment of environmental impacts on the SALUS Group under the ISO 14001 standard. That standard served only as a guideline; the procedure itself considered all physical and transition climate risks.

The SALUS Group has identified transition risks related to climate change as material. Given the location of operations, a physical risk of heavy precipitation and consequent flooding of warehouses and business premises was also identified, but was assessed as less material because the three largest companies of the SALUS Group (SALUS, Veletrgovina, d.o.o., MEDITRADE d.o.o., SANOLABOR, d.d.) are not located in flood-prone areas.

The SALUS Group is gradually integrating climate change mitigation aspects into its policies, business model, strategies and measures. A more detailed analysis of the resilience of the SALUS Group's strategy and business model in relation to climate change will be prepared in the future.

15.2 Transition plan for climate change mitigation (E1-1)

The SALUS Group's decarbonisation strategy through 2030 and 2050 (the "Decarbonisation Strategy") is currently in the process of being approved. The Decarbonisation Strategy sets out an ambitious but feasible pathway for reducing the carbon footprint, in line with the global goal of limiting warming to 1.5°C. The Decarbonisation Strategy is based on the 2024 base year and the Science Based Targets initiative (SBTi) methodology. Particular emphasis is placed on reducing direct emissions (Scope 1), indirect emissions from energy consumption (Scope 2) and emissions in the broader value chain (Scope 3) through active cooperation with suppliers and logistics partners.

15.3 Policies related to climate change mitigation and adaptation (E1-2)

In the Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group, we commit to actively reducing our environmental impact by increasing the use of energy from renewable sources and introducing sustainable mobility into business processes. We commit to reducing GHG emissions by optimising distribution routes, introducing green means of transport and increasing our own production of solar electricity. We strive to use green energy sources and achieve the greatest possible energy self-sufficiency, which is also taken into account in investment decisions. We promote the use of electric vehicles, car-pooling and other alternative ways for employees to commute to and from work, and we enable working from home where the nature of the work allows.

15.4 Actions and resources in relation to climate change policies (E1-3)

The SALUS Group has prepared a calculation of the Scope 1, 2 and 3 carbon footprint and, with the Decarbonisation Strategy, has begun defining targets and measures for reducing emissions.

Key planned measures

- Scope 1 – direct emissions: electrification of company cars and vans, regular maintenance of refrigeration systems and reduction of fugitive emissions, energy efficiency in buildings.
- Scope 2 – energy consumption: increasing our own production of electricity from renewable sources, purchase of renewable electricity with guarantees of origin, improving the energy efficiency of buildings and retail units, and gradual decarbonisation of district heating (Energetika Ljubljana).
- Scope 3 – broader value chain: active cooperation with suppliers and logistics partners in setting SBTi targets, improving the quality of emissions data, and promoting sustainable transport and production of purchased goods. To implement these measures effectively, the SALUS Group will set up an internal group to monitor and coordinate activities to reduce emissions in the value chain.

The measures will be introduced once the Decarbonisation Strategy is formally approved. In this report, the SALUS Group is not yet in a position to disclose specific information on the expected reduction in GHG emissions resulting from individual decarbonisation measures, the time periods during which key measures are intended to be implemented, or the financial and other resources to be allocated to these measures.

In connection with the ISO 14001 standard, individual companies have meanwhile already adopted and implemented certain measures that also mitigate the identified material impact in the area of climate change.

Measures of SALUS, Veletrgovina, d.o.o.:

- gradual transition to LED lighting,
- introduction of an electric vehicle for the delivery of medicinal products,
- gradual electrification of company cars, purchase of company scooters: partially completed,
- gradual installation of charging points for electric vehicles.

Measures adopted at SANOLABOR, d.d. and targets:

- reduction in office paper consumption by 10% in 2025 compared with 2024,
- installation and commissioning of an electric vehicle charging point to promote the use of electric vehicles and reduce CO_2 emissions associated with business and visitor transport,
- reduction in electricity consumption by 7% in 2025 compared with 2024.

15.5 Targets related to climate change mitigation and adaptation (E1-4)

The basis for setting realistic GHG emission reduction targets was to obtain information on the volume of Scope 1, 2 and 3 emissions that the SALUS Group, together with stakeholders in its value chain, generates in the course of its operations.

In 2025 we therefore began calculating GHG emissions for all companies. We performed Scope 1, 2 and 3 calculations for 2024, which we also designated as the reference year. In 2025 we are reporting Scope 1 and 2 emissions; the Scope 3 calculation has not yet been completed because the data collection process takes longer and will be prepared after the publication of the annual report. We will report Scope 3 for 2025 in the annual report for 2026. Based on the calculations, we have set the Decarbonisation Strategy and targets for reducing emissions and the measures to achieve them. The Decarbonisation Strategy is currently in the process of being approved, so in this report we are not yet able to disclose formal, measurable targets and target periods. We nevertheless regularly monitor the effectiveness of our policies in this area and update them as needed.

15.6 Energy consumption and energy mix (E1-5)

The SALUS Group's total energy consumption was 5,946.6 MWh in 2024 and 6,398.1 MWh in 2025.

Energy consumption and energy mix

Energy consumption related to own operations (in MWh)	2025	2024	% 2025/2024
Fuel consumption from coal and coal products	0.0	0.0	-
Fuel consumption from crude oil and petroleum products	2,240.5	1,964.4	14%
Fuel consumption from natural gas	233.7	115.8	102%
Fuel consumption from other fossil sources	0.0	0.0	-
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	0.0	0.0	-
Consumption of purchased electricity, heat, steam or cooling without guarantees of origin, certificates or contracts*	2,894.6	2,988.6	-3%
Total energy consumption from fossil sources	**5,368.8**	**5,068.8**	**6%**
Share of fossil sources in total energy consumption (in %)	**84%**	**85%**	**-2%**
Energy consumption from nuclear sources	424.3	508.1	-16%
Total energy consumption from nuclear sources	**424.3**	**508.1**	**-16%**
Share of nuclear sources in total energy consumption (in %)	**7%**	**9%**	**-23%**
Fuel consumption from renewable sources (including biomass, biogas, biofuels, hydrogen from renewable sources etc.)	0.0	0.0	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	0.0	0.0	-
Consumption of self-generated energy from non-fuel renewable sources	605.0	369.7	64%
Total energy consumption from renewable sources	**605.0**	**369.7**	**64%**
Share of renewable sources in total energy consumption (in %)	**10%**	**6%**	**53%**
Total energy consumption	**6,398.1**	**5,946.6**	**8%**

*Purchased electricity, heat, steam or cooling without guarantees of origin, certificates or contracts refers to electricity for which the SALUS Group has no specific agreements with suppliers regarding the energy mix. The electricity and heat purchased by the SALUS Group are produced from various fossil, nuclear and renewable sources. Electricity suppliers provide information on the source mix in their invoices, but we do not separate these sources into different categories and instead report them as a separate category.

Only purchased electricity and heat that is fully covered by agreements (i.e. guarantees of origin, contracts, etc.) is reported as nuclear and renewable energy.

Of total consumption of 6,398.1 MWh, 5,793.1 MWh, or 90.5%, came from non-renewable sources. The composition of non-renewable sources is fairly diverse. The share of fossil fuels in total energy consumption was 83.9%, or 5,368.8 MWh; within this, the largest share is purchased electricity, heat, steam or cooling without guarantees of origin, certificates or contracts (2,894.6 MWh), followed by fuels from crude oil and petroleum products (2,240.5 MWh) and natural gas (233.7 MWh). Consumption from nuclear products is 424.3 MWh, representing 7% of total energy consumption.

Total energy consumption from renewable sources was 605.0 MWh, representing 10% of all energy consumed.

Energy intensity per net revenue

The SALUS Group carries out activities classified under NACE code G46.460 — Wholesale of pharmaceutical goods and medical supplies and materials. Under Regulation (EU) 2022/1288, sectors considered to have a high climate impact are those listed in Sections A to H and in Section L, which means that the SALUS Group's activities also fall within activities with a higher climate impact.

The SALUS Group's energy intensity for 2024 was 9.17 MWh per EUR 1 million of net revenue. It is calculated as total energy consumption from activities in high climate impact sectors divided by net revenue from activities in high climate impact sectors (MWh/€M). In 2025 energy intensity was 9.19 MWh per EUR 1 million of net revenue.

The table "Revenue used to calculate energy intensity and GHG intensity" shows net sales revenue used to calculate energy intensity.

Revenue used to calculate energy intensity and GHG intensity

Financial cross-reference (EUR)	2025	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity	696,194,446	648,830,142
Net revenue (other)	0	0
Total net revenue (financial statements)	**696,194,446**	**648,830,142**

15.7 Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6)

15.7.1 Calculation of the Scope 1, 2 and 3 carbon footprints

The SALUS Group, parent company SALUS, Ljubljana, d.d., comprised 18 companies as at 31 December 2025, with activities at several locations and in several countries. As at 1 January 2025 it comprised 15 companies; however, on 15 October 2025 SALUS, Veletrgovina, d.o.o., successfully acquired a 100% interest in FARMADENT d.o.o. FARMADENT d.o.o. is at the same time the 100% owner of GOPHARM d.o.o. and a 20% owner of NENSI d.o.o., in which SALUS, Veletrgovina, d.o.o. also holds a 35% interest.

The carbon footprint calculation takes into account a 100% share of all newly added companies, as ESRS E1-6 and the GHG Protocol provide in respect of mergers and acquisitions. For these companies, emissions are reported in accordance with the "Pro-rata" option for structural changes provided in respect of acquisitions.

The parent company of the SALUS Group is located in Slovenia, while individual SALUS Group companies are present in Slovenia, Croatia, Serbia, Bosnia and Herzegovina, North Macedonia, Montenegro, Albania and Lithuania.

For 2025, the SALUS Group has prepared a carbon footprint calculation for Scopes 1 and 2. For Scope 3, data are presented for 2024, which represents the reference year. Data for the Scope 3 calculation were not yet available at the time of preparation of the consolidated annual report. Tracking emissions is currently possible for Scopes 1 and 2. Because the Decarbonisation Strategy is still being approved, the table "GHG emissions for Scopes 1, 2 and 3" does not yet show target values for 2030 and 2050.

GHG emissions for Scopes 1, 2 and 3

	2025	2024	% 2025/2024
Scope 1 GHG emissions (in tonnes of CO_2equivalent)			
Gross Scope 1 GHG emissions	788.6	624.5	26%
Share of Scope 1 GHG emissions from regulated emissions trading systems (in %)	-	-	-
Scope 2 GHG emissions (in tonnes of CO_2 equiva lent)			
Gross location-based Scope 2 GHG emissions	905.1	924.1	-2%
Gross market-based Scope 2 GHG emissions	706.3	680.4	4%
TOTAL Scope 1 and 2 – location-based	**1,693.7**	**1,548.6**	**9%**
TOTAL Scope 1 and 2 – market-based	**1,494.9**	**1,305.0**	**15%**
Significant Scope 3 GHG emissions (in tonnes of CO_2 equivalent)			
— Purchased goods and services		91,961.4	
— Capital goods		654.4	
— Fuel- and energy-related activities		379.9	
— Upstream transportation and distribution		24,131.8	
— Waste generated in operations		71.7	
— Business travel		140.6	
— Employee commuting		569.7	
— Upstream leased assets		n/a	
— Downstream transportation and distribution		n/a	
— Processing of sold products		n/a	
— Use of sold products		733.9	
— End-of-life treatment of sold products		668.9	
— Downstream leased assets		11.0	
— Franchises		n/a	
— Investments		89.4	
Total gross indirect GHG emissions (Scope 3) (in tonnes of CO_2 equivalent)		**119,412.7**	
Total GHG emissions (in tonnes of CO_2 equivalent)			
Total GHG emissions (location-based)		120,961.4	
Total GHG emissions (market-based)		120,717.4	

The carbon footprint is presented under both the market-based and location-based methods, as required by the standards. The market-based approach has been selected for the presentation of results. In line with ESRS and the GHG Protocol, the SALUS Group's carbon footprint calculation captures the combined effect of all greenhouse gases, covering all GHGs defined by the Kyoto Protocol (CO_2, CH_4, N_2O, SF_6, and the PFC and HFC families of gases) and the gas NF_3.

In 2025 the SALUS Group's Scope 1 and 2 carbon footprints amounted to 1,494.9 t CO_2 eq. under the market-based approach. Of this, 788.6 t CO_2 eq., or 52.8%, are direct emissions (Scope 1) and 706.3 t CO_2 eq., or 47.2%, are indirect emissions (Scope 2) from purchased electricity, heat, cooling and steam. Within Scope 1, the largest contribution comes from fuel combustion in company vehicles at 38.9%. The second-largest source of emissions is fugitive emissions at 10.4%. Emissions from fuel combustion in stationary units are small and represent only 3.4% of total Scope 1 and 2 emissions. Within Scope 2, both purchased electricity (24.2%) and purchased heat, cooling and steam (23.0%) contribute to the SALUS Group's Scope 1 and 2 emissions.

Viewed at the level of individual companies, SALUS, Veletrgovina, d.o.o. (21.9%) and SANOLABOR, d.d. (38%) are responsible for the largest share of total emissions. The remaining 40.1% comprises the contributions of the other SALUS Group companies.

The SALUS Group's carbon footprint in 2025 is higher than in 2024. The increase can be attributed to the increase in activities of existing companies and the addition of 3 new companies. The increase amounts to 190.0 t CO_2 eq., or 15% compared with 2024.

The uncertainty of the calculation methodology for Scopes 1 and 2 is assessed as low, since a calculation-based approach was used relying on activity data and average emission factors. This is the most commonly used calculation method, which the GHG Protocol defines as standard practice. Activity data carry a low-to-medium uncertainty because they are largely obtained from invoices and service records, with a few exceptions. Emission factors likewise carry low-to-medium uncertainty because they are fully obtained from official documents, although for some activities they are not yet available for 2025.

Scope 1 emissions

Within Scope 1, the SALUS Group has identified direct GHG emissions in the following categories:

- fuel combustion in stationary units,
- fuel combustion in vehicles, and
- fugitive emissions.

Scope 2 emissions

Within Scope 2, the SALUS Group has identified indirect GHG emissions in the following categories:

- purchased electricity, and
- purchased heat.

Scope 3 emissions

The SALUS Group performed Scope 3 GHG calculations for the first time in 2025 for the year 2024. The calculation includes 12 relevant categories: C1 — Purchased goods and services, C2 — Capital goods, C3 — Fuel- and energy-related activities, C4 — Upstream transportation and distribution, C5 — Waste generated in operations, C6 — Business travel, C7 — Employee commuting, C11 — Use of sold products, C12 — End-of-life treatment of sold products, C13 — Downstream leased assets and C15 — Investments. No activities were identified in categories C8 — Upstream leased assets, C10 — Processing of sold products and C14 — Franchises, while category C9 — Downstream transportation and distribution is relevant. Two activity sources were identified within this category, but data is unavailable for both, and an estimate of emissions based on assumptions would carry too much uncertainty. As a result, no emissions calculation was performed for C9. However, the SALUS Group is aware of the gaps in activity data and is undertaking to establish a methodology for collecting data in this category over the next two years.

15.7.2 Methodology for calculating Scope 1, 2 and 3 emissions

Methodology for calculating Scope 1 and 2 emissions

The SALUS Group, parent company SALUS, Ljubljana, d.d., comprised 18 companies as at 31 December 2025, with activities at several locations and in several countries.

On 15 October 2025, SALUS, Veletrgovina, d.o.o. successfully acquired a 100% interest in FARMADENT d.o.o. FARMADENT d.o.o. is at the same time the 100% owner of GOPHARM d.o.o. and a 20% owner of NENSI d.o.o.

Through this transaction, SALUS, Veletrgovina, d.o.o.:

- directly became the 100% owner of FARMADENT d.o.o.,
- indirectly acquired a 100% interest in GOPHARM d.o.o., and
- increased its total ownership interest in NENSI d.o.o., having previously held a 35% interest in that company.

The SALUS Group has thereby added 3 companies and comprises 18 companies.

The list of companies included in the calculation is set out in Chapter I, "Composition of the SALUS Group", point 1 of the business section of the annual report.

The methodology for calculating GHG emissions follows the requirements of the following standards:

- European Sustainability Reporting Standards[1] (ESRS),
- GHG Protocol – The Corporate Accounting and Reporting Standard[2],
- GHG Protocol – Scope 2 Guidance[3].

The availability of consumption data (emission sources) and sources of emission factors varied from company to company. When obtaining data, we primarily took data with the lowest assessed uncertainty. Data uncertainty is indicated numerically in the table (1 represents data with the lowest uncertainty; higher numbers represent higher uncertainty).

When calculating the SALUS Group's carbon footprint, the following emission factors were used:

- obtained from freely accessible and verified databases (e.g. IPCC, UK GOV, etc.), which use different GWP values (from IPCC AR4, AR5 or AR6 reports),
- obtained from suppliers (e.g. GEN-I, etc.),
- calculated by the calculation provider based on the characteristics of the analysed activities of individual companies.

When calculating emission factors, we followed all relevant guidelines and instructions of the GHG Protocol.

The following table provides a general summary of the methodology for calculating the carbon footprint for Scopes 1 and 2. The methodology description does not cover certain additional calculations that were required to obtain consumption data or emission factors. It applies exclusively to Scope 1 and 2 for 2025.

1 Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards
2 https://ghgprotocol.org/corporate-standard
3 https://ghgprotocol.org/scope-2-guidance

Summary of the methodology for calculating the carbon footprint for Scopes 1 and 2

Category	Activity data	Consumption data (in order of sourcing)	Emission factor source (in order of sourcing)	Calculation methodology
Scope 1				
Fuel combustion in stationary units	Volume (litres) of diesel Volume (m^3) or consumption (kWh) of natural gas	— Data from invoices — Consumption data from the lessor	Generic emission factor in general databases per fuel unit	Energy consumed × emission factor per fuel unit
Transport — company vehicles	Volume (litres) of diesel/petrol	— Data from invoices	Generic emission factor in general databases per fuel unit	Energy consumed × emission factor per fuel unit
Transport — company vehicles	Electricity consumption (kWh) (included in Scope 2 electricity consumption)	— Records from vehicle apps or data from invoices	— Where charging takes place at a specific site: EF for that charging point. — Where charging takes place at multiple locations or where the EF for the specific location is unknown: the residual mix factor for the country, as published by AIB.	Electricity consumed × emission factor per kWh
Fugitive gas emissions	Mass of fugitive emissions (refrigerants replaced in air-conditioning systems)	— Data from servicer invoices — Emission estimate	Refrigerant-specific emission factor, calculated based on its composition. IPCC AR6 data used.	Mass of fugitive emissions × emission factor
Scope 2				
Electricity — location-based	Electricity consumption (kWh) (included in Scope 2 electricity consumption)	— Data from invoices — Consumption estimate from the company — Estimate based on floor area and consumption factors per m^2	Country-specific location-based emission factor, published for different countries by various institutions.	Electricity consumed × emission factor
Electricity — market-based	Electricity consumption (kWh) (included in Scope 2 electricity consumption)	— Data from invoices — Consumption estimate from the company — Estimate based on floor area and consumption factors per m^2	— Supplier-specific emission factor as published by the supplier. — Supplier-specific emission factor calculated based on the supplier's total emissions from electricity generation and the supplier's total electricity generation. — Residual mix factor for the country, as published by AIB for various countries. — Country average for electricity consumption without taking market instruments into account.	Electricity consumed × emission factor
District heating and cooling	Heat consumption (kWh)	— Data from invoices — Consumption estimate from the individual company — Estimate based on floor area and consumption factors per m^2	— Supplier-specific emission factor as published by the supplier. — Supplier-specific emission factor calculated based on the full-year emissions of heat production and the supplier's full-year heat output. — Emission factor calculated from data on the source mix for heat production in the relevant country/region/city. — Other data sources and calculations by the calculation provider.	Heat consumed × emission factor

During the reporting period, the SALUS Group did not use contractual instruments such as guarantees of origin or direct contracts for the purchase of energy from renewable sources.

The following table provides a general summary of the methodology for calculating the carbon footprint for Scope 3. The methodology description does not cover certain additional calculations that were required to obtain consumption data or emission factors. It applies exclusively to Scope 3 for 2024.

Summary of the methodology for calculating the carbon footprint for Scope 3

Category	Description of data used in calculating emissions	Description of methodology, assumptions and allocations used in calculating emissions
C1 — Purchased goods and services	Activity data: Data on goods and services purchased by the SALUS Group for its operations were obtained from accounting records. Emission factors: Emission factors from environmentally-extended input-output analyses (EEIO) were used, which allocate emissions based on monetary flows. Emission factors were obtained from the US EPA "Supply Chain Greenhouse Gas Emission Factors" database.	Calculation method: The spend-based method (GHG Protocol, Spend-based method) was used to calculate GHG emissions. The following formula was used to calculate emissions: Emissions = Purchase value of goods and services purchased × relevant EF for average emissions per unit of value Additional comments: The emission factors used were obtained from the US EPA EEIO database and are calculated for the US. This database was selected because it contains over a thousand different emission factors and, in certain segments (e.g. services), allows finer granularity of calculation than comparable EEIO databases. When applying US EPA emission factors, values that capture only emissions from production and other operating activities were used, excluding emissions related to transport and distribution.
C2 — Capital goods	Activity data: Data on capital goods purchased were obtained from accounting records. Emission factors: Emission factors from environmentally-extended input-output analyses (EEIO) were used, which allocate emissions based on monetary flows. Emission factors were obtained from the US EPA "Supply Chain Greenhouse Gas Emission Factors" database.	Calculation method: The spend-based method (GHG Protocol, Spend-based method) was used to calculate GHG emissions. The following formula was used to calculate emissions: Emissions = Purchase value of capital goods × relevant EF for average emissions per unit of value Additional comments: The emission factors used were obtained from the US EPA EEIO database and are calculated for the US. When applying US EPA emission factors, values that capture only emissions from production and other operating activities were used, excluding emissions related to transport from the producer to SALUS Group companies.
C3 — Fuel- and energy-related activities	Activity data: Energy consumption data were obtained from data on fuel and energy consumption under Scopes 1 and 2. Emission factors: Emission factors for well-to-tank fuel emissions were taken from Commission Delegated Regulation (EU) 2023/1185. Conversion efficiencies for electricity and heat were estimated based on a JRC study (Study on the state of play of energy efficiency of heat and electricity production technologies). To determine well-to-tank emissions from purchased electricity and heat, data on the composition of electricity (and district heat) in each country were used. World Bank data were used to determine transmission and distribution (T&D) losses for electricity. The best available sources were used to determine T&D losses for district heating.	Calculation method: The average-data method (GHG Protocol, Average-data method) was used to calculate GHG emissions. The calculation was divided into the following three sub-categories: (i) well-to-tank emissions of purchased fuels, (ii) well-to-tank emissions of purchased electricity and heat, and (iii) transmission and distribution losses (T&D). This category captured all indirect well-to-tank emissions associated with processing and transport of fuels to filling stations or points of use. It also captured all indirect well-to-tank emissions associated with the supply of electricity (fuel extraction and preparation, other well-to-tank activities for electricity generation, and grid losses) and heat (fuel production and distribution, losses in the district heating hot-water network). For electricity, emission factors were calculated based on the supplier's generation mix. The entire calculation was performed using the location-based approach. The following formula was used to calculate emissions: Emissions = Quantity of energy consumed × relevant EF for average emissions per unit of energy

Summary of the methodology for calculating the carbon footprint for Scope 3

Category	Description of data used in calculating emissions	Description of methodology, assumptions and allocations used in calculating emissions
C4 — Upstream transportation and distribution	Activity data: Data in this category were obtained in 2 ways: — purchase value of goods purchased: the values collected for the calculation of categories 1 and 2 were used for data on the purchase value of goods and capital goods. Service costs are excluded from consideration; — transport services value: data on the value of transport services paid by SALUS Group companies in respect of deliveries to customers. Emission factors: Emission factors from environmentally-extended input-output analyses (EEIO) were used, which allocate emissions based on monetary flows. Emission factors were obtained from the US EPA "Supply Chain Greenhouse Gas Emission Factors" database.	Calculation method: The spend-based method (GHG Protocol, Spend-based method) was used to calculate GHG emissions. The SALUS Group has a substantial volume of activities associated with upstream transport. Because obtaining data for all transports in kilometres would be extremely demanding and time-consuming, it was decided that for the first year of the calculation, all purchased goods and services, purchased capital goods and transport paid for by SALUS Group companies up to the customer would be calculated using the spend-based method. The following formulae were used to calculate emissions: Emissions = Purchase value of goods/capital goods × EF (MEF) Emissions = Value of transport services paid × EF (SEF) Additional comments: The emission factors used for the spend-based method come from the US EPA EEIO database and are calculated for the US. When applying US EPA emission factors, values that capture only emissions related to transport and distribution to the end-user were used, excluding emissions from production and other operating activities. To calculate emissions from SALUS Group companies to their customers, the SEF emission factor for category 484121: General Freight Trucking; Long-Distance; Truckload in the US EPA EEIO database was used.
C5 — Waste generated in operations	Activity data: Data for individual companies were obtained from 2 different sources: — Some companies are required to collect data by category, as set out by the Slovenian Environment Agency (ARSO) — Annual report on waste generated and waste management. For these companies, waste in kg was allocated to those categories. — Some companies are not subject to ARSO reporting and therefore classified their waste into categories on the basis of individual arrangements with waste collectors. Emission factors: Emission factors for C5 were calculated using a purpose-built methodology drawing on data from three sources: — US EPA "Emission Factors for Greenhouse Gas Inventories", applicable to the US; — Ecoinvent 3.11 database; — types of treatment/recovery for Slovenia, as published annually by ARSO.	Calculation method: The waste-type-specific method (GHG Protocol, Waste-type-specific method) was used to calculate GHG emissions. Data on treatment shares for individual waste streams — landfilling, recycling, incineration — were obtained and calculated based on ARSO data, which reports annually on waste generated and waste management. The following formula was used to calculate emissions: Emissions = Mass of waste category × corresponding EF per unit of mass

Summary of the methodology for calculating the carbon footprint for Scope 3

Category	Description of data used in calculating emissions	Description of methodology, assumptions and allocations used in calculating emissions
C6 — Business travel	Activity data: Data on journeys made were obtained from payroll records. Data are converted into kilometres or passenger-kilometres. Emission factors: Emission factors were used that allocate emissions based on distance travelled, distance and number of passengers, or transport cost. They were obtained from two sources: — UK GOV — Department for Energy Security and Net Zero, "Greenhouse gas reporting: conversion factors 2024", applicable to the United Kingdom. — Environmentally-extended input-output analyses (EEIO), which allocate emissions based on monetary flows. The US EPA "Supply Chain Greenhouse Gas Emission Factors" was used.	Calculation method: A hybrid method combining the distance-based method (GHG Protocol, Distance-based method) and the spend-based method (GHG Protocol, Spend-based method) was used to calculate GHG emissions. The following formula was used to calculate emissions: Emissions = Quantity of kilometres travelled (taking into account the number of passengers where necessary)/Transport cost × EF for the relevant type of transport (e.g. plane, car, etc.) per unit Additional comments: All air, metro, bus and rail travel was converted separately into kilometres based on the original tables provided by the SALUS Group. The number of passengers was taken into account and, for air travel, whether the journey was one-way or return. The values reflect the converted figures, which then had to be multiplied by the per-km × passenger emission factor to calculate emissions.
C7 — Employee commuting	Activity data: Data on journeys made were obtained from payroll records. Data are converted into kilometres. Emission factors: Emission factors were used to allocate emissions based on distance travelled. All emission factors were obtained from UK GOV — Department for Energy Security and Net Zero, "Greenhouse gas reporting: conversion factors 2024", applicable to the United Kingdom.	Calculation method: The distance-based method (GHG Protocol, Distance-based method) was used to calculate GHG emissions. The following formula was used to calculate emissions: Emissions = Quantity of kilometres travelled (taking into account the number of passengers where necessary) × EF for the relevant type of transport (bus or car) Additional comments: It was assumed that each employee commutes alone, using one of the following options: — Bus — emission factors are expressed in kg CO_2 eq./passenger × km. — Car — for the emissions calculation, the emission factor for an average car with unknown fuel was used (in kg CO_2 eq./km).
C11 — Use of sold products	Activity data: The calculation was performed using the following methodology: — estimated energy consumption per day/cycle [kWh] = operating time per day/cycle [h] × rated electrical power [kW] × average utilisation [%]; — estimated electricity consumption over the full life [kWh] (this datum was required for the emissions calculation) = service life [years] × number of uses/cycles per year [-] × estimated energy consumption per day/cycle (point 1). Emission factors: For the SALUS Group, only those products/items that consume electricity during operation are relevant. Because precise data on where users actually use a given product or which supplier is selected/which energy mix is consumed are not available, two emission factors reflecting the average composition of the energy mix in a given geographic area (location-based approach) were used for the calculation. Emission factors for 4 countries (Slovenia, Serbia, Bosnia and Herzegovina and Montenegro) were obtained from the website of the Association of Issuing Bodies (AIB); for North Macedonia, data from the "Low Carbon Power" website were used.	Calculation method: The direct use-phase emissions method (GHG Protocol, Direct use-phase emissions) was used to calculate GHG emissions. The following formula was used to calculate emissions: Emissions = Estimated lifetime electricity consumption × EF per unit of consumption Additional comments: The direct use-phase emissions method includes only those emissions that sold products generate directly (e.g. a medical device that requires electricity to operate). Indirect emissions arising from the energy consumption of sold products (e.g. energy required to wash textile products sold) were excluded from the calculation due to the small share of such products and the difficulty of obtaining energy consumption data for these products.

Summary of the methodology for calculating the carbon footprint for Scope 3

Category	Description of data used in calculating emissions	Description of methodology, assumptions and allocations used in calculating emissions
C12 — End-of-life treatment of sold products	Activity data: Data were obtained from accounting records on the mass (SALUS, Veletrgovina, d.o.o., SANOLABOR, d.d.) and price of products sold (other companies) and additionally calculated based on available product data (mass-consumption shares, composition, etc.). Emission factors: — SALUS, Veletrgovina, d.o.o. and SANOLABOR, d.d.: Emission factors were calculated using a purpose-built methodology. See C5. — Other companies: Calculated emissions for SALUS, Veletrgovina, d.o.o. were normalised against that company's product sales revenue, and on this basis an emission factor was calculated in kg CO_2 eq./EUR, intended to reflect the volume of emissions per EUR of product sold. This factor was then used to calculate emissions for the other companies.	Calculation method: A hybrid method combining the waste-type-specific method (GHG Protocol, Waste-type-specific method) and the spend-based method (GHG Protocol, Spend-based method) was used to calculate GHG emissions. The following procedures were applied for each company: Emissions were calculated either in the same way as in C4 or using the formula: Emissions = Company's product sales revenue × EF per unit of revenue Additional comments: The assumption used was that the per-EUR emissions on products sold by SALUS, Veletrgovina, d.o.o. also reflect the article-type sales of all other SALUS Group companies per EUR. When calculating emission factors, the share of revenue from products sold outside the SALUS Group was taken into account (sales within the SALUS Group are excluded).
C13 — Downstream leased assets	Activity data: Data were obtained from various accounting records on assets leased out and additionally processed to meet the requirements for direct emissions calculation. Emission factors: For the SALUS Group, only products/items that consume electricity during operation are relevant. Because precise data on where users actually use a given consumer or which supplier is selected/which energy mix is consumed are not available, two emission factors reflecting the average composition of the energy mix in a given geographic area (location-based approach) were used for the calculation. The emission factors for Slovenia (electricity and heat) were obtained from the website of IJS, which publishes electricity and heat emission factors as averages for the whole of Slovenia. The emission factor for Bosnia and Herzegovina was obtained from the website of the Association of Issuing Bodies (AIB).	Calculation method: The average-data method (GHG Protocol, Average-based method) was used to calculate GHG emissions. The following formula was used to calculate emissions: Emissions = Electricity/heat consumption × EF per unit of consumption
C15 — Investments	Activity data: Data were obtained from accounting records and include the number of shares and equity investments in companies. Within category 15, data on dedicated loans and bonds were also reviewed. Based on GHG Protocol guidance, the following items were excluded from the calculation. Emission factors: Emission factors for investee companies, or the data needed to calculate them, were obtained from the annual reports of SALUS Group companies.	Calculation method: The investment-specific method (GHG Protocol, Investment-specific method) was used to calculate GHG emissions. Emissions were always calculated using the formula: Emissions = Investee company's carbon footprint × share held in the investee company by the relevant SALUS Group company Hierarchy for obtaining data on investee companies' carbon footprint: — Where a company publicly discloses its Scope 1 and 2 carbon footprint, the location-based approach was primarily used. — Where the location-based figure is not available, the market-based approach was used. — Where a company has not disclosed Scope 1 and 2 emissions data for 2024, then: ✓ For larger companies that publish annual reports, the carbon footprint was estimated to the best of our ability (e.g. based on data on energy consumption). The estimate was documented appropriately. ✓ For small companies, the carbon footprint was calculated based on the number of employees. The average number of employees for the year was multiplied by the average emissions per employee calculated for the SALUS Group for 2024.

In its carbon footprint calculation, the SALUS Group used secondary data or a combination of primary and secondary data in all relevant Scope 3 categories. In none of the categories were only primary data used for the calculation. On this basis, owing to the complexity of breaking down the calculation, it is assumed that the share of primary data used in the SALUS Group's Scope 3 carbon footprint calculation is 0%.

Methodology for calculating the carbon footprint of SANOLABOR d.d. retail stores

In addition to its main office building, SANOLABOR d.d. operates a substantial number of retail stores ("RT stores") throughout Slovenia. The calculation of their emissions was treated separately from the office building and followed its own methodology.

We used the following methodology to calculate the GHG emissions of all RT stores:

- Scope 1

Under Scope 1, no activities or emissions have been identified at any RT store in the categories of fuel combustion in stationary units, process emissions or transport. Potential emission sources were identified in the form of air-conditioning units, but these are excluded from the calculation as they represent an immaterial source (below 5% of total emissions).

- Scope 2

For all RT stores, emissions from the purchase of electricity and heat are taken into account:

- for all RT stores the average emission factor for Slovenia was used:
    - market-based approach — electricity: Residual mix emission factor from the Association of Issuing Bodies,
    - location-based approach — electricity and heat: emission factor from the Jožef Stefan Institute.

Methodology for calculating biogenic CO_2 emissions — reporting outside scopes

For the SALUS Group, biogenic CO_2 emissions were not identified in any activity. Some activities (e.g. fuel combustion in company vehicles) may involve biogenic emissions from the combustion of biofuels or biomass; however, in the absence of appropriate certificates or 100% guarantees of biofuel and biomass consumption, the calculation of such emissions was not carried out.

GHG intensity per net revenue

The GHG intensity calculation expresses the ratio of total GHG emissions (in tons of CO_2 equivalent) to total net revenue. To calculate GHG intensity, we used the Scope 1, 2 and 3 carbon footprint for 2024 and net revenue for 2024 as set out in the table "Revenue used to calculate energy intensity and GHG intensity" in chapter E1-5.

The GHG emissions intensity on the location-based approach for 2024 amounts to 186.4 t CO_2 eq./€M, and on the market-based approach 186.1 t CO_2 eq./€M.

For 2025 we cannot present emissions intensity because the Scope 3 calculation has not yet been performed, and we are likewise unable to draw a comparison with the previous year.

16 Pollution (E2)

Based on the 2024 double materiality assessment, which remains valid, the SALUS Group has identified one material impact in the area of pollution, related to substances of concern. This is an indirect impact, since the SALUS Group's business involves the distribution (i.e. purchase and sale) of pharmaceutical products and other medical supplies and materials that may contain such substances.

Impacts, risks and opportunities (E2)

Impacts, risks and opportunities	Category	Policies
Pollution / Substances of concern		
Actual negative impact from substances of concern through the Group's product offering.	Actual negative impact	Not yet established; we intend to establish it over the next two years

A description of the processes for identifying and assessing material pollution-related impacts, risks and opportunities (IRO-1) is set out in chapter ESRS 2, IRO-1.

16.1 Policies related to pollution (E2-1)

This area, in particular the substitution and reduction of the use of substances of concern and their gradual phase-out, is not currently covered by the SALUS Group's policies. However, we plan to address this and incorporate it into the broader framework of our environmental policies, in line with sustainable development principles and applicable legislation, over the next two years.

Within the SALUS Group, the handling of pollutants and harmful substances is currently governed through separate, company-specific working documents that set out procedures for their correct use, storage and disposal. At MEDITRADE d.o.o., these are: Safe Working with Hazardous Chemicals, Emergency Management, Environmental Aspects and Impacts and Targets and Measures, and the Waste Management Plan.

At SALUS, Veletrgovina, d.o.o., the following working documents have been adopted in relation to pollutants and harmful substances: Waste Management Plan, Hazardous Substances and Preparations, Premises and Equipment for Storage of Hazardous Substances and Preparations, and Ensuring the Suitability of Warehouse Premises and Equipment.

At SANOLABOR, d.d., these are: Working with Cytostatics and Hazardous Chemicals, Waste Management Plan of SANOLABOR, d.d. and Storage of Chemicals.

Employees handling such substances are required to familiarise themselves with these documents, which describe the procedures for handling those substances, and must also undergo regular training in this area.

16.2 Substances of concern (E2-5)

SALUS Group companies that also handle substances of concern do not yet systematically monitor or collect data related to the disclosure requirements for substances of concern, and we are therefore unable to include this information in the report at present.

We are aware of the importance of monitoring and disclosing these data, since they are key to ensuring transparency, compliance with legal requirements and responsible conduct in the area of environmental and health protection.

Although such processes are not yet in place, over the next two years we plan to gradually define monitoring criteria and adopt suitable systems and processes for collecting, monitoring and disclosing data on substances of concern. Where possible, we will also involve our suppliers, who will play a key role in providing appropriate information on the substances used.

The aim is to develop a robust system that will enable effective identification of such substances, monitoring of their use and assessment of their impact, and that will ensure compliance with requirements while contributing to a stronger sustainability orientation in our business.

As part of working-group workshops, we have begun reviewing the systems in place at individual companies and reviewing legislation and best practice, in order to establish a system for collecting and monitoring metrics for this identified material topic.

Actions, resources and metrics

We will define more concrete actions, metrics and targets in connection with this topic over the next two years, once a comprehensive system for monitoring indicators is in place.

17 Resource use and circular economy (E5)

Based on the 2024 double materiality assessment, which remains valid, the SALUS Group has identified three material impacts in the area of resource use and circular economy, related to resource inflows, including resource use; resource outflows related to products and services; and waste. In connection with the impact related to resource use and the circular economy in connection with waste, we have identified three risks and two opportunities. These are set out in the table "Impacts, risks and opportunities (E5)" together with reference to the key policies addressing this topic. The key content, scope and implementation responsibility for each policy are defined in the ESRS 2 MDR-P chapter.

Impacts, risks and opportunities (E5)

Impacts, risks and opportunities	Category	Policies
Resource use and circular economy / Resource inflows, including resource use		
Actual negative impact due to large consumption of resources and materials at suppliers.	Actual negative impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group
Resource use and circular economy / Resource outflows / related to products and services		
Actual negative impact due to the distribution of large quantities of single-use products and devices that are not returned to the reuse or recycling process.	Actual negative impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group
Resource use and circular economy / Waste		
Actual negative impact due to plastic packaging, paper and cardboard packaging, waste electrical and electronic equipment, and waste chemicals and medicines.	Actual negative impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group
Strong regulatory pressure in the area of medical devices and medicines, as ever more restrictive legislation in the area of resource and waste management is expected.	Risk	
Financial risk arising from the transition to greener raw materials and a greater share of reuse and recycling of products.	Risk	
Risks also arise from the SALUS Group's supply chain. Possible non-adaptation of SALUS Group suppliers to sustainability requirements, or risks related to disruptions in the supply chain and the availability of materials and raw materials.	Risk	
Seeking ways to recycle packaging and reducing the volume of packaging altogether. This can additionally help manufacturers reduce energy consumption.	Opportunity	
Reducing the generation of waste from expired chemicals and medicines.	Opportunity	

A description of the processes for identifying and assessing material impacts, risks and opportunities related to resource use and the circular economy (IRO-1) is set out in chapter ESRS 2, IRO-1.

17.1 Policies related to resource use and the circular economy (E5-1)

At the SALUS Group, resource management is currently regulated through separate company-specific working documents.

Individual companies in the SALUS Group address potential negative effects and risks related to resource use and waste generation through adopted waste management plans.

Policies related to resource use and the circular economy

Policy name	Policy focus
Environmental management methodology	The starting points for establishing supervisory monitoring and measurement are the environmental targets set and the legal requirements. The measurement of environmental aspects is carried out periodically and they are monitored through received invoices, register sheets and sales data. Records are kept differently across the various companies. Selected data (indicators) are organised so as to represent relative values and to be comparable also in cases where the scale of the company's operations or activities changes.
Waste management plan	Review and record of specific data on all types of waste generated by an individual company in a given period (at least once a year).

The Environmental Management System (EMS) Manager / the Quality and Compliance Manager or the person authorised for the environment in the individual company is responsible for implementing the above-mentioned policies.

They are most commonly responsible for:

- establishing measurement and monitoring methods,
- periodically collecting data on environmental aspects (consumption of energy, water, fuels, emissions, etc.),
- ensuring that data is monitored in accordance with the legislation,
- keeping records,
- preparing annual reports or environmental indicators,
- ensuring comparability of data between companies (normalisation, relative values),
- reporting to management.

17.2 Actions and resources related to resource use and the circular economy (E5-2)

Individual companies already implement actions in the direction of the circular economy, including targets within ISO 14001 relating to the rational use of resources, namely:

- some companies provide servicing and regular preventive maintenance of equipment and the supply of original spare parts throughout the entire life cycle. They educate and raise awareness among their users. All this contributes to a longer service life for the equipment.
- SANOLABOR, d.d. and SALUS, Veletrgovina, d.o.o. use returnable packaging for delivery to their customers. The returnable packaging consists of plastic containers used for deliveries to the pharmacy customer segment.
- In retail and in sales to hospitals carried out by SANOLABOR, d.d., returnable packaging is used only in part — where this is possible.
- At SANOLABOR, d.d., maintenance and servicing of equipment is provided by the manufacturers (under warranty or outside warranty) and the company arranges for the dismantling and removal of used equipment. At the end of their service life, larger items of equipment are of interest to certain undertakings, which dismantle them and reuse the parts, while smaller items of equipment are sent for destruction.
- At MEDITRADE d.o.o., maintenance and servicing of equipment is provided by the manufacturers (under warranty or outside warranty) and the company arranges for the dismantling and removal of used equipment, which is sent for destruction.
- A positive impact is also represented by SANOLABOR, d.d.'s programme for the rental of medical devices. The costs of renting medical devices are covered by the ZZZS, while SANOLABOR, d.d. has additionally established its own above-standard system of commercial rental of medical devices.

- All three of the above-mentioned companies ensure continuous monitoring of storage conditions in their warehouses, in particular for products that require a cold chain. Generators are provided in the event of any power failure. This ensures the quality of the goods and consequently a minimum quantity of waste that would otherwise arise as a result of unsuitable conditions in the storage process (damaged goods becoming waste).
- In addition, the companies also raise awareness among and cooperate with customers of medical equipment in terms of environmental information on use and service life, through to the final destruction of the product, which includes:
    - inclusion of professional support and servicing,
    - training of users at the time of equipment installation,
    - determination of the life cycle of all equipment,
    - setting dates for regular preventive maintenance throughout the entire life cycle,
    - provision of original spare parts throughout the entire life cycle,
    - dismantling and removal of used equipment,
    - removal of parts intended for refurbishment,
    - fulfilling the manufacturer's extended producer responsibility for waste equipment and waste electrical and electronic equipment ("WEEE"),
    - classification and disposal of WEEE and obtaining the register sheet.

Detailed actions are adopted and implemented in accordance with the specific activities of each company.

Waste management and actions

Waste management hierarchy	SALUS Group actions
Prevention	Paperless business operations.
Reuse	Option for employees to buy out obsolete electronic equipment. Rental of medical devices to end users; use of returnable transport packaging. Reuse of plastic transport crates for packaging medicines (returned by pharmacies and hospitals). Reuse of transport cardboard packaging and polystyrene packaging in the cold chain.
Recycling	We recycle all types of packaging (cardboard, plastic), as well as hazardous waste and electronic equipment (including that received from end users).
Recovery	All electrical and electronic equipment received from end users is transferred for recovery.
Disposal	Installation of separate waste collection points, on company premises and outside, with the aim of reducing the generation of mixed municipal waste that would be disposed of at landfill.

In our business operations, we follow the following circular-economy strategies:

- resource optimisation: using less materials and energy in operations and harnessing renewable resources,
- extending product service life: encouraging repair, reuse and refurbishment of products,
- reuse and redistribution: redirecting products or materials that are officially no longer in use to new users,
- recycling and recovery: converting waste back into usable raw materials for the production of new products,
- sharing economy: encouraging the sharing of products, services or resources (for example, car-sharing),
- digitalisation and smart solutions: using technologies to optimise processes, monitor resource consumption and reduce waste.

Actions, resources and metrics

We will define more concrete actions, metrics and targets in connection with this topic over the next two years, once a comprehensive system for monitoring indicators is in place.

17.3 Targets related to resource use and the circular economy (E5-3)

Although we have not yet set targets at SALUS Group level to monitor the effectiveness of policies and actions linked to the material topics identified within this area, the three largest companies in the SALUS Group hold ISO 14001 certification and have set their own targets in this connection, which relate to the third impact (waste).

In general, these targets are connected with:

- continued use of returnable, reusable transport packaging,
- continued provision of services for the rental of reusable medical devices.

We set out below a number of specific targets.

Targets related to resource use and the circular economy

Target name	Focus of the target, linked to resource use and the circular economy	Level in the waste management hierarchy	Product life-cycle phase
SANOLABOR, d.d.: discontinuation of printers within offices and establishment of printing hubs	Reduction of office paper consumption by 10% in 2025 compared with 2024	Prevention	Use
MEDITRADE d.o.o.: reduction of the quantities of waste packaging handed over to waste-packaging management companies	Consistent separation of waste packaging. Increasing the bulk weight of the container for collecting waste cardboard packaging by 10% by the end of 2025	Disposal	Use

The targets set by companies holding the ISO 14001 standard go beyond legal requirements, as they represent our voluntary commitments. Through these commitments we actively contribute to sustainable development and encourage the transition to a circular economy. These targets are not merely an expression of compliance with the legislation but reflect our responsibility towards the environment and our desire to introduce advanced practices that, over the long term, enable a reduction of our environmental footprint and more efficient resource management.

17.4 Resource inflows (E5-4)

The impact related to resource inflows refers to large consumption of resources and materials at suppliers. The SALUS Group does not have data on the quantity of resources and material consumption by suppliers. In order to address resource inflows more effectively, we also intend to engage with suppliers in the future.

17.5 Resource outflows (E5-5)

In connection with resource outflows, the SALUS Group has identified material impacts, risks and opportunities in the area of distribution of single-use products and devices that are not returned to the reuse or recycling process, as well as waste.

As a distributor of medicines and medical devices, we have only limited direct influence over the sustainable design of products, since this is determined by manufacturers and strict regulatory requirements. We are currently mitigating the negative impact through two actions: a rental model for medical equipment (this model allows the equipment to remain in our ownership, which enables us to carry out regular maintenance and repairs and thus to extend the service life of the products and their reuse by multiple end users); and waste reduction for medicines (for products where reuse is not possible due to the nature of the product, our circular approach is directed at preventing waste from being generated before use. Through inventory and shelf-life management, we strive to reduce the quantity of medicines destroyed because they have passed their expiry date, thereby optimising the use of resources invested in the manufacture of those products).

For the past year, we can disclose only data on the total quantity of waste and the total quantity of hazardous waste. We do not have data for a more detailed breakdown, but we have requested such data from the waste management companies and will, in cooperation with them, work in the future to establish an effective monitoring system.

The quantities of waste at the three largest companies in the SALUS Group are shown in the following table.

Quantity of waste

in kg	2025	2024	% 2025/2024
Total quantity of waste generated	314,546.3	335,180.0	-6%
Quantity of waste diverted from disposal (i. preparation for reuse; ii. recycling; iii. other recovery operations), broken down by hazardous and non-hazardous waste			
Quantity of waste directed to disposal (i. incineration; ii. landfilling; iii. other disposal operations), broken down by hazardous and non-hazardous waste			
Quantity and percentage of non-recycled waste			
Total quantity of hazardous waste generated	16,812.5	9,450.9	78%
Total quantity of radioactive waste generated	n/a	n/a	-

The difference in the increased quantity of hazardous waste in 2025 is attributable to SALUS, Veletrgovina, d.o.o., where no hazardous waste was reported in 2024 but in 2025 this quantity amounts to 5,444 kg (this concerns waste that is not disposed of annually, e.g. spent accumulators, organic solvents, mother liquors, etc.), and to the increase at SANOLABOR, d.d. from 9,413 kg to 11,221.50 kg. The reason for the above increase was the dismantling of waste parts of an irradiator, which were included in the dismantling and disposal procedure in the year under review.

All waste equipment was first processed by the authorised collector under procedure R-12 and then forwarded for further recovery procedures. The increase in the quantity of hazardous waste at SANOLABOR, d.d. in 2025 is therefore the result of a one-off and planned dismantling of specific technological equipment.

For the collection of all types of waste, the companies have entered into contracts with companies that are authorised for the collection, transport, recovery or disposal of various types of waste. Their operations are in line with applicable legislation and requirements, including the handling of waste packaging, electrical and electronic equipment, and waste medicines. This arrangement ensures responsible waste management in accordance with environmental standards and sustainable-development objectives.

Actions, resources and metrics

In order to monitor the effectiveness of circular-economy actions, the SALUS Group has defined additional metrics that we will be able to disclose in the future, once a comprehensive system for monitoring indicators is in place: the quantity of chemicals and medicines destroyed because they have passed their expiry date, and the share of medical devices/equipment that have been rented out.

We will define more concrete actions, metrics and targets in connection with this topic over the next two years, once a comprehensive system for monitoring indicators is in place.

18 Taxonomy

By Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the "Regulation"), the European Commission established a uniform classification system for determining which economic activities are considered environmentally sustainable.

The Regulation lays down the criteria on the basis of which an economic activity is considered environmentally sustainable if it:

- contributes substantially to one or more of the environmental objectives set out in Articles 9 to 15 of the Regulation,
- does not cause significant harm to any of the other environmental objectives (the "do no significant harm" principle — DNSH),
- is carried out in compliance with the minimum safeguards laid down in Article 18 of the Regulation, and
- meets the technical screening criteria laid down in the delegated acts.

Disclosures under the Regulation are made in conjunction with Directive (EU) 2022/2464 on corporate sustainability reporting (“CSRD”), Regulation (EU) 2019/2088 (“SFDR”), Commission Delegated Regulation (EU) 2021/2178 regarding the content and presentation of information pursuant to Article 8 of the Regulation, and the relevant delegated acts establishing the technical screening criteria for the individual environmental objectives.

Within the reporting for financial year 2025, the SALUS Group discloses the following key performance indicator (KPI) in accordance with the applicable regulatory framework and taking into account the principle of proportionality and the current legislative simplifications at EU level, i.e. the Omnibus legislative package, or Commission Delegated Regulation (EU) 2026/73:

- the share of capital expenditure (CapEx) related to activities meeting the EU Taxonomy criteria,
- the alignment of activities with the environmental objectives set out in Articles 10 to 15 of the Regulation, and
- the application of the technical screening criteria, including compliance with the DNSH principle and the minimum safeguards.

In doing so, the SALUS Group has applied the following principles:

- the linkage principle, whereby the financial indicator (CapEx) that can be directly linked to activities that are taxonomy-eligible is included in the numerator of the relevant key performance indicators, and
- the principle of avoiding double counting, whereby the value of the financial indicator was divided using specific activity-based factors not exceeding 100%.

Explanation of the omission of operating expenditure and turnover indicators

In line with the Omnibus for the EU Taxonomy, i.e. Commission Delegated Regulation (EU) 2026/73 and Article 1c thereof, which amends Delegated Regulation (EU) 2021/2178 such that undertakings may omit reporting on the performance indicator for operating expenses and turnover where these amount to less than 10% of the denominator of that key performance indicator.

As part of the taxonomy reporting, we assessed the structure of the Group's operating expenditure (OpEx) from the perspective of taxonomy eligibility and alignment. The analysis showed that the share of OpEx that could be classified as taxonomy-eligible is negligible. The analysis also showed that the share of turnover that could be classified as taxonomy-eligible is negligible.

Having regard to the principle of materiality and to the simplifications available pursuant to the Omnibus proposal, we assess that the disclosure of taxonomy-eligible operating expenditure and turnover would not have a material impact on the understanding of the SALUS Group's sustainability performance and taxonomy alignment. Operating expenditure and turnover are therefore not separately disclosed by individual eligible activity for the reporting period. The Group will continue to monitor the structure of OpEx and turnover and their potential taxonomy relevance, and will update the disclosures accordingly in future reporting periods if material changes occur.

Having regard to the principle of proportionality, which the Omnibus highlights as a fundamental criterion for assessing the measurements and disclosures required, carrying out detailed quantitative calculations of operating expenditure and turnover for the purposes of taxonomy reporting would entail a disproportionate administrative and financial cost, in particular in view of their minimal contribution to the classification of activities. For calculation and reporting purposes, it would additionally be necessary to establish detailed and granular data collection, which would be disproportionate to the size of the actual effect. As the burden of collecting and processing the data would be greater than the potential informational contribution of the disclosure, the reporting of OpEx indicators and of turnover would not be considered meaningful or effective.

This approach is in line with the rules of Regulation (EU) 2026/73, which allow the rationalisation of measurements where the costs of preparing the data and calculations exceed the expected benefit or impact on compliance assessments.

Eligible activities

In assessing whether economic activity is environmentally sustainable, the SALUS Group took into account the following criteria:

- the activity contributes substantially to at least one or more of the environmental objectives set out in the Regulation,
- the activity does not significantly harm any of those environmental objectives,
- the activity is carried out in accordance with the minimum safeguards laid down in the Regulation, and
- the activity meets the technical screening criteria in accordance with the regulations on technical criteria.

The SALUS Group is specialised in providing comprehensive services in the area of the distribution, promotion and active sales of, and accompanying services for, medicines and medical devices to enable them to reach the market. As the principal activities of the companies in the SALUS Group, these are not assessed from the perspective of meeting climate objectives and thus of eligibility or alignment with the EU Taxonomy. Nonetheless, the SALUS Group is committed to high environmental standards, social responsibility, ethical conduct of business, respect for workers' and human rights, and efforts to support the green transition.

Based on a careful review of all six environmental objectives defined by the Taxonomy, activities may qualify as sustainable if they contribute substantially to one or more environmental objectives, do not significantly harm the remaining environmental objectives, and meet the minimum safeguards laid down in Article 18 of Regulation (EU) 2020/852. The SALUS Group has identified the following taxonomy-eligible economic activity:

18.1 Climate change mitigation (CCM)

18.1.1 CCM 6.5 Transport by motorcycles, passenger cars and light commercial vehicles

Within activity CCM 6.5, the Group included in its capital expenditure for financial year 2025 the investments in newly acquired passenger vehicles and light commercial vehicles used to carry out its activities. The total value of acquisitions of such vehicles in 2025 amounted to EUR 490,833, or 10.06% of total capital expenditure, which in 2025 amounted to EUR 4,876,917.

18.2 Circular economy (CE)

18.2.1 CE 5.5 Product-as-a-service and other circular use- and result-oriented service models

The SALUS Group also offers service models under which it makes products available to customers via rental or shared use. These are rentals of medical equipment and medical devices carried out by certain companies in the SALUS Group. The products are owned by the companies, which, together with subcontractors, ensure regular servicing and cleaning of these products and thereby enable their reuse. This activity contributes substantially to the circular economy objective. The share of capital expenditure from this activity in 2025 amounted to 25.88% of total capital expenditure, or EUR 1,262,246. Total capital expenditure in 2025 amounted to EUR 4,876,917.

Activity 5.5 falls among the enabling activities, meaning that it enables other activities to reduce their environmental impact.

The indicator is calculated on the basis of the definitions in Annex I to the Disclosures Delegated Regulation and in line with the simplifications under the Omnibus. The numerator data are obtained from the information systems and accounting records of the companies in the SALUS Group, while the denominator data come from capital expenditure, from the table of movements of intangible and tangible assets as disclosed in Note 26.3 to this annual report.

All of the activities listed above were assessed in full as taxonomy-eligible but not environmentally sustainable, since the criteria from the perspective of climate change adaptation were not fully met.

Summary

Financial year 2025															
					Breakdown of taxonomy-aligned activities by environmental objective (%)										
Indicator	Total (EUR)	Share of taxonomy-eligible activities (%)	Taxonomy-aligned activities (EUR)	Share of taxonomy-aligned activities (%)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Share of enabling activities (%)	Share of transitional activities (%)	Non-assessed activities considered immaterial (%)	Taxonomy-aligned activities in financial year 2024 (EUR)	Share of taxonomy-aligned activities in financial year 2024 (%)
Turnover	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.00	0.0%
Capital expenditure	4,876,917	35.95%	0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00	0.0%
Operating expenditure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	0.00	0.0%

Share of capital expenditure (CapEx) for products or services related to economic activities that are aligned with the EU Taxonomy requirements or meet the conditions for inclusion in the EU Taxonomy

Financial year 2025													
					Environmental objective of taxonomy-aligned activities (%)								
Economic activities	Code	Key performance indicator for taxonomy eligibility (share of capital expenditure) (%)	Key performance indicator for taxonomy eligibility (capital expenditure) (EUR)	Key performance indicator for taxonomy alignment (share of taxonomy-aligned capital expenditure) (%)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity (E)	Transitional activity (T)	Share of taxonomy-aligned activities within taxonomy-eligible activities (%)
Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	10.06%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		P	0.0%
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	25.88%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%
Total alignment by objective					**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**			
Total key performance indicator (capital expenditure)		**35.95%**	**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**			**0.0%**

19 Own workforce (S1)

At the SALUS Group, on the basis of the 2024 double materiality analysis, which is still valid, in the area of own workforce we have identified three material impacts — two in connection with working conditions (job security and work–life balance) and an impact related to equal treatment and equal opportunities for all, in connection with measures against violence and harassment in the workplace. In connection with the impact relating to working conditions and job security, one opportunity has been identified, and another in connection with work–life balance. These are set out in the table "Impacts, risks and opportunities (S1)", together with reference to the key policies addressing this topic. The key content, scope and implementation responsibility for each policy are defined in the ESRS 2 MDR-P chapter.

Impacts, risks and opportunities (S1)

Impacts, risks and opportunities	Category	Policies
Working conditions / Job security		
Actual positive impact on the security and stability of employment, reflected in the high share of permanent employees and moderate turnover.	Actual positive impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Code of Conduct of the company SALUS, Ljubljana, d.d. and the SALUS Group Rules on employment relationships and working time at individual companies
Job security and stability at the SALUS Group can attract new employees and reduce employee turnover.	Opportunity	
Working conditions / Work–life balance		
Actual negative impact related to working time, in particular two-shift work, weekend work, overtime, and the availability of certain groups of employees also outside working hours.	Actual negative impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Rules on employment relationships and working time
Increased employee motivation due to the establishment of work–life balance.	Opportunity	
Equal treatment and equal opportunities for all / Measures against violence and harassment in the workplace		
Potential negative impacts on employees due to violence and harassment in the workplace. To date, no violence or harassment in the workplace has been detected. Identified risks and measures adopted in connection with those risks.	Potential negative impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Rules on Internal Reporting of Breaches Anti-Harassment and Anti-Bullying Rules Policies / Rules under the Whistleblower Protection Act

19.1 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Disclosures of material impacts and opportunities cover all employees in all companies of the SALUS Group. The own workforce comprises employees in overhead functions, shops and warehouses. Self-employed persons and workers employed via employment agencies are not included, except where explicitly stated.

All employees are exposed to the actual positive impact on the security and stability of employment, which is reflected in the high share of permanent employees and moderate turnover. The emphasis is on long-term contracts, the creation of a supportive working environment, flexibility, development and growth, and transparent communication. Through this positive impact, the SALUS Group can attract new employees and reduce turnover, which is a material opportunity for the Group. Low turnover reduces the costs associated with searching for, recruiting and onboarding new employees. In addition, a stable and satisfied workforce contributes to higher productivity and quality of work, which has a positive effect on revenue. Attracting and retaining talented employees strengthens competitiveness in the market, which can improve financial stability and the ability to invest in development over the long term. Competent and engaged employees are one of the strategic objectives of the SALUS Group.

A material negative impact is related to work–life balance. Work in the SALUS Group is mostly carried out during morning hours (single-shift work). A certain number of employees at SANOLABOR, d.d. — 142 persons, or 44.9% of employees in 2024 — worked in retail stores, where work is carried out in two shifts and on Saturdays; at Group level, this share represented 23% of all employees. In 2025, that number rose to 149 persons, or 45.3% of employees at SANOLABOR, d.d., while at Group level the share decreased to 20.6%, which is linked to the inclusion of FARMADENT d.o.o., GOPHARM d.o.o. and NENSI d.o.o. in the SALUS Group. Managers and shop assistants employed in retail are therefore exposed to this impact.

In addition, at some companies certain employees need to be available outside working hours (e.g. maintenance, urgent repairs, overhead work, etc.), and in warehouses, work is also occasionally carried out at weekends, for example due to stocktaking. Individuals performing specific tasks with particular responsibilities are also exposed to this impact, since they must be reachable also outside official working hours (those responsible for reporting adverse effects of medicines or medical devices) as well as service engineers and maintenance staff (on-call duty).

A material opportunity has also been identified in connection with this impact, namely increased employee motivation through the establishment of work–life balance. This reduces the risks of burnout and absenteeism, which means lower costs for replacements, healthcare and lost productivity. Healthier and more satisfied employees have a positive effect on the long-term stability of the SALUS Group. Motivated employees are more productive, creative and committed to their work, which consequently contributes to higher revenues. In addition, motivation reduces the number of errors and improves cooperation within teams, leading to greater efficiency. A positive organisational culture is created, trust and cooperation are strengthened, and employee loyalty is increased.

The second material potential negative impact is related to the prevention of violence and harassment in the workplace, to which all employees are potentially exposed, including the self-employed and agency workers.

The Group has a large number of employees and therefore, regardless of the sector of operation or other circumstances, there is always a possibility of violence or harassment occurring in the workplace. The latter could also occur in stressful situations, at times of overload, or where, for various reasons, the work of others is taken on. In such situations, friction or inappropriate relationships could also arise between colleagues, in superior–subordinate relationships or also vice versa.

19.2 Policies related to the own workforce (S1-1)

The key content, scope and implementation responsibility for each policy are defined in chapter ESRS 2 MDR-P. The SALUS Group is committed to safeguarding human rights and workers' rights through applicable legislation and various policies based on respect for decent work, equality and transparency.

The Code of Conduct, updated in November 2025, covers the key values of the SALUS Group, including the promotion of equal opportunities, the prevention of discrimination and harassment, and ways of supporting diversity and inclusion at all levels. The Code of Conduct applies to all employees in the own workforce, as well as to other workers (agency workers, the self-employed), thereby ensuring a uniform standard of ethical and responsible conduct.

Most companies in the SALUS Group have adopted Rules on employment relationships and working time, which regulate specific aspects of work such as overtime, two-shift work and stand-by duty, contributing to a better balance between work and the private lives of employees. These companies also have rules linked to remuneration policy, which define the systemisation of jobs and lay down fairness and transparency in pay for work.

At other companies in the SALUS Group, particularly those outside Slovenia, employees' rights are regulated in accordance with the applicable local legislation, with additional encouragement of respect for standards and good practices in the area of labour rights.

Through these policies and approaches, the SALUS Group not only complies with legal requirements but actively contributes to creating a safe, fair and inclusive working environment, in which employees' rights are protected and respected.

We implement the policies in various ways, through regular training, requirements to be familiar with the policies, whether through the DNA electronic system or by using other communication channels. We carry out regular employee satisfaction surveys, we have clearly established rules and mechanisms for reporting any discrimination, sanctions for offenders, mentoring programmes, career development programmes, etc. In the event of a report of any breach, the Compliance Committee (the "Committee") would convene immediately, or the trusted persons for whistleblowers appointed at SALUS, Ljubljana, d.d., SALUS, Veletrgovina, d.o.o. and SANOLABOR, d.d. would immediately commence processing of the report.

We manage risks related to the own workforce in various ways, for example through regular periodic risk assessments of jobs, safety policies, mental-health programmes, the promotion of sports activities (e.g. the SANOLABOR Sports and Culture Society), the procurement of equipment for healthy office work, social events to encourage good relations between employees, etc.

Opportunities for improvement lie in particular in human-resource development, additional training programmes, the creation of new career opportunities and possibilities for advancement, and the identification of key talents and individuals, etc.

Human-rights policy commitments for the own workforce

The SALUS Group's commitments in the area of human rights are included in the Code of Conduct and in the Business Sustainability Policy. The SALUS Group consistently complies with applicable laws, regulations and national and international standards. In our operations we act in accordance with the principles of ethics, integrity and responsibility, and we ensure that our decisions and activities do not violate the legislation and/or fundamental human rights. We are aware of the importance of safeguarding labour rights, environmental standards and sustainable development, and we strive to ensure that these aspects are taken into account in all our business processes. In this way, the SALUS Group lays the foundations for ethical, responsible and sustainable operations that contribute to the trust of all stakeholders and the wider community.

The SALUS Group regulates relations with employees in such a way as to ensure respect for the personal rights and personality of employees, the protection of personal data, the prohibition of all forms of discrimination, humane and respectful communication, payment for work in accordance with labour-law standards, and the consensual resolution of any disagreements. The SALUS Group provides a safe working environment.

We understand serious forms of discrimination to include, in particular but not exclusively, conduct relating to:

- gender and sexual orientation

Within the SALUS Group we have female and male employees; no other gender identities have been reported. The companies do not discriminate on the basis of gender; all employees have the right to equal pay for equal work, equal opportunities for advancement; no inappropriate treatment is carried out; and harassment of employees due to any difference in sexual orientation is not permitted.

- age

Companies in the SALUS Group do not discriminate on the basis of age, such as, for example, refusing to employ older workers based on the stereotype that they are less adaptable, refusing to employ younger workers on the assumption that they do not have sufficient experience, restricting access to training or advancement on grounds of age, or forced retirement.

- race, nationality or ethnic origin

The SALUS Group operates in 8 countries and employs persons of different races, nationalities and ethnic origins, with all employees treated equally, not restricted in advancement, no hostile working environment created and no particular ethnic group favoured.

- religious belief or political affiliation

Religious belief or political affiliation are matters for each individual, and the companies in the SALUS Group do not discriminate against employees on the basis of these personal circumstances.

- disability or health condition

At the SALUS Group, all employees have equal opportunities for employment, advancement, training and anything else, regardless of the employee's health condition, while respecting their individual limitations and capabilities.

- family status

The companies enable employees who are entitled to do so to take family-related leave, such as maternity, paternity and parental leave, leave to care for a family member, etc. Companies in the SALUS Group also do not discriminate on the basis of family status in connection with opportunities for advancement, involvement in important projects, or family planning, etc.

- social status

Companies in the SALUS Group do not discriminate against persons of lower socio-economic status or those living in poverty, but offer them equal opportunities in employment, training, remuneration and advancement.

Companies in the SALUS Group ensure the implementation of a non-discrimination policy also through HR procedures, which are designed to prevent unequal treatment and enable the objective assessment of candidates and employees.

In the working environment of a SALUS Group employee there is no room for harassment, unwanted comments, inappropriate behaviour, acts or conduct that could disparage the employee or show hostility towards them. Conduct that creates an intimidating, hostile or offensive intrusion into an employee's working environment is prohibited. The SALUS Group strives to apply the principles of fairness, equality and a positive approach in the assessment, remuneration, motivation and career development of employees.

In selection procedures, standardised and objective criteria are used to assess candidates, which prevents subjectivity and possible bias.

We have established a mechanism for anonymous reporting of inappropriate conduct, where employees can report any breaches safely and without consequences. Protection of whistleblowers is ensured. In the event of detected or reported discrimination, we initiate an internal investigation procedure. The monitoring of the effectiveness of measures is carried out through regular internal analyses and surveys of workplace satisfaction, which enable the early identification of potential problems.

Companies in the SALUS Group with their registered office in Slovenia have also introduced the statutorily prescribed right of workers to disconnect, which ensures that, during periods of legitimate absence from work, employees are not at the employer's disposal.

Mechanisms for monitoring compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises have not yet been formally adopted at companies in the SALUS Group, but certain activities have already been carried out:

- commitment to respect for human rights through the Code of Conduct and the Business Sustainability Policy,
- identification of any impacts and risks related to human rights (included in the double materiality analysis carried out in 2024),
- implementation of measures to prevent or mitigate any potential negative impacts and risks in connection with human rights,
- monitoring the effectiveness of measures (via metrics).

In the area of supplier-relationship management we have the following measures in place:

- compliance with our Code of Conduct for Third Parties, which we include in contracts with business partners, or which we make available to suppliers for their information and compliance,
- evaluation of suppliers (in connection with respect for the rights of their employees/workers in the value chain/community).

19.3 Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

Through ongoing, open and transparent dialogue with employees, we strive to ensure a safe, inclusive and supportive working environment in which every individual feels valued and respected. The aim is to establish working conditions where personal rights are respected, mutual trust prevails, communication is humane and respectful, working conditions and pay are decent, there is no discrimination, and opportunities are equal for all, since this strengthens employee loyalty and motivation.

General procedure for engaging with the own workforce on material impacts on the workforce

The SALUS Group has not yet established a corporate procedure for incorporating employees' views into the management of material impacts. We nonetheless intend to continue cooperating with employees in all material areas in the future, in the same ways as we already do.

The ways of communicating with employees are described in ESRS 2 SBM-2.

At smaller companies in the SALUS Group, no works councils have been established, as the number of employees at most companies does not reach the statutory threshold for their establishment.

At the Litostrojska cesta location in Ljubljana, however, an active trade union is in place. Social dialogue with it takes place regularly and constructively, in particular addressing topics related to labour-law issues, changes in work organisation, and employee initiatives. Cooperation takes place in a manner that enables the timely exchange of information and open discussion of planned changes.

SANOLABOR, d.d. and FARMADENT d.o.o. each have their own trade union, which operate independently within those companies and engage in addressing matters relevant to their employees.

Notwithstanding the above, employees are also enabled to participate in other ways, described below.

The SALUS Group follows a policy of open doors and open dialogue. The foundation of the SALUS Group's efforts is openness, accessibility and the possibility for employees to express their views, present ideas, ask questions, give findings and raise concerns, point out irregularities, and report any breaches.

All senior and managerial staff of the individual companies in the SALUS Group are responsible for cooperating with all employees and supporting the open-door policy, by being accessible and reachable to employees, listening to them actively, encouraging dialogue and constructive and effective communication, and at the same time openly accepting feedback or criticism.

The SALUS Group strives for and encourages employees to discuss all matters with their superiors and/or their superiors' superiors.

The open-door principle and the encouragement of open dialogue are promoted and put into practice in all companies of the SALUS Group. At larger companies, regular management–employee meetings are also organised.

More specific phases and forms of cooperation regarding identified material impacts will be disclosed in future reports, once the impacts have been defined in greater detail and the mitigation strategies have been adapted to their specifics.

Effectiveness of engagement with the own workforce

Larger companies in the SALUS Group regularly carry out various employee-satisfaction surveys, the purpose of which is to receive feedback on the effectiveness of the measures implemented, from the employees' perspective. On the basis of the surveys and the wishes expressed by employees, the companies have decided to implement measures that will contribute to greater inclusion, well-being and long-term motivation of employees.

19.4 Processes for remediating negative impacts and channels through which members of the own workforce can raise concerns (S1-3)

By means of the Rules on Internal Reporting of Breaches, the SALUS Group has established transparent and accessible grievance mechanisms that enable employees to express, anonymously, concerns regarding breaches set out in the Code of Conduct.

Upon receipt of any report, our aim is to investigate the circumstances as soon as possible and to take appropriate action. We carry out the procedures for handling reports in a manner that ensures fairness and confidentiality, also involving external support and experts where necessary. We handle each case with care and with the aim of providing appropriate support to all those affected.

The Committee is responsible for handling reports received in the area of business compliance on the basis of the Code of Conduct; it considers reported alerts of irregularities or alleged breaches and forwards its findings. In line with its capacities and competences, the Committee must examine all the facts set out in the report and take a position on them. If it finds that a breach has most probably occurred, it forwards the findings, together with the report, to the management of the SALUS Group company in which the offender is employed or is providing services to that company, and to the Management Board of SALUS, Ljubljana, d.d., which weigh and decide on the further measures against the offender or offenders.

The two largest companies, SANOLABOR, d.d. and SALUS, Veletrgovina, d.o.o. (both with their registered office in Slovenia), are required, in accordance with the Whistleblower Protection Act (the "ZZPri"), to adopt an internal set of rules, and therefore in addition to the above-mentioned instruction each of them has also adopted its own internal rules on internal procedures for the submission of reports in accordance with statutory requirements.

A procedure for the submission of breach reports under the Act has also been established by the parent company SALUS, Ljubljana, d.d., even though it is not required to do so under the ZZPri.

SALUS, Ljubljana, d.d., SALUS, Veletrgovina, d.o.o. and MEDITRADE d.o.o. each have their own rules on the prohibition of sexual and other harassment or mobbing in the workplace, and on the employer's measures for the protection of workers in connection with such conduct.

In the area of violence and harassment in the workplace, no breach reports were recorded in 2025.

Channel for raising concerns

We have established internal communication channels within the companies, intended exclusively for raising and reporting breaches. These channels include e-mail, a postal address for written reports, and an anonymous telephone number. In addition, at the companies whose registered office is at Litostrojska cesta in Ljubljana, we also have a physical letterbox, which is locked and where employees can physically deposit concerns or any reports or suspicions of breaches.

The communication channels for the submission or notification of breach reports are accessible every day of the year.

As already noted, the companies do not have works councils, but three trade unions have been established within the SALUS Group, namely the SANOLABOR, d.d. Trade Union, the SALUS, Ljubljana, d.d. Trade Union and the FARMADENT d.o.o. Trade Union. The trade unions act as social partners and as the primary representatives of employees, and also take on certain tasks of works councils. The representativeness of the SALUS, Ljubljana, d.d. Trade Union has also been recognised by SALUS, Veletrgovina, d.o.o.

Mechanisms for handling grievances

At the SALUS Group we have established mechanisms for handling grievances on matters relating to employees, which also enable, among other things, anonymous and confidential reporting of any breaches or irregularities.

When a report is submitted, all services or individuals responsible for the matter must record the report, handle it and forward their findings in accordance with the prescribed instructions.

In 2025, the SALUS Group recorded a report of a breach of the provisions of the Code of Conduct, which was notified to and handled by the Committee.

Monitoring of effectiveness

SALUS, Veletrgovina, d.o.o. and SANOLABOR, d.d. have adopted rules on the establishment of an internal pathway for the reporting of breaches which lay down, among other things, the procedure for receiving and handling a report and the contact details of the trusted person and their deputy.

Both companies must, in accordance with statutory requirements, report breaches reported to them on an annual basis to the Commission for the Prevention of Corruption on a prescribed form. The form must be completed in any event, including where no reports were received during the previous year.

Breach reports submitted under the Code of Conduct must be handled by the Committee, which keeps minutes from which the traceability of the reports received is also apparent.

Employees who use the DNA system in their work, i.e. the Electronic Quality Management System (EQMS), must familiarise themselves through that system with the rules and instructions that also include the mechanisms for reporting breaches and the procedures for handling and reporting them.

Employees of companies that do not use the DNA system receive copies of the documents by e-mail or in another way, and confirm their familiarity with the documents on procedures and mechanisms for reporting breaches by signing a statement.

It has not yet been possible to measure the effectiveness of the mechanisms for reporting breaches, since only one report has been received to date.

Protection of individuals who use the grievance-handling mechanisms

Protection of whistleblowers is defined and described in:

- the Code of Conduct,
- the Rules on Internal Reporting of Breaches,
- the internal rules on procedures for the submission of reports in accordance with statutory requirements.

The Code of Conduct covers the key values of the SALUS Group, including the promotion of equal opportunities, the prevention of discrimination and harassment, and ways of supporting diversity and inclusion at all levels.

The Rules on Internal Reporting of Breaches, adopted on the basis of the Code of Conduct, lays down the manner of alerting to irregularities and reporting suspected alleged breaches of the Code of Conduct, and provides assurance that the SALUS Group affords individuals full protection in the event of a report, including anonymity, and confirms that it will duly investigate every report of a suspected or alleged breach or of a breach already committed.

The protection of individuals who use the grievance-handling mechanisms is also defined in the ZZPri, which applies in the Republic of Slovenia and on the basis of which SANOLABOR, d.d. and SALUS, Veletrgovina, d.o.o. have established internal pathways and a process for the reporting of breaches. The latter has also been established by SALUS, Ljubljana, d.d., notwithstanding that it is not subject to the ZZPri.

Other companies in the Group do not, for the time being, reach the threshold for the mandatory establishment of grievance-handling mechanisms in accordance with the ZZPri.

19.5 Characteristics of the employees of the undertaking (S1-6)

19.5.1 Methodology and assumptions

The data-collection methodology for disclosure S1-6 was as follows:

- data collection:
  - The data were collected on the basis of the internal employee records of the SALUS Group companies, which are typically kept by the HR development and/or finance departments.
  - We reviewed the applicable legislation of the countries in which our companies operate, which served as the basis for preparing the table and reporting on the number of employees who took family-related leave. The data collected by the companies also enabled an in-depth internal view of the reasons for the use of family-related leave.
  - The companies entered the employee data into tables prepared in a single program, which undoubtedly enabled easier collection and consolidation of the data at Group level.
  - All companies provided data as at 31 December and, for the purposes of calculating turnover, also as at 1 January of the reporting period. FARMADENT d.o.o., GOPHARM d.o.o. and NENSI d.o.o. were not included in the calculation of employee turnover, since they joined the Group only in November 2025 and therefore turnover data would be neither meaningful nor comparable with the previous year. With respect to departures, all employees who left the organisation for any reason are taken into account. The turnover rate was calculated as follows:

Turnover rate

$$\text{turnover rate} = \frac{\text{number of departures in the period}}{\text{average number of employees in the period}} \times 100$$

Average number of employees in the period

$$\text{average number of employees in the period} = \frac{\text{no. of employees as at 1 January + no. of employees as at 31 December}}{2}$$

  - All data captured refers to the number of persons and not to full-time equivalents.

- data consolidation:
  - We combined the data received into a single table, performing an ambiguity check, for which we requested clarifications from the companies.

Assumptions:

- completeness: all data provided are complete and accurate and thus comparable,
- consistency of definitions: in defining the reported categories, all companies followed precisely the definitions provided, which were explained in each table,
- availability of records: all companies keep appropriate internal records of the required set of data, in a manner that enables proper and timely reporting,
- timing accuracy: the data on the number of employees reflect the position as at specific dates (1 January and 31 December); the exception is FARMADENT d.o.o., GOPHARM d.o.o. and NENSI d.o.o., which were not included in the calculation of turnover but were included in all other respects.

19.5.2 Presentation of the data collected

Number of employees by gender

Gender	31/12/2025	31/12/2024
Male	251	199
Female	472	419
Other	-	-
Not reported	-	-
Total number of employees	**723**	**618**

The structure of employees by gender was diverse both at the end of 2024 and 2025. Apart from female and male, no other gender identities were defined; the number of employees is also stated in Note 4.18 Costs by nature in the accounting section of the annual report.

As at 31 December 2025, the SALUS Group had 723 employees, of whom 251 were men, representing 34.7%, and 472 were women, representing 65.3% of all employees. The number of employees increased primarily as a result of the inclusion of FARMADENT d.o.o. (49 employees), GOPHARM d.o.o. (12 employees) and NENSI d.o.o. (3 employees) in the SALUS Group, and in part also as a result of new hires at other Group companies. In the total number of employees as at 31 December 2024, the number of employees stood at 618, of whom 199 were men, representing slightly less than one-third of all employees, and 419 were women, representing 67.8% of all employees in the SALUS Group.

Number of employees by gender in countries where the undertaking has at least 50 employees

Country	31/12/2025	31/12/2024
Slovenia		
Male	220	173
Female	442	394
Total Slovenia	**662**	**567**

Companies in the SALUS Group have their registered offices in several locations across 8 countries of Eastern and Central Europe.

The country in which the number of employees exceeds 50 is Slovenia, where, as at 31 December 2024, no fewer than 567 persons were employed (91.7% of all employees). Of these, 173 were men (30.5%) and 394 were women (69.5%). As at 31 December 2025, Slovenia had 662 employees (91.6%), of whom 220 were men (33.2%) and 442 were women (66.8%).

At companies with their registered office in the other 7 countries, the total number of employees as at 31 December 2024 was 51, representing 8.3% of all SALUS Group employees, while as at 31 December 2025 the number rose to 61, or 8.4%, which represents almost the same percentage as in 2024.

Employees by type of contract, broken down by gender (number of persons)

	31/12/2025	31/12/2024
Number of permanent employees	**674**	**574**
Female	443	388
Male	231	186
Number of temporary employees	**49**	**44**
Female	29	31
Male	20	13
Number of employees without guaranteed working hours	**0**	**0**
Female	0	0
Male	0	0
Number of full-time employees	**706**	**612**
Female	457	414
Male	249	198
Number of part-time employees	**17**	**6**
Female	16	5
Male	1	1

In the SALUS Group in 2024, the majority (574 persons or 92.9%) were employed under permanent contracts. Of these, 388 were women (92.6% of all female employees) and 186 were men (93.5% of all male employees). In 2025, the majority (674 persons or 93.2%) were likewise employed under permanent contracts. Of these, 443 were women (93.9% of all female employees) and 231 were men (92% of all male employees).

In 2025, as at 31 December 2025, there were 49 temporary employees, of whom 29 were women and 20 men. Temporary employees represented 6.8% of all employees. The number of temporary employees as at 31 December 2024 was 44, of whom 31 were women and 13 men. Temporary employees represented 7.1% of all employees.

In 2025, full-time employees account for a large share, namely 706, or 97.7%, while 17 employees, of whom 16 are women and 1 a man, work part-time.

Number of employees who left the organisation

Gender	2025	2024
Male	24	30
Female	44	30
Total number of employees who left the organisation	**68**	**60**
Turnover rate	**10.6%**	**10.0%**

In 2025, 44 women and 24 men left companies in the SALUS Group, of whom 34 employees from SANOLABOR, d.d., 15 from SALUS, Veletrgovina, d.o.o., 7 from SALUS International d.o.o., 4 from MEDITRADE d.o.o., 3 from CARSO pharm DOOEL, 2 from SALUS Sarajevo d.o.o., and one each from SALUS Podgorica d.o.o., SALUS International d.o.o., Beograd and SALUS Tirana International SHPK. One employee each also left FARMADENT d.o.o. and GOPHARM d.o.o., who were not included in the turnover calculation, nor were they included in the figure for the number of employees who left the organisation.

The turnover rate at the SALUS Group was 10.0% in 2024 and 10.6% in the 2025 reporting period, without taking into account the companies that joined the Group in November of the reporting period.

19.6 Characteristics of non-employees in the undertaking's own workforce (S1-7)

Total number of non-employees in the own workforce

	2025	2024
Self-employed	16	2
Workers provided by undertakings primarily engaged in employment activities	24	19
Total number of non-employees in the own workforce	**40**	**21**

Within this indicator, two groups of such workers are defined, namely self-employed workers and workers provided by undertakings primarily engaged in employment activities (employment and similar agencies). The data are as at 31 December 2025.

- Self-employed workers

Self-employed workers are those who perform certain services for the companies but are commercially and legally independent of those companies. In the reporting period we had 16 self-employed workers performing work on the basis of cooperation agreements. 15 self-employed workers cooperate with SANOLABOR, d.d., performing various tasks (consultancy in the area of medicines, business consultancy in commercial processes, information technology, financial operations, consultancy in the area of dangerous goods regarding legislation and the alerting to requirements and obligations under the Chemicals Act and other legal regulations governing the manufacture, storage and trade in chemicals, representation in administrative matters in proceedings before the body competent for chemicals, cooperation with chemical advisers of other legal and natural persons that manufacture, store or place dangerous chemicals on the market, translation, graphic design, training, etc.). At GOPHARM d.o.o. there is one self-employed worker performing tasks in accordance with good distribution practice. With respect to self-employed workers, we did not take into account those who work only occasionally, e.g. occasional catering.

- Workers provided by employment agencies

These workers are formally employed by the employment agency but perform work for the companies on the basis of contractual arrangements between the company and the agency. There were 24 workers in total who were employed via employment agencies. Of these, 23 perform work at SALUS, Veletrgovina, d.o.o., specifically in the logistics sector, i.e. in the warehouse, and one employee performs work via an agency for CARSO pharm DOOEL.

19.7 Job security

At the SALUS Group, the impacts on safety and health can be broken down by the following types of work: managerial work, office work, office and field work, warehouse work, drivers, service technicians, and retail work.

Companies in the Group have identified impacts and risks relating to safety and health in their risk assessments. The preparation of risk assessments has a statutory basis, and employees are also involved in the assessment. Measures have been adopted in connection with the identified risks.

With respect to safety and health at work, we are referring in particular to negative impacts arising from the type of work, work loads and the circumstances in which employees operate. The negative impacts are actual (e.g. forced posture, eyestrain, psychological strain), but also potential (e.g. accidents at work). The SALUS Group and the individual subsidiaries have, on the basis of the risks and hazards identified, drawn up assessments of safety and health at work and adopted measures that reduce or prevent negative impacts. Individual companies address this area through measures of ongoing training and education, the provision of ergonomics and safe workplaces; they cooperate with external providers on workplace health promotion, who carry out measures to build psychological safety, promote a healthy lifestyle and continuously improve working conditions, organise active breaks (for those who work with computers), back massages in the workplace, weekly fruit deliveries, participation in various sports activities, vaccinations and lectures on healthy lifestyle, and periodic training on the importance of prevention and care for health. Not all of the above measures necessarily apply to all subsidiaries.

Actions and resources

Companies in the Group take care of the health, safety and well-being of employees, provide a safe working environment, suitable working conditions and work–life balance. Within the Group we create conditions for attracting, developing and retaining diverse talent without discrimination (by gender, age, race, religion, etc.) in a stable and inclusive working environment, by offering competitive pay and equal opportunities for training and development.

Metrics

In 2025, the working groups within the workshops in the area of working conditions defined the following indicator, which has been approved by the Management Board of the SALUS Group:

- the number of employees who joined the organisation.

We will define more concrete targets in connection with this (and other material sustainability topics) over the next two years, once a comprehensive system for monitoring indicators is in place.

19.8 Social protection (S1-11)

In all countries where we are present with our companies, employees are provided with social protection covering the following areas:

- sickness: employees are entitled to compensation for absence from work due to illness, in accordance with local legislation and the companies' internal policies,
- unemployment: employees are included in social-security schemes that provide unemployment benefits, with the companies complying with national regulations,
- occupational injuries and disability: the companies comply with local legislation regarding occupational injuries and any related disability,
- family-related leave (maternity, paternity, parental and carer's leave): employees are granted statutory rights in accordance with the legislation of each country and the company's internal policies,
- retirement: all employees are included in the national pension systems, and some companies, in certain cases, also provide additional collective pension benefits or contributions to private pension schemes.

In line with the above, the companies of the SALUS Group ensure comprehensive social security for employees and contribute to their protection during key life periods.

19.9 Work–life balance

The SALUS Group takes care of people's health by enabling the reconciliation of private and professional life, by offering flexible arrival and departure times and the possibility of working from home where the work allows it. We continue to offer employees a range of sports programs for promoting health (entry fees for sports events, fitness, Pilates, etc.). Employees also take part in various charitable initiatives. We are continuously increasing the number of training hours and the funds allocated to training. We take care of the development and improvement of employees' competences through development talks, by means of which we identify needs and define individuals' objectives.

We implement an open-door policy and encourage open communication. We have established systems and mechanisms for reporting breaches, which are available to all every day of the year, and we provide whistleblowers with full protection. We promote non-discrimination, equality, diversity and inclusion through initiatives to raise awareness in all areas, regular measurement of the organisational climate, and the implementation of HR policies based on a culture of promoting equality.

Actions and resources

At the SALUS Group we pay particular attention to creating conditions that enable employees to effectively reconcile their professional obligations with private life. In doing so, we prevent the negative effects of overload and promote employee well-being and motivation. To this end we have established a set of measures that have proven effective in practice:

- Possibility of taking parental leave: at the SALUS Group companies, we enable parents to take parental leave in full, with this option also being actively used by fathers. On their return from leave, employees are guaranteed to return to their previous post.
- Part-time work: at employees' request, we enable adjustments to working time where personal circumstances, health reasons or family obligations so require.
- Flexible forms of work: in agreement with their superiors, employees can adjust their times of arrival at and departure from the workplace. In addition, in the Group we have established a permanent option of working from home, where the manner of the work permits it, which has proven to be an effective practice in past years. Most of the applications received for remote work have also been approved, which gives employees greater flexibility and enables them to manage personal obligations better.
- Right to digital disconnection: at SALUS, Veletrgovina, d.o.o. and SANOLABOR, d.d., awareness of the importance of separating working and private time is supported by formally adopted rules on digital disconnection, which enable employees, after the end of working hours, to step away from work obligations and ensure appropriate rest.

Metrics

In 2025, working groups defined the following indicators in working-conditions workshops, which were confirmed by the Management Board of the SALUS Group:

- "I do work for the company outside working hours."; mean employee agreement score with the statement (Zlata nit; SALUS Veletrgovina d.o.o.).
- "My working hours are too long"; mean employee agreement score with the statement (Zlata nit; SALUS Veletrgovina d.o.o.).
- "I feel safe at the company."; mean employee agreement score with the statement (Zlata nit; SALUS Veletrgovina d.o.o.).
- "Climate survey"; overall mean survey score (internal survey; SANOLABOR, d.d.).
- "I am satisfied with how I organise my professional and personal life." (internal survey; SANOLABOR, d.d.).
- "My personal circumstances are taken into account at the company when necessary." (internal survey; MEDITRADE d.o.o.).
- "I feel that the employer cares about employees' well-being." (internal survey; MEDITRADE d.o.o.).
- "I have the option of flexible working hours or working from home when needed." (internal survey; MEDITRADE d.o.o.).

At SALUS Veletrgovina d.o.o., targeted measures were taken on the basis of the previous year's "Zlata nit" survey to raise employee satisfaction, with particular focus on the areas that had the greatest impact and offered the most opportunity for improvement. The analysis of the results highlighted, in particular, challenges associated with workload, so the principal measures focused on optimising work and improving work-life balance.

The sense-of-safety indicator improved to 4.21, approaching the benchmark value of 4.32, which is the average for all companies participating in the survey, indicating increased employee confidence in a stable and supportive work environment. The frequency of work outside regular hours fell to 2.75, confirming progress in fostering a culture that respects employees' personal time. Nevertheless, the perception of long working hours increased slightly to 3.10, deviating from the benchmark value of 2.12 reported as the average for participating companies. This indicates that, in certain parts of the organisation, time pressures or uneven workload distribution remain present.

The following key measures were adopted in 2025:

- design and delivery of training on the use of artificial intelligence by the IT department,
- process optimisation conducted by the heads of individual organisational units,
- assessment of employees' training needs in the area of time management,
- preparation of a concept for introducing the "stop doing" method, which will enable the identification and elimination of less effective or unnecessary activities.

SANOLABOR d.d. likewise conducts an employee satisfaction survey on a regular basis, which provides an important basis for designing and implementing measures and employee proposals. The overall satisfaction score on a five-point scale rose from 3.61 to 3.96, and the work-life indicator score from 3.67 to 4.01, confirming positive shifts in well-being and work-life balance.

MEDITRADE d.o.o. conducted its first internal employee satisfaction survey in 2025. Particular attention was given to work-life balance. Employees rated the following aspects (with 3 the maximum possible score):

- "My personal circumstances are taken into account at the company when necessary" – score 2.9,
- "I feel that the employer cares about employees' well-being" – score 3.0,
- "I have the option of flexible working hours or working from home when needed" – score 2.8.

These results confirm a good starting point for the new survey and lay the foundation for further improvements in employee well-being.

More concrete targets in relation to this (and other material sustainability) topics will be defined over the next two years, once a comprehensive indicator monitoring system has been established.

19.10 Family-leave usage metrics (S1-15)

Based on EFRAG's clarifications, for the purposes of reporting on family-related leave, all employees are deemed entitled, irrespective of actual take-up, in accordance with the legislation applicable in the jurisdictions where the SALUS Group operates. In the previous reporting period the interpretation of entitlement was different, so reporting also included an additional assessment of both employee entitlement and actual take-up.

In the current reporting period, reporting focuses on recording employees who actually took family-related leave, which simplifies data collection and improves clarity, consistency and comparability of data across

Group companies. The metric shows the proportion of employees who took family-related leave and provides insight into the use of work-life balance measures.

Total number and percentage of employees who took family-related leave, broken down by gender

Gender	2025	2024
Total number of employees who took family-related leave	175	117
Percentage of employees who took family-related leave	**24%**	**19%**
Number of female employees who took family-related leave	139	81
Percentage of female employees who took family-related leave	**29%**	**19%**
Number of male employees who took family-related leave	36	36
Percentage of male employees who took family-related leave	**14%**	**18%**

In the reporting period it was found that the share of employees taking such leave reflects the need for support mechanisms in the companies, as employees in different life situations need the option of adjusting their work obligations. Such mechanisms are already in place at our companies, as employees in different life situations have the option of adjusting their work obligations.

In 2024, 117 people took family-related leave (18.9% of all employees), comprising 36 men and 81 women. In the 2025 reporting period, 175 people took family-related leave (24% of all employees), comprising 139 women and 36 men.

19.11 Prevention of workplace violence and harassment

The Group is committed to respecting human rights and employee rights and to creating a work environment that supports the dignity of every individual, as set out in the Code of Conduct and the Business Sustainability Policy. The Group's objective is for every employee to act in accordance with the highest standards of integrity and ethics. Through a culture grounded in respect for human rights, and through responsible conduct and partnerships, we identify risks and opportunities and contribute to a sustainable future.

Actions, resources and metrics

In 2025, working groups in workshops on working conditions defined the following indicators, which were potrdila Management Board SALUS Group:

- number of incidents of discrimination, including harassment,
- number of complaints submitted via channels through which individuals in the Group's own workforce can raise concerns,
- total amount of monetary fines, penalties and damages arising from disclosed incidents and complaints (in EUR).

More specific actions and targets relating to this (and other material sustainability) topics will be defined in the coming years, once we have established a comprehensive indicator-monitoring system.

19.12 Incidents, complaints and severe human rights impacts (S1-17)

Within the SALUS Group, we have not received any incidents and/or complaints related to identified significant impacts or concerning human rights.

20 Workers in the value chain (S2)

Within the SALUS Group, based on the 2024 double materiality assessment which remains valid, in the area of workers in the value chain we have identified three material impacts relating to working conditions. These are employment security, working hours, and health and safety. These are set out in the table »Impacts, risks and opportunities (S2)« together with references to the key policies addressing the topic. The key content, scope and responsibility for implementing each policy are set out in the chapter on ESRS 2 MDR-P.

Impacts, risks and opportunities (S2)

Impacts, risks and opportunities	Category	Policies
Delovni pogoji / Varnost zaposlitve		
Potential adverse impact due to employment instability, poorer working conditions, working hours, etc.	Potential adverse impact	Code of Conduct for Third Parties of the SALUS Group companies
Working conditions / Working hours		
Potential adverse impacts related to working hours, overtime, prolonged absence from home, multi-shift work, etc., particularly in the transport and warehousing industry.	Potential adverse impact	Code of Conduct for Third Parties of the SALUS Group companies
Working conditions / Health and safety		
Potential adverse impact due to hazards and workplace accidents affecting stakeholders in the value chain (transport and warehousing, sub-suppliers, and utility services).	Potential adverse impact	Code of Conduct for Third Parties of the SALUS Group companies

The impacts relate to workers in the transport and warehousing industry, as well as employees of sub-suppliers and utility service providers. We recognise that the quality of our services — namely the timely distribution of safe and high-quality medicines and other medical products — depends significantly on the working conditions of workers in the value chain.

The SALUS Group has not yet adopted specific measures to address impacts on workers in the value chain. Going forward, we plan to analyse these issues and explore the development of appropriate solutions for more effective management of these matters.

We have likewise not yet set targets that would comprehensively cover the management of material impacts associated with workers in the value chain.

Going forward, we plan to:

- identify the key areas in which value-chain workers are exposed to material adverse impacts, risks and opportunities, and analyse those impacts,
- set specific targets to improve working conditions, reduce adverse impacts and promote positive changes for workers in the value chain.

Through these steps we aim to ensure a responsible approach to addressing material challenges in the value chain relating to workers.

21 Consumers and end-users (S4)

Within the SALUS Group, based on the 2024 double materiality assessment which remains valid, we have identified four material impacts in the area of consumers and end-users, relating to access to quality information, health and safety, and access to products and services.

In connection with the impact related to access to quality information, two risks were identified, in the area of health and safety, five risks and two opportunities, and in the area of access to products and services, one risk. These are set out in the table "Impacts, risks and opportunities (S4)" together with references to the key policies addressing the topic.

The key content, scope and responsibility for implementing each policy are set out in the chapter on ESRS 2 MDR-P.

Impacts, risks and opportunities (S4)

Impacts, risks and opportunities	Category	Policies
Impacts on consumers and/or end-users related to information / Access to (quality) information		
Potential adverse impact arising from product labelling, repackaging, direct communication with customers and end-users, access to all material product information from suppliers, and via direct communication between customers (healthcare professionals) and end-users.	Potential adverse impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Instruction - Raising Concerns and Reporting Violations
Improper product-labelling practices could lead to litigation, damage to the SALUS Group's reputation, and otherwise undermine customer and user trust.	Risk	
Improper labelling practices and lack of product transparency at SALUS Group suppliers could have serious consequences for the SALUS Group in the form of litigation, reputational damage and loss of customer and user trust.	Risk	
Personal safety of consumers and/or end-users / Health and safety		
Actual positive impact from the introduction of technology-enabled processes embedding control mechanisms. Regular review, upgrading and improvement of the quality system.	Actual positive impact	Corporate Governance Policy of the joint-stock company SALUS, Ljubljana, d.d. Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Code of Conduct of the company SALUS, Ljubljana, d.d. and the SALUS Group Anti-Bribery and Anti-Corruption Policy of the company SALUS, Ljubljana, d.d. and the SALUS Group Code of Conduct for Third Parties of the SALUS Group companies
Potential adverse impact in the event of adverse drug reactions, faults or defects in medical equipment, or other product deviations, which may pose a risk to the health and safety of end-users.	Potential adverse impact	
Companies operating in the healthcare sector are assessed on their exposure to potential recalls or product-safety concerns, the strength of their supply chain and procurement systems, their efforts to manage quality in production, and their responsible marketing practices.	Risk	
Information about product safety and side effects may emerge subsequently, after controlled clinical trials and approvals. Companies that are not transparent about this may be exposed to the financial consequences of recalls and other adverse events. Product-safety issues, such as equipment defects, manufacturing errors, design flaws, or inadequate disclosure of product-related risks, can give rise to substantial product-liability claims. Companies that adequately manage product quality and safety may be able to avoid such risks and enhance shareholder value.	Risk	
Risks associated with the possibility of mislabelled products and the risk of counterfeit medicines.	Risk	
Reduced patient/user confidence in products due to statutory or other breaches, privacy violations, or failure to report pharmacovigilance and vigilance events.	Risk	
Shutdown of IT systems due to security incidents, or of warehousing systems due to mechanical and other faults.	Risk	
Ensuring the visibility of the SALUS Group and expanding regional presence to secure agencies for new or innovative products.	Risk	
Strengthening of the Group's role in society as part of social infrastructure and additional stakeholder trust gained.	Risk	
Social inclusion of consumers and/or end-users / Access to products and services		
Potential adverse impacts relating to the affordability and accessibility of innovative medicines.	Potential adverse impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group
The SALUS Group observes that volume-linked margin is stagnating, owing to the rising share of more expensive prescription medicines and increased sales of larger pack sizes.	Risk	

The SALUS Group affects a wide range of customers and end-users (e.g. hospitals, pharmacies, specialist and veterinary clinics, primary healthcare centres), including individual customers in the retail outlets of SANOLABOR, d.d., and specific vulnerable groups (e.g. patients, the elderly, children and persons with limited access to resources).

The key impacts on consumers and end-users arise from the distribution and use of products/services due to potential mislabelling of products, repackaging, direct communication with customers and end-users, and access to material product information. Adverse impacts may also arise in the event of adverse drug reactions, faults or defects in medical equipment, or other product deviations, which may pose a risk to the health and safety of end-users.

We have not observed the occurrence of material adverse impacts, as we have mechanisms in place to ensure effective information for consumers and end-users. We inform our customers regularly via the B2B portal, e-mail and telephone notifications. In addition, we operate a quality function that liaises regularly with the Public Agency for Medicinal Products and Medical Devices (JAZMP) and the Ministry of Health, from which we receive information on potential risks and possible defects. In cooperation with them, we monitor the market presence of products that might have a potential adverse impact and arrange the timely withdrawal of such products from the market.

Risks relate to improper product labelling, which could in turn lead to litigation, damage to the SALUS Group's reputation and otherwise undermine user trust. Risks are also present due to exposure to potential recalls or product-safety concerns arising at manufacturers and suppliers, as well as in the event of counterfeit medicines. Risks also include reduced patient/user confidence in products due to statutory or other breaches, privacy violations, or failure to report pharmacovigilance and vigilance events. Risk may also arise from unethical product marketing and potential non-compliance with regulatory requirements.

SALUS Group companies understand the impacts on consumers and end-users through compliance with applicable legislation, which sets requirements for products intended for consumers, including more vulnerable groups.

Within the SALUS Group we have not identified specific risks for vulnerable groups, as our product range is already adapted to the specific needs of patients, the elderly, persons with disabilities and others. In product distribution we consistently comply with applicable legislation and regulatory requirements governing safety, quality and accessibility for all users.

The Group commits to transparency and responsibility as a business partner, and as a key link in the value chain provides safe, high-quality and timely supply of medicines and medical devices. In doing so it actively contributes to improving people's health, particularly amid rising disease burden and rapid development of new technologies.

Certain SALUS Group companies have, for example, adopted quality policies as a key part of the management system, thereby indirectly ensuring product safety and quality, reliable supply, and adaptation and responsiveness to customer feedback.

In addition, these companies work with certified manufacturers and, in accordance with regulations, ensure proper labelling, storage and distribution of products. The companies manage the risk of incorrect or misleading information through strict compliance with statutory requirements.

SALUS Group companies that distribute medicines and medical devices, for example, strictly monitor the environmental conditions in which they store and distribute them, as this is key to ensuring quality products for consumers and end-users. They regularly monitor temperature and storage conditions. The companies further ensure that all products are properly labelled and accompanied by appropriate documentation that complies with legislation and quality standards, and they raise consumer awareness by providing information such as product instructions and warnings and recommendations on safe use.

These companies have also established a vigilance and pharmacovigilance system for monitoring and reporting adverse effects in the use of medicines and medical devices. Any information received about an adverse effect must be forwarded as soon as possible, and no later than within three working days, to the supplier or the national agencies for medicines and medical devices.

More specific measures, metrics and targets relating to this (and other material sustainability) topics will be defined over the next two years, once we have established a comprehensive indicator-monitoring system.

22 Business conduct (G1)

Within the SALUS Group, based on the 2024 double materiality assessment which remains valid, we have identified six material impacts in the area of business conduct, relating to whistleblower protection, animal welfare, corruption and bribery, and the management of supplier relationships. Three risks are also associated with the impacts relating to whistleblower protection and corruption and bribery, and five risks and six opportunities are associated with the impacts relating to supplier relationship management. These are set out in the table "Impacts, risks and opportunities (G1)" together with references to the key policies addressing the topic. The key content, scope and responsibility for implementing each policy are set out in the chapter on ESRS 2 MDR-P.

Impacts, Risks and Opportunities (G1)

Impacts, risks and opportunities	Category	Policies
Whistleblower protection		
Potential adverse impacts that could arise from the failure to protect whistleblowers and the failure to report violations due to fear of retaliation.	Potential adverse impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Instruction - Raising Concerns and Reporting Violations Policies / Rules under the Whistleblower Protection Act Code of Conduct of the company SALUS, Ljubljana, d.d. and the SALUS Group
In the event of failure to protect whistleblowers, a private lawsuit could be brought, or public exposure could occur if the whistleblower turned to the media or competent (civil) organisations dealing with the report (e.g. KPK; Transparency International ...). The adverse financial consequences could manifest as reputational damage, legal costs, fines and penalties.	Risk	
Animal welfare		
Potential adverse impact of suppliers whose production processes involve animal testing or the use of ingredients of animal origin in products.	Potential adverse impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Code of Conduct for Third Parties of the SALUS Group companies
Corruption and bribery		
Potential adverse impacts that could arise from corruption and bribery by employees, representatives or other related persons of the SALUS Group.	Potential adverse impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Code of Conduct of the company SALUS, Ljubljana, d.d. and the SALUS Group Anti-Bribery and Anti-Corruption Policy of the company SALUS, Ljubljana, d.d. and the SALUS Group
Bribery, fraud, corruption, breaches of fundamental human rights involving business partners or employees, and non-compliant or unethical conduct may affect the reputation and financial position of the SALUS Group.	Risk	
Various international and national laws relating to healthcare fraud and abuse apply to companies dealing in medical equipment and supplies. Companies' ability to ensure compliance across their entire global and domestic operating footprint can have material consequences. Corporate disclosures on legal and regulatory penalties, and on codes of ethics governing interactions with healthcare professionals, can enable shareholders to monitor performance in this area.	Risk	
Potential adverse impacts that could arise from corruption and bribery in the SALUS Group's value chain.	Potential adverse impact	
Supplier relationship management / Stability and integrity of the supply chain		
Actual positive impacts associated with efforts to deliver safe, effective and high-quality products to consumers in a timely manner.	Actual positive impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Code of Conduct for Third Parties of the SALUS Group companies
Suspension of product supply due to natural disasters, wars and other force-majeure events.	Risk	
Shutdown of IT systems due to security incidents, or of warehousing systems due to mechanical and other faults.	Risk	
The pharmaceutical wholesale industry faces risks associated with counterfeit medicines. Effective supply chain management is essential to mitigate these challenges.	Risk	
Pharmaceutical wholesalers that do not manage their supply chains may incur costs related to drug recalls. Such incidents can represent significant risk of customer loss.	Risk	
Good supply chain management can reduce risks and build trust among partners and customers.	Opportunity	
Ensuring the visibility of the SALUS Group and expanding regional presence to secure agencies for new or innovative products.	Opportunity	
Strengthening of the Group's role in society as part of social infrastructure and additional stakeholder trust gained.	Opportunity	
Supplier relationship management / ESG impacts in the supply chain		
Potential adverse impacts upon the materialisation of supply chain risks and non-transparent operations.	Potential adverse impact	Business Sustainability Policy of SALUS, Ljubljana, d.d. and the SALUS Group Code of Conduct for Third Parties of the SALUS Group companies
Adverse ESG impacts in the supply chain (primarily bribery, fraud, breaches of fundamental human rights) may affect the Group's reputation and financial position. Termination of distribution and other contracts due to breaches of fundamental human rights, failure to meet quality standards, or unethical practices.	Risk	

Impacts, Risks and Opportunities (G1)

Impacts, risks and opportunities	Category	Policies
Stable supply and good supplier relationships through consistent respect for ethical business practices, fundamental human rights, environmental stewardship and compliant conduct.	Opportunity	
Better credit ratings from financial institutions and suppliers, with easier access to cheaper financing.	Opportunity	
Supply chain opportunities span all ESG areas where the SALUS Group, by participating in and activating ESG initiatives, could address its ESG challenges (e.g. emissions reduction, opportunities in the circular economy, product safety and traceability, etc.), thereby increasing its visibility and reputation.	Opportunity	

22.1 Business conduct policies and corporate culture (G1-1)

The Corporate Governance Policy of the joint-stock company SALUS, Ljubljana, d.d. constitutes the Company's corporate governance framework. Corporate governance within the SALUS Group is based on applicable legislation, the rules and recommendations of the LJSE (on which the shares of SALUS, Ljubljana, d.d. are listed), and on the recommendations of the Corporate Governance Code for Listed Companies.

All companies within the SALUS Group are committed to conducting business in line with the highest ethical standards and the legal and regulatory requirements applicable in each country in which they operate. In addition, operations are also governed by the internal rules of SALUS Group companies, which ensure compliance at all levels of operation.

The Corporate Governance Policy of the joint-stock company SALUS, Ljubljana, d.d., together with the other key policies related to business conduct, is described in the chapter on ESRS 2 MDR-P.

Within the SALUS Group we recognise that corporate culture is the foundation of successful business conduct. The SALUS Group's corporate culture is based on the following values: we are bound by team spirit, distinguished by a growth mindset, we enjoy our work and celebrate achievements, and we are professional, bold and persistent. These values unite us and reflect our business culture and conduct in society and the environment in which we operate. They are set out in the Code of Conduct. Within corporate culture, the SALUS Group has not identified any material impacts, risks or opportunities.

22.2 Whistleblower protection

Reporting SALUS Group companies have adopted measures to protect whistleblowers, as required for Slovenia-based companies by the ZZPri, and for EU-based companies also by Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law. That directive does not apply to SALUS Group companies outside the EU — namely those operating in Bosnia and Herzegovina, Albania, Serbia, North Macedonia and Montenegro.

For all companies, the SALUS Group has also adopted internal instructions on reporting of violations, "Raising Concerns and Reporting Violations", which likewise sets out measures to ensure the safety and anonymity of whistleblowers and the handling of received reports. SALUS Group companies encourage individuals to report in good faith alleged breaches of the Code of Conduct, threats to safety, and other compliance violations, while ensuring that the report does not give rise to adverse consequences or retaliation against the whistleblower.

Reporting channels vary somewhat between companies, but include an anonymous telephone line, e-mail, an online contact form, regular mail, a physical drop-box or personal reporting to the designated officer. In the event of a report, the SALUS Group provides individuals with full protection, including anonymity, and confirms that every report will be properly investigated.

Any discrimination, attempt to disclose a whistleblower's identity, harassment, retaliatory measures, penalties, retaliation or adverse consequences against a whistleblower are strictly prohibited. We take all reports of alleged violations seriously and are fully committed to their effective and timely investigation, fact-finding and, where necessary, the imposition of appropriate measures and sanctions. All reports must be handled promptly, in accordance with internal procedures for the timely, independent and objective investigation of business-conduct incidents. The whistleblower confidant begins handling a received report immediately, or at the latest must, within 7 days of receipt, notify the whistleblower that the report has been taken into consideration. The confidant normally handles reports in the order in which they are received. Exceptionally, later-received reports are prioritised — for example, in cases of significant property damage, significant impact on the Company's reputation, threats to health, etc. Where a report relates to an internal instruction, the Commission convenes immediately and, within its remit and competence, examines all the facts set out in the report, formulates a position on them, and forwards its findings together with the report to the management of the SALUS Group company in which the alleged perpetrator is employed or to which they provide services, and to the Management Board of SALUS, Ljubljana, d.d.

Actions and resources

Key whistleblower-protection activities in 2025:

- ensuring secure and confidential channels for reporting wrongdoing (e.g. dedicated e-mail, anonymous telephone line),
- monitoring and testing the functioning of the reporting system (e.g. testing the telephone line, weekly review of the drop-box contents).
- appointment of an officer responsible for handling reports and protecting whistleblowers,
- Commission meetings,
- delivery of annual training for all employees on reporting procedures and the prohibition on retaliation, and on the importance of ethical conduct and a zero-tolerance culture toward violations,
- targeted assessment of management and senior staff via questionnaires that must be properly completed,
- inclusion of content on reporting channels in induction programmes for new employees.

Metrics

In 2025, the sustainability team, in workshops with working groups dedicated to whistleblower protection, defined the following indicators, which were approved by the SALUS Group Management Board:

- number of all reports entered into the whistleblowing system,
- number of resolved reports entered via the whistleblowing system,
- share of resolved reports entered via the whistleblowing system (in %).

In the 2025 reporting year, the Commission received one report of an alleged breach of the Code of Conduct. The Commission examined the report thoroughly, reviewed the relevant documentation and facts, and formed a position on its content. It informed the management of the company in which the report originated, as well as the Management Board of SALUS, Ljubljana, d.d., of its findings. The Commission also proposed the necessary actions: conducting an internal audit at the Group company where the alleged breach occurred, reviewing and, where necessary, redesigning existing processes and establishing missing ones, and implementing a "four-eyes" review system. The internal audit is planned for the first half of the following year, to provide an additional assessment of the compliance and effectiveness of existing policies and procedures.

More specific targets relating to this (and other material sustainability) topics will be defined in the coming years, once we have established a comprehensive indicator-monitoring system.

22.3 Animal welfare

The SALUS Group commits to upholding high standards in the treatment of animals and supports a responsible, humane and ethical approach to their welfare. All SALUS Group companies and their employees must, where relevant to the business, act in compliance with applicable legislation, local regulations and international guidelines in the field of animal welfare and protection.

More specific actions, metrics and targets relating to this (and other material sustainability) topics will be defined in the coming years, once we have established a comprehensive indicator-monitoring system.

22.4 Management of supplier relationships (G1-2)

The SALUS Group conducts activities aimed at ensuring that products are supplied safely, on time and at high quality, from supplier/manufacturer to end customer. These activities cover quality control, the effectiveness of recall and oversight systems, employee training and process optimisation, timely and consistent handling of complaints, adherence to agreements, a personal approach, as well as due-diligence reviews and partner assessments via questionnaires or self-assessment.

Every SALUS Group company strives, and wishes, to do business with partners (third parties) that comply with local legislation and all relevant regulations, guidelines, standards and practices, as well as the principles set out by the SALUS Group in the Code of Conduct for Third Parties. We expect the third parties with which SALUS Group companies cooperate to take appropriate measures to ensure that they, as well as their business partners and subcontractors, reasonably follow the same principles and standards. Compliance with the above is one of the key criteria the SALUS Group considers both in selecting third parties and in its ongoing cooperation with them.

Supplier relationships

	SALUS, Veletrgovina, d.o.o.	SANOLABOR, d.d.	MEDITRADE d.o.o.
Supplier relationship management	building long-term cooperation and high-quality, transparent relationships, governed by contracts	defined criteria for supplier selection, a clearly defined process for concluding new contracts, monitoring of delivery times, product quality and price competitiveness.	documented procedures for supplier selection and evaluation; relationships are also shaped by the company's values, quality policy and overarching SALUS Group documents
How the relationship affects their (supplier's) supply chain	the relationship affects the supply chain through joint inventory management to meet market needs	no material impact identified; in most cases the supplier is also the manufacturer	long-term cooperation, high-quality and transparent relationships, and financial discipline ensure supply chain stability
Supplier cooperation strategy	defining contractual frameworks, joint planning, performance analysis, identifying synergies, rewarding good cooperation	defining contractual frameworks, joint planning, performance analysis, identifying synergies, rewarding good cooperation	long-term cooperation, high-quality and transparent relationships, financial discipline
Consideration of social and environmental factors in supplier selection	not considered	not considered	not considered
Practices to support vulnerable suppliers	not in place	not in place	not in place

The SALUS Group has a diversified supplier network ranging from smaller suppliers to large ones (so-called principals). Principals are large multinational corporations that exert greater influence on the SALUS Group than vice versa. The SALUS Group directly influences suppliers and their ESG performance through procurement and other business terms linked to environmental, social and governance factors. The SALUS Group does not yet have specific Group-wide ESG criteria in goods procurement or supplier cooperation.

Supplier conduct

	SALUS, Veletrgovina, d.o.o.	SANOLABOR, d.d.	MEDITRADE d.o.o.
Prevention of late payments to small and medium-sized enterprises	We make no distinction in payments between small and large suppliers; all are paid regularly on the value date.	We make no distinction in payments between small and large suppliers; all are paid regularly on the value date.	We make no distinction in payments between small and large suppliers; all are paid regularly on the value date.
Responding to supply chain disruptions	identifies new alternative products or new suppliers, in accordance with regulations and the regulatory framework, given that the pharmaceutical sector is heavily regulated	programme managers monitor global and local developments and maintain adequate stock; where necessary, we also identify alternative products or suppliers in line with regulations	programme managers monitor current global and local developments and appropriate stock levels
Training of procurement staff to engage with and incentivise suppliers on the basis of price, quality and sustainability	Through mentorship and an onboarding period, with regular mandatory training	We train our workforce through mentorship, an onboarding period and regular training, emphasising the importance of long-term cooperation	We emphasise the importance of long-term cooperation and build relationships based on quality and mutual trust
Results of practices (through supplier visits, audits or surveys)	Through supplier visits and meetings, we build mutual trust and find joint solutions to challenges as they arise	We assess the results of these practices through supplier visits and meetings, where we build mutual trust and find joint solutions as they arise. In addition, we carry out annual supplier assessments, which enable us to track quality trends for individual suppliers and adapt more easily	Through supplier visits and meetings, we build mutual trust

To ensure safe, timely, efficient and high-quality products and services, stability and integrity (quality, safety and traceability/transparency) in the supply chain are essential. Product quality and uninterrupted operations have a significant impact on people's health and the stability of the healthcare system, affecting individuals and the market as a whole. Product traceability at the batch level throughout the supply chain and the maintenance of safety and appropriate temperature conditions, together with the training of staff involved in the processes, are important in this regard.

In managing the supply chain, the SALUS Group is also heavily dependent on its suppliers and their own supply chain management. The quality of supply chain management is equally important for them, as it can affect consumer health and the Company's value.

The SALUS Group has a diversified supplier network, as shown in the graphical representation of the value chain in ESRS 2 SBM-1. Suppliers vary in size. The SALUS Group can exert only limited influence on the larger suppliers; rather, they influence the SALUS Group more. The SALUS Group has not adopted specific policies on supporting smaller or other vulnerable suppliers. Within the SALUS Group, quality is the primary criterion. In that sense, supplier size is not relevant. The SALUS Group has not adopted specific policies regulating payment practices in detail, including payment terms, delays and any measures in the event of non-performance of payment obligations.

We seek to address disruptions to product supply caused by various factors through measures such as maintaining a sufficiently broad range of alternative products or substitutes where possible.

A shutdown of IT systems due to security incidents, or of warehousing systems due to mechanical and other faults, may likewise temporarily halt product supply. The preventive measures we implement primarily include continual upgrading of information-security controls, training of employees in IT security, vigilance and pharmacovigilance, and good distribution practices.

Actions and resources

Key 2025 activities addressing material impacts, risks and opportunities related to supplier relationship management:

- Decarbonisation strategy, which also covers supplier relationship management and is still in the approval process.

Metrics

In 2025, the sustainability team, in workshops with working groups on supplier relationship management, defined the following indicators, approved by the SALUS Group Management Board:

- share of suppliers with a decarbonisation plan adopted in line with science-based targets (in %),
- Percentage of new supplier contracts that include sustainability/ESG clauses (unit: %).

More concrete targets in relation to this (and other material sustainability) topics will be defined over the next two years, once a comprehensive indicator monitoring system has been established.

22.5 Payment practices (G1-6)

In its dealings with suppliers, the SALUS Group applies transparent and fair payment practices based on agreed terms and contractual obligations. We ensure the timely settlement of financial obligations and observe payment terms set in contracts or as required by law.

Our payment policy includes a responsible approach to large, as well as small and medium-sized, suppliers, recognising the importance of liquidity and stability for all business partners. We strive for clear and fair terms of cooperation and promote business ethics throughout the supply chain.

We do not have late payments, as we settle all invoices on the due date. This ensures adherence to the agreed terms of business, legal compliance, reduced financial risks and stronger long-term relationships with reliable suppliers.

The average payment term at SALUS, Veletrgovina, d.o.o. is 55 days. Invoices are paid regularly without delay by the value date. Payments are most often consistent with standard terms; for special orders, the payment term may be extended by agreement with the supplier. Of the total turnover for 2025, the 15 largest suppliers account for 59% of turnover.

MEDITRADE d.o.o. generates 85% of its annual merchandise turnover with its 14 largest suppliers, all of which are foreign. The largest supplier, accounting for around 37% of merchandise turnover, has an agreed payment term of 90 days. Other merchandise and cost suppliers have varying payment terms ranging from 30 to 60 days. Payments in the form of advances are also made.

SANOLABOR, d.d. used a representative sample of its 20 largest suppliers, whose aggregate turnover represents more than 50%, to calculate average payment terms. The calculated average payment term is 51 days. The Company also makes some early payments in order to obtain additional discounts or (in the case of cross-border payments) where the due date falls on a non-working day. Late payments are minimal and relate to invoice due dates falling on non-working days for suppliers in Slovenia.

22.6 Prevention and detection of corruption and bribery (G1-3)

The Anti-Bribery and Anti-Corruption Policy of the company SALUS, Ljubljana, d.d. and the SALUS Group is a key part of the SALUS Group's broader commitment to ethical and responsible business, grounded in integrity, transparency and adherence to the highest standards of honesty. Our objective is long-term success, built on lawful conduct and the consistent application of ethical principles in every aspect of our operations.

The Anti-Bribery and Anti-Corruption Policy includes clear rules on what constitutes bribery, and guidance on how to avoid such risks. Under this policy, employees are strictly prohibited from giving, offering, promising, receiving, or soliciting or encouraging others to engage in such acts, on behalf of and/or for the account of the SALUS Group, in respect of any form of gifts, rewards or other benefits, whether of a financial or non-financial nature, that might be used as a means to influence the decisions or required conduct of holders of public authority, public officials or private-law persons. The aim of such conduct would be to obtain or retain an improper business or competitive advantage or benefit, which is entirely contrary to the SALUS Group's policy.

The SALUS Group is committed to zero tolerance of any form of bribery and corruption. In any case where employees are confronted with situations that could lead to any form of corruption, they must act immediately in accordance with internal procedures, including prompt reporting to the relevant internal functions or designated officers within the SALUS Group.

The SALUS Group has mechanisms and procedures in place for reporting, investigating and responding to violations. One such mechanism is the Commission, responsible for receiving reports of irregularities — particularly in connection with the Code of Conduct — and suspicions of alleged violations, examining them and reporting its findings.

The Commission consists of five members from three SALUS Group companies. Commission members act autonomously and independently and are not senior managers of the offending company to which the findings are to be communicated. Should a report be made against any Commission member, that member is recused from handling the report in question.

Where the content of a report is such that legislation provides that failure to report an alleged violation constitutes a criminal offence or misdemeanour, the Commission is also obliged to notify the competent authorities.

The reporting process ensures completeness, integrity and confidentiality of information, as well as the protection and non-disclosure of the identities of individuals in an employment or similar relationship who have reported an internal violation.

Upon receipt of a report, the Commission convenes, reviews the report and examines all the facts set out therein, formulating a position on them. Where there are multiple such facts or alleged violations, the Commission must examine each fact or violation separately, in such a way that the whistleblower is not disclosed, unless the whistleblower wishes to be disclosed or has self-disclosed. Persons involved in handling the report are required to safeguard the confidentiality of the procedure and to communicate its content exclusively to Commission members, save where the Commission grants express permission or where applicable local legislation so requires. Upon completion of the investigation, the Commission must forward all gathered facts and the investigation's conclusions, together with the report, to the management of the SALUS Group company in which the alleged perpetrator is employed or to which they provide services, and to the Management Board of SALUS, Ljubljana, d.d., which weigh the matter and decide on further measures against the perpetrator(s). If the whistleblower has disclosed their identity, the Commission also conveys or delivers the findings of the report's examination to the whistleblower, either in a sealed envelope marked "confidential" or in another appropriate manner, e.g. by e-mail marked "confidential". Reporting channels are available throughout the year.

Actions and resources

The SALUS Group recognises that proactive action is key to successfully managing corruption and bribery risks, and therefore prioritises preventive measures, raising employee awareness and establishing a zero-tolerance culture toward all forms of unethical conduct.

We regularly train employees on the prevention of bribery and corruption, with particular attention to those operating in higher-risk areas. These include in particular senior and middle management, employees in procurement and sales, staff in quality, pharmacovigilance and vigilance, and others who, due to direct contact with customers and other stakeholders, are more exposed to potential violations.

To verify familiarity with and understanding of the rules set out in the Anti-Bribery and Anti-Corruption Policy, employees periodically complete a questionnaire. Successful completion of the test, which requires at least 90% correct answers, is taken as evidence that the employee knows and understands the policy.

Metrics

In the area of corruption and bribery prevention and detection, the Group is progressively establishing an indicator-monitoring system. We have defined the following key metrics:

- number of members of the board and senior management included in anti-corruption and anti-bribery training,
- share of members of the board and senior management included in anti-corruption and anti-bribery training (in %),
- number of employees exposed to corruption risk who are covered by training programmes,
- share of employees exposed to corruption risk who are covered by training programmes (in %).

In the 2025 reporting year, the Company had not yet established a comprehensive system for the systematic collection and monitoring of the above data, and quantitative indicators for that period are therefore not yet disclosed.

More concrete targets in relation to this (and other material sustainability) topics will be defined over the next two years, once a comprehensive indicator monitoring system has been established.

22.7 Confirmed incidents of corruption or bribery (G1-4)

Neither in 2025 nor in the past has the SALUS Group encountered a case of corruption or bribery. Records can be seen in the Commission's minutes and the registers of designated officers, who forward reports to the Commission for the Prevention of Corruption as a statutory obligation to report violations.

SALUS

Financial Report

23 INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT
to the shareholders of SALUS, Ljubljana, d.d.
(Translation from the original in Slovene language)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of SALUS, Ljubljana, d.d. (the 'Company') and the consolidated financial statements of SALUS, Ljubljana, d.d. and its subsidiaries (the 'Group'), which comprise the separate and consolidated statement of financial position as at 31 December 2025, the separate and consolidated income statement, the separate and consolidated statement of other comprehensive income, separate and consolidated statements of changes in equity, and separate and consolidated cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including significant information on accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2025 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS as adopted by the EU').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific issues concerning the statutory audit of public-interest entities ('the Regulation'). Our responsibilities under these standards are set out in this report in the section *'The auditor's responsibility for the audit of the separate and consolidated financial statements'*. In accordance with the International Code of Ethics for Professional Accountants (including the International Standards on Independence) issued by the International Ethics Standards Board for Accountants (the 'the IESBA Code") and the ethical requirements relating to the audit of financial statements of public-interest entities in Slovenia, we confirm our independence from the Company and the Group and that we have complied with all other ethical requirements in accordance with these requirements and the IESBA Code. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of the greatest significance in our audit of the separate and consolidated financial statements for the current financial year. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these matters.

<u>Revenue recognition from sales in the consolidated financial statements</u>

<u>Key audit matter</u>	<u>Audit approach in relation to the matter</u>
Net sales revenue for the financial year ended 31 December 2025 amounted to EUR 696,194,446 (2024: EUR 648,830,142). The Group's core business is the sale of medicines, dietary supplements and medical devices, and the provision of active sales and promotional services. Revenue from sales is recognised when control of the goods is transferred to the customer or at the time benefits from the services rendered are realised, in the amount of the consideration to which the Group believes it is entitled. Revenue is recognised in the amount of the consideration received, net of any discounts and taking returns into account. Sales take place through various distribution channels and include both retail and wholesale.	Our audit approach included, amongst other things: - Testing the design and implementation, and assessing the effectiveness, of internal controls in the revenue recognition process. - Assessing the Group's accounting policy regarding revenue recognition, including an assessment of whether the policy complies with International Financial Reporting Standard (IFRS) 15 - Revenue from Contracts with Customers. - Reviewing the consistency of invoiced amounts with concluded sales contracts and price lists on a selected sample. - Selecting and reviewing invoices issued immediately before and immediately after the end of the financial year to verify that revenue has been recognised in the correct accounting period. - Verifying whether discounts charged were in accordance with the contractual terms, whether

The Group carries out a large volume of individual transactions, which are predominantly of minor value; it is therefore important to ensure the accuracy and completeness of the allocation of revenue, discounts and returns to the accounting period.

Recording such transactions and large volumes of data requires a considerable degree of management judgement in determining the appropriate amount and timing of revenue and sales discounts; and revenue is also one of the key indicators of the Group's operating performance; consequently, we have identified revenue from sales in the consolidated financial statements as a key audit matter.

Disclosures relating to the recognition of revenue are set out in paragraph 25.15 'Revenue' under paragraph 25 'Significant information on accounting policies' and in paragraph 26.18 'Revenue from sales'.

they were recorded in the correct accounting period, and whether they were applied to all customers who were entitled to them.

- Review a sample of credit notes issued in the new financial year and assess the correctness of their posting to the relevant accounting period.
- Selection and obtaining of balance confirmations from customers, including the verification of transactions with selected customers.
- Review of manual entries in the journal, with a focus on unusual, one-off entries in revenue accounts and entries made after the balance sheet date.
- Review of daily till takings for a selected sample, with the aim of verifying the accuracy and existence of sales revenue.
- Review and analysis of the gross margin and obtaining clarification in this regard.
- Checking a selected sample of open, unbilled delivery notes in the new accounting period to verify the completeness of invoices issued.
- Assessing sales revenue using analytical procedures.
- Reviewing disclosures in accordance with the requirements of IFRS as adopted by the EU, in particular IFRS 15.

<u>Measuring and recognising the fair value of identifiable assets and liabilities acquired in a business combination</u>

<u>Key audit matter</u>

In 2025, the Salus Group acquired a controlling interest in Farmadent, d.o.o. and, indirectly, in Gopharm d.o.o. and Nensi d.o.o., for a total of EUR 8,460,000. In preparing the consolidated financial statements, it allocated the purchase price of the acquisition.

The accounting recognition of the acquisition involves significant judgement on the part of management in allocating the cost of the acquisition and determining the fair value of the identifiable assets and liabilities acquired, as well as the gain on the negotiated purchase. There is a significant audit risk that the assumptions and judgements used by the management in estimating fair values are inappropriate and that the fair values are consequently incorrect. Consequently, we have identified the measurement of fair values and the accounting for the business combination as a key audit matter.

Disclosures relating to the business combination are set out in paragraph 26.1 Business Combinations, whilst the relevant accounting policies are set out in paragraph 25.3.1 Business Combinations under paragraph 25.3 Basis of Consolidation.

<u>Audit approach in relation to the matter</u>

Our audit approach included, amongst other things:

- gaining an understanding of the transaction through discussions with management and review of the acquisition documentation,
- reviewing the allocation of the acquisition cost to individual acquired assets and liabilities,
- testing the assumptions used in determining fair value with the assistance of a property valuation expert;
- testing the assumptions used in determining fair value with the assistance of an equipment valuation expert;
- testing the assumptions used in determining fair value with the assistance of a business valuation expert;
- reviewing the adequacy and completeness of the disclosures in the Group's financial statements relating to the acquisition from the perspective of the requirements of the relevant accounting standards.

Other information

Management is responsible for the other information. The other information comprises the management report, which forms an integral part of the Company's and the Group's annual report, but does not include the separate and consolidated financial statements or our auditor's report thereon. We obtained the other information prior to the date of the auditor's report, with the exception of the Supervisory Board's report, which will be made available at a later date.

Our opinion on the separate and consolidated financial statements does not relate to the other information, and we do not express any form of assurance regarding it.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, to assess whether the other information is materially inconsistent with the separate and consolidated financial statements, statutory requirements or our knowledge obtained during the audit, or whether it otherwise appears to be materially misstated. If, on the basis of the work performed, we conclude that there is a material misstatement in the other information, we are required to report such circumstances.
In this regard, based on the procedures described, we report that:

- the other information is, in all material respects, consistent with the audited separate and consolidated financial statements;
- the other information, apart from the consolidated sustainability report on which we issued a separate limited assurance report on 5 March 2026, has been prepared in accordance with applicable laws and regulations; and
- based on our knowledge and understanding of the Company and the Group and their environment, obtained during the audit, we have not identified any material misstatements in the other information.

Responsibility of the Management and the Supervisory board for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as determined by management, to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements of the Company and the Group, management is responsible for assessing their ability to continue as a going concern, disclosing matters relating to going concern and applying the going concern assumption as the basis for accounting, unless management intends to wind up the Company or the Group, or to cease trading, or has no alternative but to do so.

The Supervisory Board is responsible for overseeing the financial reporting process of the Company and the Group.

The Auditor's Responsibility for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance as to whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the Regulation will always detect a material misstatement, if one exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

When conducting an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism.

Furthermore:

- identify and assess the risks of material misstatement in the separate and consolidated financial statements, whether due to error or fraud, design and perform audit procedures in response to the assessed risks and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of failing to detect a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal controls;
- to obtain an understanding of the internal controls relevant to the audit of the separate and consolidated financial statements, with a view to designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal controls;
- to evaluate the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates and related disclosures made by management;

- on the basis of the audit evidence obtained, regarding the existence of material uncertainty concerning events or circumstances that cast doubt on the Company's and the Group's ability to continue as a going concern, we form a conclusion on the appropriateness of management's use of the going concern assumption as the basis for the financial statements. If we conclude that material uncertainty exists, we are required to draw attention in the auditor's report to the relevant disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. The auditor's conclusions are based on audit evidence obtained up to the date of the auditor's report. However, subsequent events or circumstances may result in the Company and the Group ceasing to be going concerns;
- we evaluate the overall presentation, structure and content of the separate and consolidated financial statements of , including the disclosures, and whether the separate and consolidated financial statements present the relevant transactions and events in a manner that achieves a fair presentation.
- We plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the companies or the business activities within the Group, so that we may express an opinion on the Group's financial statements. We are responsible for directing, supervising and reviewing the audit procedures carried out for the purposes of the Group audit. The audit opinion is our sole responsibility.

We discuss with those charged with governance, amongst other matters, the planned scope and timetable of the audit and significant audit findings, including any material weaknesses in internal controls that we identified during the audit.

We also provide those charged with governance with a statement confirming that we have complied with the relevant ethical requirements regarding independence, and discuss with them any relationships and other matters that might reasonably be thought to affect our independence, and, where appropriate, the measures taken to address threats or the safeguards applied.

From among all the matters discussed with management, we identify those that were of the greatest significance in the audit of the separate and consolidated financial statements for the current period and are therefore key audit matters. We describe these matters in the auditor's report, unless a law or regulation prevents the public disclosure of such matters, or where, in exceptionally rare circumstances, we decide not to report the matters in the report because we reasonably expect that the adverse consequences of doing so would outweigh the public benefit of such disclosure.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Confirmation to the Audit Committee

We confirm that the auditor's opinion included in this auditor's report is consistent with the supplementary report to the Audit Committee.

Provision of Non-Audit Services

We confirm that we have not provided any services to SALUS, Ljubljana, d.d. and its subsidiaries as referred to in the first paragraph of Article 5 of Regulation 537/2014, and that the audit firm has complied with the independence requirements for the audit.

Other Services provided by the Audit firm

Apart from auditing the financial statements and the consolidated sustainability report, the audit firm did not provide any other services to SALUS, Ljubljana, d.d. and its subsidiaries, except for those disclosed in the annual report.

Appointment of the Auditor, Duration of the Engagement and the Responsible Authorised Auditor

The audit firm BDO Revizija d.o.o. was appointed at the general meeting of SALUS, Ljubljana, d.d. on 17 April 2025, and the Chairman of the Supervisory Board signed the audit contract on 27 August 2025. The contract is concluded for a period of 4 years. We have been carrying out the statutory audit of the company's financial statements continuously since 29 August 2022.

On behalf of the audit firm BDO Revizija d.o.o., the authorised auditor Maruša Hauptman is responsible for the audit performed.

BDO

Auditor's Report on the compliance of the financial statements in electronic form with the requirements of Delegated Regulation No. 2019/815 on a uniform electronic reporting format

We have carried out an engagement to provide reasonable assurance as to whether the audited separate and consolidated financial statements of the SALUS Group, Ljubljana, d.d. and its subsidiaries for the financial year ended 31 December 2025 (hereinafter: the audited separate and consolidated financial statements), have been prepared in accordance with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards for the establishment of a uniform electronic reporting format applicable for the year 2025 (hereinafter: the Delegated Regulation).

Responsibilities of the Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the audited separate and consolidated financial statements in electronic form in accordance with the requirements of the Delegated Regulation, as well as for such internal controls as management determines are necessary to enable the preparation of audited separate and consolidated financial statements in electronic form in such a way that they are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the preparation of the audited separate and consolidated financial statements in electronic form in accordance with the requirements of the Delegated Regulation.

The Auditor's Responsibility

Our responsibility is to carry out a reasonable assurance engagement and to express a conclusion as to whether the audited separate and consolidated financial statements have been prepared in accordance with the requirements of the Delegated Regulation. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAS 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement in such a way as to obtain reasonable assurance for the conclusion.

We have acted in accordance with the independence and ethical requirements of EU Regulation No 537/2014 and the International Code of Ethics for Professional Accountants (including the International Standards on Independence), issued by the International Ethics Standards Board for Accountants. The Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our audit firm operates in accordance with the International Standard on Quality Management (ISQM) 1 - Quality Management in Firms that Conduct Audits and Reviews of Financial Statements and Other Assurance and Related Services, and, in accordance with it, maintains a comprehensive quality management system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of the Work performed

Within the scope of the work performed, we carried out audit procedures, namely:

- identified and assessed the risk of material non-compliance of the audited separate and consolidated financial statements with the requirements of the Delegated Regulation due to error or fraud;
- we obtained an understanding of the internal control relevant to the engagement to provide reasonable assurance, in order to design procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- we assessed whether the audited separate and consolidated financial statements received comply with the requirements of the Delegated Regulation in force at the reporting date;
- we obtained reasonable assurance that the issuer's audited separate and consolidated financial statements are presented in the correct XHTML format;
- we have obtained reasonable assurance that the figures and disclosures in the audited consolidated financial statements in XHTML format are correctly tagged using Inline XBRL (iXBRL) technology, and that their machine-readable form ensures that the complete and accurate information contained in the audited consolidated financial statements is provided.

We believe that the evidence obtained provides a sufficient and appropriate basis for our conclusion.

Conclusion

Based on the procedures performed and the evidence obtained, in our opinion, the audited separate and consolidated financial statements of SALUS, Ljubljana, d.d. and its subsidiaries for the financial year ended 31 December 2025 have, in all material respects, been prepared in accordance with the requirements of the Delegated Regulation.

Ljubljana, 5 March 2026

BDO Revizija d.o.o.
Cesta v Mestni log 1, Ljubljana

BDO Revizija d.o.o.
Družba za revidiranje

(Signature on original Slovene Independent Auditor's Report)

Maruša Hauptman,
Certified Auditor

24 SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

Statement of profit or loss of SALUS, Ljubljana, d.d. and the SALUS Group

		SALUS, Ljubljana, d.d.		SALUS Group	
	Notes	2025	2024	2025	2024
Net revenue from sales	26.18	1,187,375	312,215	696,194,446	648,830,142
Cost of goods sold		0	0	-612,973,755	-575,310,858
Gross profit		**1,187,375**	**312,215**	**83,220,691**	**73,519,284**
Selling expenses	26.19	-464,138	-401,279	-44,519,536	-40,567,627
General expenses	26.19	-1,577,824	-1,364,139	-17,759,330	-15,371,167
Other operating income	26.22	2,161	85,944	407,988	727,056
Impairment losses	26.23	0	0	-78,551	-32,204
Other operating expenses	26.23	-15,116	-16,119	-1,603,351	-1,570,477
Operating profit from ordinary operations		**-867,542**	**-1,383,378**	**19,667,911**	**16,704,865**
Finance income	26.24	14,860,762	12,931,241	3,036,049	1,468,900
Finance costs	26.25	-580,608	-673,830	-1,238,553	-1,506,466
Profit before tax		**13,412,612**	**10,874,033**	**21,465,407**	**16,667,299**
Income tax	26.17	0	0	-4,663,240	-4,192,804
Deferred taxes	26.17	0	0	160,691	542,609
Net profit or loss for the financial year		**13,412,612**	**10,874,033**	**16,962,858**	**13,017,104**
Net profit or loss for the financial year, attributable to:					
- owners of the parent		13,412,612	10,874,033	16,682,189	12,854,012
- non-controlling interests		0	0	280,669	163,092
Basic and diluted earnings per share attributable to owners of the parent	26.26	1.63	1.32	2.03	1.56

The accounting policies and notes form an integral part of the financial statements and should be read in conjunction with them.

Statement of other comprehensive income of SALUS, Ljubljana, d.d. and the SALUS Group

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Net profit/(loss) for the financial year	13,412,612	10,874,033	16,962,858	13,017,104
Exchange-rate differences	0	0	-2,598	-1,172
Other comprehensive income that will be reclassified to profit or loss in future periods	**0**	**0**	**-2,598**	**-1,172**
Changes in fair value reserves	0	0	-10,160	-71,088
Deferred tax effect	0	0	3,107	6,053
Total other comprehensive income that will not be reclassified to profit or loss in future periods	**0**	**0**	**-7,053**	**-65,035**
Total comprehensive income for the financial year	**13,412,612**	**10,874,033**	**16,953,207**	**12,950,897**
Total comprehensive income for the financial year, attributable to:				
- owners of the parent	13,412,612	10,874,033	16,953,207	12,950,897
- non-controlling interests	0	0	0	0

The accounting policies and notes form an integral part of the financial statements and should be read in conjunction with them.

Statement of financial position of SALUS, Ljubljana, d.d. and the SALUS Group

		SALUS, Ljubljana, d.d.		SALUS Group	
	Notes	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Goodwill	26.2	0	0	7,665,753	7,661,094
Other intangible assets	26.2	32,805	35,698	9,058,999	9,289,029
Property, plant and equipment	26.3	138,523	168,411	46,090,495	42,085,920
Investment property	26.4	1,513,867	1,595,911	3,680,008	1,595,911
Investments in subsidiaries	26.5	65,393,673	64,218,745	0	0
Investments in associates	26.5	0	0	84,934	92,702
Financial assets at fair value through profit or loss	26.5	1,098,771	857,519	1,289,499	992,344
Financial assets at amortised cost	26.5	250,000	385,000	388,638	487,739
Other non-current assets		61,764	49,465	530,537	217,685
Deferred tax receivables	26.17	0	0	301,592	195,290
Total non-current assets		**68,489,403**	**67,310,749**	**69,090,455**	**62,617,714**
Inventories	26.6	0	0	79,991,518	61,892,411
Financial assets at amortised cost	26.5	151,093	107,333	104,966	107,441
Current trade receivables	26.7	117,268	34,056	84,976,733	73,365,756
Income tax receivables	26.7	0	227	85,238	48,997
Cash and cash equivalents	26.8	1,110,196	113,025	14,097,393	16,508,399
Contract assets	26.9	0	0	488,392	206,265
Advances given and other current assets	26.10	74,029	51,456	4,783,281	2,331,448
Total current assets		**1,452,586**	**306,097**	**184,527,521**	**154,460,717**
Total assets		**69,941,989**	**67,616,846**	**253,617,976**	**217,078,431**
Share capital	26.11	8,300,000	439,723	8,300,000	439,723
Reserves	26.11	2,772,195	10,632,472	2,244,544	10,104,821
Fair value reserve	26.11	0	0	61,369	82,665
Translation reserve	26.11	0	0	-24,194	-21,596
Retained earnings	26.11	39,451,179	37,007,146	63,474,049	59,538,985
Profit for the current year	26.11	13,412,612	10,874,033	16,682,189	12,854,012
Non-controlling interest	26.11	0	0	1,404,834	1,759,882
Total equity		**63,935,986**	**58,953,374**	**92,142,791**	**84,758,492**
Non-current financial liabilities	26.12	3,581,096	4,879,952	19,747,568	14,141,744
Provisions	26.13	0	0	1,620,816	1,272,063
Deferred tax liabilities	26.17	0	0	1,702,991	1,445,178
Other non-current liabilities		0	0	20,790	10,854
Total non-current liabilities		**3,581,096**	**4,879,952**	**23,092,165**	**16,869,839**
Current trade payables	26.14	83,283	50,294	124,534,009	104,865,122
Income tax payables	26.14	0	0	686,072	1,303,589
Current financial liabilities	26.12	1,327,485	2,877,707	7,322,195	5,133,433
Contract liabilities	26.15	4,322	4,322	891,868	707,805
Other current liabilities	26.16	1,009,817	851,197	4,948,876	3,440,151
Total current liabilities		**2,424,907**	**3,783,520**	**138,383,020**	**115,450,100**
Total liabilities and equity		**69,941,989**	**67,616,846**	**253,617,976**	**217,078,431**

The accounting policies and notes form an integral part of the financial statements and should be read in conjunction with them.

Statement of cash flows of SALUS, Ljubljana, d.d. and the SALUS Group

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit or loss	**13,412,612**	**10,874,033**	**16,962,858**	**13,017,104**
Income taxes and deferred taxes	0	0	4,502,549	3,650,195
Depreciation and amortisation	450,701	507,685	8,000,710	8,006,325
Working capital value adjustments	0	0	67,317	-70,389
(Profit)/loss on disposal of assets	4	-84,679	-111,883	-185,633
Net change of provisions	0	0	103,934	-66,332
Net finance (income)/costs	-14,556,238	-12,559,216	85,196	635,080
Cash flow from operations before working-capital changes	**-692,921**	**-1,262,177**	**29,610,681**	**24,986,350**
Change in receivables and inventories	-118,083	-24,690	-17,015,537	-9,994,392
Change in trade and other payables and contract liabilities	191,608	112,804	12,190,517	-545,024
Changes in operating assets and liabilities	**73,525**	**88,114**	**-4,825,020**	**-10,539,416**
Income tax paid	227	176,461	-5,357,922	-2,358,840
Net cash flow from operating activities	**-619,169**	**-997,602**	**19,427,739**	**12,088,094**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for the acquisition of intangible assets	-7,256	-8,919	-496,338	-547,834
Payments for the acquisition of property, plant and equipment and investment property	-52,656	0	-6,336,471	-3,562,391
Payments for the acquisition of financial assets	0	0	-300	-86,080
Payments for the acquisition of subsidiaries	-1,200,927	-86,080	-9,610,928	0
Payments for loans granted	-190,000	-370,000	0	-250,000
Proceeds from the disposal of property, plant and equipment and investment property	0	92,000	261,952	206,489
Proceeds from loans granted	25,035	60,000	99,101	145,845
Cash acquired in business combinations	0	0	256,927	0
Interest received	26,127	14,825	43,759	90,614
Dividends received	14,562,548	12,623,389	40,123	34,855
Net cash flow from investing activities	**13,162,871**	**12,325,215**	**-15,742,175**	**-3,968,502**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of financial liabilities	-4,838,741	-4,081,291	-233,027,750	-156,082,904
Interest paid on financial liabilities	-269,086	-344,068	-531,314	-465,700
Lease payments	-8,443	-8,273	-2,087,718	-1,921,831
Interest paid on leases	-261	-431	-461,154	-504,965
Proceeds from financial liabilities	2,000,000	0	238,442,435	152,079,465
Dividends paid	-8,430,000	-7,376,250	-8,430,000	-7,376,250
Net cash flow from financing activities	**-11,546,531**	**-11,810,313**	**-6,095,501**	**-14,272,185**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	**113,025**	**595,725**	**16,508,399**	**22,660,625**
Exchange-rate differences	0	0	-1,069	367
Net change in cash during the period	997,171	-482,700	-2,409,937	-6,152,593
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**1,110,196**	**113,025**	**14,097,393**	**16,508,399**

The accounting policies and notes form an integral part of the financial statements and should be read in conjunction with them.

Statement of changes in equity for SALUS, Ljubljana, d.d. for 2025

2025	Share capital	Capital reserves	Statutory reserves	Other reserves from profit	Fair value reserves	Retained earnings	Net profit for the year	Total equity
Balance at 1 January	**439,723**	**9,739,518**	**56,335**	**836,620**	**0**	**37,007,146**	**10,874,033**	**58,953,375**
Transactions with owners	**0**	**0**	**0**	**0**	**0**	**-8,430,000**	**0**	**-8,430,000**
Dividends paid	0	0	0	0	0	-8,430,000	0	-8,430,000
Changes in total comprehensive income for the reporting period	**0**	**0**	**0**	**0**	**0**	**0**	**13,412,612**	**13,412,612**
Net profit or loss of the reporting period	0	0	0	0	0	0	13,412,612	13,412,612
Changes in equity	**7,860,277**	**-7,860,277**	**0**	**0**	**0**	**10,874,033**	**-10,874,033**	**0**
Transfer of the remaining portion of net profit of the comparative period	0	0	0	0	0	10,874,033	-10,874,033	0
Increase in share capital from reserves	7,860,277	-7,860,277	0	0	0	0	0	0
Balance at 31 December	**8,300,000**	**1,879,241**	**56,335**	**836,620**	**0**	**39,451,179**	**13,412,612**	**63,935,987**

Statement of changes in equity for SALUS, Ljubljana, d.d. for 2024

2024	Share capital	Capital reserves	Statutory reserves	Other reserves from profit	Fair value reserves	Retained earnings	Net profit for the year	Total equity
Balance at 1 January	**439,723**	**9,739,518**	**56,335**	**836,620**	**0**	**33,031,410**	**11,351,986**	**55,455,592**
Transactions with owners	**0**	**0**	**0**	**0**	**0**	**-7,376,250**	**0**	**-7,376,250**
Increase in share capital	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	-7,376,250	0	-7,376,250
Changes in total comprehensive income for the reporting period	**0**	**0**	**0**	**0**	**0**	**0**	**10,874,033**	**10,874,033**
Net profit or loss of the reporting period	0	0	0	0	0	0	10,874,033	10,874,033
Changes in equity	**0**	**0**	**0**	**0**	**0**	**11,351,986**	**-11,351,986**	**0**
Transfer of the remaining portion of net profit of the comparative period	0	0	0	0	0	11,351,986	-11,351,986	0
Balance at 31 December	**439,723**	**9,739,518**	**56,335**	**836,620**	**0**	**37,007,146**	**10,874,033**	**58,953,375**

Statement of changes in equity for the SALUS Group for 2025

2025	Share capital	Capital reserves	Legal reserves	Other reserves from profit	Translation reserve	Fair value reserves	Retained earnings	Net profit for the financial year	Total	Non-controlling interests	Total equity
Balance at 1 January	**439,723**	**9,739,519**	**175,102**	**190,201**	**-21,596**	**82,665**	**59,538,984**	**12,854,012**	**82,998,610**	**1,759,882**	**84,758,492**
Transactions with owners	**0**	**0**	**0**	**0**	**0**	**0**	**-8,933,191**	**0**	**-8,933,191**	**-635,717**	**-9,568,908**
Dividends paid	0	0	0	0	0	0	-8,430,000	0	-8,430,000	0	-8,430,000
Transactions with non-controlling interests	0	0	0	0	0	0	-503,191	0	-503,191	-635,717	-1,138,908
Changes in total comprehensive income for the reporting period	**0**	**0**	**0**	**0**	**-2,598**	**-7,053**	**0**	**16,682,189**	**16,672,538**	**280,669**	**16,953,207**
Net profit or loss of the reporting period	0	0	0	0	0	0	0	16,682,189	16,682,189	280,669	16,962,858
Changes in translation reserve	0	0	0	0	-2,598	0	0	0	-2,598	0	-2,598
Changes in fair value reserves	0	0	0	0	0	-7,053	0	0	-7,053	0	-7,053
Changes in equity	**7,860,277**	**-7,860,277**	**0**	**0**	**0**	**-14,243**	**12,868,255**	**-12,854,012**	**0**	**0**	**0**
Transfer of the remaining portion of net profit of the comparative period	0	0	0	0	0	0	12,854,012	-12,854,012	0	0	0
Other changes in equity	0	0	0	0	0	-14,243	14,243	0	0	0	0
Increase in share capital from reserves	7,860,277	-7,860,277	0	0	0	0	0	0	0	0	0
Balance at 31 December	**8,300,000**	**1,879,242**	**175,102**	**190,201**	**-24,194**	**61,369**	**63,474,048**	**16,682,189**	**90,737,957**	**1,404,834**	**92,142,791**

Statement of changes in equity for the SALUS Group for 2024

2024	Share capital	Capital reserves	Legal reserves	Other reserves from profit	Translation reserve	Fair value reserves	Retained earnings	Net profit for the financial year	Total	Non-controlling interests	Total equity
Balance at 1 January	**439,723**	**9,739,519**	**175,102**	**190,201**	**-20,424**	**155,894**	**56,572,158**	**10,271,385**	**77,523,558**	**1,660,287**	**79,183,845**
Transactions with owners	**0**	**0**	**0**	**0**	**0**	**0**	**-7,312,753**	**0**	**-7,312,753**	**-63,497**	**-7,376,250**
Dividends paid	0	0	0	0	0	0	-7,376,250	0	-7,376,250	0	-7,376,250
Transactions with non-controlling interests	0	0	0	0	0	0	63,497	0	63,497	-63,497	0
Changes in total comprehensive income for the reporting period	**0**	**0**	**0**	**0**	**-1,172**	**-65,035**	**0**	**12,854,012**	**12,787,805**	**163,092**	**12,950,897**
Net profit or loss of the reporting period	0	0	0	0	0	0	0	12,854,012	12,854,012	163,092	13,017,104
Changes in translation reserve	0	0	0	0	-1,172	0	0	0	-1,172	0	-1,172
Changes in fair value reserves	0	0	0	0	0	-65,035	0	0	-65,035	0	-65,035
Changes in equity	**0**	**0**	**0**	**0**	**0**	**-8,194**	**10,279,579**	**-10,271,385**	**0**	**0**	**0**
Transfer of the remaining portion of net profit of the comparative period	0	0	0	0	0	0	10,271,385	-10,271,385	0	0	0
Other changes in equity	0	0	0	0	0	-8,194	8,194	0	0	0	0
Balance at 31 December	**439,723**	**9,739,519**	**175,102**	**190,201**	**-21,596**	**82,665**	**59,538,984**	**12,854,012**	**82,998,610**	**1,759,882**	**84,758,492**

25 MATERIAL ACCOUNTING POLICY INFORMATION

25.1 Reporting entity

SALUS, Ljubljana, d.d. (the "Company") is a public limited company with its registered office in Slovenia. The registered office is located at Litostrojska cesta 46 A, Ljubljana.

The consolidated financial statements of the SALUS Group for the period from 1 January 2025 to 31 December 2025, which comprise the parent company SALUS, Ljubljana, d.d. and its subsidiaries, are available on the website of the LJSE and at www.salus.eu.

The accounting policies set out below are those of the SALUS Group and of SALUS, Ljubljana, d.d.

25.2 Basis of preparation of the separate and consolidated financial statements

The financial statements are prepared on a going-concern basis, meaning that assets are acquired and sold, and liabilities are settled, in the normal course of business.

25.2.1 Statement of compliance

The Management Board approved the Company's financial statements and the consolidated financial statements of the SALUS Group on 27 February 2026.

The financial statements of SALUS, Ljubljana, d.d. and the consolidated financial statements of the SALUS Group have been prepared in accordance with IFRS as adopted by the EU, the interpretations issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and in accordance with the provisions of the ZGD-1.

The following amendments to existing standards issued by the IASB and adopted by the EU apply in the current reporting period:

Amendments to IAS 1 – Presentation of Financial Statements:

- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. The amendments introduce requirements for assessing when one currency is exchangeable into another, and when it is not. The amendments require an entity to estimate the spot exchange rate when it determines that a currency is not exchangeable into another currency.

The adoption of these amendments to existing standards and interpretations did not result in any material changes to the financial statements of the Company or the Group.

At the date of approval of these financial statements, the following amendments to existing standards issued by the IASB and adopted by the EU had not yet come into force (effective from 1 January 2026):

- Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendments modify the following requirements in IFRS 7 and IFRS 9:
    - derecognition of financial liabilities: derecognition of financial liabilities settled via electronic transfers;

- classification of financial assets: interest elements in a basic lending arrangement (assessment of solely payments of principal and interest ("SPPI test")); contractual terms that modify the timing or amount of contractual cash flows; non-recourse financial assets; investments in contractually linked instruments;
- disclosures: investments in equity instruments at fair value through other comprehensive income; contractual terms that may modify the timing or amount of contractual cash flows.

The amendments could have a significant impact on how entities account for the derecognition of financial liabilities and classify financial assets. The amendments permit an entity to early-adopt only the changes relating to the classification of financial assets and related disclosures, applying the remaining changes later. This would be particularly useful for entities wishing to apply the amendments early to financial instruments linked to ESG (environmental, social and governance) or similar characteristics.

- Annual Improvements to IFRS Accounting Standards. Annual improvements are limited to changes that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights, or conflicts between the requirements of the standards. The proposed improvements are consolidated in a single document. The annual improvements cycle addresses the following:
  - hedge accounting by a first-time adopter of IFRS (amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards);
  - disclosure of deferred differences between fair value and transaction price (amendments to the Implementation Guidance for IFRS 7);
  - gain or loss on derecognition (amendments to IFRS 7);
  - introduction and credit-risk disclosures (amendments to the Implementation Guidance for IFRS 7);
  - derecognition of lease liabilities (amendments to IFRS 9);
  - transaction price (amendments to IFRS 9);
  - determination of a "de facto agent" (amendments to IFRS 10);
  - cost method (amendments to IAS 7).
- Contracts referencing nature-dependent electricity (formerly Power Purchase Agreements) (amendments to IFRS 9 and IFRS 7). The IASB has issued amendments to improve entities' reporting on the financial effects of contracts for the supply of nature-dependent electricity, which are often structured as power purchase agreements ("PPAs"). Contracts for the supply of nature-dependent electricity help entities secure electricity supply from wind and solar sources. Because the volume of electricity produced under these contracts can vary depending on uncontrollable weather-related factors, current accounting requirements may not adequately capture how these contracts affect an entity's performance. In response, the IASB has developed targeted amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures, in order to improve the disclosure of such contracts in the financial statements. The amendments include:
  - clarification of the application of the "own-use" requirements;
  - permitting hedge accounting where these contracts are used as hedging instruments, and
  - adding new disclosure requirements enabling investors to understand the impact of these contracts on the entity's financial performance and cash flows.

The adoption of these new standards, amendments to existing standards and interpretations will not have a material impact on the financial statements of the Company or the Group.

IFRS as adopted by the EU do not currently differ materially from those issued by the IASB, except for the following new standards and amendments to existing standards which take effect for reporting periods beginning on 1 January 2027 and have not yet been adopted by the EU:

- IFRS 18 – Presentation and Disclosure in Financial Statements. IFRS 18 introduces significant new requirements on how financial statements are presented, with particular emphasis on:
    - The statement of profit or loss, including requirements for mandatory subtotals that must be presented. IFRS 18 introduces requirements for classifying items of income and expense into one of five categories in the statement of profit or loss. As a result of this classification, certain subtotals must be presented — for example, the sum of all income and expense items in the operating category, which forms a new mandatory subtotal, "operating profit or loss".
    - Aggregation and disaggregation of information, including the introduction of general principles for aggregating and disaggregating information in the financial statements.
    - Disclosures relating to management-defined performance measures (MPMs) — measures of financial performance based on totals or subtotals required by IFRS, with adjustments applied (e.g. "adjusted operating profit"). Entities will be required to disclose MPMs in the financial statement disclosures, including reconciliations of MPMs to the nearest total or subtotal calculated in accordance with IFRS.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures. Stakeholders have asked the IASB to permit a subsidiary that reports to a parent that applies IFRS in its consolidated financial statements to apply IFRS with reduced disclosure requirements in its own financial statements. Reflecting this feedback, the IASB added a project to its research agenda to provide reduced disclosure requirements for subsidiaries without public accountability. The project concluded with the issuance of IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements of IFRS. An entity is eligible to apply IFRS 19 if:
    - the entity is a subsidiary as defined in Appendix A to IFRS 10 – Consolidated Financial Statements;
    - the entity is without public accountability (an entity has public accountability if its securities are traded on an organised market or it is in the process of issuing such instruments, or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses, this being one of its principal activities); and
    - the entity has an ultimate or intermediate parent that prepares consolidated financial statements available for public use and that comply with IFRS.
- Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures. The updated standard reduces disclosure requirements for subsidiaries in relation to IFRS 18, IFRS 7 and 9, amended IAS 12 and IAS 21.
- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Translation into a Hyperinflationary Currency. The standard applies only to entities whose presentation currency is that of a hyperinflationary economy and requires all items denominated in the functional currency of a non-hyperinflationary economy to be translated into the presentation currency of a hyperinflationary economy, including comparative amounts, at the closing rate on the balance-sheet date, and specifies additional information to be disclosed.

The Company and the Group expect that the adoption of these new standards and amendments to existing standards in the initial period of application will not have a material impact on the financial statements.

25.2.2 Basis of measurement

The financial statements have been prepared on a historical-cost basis, except for financial assets measured at fair value. The methods used to measure fair value are described below.

25.2.3 Functional and presentation currency

The financial statements are presented in EUR without cents, and the euro is also the functional currency. Due to rounding, minor immaterial differences may arise in totals shown in tables (rounding differences).

25.2.4 Use of estimates and judgements

In preparing the financial statements, management must make estimates and judgements based on assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates, judgements and assumptions are reviewed regularly, at least annually at the end of the financial year. Because estimates are subject to judgement and a degree of uncertainty, subsequent actual outcomes may differ from the estimates. Changes in accounting estimates, judgements and assumptions are recognised in the period in which the estimates are revised if the change affects only that period, or in the period of the change and future periods if the change affects future periods as well.

The estimates and judgements made, together with the related assumptions and uncertainties, are disclosed in the notes to the individual line items.

Estimates and assumptions arise primarily in the judgements set out below:

- Impairment of assets: The Group/Company regularly reviews the carrying amount of material property, plant and equipment (carrying amount at 31 December 2025: Company EUR 131,649, Group EUR 35,986,077), intangible assets (carrying amount at 31 December 2025: Company EUR 32,805, Group EUR 9,058,999), investment property (carrying amount at 31 December 2025: Company EUR 1,513,867, Group EUR 3,680,008), goodwill (carrying amount at 31 December 2025: Group EUR 7,665,753) and investments in subsidiaries (carrying amount at 31 December 2025: Company EUR 65,393,673) to determine whether there are any indicators of impairment. Where indicators of impairment are identified, the recoverable amount of the asset is determined and the asset is impaired to that amount. Information on the material estimates and judgements applied in assessing asset values is provided in Notes 4.1, 4.2 and 4.3.
- Fair value of financial instruments: When measuring the fair value of financial assets measured at fair value through profit or loss (carrying amount at 31 December 2025: Company EUR 1,098,771, Group EUR 1,289,499), the Group/Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable market inputs where possible. Assets and liabilities measured at fair value are classified into a three-level fair-value hierarchy based on the level of inputs significant to the fair-value measurement: (i) Level 1: market prices from an active market for similar assets and liabilities; (ii) Level 2: a valuation model based directly or indirectly on observable market data; (iii) Level 3: a valuation model not based on observable market data. The fair-value hierarchy of the Group's/Company's assets and liabilities is presented in Note 4.28.
- Provisions for jubilee awards and termination benefits on retirement: The Group/Company recognises termination benefits on retirement and jubilee awards based on an actuarial calculation, based on assumptions and estimates applicable at the date of calculation (discount rate, employee turnover, mortality, and wage growth). The resulting liabilities (carrying amount at 31 December 2025: Group EUR 1,557,816) are, due to the complexity of the actuarial calculation and the long-term nature of the obligations, sensitive to changes in those estimates. The assumptions are set out in more detail in Note 4.12.
- Deferred tax assets: Deferred tax assets (carrying amount at 31 December 2025: Group EUR 301,592) are recognised when it is probable that future taxable profit will be available against which they can be utilised. The amount of unrecognised deferred tax asset and the corresponding effect on the increase in profit and equity are disclosed in Note 4.16.

25.2.5 Foreign currency translation

Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance-sheet date are translated into the functional currency at the European Central Bank ("ECB") reference rate prevailing on that date. Positive or negative exchange differences are the differences between the amortised cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortised cost in the foreign currency translated at the ECB reference rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rate on the date the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rate on the transaction date. Exchange differences are recognised in the statement of profit or loss.

Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into euros at the exchange rate on the reporting date. Income and expenses of foreign operations are translated into euros at the average annual exchange rate. Exchange differences arising on translation are recognised directly in other comprehensive income.

25.2.6 Change in accounting policies

The accounting policies adopted have been applied consistently in both reporting periods presented in these financial statements.

25.3 Basis for consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries.

25.3.1 Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, when the acquirer obtains control, that is, when the parent company is exposed to variable returns, or has rights to variable returns, from its involvement with the investee, and is able to affect those returns through its power over the investee.

Goodwill is measured at the fair value of the consideration transferred, plus the recognised amount of any non-controlling interest in the acquiree, plus the fair value of any pre-existing equity interest in the acquiree (step acquisition), less the net recognised amount of assets acquired and liabilities assumed, measured at the acquisition date. If the excess is negative, the difference is recognised directly in the statement of profit or loss. Goodwill is not amortised but is tested for impairment within the cash-generating unit to which the benefits of the business combination are expected to flow.

Acquisitions of non-controlling interests that do not result in a change of control are accounted for by the Group as transactions with owners, and therefore no goodwill is recognised. Changes in non-controlling interests are measured at the proportionate share of the subsidiary's net assets. Any excess over the carrying amount of net assets is recognised directly in equity.

25.3.2 Subsidiaries

Subsidiaries are entities controlled by the parent company. Control exists when the parent company is exposed to variable returns, or has rights to variable returns, from its involvement with the investee, and is able to affect those returns through its power over the investee.

The financial statements of subsidiaries are included in the consolidated financial statements using the full consolidation method. The financial statements of Group companies for consolidation purposes are prepared for the same reporting period as those of the parent company and applying the same accounting policies.

Non-controlling interests are presented in the statement of financial position as a separate line item, separately from the equity attributable to owners of the parent.

Subsidiaries are excluded from the Group at the point when the control exercised by the parent or a Group company ceases. On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests, and any other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any retained interest in the former subsidiary is measured at fair value at the date control is lost. It is subsequently accounted for as an investment in an associate using the equity method, or as a financial asset measured at fair value through profit or loss, depending on the level of influence retained.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners.

Comparative figures are not restated to reflect the inclusion of a new subsidiary in the consolidated financial statements.

25.3.3 Associates

Associates are entities over which the Group has significant influence but not control. They are initially recognised at cost and subsequently accounted for using the equity method, where the impact is material. If the Group's share of losses in an associate exceeds its interest, the carrying amount of the Group's interest is reduced to zero and recognition of further losses is discontinued.

25.3.4 Transactions eliminated on consolidation

On consolidation, intercompany balances and gains or losses arising from transactions within the Group are eliminated. Unrealised gains and losses arising from intragroup transactions and recognised in assets are eliminated where the amount is material.

Unrealised gains arising from transactions with associates (accounted for using the equity method) are eliminated only to the extent of the Group's interest in the associate. Material unrealised losses are eliminated in the same way as gains, provided there is no evidence of impairment.

25.4 Property, plant and equipment

Property, plant and equipment are tangible assets used in carrying out revenue-generating activities and for administrative purposes.

Measurement on initial recognition
On initial recognition, property, plant and equipment are measured at cost, comprising the purchase price, import duties and non-refundable purchase taxes, and costs directly attributable to bringing the asset to

working condition for its intended use. For assets that take a substantial period of time to be ready for use, the cost also includes borrowing costs (interest) incurred until the asset is ready for use.

Subsequent expenditure
The cost of replacing a part of an asset is recognised in the carrying amount of the asset if it is probable that future economic benefits associated with the part will flow to the entity and the cost can be measured reliably. Repairs and maintenance to restore or maintain the value of an asset, based on the originally estimated performance and useful life, are recognised as maintenance expenses in profit or loss as incurred.

Subsequent measurement
After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (see Section 3.10).

Depreciation and amortisation
Property, plant and equipment begin to be depreciated when available for use, or on the first day of the following month (the effect of this timing convention is negligible). Depreciation is charged on a straight-line basis over the useful life of each individual asset and is recognised in the statement of profit or loss. There were no changes to depreciation rates in 2025.

Estimated useful lives are as follows:

Category of property, plant and equipment	Useful life
Buildings	15 – 40 years
Buildings — right-of-use	lease term, or 5 years
Equipment	5 – 15 years
Transport equipment	4 – 8 years
Computer hardware	2 years

Land and assets under construction or acquisition are not depreciated.

Depreciation methods and useful lives are reviewed at the end of each financial year and adjusted where appropriate.

Derecognition
When an asset is derecognised (disposed of or withdrawn from use because no future economic benefits are expected from its use or disposal), the difference between the sales proceeds and the carrying amount is recognised in profit or loss.

25.5 Intangible assets

Goodwill
Goodwill arises on business combinations. For policies relating to the measurement of goodwill on initial recognition, see Section 3.3.1.

Goodwill is stated at cost less any accumulated impairment loss (see Section 3.10). For investments accounted for under the equity method, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss on the investment is not allocated to any specific asset.

Other intangible assets
Intangible assets with finite useful lives recognised include non-monetary assets without physical substance, such as software and solutions, patents, licences, trademarks, customer relationships, and supplier contracts.

The Sanolabor trademark arose from the allocation of the purchase price to identifiable acquired assets in connection with business relationships on the acquisition of SANOLABOR, d.d. on 31 December 2018. It relates to retail operations and represents an important element of the future business strategy of that segment, supporting the achievement of its objectives. It was measured using the excess-earnings method, with a useful life of 20 years.

The Algea trademark was acquired through purchase and was fully amortised by 31 December 2025.

The intangible assets representing customer relationships arose from the allocation of the purchase price to identifiable acquired assets in connection with business relationships on the acquisitions of MEDITRADE d.o.o. in 2023 and FARMADENT d.o.o. in 2025. Both were measured using the discounted cash flow method, with a useful life of 5 years.

The intangible asset representing a supplier contract arose from the allocation of the purchase price to identifiable acquired assets in connection with business relationships on the acquisition of MEDORION d.o.o. in 2023. The asset was measured using the excess-earnings method, with a useful life of 8 years.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenses directly attributable to the acquisition of the individual asset. Borrowing costs directly attributable to the purchase or production of an asset under construction are recognised as part of the cost of that asset. Intangible assets are subsequently measured using the cost model.

Subsequent expenditure

Subsequent expenditure on intangible assets is recognised in the carrying amount of the asset if it is probable that future economic benefits associated with the asset will flow to the Group/Company and the cost can be measured reliably. All other expenditure is recognised in profit or loss as it is incurred.

Depreciation and amortisation

Amortisation of intangible assets with finite useful lives is calculated on a straight-line basis over the useful lives of the assets and is recognised in profit or loss. Amortisation of intangible assets begins on the first day of the month following the date on which the asset is available for use. There were no changes to depreciation rates in 2025.

Estimated useful lives are as follows:

Class of intangible assets	Useful life
Software	5 – 10 years
Customer relationships	5 years
Supplier contract	8 years
Sanolabor trademark	20 years

Depreciation methods and useful lives are reviewed at the end of each financial year and adjusted where appropriate. All intangible assets, other than goodwill, have a finite useful life.

Derecognition

When an asset is derecognised (disposed of or withdrawn from use because no future economic benefits are expected from its use or disposal), the difference between the disposal value and the carrying amount is recognised in profit or loss.

25.6 Investment property

Investment property comprises real estate held by the Group/Company to earn rental income, to enhance the value of a long-term investment, or both.

Measurement on initial recognition
Investment property is measured initially at cost, comprising the purchase price and any costs directly attributable to the acquisition (legal fees, real estate transfer taxes and other transaction costs).

Subsequent measurement
Investment property is subsequently measured using the cost model, less accumulated depreciation and any necessary impairment losses (see Section 3.10).

Depreciation and amortisation
Depreciation of investment property is calculated on a straight-line basis over useful lives ranging from 14 to 50 years.

Derecognition
When an asset is derecognised (disposed of or withdrawn from use because no future economic benefits are expected from its use or disposal), the difference between the sales proceeds and the carrying amount is recognised in profit or loss.

25.7 Financial assets

The Group/Company holds the following types of financial assets:

- financial investments (loans granted, equity securities, debt securities),
- trade and other receivables,
- cash and cash equivalents.

In addition to the financial assets listed above, the separate financial statements also include investments in subsidiaries, which are accounted for at cost less any impairment losses in accordance with IAS 27, and investments in associates, which are accounted for using the equity method.

Under IFRS 9, the classification and measurement of financial assets in the financial statements is determined by the business model within which the financial assets are managed, and the characteristics of their contractual cash flows (whether these arise solely from payments of principal and interest on the outstanding principal amount). On initial recognition, each financial asset is classified into one of the following business models:

- model with the objective of collecting contractual cash flows (measurement at amortised cost),
- model with the objective of both selling and collecting contractual cash flows (measurement at fair value through other comprehensive income),
- other models (measurement at fair value through profit or loss).

A change in the business model may occur only in exceptional circumstances.

On initial recognition of an equity instrument not held for trading, the Company may make an irrevocable election to measure that asset at fair value through other comprehensive income. In that case only dividend income is recognised in profit or loss, while all gains and losses arising from changes in fair value or from the disposal of those assets are never recognised in profit or loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, cash at bank in current accounts, and call deposits.

Financial assets at amortised cost
The Group/Company classifies as financial assets at amortised cost those financial assets it holds within a business model whose objective is to collect contractual cash flows, where the cash flows represent solely payments of principal and interest on the outstanding principal.

The Group/Company classifies as financial assets at amortised cost loans, receivables and unquoted debt securities. Based on maturity, they are classified as current (maturing within 12 months of the statement of financial position date) or non-current financial assets.

Financial assets at amortised cost are initially recognised at fair value plus direct transaction costs, except for trade receivables that do not contain a significant financing component, which are measured at the transaction price in accordance with IFRS 15. After initial recognition, they are measured at amortised cost using the effective interest method. They are stated at the amount of unpaid principal, increased by accrued interest and fees, and reduced by impairment losses.

Financial assets at fair value through profit or loss
The Group/Company classifies as financial assets at fair value through profit or loss assets acquired for trading, hedging instruments, financial assets that give rise to cash flows that are not solely payments of principal and interest, and equity instruments for which the irrevocable option to measure at fair value through other comprehensive income has not been elected on initial recognition.

Financial assets measured at fair value through profit or loss are initially measured at fair value, and transaction costs incurred on purchase are recognised in profit or loss. After initial recognition, they are measured at fair value through profit or loss.

The Group/Company has determined that for equity instruments not listed on a stock exchange, cost is a reasonable approximation of fair value where the investments are immaterial or where the costs of obtaining a valuation exceed the benefit of determining fair value. Otherwise, one of the fair value measurement techniques under IFRS 13 is applied.

Derecognition
The Group/Company derecognises a financial asset when the contractual rights to the cash flows from that asset expire or when the Group/Company transfers the rights to the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Fair value measurement
In determining the fair value of financial instruments, the Group/Company applies the following fair value hierarchy:

- Level 1 comprises quoted prices in active markets for identical assets or liabilities;
- Level 2 comprises values that are not the same as quoted prices in the sense of Level 1, but which can nevertheless be obtained directly from the market (prices for identical or similar assets or liabilities in less active or inactive markets) or indirectly (e.g. values derived from quoted prices in an active market, based on interest rates and yield curves, implied volatilities and credit spreads);

- Level 3 comprises inputs for an asset or liability that are not based on observable market data, whereby the unobservable inputs must reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

As the basis for the fair value of financial instruments, the Group/Company uses quoted prices. If a financial instrument is not quoted in an active market, or the market is inactive, Level 2 and Level 3 inputs are used.

25.8 Non-current assets held for sale

Non-current assets held for sale are assets whose carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use.

The sale of these assets must be highly probable and expected within the next 12 months. A sale is highly probable when the Group/Company has received a binding offer from a buyer to acquire the assets.

Assets are reclassified as held for sale at the lower of their carrying amount and fair value less costs to sell. These assets are not depreciated. An impairment loss on assets held for sale is recognised in profit or loss within other operating expenses. The Group/Company periodically reviews whether the assets still meet the criteria for classification as held for sale. If the criteria are no longer met, the assets are reclassified back to their original category and measured at the lower of:

- the carrying amount before the assets were classified as held for sale, adjusted for any depreciation that would have been recognised had the asset not been classified as held for sale, or
- the recoverable amount at the date of the subsequent decision not to dispose of the asset.

Adjustments to the carrying amount of assets that are no longer classified as held for sale are recognised in profit or loss in the period in which the criteria are no longer met.

25.9 Inventories

Inventories of merchandise and materials are stated at the lower of cost and net realisable value.

Cost comprises the purchase price, less any immediate or subsequent discounts received, plus import duties and direct procurement costs (transport, loading, transshipment and unloading costs, and similar costs up to the buyer's first warehouse).

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

At the statement of financial position date, the Group/Company reviews the net realisable value of inventories. If it is lower than the carrying amount, the inventories are written down. Write-offs of damaged, expired or unusable inventories are made regularly during the year or at stocktake, on a line-by-line basis.

The Group/Company uses the first-in, first-out ("FIFO") method to account for and reduce inventories of merchandise. When inventories are sold, their carrying amount is recognised as an expense in the period in which the related revenue is recognised.

Small inventory items issued for use are expensed immediately.

25.10 Impairment of assets

Financial assets

In accordance with IFRS 9, the Group/Company applies the expected credit loss model, under which not only credit losses incurred in respect of a financial asset are recognised but also losses that, on the basis of reasonable and supportable information, are expected to occur in the future. Expected credit losses represent the difference between the contractual cash flows that are due under the contract and all the cash flows that the Group/Company expects to receive. The Group/Company applies this approach to unquoted debt instruments and loans where they represent a material amount.

Credit losses are recognised in two stages. On initial recognition, the Group/Company measures the impairment loss based on credit losses expected within the next 12 months and then monitors whether there has been a significant increase in credit risk. If there has been a significant increase in credit risk, the Group/Company measures impairment losses based on expected credit losses over the remaining lifetime of the exposure, regardless of the period of default.

The credit risk on an asset is considered low where the risk of default is low and the borrower has a strong short-term capacity to meet its contractual cash-flow obligations. Default occurs when a financial asset is more than 90 days past due, unless it can be demonstrated that default occurs later. There is a presumption that the credit risk of a financial asset has increased significantly since initial recognition if contractual payments are more than 30 days past due, which can be rebutted with appropriate evidence and information.

For trade receivables, the Group/Company applies the simplified approach to calculating expected credit losses. The Group/Company does not track changes in credit risk; instead, it measures the loss allowance based on lifetime expected credit losses at the reporting date. The basis for the loss allowance is a provision matrix by sales channel, derived from estimates of customer non-payment based on historical credit-loss experience, adjusted for any forward-looking factors in the economic environment, excluding receivables that are insured, netted off against payables to the same counterparty, or guaranteed by the state. All material receivables are assessed individually for impairment, with the remainder assessed collectively by customer segment, and receivables more than 150 days past due are written down in full.

The allowance is calculated using a uniform methodology applied across the Group/Company, based on the probability or estimated likelihood of customer default. All material receivables are measured individually for impairment; the remainder are assessed collectively by customer segment.

Impairment losses are recognised in profit or loss.

Non-financial assets

An asset is impaired if its carrying amount exceeds its recoverable amount. At each reporting date, the Group/Company reviews the carrying amounts of its material non-financial assets to determine whether there is any indication of impairment. If any indication of impairment exists, the recoverable amount of the asset is estimated. If it is not possible to assess impairment at the level of an individual underlying asset, impairment is assessed at the level of the cash-generating unit to which the asset belongs (this being the smallest group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets). For the purposes of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating units expected to benefit from the combination.

The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is determined by discounting estimated cash flows to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount is lower than the carrying amount, an impairment loss is recognised in profit or loss. An impairment loss for a cash-generating unit is allocated first to reduce any goodwill allocated to the unit, and then to the other assets of the unit pro rata to their carrying amounts. Impairment losses on goodwill are not reversed. When the recoverable amount increases, the carrying amount of the asset is increased to the recoverable amount, which may not exceed the original carrying amount (before the asset was impaired).

25.11 Equity

Total equity represents the obligation to the owners that falls due if the Group/Company ceases to operate. It comprises amounts contributed by the owners and amounts generated through operations that are attributable to the owners. It is reduced by operating losses, treasury shares repurchased and withdrawals (distributions).

Total equity comprises share capital, capital reserves, reserves from profit (statutory and other), retained earnings, current-year profit and fair value reserves, which include actuarial gains and losses on provisions for post-employment and other long-term employee benefits.

Dividends are recognised as liabilities in the period in which they are approved by the General Meeting.

25.12 Liabilities

The Group/Company's liabilities include loans received and trade and other payables.

Trade and other payables are initially measured at the amounts shown on the relevant documents evidencing their origin, which for trade payables evidence the receipt of a product or service, work performed, or expense, cost or share of profit or loss recognised. They are measured at amortised cost using the effective interest rate. Current trade payables are not discounted.

Loans received are measured at amortised cost using the effective interest rate. By maturity, loans are classified as current (maturity up to 12 months after the date of the statement of financial position) or non-current financial liabilities. All gains and losses are recognised in profit or loss on derecognition of the financial liabilities and through the amortisation under the effective interest method.

Financial liabilities for contingent consideration arising from a business combination are measured at fair value through profit or loss.

The Group/Company derecognises a liability when the obligations specified in the contract have been discharged, cancelled or expired. The difference between the carrying amount of the liability derecognised and the consideration paid is recognised in profit or loss.

25.13 Provisions

Provisions are recognised where the Group/Company has, as a result of a past event, a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

A provision is the best estimate of the amount required to settle the present obligation at the end of the reporting period and takes into account all risks and uncertainties associated with the obligation. Where a provision is measured using the estimated cash flow required to settle the present obligation, the carrying amount is recognised as the present value of those cash flows (where the effect of the time value of money is material).

Where it is expected that some or all of an obligation for which a provision has been recognised will be settled by a third party, a receivable is recognised, but only where settlement is virtually certain and the amount can be measured reliably.

Provisions for severance and jubilee benefits
Under statutory regulations and collective agreements, the Group/Company is required to pay jubilee benefits and severance on retirement, for which it recognises long-term provisions. No other post-employment benefit obligations exist.

Provisions are measured at the estimated future severance and jubilee payments, discounted to the end of the reporting period. The calculation is performed for each employee, taking into account the cost of severance on retirement and expected jubilee benefits up to retirement. The calculation, using the projected unit credit method, is prepared by a qualified actuary. Severance payments on retirement and jubilee payments reduce the provisions recognised.

Personnel expenses and interest costs are recognised in profit or loss. Remeasurement of post-employment benefits and unrealised actuarial gains or losses on severance obligations are recognised in other comprehensive income.

Provisions for litigation and other probable obligations
The Group/Company recognises provisions for litigation in which it is the defendant. Each year, the need for provisions is reviewed in light of the status of the proceedings and the expected outcome.

Other provisions
The Group/Company also recognises provisions for other obligations where settlement is probable in the future, such as for guarantees granted and similar.

25.14 Leases

In accordance with IFRS 16, the Group/Company applies a single lessee accounting model that requires lessees to recognise assets and liabilities for all leases. The Group/Company applies two recognition exemptions for operating leases: low-value leases of assets with an individual value below EUR 5,000, and short-term leases with a term of up to 12 months. Lease payments for low-value and short-term leases are recognised as an expense in the period to which they relate.

At inception of a contract, the Group/Company assesses whether the contract is a lease or contains a lease. A contract is a lease, or contains a lease, if it conveys the right to control the use of an identified asset for a specified period in exchange for consideration.

The Group/Company has defined the lease term as the non-cancellable period stated in the contract, taking into account periods covered by an option to extend the lease and periods covered by an option to terminate the lease. In doing so, the Group/Company assesses the likelihood that the options will be exercised. Where the lease term is not specified or the lease is concluded for an indefinite period, the Group/Company applies a lease term of 5 years.

The Group/Company recognises the right-of-use asset at the lease commencement date. The right-of-use asset is measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises the initial measurement of the lease liability, initial direct costs, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the lease term, or, where ownership transfers to the Group/Company at the end of the lease or the Group/Company exercises a purchase option, over the estimated useful life of the leased asset.

Lease liabilities are recognised at the present value of the remaining lease payments over the entire lease term. This is calculated as the discounted value of the lease payments that the Group/Company will pay under the lease over the lease term, using the Group/Company's assumed interest rate. This is the rate at which the parent company could additionally borrow at the inception of the lease for a tenor matching the lease term (the "base interest rate"), plus a premium for the risk of the individual Group company and a premium for the risk of the country in which the individual company operates. The base interest rate is reviewed annually. Lease payments comprise fixed payments, less any receivables for lease incentives, and variable lease payments. Lease payments also include the exercise price of a purchase option, where the Group/Company is reasonably certain to exercise it, and termination penalty payments, where the lease term reflects an expectation that the Group/Company will exercise a termination option.

After the lease commencement date, the lease liability is increased by accrued interest and reduced by any lease payments made. Interest expense is recognised in finance costs for the period.

The carrying amount of the lease liability is remeasured in the event of an adjustment or change in the lease term, a change in the lease payments (e.g. a change in future lease payments resulting from a change in an index or rate used to determine the lease payments), or a change in the assessment of a purchase option for the leased asset.

25.15 Revenue

Revenue from contracts with customers

The Group/Company is engaged in the sale of medicines, dietary supplements and medical devices, as well as active sales and promotion services. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer or when the customer obtains the benefits of the services rendered, in an amount of consideration to which the Group/Company expects to be entitled in exchange. Revenue from contracts with customers is recognised at the fair value of consideration received or the related receivables, net of returns, discounts, rebates and volume rebates. In the case of returns (largely resulting from damage in transit), the Company/Group issues a credit note to the customer, which is recognised as a reduction in trade receivables in the period in which the return occurs, with claim procedures generally resolved in the same period as the sale of the goods.

Sales of goods are recognised in accordance with the terms of the sales contract; generally, control passes to the customer when the customer takes delivery of the goods, and the collectibility of the related receivables is reasonably assured.

Revenue from services is recognised in the accounting period in which the services are rendered. The Group/Company has selected, as its preferred method for measuring progress towards complete satisfaction of a performance obligation, an output method based on units of service delivered to the customer. For routine or recurring services such as warehousing, where control of the service passes to the customer as soon as the service is performed, in a uniform pattern, and the consideration for the service over a given period is fixed, the Group/Company recognises revenue evenly over the contract term.

Payment terms vary by distribution channel and customer; typical payment terms range from 30 to 60 days.

Where the consideration the Group/Company receives in exchange for its goods and services is variable, revenue is recognised only to the extent that it is highly probable that a significant reversal in respect of the expected variable consideration will not occur. Variable consideration consists primarily of sales bonuses based on the customer's annual turnover under contracts with customers, which are recognised as a reduction of related revenue in profit or loss and as a liability in the statement of financial position. The amounts of the sales bonuses are estimated using the most likely amount method, based on past experience and the specific terms of individual contracts.

A contract asset is the right to consideration in exchange for goods or services that have been transferred to a customer. The Group/Company recognises within contract assets unbilled revenue for goods and services delivered to customers. A receivable represents the Group/Company's right to an unconditional amount of consideration, i.e. consideration that becomes due within a specified period.

A contract liability is the obligation to transfer goods or services to a customer in exchange for consideration that the Group/Company has received from the customer. Within contract liabilities, the Group/Company recognises obligations for customer advances received and discounts granted. Contract liabilities are recognised as revenue when the Group/Company satisfies its performance obligation under the contract.

Other operating income
Other operating income consists of income arising on the disposal of property, plant and equipment and investment property, representing the excess of their sale value over their carrying amount.

25.16 Operating expenses

Operating expenses comprise the cost of goods sold, selling expenses including depreciation, and general expenses (procurement and administration with support functions), including depreciation, and other operating expenses.

Costs are classified by nature into material costs and service costs (per supplier invoices, less sale-time or subsequent discounts), personnel expenses (gross wages, employer social contributions and other personnel expenses) and depreciation and amortisation.

Other operating expenses arise in connection with the impairment or write-off of assets and at disposal of property, plant and equipment and investment property where a loss on sale arises.

25.17 Finance income and finance costs

Finance income
Finance income comprises interest income on investments and trade receivables, positive exchange-rate differences, changes in the fair value of financial assets at fair value through profit or loss, dividend income, and income from the disposal of financial assets.

Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the shareholder's right to receive payment is established.

Finance costs
Finance costs comprise borrowing costs (where not capitalised), negative exchange-rate differences, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses and write-offs of financial assets.

Borrowing costs are recognised in profit or loss as they accrue, irrespective of any related payments.

25.18 Income tax and deferred taxes

Taxes comprise current tax payable and deferred tax. Taxes are recognised in profit or loss except to the extent they relate to items recognised directly in other comprehensive income.

Current tax is the tax payable on taxable profit for the financial year at tax rates enacted at the reporting date, taking into account any adjustments to tax liabilities relating to prior years. Taxable profit differs from the net profit reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognised using the balance-sheet liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements of the Group companies. Deferred tax is measured using the tax rates (and laws) that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised where it is probable that future taxable profits will be available against which the deferred tax asset can be utilised.

Deferred tax assets and deferred tax liabilities are offset where there is a legally enforceable right to offset current tax assets and current income tax payables, and the deferred taxes relate to the same taxable entity and the same tax authority.

25.19 Earnings per share

The Group/Company presents both basic and diluted earnings per share. Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares. Diluted earnings per share is calculated by adjusting for the effect of all potential ordinary shares represented by convertible bonds and employee share options. As the Group/Company has neither convertible bonds nor employee share options, basic earnings per share equals diluted earnings per share.

25.20 Statement of cash flows

The statement of cash flows is prepared using the indirect method, based on the data in the statements of financial position as at 31 December 2025 and 31 December 2024, the data in the statement of profit or loss for the period January–December 2025, and additional data for cash-flow adjustments.

26 NOTES TO THE FINANCIAL STATEMENTS

26.1 Business combinations

26.1.1 FARMADENT d.o.o.

The acquisition of 100% of the equity interest in FARMADENT d.o.o. by SALUS, Veletrgovina, d.o.o., which closed on 15 October 2025, is consistent with the SALUS Group's development strategy, through which the Group aims, through its strategic objectives, an innovative approach, and in a cost-effective manner, to consolidate its position as one of the key suppliers of healthcare products and services in South-East European markets.

The Group performed a fair-value assessment of the net assets acquired and, on that basis, recognised the assets at fair value in the consolidated financial statements. In doing so, the Group identified customer relationships as an intangible asset of the acquired company, the value of which was determined using the discounted cash flow method. The value of the asset was determined based on cash-flow projections related to specifically identified customers over a useful life of 5 years and using a discount rate of 18.2%. On accounting for the business combination arising from the acquisition of a 100% interest in FARMADENT d.o.o. on 31 October 2025, a gain on bargain purchase of EUR 610,380 arose, which is recognised in profit or loss within other finance income, as the fair value of the net assets acquired of EUR 9,070,380 exceeded the cash consideration paid of EUR 8,460,000.

This outcome reflects the fact that the SALUS Group, owing to its distribution, logistics and management capabilities, economies of scale and effective cost management, can generate greater value from the acquired assets than the company could realise on a stand-alone basis. In addition, prior to the sale FARMADENT d.o.o. had been operating in conditions that limited its ability to generate future economic benefits. The sellers were therefore unable to provide the investment, human resources or strategic support necessary to preserve or enhance the value of the assets. As a result, the value of the company to the sellers was closer to liquidation value, while for the acquirer, SALUS, Veletrgovina, d.o.o., and therefore for the SALUS Group, it carries a higher economic value as a going concern. The transaction was carried out through a competitive process, further confirming that the purchase price reflects market conditions and all information available at the acquisition date.

Costs associated with the acquisition of the investment amounted to EUR 207,812 and are recognised as an expense in profit or loss within service costs (not as part of the investment).

The statement of financial position of FARMADENT d.o.o. as at the date on which the Company obtained controlling influence (31 October 2025) is presented in the following table:

	Fair value	Carrying amount
Intangible assets	114,063	114,063
Customer relationships	930,636	0
Property, plant and equipment	3,766,953	2,990,364
Investment property	2,188,000	1,558,095
Non-current financial assets	33,603	33,603
Non-current trade receivables	111,913	111,913
Deferred tax assets	128,746	128,746
Inventories	6,339,763	6,339,763
Current trade receivables	7,339,970	7,339,970
Cash and cash equivalents	245,240	245,240
Advances given and other current assets	326,414	326,414
Provisions	-234,152	-234,152
Non-current financial liabilities	-559,564	-559,564
Non-current trade payables	-20,309	-20,309
Deferred tax liabilities	-444,055	0
Current financial liabilities	-2,027,017	-2,027,017
Current trade payables	-8,393,358	-8,393,358
Other current liabilities	-776,466	-776,466
Net assets of the acquired company (equity)	**9,070,380**	**7,177,305**
Purchase price	**8,460,000**	
Gain on bargain purchase	**610,380**	

The amount of revenue and profit or loss included in the consolidated financial statements (from the date of obtaining control onwards, i.e. from 31 October 2025 to 31 December 2025) was as follows:

- FARMADENT d.o.o.: revenue: EUR 9,948,756, profit or loss EUR 173,876;
- GOPHARM d.o.o.: revenue: EUR 2,475,774, profit or loss EUR 33,355.

The total amount of revenue and profit or loss of the companies for the year 2025 was as follows:

- FARMADENT d.o.o.: revenue: EUR 58,342,990, profit or loss EUR 150,724;
- GOPHARM d.o.o.: revenue: EUR 14,959,853, profit or loss EUR -74,393.

The Group explains that, in accordance with IFRS 3 in conjunction with IAS 8, disclosure of the Group's revenue and profit or loss as if both of the abovementioned companies had been included from the first day of the reporting period would require extensive retrospective adjustments which are not practicable due to disproportionate requirements and the lack of reliable historical data.

26.1.2 NENSI d.o.o.

Through the acquisition of 100% of the equity interests in FARMADENT d.o.o., the SALUS Group also obtained control over NENSI d.o.o., given that SALUS, Veletrgovina, d.o.o. holds a 35% interest in that company and FARMADENT d.o.o. holds a 20% interest. Up to the date of obtaining control, NENSI d.o.o. was accounted for as an associate using the equity method. From that date onwards, i.e. from 31 October 2025, NENSI d.o.o. is treated as a subsidiary and fully consolidated. This is a business combination achieved in stages, in accordance with the requirements of IFRS 3. The SALUS Group paid no direct consideration for NENSI d.o.o.

At the acquisition date, the Group remeasured at fair value its previously held 35%- interest in NENSI d.o.o. The difference between the carrying amount of the previously recognised interest and its fair value at the acquisition date of EUR -744 was recognised in profit or loss within other finance costs.

The SALUS Group performed a fair-value assessment of the net assets acquired and, on that basis, recognised the assets at fair value in the consolidated financial statements. The assessment did not identify any material intangible assets requiring separate recognition at fair value. The Group further considered that the carrying amounts of the net assets acquired at the acquisition date equal their fair values, given that the company's assets and liabilities consist mainly of current items and tangible assets already stated at amounts that reasonably reflect their fair value. Furthermore, given the size, nature and scope of operations of the acquired company, performing a purchase-price allocation would be disproportionate to the materiality of the transaction and its results would have only a minimal effect on the carrying amounts of assets, liabilities and goodwill.

No costs were incurred in connection with the acquisition of the investment.

The statement of financial position of NENSI d.o.o. as at the date on which the Company obtained controlling influence (31 October 2025) is presented in the following table (there is no effect on profit or loss):

	Fair value	Carrying amount
Property, plant and equipment	27,191	27,191
Current trade receivables	33,658	33,658
Cash and cash equivalents	11,687	11,687
Advances given and other current assets	1,964	1,964
Non-current financial liabilities	-8,297	-8,297
Current trade payables	-37,122	-37,122
Current financial liabilities	-2,379	-2,379
Net assets of the acquired company (equity)	**26,702**	**26,702**
Net assets attributable to owners of the parent (55%)	**14,686**	
Fair value of the previously acquired interest	**19,345**	
Goodwill	**4,659**	

The amount of revenue and profit or loss included in the consolidated financial statements (from the date of obtaining control onwards, i.e. from 31 October 2025 to 31 December 2025) was EUR 48,181 (revenue) and EUR -3,029 (profit or loss).

The total amount of revenue and profit or loss of the company for the year 2025 was EUR 303,793 (revenue) and EUR 3,129 (profit or loss).

Information on non-controlling interests in NENSI d.o.o., presented in the table below, is disclosed before the elimination of intra-Group transactions.

	2025
Revenue	48,181
Profit or loss for the financial year	**-3,029**
- Profit or loss for the financial year attributable to non-controlling interests	-1,545
Total other comprehensive income, net of tax	0
Total comprehensive income for the financial year	**-3,029**
- Total comprehensive income for the financial year attributable to non-controlling interests	-1,545
	31 December 2025
Non-current assets	24,877
Current assets	49,228
Non-current liabilities	-7,889
Current liabilities	-42,543
Net assets	**23,673**
- Net assets attributable to non-controlling interests	12,073
	2025
Net cash flows from operating activities	2,090
Net cash flows from investing activities	0
Net cash flows from financing activities	-470
Increase/(decrease) in cash and cash equivalents	**1,620**
Dividends paid to non-controlling interests	0

26.2 Intangible assets

Intangible assets by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Software and other property rights	32,805	35,698	1,850,063	1,680,352
Trademarks	0	0	3,315,650	3,795,043
Customer relationships	0	0	1,443,483	768,917
Vendor contracts	0	0	2,304,107	2,806,821
Other intangible assets	0	0	0	0
Assets under construction	0	0	145,696	237,896
Goodwill	0	0	7,665,753	7,661,094
Total	**32,805**	**35,698**	**16,724,752**	**16,950,123**

Trademarks relate to the SANOLABOR trademark, valued at EUR 3,315,650, which arose on the acquisition of SANOLABOR, d.d. and is amortised over a useful life of 20 years. An impairment test was performed for this trademark, which did not indicate any need for impairment. The ALGEA trademark, acquired as part of existing assets on the purchase of CARSO trgovina d.o.o. (now SALUS International d.o.o., Slovenia), was fully amortised by 31 December 2025.

The customer-relationships assets, valued at EUR 1,443,483, were acquired on the acquisitions of MEDITRADE d.o.o. and FARMADENT d.o.o. and are amortised over a useful life of 5 years. The supplier-contract asset, valued at EUR 2,304,107, arose on the acquisition of the equity interests in Medorion d.o.o. and is amortised over a useful life of 8 years.

Software comprises property rights for the use of computer programs, which the Group amortises over their estimated useful lives.

Goodwill in SANOLABOR, d.d. (EUR 2,839,277), MEDITRADE d.o.o. (EUR 3,093,549) and Medorion d.o.o. (EUR 1,728,268) was tested for possible impairment as at 31 December 2025, and no need for impairment was identified. The cash-generating units used were the individual companies as a whole. Value in use was used as the recoverable amount. The present-value method of expected free cash flows was applied, using a post-tax required rate of return of 8.34% (SANOLABOR, d.d.), 10.54% (MEDITRADE d.o.o.) and 24.13% (Medorion d.o.o.) respectively. The assumptions used in calculating net cash flows were based on the companies' past operations and the business plan for 2026, extended over a 5-year horizon with a declining growth rate (from 5% to 1%). A reasonable change in the post-tax discount rate or in the growth rate of the residual free cash flow would not give rise to an impairment of goodwill.

The Group's intangible assets are not pledged. The Group has no commitments arising from the purchase of intangible assets.

Changes in intangible assets — SALUS, Ljubljana, d.d., 2025

2025	Property and other rights	Assets under construction	Total
COST			
Balance at 1 January	**89,587**	**0**	**89,587**
New additions	0	7,256	7,256
Transfer from assets under construction	7,256	-7,256	0
Balance at 31 December	**96,843**	**0**	**96,843**
ACCUMULATED AMORTISATION			
Balance at 1 January	**53,889**	**0**	**53,889**
Amortisation	10,149	0	10,149
Balance at 31 December	**64,038**	**0**	**64,038**
CARRYING AMOUNT			
Balance at 1 January 2025	**35,698**	**0**	**35,698**
Balance at 31 December 2025	**32,805**	**0**	**32,805**

Changes in intangible assets — SALUS, Ljubljana, d.d., 2024

2024	Property and other rights	Assets under construction	Total
COST			
Balance at 1 January	**80,668**	**0**	**80,668**
New additions	0	8,919	8,919
Transfer from assets under construction	8,919	-8,919	0
Balance at 31 December	**89,587**	**0**	**89,587**
ACCUMULATED AMORTISATION			
Balance at 1 January	**10,383**	**0**	**10,383**
Amortisation	43,506	0	43,506
Balance at 31 December	**53,889**	**0**	**53,889**
CARRYING AMOUNT			
Balance at 1 January 2024	**70,285**	**0**	**70,285**
Balance at 31 December 2024	**35,698**	**0**	**35,698**

Changes in intangible assets — SALUS Group, 2025

2025	Property and other rights	Trademarks	Customer relationships	Supplier contract	Goodwill	Assets under construction	Total
COST							
Balance at 1 January	**6,999,149**	**6,019,366**	**1,125,244**	**3,519,000**	**7,661,094**	**237,896**	**25,561,749**
Additions from business combination	737,530	0	930,636	0	4,660	0	1,672,826
New additions	97,850	0	0	0	0	403,855	501,705
Transfer from assets under construction	496,071	0	0	0	0	-496,071	0
Decreases	-55,072	0	0	0	0	0	-55,072
Exchange-rate differences	-110	0	0	0	0	17	-93
Balance at 31 December	**8,275,418**	**6,019,366**	**2,055,880**	**3,519,000**	**7,665,754**	**145,697**	**27,681,115**
ACCUMULATED AMORTISATION							
Balance at 1 January	**5,318,797**	**2,224,322**	**356,327**	**712,179**	**0**	**0**	**8,611,625**
Addition from business combination	631,169	0	0	0	0	0	631,169
Amortisation	530,481	479,394	256,070	502,714	0	0	1,768,659
Decreases	-55,072	0	0	0	0	0	-55,072
Exchange-rate differences	-18	0	0	0	0	0	-18
Balance at 31 December	**6,425,357**	**2,703,716**	**612,397**	**1,214,893**	**0**	**0**	**10,956,363**
CARRYING AMOUNT							
Balance at 1 January 2025	**1,680,352**	**3,795,044**	**768,917**	**2,806,821**	**7,661,094**	**237,896**	**16,950,124**
Balance at 31 December 2025	**1,850,061**	**3,315,650**	**1,443,483**	**2,304,107**	**7,665,754**	**145,697**	**16,724,752**

Changes in intangible assets — SALUS Group, 2024

2024	Property and other rights	Trademarks	Customer relationships	Supplier contract	Goodwill	Assets under construction	Total
COST							
Balance at 1 January	**7,002,786**	**6,019,366**	**1,125,244**	**3,519,000**	**6,691,904**	**11,533**	**24,369,833**
Additions from business combination	0	0	0	0	969,190	0	969,190
New additions	28,991	0	0	0	0	511,541	540,532
Transfer from assets under construction	285,160	0	0	0	0	-285,160	0
Decreases	-317,812	0	0	0	0	0	-317,812
Exchange-rate differences	24	0	0	0	0	-19	5
Balance at 31 December	**6,999,149**	**6,019,366**	**1,125,244**	**3,519,000**	**7,661,094**	**237,895**	**25,561,748**
ACCUMULATED AMORTISATION							
Balance at 1 January	**5,080,849**	**1,744,929**	**18,754**	**41,893**	**0**	**0**	**6,886,425**
Additions from business combination	0	0	0	0	0	0	0
Amortisation	555,757	479,394	337,573	670,286	0	0	2,043,010
Decreases	-317,821	0	0	0	0	0	-317,821
Exchange-rate differences	11	0	0	0	0	0	11
Balance at 31 December	**5,318,796**	**2,224,323**	**356,327**	**712,179**	**0**	**0**	**8,611,625**
CARRYING AMOUNT							
Balance at 1 January 2024	**1,921,937**	**4,274,437**	**1,106,490**	**3,477,107**	**6,691,904**	**11,533**	**17,483,408**
Balance at 31 December 2024	**1,680,353**	**3,795,043**	**768,917**	**2,806,821**	**7,661,094**	**237,895**	**16,950,123**

26.3 Property, plant and equipment

Property, plant and equipment by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Land	0	0	4,076,400	3,295,339
Buildings	0	0	18,907,015	18,005,537
Other plant and equipment	131,649	154,664	11,414,111	10,699,888
Right-of-use assets	6,874	13,747	10,104,418	9,949,072
Assets under construction	0	0	1,588,551	136,084
Total	**138,523**	**168,411**	**46,090,495**	**42,085,920**

Changes in property, plant and equipment — SALUS, Ljubljana, d.d., 2025

2025	Other plant and equipment	Right-of-use assets	Assets under construction	Total
COST				
Balance at 1 January	**1,042,708**	**55,262**	**0**	**1,097,970**
New additions	0	0	46,770	46,770
Transfer from assets under construction	46,770	0	-46,770	0
Decreases	-8,486	0	0	-8,486
Balance at 31 December	**1,080,992**	**55,262**	**0**	**1,136,254**
ACCUMULATED DEPRECIATION				
Balance at 1 January	**888,044**	**41,515**	**0**	**929,559**
Depreciation	69,785	6,873	0	76,658
Decreases	-8,486	0	0	-8,486
Balance at 31 December	**949,343**	**48,388**	**0**	**997,731**
CARRYING AMOUNT				
Balance at 1 January 2025	**154,664**	**13,747**	**0**	**168,411**
Balance at 31 December 2025	**131,649**	**6,874**	**0**	**138,523**

Changes in property, plant and equipment — SALUS, Ljubljana, d.d., 2024

2024	Other plant and equipment	Right-of-use assets	Assets under construction	Total
COST				
Balance at 1 January	**1,047,788**	**55,262**	**0**	**1,103,050**
Decreases	-5,080	0	0	-5,080
Balance at 31 December	**1,042,708**	**55,262**	**0**	**1,097,970**
ACCUMULATED DEPRECIATION				
Balance at 1 January	**826,188**	**34,642**	**0**	**860,830**
Depreciation	66,755	6,874	0	73,629
Decreases	-4,900	0	0	-4,900
Balance at 31 December	**888,043**	**41,516**	**0**	**929,559**
CARRYING AMOUNT				
Balance at 1 January 2024	**221,600**	**20,620**	**0**	**242,220**
Balance at 31 December 2024	**154,665**	**13,746**	**0**	**168,411**

Changes in property, plant and equipment — SALUS Group, 2025

2025	Land	Buildings	Right-of-use assets	Other plant and equipment	Assets under construction	Total
COST						
Balance at 1 January	**3,295,339**	**25,530,411**	**15,063,323**	**32,643,725**	**136,084**	**76,668,882**
Additions from business combination	781,060	3,839,506	661,225	5,418,157	0	10,699,948
Increases	0	0	1,921,000	972,988	3,903,929	6,797,917
Transfer from assets under construction	0	276,600	0	2,174,818	-2,451,418	0
Transfer between categories	0	0	-23,103	23,103	0	0
Decreases/disposals	0	-1,599	-358,709	-1,270,459	0	-1,630,767
Exchange-rate differences	0	0	-176	-13	-43	-232
Balance at 31 December	**4,076,399**	**29,644,918**	**17,263,560**	**39,962,319**	**1,588,552**	**92,535,748**
ACCUMULATED DEPRECIATION						
Balance at 1 January	**0**	**7,524,874**	**5,114,250**	**21,943,837**	**0**	**34,582,961**
Additions from business combination	0	2,318,566	120,917	4,671,909	0	7,111,392
Depreciation	0	896,062	2,205,298	3,020,157	0	6,121,517
Transfer between categories	0	0	-23,103	23,103	0	0
Decreases/disposals	0	-1,599	-258,188	-1,110,762	0	-1,370,549
Exchange-rate differences	0	0	-34	-34	0	-68
Balance at 31 December	**0**	**10,737,903**	**7,159,140**	**28,548,210**	**0**	**46,445,253**
CARRYING AMOUNT						
Balance at 1 January 2025	**3,295,339**	**18,005,537**	**9,949,073**	**10,699,888**	**136,084**	**42,085,921**
Balance at 31 December 2025	**4,076,399**	**18,907,015**	**10,104,420**	**11,414,109**	**1,588,552**	**46,090,495**

Changes in property, plant and equipment — SALUS Group, 2024

2024	Land	Buildings	Right-of-use assets	Other plant and equipment	Assets under construction	Total
COST						
Balance at 1 January	**3,295,339**	**24,860,768**	**15,275,282**	**29,060,561**	**1,724,938**	**74,216,888**
Increases	0	0	848,527	228,566	3,280,332	4,357,425
Transfer from assets under construction	0	680,309	0	4,188,877	-4,869,186	0
Transfer between categories	0	0	-80,278	80,278	0	0
Decreases/disposals	0	-10,666	-981,031	-911,464	0	-1,903,161
Exchange-rate differences	0	0	822	139	0	961
Balance at 31 December	**3,295,339**	**25,530,411**	**15,063,322**	**32,646,957**	**136,084**	**76,672,113**
ACCUMULATED DEPRECIATION						
Balance at 1 January	**0**	**6,725,648**	**4,105,510**	**20,027,181**	**0**	**30,858,339**
Depreciation	0	809,892	2,042,759	2,599,255	0	5,451,906
Impairment	0	0	0	121,311	0	121,311
Transfer between categories	0	0	-80,278	80,278	0	0
Decreases/disposals	0	-10,666	-953,965	-880,979	0	-1,845,610
Exchange-rate differences	0	0	223	24	0	247
Balance at 31 December	**0**	**7,524,874**	**5,114,249**	**21,947,070**	**0**	**34,586,193**
CARRYING AMOUNT						
Balance at 1 January 2024	**3,295,339**	**18,135,120**	**11,169,772**	**9,033,380**	**1,724,938**	**43,358,549**
Balance at 31 December 2024	**3,295,339**	**18,005,537**	**9,949,073**	**10,699,887**	**136,084**	**42,085,920**

The Company and the Group have no pledged property, plant and equipment, nor any commitments to acquire property, plant and equipment.

The management of Group companies reviewed the impairment criteria for property, plat and equipment. The occurrence of indicators requiring impairment (uncertainty about future economic benefits from the use of equipment linked to a specific customer) was not identified.

26.4 Investment property

Investment property by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Buildings	1,248,401	1,330,444	2,796,277	1,330,444
Land	265,466	265,467	883,731	265,467
Total	**1,513,867**	**1,595,911**	**3,680,008**	**1,595,911**

Investment property comprises business premises with associated land that the Company/Group puts out to lease.

Changes in investment property — SALUS, Ljubljana, d.d., 2025

2025	Land	Buildings	Total
COST			
Balance at 1 January	**265,467**	**3,352,482**	**3,617,949**
New additions	0	5,885	5,885
Decreases	0	0	0
Balance at 31 December	**265,467**	**3,358,367**	**3,623,834**
ACCUMULATED DEPRECIATION			
Balance at 1 January	**0**	**2,022,038**	**2,022,038**
Depreciation	0	87,929	87,929
Balance at 31 December	**0**	**2,109,967**	**2,109,967**
CARRYING AMOUNT			
Balance at 1 January 2025	**265,467**	**1,330,444**	**1,595,911**
Balance at 31 December 2025	**265,467**	**1,248,400**	**1,513,867**

Changes in investment property — SALUS, Ljubljana, d.d., 2024

2024	Land	Buildings	Total
COST			
Balance at 1 January	**272,607**	**3,540,082**	**3,812,689**
Decreases	-7,140	-187,600	-194,740
Balance at 31 December	**265,467**	**3,352,482**	**3,617,949**
ACCUMULATED DEPRECIATION			
Balance at 1 January	**0**	**2,120,754**	**2,120,754**
Depreciation	0	88,884	88,884
Decreases	0	-187,600	-187,600
Balance at 31 December	**0**	**2,022,038**	**2,022,038**
CARRYING AMOUNT			
Balance at 1 January 2024	**272,607**	**1,419,328**	**1,691,935**
Balance at 31 December 2024	**265,467**	**1,330,444**	**1,595,911**

Changes in investment property — SALUS Group, 2025

2025	Land	Buildings	Total
COST			
Balance at 1 January	**265,467**	**3,352,482**	**3,617,949**
Additions from business combination	618,264	4,037,613	4,655,877
New additions	0	5,885	5,885
Balance at 31 December	**883,731**	**7,395,980**	**8,279,711**
ACCUMULATED DEPRECIATION			
Balance at 1 January	**0**	**2,022,038**	**2,022,038**
Additions from business combination	0	2,467,877	2,467,877
Depreciation	0	109,788	109,788
Balance at 31 December	**0**	**4,599,703**	**4,599,703**
CARRYING AMOUNT			
Balance at 1 January 2025	**265,467**	**1,330,444**	**1,595,911**
Balance at 31 December 2025	**883,731**	**2,796,277**	**3,680,008**

Changes in investment property — SALUS Group, 2024

2024	Land	Buildings	Total
COST			
Balance at 1 January	**272,607**	**3,540,082**	**3,812,689**
Decreases	-7,140	-187,600	-194,740
Balance at 31 December	**265,467**	**3,352,482**	**3,617,949**
ACCUMULATED DEPRECIATION			
Balance at 1 January	**0**	**2,120,754**	**2,120,754**
Depreciation	0	88,884	88,884
Decreases	0	-187,600	-187,600
Balance at 31 December	**0**	**2,022,038**	**2,022,038**
CARRYING AMOUNT			
Balance at 1 January 2024	**272,607**	**1,419,328**	**1,691,935**
Balance at 31 December 2024	**265,467**	**1,330,444**	**1,595,911**

Revenue and costs from investment property

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Rental revenue	148,321	151,412	171,041	151,412
Direct costs from investment property that generate rental revenue	-118,434	-114,686	-140,456	-114,686
Total	**29,887**	**36,726**	**30,585**	**36,726**

Minimum lease payments

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Within 1 year	148,321	154,369	289,245	154,369
From 1 to 2 years	148,321	154,369	289,245	154,369
From 2 to 5 years	444,964	463,107	867,735	463,107

Fair value of investment property
The Company's Management Board considers that the fair value of the Company's investment property as at 31 December 2025 amounts to EUR 2,247,885 (31 December 2024: EUR 2,227,324). Fair value was determined based on the present value of future rental payments arising from concluded lease contracts, or expected rental payments where the investment property has no lessee. A discount rate of between 7% and 9% and a growth rate of between +1% and +2% were applied. The rate of rental revenue growth was defined based on market conditions and expected lessee behaviour with respect to future rental payments. The fair value of the Company's investment property is measured under Level 3 of the fair value hierarchy and was not prepared by a certified real estate valuer.

For the Group, fair value comprises of two components: the fair value of the parent company's investment property, which was determined under Level 3 of the fair value hierarchy and amounted to EUR 2,247,885 at 31 December 2025 (31 December 2024: EUR 2,227,324), and the fair value of investment property held by the subsidiaries, where the valuation was performed by a certified valuer and measured under Level 3 of the fair value hierarchy at EUR 2,166,140. Total fair value at Group level therefore amounts to EUR 4,414,025.

Pledge
Investment property is not pledged, and the Group has no restrictions on ownership.

26.5 Financial assets

Non-current financial assets by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Interests in subsidiaries	65,393,673	64,218,745	0	0
Interests in associates	0	0	84,934	92,702
Financial assets at fair value through profit or loss	1,098,771	857,519	1,289,499	992,344
Financial assets at amortised cost	250,000	385,000	388,638	487,739
Total	**66,742,444**	**65,461,264**	**1,763,071**	**1,572,785**

The current portion of non-current loans granted (the portion falling due within one year of the balance-sheet date) is presented within current financial investments. As at 31 December 2025, the Group has no overdue current loans granted.

Overview of interests in subsidiaries and associates

Company	Relationship to the parent company SALUS, Ljubljana, d.d.	Interest in the company at 31 December 2025	Investment value as at 31 December 2025	Profit or loss for 2025	Share capital at 31 December 2025
Direct investments of SALUS, Ljubljana, d.d.					
SALUS, Veletrgovina, d.o.o. (Slovenia)	subsidiary	100%	33,845,855	8,476,756	30,000,000
SALUS International d.o.o. (Slovenia)	subsidiary	100%	1,298,786	-87,392	1,082,549
CARSO pharm DOOEL, Ilinden (north Macedonia)	subsidiary	100%	75,000	708,795	75,000
SALUS Zagreb d.o.o. (Croatia)	subsidiary	100%	10,122	2,798	10,122
SALUS International d.o.o., Beograd (Serbia)	subsidiary	100%	0	12,359	150,765
SALUS Podgorica d.o.o. Podgorica (Montenegro)	subsidiary	100%	7,500	-59,209	7,500
SALUS Vilnius UAB (Lithuania)	subsidiary	100%	30,000	41,366	30,000
SALUS Sarajevo d.o.o. (Bosnia and Herzegovina)	subsidiary	100%	100,000	-47,687	150,000
SALUS Tirana International SHPK (Albania)	subsidiary	100%	0	-49,852	25,000
SANOLABOR, d.d. (Slovenia)	subsidiary	100%	17,737,065	7,053,934	468,024
MEDITRADE d.o.o. (Slovenia)	subsidiary	100%	7,938,418	612,485	1,095,229
Medorion d.o.o. (Croatia)	subsidiary	67%	4,350,928	1,072,209	3,000
Total Direct investments of SALUS, Ljubljana, d.d.			**65,393,674**		
Indirect investments of SALUS, Ljubljana, d.d.					
SANOL H d.o.o. (Croatia)	subsidiary of SANOLABOR, d.d.	100%	83,028	427,333	82,288
Medichem d.o.o. (Bosnia and Herzegovina)	subsidiary of MEDITRADE d.o.o.	100%	55,200	690	55,088
FARMADENT d.o.o. (Slovenia)	subsidiary of SALUS, Veletrgovina, d.o.o.	100%	8,460,000	150,724	5,728,146
GOPHARM d.o.o. (Slovenia)	subsidiary of FARMADENT d.o.o.	100%	2,663,430	-74,393	363,375
Nensi d.o.o. (Slovenia)	associate of SALUS, Veletrgovina, d.o.o. and FARMADENT d.o.o.; at Group level, a subsidiary	55%	21,535	3,129	50,000
Total Indirect investments of SALUS, Ljubljana, d.d.			**11,283,193**		
Investments in associates					
ASW d.o.o. (Slovenia)	associate of SANOLABOR, d.d.	50%	83,489	-245	24,763
Total investments in associates			**83,489**		

At 31 December 2025 the total assets of Medorion d.o.o., in which the parent company holds a 67% interest, amounted to EUR 4,997,885 (31 December 2024: EUR 3,730,955). In 2025 the company recorded a net profit of EUR 1,072,209 (2024: EUR 873,465), and cash flows amounted to EUR -126,651 (2024: EUR 1,286,447).

Financial assets at fair value through profit or loss

Within financial investments at fair value through profit or loss, the Group recognises investments in shares of companies listed in the prime market of the LJSE and on the Frankfurt Stock Exchange, as well as investments in other shares and equity interests.

Financial investments at fair value through profit or loss by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Listed shares of companies	767,742	526,490	948,065	651,259
Other shares of companies	154,866	154,866	164,571	164,571
Equity interests in companies	176,163	176,163	176,863	176,514
Total	**1,098,771**	**857,519**	**1,289,499**	**992,344**

Shares of listed companies are measured at the published market price as at 31 December 2025. The Company measures investments in other shares and equity interests at fair value, determined using an appropriate valuation method.

The investments are not pledged, and the Group has unrestricted rights to dispose of them.

Changes in financial investments at fair value through profit or loss

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Balance at 1 January	**857,519**	**966,630**	**992,344**	**1,115,269**
Addition from business combination	0	0	23,253	0
New additions	0	86,080	300	86,080
Decrease in fair value	0	-299,701	0	-299,701
Increase in fair value	241,252	104,225	273,602	90,411
Reclassifications	0	285	0	285
Balance at 31 December	**1,098,771**	**857,519**	**1,289,499**	**992,344**

Income and expenses from investments at fair value through profit or loss

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Dividende	32,089	27,485	40,123	34,855
Income from increases in fair value	276,122	111,414	324,075	160,253
Expenses from fair value decreases	-34,870	-306,889	-50,595	-352,031
Total	**273,341**	**-167,990**	**313,603**	**-156,923**

Financial assets at amortised cost

Within financial assets at amortised cost, the Group recognises investments in non-current loans granted.

Financial assets at amortised cost by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Loans granted (non-current portion)	250,000	385,000	388,638	487,739
Total	**250,000**	**385,000**	**388,638**	**487,739**

Non-current loans granted by the SALUS Group are made to third, unrelated parties. Three loans granted, with an aggregate amount of EUR 700,000, are secured by mortgages.

26.6 Inventories

Inventories by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Materials and raw-materials	0	0	236,813	198,338
Merchandise	0	0	79,754,705	61,694,073
Total	**0**	**0**	**79,991,518**	**61,892,411**

The inventory write-down amounts to EUR 565,735 (31 December 2024: EUR 375,168).

26.7 Current trade receivables and income-tax receivables

Current trade receivables by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Current trade receivables on the domestic market	108,654	21,382	71,280,805	62,989,367
Current trade receivables on foreign markets	8,579	7,078	12,581,606	9,174,757
Income tax receivables	0	227	85,238	48,997
Other current receivables	35	5,596	1,451,359	1,273,823
Allowance for receivables	0	0	-337,037	-72,191
Total	**117,268**	**34,283**	**85,061,971**	**73,414,753**

26.8 Cash and cash equivalents

Cash and cash equivalents by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Petty-cash	0	0	240,043	199,794
Cash at banks	1,110,196	113,025	13,857,350	16,308,605
Total	**1,110,196**	**113,025**	**14,097,393**	**16,508,399**

26.9 Contract assets

Contract assets represent short-term unbilled revenue for merchandise and services. Unbilled revenue at 31 December 2025 in the SALUS Group amounted to EUR 488,392 (31 December 2024: EUR 206,265). The Company had no unbilled revenue at that date. Contract assets have not been impaired.

26.10 Prepayments and other current assets

Prepayments and other current assets by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Advances	0	1,980	2,830,315	756,967
Deferred costs	74,029	49,476	1,952,966	1,574,481
Total	**74,029**	**51,456**	**4,783,281**	**2,331,448**

26.11 Equity

Called-up share capital

The share capital of SALUS, Ljubljana, d.d. as the parent company amounts to EUR 8,300,000.00. The Company has 8,219,250 bearer shares. The share register is maintained by the KDD. All shares are fully paid up. Each share entitles its holder to:

- attendance and one vote at the General Meeting,
- a proportional dividend from profit allocated for distribution,
- in the event of the Company's dissolution, a proportional share of the residual amount left for owners.

In accordance with Section 4 of Subchapter 6 of the ZGD-1, the General Meeting of Shareholders on 17 April 2025 adopted a resolution to increase the share capital from Company funds (from capital reserves), increasing the Company's share capital from EUR 439,722.87 to EUR 8,300,000.00. The General Meeting also approved a resolution on a 1-for-78 split of the SALR shares, meaning that, on completion of all required procedures on 30 May 2025, the number of shares increased from 105,375 to 8,219,250 shares.

Non-controlling interest

The non-controlling interest relates to the 33% interest in Medorion d.o.o., comprising the non-controlling interest at the date of the business combination in the amount of EUR 1,531,802 (51%) and the share of profit or loss for each period attributable to the non-controlling interest. As a result of the increase from 51% to 67% in the interest attributable to the owners of the parent company in July 2025, the non-controlling interest decreased by EUR 647,730.

Capital reserves

The capital reserves of SALUS, Ljubljana, d.d. and the SALUS Group may be used under the conditions and for the purposes prescribed by law. At 31 December 2025 they amounted to EUR 1,879,242, having decreased compared with the prior year through the share capital increase.

Reserves from profit

Statutory and other reserves from profit are amounts appropriated from prior-year profits and earmarked principally to cover potential future losses. At 31 December 2025 the SALUS Group's statutory reserves stood at EUR 175,102 (31 December 2024: EUR 175,102), and those of the Company at EUR 56,335 (31 December 2024: EUR 56,335). The Group's other reserves from profit at 31 December 2025 stood at EUR 190,201 (31 December 2024: EUR 190,201), and those of the Company at EUR 836,619 (31 December 2024: EUR 836,619).

Other reserves

Other reserves comprise:

- the translation reserve (SALUS Group) and
- fair value reserves.

The value of the SALUS Group's translation reserve at 31 December 2025 stood at EUR -24,194 (31 December 2024: EUR -21,595). The change is due to the negative impact of exchange-rate differences arising on translation of individual financial-statement items of foreign subsidiaries from local currencies to the reporting currency.

The SALUS Group's fair value reserve relates to actuarial gains and losses on post-employment benefits payable on retirement. As a result of the actuarial revaluation the reserve decreased to EUR 61,369 (31

December 2024: EUR 82,665). No fair value reserve is recognised in the Company's separate financial statements.

Earnings per share
Basic earnings per share of SALUS, Ljubljana, d.d. and the SALUS Group equal the diluted earnings per share.

Basic and diluted earnings per share of SALUS, Ljubljana, d.d. at 31 December 2025 stood at EUR 1.63 (31 December 2024: EUR 1.32), and the SALUS Group's basic and diluted earnings per share attributable to the owners of the parent at 31 December 2025 stood at EUR 2.03 (31 December 2024: EUR 1.56).

Dividend
In January 2025 SALUS, Ljubljana, d.d. paid an interim dividend for 2024 of EUR 40.00 gross per share. In April 2025, the Company paid an additional EUR 40.00 per share, bringing the total dividend for 2024 to EUR 80.00 gross per share (based on the number of shares prior to the split). This represents an increase compared to the previous year.

Book value per share
The book value per share of SALUS, Ljubljana, d.d. at 31 December 2025 stood at EUR 7.78 (31 December 2024: EUR 7.17). The SALUS Group's book value per share at 31 December 2025 stood at EUR 11.21 (31 December 2024: EUR 10.31).

Determination of accumulated profit of SALUS, Ljubljana, d.d. under the ZGD-1

	SALUS, Ljubljana, d.d.	
	31 December 2025	31 December 2024
Net profit or loss for the current financial year	13,412,612	10,874,033
Retained earnings in Other reserves	39,451,179	37,007,146
Total	**52,863,791**	**47,881,179**

26.12 Financial liabilities

Non-current financial liabilities by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Non-current loans received	3,581,096	4,604,267	10,757,376	4,835,031
Non-current financial liabilities for right-of-use assets	0	8,611	8,242,917	8,325,385
Other non-current financial liabilities	0	267,074	747,275	981,328
Total	**3,581,096**	**4,879,952**	**19,747,568**	**14,141,744**

The long-term loans received relates to the non-current portion of bank loans, as follows:

- a loan drawn in May 2023 with a 7-year maturity for the acquisition of MEDITRADE d.o.o. in the amount of EUR 7,162,193 (Company and Group);
- a loan drawn in September 2023 with a 3-year maturity in the amount of EUR 500,000 to finance the purchase of equipment (Group);
- a loan drawn in April 2024 with a 3-year maturity in the amount of EUR 300,000 to cover liquidity needs (Group);
- a loan drawn in October 2025 with a 7-year maturity for the acquisition of FARMADENT d.o.o. in the amount of EUR 8,460,000 (Group).

The loans are secured by blank promissory notes.

In 2025 the Company repaid EUR 2,565,636 of principal on the loans listed above. The Group repaid EUR 2,911,845.

Other current financial liabilities of the Company (totalling EUR 275,265) relate to the remaining instalment of EUR 270,000 for 2026, adjusted for inflation at half of the consumer-price index (subject to a cap), at a discount rate of 7.25% per annum, in respect of the contingent consideration payable to the seller in the business combination (acquisition of MEDITRADE d.o.o.).

Other current financial liabilities of the Group (totalling EUR 408,266) comprise, in addition to the contingent consideration payable to the seller in the business combination (acquisition of MEDITRADE d.o.o.), a liability for a dividend payable to the former owners of FARMADENT d.o.o. Other non-current financial liabilities of the Group of EUR 747,275 (31 December 2024: EUR 714,253) relate to the liability arising under a put option, entered into through an option agreement for the purchase of a 17% interest in Medorion d.o.o., which grants the seller the right to sell its equity interest over a three-year period between 2027 and 2029. The liability is measured at the present value of the buy-out amount, calculated as a multiple of EBITDA of Medorion d.o.o. assuming a one-third probability of exercise of the option in each of the three years and using a discount rate of 7.25% per annum.

Current financial liabilities by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Current loans received	1,043,608	2,594,002	4,604,823	2,908,841
Current financial liabilities for right-of-use assets	8,612	8,440	2,309,106	1,949,327
Other current financial liabilities	275,265	275,265	408,266	275,265
Total	**1,327,485**	**2,877,707**	**7,322,195**	**5,133,433**

Changes in loans received

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	**2024**	**2025**	**2024**
Balance at 1 January	**7,198,269**	**10,284,666**	**7,743,872**	**10,741,438**
Addition from business combination	0	0	1,909,785	0
Increases	2,000,000	0	238,442,435	152,079,889
Repayments	-4,565,636	-3,079,791	-232,754,645	-155,081,404
Change in liabilities for interests	-7,928	-6,606	20,752	3,949
Exchange-rate differences	0	0	0	0
Balance at 31 December	**4,624,705**	**7,198,269**	**15,362,199**	**7,743,872**

Changes in financial liabilities for right-of-use assets

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Balance at 1 January	**17,051**	**25,327**	**10,274,712**	**11,387,200**
Addition from business combination	0	0	554,471	0
Increases	4	0	1,810,773	809,470
Repayments	-8,704	-8,704	-2,548,872	-2,426,796
Interests	260	427	461,153	504,966
Exchange-rate differences	0	0	-213	-128
Balance at 31 December	**8,611**	**17,050**	**10,552,024**	**10,274,712**

26.13 Provisions

Provisions by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Provisions for retirement severance and jubilee benefits	0	0	1,557,816	1,272,063
Other provisions	0	0	63,000	0
Total	**0**	**0**	**1,620,816**	**1,272,063**

The Group has recognised provisions for the payment of jubilee benefits and retirement severance. The following assumptions were used in the calculation:

- employee turnover is derived from the number of employees at the start of the year and the number of voluntary terminations; it ranges between 0.5% and 8.5%;
- payouts are taken into account at the amounts specified in internal rules;
- long-term growth in average wages by country is assumed in a range from 2.9% to 6%;
- mortality is reflected using local population mortality tables;
- the discount rate ranges between 3.77% and 5.1% per annum.

Changes in provisions for jubilee benefits and retirement severance

	SALUS Group 2025			SALUS Group 2024		
	Severance	Jubilee benefits	Total	Severance	Jubilee benefits	Total
Balance at 1 January	**981,998**	**290,064**	**1,272,062**	**890,042**	**263,260**	**1,153,302**
Addition from business combination	202,108	32,555	234,663	0	0	0
Current service cost	66,597	48,725	115,322	61,330	28,301	89,631
Interest cost	42,346	12,124	54,470	28,755	9,070	37,825
Post-employment benefits paid	-104,223	-21,515	-125,738	-69,217	-20,203	-89,420
Actuarial surplus/(deficit)	10,159	-3,119	7,040	71,088	9,637	80,725
Exchange-rate differences	-1	-2	-3	0	0	0
Balance at 31 December	**1,198,984**	**358,832**	**1,557,816**	**981,998**	**290,065**	**1,272,063**

Sensitivity analysis

	SALUS Group			
	Discount rate		Wage growth	
Change in percentage points	+0.5	-0.5	+0.5	-0.5
Effect on liabilities balance (EUR)	-59,144	64,335	55,033	-51,376

Planned payments

	SALUS Group		
	Retirement severance	Jubilee benefits	Total
Up to 1 year	125,545	35,764	161,309
1 to 5 years	282,154	170,448	452,602
5 to 10 years	421,084	209,368	630,452
More than 10 years	1,861,479	484,651	2,346,130
Total	**2,690,262**	**900,231**	**3,590,493**

26.14 Current trade liabilities and income tax payables

Current trade and other payables by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Current trade payables on the domestic market	26,102	27,381	42,971,788	34,659,201
Current trade payables on foreign markets	3,725	413	74,805,604	63,953,975
Liabilities to employees	34,500	19,973	3,475,209	2,944,192
Income tax payables	0	0	686,072	1,303,589
Other liabilities to the state and other institutions	17,748	1,365	3,199,389	3,214,065
Other current operating liabilities	1,208	1,162	82,019	93,689
Total	**83,283**	**50,294**	**125,220,081**	**106,168,711**

26.15 Contract liabilities

Contract liabilities by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Advances received and deposits	4,322	4,322	868,267	216,664
Deferred revenue	0	0	23,601	491,141
Total	**4,322**	**4,322**	**891,868**	**707,805**

In 2025, all amounts deferred at 31 December 2024 were recognised as revenue.

26.16 Other current liabilities

Other current liabilities represent short-term accrued expenses, relating principally to accrued unused employee leave, environmental levies, employee performance bonuses and other accrued expenses.

26.17 Current and deferred taxes

Corporate income tax is calculated at the statutory rate of 22% for residents of the Republic of Slovenia, 10% for residents of North Macedonia, 9% for residents of Montenegro, 16% for residents of Lithuania, 15% for residents of Serbia and Albania, 18% or 10% for residents of Croatia, and 10% for residents of Bosnia and Herzegovina.

Income tax of SALUS, Ljubljana, d.d. and the SALUS Group

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Profit before tax	13,412,612	10,874,033	21,465,407	16,667,299
Tax calculated at the applicable tax rate	**2,950,775**	**2,392,287**	**4,722,390**	**3,666,806**
Tax effect of an increase in deductible expenses	0	0	-8,278	-7,075
Tax effect of non-deductible expenses	83,815	20,741	580,275	383,745
Tax effect of an increase in taxable income	160,286	138,857	46,871	1,251
Tax effect of a decrease in taxable income	-3,203,761	-2,777,145	-12,318	-15,762
Tax effect of allowances	0	0	-609,596	-408,317
Unrecognised deferred tax on tax losses	8,885	225,260	39,795	257,583
Other	0	0	-5,971	-39,992
Tax effect of tax losses utilization	0	0	-49,313	-650
Effect of higher/lower tax rates of foreign companies	0	0	-201,306	-187,394
Tax	**0**	**0**	**4,502,549**	**3,650,195**
Effective tax rate	**0.00%**	**0.00%**	**20.98%**	**21.90%**

Deferred tax by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Relating to tax losses	0	0	125,490	67,134
From actuarial gains/losses on jubilee benefits and retirement severance	0	0	89,196	-35,682
From valuation allowances	0	0	10,135	8,564
From depreciation/amortization	0	0	-1,654,345	-1,289,904
From other sources	0	0	28,125	0
Total	**0**	**0**	**-1,401,399**	**-1,249,888**

SALUS, Ljubljana, d.d. does not recognise a deferred tax asset arising from carried-forward tax losses because the projection of potential taxable profits that could absorb the loss is highly unpredictable. Tax losses at 31 December 2025 for which no deferred tax asset has been recognised amount to EUR 2,805,306 (31 December 2024: EUR 3,153,090). The amount of tax losses is lower than in the prior year because certain losses have expired due to the 5-year usage limit.

Tax losses at other SALUS Group companies for which no deferred tax asset has been recognised amounted at 31 December 2025 to EUR 1,527,786 (31 December 2024: EUR 719,920) and can mostly be utilised within 5 years of arising, except in Albania (3 years) and Lithuania (where carry-forward is not time-limited). The unrecognised deferred tax asset arising from tax losses, and the related effect on the increase in net profit and equity, amounted to EUR 256,765 in 2025 (2024: EUR 87,501).

Changes in deferred tax assets — SALUS Group, 2025

	Tax loss	Provisions	Allowance for receivables	Depreciation and amortisation	Other	Total
Balance at 1 January 2025	**9,101**	**91,806**	**8,563**	**-1,417,391**	**58,033**	**-1,249,888**
Recognition arising from obtaining control of a company	125,490	3,256	0	-444,055	0	-315,309
Charged/credited to profit or loss	-9,101	-8,974	1,572	207,101	-29,907	160,691
Charged/credited to other comprehensive income	0	3,107	0	0	0	3,107
Balance at 31 December 2025	**125,490**	**89,195**	**10,135**	**-1,654,345**	**28,126**	**-1,401,399**

Changes in deferred tax assets — SALUS Group, 2024

	Tax loss	Provisions	Allowance for receivables	Depreciation and amortisation	Other	Total
Balance at 1 January 2024	**0**	**83,805**	**9,537**	**-922,707**	**0**	**-829,365**
Recognition of deferred tax	0	0	0	-969,189	0	-969,189
Charged/credited to profit or loss	9,101	1,943	-974	474,506	58,033	542,609
Charged/credited to other comprehensive income	0	6,058	0	0	0	6,058
Balance at 31 December 2024	**9,101**	**91,806**	**8,563**	**-1,417,390**	**58,033**	**-1,249,887**

26.18 Revenue from sales

Revenue from sales by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	**2024**	**2025**	**2024**
Revenue from sales of goods on the domestic market	0	0	624,456,220	587,625,522
Revenue from sales of goods on foreign markets	0	0	58,351,616	50,228,857
Revenue from sales of services on the domestic market	940,862	124,967	7,711,768	7,188,583
Revenue from sales of services on foreign markets	98,192	35,836	4,149,365	3,087,819
Rental revenue	148,321	151,412	1,525,477	699,361
Total	**1,187,375**	**312,215**	**696,194,446**	**648,830,142**

Revenue from contracts with customers for the SALUS Group in 2025 amounted to EUR 694,668,969 (2024: EUR 648,130,781), and for the Company EUR 1,039,054 (2024: EUR 160,803).

26.19 Costs by nature

Costs by nature

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	**2024**	**2025**	**2024**
Material costs	-2,303	-1,081	-1,610,589	-1,540,294
Service costs	-1,395,095	-1,251,919	-19,136,073	-17,492,839
Depreciation and amortisation expense	-174,736	-206,018	-7,999,965	-7,704,658
Personnel expenses:	-469,828	-306,400	-33,532,239	-29,201,003
— wage and salary costs	-368,270	-238,052	-24,959,016	-22,247,562
— pension insurance costs	-31,257	-20,358	-2,376,031	-2,053,412
— other social insurance costs	-29,682	-17,661	-1,681,217	-1,425,357
— other personnel expenses	-40,619	-30,329	-4,515,975	-3,474,672
Total	**-2,041,962**	**-1,765,418**	**-62,278,866**	**-55,938,794**

The SALUS Group employed 723 persons at 31 December 2025 (31 December 2024: 618), and the average headcount in 2025 calculated by working hours was 680.7 (2024: 586.6). SALUS, Ljubljana, d.d. employed 5 persons at 31 December 2025 (31 December 2024: 3), and the average headcount in 2025 calculated by working hours was 4.24 (2024: 2.97).

26.20 Leases

Additions to right-of-use assets, depreciation and amortisation, and net book values of right-of-use assets are disclosed in Note 4.3. The Company and the Group lease office space, retail premises and vehicles. Certain Group lease contracts for office space contain an extension option.

Within lease costs, the Group/Company recognises short-term lease costs, low-value lease costs, and variable lease payment costs. In 2025, these costs amounted to EUR 0 (2024: EUR 0) for SALUS, Ljubljana, d.d. and EUR 230,501 (2024: EUR 210,088) for the SALUS Group. Cash flows from leases for the Group amounted to EUR -2,779,373 in 2025 (2024: EUR -2,597,619), and for the Company to EUR -8,704 (2024: EUR -8,704).

Variable lease payments to which the Group/Company could be exposed and which are not reflected in the measurement of the lease liability have no material impact on the measurement of the lease liability.

The Group has no commitments in respect of leases not yet commenced. The Group/Company has no sale-and-leaseback arrangements.

26.21 Amount paid to the auditor

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Audit of the annual report	-16,196	-16,120	-138,099	-73,191
Assurance services	-24,641	-17,600	-28,174	-22,585
Total	**-40,837**	**-33,720**	**-166,273**	**-95,776**

26.22 Other operating income

Other operating income by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Income from intangible assets, property, plant and equipment, and investment property	0	84,860	109,387	190,218
Revenue from working capital	0	0	113,195	303,416
Other operating income	2,161	1,084	185,406	233,422
Total	**2,161**	**85,944**	**407,988**	**727,056**

Other operating income of the SALUS Group relates to realised gains on the sale of fixed assets, income from the reversal of allowances for trade receivables, and other income.

26.23 Other operating expenses

Other operating expenses by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	**2024**	**2025**	**2024**
Expenses from intangible assets, property, plant and equipment, and investment property	-4	-181	-10,652	-214,827
Expenses from working capital	0	0	-2,333	-27,948
Impairment losses	0	0	-78,551	-32,204
Other operating expenses	-15,112	-15,938	-1,590,366	-1,327,702
Total	**-15,116**	**-16,119**	**-1,681,902**	**-1,602,681**

Other operating expenses of the SALUS Group relate primarily to expenses for permits, charges and levies.

26.24 Finance income

Finance income by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	**2024**	**2025**	**2024**
Revenue od dividend	14,562,548	12,623,389	42,213	35,998
Other finance income	298,214	307,852	2,993,836	1,432,902
Total	**14,860,762**	**12,931,241**	**3,036,049**	**1,468,900**

In 2025, SALUS, Ljubljana, d.d. received EUR 14,562,548 in dividend income (2024: EUR 12,623,689). Of this amount, EUR 14,530,560 (2024: EUR 12,595,904) was received from subsidiaries (SALUS, Veletrgovina, d.o.o., SALUS International d.o.o. (Slovenia), CARSO pharm DOOEL, Ilinden (North Macedonia), and SANOLABOR, d.d.), with the remainder arising from investments in other shares.

Other finance income of the SALUS Group comprises mainly of late-payment interest of EUR 1,909,782 (2024: EUR 930,606), income from the measurement of financial assets at fair value through profit or loss of EUR 323,796 (2024: EUR 160,253) and other finance income. Other finance income of SALUS, Ljubljana, d.d. comprises of income from the measurement of financial assets at fair value through profit or loss of EUR 276,122 (2024: EUR 111,414), and other finance income.

26.25 Finance costs

Finance costs by type

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	**2024**	**2025**	**2024**
Interests on loans received	-256,488	-337,461	-525,085	-442,349
Interest on finance leases / right-of-use assets	-261	-431	-461,153	-506,150
Other finance costs	-323,859	-335,938	-252,315	-557,967
Total	**-580,608**	**-673,830**	**-1,238,553**	**-1,506,466**

Interest on the Group's loans received was higher in 2025 due to a higher average level of short-term borrowing (revolving) used to manage liquidity gaps, arising primarily from the still-unimproved payment practices of Slovenian hospitals. Interest on the Company's loans received was lower in 2025 than in the prior year, as one long-term loan was repaid in full during the year.

Other finance costs of the Company relate to impairment of investments in subsidiaries amounting to EUR 275,965. Other finance costs of the Group relate to the revaluation of financial investments measured at fair value through profit or loss (EUR 50,595), negative exchange-rate differences (EUR 78,340), accretion of the value of the put option to acquire a 17% interest in Medorion d.o.o. (EUR 33,022), and other finance costs.

26.26 Earnings per share

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	**2024**	**2025**	**2024**
Net profit or loss	13,412,612	10,874,033	16,962,857	13,017,104
- attributable to owners of the parent	13,412,612	10,874,033	16,682,188	12,854,012
- attributable to non-controlling interests	0	0	0	163,092
Number of shares issued	8,219,250	8,219,250	8,219,250	8,219,250
Number of treasury shares	0	0	0	0
Weighted average number of ordinary shares in issue	8,219,250	8,219,250	8,219,250	8,219,250
Adjusted average number of ordinary shares in issue	8,219,250	8,219,250	8,219,250	8,219,250
Basic and diluted earnings per share (EUR/share)	**1.63**	**1.32**	**2.06**	**1.58**
Basic and diluted earnings per share attributable to owners of the parent (EUR/share)	**1.63**	**1.32**	**2.03**	**1.56**

Basic earnings per share is calculated by dividing the net profit attributable to owners by the weighted average number of ordinary shares, excluding treasury shares. The Company/Group hold no treasury shares. The Company/Group have no potential dilutive ordinary shares. Basic and diluted earnings per share are therefore equal.

26.27 Contingent liabilities

Possible obligations are not recognised in the financial statements because their actual existence will be confirmed only by the occurrence or non-occurrence of events in an indeterminate future, over which the Group has no control. The Group regularly reviews whether the settlement of a possible obligation is likely to require an outflow of resources embodying economic benefits. If it becomes probable, the possible obligation is reclassified and a provision is recognised in the financial statements at the point at which the assessed probability changes.

Guarantees given relate to Group companies (including SALUS, Veletrgovina, d.o.o., SANOLABOR, d.d. and FARMADENT d.o.o.), which are required to provide performance bonds in respect of public procurement contracts awarded to them. The conditions for recognising contingent liabilities in this respect are not met.

In 2025 the Company issued a guarantee declaration to a supplier, valid until 31 May 2026, providing a guarantee for the trade liabilities of the subsidiary CARSO Pharm DOOEL, Ilinden, in the amount of EUR 2,000,000.

At 31 December 2025 the Management Board concluded that the conditions for recognising the special end-of-term bonus for the Management Board have not yet been met. Entitlement to the bonus is contingent upon the cumulative fulfillment of specific conditions, including completion of the term of office (or no-fault dismissal), achievement of a positive EBITDA surplus, confirmation of the Supervisory Board, and the granting of discharge. Given that two years remain until the end of the term, interim financial performance is not considered a relevant basis for the assessment of entitlement. In addition, significant uncertainty persists due to the SALUS Group's exposure to geopolitical and economic fluctuations as well as regulatory changes. The Management Board will reassess the fulfillment of the conditions at each reporting date and, when a present obligation arises, recognise the present value of the estimated payment in accordance with IAS 19.

The Group notes that contingent liabilities described in Section 6 of the business part of the Annual Report may exist that cannot be reliably measured.

26.28 Segment reporting

Reporting segments

The information reported by the SALUS Group to the Management Board as the chief operating decision maker is segmented into three divisions, each representing separate financial statements of the subsidiaries. The activities carried-out by these companies comprise coherent and distinct business operations performed by the, namely:

- holding and investment activities (comprising the leasing of properties and the management of financial assets),
- trade and services activities (comprising the wholesale of medicines and the wholesale and retail of medical devices),
- marketing activities (comprising marketing and active sales services).

There is no difference between business and reporting segments.

The accounting policies of the reporting segments are the same as those applied at SALUS Group level.

Effects arising from acquisitions are presented separately within "Other" category.

SALUS Group operating segments for 2025

31 December 2025	Holding and investment	Trade and services	Marketing	Group eliminations	Other	Consolidated
Segment assets	69,941,990	242,267,003	10,722,231	-76,376,487	7,063,239	253,617,976
— investments in property, plant and equipment (excluding the effect of IFRS 16 and the effect of business combinations)	46,771	4,699,029	131,117	0	0	4,876,917
Segment liabilities	6,006,003	152,827,852	7,310,743	-4,669,413	0	161,475,185

2025	Holding and investment	Trade and services	Marketing	Group eliminations	Other	Consolidated
Revenue from sales	1,187,375	700,753,222	17,875,530	-23,621,681	0	696,194,446
— thereof among segments	955,804	17,211,053	5,464,824	-23,631,681	0	0
Operating profit from ordinary operations	-867,543	20,864,591	700,364	-5,099	-1,024,402	19,667,911
— thereof depreciation and amortization	-174,736	-6,212,492	-626,438	38,103	-1,024,402	-7,999,965
Irdinary EBITDA	-692,807	27,077,083	1,326,802	-43,202	0	27,667,876
Finance income	14,860,762	2,426,111	14,748	-14,265,572	0	3,036,049
Finance costs	-304,642	-846,255	-101,994	15,082	0	-1,237,809
Taxes	0	-4,582,056	-106,571	0	186,078	-4,502,549
Net profit or loss	13,412,612	17,862,391	506,546	-14,818,691	0	16,962,858

SALUS Group operating segments for 2024

31 December 2024	Holding and investment	Trade and services	Marketing	Group eliminations	Other	Consolidated
Segment assets	67,616,847	197,483,222	8,648,021	-64,040,441	7,370,782	217,078,431
— investments in property, plant and equipment (excluding the effect of IFRS 16 and the effect of business combinations)	0	3,060,639	447,816	0	0	3,508,455
Segment liabilities	8,663,473	121,584,134	5,368,546	-3,296,214	0	132,319,939

2024	Holding and investment	Trade and services	Marketing	Group eliminations	Other	Consolidated
Revenue from sales	312,215	650,020,260	14,270,017	-15,772,350	0	648,830,142
— thereof among segments	99,079	12,311,976	3,361,295	-15,772,350	0	0
Operating profit from ordinary operations	-1,383,378	18,522,805	833,519	-5,172	-1,262,909	16,704,865
— thereof depreciation and amortization	-206,018	-5,751,084	-522,749	38,102	-1,262,909	-7,704,658
Ordinary EBITDA	-1,177,360	24,273,889	1,356,268	-43,274	0	24,409,523
Finance income	12,931,241	1,619,597	8,422	-13,090,360	0	1,468,900
Finance costs	-372,163	-728,332	-84,466	-19,838	0	-1,204,799
Taxes	0	-3,974,652	-145,793	0	470,250	-3,650,195
Net profit or loss	10,874,033	15,439,417	611,682	-13,908,028	0	13,017,104

Additional information by geographic area for the SALUS Group

	Revenue from sales		Non-current assets (excluding financial assets, goodwill and deferred tax assets)	
	2025	2024	2025	2024
Slovenia	633,121,810	595,571,625	53,176,725	48,411,264
Other countries	62,861,529	53,258,517	6,183,314	4,777,281
Total	**695,983,339**	**648,830,142**	**59,360,039**	**53,188,545**

In the geographic segment presentation, segment revenue is determined based on the geographic location of customers, while segment assets are determined based on the geographic location of the assets.

26.29 Financial instruments and risk management

The financial instruments used by the Group comprise of cash and cash equivalents, trade receivables and payables, bank loans received, deposits and loans granted, and securities. The Group does not use derivative financial instruments. The main risks arising from financial instruments are interest-rate, currency, price, credit and liquidity risk. The Group identifies and annually reassesses its exposure to each of these risks.

Interest-rate risk
Interest-rate risk in the SALUS Group is defined as the risk that, owing to changes in reference market interest rates, the Group incurs higher financing costs on long-term financial sources or lower income on long-term financial investments. Interest-rate risk on short-term financial sources and short-term financial investments is managed within liquidity risk.

The Group is exposed to interest-rate risk to a negligible extent. The Group has four external sources of long-term financing. The loan of EUR 7,162,193 (for the acquisition of MEDITRADE d.o.o.) was taken out by SALUS, Ljubljana, d.d. and bears a fixed interest rate. The loans taken out by SALUS, Veletrgovina, d.o.o. of EUR 8,460,000 (for the acquisition of FARMADENT d.o.o.) and by MEDICHEM d.o.o. of EUR 300,000 (for working capital financing) also bear fixed interest rates. One loan of EUR 500,000 was taken out by MEDITRADE d.o.o. and bears a variable interest rate based on 3M EURIBOR for the purpose of working-capital financing. As both larger loans bear fixed interest rates, a change in profit or loss due to changes in the reference rate has no material impact on the Group's operations. A change in the interest rate on the variable-rate loan would have a negligible impact on the Group's profit or loss. Therefore, a sensitivity analysis is not presented in tabular form. The Group's non-current financial investments are not linked to reference market interest rates.

Currency risk

The SALUS Group is exposed to exchange-rate risk in certain sales and procurement markets, arising from differing amounts of assets and liabilities denominated in individual currencies in the Group's statement of financial position and from differing amounts of operating income and expenses generated by the Group in those currencies.

The key categories making up the currency position are trade receivables and trade payables. The Group purchases most goods on the European market and in EUR. Purchases in other currencies (USD, GBP) are not significant for currency-risk purposes relative to the total volume of purchases. Sales are made predominantly in the local currencies of the Group companies. The Group therefore assesses currency risk as low.

The SALUS Group's exposure to changes in key exchange rates is presented in the table below. Amounts are translated into EUR at the exchange rate prevailing at the balance sheet date. SALUS, Ljubljana, d.d. operates solely in the local currency and is not exposed to exchange-rate risk.

	BAM		MKD		USD		RSD	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Current trade receivables	944,284	864,021	3,577,801	2,225,632	0	0	312,229	120,975
Cash and cash equivalents	6,487	79,702	830,475	847,741	60,611	112	121,975	7,854
Current trade payables	-162,825	-44,358	-5,661	-4,743	0	22,702	-27,616	-20,263
Net exposure	**787,946**	**899,365**	**4,402,615**	**3,068,630**	**60,611**	**22,814**	406,588	**108,567**

The largest share of the currency position is held in the North Macedonian denar, the Bosnian convertible mark and the Serbian dinar, arising from trade receivables in the North Macedonia, Bosnia and Herzegovina, and Serbia markets.

The value of the Macedonian denar moved within a stable range of 61.0 to 62.5 MKD/EUR in 2025. Since the introduction of the euro, the Bosnian convertible mark has been pegged at EUR 1 = BAM 1.95583. The value of the Serbian dinar likewise moved within a stable range of 117.0 to 117.5 RSD/EUR in 2025.

A 1% change in the value of these currencies against the EUR at 31 December 2025 and 31 December 2024 would change the SALUS Group's profit before tax by the amounts shown in the table below:

	Effect on profit before tax			
	2025		2024	
Currency change by %	1%	-1%	1%	-1%
BAM	-7,801	7,879	-8,905	8,994
MKD	-43,590	44,026	-30,382	30,686
RSD	-4,026	4,066	-39,504	39,899
USD	-9,454	-8,426	-217	219

The analysis assumes that all variables other than the exchange rate remain unchanged. The effect calculation is based on the position of receivables and payables denominated in local currencies.

Given the low level of foreign-currency exposure and the historical fluctuations of foreign-currency exchange rates against the EUR, the SALUS Group does not use hedging instruments.

Credit risk

The key credit risk on the SALUS Group's financial assets arises from the risk of counterparty default (i.e. that the counterparty would not settle its obligations).

The maximum exposure to credit risk is the carrying amount of financial assets, as follows:

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Financial assets at fair value through profit or loss	1,098,771	857,519	1,289,499	992,344
Current loans	151,093	107,333	104,966	107,441
Current trade receivables	117,233	28,460	83,525,374	72,091,934
Other current operating receivables	35	5,823	1,536,596	1,322,819
Non-current loans	250,000	385,000	388,638	487,739
Cash and cash equivalents	1,110,196	113,025	14,097,394	16,508,399
Total	**2,727,328**	**1,497,160**	**100,942,467**	**91,510,676**

The largest and most credit-risk-exposed portion of financial assets is trade receivables.

The Group trades only with recognised and creditworthy customers, and before entering into a transaction with deferred payment checks their creditworthiness and assigns them an appropriate credit limit. Credit limits are reviewed at least annually. Customer receivables, by maturity and against the internal credit limit, are monitored daily, enabling an immediate response to any deterioration in the credit situation, with the aim of keeping exposure to bad debts at a low level. Certain receivables are additionally secured by bank guarantees and/or credit insurance. The Group continuously improves its credit-risk monitoring system. The credit-control process results in a low percentage of write-offs and impairments of receivables in the SALUS Group.

Current trade receivables in the SALUS Group increased by 15.86% compared with end-of-year 2024 as a result of business combinations (acquisitions of companies) and increased invoiced turnover in the last quarter and over the year as a whole.

The Group has two customers that account for a material share of receivables as at 31 December 2025. No significant concentration of credit risk is present.

Aging of current trade receivables

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
not past due	114,567	21,317	59,701,121	49,768,406
up to 30 days	1,446	1,835	11,112,801	9,031,411
from 31–60 days	950	885	8,314,375	7,061,859
from 61–90 days	0	885	3,080,463	4,742,377
from 91–150 days	270	3,538	990,489	838,434
over 150 days	0	0	326,125	649,446
Total	**117,233**	**28,460**	**83,525,374**	**72,091,933**

Changes in the allowance for trade receivables

	SALUS, Ljubljana, d.d.		SALUS Group	
	2025	2024	2025	2024
Balance at 1 January	0	0	72,191	142,278
Additions from business combination	0	0	197,108	0
Collections of impaired receivables	0	0	-23,235	-78,290
Write-offs	0	0	0	-201
Additional impairment for the year	0	0	90,964	8,421
Exchange-rate differences	0	0	9	-17
Balance at 31 December	**0**	**0**	**337,037**	**72,191**

A smaller part of financial assets consists of cash and cash equivalents (with first-rate banks), investments in equity instruments (listed and unlisted), and loans granted to third parties, secured by mortgages and other forms of collateral.

Liquidity risk

Liquidity is ensured through a unified approach to banks and short-, medium- and long-term cash flow plans, allowing potential liquidity surpluses or shortfalls to be anticipated in time and optimally managed. The Group places cash surpluses primarily in bank deposits. Some Group companies have entered into revolving credit agreements or automatic overdraft arrangements on their current accounts to bridge short-term liquidity gaps.

The Group's financial liabilities consist primarily of bank loans received for the acquisitions of MEDITRADE d.o.o. (drawn in May 2023 in the amount of EUR 7,162,193 for 7 years) and FARMADENT d.o.o. (drawn in October 2025 in the amount of EUR 8,460,000 for 7 years). The loans are repaid in equal quarterly or monthly instalments and are secured by signed blank promissory notes, and (in case of MEDITRADE d.o.o. acquisition) additionally by a pledge over the equity interest in MEDITRADE d.o.o. The loan agreements contain financial covenants, namely compliance with the following ratios:

- net debt / EBITDA < 3.0 or 3.5; and
- net debt / equity < 0.6; and
- equity / assets > 0.3.

The financial covenants are tested annually. For 2025 the Group complied with all covenants, with the following ratios:

- net debt / EBITDA: 0.47
- net debt / equity: 0.14
- equity / assets: 0.36

Financial liabilities from loans by maturity

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
up to 1 month	0	0	166,253	25,927
from 1 to 3 months	291,859	843,175	706,550	872,587
from 3 months to 1 year	914,851	1,986,516	4,075,057	2,118,869
from 1 to 5 years	3,899,720	5,125,064	9,283,537	5,368,582
more than 5 years	0	0	2,384,139	0
Total	**5,106,430**	**7,954,755**	**16,615,536**	**8,385,965**

Financial liabilities from leases by maturity

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
up to 1 month	725	725	233,977	199,210
from 1 to 3 months	1,451	1,451	451,179	394,904
from 3 months to 1 year	6,528	6,528	2,103,229	1,775,898
from 1 to 5 years	0	8,704	7,034,057	6,429,254
more than 5 years	0	0	2,180,958	3,040,080
Total	**8,704**	**17,408**	**12,003,400**	**11,839,346**

Other financial liabilities by maturity

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
up to 1 month	0	0	0	0
from 1 to 3 months	0	0	0	0
from 3 months to 1 year	275,265	280,260	408,265	280,260
from 1 to 5 years	0	280,260	0	280,260
more than 5 years	0	0	0	0
Total	**275,265**	**560,520**	**408,265**	**560,520**

Other financial liabilities comprise obligations for contingent consideration arising from business combinations (Company and Group).

Derivative financial instruments by maturity

	SALUS, Ljubljana, d.d.		SALUS Group	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
up to 1 month	0	0	0	0
from 1 to 3 months	0	0	0	0
from 3 months to 1 year	0	0	0	0
from 1 to 5 years	0	0	747,275	714,253
more than 5 years	0	0	0	0
Total	**0**	**0**	**747,275**	**714,253**

This relates to a liability arising from a put option (Group only).

The tables are prepared on the basis of undiscounted cash flows for financial liabilities and show the earliest possible date on which the liabilities may fall due for payment.

Carrying amounts and fair values of financial instruments at 31 December 2025

		SALUS, Ljubljana, d.d.		SALUS Group	
	Fair value level	**Carrying amount 31 December 2025**	**Fair value 31 December 2025**	**Carrying amount 31 December 2025**	**Fair value 31 December 2025**
Financial assets at amortised cost:		**401,093**	**401,093**	**493,604**	**493,604**
Loans to others (non-current and current portion)	3	401,093	401,093	493,604	493,604
Financial assets at fair value through profit or loss:		**1,098,771**	**1,098,771**	**1,289,499**	**1,289,499**
Financial investments – marketable	1	767,742	767,742	948,065	948,065
Financial investments – non-marketable	3	331,029	331,029	341,434	341,434
Financial liabilities at fair value through profit or loss:		**275,265**	**275,265**	**275,265**	**275,265**
Financial liabilities for contingent considerations	3	275,265	275,265	275,265	275,265
Financial liabilities at amortised cost:		**4,908,581**	**4,908,581**	**27,069,763**	**27,069,763**
Non-current financial liabilities	3	3,581,096	3,581,096	19,747,568	19,747,568
Current financial liabilities	3	1,327,485	1,327,485	7,322,195	7,322,195

Carrying amounts and fair values of financial instruments at 31 December 2024

		SALUS, Ljubljana, d.d.		SALUS Group	
	Fair value level	**Carrying amount 31 December 2024**	**Fair value 31 December 2024**	**Carrying amount 31 December 2024**	**Fair value 31 December 2024**
Financial assets at amortised cost:		**492,333**	**492,333**	**595,180**	**595,180**
Loans to others (non-current and current portion)	3	492,333	492,333	595,180	595,181
Financial assets at fair value through profit or loss:		**857,519**	**857,519**	**992,344**	**992,344**
Financial investments – marketable	1	526,490	526,490	651,259	651,259
Financial investments – non-marketable	3	331,029	331,029	341,085	341,085
Financial liabilities at fair value through profit or loss:		**542,340**	**542,340**	**542,340**	**542,340**
Financial liabilities for contingent considerations	3	542,340	542,340	542,340	542,340
Financial liabilities at amortised cost:		**7,757,659**	**7,757,659**	**19,275,177**	**19,275,177**
Non-current financial liabilities	3	4,879,952	4,879,952	14,141,744	14,141,744
Current financial liabilities	3	2,877,707	2,877,707	5,133,433	5,133,433

The SALUS Group considers that the fair value of loans granted to others does not differ significantly from their carrying amount. The SALUS Group also considers that, given their short maturity and consequent non-discounting, the fair value of current receivables and payables equals their carrying amount.

For equity instruments not listed on a stock exchange, the Group regularly calculates fair values and revalues them accordingly. Fair value is calculated by reference to the type of equity investment and its stage of maturity. For investments in start-up companies, in the early stages of operations the realised market price method or the cost method is applied, with a 25% discount for each period since the date of acquisition in which the company has reported negative cash flows. In later stages, the discounted cash flow method or the venture capital method is applied. For investments in other companies, the discounted cash flow method is applied.

Non-current and current financial liabilities represent bank loans drawn on the market. As the financial position of the SALUS Group has not changed significantly, the Group considers the carrying amount to be the best estimate of fair value at 31 December 2025.

SALUS, Ljubljana, d.d. has, under a signed capital-commitment agreement with the manager of the special investment fund MS PE d.o.o., an obligation to contribute capital up to a total amount of EUR 2.5 million. The commitment is satisfied progressively, on calls from the fund manager, in line with the fund's investment pace. At the balance-sheet date, the remaining undrawn capital commitment amounts to EUR 2.5 million. As no legally enforceable present obligation to contribute the remaining portion of the capital commitment existed at the balance-sheet date (no call had been received), the commitment is not recognised as a liability in the statement of financial position. The capital commitment is, in substance, non-current and has no fixed maturity, as it is satisfied over the term of the fund, which is typically tied to the investment cycle. The Company expects the remaining commitment to be called over 1–3 years, in line with the fund's investment strategy. The Company assesses that the risk associated with fulfilling the capital commitment is consistent with the nature of the investment, where calls are issued in line with the progression of investments. The commitment does not include any additional guarantees or other secondary obligations.

Capital adequacy management

The SALUS Group defines capital as equity capital and debt capital. The Group is not subject to externally imposed capital requirements.

The Group's primary capital management objectives are to ensure capital adequacy, financial stability and long-term solvency to support business development and to maximise shareholder value, which is realised through share price growth and a stable dividend policy. The capital management policy did not change in 2025 compared with the prior year.

26.30 Related-party transactions

The parent company SALUS, Ljubljana, d.d. has an immaterial volume of transactions with Group companies, and the volume of transactions between individual Group companies is also immaterial. Related-party transactions are concluded on comparable arm's-length terms to those agreed with third, unrelated parties.

Transactions with companies in the SALUS Group

	SALUS Group	
	2025	**2024**
Revenue from sales	**23,578,400**	**15,771,710**
Subsidiaries	23,578,400	15,771,710
Associates	0	0
Cost of goods sold	**18,231,016**	**12,535,626**
Subsidiaries	18,231,016	12,535,626
Associates	0	0
Operating expenses	**5,465,527**	**3,307,294**
Subsidiaries	5,347,384	3,192,801
Associates	118,143	114,493
Finance income	**14,875,948**	**13,090,359**
Subsidiaries	14,875,948	13,090,359
Associates	0	0
Finance costs	**45,488**	**24,456**
Subsidiaries	45,488	24,456
Associates	0	0

Turnover of EUR -162,532 relating to pass-through items of third parties and other transactions that are not included in the seller's statement of profit or loss is excluded from the above table.

Receivables and payables with companies in the SALUS Group

	SALUS Group	
	31 December 2025	**31 December 2024**
Trade receivables	**5,393,214**	**3,485,600**
Subsidiaries	5,393,214	3,485,600
Associates	0	0
Trade payables	**5,396,522**	**3,486,954**
Subsidiaries	5,393,214	3,485,600
Associates	3,308	1,354
Loans granted	**860,731**	**842,358**
Subsidiaries	860,731	842,358
Associates	0	0
Loans received	**860,731**	**842,358**
Subsidiaries	860,731	842,358
Associates	0	0
Lease assets	**38,102**	**76,205**
Subsidiaries	38,102	76,205
Associates	0	0
Lease liabilities	**42,346**	**82,932**
Subsidiaries	42,346	82,932
Associates	0	0

Gross remuneration of employee groups

	SALUS Group	
	2025	**2024**
Management Board	1,362,010	700,833
Supervisory Board	93,713	87,676

No loans were granted to, or advances made to, the Management Board or Supervisory Board in 2025, nor were any obligations assumed on their behalf.

The cost relating to the Management Board's activities amounted to EUR 1,660,728 in 2025 (2024: EUR 1,452,072) and relates entirely to short-term employee benefits. The cost of the Supervisory Board in 2025 was EUR 108,829 (2024: EUR 95,267).

C.3.: Composition and amount of remuneration of Management Board members of SALUS, Ljubljana, d.d.

Year 2025

Name and function	Fixed remuneration (gross)	Variable remuneration (gross) – quantitative criteria	Variable remuneration (gross) – qualitative criteria	Variable remuneration (gross) – total	Deferred remuneration	Severance	Benefits in kind	Refund of remuneration paid	Total gross	Total net
Žiga Hieng Chairman of the Management Board / CEO	413,880.84	0.00	359,333.09	359,333.09	0.00	0.00	6,712.17	0.00	779,926.00	436,354.44
Gregor Jenko Management Board member / Director	308,709.68	0.00	269,918.88	269,918.88	0.00	0.00	3,455.53	0.00	582,084.00	334,809.70

Year 2024

Name and function	Fixed remuneration (gross)	Variable remuneration (gross) – quantitative criteria	Variable remuneration (gross) – qualitative criteria	Variable remuneration (gross) – total	Deferred remuneration	Severance	Benefits in kind	Refund of remuneration paid	Total gross	Total net
Žiga Hieng Chairman of the Management Board / CEO	367,180.00	0.00	343,303.39	343,303.39	0.00	0.00	7,024.96	0.00	717,508.35	394,760.30
Gregor Jenko Management Board member / Director	271,912.57	0.00	257,038.16	257,038.16	0.00	0.00	837.46	0.00	529,788.19	306,072.52

C.4.: Composition and amount of remuneration of Supervisory Board and committee members of SALUS, Ljubljana, d.d.

Year 2025

Name and function	Payment for serving in office – gross annual	Attendance fees for Supervisory Board and committees – gross annual	Total gross	Total net	Travel expenses
Boris Šefman Chairman of the Supervisory Board	16,000.00	10,445.08	26,445.00	19,282.36	0.00
Peter Jenčič Deputy Chairman of the Supervisory Board	12,700.00	5,943.80	18,644.00	13,590.18	0.00
Bogomir Kos Supervisory Board member	8,800.00	4,141.40	12,941.00	9,422.38	0.00
Miha Lebinger Supervisory Board member	8,800.00	4,141.40	12,941.00	9,420.36	0.00
Žiga Zore Supervisory Board member	8,800.00	4,141.40	12,941.00	9,420.36	0.00
Martin Železnik Audit Committee member	6,600.00	3,200.00	9,800.00	7,163.50	0.00

Year 2024

Name and function	Payment for serving in office – gross annual	Attendance fees for Supervisory Board and committees – gross annual	Total gross	Total net	Travel expenses
Boris Šefman Chairman of the Supervisory Board	14,500.00	9,859.88	24,359.88	17,631.08	0.00
Peter Jenčič Deputy Chairman of the Supervisory Board	11,500.00	5,590.95	17,090.95	12,309.75	0.00
Bogomir Kos Supervisory Board member	8,000.00	4,258.51	12,258.51	8,772.06	0.00
Miha Lebinger Supervisory Board member	8,000.00	3,982.56	11,982.56	8,772.06	0.00
Žiga Zore Supervisory Board member	8,000.00	3,982.56	11,982.56	8,772.06	0.00
Martin Železnik Audit Committee member	6,000.00	4,000.00	10,000.00	7,320.72	0.00

27 MATERIAL EVENTS AFTER THE END OF THE REPORTING PERIOD

On 30 January 2026, the European Commission decided to issue Slovenia a reasoned opinion concerning the public procurement of medicines by public pharmacy institutions. As noted in the section “Material Business Events in 2025” of this report, Slovenia amended its national legislation so that the provisions of ZLD-1D apply to the procedure for ensuring adequate stocks of medicines that a public pharmacy institution must maintain at the primary level of healthcare. In June 2025 the European Commission issued Slovenia a letter of formal notice citing the incompatibility of the ZLD-1D amendment with certain provisions of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, to which Slovenia responded. In the reasoned opinion, the European Commission considers that the justifications provided by Slovenia in its response to the letter of formal notice do not answer the questions raised by the Commission in its initial assessment. Slovenia has two months to address the concerns set out in the reasoned opinion, failing which the European Commission may decide to refer the matter to the Court of Justice of the European Union.

There were no other material business events after the reporting date.

SALUS