

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended November 30, 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to _____

Commission File Number
001-36759

WALGREENS BOOTS ALLIANCE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

47-1758322

(I.R.S. Employer Identification No.)

108 Wilmot Road, Deerfield, Illinois

(Address of principal executive offices)

60015

(Zip Code)

(847) 315-3700

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	WBA	The NASDAQ Stock Market LLC
3.600% Walgreens Boots Alliance, Inc. notes due 2025	WBA25	The NASDAQ Stock Market LLC
2.125% Walgreens Boots Alliance, Inc. notes due 2026	WBA26	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of shares outstanding of the registrant's Common Stock, \$0.01 par value, as of December 29, 2023 was 862,375,527.

WALGREENS BOOTS ALLIANCE, INC.

FORM 10-Q FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023

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PART I. FINANCIAL INFORMATION
Item 1. Consolidated Condensed Financial Statements (Unaudited)

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED)
(in millions, except shares and per share amounts)

	November 30, 2023	August 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 784	\$ 739
Accounts receivable, net	5,972	5,381
Inventories	9,454	8,257
Other current assets	1,134	1,127
Total current assets	17,345	15,503
Non-current assets:		
Property, plant and equipment, net	11,176	11,587
Operating lease right-of-use assets	21,708	21,667
Goodwill	28,184	28,187
Intangible assets, net	13,278	13,635
Equity method investments (see Note 5)	3,400	3,497
Other non-current assets	2,732	2,550
Total non-current assets	80,478	81,125
Total assets	\$ 97,823	\$ 96,628
Liabilities, redeemable non-controlling interests and equity		
Current liabilities:		
Short-term debt	\$ 1,670	\$ 917
Trade accounts payable (see Note 16)	13,593	12,635
Operating lease obligations	2,350	2,347
Accrued expenses and other liabilities	8,226	8,426
Income taxes	276	209
Total current liabilities	26,116	24,535
Non-current liabilities:		
Long-term debt	7,585	8,145
Operating lease obligations	22,132	22,124
Deferred income taxes	1,279	1,318
Accrued litigation obligations	6,366	6,261
Other non-current liabilities	6,589	5,757
Total non-current liabilities	43,951	43,605
Commitments and contingencies (see Note 10)		
Total liabilities	70,066	68,140
Redeemable non-controlling interests	169	167
Equity:		
Preferred stock \$.01 par value; authorized 32 million shares, none issued	—	—
Common stock \$.01 par value; authorized 3.2 billion shares; issued 1,172,513,618 at November 30, 2023 and August 31, 2023	12	12
Paid-in capital	10,617	10,661
Retained earnings	32,573	33,058
Accumulated other comprehensive loss	(2,995)	(2,993)
Treasury stock, at cost; 310,346,648 shares at November 30, 2023 and 308,839,832 shares at August 31, 2023	(20,725)	(20,717)
Total Walgreens Boots Alliance, Inc. shareholders' equity	19,481	20,020
Non-controlling interests	8,107	8,302
Total equity	27,588	28,322
Total liabilities, redeemable non-controlling interests and equity	\$ 97,823	\$ 96,628

The accompanying notes to Consolidated Condensed Financial Statements are an integral part of these statements.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EQUITY
(UNAUDITED)
(in millions, except shares)

Three months ended November 30, 2023

	Equity attributable to Walgreens Boots Alliance, Inc.							Non-controlling interests	Total equity
	Common stock shares	Common stock amount	Treasury stock amount	Paid-in capital	Accumulated other comprehensive loss	Retained earnings			
August 31, 2023	863,673,786	\$ 12	\$ (20,717)	\$ 10,661	\$ (2,993)	\$ 33,058	\$ 8,302	\$ 28,322	
Net loss	—	—	—	—	—	(67)	(211)	(278)	
Other comprehensive loss, net of tax	—	—	—	—	(2)	—	(3)	(5)	
Dividends declared and distributions	—	—	—	—	—	(418)	—	(418)	
Treasury stock purchases	(3,100,000)	—	(69)	—	—	—	—	(69)	
Employee stock purchase and option plans	1,593,184	—	61	(64)	—	—	—	(2)	
Stock-based compensation	—	—	—	15	—	—	30	44	
Other	—	—	—	5	—	—	(10)	(6)	
November 30, 2023	862,166,970	\$ 12	\$ (20,725)	\$ 10,617	\$ (2,995)	\$ 32,573	\$ 8,107	\$ 27,588	

Three months ended November 30, 2022

	Equity attributable to Walgreens Boots Alliance, Inc.							Non-controlling interests	Total equity
	Common stock shares	Common stock amount	Treasury stock amount	Paid-in capital	Accumulated other comprehensive loss	Retained earnings			
August 31, 2022	864,639,457	\$ 12	\$ (20,683)	\$ 10,950	\$ (2,805)	\$ 37,801	\$ 4,091	\$ 29,366	
Net loss	—	—	—	—	—	(3,721)	(72)	(3,793)	
Other comprehensive loss, net of tax	—	—	—	—	(11)	—	—	(10)	
Dividends declared and distributions	—	—	—	—	—	(415)	(44)	(459)	
Treasury stock purchases	(4,438,228)	—	(150)	—	—	—	—	(150)	
Employee stock purchase and option plans	2,141,006	—	71	(64)	—	—	—	6	
Stock-based compensation	—	—	—	24	—	—	31	55	
Redeemable non-controlling interests redemption price adjustments and other	—	—	—	(433)	—	—	—	(433)	
November 30, 2022	862,342,235	\$ 12	\$ (20,762)	\$ 10,477	\$ (2,815)	\$ 33,664	\$ 4,006	\$ 24,582	

The accompanying notes to Consolidated Condensed Financial Statements are an integral part of these statements.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(UNAUDITED)
(in millions, except per share amounts)

	Three months ended November 30,	
	2023	2022
Sales	\$ 36,707	\$ 33,382
Cost of sales	29,937	26,429
Gross profit	6,771	6,953
Selling, general and administrative expenses	6,851	13,158
Equity earnings in Cencora	42	53
Operating loss	(39)	(6,151)
Other (expense) income, net	(220)	992
Loss before interest and income tax benefit	(259)	(5,159)
Interest expense, net	99	110
Loss before income tax benefit	(358)	(5,270)
Income tax benefit	(74)	(1,447)
Post-tax earnings from other equity method investments	6	7
Net loss	(278)	(3,816)
Net loss attributable to non-controlling interests	(210)	(94)
Net loss attributable to Walgreens Boots Alliance, Inc.	\$ (67)	\$ (3,721)
Net loss per common share:		
Basic	\$ (0.08)	\$ (4.31)
Diluted	\$ (0.08)	\$ (4.31)
Weighted average common shares outstanding:		
Basic	863.0	863.6
Diluted	863.0	863.6

The accompanying notes to Consolidated Condensed Financial Statements are an integral part of these statements.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(in millions)

	Three months ended November 30,	
	2023	2022
Net loss	\$ (278)	\$ (3,816)
Other comprehensive loss, net of tax:		
Pension/post-retirement obligations	56	(5)
Unrealized gain (loss) on cash flow hedges and other	5	(2)
Net investment hedges gain (loss)	3	(29)
Share of other comprehensive (loss) income of equity method investments	(15)	4
Cumulative translation adjustments	(54)	23
Total other comprehensive loss	(5)	(10)
Total comprehensive loss	(283)	(3,826)
Comprehensive loss attributable to non-controlling interests	(214)	(94)
Comprehensive loss attributable to Walgreens Boots Alliance, Inc.	\$ (70)	\$ (3,732)

The accompanying notes to Consolidated Condensed Financial Statements are an integral part of these statements.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in millions)

	Three months ended November 30,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (278)	\$ (3,816)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:		
Depreciation and amortization	616	495
Deferred income taxes	(196)	(1,602)
Stock compensation expense	51	222
Earnings from equity method investments	(48)	(61)
Impairment of intangibles and long-lived assets	165	94
Gain on sale of equity method investments	(139)	(969)
Gain on sale-leaseback transactions	(160)	(189)
Loss on variable prepaid forward contracts	366	—
Other	35	(34)
Changes in certain assets and liabilities:		
Accounts receivable, net	(618)	151
Inventories	(1,180)	(918)
Other current assets	(42)	(68)
Trade accounts payable	966	867
Accrued expenses and other liabilities	205	(269)
Income taxes	96	153
Accrued litigation obligations	(54)	6,494
Other non-current assets and liabilities	(67)	(58)
Net cash (used for) provided by operating activities	(281)	493
Cash flows from investing activities:		
Additions to property, plant and equipment	(506)	(610)
Proceeds from sale-leaseback transactions	427	409
Proceeds from sale of other assets	304	2,068
Business, investment and asset acquisitions, net of cash acquired	(109)	(80)
Other	(31)	70
Net cash provided by investing activities	85	1,858
Cash flows from financing activities:		
Net change in short-term debt with maturities of 3 months or less	155	22
Proceeds from debt	3,826	17
Payments of debt	(3,776)	(11)
Proceeds from variable prepaid forward contracts	424	—
Treasury stock purchases	(69)	(150)
Cash dividends paid	(415)	(415)
Other	41	(63)
Net cash provided by (used for) financing activities	186	(599)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	4
Changes in cash, cash equivalents and restricted cash:		
Net (decrease) increase in cash, cash equivalents and restricted cash	(10)	1,756
Cash, cash equivalents and restricted cash at beginning of period	856	2,558
Cash, cash equivalents and restricted cash at end of period	\$ 846	\$ 4,314

The accompanying notes to Consolidated Condensed Financial Statements are an integral part of these statements.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. Accounting policies

Basis of presentation

The Consolidated Condensed Financial Statements of Walgreens Boots Alliance, Inc. and its subsidiaries (“Walgreens Boots Alliance” or the “Company”) included herein have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) regarding interim financial reporting. The Consolidated Condensed Financial Statements include all subsidiaries in which the Company holds a controlling interest and certain variable interest entities (“VIEs”) for which the Company is the primary beneficiary. The Company uses the equity method of accounting for equity investments in less than majority-owned companies if the investment provides the ability to exercise significant influence. All intercompany transactions have been eliminated.

The Consolidated Condensed Financial Statements included herein are unaudited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These unaudited Consolidated Condensed Financial Statements should be read in conjunction with the audited financial statements and the notes thereto included in the Walgreens Boots Alliance Annual Report on Form 10-K for the fiscal year ended August 31, 2023, as amended by Form 10-K/A for the fiscal year ended August 31, 2023 filed on November 22, 2023.

The preparation of financial statements in accordance with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. The Company bases its estimates on the information available at the time, its experiences and various other assumptions believed to be reasonable under the circumstances. Adjustments may be made in subsequent periods to reflect more current estimates and assumptions about matters that are inherently uncertain. Actual results may differ.

In the opinion of management, the unaudited Consolidated Condensed Financial Statements for the interim periods presented include all adjustments necessary to present a fair statement of the results for such interim periods. Adverse global macroeconomic conditions, the impact of opioid-related claims and litigation settlements, the influence of certain holidays, seasonality, foreign currency rates, changes in vendor, payor and customer relationships and terms, strategic transactions including acquisitions and dispositions, asset impairments, changes in laws and regulations in the markets in which the Company operates and other factors on the Company’s operations and net earnings for any period may not be comparable to the same period in previous years.

Certain amounts in the Consolidated Condensed Financial Statements and accompanying notes may not add due to rounding. Percentages have been calculated using unrounded amounts for all periods presented. Certain prior period data, has been reclassified in the Consolidated Condensed Financial Statements and accompanying notes to conform to the current period presentation.

Note 2. Acquisitions and other investments

Summit acquisition

On January 3, 2023, Village Practice Management Company, LLC (“VillageMD”), through its parent company, following an internal reorganization, completed the acquisition of WP CityMD TopCo (“Summit”), a provider of primary, specialty and urgent care in exchange, for \$7.0 billion aggregate consideration, consisting of \$4.85 billion of cash consideration paid, \$2.05 billion in preferred units of VillageMD issued to Summit equity holders and \$100 million of cash to be paid one year following closing. The cash consideration includes \$87 million of cash paid to fund acquisition-related bonuses to Summit employees which was recognized as a compensation expense of the Company. In addition, VillageMD paid off approximately \$1.9 billion in net debt of Summit. In connection with the amended Agreement and Plan of Merger, and in order to finance the acquisition, the Company and Cigna Health & Life Insurance Company acquired preferred units of VillageMD in exchange for \$1.75 billion and \$2.5 billion in aggregate consideration, respectively. Following the Summit acquisition, the Company remains the largest and consolidating equity holder of VillageMD with ownership of approximately 53% of the outstanding equity interests on a fully diluted basis.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Further, the Company entered into a credit agreement with VillageMD pursuant to which the Company provided VillageMD senior secured credit facilities in the aggregate amount of \$2.25 billion, consisting of (i) a senior secured term loan facility in an aggregate original principal amount of \$1.75 billion to support the acquisition of Summit; and (ii) a senior secured revolving credit facility in an aggregate original committed amount of \$500 million available for general corporate purposes. In connection with the issuance of the senior secured credit facilities, the Company received a \$220 million credit for certain fees payable by VillageMD in the form of preferred units of VillageMD. The intercompany facilities eliminate in consolidation.

The Company accounted for this acquisition as a business combination resulting in consolidation of Summit within the U.S. Healthcare segment in its financial statements. As of November 30, 2023, the Company had not completed the analysis to assign fair values to all tangible and intangible assets acquired and liabilities assumed. As such, the preliminary purchase price allocation will be subject to further refinement and may change. These changes may relate to the allocation of purchase consideration to all tangible and intangible assets acquired and identified and liabilities assumed. In the three months ended November 30, 2023, the Company recorded certain measurement period adjustments, resulting in an increase to goodwill of \$24 million.

The following table summarizes the consideration for the acquisition and the amounts of identified assets acquired and liabilities assumed at the date of the transaction (in millions):

Purchase price allocation

Cash consideration ¹	\$	4,778
Deferred consideration		100
Summit debt paid at closing		1,963
Fair value of equity consideration ²		1,971
Fair value of non-controlling interests		13
Total	\$	8,825

Identifiable assets acquired and liabilities assumed:

Cash and cash equivalents	\$	69
Accounts receivable, net		382
Property, plant and equipment		607
Intangible assets ³		3,359
Operating lease right-of-use assets		756
Other assets		173
Operating lease obligations		(773)
Deferred tax liability		(737)
Other liabilities		(470)
Total identifiable net assets	\$	3,366
Goodwill	\$	5,460

¹ Cash consideration excludes \$87 million of cash paid to fund acquisition-related bonuses to Summit employees which was recognized as compensation expense of the Company.

² The fair value of the non-controlling interests was calculated based on the implied equity value of VillageMD, allocated to all units on an as-converted basis.

³ Intangibles acquired include provider networks and trade names with fair values of \$1.9 billion and \$1.5 billion, respectively. Estimated useful lives are 15 years and 11 to 15 years, respectively.

The goodwill represents anticipated future growth and expansion opportunities into new healthcare offerings and new markets. \$433 million of the goodwill is expected to be tax deductible.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Supplemental pro forma information - Summit

The following table represents unaudited supplemental pro forma consolidated sales for the three months ended November 30, 2022, as if the acquisition of Summit had occurred at the beginning of fiscal 2022. The unaudited pro forma information has been prepared for comparative purposes only and is not intended to be indicative of what the Company's results would have been had the acquisition occurred at the beginning of fiscal 2022 or results which may occur in the future.

(Unaudited, in millions)	Three months ended November 30,	
	2022	
Sales	\$	34,099

No Summit sales were included in the Consolidated Condensed Statements of Earnings for the three months ended November 30, 2022.

Pro forma net earnings of the Company, assuming the Summit acquisition had occurred at the beginning of fiscal 2022, would not be materially different from the results reported.

Other acquisitions

On March 3, 2023, the Company completed the acquisition of Starling MSO Holdings, LLC (“Starling”), a primary care and multi-specialty group, for total consideration of \$284 million. Total consideration includes \$222 million of cash consideration and \$62 million of VillageMD equity issued to Starling equity holders, including employees. VillageMD equity issued to employees will be recognized as compensation expense in the future. As a result of the acquisition, the Company recognized goodwill and intangible assets of \$100 million and \$128 million, respectively. As of November 30, 2023, the Company had not completed the analysis to assign fair values to all tangible and intangible assets acquired and liabilities assumed. As such, the preliminary purchase price allocation will be subject to further refinement and may change.

The Company acquired certain prescription files and related pharmacy inventory primarily in the United States (“U.S.”) for the aggregate purchase price of \$103 million and \$55 million during the three months ended November 30, 2023 and 2022, respectively.

Note 3. Exit and disposal activities

Transformational Cost Management Program

On December 20, 2018, the Company announced a transformational cost management program that was expected to deliver in excess of \$2.0 billion of annual cost savings by fiscal 2022 (the “Transformational Cost Management Program”). The Company achieved this goal at the end of fiscal 2021.

On October 12, 2021, the Company expanded and extended the Transformational Cost Management Program through the end of fiscal 2024 and increased its annual cost savings target to \$3.3 billion by the end of fiscal 2024. In fiscal 2022, the Company increased its annual cost savings target from \$3.3 billion to \$3.5 billion, by the end of fiscal 2024. In fiscal 2023, the Company increased its annual cost savings target from \$3.5 billion to \$4.5 billion, by the end of fiscal 2024. The Company is currently on track to achieve the savings target.

The Transformational Cost Management Program, which is multi-faceted and includes divisional optimization initiatives, global smart spending, global smart organization and the transformation of the Company’s information technology (“IT”) capabilities, is designed to help the Company achieve increased cost efficiencies. To date, the Company has taken actions across all aspects of the Transformational Cost Management Program which focus primarily on the U.S. Retail Pharmacy and International reportable segments along with the Company's global functions. Divisional optimization within the Company’s segments includes activities such as optimization of stores. Through the Transformational Cost Management Program the Company plans to reduce its presence by up to 650 Boots stores in the UK and approximately 650 to 700 stores in the U.S. As of November 30, 2023, the Company has closed 364 and 563 stores in the UK and U.S., respectively.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

The Company estimates cumulative pre-tax charges to its GAAP financial results for the Transformational Cost Management Program to be \$4.1 billion to \$4.4 billion, of which pre-tax charges for exit and disposal activities are estimated to be \$3.8 billion to \$4.1 billion. In addition to the impacts discussed above, as a result of the actions related to store closures taken under the Transformational Cost Management Program, the Company recorded \$508 million of transition adjustments to decrease retained earnings due to the adoption of the new lease accounting standard (Topic 842) that became effective on September 1, 2019.

From the inception of the Transformational Cost Management Program to November 30, 2023, the Company has recognized cumulative pre-tax charges to its financial results in accordance with GAAP of \$3.2 billion, which were primarily recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These charges included \$1.2 billion related to lease obligations and other real estate costs, \$894 million in asset impairments, \$900 million in employee severance and business transition costs and \$257 million of IT transformation and other exit costs.

Costs related to exit and disposal activities under the Transformational Cost Management Program for the three months ended November 30, 2023 and 2022, respectively, were as follows (in millions):

Three months ended November 30, 2023	U.S. Retail Pharmacy	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Lease obligations and other real estate costs	\$ 36	\$ —	\$ —	\$ —	\$ 36
Asset impairments	3	7	—	—	10
Employee severance and business transition costs	22	(1)	2	4	27
Information technology transformation and other exit costs	3	—	—	—	4
Total pre-tax exit and disposal charges	\$ 64	\$ 6	\$ 2	\$ 4	\$ 77

Three months ended November 30, 2022	U.S. Retail Pharmacy	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Lease obligations and other real estate costs	\$ 79	\$ —	\$ —	\$ —	\$ 79
Asset impairments	18	—	—	—	18
Employee severance and business transition costs	11	1	—	4	16
Information technology transformation and other exit costs	11	5	—	—	17
Total pre-tax exit and disposal charges	\$ 119	\$ 6	\$ —	\$ 4	\$ 130

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

The changes in liabilities and assets related to the exit and disposal activities under Transformational Cost Management Program include the following (in millions):

	Lease obligations and other real estate costs	Asset impairments	Employee severance and business transition costs	Information technology transformation and other exit costs	Total
Balance at August 31, 2023	\$ 10	\$ —	\$ 70	\$ 22	\$ 102
Costs	36	10	27	4	77
Payments	(21)	—	(35)	(14)	(70)
Other	(10)	(10)	—	—	(21)
Balance at November 30, 2023	\$ 15	\$ —	\$ 62	\$ 11	\$ 88

Other exit and disposal activities

During the three months ended November 30, 2023, VillageMD approved the full or partial exit from 6 markets, including the closure of approximately 70 clinics in fiscal 2024. As a result, long-lived and intangible assets of \$124 million were impaired. The impairment charge was recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings.

Note 4. Leases

The Company leases certain retail stores, clinics, warehouses, distribution centers, office space, land, and equipment. Initial terms for leased premises in the U.S. are typically 10 to 25 years, followed by additional terms containing renewal options at five-year intervals, and may include rent escalation clauses. Non-U.S. leases are typically for shorter terms and may include cancellation clauses or renewal options. Lease commencement is the date the Company has the right to control the property. The Company recognizes operating lease rent expense on a straight line basis over the lease term. In addition to minimum fixed rentals, some leases provide for contingent rentals based on sales volume.

Supplemental balance sheet information related to leases was as follows (in millions):

Balance sheet supplemental information:	November 30, 2023	August 31, 2023
Operating leases:		
Operating lease right-of-use assets	\$ 21,708	\$ 21,667
Operating lease obligations - current	\$ 2,350	\$ 2,347
Operating lease obligations - non-current	22,132	22,124
Total operating lease obligations	<u>\$ 24,482</u>	<u>\$ 24,472</u>
Finance leases:		
Right-of-use assets included in:		
Property, plant and equipment, net	\$ 663	\$ 678
Lease obligations included in:		
Accrued expenses and other liabilities	\$ 58	\$ 57
Other non-current liabilities	908	919
Total finance lease obligations	<u>\$ 966</u>	<u>\$ 976</u>

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Supplemental income statement information related to leases was as follows (in millions):

Statement of earnings supplemental information:	Three months ended November 30,	
	2023	2022
Operating lease cost		
Fixed	\$ 868	\$ 813
Variable ¹	214	192
Finance lease cost		
Amortization	\$ 19	\$ 11
Interest	13	12
Sublease income ²	\$ 28	\$ 29
Impairment of right-of-use assets	49	67
Gain on sale-leaseback transactions ²		
U.S. Retail Pharmacy	\$ 160	\$ 172
International ³	—	17
Total gain on sale-leaseback ²	<u>\$ 160</u>	<u>\$ 189</u>

¹ Includes real estate property taxes, common area maintenance, insurance and rental payments based on sales volume.

² Recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings.

³ Includes gain on sale-leaseback of \$17 million related to the optimization of the Germany wholesale business warehouse locations as part of acquisition integration activities in the three months ended November 30, 2022.

Other supplemental information was as follows (in millions):

Other supplemental information:	Three months ended November 30,	
	2023	2022
Cash paid for amounts included in the measurement of lease obligations		
Operating cash flows from operating leases	\$ 924	\$ 828
Operating cash flows from finance leases	13	11
Financing cash flows from finance leases	14	10
Total	<u>\$ 951</u>	<u>\$ 849</u>
Right-of-use assets obtained in exchange for new lease obligations		
Operating leases	\$ 679	\$ 602
Finance leases	5	1
Total	<u>\$ 685</u>	<u>\$ 603</u>

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Weighted average lease term and discount rate for real estate leases were as follows:

Weighted average lease terms and discount rates:	November 30, 2023	August 31, 2023
Weighted average remaining lease term in years		
Operating leases	9.6	9.6
Finance leases	17.1	17.4
Weighted average discount rate		
Operating leases	5.43 %	5.35 %
Finance leases	5.26 %	5.25 %

The aggregate future lease payments for operating and finance leases as of November 30, 2023 were as follows (in millions):

Future lease payments (fiscal years):	Finance lease	Operating lease ^{1,2}
2024 (Remaining period)	\$ 84	\$ 2,763
2025	106	3,629
2026	102	3,552
2027	100	3,466
2028	91	3,311
2029	85	3,063
Later	880	12,004
Total undiscounted minimum lease payments	\$ 1,447	\$ 31,787
Less: Present value discount	480	7,305
Lease liability	\$ 966	\$ 24,482

- Total undiscounted minimum lease payments include approximately \$3.8 billion of payments related to optional renewal periods that have not been contractually exercised, but are reasonably certain of being exercised.
- Total undiscounted minimum lease payments exclude sublease rental income of approximately \$614 million due to the Company under non-cancelable sublease terms.

Note 5. Equity method investments

Equity method investments were as follows (in millions, except percentages):

	November 30, 2023		August 31, 2023	
	Carrying value	Ownership percentage	Carrying value	Ownership percentage
Cencora	\$ 2,430	15%	\$ 2,534	16%
Others	970	8% - 50%	963	8% - 50%
Total	\$ 3,400		\$ 3,497	

Cencora investment

As of November 30, 2023 and August 31, 2023, the Company owned 30.5 million and 31.8 million shares of Cencora, Inc. ("Cencora") common stock, respectively, representing approximately 15.3% and 15.9% of its outstanding common stock based on the share count publicly reported by Cencora in its most recent filings with the SEC.

During the three months ended November 30, 2023 and 2022, the Company sold shares of Cencora common stock for total consideration of approximately \$250 million and \$2.0 billion, respectively. These transactions resulted in the Company recording pre-tax gains of \$139 million and \$969 million, respectively, in Other (expense) income, net within the Consolidated Condensed Statements of Earnings, including \$8 million and \$110 million of losses, respectively, reclassified from within Accumulated other comprehensive loss in the Consolidated Condensed Balance Sheets.

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As of November 30, 2023 and August 31, 2023 the Company has pledged 20.0 million and 17.3 million shares of Cencora common stock, respectively, as collateral upon entering into variable prepaid forward (“VPF”) transactions. See Note 8. Financial instruments for further information.

The Company accounts for its equity investment in Cencora using the equity method of accounting, with the net earnings attributable to the Company’s investment being classified within the operating income of its U.S. Retail Pharmacy segment. Due to the timing and availability of financial information of Cencora, the Company accounts for this equity method investment on a financial reporting lag of two months. Equity earnings from Cencora are reported as a separate line item in the Consolidated Condensed Statements of Earnings.

The Level 1 fair market value of the Company’s equity investment in Cencora common stock at November 30, 2023 and August 31, 2023 was \$6.2 billion and \$5.6 billion, respectively. As of November 30, 2023 the carrying value of the Company’s investment in Cencora exceeded its proportionate share of the net assets of Cencora by \$2.4 billion. This premium of \$2.4 billion was recognized as part of the carrying value in the Company’s equity investment in Cencora. The difference is primarily related to goodwill and the fair value of Cencora intangible assets.

Summarized financial information

Summarized financial information for the Company’s equity method investment in Cencora is as follows (in millions):

Statements of earnings	Three months ended November 30,	
	2023	2022
Sales	\$ 68,922	\$ 61,174
Gross profit	2,211	1,998
Net earnings	351	295
Share of earnings from equity method investments	42	53

Other investments

At November 30, 2023, the Company’s other equity method investments primarily include its U.S. investment in BrightSpring Health Services, and the Company’s investments in China in Sinopharm Medicine Holding Guoda Drugstores Co., Ltd and Nanjing Pharmaceutical Company Limited. On June 8, 2023 and December 15, 2022, the Company sold its remaining investments in Option Care Health and Guangzhou Pharmaceuticals Corporation, respectively.

Note 6. Goodwill and other intangible assets

The changes in the carrying amount of goodwill by reportable segment are as follows (in millions):

Goodwill roll forward:	U.S. Retail Pharmacy	International	U.S. Healthcare	Walgreens Boots Alliance, Inc.
August 31, 2023	\$ 10,947	\$ 1,378	\$ 15,863	\$ 28,187
Adjustments ¹	—	—	21	21
Cumulative translation adjustments and other	—	(17)	(8)	(25)
November 30, 2023	\$ 10,947	\$ 1,361	\$ 15,876	\$ 28,184

¹ Includes measurement period adjustments related to VillageMD's fiscal 2023 acquisitions. See Note 2. Acquisitions and other investments for further information.

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The carrying amount and accumulated amortization of intangible assets consist of the following (in millions):

Intangible assets:	November 30, 2023		August 31, 2023	
Gross amortizable intangible assets				
Customer relationships and loyalty card holders ¹	\$	4,630	\$	4,658
Provider networks		3,148		3,202
Trade names and trademarks		2,296		2,300
Developed technology		469		469
Others		113		137
Total gross amortizable intangible assets	\$	10,656	\$	10,767
Accumulated amortization				
Customer relationships and loyalty card holders ¹	\$	1,825	\$	1,784
Provider networks		281		233
Trade names and trademarks		439		401
Developed technology		162		143
Others		52		48
Total accumulated amortization		2,759		2,609
Total amortizable intangible assets, net	\$	7,898	\$	8,158
Indefinite-lived intangible assets				
Trade names and trademarks	\$	4,566	\$	4,650
Pharmacy licenses		813		828
Total indefinite-lived intangible assets	\$	5,380	\$	5,477
Total intangible assets, net	\$	13,278	\$	13,635

¹ Includes purchased prescription files.

Amortization expense for intangible assets was \$240 million and \$159 million for the three months ended November 30, 2023 and 2022, respectively. Estimated future annual amortization expense for the next five fiscal years for intangible assets recorded at November 30, 2023 is as follows (in millions):

	2024	2025	2026	2027	2028	2029
	(Remaining period)					
Estimated annual amortization expense	\$ 702	\$ 901	\$ 865	\$ 783	\$ 706	\$ 662

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Note 7. Debt

Debt carrying values are presented net of unamortized discount and debt issuance costs, where applicable, and foreign currency denominated debt is translated to the U.S. dollar using the spot rates as of the balance sheet date. Debt consists of the following (all amounts are presented in millions of U.S. dollars and debt issuances are denominated in U.S. dollars, unless otherwise noted):

	November 30, 2023	August 31, 2023
Short-term debt		
<i>Commercial paper</i> ¹	\$ 128	\$ —
<i>Credit facilities</i> ¹		
November 2021 DDTL due November 2024	290	—
<i>\$850 million note issuance</i> ¹		
0.9500% unsecured notes due 2023	—	850
<i>\$8 billion note issuance</i> ¹		
3.800% unsecured notes due 2024	1,156	—
<i>Other</i> ²	96	68
Total short-term debt	\$ 1,670	\$ 917
Long-term debt		
<i>Credit facilities</i> ¹		
November 2021 DDTL due November 2024	\$ —	\$ 289
December 2022 DDTL due January 2026	999	999
August 2023 DDTL due November 2026	999	—
<i>\$1.5 billion note issuance</i> ¹		
3.200% unsecured notes due 2030	498	498
4.100% unsecured notes due 2050	762	793
<i>\$6 billion note issuance</i> ¹		
3.450% unsecured notes due 2026	1,444	1,444
4.650% unsecured notes due 2046	313	318
<i>\$8 billion note issuance</i> ¹		
3.800% unsecured notes due 2024	—	1,156
4.500% unsecured notes due 2034	301	301
4.800% unsecured notes due 2044	805	869
<i>£700 million note issuance</i> ¹		
3.600% unsecured Pound Sterling notes due 2025	375	381
<i>€750 million note issuance</i> ¹		
2.125% unsecured Euro notes due 2026	819	814
<i>\$4 billion note issuance</i> ³		
4.400% unsecured notes due 2042	255	263
<i>Other</i> ²	15	20
Total long-term debt, less current portion	\$ 7,585	\$ 8,145

¹ Notes, borrowings under credit facilities and commercial paper are unsecured and unsubordinated debt obligations of the Company and rank equally in right of payment with all other unsecured and unsubordinated indebtedness of the Company from time to time outstanding.

² Other debt represents a mix of fixed and variable rate debt with various maturities and working capital facilities denominated in various currencies.

³ Notes are senior debt obligations of Walgreen Co.

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\$850 million Note Issuance

On November 17, 2021, the Company issued, in an underwritten public offering, \$850 million of 0.95% notes due 2023. The notes contain a call option which allows for the notes to be repaid, in full or in part, at 100% of the principal amount of the notes to be redeemed, in each case plus accrued and unpaid interest. On November 17, 2023, the Company repaid the note in full.

Credit facilities**August 2023 Revolving Credit Agreement**

On August 9, 2023, the Company entered into a \$2.25 billion unsecured three-year revolving credit facility (the "August 2023 Revolving Credit Agreement"). Interest on borrowings under the revolving credit facility accrues at applicable margins based on the Company's Index Debt Rating by Moody's or S&P and ranges from 75 basis points to 150 basis points over specified benchmark rates for Secured Overnight Financing Rate ("SOFR") loans, as applicable. Additionally, the Company pays commitment fees to maintain the availability under the August 2023 Revolving Credit Agreement at applicable fee rates based upon certain criteria at an annual rate on the unutilized portion of the total credit commitment. The August 2023 Revolving Credit Agreement's termination date is August 9, 2026, or earlier, subject to the Company's discretion to terminate the agreement. As of November 30, 2023, there were no borrowings outstanding under the August 2023 Revolving Credit Agreement.

August 2023 Delayed Draw Term Loan

On August 9, 2023, the Company entered into a \$1 billion senior unsecured delayed draw term loan credit agreement (the "August 2023 DDTL"). Interest on borrowings under the August 2023 DDTL accrues at applicable margins based on the Company's Index Debt Rating by Moody's or S&P and ranges from 75 basis points to 150 basis points over specified benchmark rates for SOFR loans, as applicable. The August 2023 DDTL was drawn for general corporate purposes. The August 2023 DDTL matures on November 17, 2026. As of November 30, 2023, there was \$1 billion in borrowing outstanding under the August 2023 DDTL. Amounts borrowed under the August 2023 DDTL that are repaid or prepaid may not be reborrowed.

December 2022 Delayed Draw Term Loan

On December 19, 2022, the Company entered into a \$1.0 billion senior unsecured delayed draw term loan credit agreement (the "December 2022 DDTL"). Interest on borrowings under the December 2022 DDTL accrues at applicable margins based on the Company's Index Debt Rating by Moody's or S&P and ranges from 87.5 basis points to 150 basis points over specified benchmark rates for SOFR loans, as applicable. The December 2022 DDTL was drawn for the purpose of funding the consideration due for the purchase of Summit and paying fees and expenses related to it. The December 2022 DDTL matures on January 3, 2026. As of November 30, 2023, there was \$1 billion in borrowing outstanding under the December 2022 DDTL. Amounts borrowed under the December 2022 DDTL that are repaid or prepaid may not be reborrowed.

June 2022 Revolving Credit Agreements

On June 17, 2022, the Company entered into a \$3.5 billion unsecured five-year revolving credit facility and a \$1.5 billion unsecured 18-month revolving credit facility, with designated borrowers from time to time party thereto and lenders from time to time party thereto (the "2022 Revolving Credit Agreements"). Interest on borrowings under the revolving credit facilities accrues at applicable margins based on the Company's Index Debt Rating by S&P or Moody's and ranges from 80 basis points to 150 basis points over specified benchmark rates for SOFR loans, as applicable. Additionally, the Company pays commitment fees to maintain the availability under the revolving credit facility at applicable fee rates based upon certain criteria at an annual rate on the unutilized portion of the total credit commitment. The five-year facility's termination date is June 17, 2027, or earlier, subject to the Company's discretion to terminate the agreement. The 18-month facility's termination date was December 15, 2023, or earlier, subject to the Company's discretion to terminate the agreement. On August 9, 2023 the Company terminated the 18-month facility under the 2022 Revolving Credit Agreements. All outstanding obligations under the 18-month revolving credit facility have been paid and satisfied in full. As of November 30, 2023, there were no borrowings outstanding under the five-year revolving credit facility.

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November 2021, Delayed Draw Term Loan

On November 15, 2021, the Company entered into a \$5.0 billion senior unsecured multi-tranche delayed draw term loan credit facility, (the “November 2021 DDTL”) consisting of (i) a 364-day senior unsecured delayed draw term loan facility in an aggregate principal amount of \$2.0 billion (the “364-day loan”), (ii) a two-year senior unsecured delayed draw term loan facility in an aggregate principal amount of \$2.0 billion (the “two-year loan”) and (iii) a three-year senior unsecured delayed draw term loan facility in an aggregate principal amount of \$1.0 billion (the “three-year loan”). Borrowings under the November 2021 DDTL bear interest at a fluctuating rate per annum equal to SOFR, plus an applicable margin. The applicable margins for the 364-day and two-year loans were 0.75% and 0.88%, respectively. The applicable margin for the three-year loan is 1.05%. An aggregate amount of \$3.0 billion or more of the November 2021 DDTL was drawn for the purpose of funding the purchase of the increased equity interest in VillageMD, and paying fees and expenses related to the foregoing, with the remainder used for general corporate purposes. In fiscal 2023, the Company repaid the 364-day and two-year loans in full. The maturity date on the three-year loan is November 24, 2024. As of November 30, 2023, there were \$290 million in borrowings outstanding under the November 2021 DDTL. Amounts borrowed under the November 2021 DDTL and repaid or prepaid may not be reborrowed.

Debt covenants

Each of the Company’s credit facilities described above contain a covenant to maintain, as of the last day of each fiscal quarter, a ratio of consolidated debt to total capitalization not to exceed 0.60:1.00, subject to increase in certain circumstances set forth in the applicable credit agreement. The credit facilities contain various other customary financial covenants. As of November 30, 2023, the Company was in compliance with all such applicable financial covenants.

Commercial paper

The Company periodically borrows under its commercial paper program and may borrow under it in future periods. As of November 30, 2023, the Company's outstanding commercial paper is \$128 million and had a weighted average interest rate of 6.22%. As of August 31, 2023 the Company had no borrowings outstanding under the commercial paper program.

Interest

Interest paid by the Company was approximately \$177 million and \$160 million for the three months ended November 30, 2023 and 2022, respectively.

Credit ratings

The Company’s senior unsecured debt ratings were lowered to BBB- with a negative outlook by Standard and Poor’s in October 2023 and Ba2 (below investment grade) with a stable outlook by Moody’s in December 2023. The reduction in the Company's credit ratings has limited impact to the cost of interest on existing debt, but has minimally increased borrowing margins under certain credit facilities that are tied to ratings grids or similar terms. The Company's current credit ratings significantly reduce the Company's ability to issue commercial paper, may increase the cost of new financing for the Company, and may decrease access to credit and debt capital markets. As of November 30, 2023, the Company had an aggregate borrowing capacity under committed revolving credit facilities of \$5.8 billion, with no funds drawn under these facilities.

Note 8. Financial instruments

The Company uses derivative instruments to hedge its exposure to market risks, including interest rate and currency risks, arising from operating and financing risks. The Company has non-U.S. dollar denominated net investments and uses foreign currency denominated financial instruments, specifically foreign currency derivatives and foreign currency denominated debt, to hedge its foreign currency risk.

The Company economically hedges a portion of its exposure to equity price risk related to its investment in Cencora through VPF derivative contracts.

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The notional amounts and fair value of derivative instruments outstanding were as follows (in millions):

November 30, 2023	Notional	Fair Value	Location in Consolidated Condensed Balance Sheets
Derivatives designated as hedges:			
Foreign currency forwards	\$ 1	\$ —	Other current assets
Cross currency interest rate swaps	350	12	Other current assets
Cross currency interest rate swaps	300	18	Other non-current assets
Foreign currency forwards	778	6	Other current liabilities
Cross currency interest rate swaps	101	1	Other current liabilities
Foreign currency forwards	1	—	Other non-current liabilities
Derivatives not designated as hedges:			
Foreign currency forwards	\$ 352	\$ 1	Other current assets
Total return swaps	186	8	Other current assets
Foreign currency forwards	3,454	19	Other current liabilities
Variable prepaid forward contracts	3,726	3,338	Other non-current liabilities

August 31, 2023	Notional	Fair Value	Location in Consolidated Condensed Balance Sheets
Derivatives designated as hedges:			
Foreign currency forwards	\$ 31	\$ 1	Other current assets
Cross currency interest rate swaps	650	28	Other non-current assets
Foreign currency forwards	805	2	Other current liabilities
Cross currency interest rate swaps	102	2	Other current liabilities
Foreign currency forwards	4	—	Other non-current liabilities
Derivatives not designated as hedges:			
Foreign currency forwards	\$ 3,139	\$ 6	Other current assets
Total return swaps	168	1	Other current assets
Foreign currency forwards	817	2	Other current liabilities
Total return swaps	26	1	Other current liabilities
Variable prepaid forward contracts	3,195	2,548	Other non-current liabilities

Net investment hedges

The Company uses cross currency interest rate swaps and foreign currency forward contracts to hedge net investments in subsidiaries with non-U.S. dollar functional currencies. For qualifying net investment hedges, changes in the fair value of the derivatives are recorded in Cumulative translation adjustments within Accumulated other comprehensive loss in the Consolidated Condensed Balance Sheets.

Cash flow hedges

The Company may use foreign currency forwards and interest rate swaps to hedge the variability in forecasted transactions and cash flows of certain floating-rate debt. For qualifying cash flow hedges, changes in the fair value of the derivatives are recorded in Unrealized gain (loss) on cash flow hedges in Accumulated other comprehensive loss within the Consolidated Condensed Balance Sheets, and released to the Consolidated Condensed Statements of Earnings when the hedged cash flows affect earnings.

Derivatives not designated as hedges

The Company enters into derivative transactions that are not designated as accounting hedges. These derivative instruments are economic hedges of foreign currency risks and equity price risk. The Company also utilizes total return swaps to economically hedge variability in compensation charges related to certain deferred compensation obligations.

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The Company entered into VPF transactions with third-party financial institutions and received upfront prepayments related to the forward sale of shares of Cencora common stock. The upfront prepayments are recorded within Other non-current liabilities in the Consolidated Condensed Balance Sheets as derivatives. The Company has pledged shares of Cencora common stock as collateral upon entering into the VPF transactions. The VPF transactions provide the Company with current liquidity while allowing it to maintain voting and dividend rights in the Cencora common stock, as well as the ability to participate in future stock price appreciation during the term of the contracts up to a cap price specified in the contracts. The VPF transactions are expected to settle per their respective forward settlement dates, at which time the Company will be obligated, unless it elects to settle otherwise as described below, to deliver the full number of shares of Cencora common stock specified in the contracts to settle the agreements. The Company may receive additional cash payments to be determined based on the price of the Cencora common stock at the forward settlement dates relative to the forward floor and cap price specified in the contracts. Subject to certain conditions, the Company may elect to net settle the contract by delivery of shares (or payment of the cash value thereof) in lieu of receiving any additional cash. The aggregate number of Cencora shares to be delivered in connection with the VPF transactions will not exceed the shares subject to forward sale.

The terms of the VPF transactions were as follows (in millions):

Transaction date	Shares pledged and maximum shares subject to forward sale	Prepayment amount	Forward settlement date
May 11, 2023	4.6	\$ 644	Fourth quarter, fiscal 2025
June 15, 2023	2.2	325	Third quarter, fiscal 2025
August 3, 2023	5.3	801	First quarter, fiscal 2026
August 4, 2023	5.3	797	Third quarter, fiscal 2026
November 9, 2023	2.7	424	Fourth quarter, fiscal 2026
	20.0	\$ 2,991	

The income (expenses) due to changes in fair value of derivative instruments were recognized in the Consolidated Condensed Statements of Earnings as follows (in millions):

	Location in Consolidated Condensed Statements of Earnings	Three months ended November 30,	
		2023	2022
Total return swap	Selling, general and administrative expenses	\$ (1)	\$ 4
Foreign currency forwards	Other (expense) income, net ¹	59	(18)
Variable prepaid forward	Other (expense) income, net	(366)	—

¹ Excludes remeasurement gains and losses on economically hedged assets and liabilities.

Derivatives credit risk

Counterparties to derivative financial instruments expose the Company to credit-related losses in the event of counterparty nonperformance, and the Company regularly monitors the credit worthiness of each counterparty. The Company and its counterparties are subject to collateral requirements for certain derivative instruments which mitigates credit risk for both parties.

Derivatives offsetting

The Company does not offset the fair value amounts of derivative instruments subject to master netting agreements in the Consolidated Condensed Balance Sheets.

Note 9. Fair value measurements

The Company measures certain assets and liabilities in accordance with Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurements and Disclosures, which defines fair value as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. In addition, it establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels:

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Level 1 - Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 - Observable inputs other than quoted prices in active markets.

Level 3 - Unobservable inputs for which there is little or no market data available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Assets and liabilities measured at fair value on a recurring basis were as follows (in millions):

	November 30, 2023		Level 1		Level 2		Level 3
Assets:							
Money market funds ¹	\$ 5	\$	5	\$	—	\$	—
Cross currency interest rate swaps ²	31		—		31		—
Foreign currency forwards ³	1		—		1		—
Investments in equity securities ⁴	18		18		—		—
Investments in debt securities ⁵	109		—		109		—
Total return swaps	8		—		8		—
Liabilities:							
Variable prepaid forward ⁶	\$ 3,338	\$	—	\$	—	\$	3,338
Foreign currency forwards ³	24		—		24		—
Cross currency interest rate swaps ²	1		—		1		—

	August 31, 2023		Level 1		Level 2		Level 3
Assets:							
Money market funds ¹	\$ 11	\$	11	\$	—	\$	—
Cross currency interest rate swaps ²	28		—		28		—
Foreign currency forwards ³	6		—		6		—
Investments in equity securities ⁴	17		17		—		—
Investments in debt securities ⁵	15		—		15		—
Total return swaps	1		—		1		—
Liabilities:							
Variable prepaid forward ⁶	\$ 2,548	\$	—	\$	—	\$	2,548
Foreign currency forwards ³	5		—		5		—
Total return swaps	1		—		1		—
Cross currency interest rate swaps ²	2		—		2		—

¹ Money market funds are valued at the closing price reported by the fund sponsor and classified as Cash and cash equivalents within the Consolidated Condensed Balance Sheets.

² The fair value of cross currency interest rate swaps is calculated by discounting the estimated future cash flows based on the applicable observable yield curves. See Note 8. Financial instruments, for additional information.

³ The fair value of forward currency contracts is estimated by discounting the difference between the contractual forward price and the current available forward price for the residual maturity of the contract using observable market rates. See Note 8. Financial instruments, for additional information.

⁴ Fair values of quoted investments are based on current bid prices as of November 30, 2023 and August 31, 2023.

⁵ Includes investments in Treasury debt securities.

⁶ The fair value of the derivative was derived from a Black-Scholes valuation. The inputs used in valuing the derivative included observable inputs such as the floor and cap prices of the VPF, dividend yield of Cencora shares, risk free interest rate, and contractual term of the instrument, as well as unobservable inputs such as implied volatility of Cencora shares. The implied volatility ranged from 24.7% - 27.8% for the lower strike and 19.3% - 20.8% for the upper strike as of November 30, 2023, and 23.2% - 24.7% for the lower strike and 18.1% - 19.1% for the upper strike as of August 31, 2023.

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There were no transfers between Levels for the three months ended November 30, 2023.

The roll forward of the fair value of the VPF derivatives associated with the forward sale of shares of Cencora common stock, classified as Level 3, is as follows (in millions):

	Three months ended November 30, 2023
Opening balance	\$ (2,548)
VPF derivative additions	(424)
Unrealized losses recorded in Other (expense) income, net	(366)
Ending balance	\$ (3,338)

The Company reports its debt instruments under the guidance of ASC Topic 825, Financial Instruments, which requires disclosure of the fair value of the Company's debt in the footnotes to the Consolidated Condensed Financial Statements. As of November 30, 2023 the carrying amounts and estimated fair values of long term notes outstanding including the current portion were \$6.7 billion and \$5.8 billion, respectively. The fair values of the notes outstanding are Level 1 fair value measures and determined based on quoted market price and translated at the November 30, 2023 rate, as applicable. The fair values and carrying values of these issuances do not include notes that have been redeemed or repaid as of November 30, 2023. The carrying value of the Company's commercial paper, credit facilities, accounts receivable and trade accounts payable approximated their respective fair values due to their short-term nature.

Note 10. Commitments and contingencies

The Company is involved in legal proceedings arising in the normal course of its business, including litigation, arbitration and other claims, and investigations, inspections, subpoenas, audits, claims, inquiries and similar actions by governmental authorities in pharmacy, healthcare, tax and other areas. Some of these proceedings may be class actions, and some involve claims for large or indeterminate amounts, including punitive or exemplary damages, and they may remain unresolved for several years. Legal proceedings in general, and securities, class action and multi-district litigation, in particular, can be expensive and disruptive.

From time to time, the Company is also involved in legal proceedings as a plaintiff involving antitrust, tax, contract, intellectual property and other matters. Gain contingencies, if any, are recognized when they are realized.

The Company is subject to extensive regulation by national, state and local government agencies in the U.S. and other countries in which it operates. The Company's business, compliance and reporting practices are subject to intensive scrutiny under applicable regulation, including review or audit by regulatory authorities. As a result, the Company regularly is the subject of government actions of the types described herein. The Company also may be named from time to time in qui tam actions initiated by private parties. In such an action, a private party purports to act on behalf of federal or state governments, alleges that false claims have been submitted for payment by the government and may receive an award if its claims are successful. After a private party has filed a qui tam action, the government must investigate the private party's claim and determine whether to intervene in and take control over the litigation. These actions may remain under seal while the government makes this determination. If the government declines to intervene, the private party may nonetheless continue to pursue the litigation on its own purporting to act on behalf of the government.

The results of legal proceedings, including government investigations, are often uncertain and difficult to predict, and the costs incurred in these matters can be substantial, regardless of the outcome. In addition, as a result of governmental investigations or proceedings, the Company may be subject to damages, civil or criminal fines or penalties, or other sanctions, including the possible suspension or loss of licensure and suspension or exclusion from participation in government programs.

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The Company describes below certain proceedings against the Company in which the amount of loss could be material. The Company accrues for legal claims when, and to the extent that, the amount or range of probable loss can be reasonably estimated. The Company believes there are meritorious defenses in each of these proceedings, and it intends to defend each case vigorously, but there can be no assurance as to the ultimate outcome. With respect to litigation and other legal proceedings where the Company has determined a material loss is reasonably possible, except as otherwise disclosed, the Company is not able to make a reasonable estimate of the amount or range of loss that is reasonably possible above any accrued amounts in these proceedings, due to various reasons, including: existence of factual and legal arguments that, if successful, will eliminate or sharply reduce the possibility of loss; lack of sufficient information about the arguments and the evidence plaintiffs will advance with respect to their damages; some of the cases have been stayed; certain proceedings present novel and complex questions of public policy; legal and factual determinations and judicial and governmental procedure; the large number of parties involved; and the inherent uncertainties related to such litigation.

Securities Claims Relating to Rite-Aid Merger

On December 11, 2017, purported Rite-Aid shareholders filed an amended complaint in a putative class action lawsuit in the U.S. District Court for the Middle District of Pennsylvania (the “M.D. Pa. class action”) arising out of transactions contemplated by the merger agreement between the Company and Rite-Aid. The amended complaint alleges that the Company and certain of its officers made false or misleading statements regarding the transactions. Fact and expert discovery have concluded. The Court denied both plaintiffs’ partial motion for summary judgment and the Company’s motion for summary judgment on March 31, 2023. Trial is scheduled for January 29, 2024. On August 23, 2023, the Company, the other defendants in the M.D. Pa. class action, and the lead plaintiffs entered into a binding agreement to settle all claims in the M.D. Pa. class action. The settlement of approximately \$193 million provides for the dismissal of the M.D. Pa. class action with prejudice. Defendants admitted no liability and denied all allegations of wrongdoing. The Company is fully accrued for this matter. The court granted preliminary approval of the settlement on October 23, 2023 and set a date of February 7, 2024 for the final settlement approval hearing.

In October and December 2020, two separate purported Rite-Aid shareholders filed actions in the same court opting out of the class in the M.D. Pa. class action and making nearly identical allegations as those in the M.D. Pa. class action (the “Opt-out Actions”). The related trial has been scheduled for June 10, 2024.

On March 19, 2021, a putative shareholder filed a derivative suit in the District Court of Delaware (Clem v. Skinner, et. al, 21-CV-406 Del Dist. Ct.) against certain current and former Walgreens directors and officers, seeking damages based on alleged breaches of fiduciary duty and seeking contribution under Section 21D of the Exchange Act of 1934, as amended, in connection with the M.D. Pa. class action. The plaintiff’s allegations in this derivative suit concern the same public statements at issue in the M.D. Pa. class action. The case had been stayed since its inception given the pending M.D. Pa. class action. The stay was lifted following the Court’s rulings on summary judgment motions in the M.D. Pa. class action.

Claims Relating to Opioid Abuse

On May 5, 2022, the Company announced that it had entered into a settlement agreement with the State of Florida to resolve all claims related to the distribution and dispensing of prescription opioid medications across the Company’s pharmacies in the State of Florida. This settlement agreement was not an admission of liability or wrong-doing and resolved all pending and future opioid litigation by state and government subdivisions in the State of Florida. The settlement amount of \$683 million includes \$620 million in remediation payments, which will be paid to the State of Florida in equal installments over 18 years, and will be applied as opioid remediation, as well as a one-time payment of \$63 million for attorneys’ fees. In fiscal 2022, the Company recorded a \$683 million liability associated with this settlement.

On November 2, 2022, the Company announced that it had agreed to financial amounts and payment terms as part of settlement frameworks (the “Settlement Frameworks”) that had the potential to resolve a substantial majority of opioid-related lawsuits filed against the Company by the attorneys general of participating states and political subdivisions (the “Settling States”) and litigation brought by counsel for tribes. Under the Settlement Frameworks with the Settling States and counsel for tribes, the Company announced that it expected to settle all opioid claims against it by such Settling States, their participating political subdivisions, and participating tribes for up to approximately \$4.8 billion and \$155 million, respectively in remediation payments to be paid out over 15 years. The Settlement Frameworks provided for the payment of up to approximately \$754 million in attorneys’ fees and costs over 6 years beginning in year two of the Settlement Frameworks. The Settlement Frameworks included no admission of wrongdoing or liability by the Company.

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As of November 30, 2022, the Company concluded that Settlement Frameworks discussions had advanced to a stage where a broad settlement of opioid claims by Settling States was probable, and for which the related loss was reasonably estimable. As a result of those conclusions and the Company's ongoing assessment of other opioid-related claims, the Company recorded a \$6.5 billion liability associated with the Settlement Frameworks and other opioid-related claims and litigation settlements during the three months ended November 30, 2022. The settlement accrual was reflected in the Consolidated Condensed Statements of Earnings within Selling, general and administrative expenses as part of the U.S. Retail Pharmacy segment.

On December 9, 2022, the Company committed the Settlement Frameworks to a proposed settlement agreement (the "Proposed Settlement Agreement") that was contingent on (1) a sufficient number of Settling States, including those that had not sued, agreeing to the Proposed Settlement Agreement following a sign-on period, and (2) following a notice period, a sufficient number of political subdivisions within Settling States, including those that had not sued, agreeing to the Proposed Settlement Agreement (or otherwise having their claims foreclosed). On June 8, 2023 the Company informed the Settling States that there was sufficient State participation, sufficient Subdivision participation, and sufficient resolution of the claims of Litigating Subdivisions in the Settling States to proceed with the multistate settlement. The Company has now resolved its litigation with all states, territories, tribes and 99.5% of litigating subdivisions within Settling States included in the Proposed Settlement or in separate agreements. Estimated liabilities for these settlements are fully accrued. Incentive payments to Settling States with non-participating political subdivisions are subject to reduction and those subdivisions are still entitled to pursue their claims against the Company.

The Proposed Settlement Agreement became effective on August 7, 2023 (the "Multistate Settlement Agreement"). The Company will continue to vigorously defend against any litigation not covered by the Multistate Settlement Agreement, including private plaintiff litigation. The Company continues to believe it has strong legal defenses and appellate arguments in all of these cases.

As of November 30, 2023, the Company has accrued a total of \$6.9 billion liability associated with the Multistate Settlement Agreement and other opioid-related claims and litigation settlements, including \$649 million and \$6.3 billion of the estimated settlement liability in Accrued expenses and other liabilities, and Accrued litigation obligations, respectively, in the Consolidated Condensed Balance Sheets.

The Company remains a defendant in multiple actions in federal courts alleging claims generally concerning the impacts of widespread opioid abuse, which have been commenced by various plaintiffs. In December 2017, the U.S. Judicial Panel on Multidistrict Litigation consolidated many of these cases in a consolidated multidistrict litigation, captioned *In re National Prescription Opiate Litigation* (MDL No. 2804, Case No. 17-MD-2804), which is pending in the U.S. District Court for the Northern District of Ohio ("N.D. Ohio"). The Company is a defendant in the following multidistrict litigation (MDL) bellwether cases:

- Two consolidated cases in N.D. Ohio (*Cnty. of Lake, Ohio v. Purdue Pharma L.P., et al.*, Case No. 18-op-45032; *Cnty. of Trumbull, Ohio v. Purdue Pharma L.P., et al.*, Case No. 18-op-45079). In November 2021, the jury returned a verdict in favor of the plaintiffs as to liability, and a second trial regarding remedies took place in May 2022. In August 2022, the court entered orders providing for injunctive relief and requiring the defendants to pay \$651 million over a 15-year period to fund abatement programs. The court found that the damages are subject to joint and several liability and as such made no determination as to apportionment. These decisions are currently on appeal.
- Louisiana Assessors Ins. Fund v. AmerisourceBergen Drug Corp., et al., 1:18-op-46223 (M.D. La.).
- Pioneer Tele, Coop. Inc. Employee Benefits Plan v. Purdue Pharma LP et al, 1:18-op-46186 (W.D. Okla.).
- United Food and Comm. Workers Health and Welfare Fund of Northeastern Pennsylvania v. Purdue Pharma, LP et al., 1:17-op-45117 (E.D. Pa.).
- Sheet Metal Workers Local No. 25 Health & Welfare Fund v. Purdue Pharma, LP et al., 1:18-op-45002 (E.D. Pa.).

The Company also has been named as a defendant in multiple actions brought in state courts relating to opioid matters. Trial dates have been set in cases pending in state courts in the following states:

- Maryland (*Mayor and City Council of Baltimore v. Purdue Pharma L.P., et al.*, Case No. 24-C-18-000515, Circuit Court for Baltimore City, Baltimore, Maryland - September 2024).
- Florida (*Florida Health Sciences Center, Inc., et al. v. Richard Sackler, et al.*, Case No. CACE 19-018882, Seventeenth Judicial Circuit Court, Broward County, Florida - September 2025).

The relief sought by various plaintiffs in these matters includes compensatory, abatement, restitution and punitive damages, as well as injunctive relief. Additionally, the Company has received from the U.S. Department of Justice ("DOJ") and the Attorneys General of numerous states subpoenas, civil investigative demands, and other requests concerning opioid-related matters. The Company continues to communicate with the DOJ regarding purported violations of the federal Controlled Substances Act and the federal False Claims Act in dispensing prescriptions for opioids and other controlled substances at its pharmacies nationwide.

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On September 23, 2022, a putative shareholder filed a derivative suit in the United States District Court for the Northern District of Ohio (Vladimir Gusinsky Revocable Trust v. Pessina et. al, 22-CV-1717) against certain current and former Walgreens directors and officers, seeking damages based on alleged breaches of fiduciary duty, unjust enrichment, and violations of section 14A of the Securities and Exchange Act of 1934 in connection with oversight of risks related to opioids. A motion to dismiss for improper venue was filed on December 12, 2022. That motion was granted on September 22, 2023, and the case was dismissed without prejudice. The case was refiled on November 4, 2023, in the United States District Court for the Northern District of Illinois (Vladimir Gusinsky Revocable Trust v. Pessina et. al, 23-CV-15654). On November 14, 2023, the case was stayed to permit the parties to explore the possibility of settlement.

Usual and Customary Pricing Litigation

The Company is defending a number of claims, lawsuits and investigations that allege that the Company's retail pharmacies overcharged for prescription drugs by not submitting the correct usual and customary price during the claims adjudication process. These actions have been brought by different types of plaintiffs, including insurance companies, plan members, government and private payors, based on different legal theories. In one such case, Humana initiated an arbitration before the American Arbitration Association. At the conclusion of that matter, the arbitrator issued an award in Humana's favor in the amount of \$642 million. The Company has asked a federal court to vacate that award. On December 29, 2023, the parties reached an agreement for the settlement of the Humana dispute for \$360 million which the Company fully accrued for as of November 30, 2023 and paid \$150 million of the settlement amount in December 2023.

Derivative Suit Relating to Insulin Pens

On March 19, 2021, a putative shareholder filed a derivative suit in the Delaware Court of Chancery (Clem v. Skinner et. al, 2021-0240) against certain current and former Walgreens directors and officers, seeking damages based on alleged breaches of fiduciary duty and unjust enrichment in connection with certain allegedly false reimbursement claims to government healthcare payors related to insulin pens. On October 8, 2021, an amended complaint was filed. On December 17, 2021, the defendants moved to dismiss that amended complaint. That motion has been fully briefed and was argued on November 20, 2023.

Note 11. Income taxes

The effective tax rate for the three months ended November 30, 2023 and 2022 was a benefit of 20.7% and 27.5%, respectively. The decrease in the effective tax rate benefit for the three months ended November 30, 2023 was primarily driven by the increase to U.S. tax expense on non-U.S. earnings and discrete tax benefits recorded in the year-ago quarter for the reduction of a valuation allowance on net deferred tax assets related to the sale of shares in Cencora and forecasted capital gains, partially offset by the impact of certain nondeductible opioid-related claims and litigation.

Income taxes paid for the three months ended November 30, 2023 and 2022 were \$25 million and \$5 million, respectively.

Note 12. Retirement benefits

The Company sponsors several retirement plans, including defined benefit plans, defined contribution plans and a post-retirement health plan.

Defined benefit pension plans (non-U.S. plans)

The Company has various defined benefit pension plans outside the U.S. The principal defined benefit pension plan is the Boots Pension Plan (the "Boots Plan"), which covers certain employees in the UK. The Boots Plan is a funded final salary defined benefit plan providing pensions and death benefits to members. The Boots Plan was closed to future accrual effective July 1, 2010, with pensions calculated based on salaries up until that date. The Boots Plan is governed by a trustee board, which is independent of the Company. The plan is subject to a full funding actuarial valuation on a triennial basis.

Boots Plan Annuitization

On November 23, 2023, with financial support from the Company, Boots Pensions Limited ("Trustee"), in its capacity as trustee of the Boots Plan, entered into a Bulk Purchase Annuity Agreement ("BPA") with Legal & General Assurance Society Limited ("Legal & General") to insure the benefits of all 53,000 of its members.

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Under the BPA, the Trustee will acquire a bulk annuity policy (the “Buy-In”) from Legal & General which will fund ongoing and future pension benefit payments to the Boots Plan members. The BPA is being funded through the existing Boots Plan assets, as well as incremental pre-tax contributions by the Company to the Boots Plan. The Company will accelerate approximately \$210 million of already committed contributions to the Boots Plan, to be paid over the next two years. Additionally, the Company has committed to make an incremental contribution to the Boots Plan, which is expected to be approximately \$760 million to \$820 million, of which \$375 million was paid on December 7, 2023 and the remaining amount is expected to be paid within the next two years.

In conjunction with the Buy-In, the Boots Plan was amended resulting in an interim remeasurement of the Boots Plan. The remeasurement resulted in an increase in the funded status of the Boots plan of \$77 million. The change resulting from the remeasurement is recorded in Accumulated other comprehensive loss within the Consolidated Condensed Balance Sheets. The BPA allows for the future potential conversion of the BPA, into a buy-out where Legal & General would assume full responsibility to directly provide pensions or other benefits to the Boots Plan members, at which time the Boots Plan can be terminated.

Components of net periodic pension income for the defined benefit pension plans (in millions):

	Location in Consolidated Condensed Statements of Earnings	Three months ended November 30,	
		2023	2022
Service costs	Selling, general and administrative expenses	\$ 1	\$ 1
Interest costs	Other (expense) income, net	70	59
Expected returns on plan assets/other	Other (expense) income, net	(73)	(75)
Total net periodic pension income		\$ (3)	\$ (15)

Defined contribution plans

The principal retirement plan for U.S. employees is the Walgreen Profit-Sharing Retirement Trust, to which both the Company and participating employees contribute. The Company’s contribution is in the form of a guaranteed match which is made pursuant to the applicable plan document approved by the Walgreen Co. Board of Directors. Plan activity is reviewed periodically by certain Committees of the Walgreens Boots Alliance Board of Directors. The profit-sharing provision is an expense of \$60 million and \$65 million for the three months ended November 30, 2023 and 2022, respectively.

The Company also has certain contract based defined contribution arrangements. The principal one is in the UK in which both the Company and participating employees contribute. The cost recognized in the Consolidated Condensed Statements of Earnings was \$22 million and \$20 million for the three months ended November 30, 2023 and 2022, respectively.

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Note 13. Accumulated other comprehensive income (loss)

The following is a summary of net changes in accumulated other comprehensive income (loss) (“AOCI”) by component and net of tax for the three months ended November 30, 2023 and 2022 (in millions):

	Pension/ post- retirement obligations	Unrealized loss on cash flow hedges and other	Net investment hedges	Share of OCI of equity method investments	Cumulative translation adjustments	Total
Balance at August 31, 2023	\$ (698)	\$ (6)	\$ 83	\$ (132)	\$ (2,240)	\$ (2,993)
Other comprehensive income (loss) before reclassification adjustments	77	1	8	(28)	(49)	9
Amounts reclassified from AOCI	(2)	4	(4)	8	(2)	3
Tax benefit (provision)	(19)	—	(1)	5	—	(14)
Net change in other comprehensive income (loss)	56	5	3	(15)	(51)	(2)
Balance at November 30, 2023	\$ (642)	\$ (1)	\$ 86	\$ (147)	\$ (2,291)	\$ (2,995)

	Pension/ post- retirement obligations	Unrealized loss on cash flow hedges and other	Net investment hedges	Share of OCI of equity method investments	Cumulative translation adjustments	Total
Balance at August 31, 2022	\$ (157)	\$ (2)	\$ 213	\$ (254)	\$ (2,605)	\$ (2,805)
Other comprehensive (loss) income before reclassification adjustments	—	(3)	(39)	(103)	22	(123)
Amounts reclassified from AOCI	(7)	—	—	110	—	103
Tax benefit (provision)	2	1	9	(3)	—	9
Net change in other comprehensive (loss) income	(5)	(2)	(29)	4	22	(11)
Balance at November 30, 2022	\$ (162)	\$ (4)	\$ 183	\$ (250)	\$ (2,583)	\$ (2,815)

Note 14. Segment reporting

The Company is aligned into three reportable segments: U.S. Retail Pharmacy, International and U.S. Healthcare.

The operating segments have been identified based on the financial data utilized by the Company’s Chief Executive Officer (the chief operating decision maker) to assess segment performance and allocate resources among the Company’s operating segments. The chief operating decision maker uses adjusted operating income to assess segment profitability. The chief operating decision maker does not use total assets by segment to make decisions regarding resources; therefore, the total asset disclosure by segment has not been included.

U.S. Retail Pharmacy

The Company’s U.S. Retail Pharmacy segment includes the Walgreens business which is comprised of the operations of retail drugstores, health and wellness services, specialty and home delivery pharmacy services, and its equity method investment in Cencora. Sales for the segment are principally derived from the sale of prescription drugs and a wide assortment of retail products, including health and wellness, beauty, personal care and consumables and general merchandise.

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International

The Company's International segment consists of pharmacy-led health and beauty retail businesses outside the U.S. and a pharmaceutical wholesaling and distribution business in Germany. Pharmacy-led health and beauty retail businesses include Boots branded stores in the UK, the Republic of Ireland and Thailand, and the Benavides brand in Mexico. In the three months ended November 30, 2023, the Company completed the sale of the Farmacias Ahumada business in Chile. Sales for these businesses are principally derived from the sale of prescription drugs and health and wellness, beauty, personal care and other consumer products.

U.S. Healthcare

The Company's U.S. Healthcare segment is a consumer-centric, technology-enabled healthcare business that engages consumers through a personalized, omni-channel experience across the care journey. The U.S. Healthcare segment delivers improved health outcomes and lower costs for payors and providers by delivering care through owned and partnered assets.

The U.S. Healthcare segment currently consists of a majority position in VillageMD, a national provider of value-based care with primary, multi-specialty, and urgent care providers serving patients in traditional clinic settings, in patients' homes and online appointments; Shields Health Solutions Parent, LLC ("Shields"), a specialty pharmacy integrator and accelerator for hospitals; CCX Next, LLC ("CareCentrix"), a participant in the post-acute and home care management sectors, and the Walgreens Health organic business that contracts with payors and providers to deliver clinical healthcare services to their members and members' caregivers through both digital and physical channels.

The results of operations for reportable segments include procurement benefits. Corporate-related overhead costs are not allocated to reportable segments and are reported in "Corporate and Other".

The following table reflects results of operations of the Company's reportable segments (in millions):

	Three months ended November 30,	
	2023	2022
Sales:		
U.S. Retail Pharmacy	\$ 28,944	\$ 27,204
International	5,832	5,189
U.S. Healthcare	1,931	989
Walgreens Boots Alliance, Inc.	\$ 36,707	\$ 33,382
Adjusted operating income:		
U.S. Retail Pharmacy	\$ 694	\$ 1,105
International	142	116
U.S. Healthcare	(96)	(152)
Corporate and Other	(53)	(56)
Walgreens Boots Alliance, Inc.	\$ 687	\$ 1,014

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The following table reconciles adjusted operating income to operating loss (in millions):

	Three months ended November 30,	
	2023	2022
Adjusted operating income (Non-GAAP measure)	\$ 687	\$ 1,014
Acquisition-related amortization	(275)	(330)
Acquisition-related costs	(163)	(39)
Transformational cost management	(109)	(138)
Certain legal and regulatory accruals and settlements	(82)	(6,554)
Adjustments to equity earnings in Cencora	(50)	(86)
LIFO provision	(48)	(18)
Operating loss (GAAP measure)	\$ (39)	\$ (6,151)

Note 15. Sales

The following table summarizes the Company's sales by segment and by major source (in millions):

	Three months ended November 30,	
	2023	2022
U.S. Retail Pharmacy		
Pharmacy	\$ 22,384	\$ 20,218
Retail	6,560	6,986
Total	28,944	27,204
International		
Pharmacy	926	867
Retail	1,932	1,650
Wholesale	2,974	2,672
Total	5,832	5,189
U.S. Healthcare	1,931	989
Walgreens Boots Alliance, Inc.	\$ 36,707	\$ 33,382

See Note 18. Supplemental information for further information on receivables from contracts with customers.

Note 16. Related parties

The Company has a long-term pharmaceutical distribution agreement with Cencora pursuant to which the Company sources branded and generic pharmaceutical products from Cencora. Additionally, Cencora receives sourcing services for generic pharmaceutical products.

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Related party transactions with Cencora (in millions):

	Three months ended November 30,	
	2023	2022
Purchases, net	\$ 18,311	\$ 15,440
	November 30, 2023	August 31, 2023
Trade accounts payable, net of receivables	\$ 8,154	\$ 7,814

Note 17. New accounting pronouncements

Adoption of new accounting pronouncements

Acquired contract assets and contract liabilities in a business combination

In October 2021, the FASB issued Accounting Standards Update (“ASU”) 2021-08, Business Combinations (Topic 805) - Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This ASU requires an entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 (Revenue from Contracts with Customers). This ASU is expected to reduce diversity in practice and increase comparability for both the recognition and measurement of acquired revenue contracts with customers at the date of and after a business combination. This ASU is effective for business combinations completed in fiscal years beginning after December 15, 2022 (fiscal 2024). The Company adopted this ASU effective September 1, 2023 and the adoption did not impact the Company's results of operations, cash flows, or financial position.

Liabilities — Supplier Finance Programs

In September 2022, the FASB issued ASU 2022-04, Liabilities—Supplier Finance Programs (Topic 405-50) - Disclosure of Supplier Finance Program Obligations. This ASU requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. This ASU is expected to improve financial reporting by requiring new disclosures about the programs, thereby allowing financial statement users to better consider the effect of the programs on an entity's working capital, liquidity, and cash flows. This ASU is effective for fiscal years beginning after December 15, 2022 (fiscal 2024), except for the amendment on roll forward information which is effective for fiscal years beginning after December 15, 2023 (fiscal 2025). The Company adopted this ASU effective September 1, 2023 and the adoption did not impact the Company's disclosures within these Consolidated Condensed Financial Statements.

New accounting pronouncements not yet adopted

Leases — Common Control Arrangements

In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842) – Common Control Arrangements. The ASU amends the accounting for leasehold improvements in common control arrangements by requiring a lessee in a common control lease arrangement to amortize leasehold improvements that it owns over the improvements' useful life to the common control group, regardless of the lease term, if the lessee continues to control the use of the underlying asset through a lease. Further, a lessee that no longer controls the use of the underlying asset will derecognize the remaining carrying amount of the improvements through an adjustment to equity, reflecting the transfer of the asset to the lessor under common control. This ASU is effective for fiscal years beginning after December 15, 2023 (fiscal 2025), including interim periods within those fiscal years. Early adoption is permitted in any annual or interim period as of the beginning of the related fiscal year. The Company is evaluating the effect of adopting this new accounting guidance.

Segment Reporting - Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures. This ASU is expected to improve disclosures related to an entity's reportable segments and provide additional, more detailed information about a reportable segment's expenses. This ASU is effective for fiscal years beginning after December 15, 2023 (fiscal 2025) and interim periods within fiscal years beginning after December 15, 2024 (fiscal 2026). The amendments in this ASU must be applied on a retrospective basis to all prior periods presented in the financial statements and early adoption is permitted. The Company is currently evaluating the effect of adopting this new accounting guidance.

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Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures. This ASU is expected to enhance the transparency and decision usefulness of income tax disclosures by requiring public business entities on an annual basis to disclose specific categories in the rate reconciliation, additional information for reconciling items that meet a quantitative threshold, and certain information about income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024 (fiscal 2026). The amendments in this ASU are required to be applied on a prospective basis and retrospective adoption is permitted. The Company is currently evaluating the effect of adopting this new accounting guidance.

Note 18. Supplemental information

Accounts receivable

Accounts receivable are stated net of allowances for doubtful accounts. Accounts receivable balances primarily consist of trade receivables due from customers, including amounts due from third party payors (e.g., pharmacy benefit managers, insurance companies and governmental agencies). Trade receivables were \$4.7 billion and \$4.3 billion at November 30, 2023 and August 31, 2023, respectively. Other accounts receivable balances, which consist primarily of receivables from vendors and manufacturers, including receivables from Cencora, were \$1.3 billion and \$1.1 billion at November 30, 2023 and August 31, 2023, respectively. See Note 16. Related parties for further information.

Depreciation and amortization

The Company has recorded the following depreciation and amortization expense in the Consolidated Condensed Statements of Earnings (in millions):

	Three months ended November 30,	
	2023	2022
Depreciation expense	\$ 376	\$ 336
Intangible assets amortization	240	159
Total depreciation and amortization expense	\$ 616	\$ 495

Accumulated depreciation and amortization on property, plant and equipment was \$13.1 billion and \$13.0 billion as at November 30, 2023 and August 31, 2023, respectively.

Restricted cash

The Company is required to maintain cash deposits with certain banks which consist of deposits restricted under contractual agency agreements and cash restricted by law and other obligations. The following represents a reconciliation of Cash and cash equivalents in the Consolidated Condensed Balance Sheets to total Cash, cash equivalents and restricted cash in the Consolidated Condensed Statements of Cash Flows as of November 30, 2023 and August 31, 2023, respectively (in millions):

	November 30, 2023	August 31, 2023
Cash and cash equivalents	\$ 784	\$ 739
Cash and cash equivalents - assets held for sale (included in other current assets)	—	24
Restricted cash - (included in other current and non-current assets)	62	93
Cash, cash equivalents and restricted cash	\$ 846	\$ 856

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Redeemable non-controlling interest

The following represents a roll forward of the redeemable non-controlling interest in the Consolidated Condensed Balance Sheets (in millions):

	Three months ended November 30,	
	2023	2022
Opening balance	\$ 167	\$ 1,042
Net loss attributable to Redeemable non-controlling interests	—	(22)
Redemption price adjustments and other ¹	2	452
Reclassifications to Accrued expenses and other liabilities ²	—	(1,314)
Ending balance	\$ 169	\$ 157

^{1.} Remeasurement of non-controlling interests, probable of redemption but not currently redeemable, to their redemption value, is recorded to Paid in capital in the Consolidated Condensed Balance Sheets. During the three months ended November 30, 2022, Shields and CareCentrix redeemable non-controlling interests were recorded to redemption value as the Company announced the acceleration of its plans for their full ownership.

^{2.} The three months ended November 30, 2022 represents the reclassification of the Shields and CareCentrix redeemable non-controlling interests to Accrued expenses and other liabilities in the Consolidated Condensed Balance Sheets resulting from the Company's full acquisition of Shields and CareCentrix.

Earnings per share

The dilutive effect of outstanding stock options on earnings per share is calculated using the treasury stock method. Stock options are anti-dilutive and excluded from the earnings per share calculation if the exercise price exceeds the average market price of the common shares. During the three months ended November 30, 2023 and November 30, 2022 there were 16.1 million and 19.3 million weighted outstanding options, respectively, to purchase common shares that were anti-dilutive and excluded from the earnings per share calculation.

Due to the anti-dilutive effect resulting from the reported net loss, an incremental 3.7 million and 2.6 million of potentially dilutive securities were omitted from the calculation of weighted-average common shares outstanding for the three months ended November 30, 2023 and November 30, 2022, respectively.

Cash dividends declared per common share

Cash dividends per common share declared were as follows:

Quarter ended	2023	2022
November	\$ 0.4800	\$ 0.4800

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS

Item 2. Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis of the Company's financial condition and results of operations should be read together with the financial statements and the related notes included elsewhere herein and the Consolidated Financial Statements, accompanying notes and management's discussion and analysis of financial condition and results of operations and other disclosures contained in the Walgreens Boots Alliance, Inc. Annual Report on Form 10-K for the fiscal year ended August 31, 2023 as amended by Form 10-K/A for the fiscal year ended August 31, 2023 filed on November 22, 2023 (the "2023 10-K"). This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in forward-looking statements that involve risks and uncertainties. Factors that might cause a difference include, but are not limited to, those discussed under "Cautionary note regarding forward-looking statements" below and in Item 1A, Risk factors, in our 2023 10-K. References herein to the "Company," "we," "us," or "our" refer to Walgreens Boots Alliance, Inc. and its subsidiaries, and in each case do not include unconsolidated partially-owned entities, except as otherwise indicated or the context otherwise requires.

Certain amounts in the management's discussion and analysis of financial condition and results of operations may not add due to rounding. All percentages have been calculated using unrounded amounts for each of the periods presented.

INTRODUCTION AND SEGMENTS

Walgreens Boots Alliance, Inc. and its subsidiaries ("Walgreens Boots Alliance" or the "Company"), is an integrated healthcare, pharmacy and retail leader with a 170-year heritage of caring for customers and patients. Its operations are conducted through three reportable segments:

- U.S. Retail Pharmacy,
- International, and
- U.S. Healthcare.

FACTORS, TRENDS AND UNCERTAINTIES AFFECTING OUR RESULTS AND COMPARABILITY

The Company has been, and we expect it to continue to be, affected by a number of factors that may cause actual results to differ from our historical results or current expectations. These factors include: the impact of opioid-related claims and litigation settlements; the impact of adverse global macroeconomic conditions caused by factors including, among others, inflation, high interest rates, labor shortages, supply chain disruptions and pandemics like COVID-19 on our operations and financial results; the financial performance of our equity method investees, including Cencora, Inc. ("Cencora"); the financial performance of our consolidated subsidiaries in the U.S. Healthcare segment; the influence of certain holidays; seasonality; foreign currency rates; changes in vendor, payor and customer relationships and terms and associated reimbursement pressure; strategic transactions and acquisitions, dispositions, joint ventures and other strategic collaborations; changes in laws and regulations, including the tax law changes in the United States ("U.S.") and the United Kingdom ("UK"); changes in trade tariffs, including trade relations between the U.S. and China, and international relations, including the UK's withdrawal from the European Union and its impact on our operations and prospects, and those of our customers and counterparties; the timing and magnitude of cost reduction initiatives, including under our Transformational Cost Management Program (as defined below); the timing and severity of the cough, cold and flu season; fluctuations in variable costs; adjustments to Centers for Medicare and Medicaid Services, Medicare Advantage and Medicare rates; the impacts of looting, natural disasters, war, terrorism and other catastrophic events, and changes to management, including turnover of our top executives, and our ability to retract and retain qualified associates in the markets in which the Company operates.

Opioid litigation settlements

On November 2, 2022, the Company announced that it had agreed to financial amounts and payment terms as part of settlement frameworks (the "Settlement Frameworks") that have the potential to resolve a substantial majority of opioid-related lawsuits filed against the Company by the attorneys general of participating states and political subdivisions (the "Settling States") and litigation brought by counsel for tribes. On December 9, 2022, the Company committed the Settlement Frameworks to a proposed settlement agreement (the "Proposed Settlement Agreement"). The Proposed Settlement Agreement became effective on August 7, 2023 (the "Multistate Settlement Agreement"). As of November 30, 2023, the Company has accrued a total \$6.9 billion liability associated with the Multistate Settlement Agreement and other opioid-related claims and litigation settlements. The cost of the settlements is reflected in the Consolidated Condensed Statements of Earnings within Selling, general and administrative expenses as part of the U.S. Retail Pharmacy segment.

See Note 10. Commitments and contingencies to the Consolidated Condensed Financial Statements for further information.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS

U.S. Healthcare

The Company's U.S. Healthcare segment is a consumer-centric, technology-enabled healthcare business that engages consumers through a personalized, omni-channel experience across the care journey. The U.S. Healthcare segment delivers improved health outcomes and lower costs for payors and providers by delivering care through owned and partnered assets.

The U.S. Healthcare segment currently consists of a majority position in Village Practice Management Company, LLC ("VillageMD"), a national provider of value-based care with primary multi-specialty, and urgent care providers serving patients in traditional clinic settings, in patients' homes and online appointments; Shields Health Solutions Parent, LLC ("Shields"), a specialty pharmacy integrator and accelerator for hospitals, CCX Next, LLC ("CareCentrix"), a participant in the post-acute and home care management sectors; and the Walgreens Health organic business that contracts with payors and providers to deliver clinical healthcare services to their members and members' caregivers through both digital and physical channels.

See Note 14. Segment reporting to the Consolidated Condensed Financial Statements for further information.

These and other factors can affect the Company's operations and net earnings for any period and may cause such results not to be comparable to the same period in previous years. The results presented in this report are not necessarily indicative of future operating results.

RECENT DEVELOPMENTS

Boots Plan Annuitization

On November 23, 2023, with financial support from the Company, Boots Pensions Limited ("Trustee"), in its capacity as trustee of the Boots Pension Plan (the "Boots Plan"), entered into a Bulk Purchase Annuity Agreement ("BPA") with Legal & General Assurance Society Limited ("Legal & General") to insure the benefits of all 53,000 of its members.

See Note 12. Retirement benefits to the Consolidated Condensed Financial Statements for further information.

Sale of Farmacias Ahumada

On October 31, 2023, the Company completed the sale of the Farmacias Ahumada business in Chile.

Sale of Cencora common stock

On November 9, 2023, the Company entered into variable prepaid forward ("VPF") transactions with third-party financial institutions and received prepayments of \$424 million related to the forward sale of up to 2.7 million shares of Cencora common stock. In addition, the Company sold shares of Cencora common stock for total consideration of approximately \$250 million.

See Note 5. Equity method investments to the Consolidated Condensed Financial Statements for further information.

Change of Executive Leadership

On October 10, 2023, the Company announced that its Board of Directors appointed Timothy C. Wentworth as Chief Executive Officer ("CEO") and a member of the Board of Directors of the Company, effective as of October 23, 2023. Mr. Wentworth, 63, has previously served as CEO of Evernorth Health Services, a division of The Cigna Group ("Cigna"); as President, Health Services of Cigna; and as President and CEO of Express Scripts.

TRANSFORMATIONAL COST MANAGEMENT PROGRAM

On December 20, 2018, the Company announced a transformational cost management program that was expected to deliver in excess of \$2.0 billion of annual cost savings by fiscal 2022 (the "Transformational Cost Management Program"). The Company achieved this goal at the end of fiscal 2021.

On October 12, 2021, the Company expanded and extended the Transformational Cost Management Program through the end of fiscal 2024 and increased its annual cost savings target to \$3.3 billion by the end of fiscal 2024. In fiscal 2022, the Company increased its annual cost savings target from \$3.3 billion to \$3.5 billion by the end of fiscal 2024. In fiscal 2023, the Company increased its annual cost savings target from \$3.5 billion to \$4.5 billion by the end of fiscal 2024. The Company is currently on track to achieve the savings target.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Transformational Cost Management Program, which is multi-faceted and includes divisional optimization initiatives, global smart spending, global smart organization and the transformation of the Company's information technology ("IT") capabilities, is designed to help the Company achieve increased cost efficiencies. To date, the Company has taken actions across all aspects of the Transformational Cost Management Program which focus primarily on the U.S. Retail Pharmacy and International reportable segments along with the Company's global functions. Divisional optimization within the Company's segments includes activities such as optimization of stores. Through the Transformational Cost Management Program the Company plans to reduce its presence by up to 650 Boots stores in the UK and approximately 650 to 700 stores in the U.S. As of November 30, 2023, the Company has closed 364 and 563 stores in the UK and U.S., respectively.

The Company estimates cumulative pre-tax charges to its GAAP financial results for the Transformational Cost Management Program to be \$4.1 billion to \$4.4 billion, of which pre-tax charges for exit and disposal activities are estimated to be \$3.8 billion to \$4.1 billion.

The Company currently estimates that it will recognize aggregate pre-tax charges to its GAAP financial results related to the Transformational Cost Management Program as follows:

Transformational Cost Management Program Activities	Range of Charges
Lease obligations and other real estate costs ¹	\$1.5 to \$1.6 billion
Asset impairments ²	\$1.0 to \$1.1 billion
Employee severance and business transition costs	\$1.0 to \$1.1 billion
Information technology transformation and other exit costs	\$0.3 to \$0.4 billion
Total cumulative pre-tax exit and disposal charges	\$3.8 to \$4.1 billion
Other IT transformation costs	\$0.2 to \$0.3 billion
Total estimated pre-tax charges	\$4.1 to \$4.4 billion

¹ Includes impairments relating to operating lease right-of-use and finance lease assets.

² Primarily related to store closures and other asset impairments.

The Company estimates that approximately 75% of the cumulative pre-tax charges relating to the Transformational Cost Management Program represent current or future cash expenditures, primarily related to employee severance and business transition costs, IT transformation and lease and other real estate payments. The amounts and timing of all estimates are subject to change until finalized. The actual amounts and timing may vary materially based on various factors. See "Cautionary note regarding forward-looking statements".

The total pre-tax charges under the Transformational Cost Management Program, which were primarily recorded in Selling, general and administrative expenses were as follows (in millions):

Three months ended November 30, 2023	U.S. Retail Pharmacy	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Total pre-tax exit and disposal charges	\$ 64	\$ 6	\$ 2	\$ 4	\$ 77
Other IT transformation costs	32	—	—	—	32
Total pre-tax charges	\$ 97	\$ 6	\$ 2	\$ 4	\$ 109
Three months ended November 30, 2022	U.S. Retail Pharmacy	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Total pre-tax exit and disposal charges	\$ 119	\$ 6	\$ —	\$ 4	\$ 130
Other IT transformation costs	8	1	—	—	8
Total pre-tax charges	\$ 127	\$ 7	\$ —	\$ 4	\$ 138

See Note 3. Exit and disposal activities to the Consolidated Condensed Financial Statements for further information.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

The following table presents certain key financial statistics.

	(in millions, except per share amounts)	
	Three months ended November 30,	
	2023	2022
Sales	\$ 36,707	\$ 33,382
Gross profit	6,771	6,953
Selling, general and administrative expenses	6,851	13,158
Equity earnings in Cencora	42	53
Operating loss (GAAP)	(39)	(6,151)
Adjusted operating income (Non-GAAP measure) ¹	687	1,014
Loss before interest and income tax benefit	(259)	(5,159)
Net loss attributable to Walgreens Boots Alliance, Inc. (GAAP)	(67)	(3,721)
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. (Non-GAAP measure) ¹	571	1,004
Diluted net loss per common share (GAAP)	(0.08)	(4.31)
Adjusted diluted net earnings per common share (Non-GAAP measure) ¹	0.66	1.16

	Percentage increases (decreases)	
	Three months ended November 30,	
	2023	2022
Sales	10.0	(1.5)
Gross profit	(2.6)	(8.2)
Selling, general and administrative expenses	(47.9)	105.9
Operating loss (GAAP)	(99.4)	NM
Adjusted operating income (Non-GAAP measure) ¹	(32.2)	(42.9)
Loss before interest and income tax benefit	(95.0)	NM
Net loss attributable to Walgreens Boots Alliance, Inc. (GAAP)	(98.2)	NM
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. (Non-GAAP measure) ¹	(43.1)	(31.0)
Diluted net loss per common share (GAAP)	(98.2)	NM
Adjusted diluted net earnings per common share (Non-GAAP measure) ¹	(43.1)	(30.8)

	Percent to sales	
	Three months ended November 30,	
	2023	2022
Gross margin	18.4	20.8
Selling, general and administrative expenses	18.7	39.4

¹ See “—Non-GAAP Measures” below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.

NM - Not meaningful. Percentage increases above 200% or when one period includes income and other period includes loss are considered not meaningful.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

WALGREENS BOOTS ALLIANCE RESULTS OF OPERATIONS

Net loss attributable to Walgreens Boots Alliance, Inc. (GAAP) for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Net loss attributable to the Company for the three months ended November 30, 2023 was \$67 million compared to net loss of \$3.7 billion for the year-ago quarter. Diluted net loss per share was \$0.08 compared to diluted net loss per share of \$4.31 for the year-ago quarter. The decrease in net loss and diluted net loss per share is due to lower operating losses in the current year compared to the year-ago quarter partly offset by the \$0.9 billion post-tax gain from the partial sale of the Company's equity method investment in Cencora in the year-ago quarter, and a \$278 million post-tax charge for fair value adjustments on VPF derivatives related to the monetization of Cencora shares in the current quarter.

Operating loss was \$39 million for the three months ended November 30, 2023 compared to \$6.2 billion for the year-ago quarter. The decrease in operating loss is due to the \$6.5 billion pre-tax charge for opioid-related claims and litigation recorded in the year-ago quarter, improved profitability in the U.S. Healthcare segment and International segment growth, offset by softer U.S. market trends.

Other expense, net for the three months ended November 30, 2023 was \$220 million compared to income of \$1.0 billion for the year-ago quarter. The decrease in other income is mainly due to the \$1.0 billion pre-tax gain from the partial sale of the Company's equity method investment in Cencora in the year-ago quarter and a \$366 million pre-tax charge for fair value adjustments on VPF derivatives related to the monetization of Cencora shares in the current quarter, partially offset by a \$139 million pre-tax gain from the partial sale of the Company's equity method investment in Cencora in the current quarter.

Interest expense, net was \$99 million and \$110 million for the three months ended November 30, 2023 and 2022, respectively. The decrease in interest expense was primarily the result of a gain on early extinguishment of debt in the current period partly offset by higher interest rates in the current period.

The Company's effective tax rate for the three months ended November 30, 2023 and 2022 was a benefit of 20.7 percent and 27.5 percent, respectively primarily driven by the increase to U.S. tax expense on non-U.S. earnings and discrete tax benefits recorded in the year-ago quarter for the reduction of a valuation allowance on net deferred tax assets related to the sale of shares in Cencora and forecasted capital gains, partially offset by the impact of certain nondeductible opioid-related claims and litigation.

Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. (Non-GAAP measure) for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Adjusted net earnings attributable to the Company for the three months ended November 30, 2023 decreased 43.1 percent to \$571 million compared with the year-ago quarter. Adjusted diluted net earnings per share for the three months ended November 30, 2023 decreased 43.1 percent to \$0.66 compared with the year-ago quarter.

The decrease in adjusted net earnings for the three months ended November 30, 2023 primarily reflects softer U.S. retail market trends and a higher adjusted effective tax rate primarily due to lapping of a valuation allowance release related to capital loss carryforwards in the year-ago quarter, partly offset by improved profitability in U.S. Healthcare and International growth. See “—Non-GAAP Measures” below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS BY SEGMENT

U.S. Retail Pharmacy

The Company's U.S. Retail Pharmacy segment includes the Walgreens business which is comprised of the operations of retail drugstores, health and wellness services, specialty and home delivery pharmacy services, and its equity method investment in Cencora. Sales for the segment are principally derived from the sale of prescription drugs and a wide assortment of retail products, including health and wellness, beauty, personal care and consumables and general merchandise.

FINANCIAL PERFORMANCE

(in millions, except location amounts)
Three months ended November 30,

	2023	2022
Sales	\$ 28,944	\$ 27,204
Gross profit	5,434	5,886
Selling, general and administrative expenses	5,179	11,698
Equity earnings in Cencora	42	53
Operating income (loss)	297	(5,758)
Adjusted operating income ¹	694	1,105
Number of prescriptions ²	207.2	211.3
30-day equivalent prescriptions ^{2,3}	311.6	311.6
Number of locations at period end	8,631	8,817

Percentage increases (decreases)
Three months ended November 30,

	2023	2022
Sales	6.4	(3.0)
Gross profit	(7.7)	(7.3)
Selling, general and administrative expenses	(55.7)	129.8
Operating income (loss)	105.2	NM
Adjusted operating income ¹	(37.2)	(34.6)
Comparable sales ⁴	8.1	3.8
Pharmacy sales	10.7	(4.2)
Comparable pharmacy sales ⁴	13.1	4.8
Retail sales	(6.1)	0.8
Comparable retail sales ⁴	(5.0)	1.4
Comparable number of prescription ^{2,4}	(0.6)	(3.1)
Comparable 30-day equivalent prescriptions ^{2,3,4}	1.3	—

Percent to sales
Three months ended November 30,

	2023	2022
Gross margin	18.8	21.6
Selling, general and administrative expenses	17.9	43.0

**WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS**

- ¹ See “—Non-GAAP Measures” below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.
- ² Includes vaccinations, including COVID-19.
- ³ Includes the adjustment to convert prescriptions greater than 84 days to the equivalent of three 30-day prescriptions. This adjustment reflects that these prescriptions include approximately three times the amount of product days supplied compared to a normal prescription.
- ⁴ Comparable sales are defined as sales from stores that have been open for at least twelve consecutive months without closure for seven or more consecutive days, including due to looting or store damage, and without a major remodel or being subject to a natural disaster, in the past twelve months as well as e-commerce sales. E-commerce sales include digitally initiated sales online or through mobile applications. Relocated stores are not included as comparable sales for the first twelve months after the relocation. Acquired stores are not included as comparable sales for the first twelve months after acquisition or conversion, when applicable, whichever is later. Comparable sales, comparable pharmacy sales, comparable retail sales, comparable number of prescriptions and comparable number of 30-day equivalent prescriptions refer to total sales, pharmacy sales, retail sales, number of prescriptions and number of 30-day equivalent prescriptions, respectively. The method of calculating comparable sales varies across the retail industry and our method of calculating comparable sales may not be the same as other retailers' methods.

NM - Not meaningful. Percentage increases above 200% or when one period includes income and other period includes loss are considered not meaningful.

Sales for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Sales for the three months ended November 30, 2023 increased by 6.4 percent to \$28.9 billion. Comparable sales increased by 8.1 percent for the three months ended November 30, 2023, driven almost entirely by comparable pharmacy sales.

Pharmacy sales increased by 10.7 percent for the three months ended November 30, 2023 and represented 77.3 percent of the segment's sales, compared to 74.3 percent of the segment's sales in the year-ago quarter. Comparable pharmacy sales increased 13.1 percent for the three months ended November 30, 2023, benefiting from higher branded drug inflation and strong execution in pharmacy services. Comparable prescriptions for the three months ended November 30, 2023, excluding immunizations, increased 1.8 percent, from the year-ago quarter, impacted by lower market growth due to a weaker flu and respiratory season, and Medicaid redeterminations. Total prescriptions filled in the quarter, including immunizations, adjusted to 30-day equivalents was 311.6 million, flat versus the year-ago quarter.

Retail sales decreased by 6.1 percent for the three months ended November 30, 2023 and were 22.7 percent of the segment's sales compared to 25.7 percent of the segment's sales in the year-ago quarter. Comparable retail sales decreased 5.0 percent in the three months ended November 30, 2023, reflecting macroeconomic-driven consumer trends, a 1.6 percentage point impact from a weaker flu and respiratory season, lower seasonal sales and Thanksgiving holiday store closures.

Operating income for the three months ended November 30, 2023 compared to operating loss for the three months ended November 30, 2022

Gross profit was \$5.4 billion for the three months ended November 30, 2023 compared to \$5.9 billion in the year-ago quarter. Gross profit decreased 7.7 percent, primarily driven by continued pharmacy reimbursement pressure net of procurement savings, lower retail scan volume driven by softer US market trends and higher shrink levels, partly offset by strong execution in pharmacy services.

Selling, general and administrative expenses as a percentage of sales were 17.9 percent for the three months ended November 30, 2023 and 43.0 percent for the three months ended November 30, 2022. The decrease was primarily driven by the \$6.5 billion pre-tax charge for opioid-related claims and litigation in the year-ago quarter, and lower project and marketing related spend.

Operating income for the three months ended November 30, 2023 was \$297 million, compared to \$5.8 billion of operating loss in the year-ago quarter. The increase was primarily driven by the pre-tax charge for opioid-related claims and litigation in the year-ago quarter, partially offset by lower gross profit.

Adjusted operating income for the three months ended November 30, 2023 compared to the three months ended 2022

Adjusted operating income for the three months ended November 30, 2023 decreased by 37.2 percent to \$694 million. The decrease reflects a weaker flu and respiratory season, lower retail sales, higher retail shrink, and continued pharmacy reimbursement pressure net of procurement savings, partly offset by execution in pharmacy services and cost savings.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

See “—Non-GAAP Measures” below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.

International

The Company's International segment consists of pharmacy-led health and beauty retail businesses outside the U.S. and the Company's pharmaceutical wholesale and distribution business in Germany. Pharmacy-led health and beauty retail businesses include Boots branded stores in the UK, the Republic of Ireland and Thailand, and the Benavides brand in Mexico. In the three months ended November 30, 2023, the Company completed the sale of Farmacias Ahumada business in Chile. Sales for these businesses are principally derived from the sale of prescription drugs and health and wellness, beauty, personal care and other consumer products.

The International segment operates in currencies other than the U.S. dollar, including the British pound sterling, euro, Chilean peso and Mexican peso and therefore the segment's results are impacted by movements in foreign currency exchange rates. See Item 3, Quantitative and qualitative disclosure about market risk, for further information on currency risk.

The Company presents certain information related to operating results in “constant currency,” which is a non-GAAP financial measure. Comparable sales in constant currency, comparable pharmacy sales in constant currency and comparable retail sales in constant currency exclude the effects of fluctuations in foreign currency exchange rates. See “—Non-GAAP Measures.”

FINANCIAL PERFORMANCE

	(in millions, except location amounts)	
	Three months ended November 30,	
	2023	2022
Sales	\$ 5,832	\$ 5,189
Gross profit	1,211	1,050
Selling, general and administrative expenses	1,095	944
Operating income	116	106
Adjusted operating income ¹	142	116
Number of locations at period end	3,610	3,978
	Percentage increases (decreases)	
	Three months ended November 30,	
	2023	2022
Sales	12.4	(10.8)
Gross profit	15.4	(13.0)
Selling, general and administrative expenses	16.0	(18.2)
Operating income	9.6	96.5
Adjusted operating income ¹	22.3	(28.9)
Comparable sales in constant currency ²	6.6	5.9
Pharmacy sales	6.8	(14.7)
Comparable pharmacy sales in constant currency ²	1.7	1.2
Retail sales	17.1	(8.1)
Comparable retail sales in constant currency ²	9.2	8.7

**WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS**

	Percent to sales	
	Three months ended November 30,	
	2023	2022
Gross margin	20.8	20.2
Selling, general and administrative expenses	18.8	18.2

¹ See “—Non-GAAP Measures” below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.

² Comparable sales in constant currency are defined as sales from stores that have been open for at least twelve consecutive months without closure for seven or more consecutive days, including due to looting or store damage, and without a major remodel or being subject to a natural disaster, in the past twelve months as well as e-commerce sales. Comparable sales in constant currency exclude wholesale sales in Germany. E-commerce sales include digitally initiated sales online or through mobile applications. Relocated stores are not included as comparable sales for the first twelve months after the relocation. Acquired stores are not included as comparable sales for the first twelve months after acquisition or conversion, when applicable, whichever is later. Comparable sales in constant currency, comparable pharmacy sales in constant currency and comparable retail sales in constant currency refer to total sales, pharmacy sales and retail sales, respectively. The method of calculating comparable sales in constant currency varies across the retail industry and our method of calculating comparable sales in constant currency may not be the same as other retailers’ methods.

NM - Not meaningful. Percentage increases above 200% or when one period includes income and other period includes loss are considered not meaningful.

Sales for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Sales for the three months ended November 30, 2023 increased 12.4 percent to \$5.8 billion. The favorable impact of currency translation on sales was 8.0 percentage points. Sales increased 4.4 percent on a constant currency basis, with Boots UK sales growing 6.2 percent, and the Germany wholesale business growing 3.7 percent.

Pharmacy sales increased 6.8 percent in the three months ended November 30, 2023 and represented 15.9 percent of the segment’s sales. The favorable impact of currency translation on pharmacy sales was 8.4 percentage points. Comparable pharmacy sales in constant currency increased 1.7 percent compared to the year-ago quarter, reflecting prescription drug inflation in Mexico and the UK.

Retail sales increased 17.1 percent for the three months ended November 30, 2023 and represented 33.1 percent of the segment’s sales. The favorable impact of currency translation on retail sales was 8.4 percentage points. Comparable retail sales in constant currency increased 9.2 percent, driven by Boots UK comparable retail sales in constant currency increasing 9.8 percent compared to the year-ago quarter with growth across all categories and formats, and increased total retail market share for the 11th consecutive quarter.

Pharmaceutical wholesale sales increased 11.3 percent for the three months ended November 30, 2023 and represented 51.0 percent of the segment’s sales. The favorable impact of currency translation on pharmaceutical wholesale sales was 7.6 percentage points. Excluding the impact of currency translation, the increase in pharmaceutical wholesale sales represents market growth in Germany.

Operating income for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Gross profit increased 15.4 percent for the three months ended November 30, 2023. Gross profit was favorably impacted by 8.3 percentage points, or \$87 million, as a result of currency translation. Excluding the impact of currency translation, the increase was primarily due to higher retail sales in the UK.

Selling, general and administrative expenses in the quarter increased 16.0 percent from the year-ago quarter to \$1.1 billion, reflecting an adverse currency impact of 8.5 percent. Excluding the impact of currency transaction, the increase primarily reflects higher inflation and increased investment in IT in the UK.

**WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Operating income for the three months ended November 30, 2023 increased 9.6 percent to \$116 million. Operating income was favorably impacted by 6.5 percentage points, or \$7 million as a result of currency translation. Excluding the impact of currency translation, the increase in operating income reflects strong retail sales in the UK partially offset by inflationary cost pressures and increased investment in IT in the UK.

Adjusted operating income for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Adjusted operating income for the three months ended November 30, 2023 increased 22.3 percent to \$142 million. Adjusted operating income in the quarter was favorably impacted by 7.3 percentage points, or \$8 million, of currency translation. Excluding the impact of currency translation, the increase in adjusted operating income was led by strong retail sales in the UK partially offset by inflationary cost pressures and increased investment in IT in the UK.

See “—Non-GAAP Measures” below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.

U.S. Healthcare

The Company’s U.S. Healthcare segment is a consumer-centric, technology-enabled healthcare business that engages consumers through a personalized, omni-channel experience across the care journey. The U.S. Healthcare segment delivers improved health outcomes and lower costs for payors and providers by delivering care through owned and partnered assets.

The U.S. Healthcare segment currently consists of a majority position in VillageMD, a national provider of value-based care with primary, multi-specialty, and urgent care providers serving patients in traditional clinic settings, in patients’ homes and online appointments; Shields, a specialty pharmacy integrator and accelerator for hospitals; CareCentrix, a participant in the post-acute and home care management sectors, and the Walgreens Health organic business that contracts with payors and providers to deliver clinical healthcare services and care management programs to their members and members’ caregivers through both digital and physical channels.

FINANCIAL PERFORMANCE

(in millions, except location amounts)
Three months ended November 30,

	2023		2022	
Sales	\$	1,931	\$	989
Gross profit		126		17
Selling, general and administrative expenses		561		454
Operating loss (GAAP)		(436)		(436)
Adjusted operating loss ¹		(96)		(152)
Adjusted EBITDA (Non-GAAP measure) ¹		(39)		(124)

¹ See “—Non-GAAP Measures” below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.

Sales for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Sales for the three months ended November 30, 2023 increased \$942 million to \$1.9 billion, reflecting the acquisition of Summit by VillageMD, and growth in all businesses compared to the year-ago quarter. VillageMD sales, inclusive of Summit, increased \$889 million to \$1.4 billion reflecting same clinic growth, additional full-risk lives, and increased multi-specialty productivity. Shields sales increased 27.2 percent to \$133 million, driven by recent contract wins and further expansion of existing partnerships.

Operating loss for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Gross profit for the three months ended November 30, 2023 was \$126 million, an increase of \$108 million compared to the year-ago quarter reflecting the acquisition of Summit by VillageMD and growth across all businesses.

**WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Selling, general and administrative expenses were \$561 million for the three months ended November 30, 2023 compared to \$454 million for the three months ended November 30, 2022. The increase compared to the year-ago quarter was driven by the acquisition of Summit by VillageMD and an impairment charge related to the planned closure of approximately 70 VillageMD clinics in fiscal 2024, partially offset by lower acquisition related costs for Shields compared to the year-ago quarter.

Operating loss for the three months ended November 30, 2023 was \$436 million, flat versus the year-ago quarter. Growth across all businesses and lower acquisition related costs for Shields compared to the year-ago quarter was offset by an increase in acquisition related costs for Summit.

Adjusted operating loss for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Adjusted operating loss was \$96 million for the three months ended November 30, 2023 compared to a loss of \$152 million in the year-ago quarter. The improvement compared to the year-ago quarter was driven by growth across all businesses and cost discipline at Walgreens Health.

Adjusted EBITDA (Non-GAAP measure) for the three months ended November 30, 2023 compared to three months ended November 30, 2022

Adjusted EBITDA loss of \$39 million improved by \$84 million compared to the year-ago quarter reflecting growth across all businesses and cost discipline.

See “—Non-GAAP Measures” below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.

NON-GAAP MEASURES

The following information provides reconciliations of the supplemental non-GAAP financial measures, as defined under the SEC rules, presented herein to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP). The Company has provided the non-GAAP financial measures herein, which are not calculated or presented in accordance with GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. See notes to the “Net loss to Adjusted net earnings & Diluted net loss per share to Adjusted diluted net earnings per share” and “Operating loss to Adjusted EBITDA for the U.S. Healthcare segment” reconciliation tables for definitions of non-GAAP financial measures and related adjustments presented below.

These supplemental non-GAAP financial measures are presented because management has evaluated the Company’s financial results both including and excluding the adjusted items or the effects of foreign currency translation, as applicable, and believes that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the Company from period to period and trends in the Company’s historical operating results. We also use non-GAAP financial measures as a basis for certain compensation programs sponsored by the Company. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented herein.

The Company also presents certain information related to current period operating results in “constant currency”, which is a non-GAAP financial measure. These amounts are calculated by translating current period results at the foreign currency exchange rates used in the comparable period in the prior year. The Company presents such constant currency financial information because it has significant operations outside of the U.S. reporting in currencies other than the U.S. dollar and such presentation provides a framework to assess how its business performed excluding the impact of foreign currency exchange rate fluctuations.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

NON-GAAP RECONCILIATIONS

Operating income (loss) to Adjusted operating income (loss) by segments (in millions)

The following are reconciliations of segment GAAP operating income (loss) to segment adjusted operating income (loss), as well as reconciliations of consolidated operating loss (GAAP measure) to consolidated adjusted operating income (Non-GAAP measure):

	Three months ended November 30, 2023				
	U.S. Retail Pharmacy	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Operating income (loss) (GAAP)	\$ 297	\$ 116	\$ (436)	\$ (17)	\$ (39)
Acquisition-related amortization	94	15	165	—	275
Acquisition-related costs	26	4	173	(41)	163
Transformational cost management	97	6	2	4	109
Adjustments to equity earnings in Cencora	50	—	—	—	50
LIFO provision	48	—	—	—	48
Certain legal and regulatory accruals and settlements	82	—	—	—	82
Adjusted operating income (loss) (Non-GAAP measure)	\$ 694	\$ 142	\$ (96)	\$ (53)	\$ 687

	Three months ended November 30, 2022				
	U.S. Retail Pharmacy	International	U.S. Healthcare	Corporate and Other	Walgreens Boots Alliance, Inc.
Operating (loss) income (GAAP)	\$ (5,758)	\$ 106	\$ (436)	\$ (63)	\$ (6,151)
Certain legal and regulatory accruals and settlements	6,554	—	—	—	6,554
Transformational cost management	127	7	—	4	138
Acquisition-related amortization	78	14	238	—	330
Acquisition-related costs	1	(11)	47	3	39
Adjustments to equity earnings in Cencora	86	—	—	—	86
LIFO provision	18	—	—	—	18
Adjusted operating income (loss) (Non-GAAP measure)	\$ 1,105	\$ 116	\$ (152)	\$ (56)	\$ 1,014

**WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net loss to Adjusted net earnings & Net loss per share to Adjusted diluted net earnings per share (in millions):

	Three months ended November 30,	
	2023	2022
Net loss attributable to Walgreens Boots Alliance, Inc. (GAAP)	\$ (67)	\$ (3,721)
Adjustments to operating loss:		
Acquisition-related amortization ¹	275	330
Acquisition-related costs ²	163	39
Transformational cost management ³	109	138
Adjustments to equity earnings in Cencora ⁴	50	86
LIFO provision ⁵	48	18
Certain legal and regulatory accruals and settlements ⁶	82	6,554
Total adjustments to operating loss	726	7,166
Adjustments to other (expense) income, net:		
Loss on certain non-hedging derivatives ⁷	366	—
Gain on sale of equity method investment ⁸	(139)	(969)
Loss on disposal of business ⁹	4	—
Total adjustments to other (expense) income, net	230	(969)
Adjustments to income tax benefit:		
Tax impact of adjustments ¹⁰	(203)	(1,438)
Equity method non-cash tax ¹⁰	4	8
Total adjustments to income tax benefit	(199)	(1,430)
Adjustments to post-tax earnings from other equity method investments:		
Adjustments to earnings in other equity method investments ¹¹	9	8
Total adjustments to post-tax earnings from other equity method investments	9	8
Adjustments to net loss attributable to non-controlling interests:		
Acquisition-related costs ²	(70)	(14)
Acquisition-related amortization ¹	(58)	(37)
Total adjustments to net loss attributable to non-controlling interests	(128)	(51)
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. (Non-GAAP measure)	\$ 571	\$ 1,004
Diluted net loss per common share (GAAP) ¹²	\$ (0.08)	\$ (4.31)
Adjustments to operating loss	0.84	8.29
Adjustments to other (expense) income, net	0.27	(1.12)
Adjustments to income tax benefit	(0.23)	(1.65)
Adjustments to post-tax earnings from other equity method investments	0.01	0.01
Adjustments to net loss attributable to non-controlling interests	(0.15)	(0.06)
Adjusted diluted net earnings per common share (Non-GAAP measure) ¹³	\$ 0.66	\$ 1.16
Weighted average common shares outstanding, diluted (in millions) ¹³	864.0	864.3

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating loss to Adjusted EBITDA for U.S. Healthcare segment (in millions):

	Three months ended November 30,	
	2023	2022
Operating loss (GAAP) ¹⁴	\$ (436)	\$ (436)
Acquisition-related amortization ¹	165	238
Acquisition-related costs ²	173	47
Transformational cost management ³	2	—
Adjusted operating loss	(96)	(152)
Depreciation expense	43	15
Stock-based compensation expense ¹⁵	13	12
Adjusted EBITDA (Non-GAAP measure)	\$ (39)	\$ (124)

¹ Acquisition-related amortization includes amortization of acquisition-related intangible assets, inventory valuation adjustments and stock-based compensation fair valuation adjustments. Amortization of acquisition-related intangible assets includes amortization of intangible assets such as customer relationships, trade names, trademarks, developed technology and contract intangibles. Intangible asset amortization excluded from the related non-GAAP measure represents the entire amount recorded within the Company's GAAP financial statements. The revenue generated by the associated intangible assets has not been excluded from the related non-GAAP measures. Amortization expense, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired, or the estimated useful life of an intangible asset is revised. These charges are primarily recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. The stock-based compensation fair valuation adjustment reflects the difference between the fair value based remeasurement of awards under purchase accounting and the grant date fair valuation. Post-acquisition compensation expense recognized in excess of the original grant date fair value of acquiree awards are excluded from the related non-GAAP measures as these arise from acquisition-related accounting requirements or agreements, and are not reflective of normal operating activities.

² Acquisition-related costs are transaction and integration costs associated with certain merger, acquisition and divestitures related activities recorded in Operating loss within the Consolidated Condensed Statement of Earnings. Examples of such costs include deal costs, severance, stock-based compensation and employee transaction success bonuses. These charges are primarily recorded within Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These costs are significantly impacted by the timing and complexity of the underlying merger, acquisition and divestitures related activities and do not reflect the Company's current operating performance.

³ Transformational Cost Management Program charges are costs associated with a formal restructuring plan. These charges are primarily recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. These costs do not reflect current operating performance and are impacted by the timing of restructuring activity.

⁴ Adjustments to equity earnings in Cencora consist of the Company's proportionate share of non-GAAP adjustments reported by Cencora consistent with the Company's non-GAAP measures.

⁵ The Company's U.S. Retail Pharmacy segment inventory is accounted for using the last-in-first-out ("LIFO") method. This adjustment represents the impact on cost of sales as if the U.S. Retail Pharmacy segment inventory is accounted for using first-in first-out ("FIFO") method. The LIFO provision is affected by changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences. Therefore, the Company cannot control the amounts recognized or timing of these items.

⁶ Certain legal and regulatory accruals and settlements relate to significant charges associated with certain legal proceedings, including legal defense costs. The Company excludes these charges when evaluating operating performance because it does not incur such charges on a predictable basis and exclusion of such charges enables more consistent evaluation of the Company's operating performance. These charges are recorded in Selling, general and administrative expenses within the Consolidated Condensed Statements of Earnings. In fiscal 2023, the Company recorded charges related to the opioid litigation settlement frameworks and certain other legal matters.

⁷ Includes fair value gains or losses on the VPF derivatives and certain derivative instruments used as economic hedges of the Company's net investments in foreign subsidiaries. These charges are recorded within Other (expense) income, net. The Company does not believe this volatility related to the mark-to-market adjustments on the underlying derivative instruments reflects the Company's operational performance.

⁸ Gains on the sale of equity method investments are recorded in Other (expense) income, net within the Consolidated Condensed Statements of Earnings. The Company excludes these charges when evaluating operating performance because these do not relate to the ordinary course of the Company's business.

⁹ Includes losses related to the sale of businesses. These charges are recorded in Other (expense) income, net, within the Consolidated Condensed Statements of Earnings.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

- ¹⁰ Adjustments to income tax benefit include adjustments to the GAAP basis tax benefit commensurate with non-GAAP adjustments and certain discrete tax items and equity method non-cash tax. These charges are recorded in Income tax benefit within the Consolidated Condensed Statements of Earnings.
- ¹¹ Adjustments to post-tax earnings from other equity method investments consist of the proportionate share of certain equity method investees' non-cash items or unusual or infrequent items consistent with the Company's non-GAAP adjustments. These charges are recorded in Post-tax earnings from other equity method investments within the Consolidated Condensed Statements of Earnings. Although the Company may have shareholder rights and board representation commensurate with its ownership interests in these equity method investees, adjustments relating to equity method investments are not intended to imply that the Company has direct control over their operations and resulting revenue and expenses. Moreover, these non-GAAP financial measures have limitations in that they do not reflect all revenue and expenses of these equity method investees.
- ¹² Due to the anti-dilutive effect resulting from the reported net loss, the impact of potentially dilutive securities on the per share amounts has been omitted from the calculation of weighted-average common shares outstanding for diluted net loss per common share.
- ¹³ Includes impact of potentially dilutive securities in the calculation of weighted-average common shares, diluted for adjusted diluted net earnings per common share calculation purposes.
- ¹⁴ The Company reconciles Adjusted EBITDA for the U.S. Healthcare segment to Operating loss as the closest GAAP measure for the segment profitability. The Company does not measure Net earnings attributable to Walgreens Boots Alliance, Inc. for its segments.
- ¹⁵ Includes GAAP stock-based compensation expense excluding expenses related to acquisition-related amortization and acquisition-related costs.

The Company considers certain metrics presented in this report, such as comparable sales (in constant currency), comparable pharmacy sales (in constant currency), comparable retail sales (in constant currency), comparable number of prescriptions, and comparable 30-day equivalent prescriptions to be key performance indicators because the Company's management has evaluated its results of operations using these metrics and believes that these key performance indicators presented provide additional perspective and insights when analyzing the core operating performance of the Company from period to period and trends in its historical operating results. These key performance indicators should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented herein. These measures may not be comparable to similarly-titled performance indicators used by other companies.

LIQUIDITY AND CAPITAL RESOURCES

The Company's long-term capital policy is to: maintain a strong balance sheet and financial flexibility; reinvest in its core strategies; invest in strategic opportunities that reinforce its core strategies and meet return requirements; and return surplus cash flow to stockholders in the form of dividends and share repurchases over the long term. The Company has paid cash dividends every quarter since 1933. As part of an evaluation of strategic and operational options, including those related to capital allocation, the Company announced a 48 percent reduction in its quarterly dividend payment to 25 cents per share, to strengthen the Company's long-term balance sheet and cash position, starting with the quarterly dividend payable in March 2024. This action reinforces the Company's goals of increasing cash flow, while freeing up capital to invest in sustainable growth initiatives in the pharmacy and healthcare businesses, which the Company believes will ultimately improve shareholder value. Further, the Company is dependent on funding from its subsidiaries to pay dividends and meet its obligations. If the Company's subsidiaries' financial performance and earnings are not sufficient to make dividend payments to the Company while maintaining adequate capital levels, the Company may reduce or may not be able to make dividend payments to its stockholders. Future dividends will be determined based on earnings, capital requirements, financial condition, and other debt obligations, fines and/or adverse rulings by courts or arbitrators in legal or regulatory matters, changes in federal, state or foreign income tax law, adverse global macroeconomic conditions, changes to the Company's business model and other factors considered relevant by the Company's Board of Directors at its sole discretion. For further information regarding the Company's dependence on its subsidiaries to pay dividends and meet its obligations, please see Part I, Item 1A, Risk factors in the fiscal 2023 10-K.

The Company's cash requirements are subject to change as business conditions warrant and opportunities arise. The timing and size of any new business ventures or acquisitions that the Company may complete may also impact its cash requirements. Additionally, the Company's cash requirements, and its ability to generate cash flow, have been and may continue to be adversely affected by adverse global macroeconomic conditions caused by factors including, among others, inflation, high interest rates, labor shortages, supply chain disruptions and pandemics like COVID-19. For further information regarding the impact of adverse macroeconomic conditions on the Company, including on its liquidity and capital resources, please see Part I, Item 1A, Risk factors in the fiscal 2023 10-K.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company expects to fund its working capital needs, capital expenditures, expansion, acquisitions, dividend payments, stock repurchases and debt service obligations from liquidity sources including cash flow from operations, availability under existing credit facilities, working capital financing arrangements, debt offerings, sale of marketable securities, current cash, and monetization of investments and other assets. The Company believes that these sources, and the ability to obtain other financing will provide adequate cash funds to meet the Company's needs for at least the next 12 months. See Part I. Item 3, Qualitative and quantitative disclosures about market risk, below for a discussion of certain financing and market risks. See Note 7. Debt to the Consolidated Condensed Financial Statements for further information on the Company's debt instruments and its recent financing actions.

Cash, cash equivalents and restricted cash were \$846 million (including \$193 million in non-U.S. jurisdictions) as of November 30, 2023 compared to \$856 million (including \$144 million in non-U.S. jurisdictions) as of August 31, 2023. Short-term investment objectives are primarily to minimize risk and maintain liquidity. To attain these objectives, investment limits are placed on the amount, type and issuer of securities. Investments are principally in U.S. Treasury money market funds.

On November 23, 2023, with financial support from the Company, Boots Pensions Limited, in its capacity as trustee of the Boots Pension Plan, entered into a Bulk Purchase Annuity Agreement with Legal & General Assurance Society Limited to insure the benefits of all 53,000 of its members. The Company has committed to contributing approximately \$970 million to \$1.0 billion to the Boots Plan (including the acceleration of previously committed contributions) to fund the purchase of a bulk annuity policy. On December 7, 2023, the Company paid \$375 million of the commitment, with the remaining amount expected to be paid within the next two years. See Note 12. Retirement benefits to the Consolidated Condensed Financial Statements for further information.

At November 30, 2023, the Company had no guarantees outstanding and the letters of credit issued were not material. See Note 7. Debt to the Consolidated Condensed Financial Statements for further information on the Company's debt instruments and its recent financing actions.

Cash flows from operating activities

Net cash used for operating activities was \$281 million compared to net cash provided by operating activities of \$493 million for the three months ended November 30, 2023 and 2022, respectively. The decrease in cash provided by operating activities is primarily driven by changes in net working capital and lower earnings. Changes in net working capital are primarily driven by lower cash inflows from timing of payor reimbursement and the anticipated seasonal inventory build for the U.S. and UK holiday season.

Cash flows from investing activities

Net cash provided by investing activities was \$85 million and \$1.9 billion for the three months ended November 30, 2023 and 2022, respectively.

Net cash provided by investing activities for the three months ended November 30, 2023 includes proceeds from sale-leaseback transactions of \$427 million and sale proceeds of \$250 million related to the Company's sale of Cencora common stock offset by additions to property, plant and equipment of \$506 million.

Net cash provided by investing activities for the three months ended November 30, 2022 includes sale proceeds of \$2.0 billion related to the Company's sale of Cencora common stock, proceeds from sales-leaseback transaction of \$409 million offset by additions to property, plant and equipment of \$610 million.

See Note 2. Acquisitions and other investments to the Consolidated Condensed Financial Statements for further information.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Expenditure

Capital expenditure primarily includes information technology projects and other growth initiatives. Additions to property, plant and equipment were as follows (in millions):

	Three months ended November 30,	
	2023	2022
U.S. Retail Pharmacy	\$ 394	\$ 452
International	76	71
U.S. Healthcare	37	87
Total additions to property, plant and equipment	\$ 506	\$ 610

The decrease in capital expenditure represents the reprioritization of growth initiatives, including the VillageMD footprint expansion, the rollout of micro-fulfillment centers, and digital transformation initiatives in the year-ago quarter.

Cash flows from financing activities

Net cash provided by financing activities for the three months ended November 30, 2023 was \$186 million compared to net cash used for financing activities of \$599 million in the year-ago quarter.

In the three months ended November 30, 2023, there were \$4.0 billion in proceeds from debt, primarily from revolving credit facilities and issuance of commercial paper, compared to \$39 million in proceeds from debt, primarily from issuance of commercial paper, in the year-ago quarter. In the three months ended November 30, 2023 there were \$3.8 billion in payments of debt made primarily for revolving credit facilities and commercial paper compared to \$11 million in payments of debt made primarily for commercial paper in the year-ago quarter. See Note 7. Debt, to the Consolidated Condensed Financial Statements for further information.

In the three months ended November 30, 2023, the Company entered into VPF transactions with third-party financial institutions and received prepayments of \$424 million related to the forward sale of up to 2.7 million shares of Cencora common stock. See Note 5. Equity method investments and Note 8. Financial instruments, to the Consolidated Condensed Financial Statements for further information.

The Company purchased treasury shares to support the needs of the employee stock plans totaling \$69 million and \$150 million during the three months ended November 30, 2023 and 2022, respectively. The Company did not repurchase stock pursuant to the stock repurchase programs described below.

Cash dividends paid were \$415 million during the three months ended November 30, 2023 and 2022, respectively.

Stock repurchase program

In June 2018, the Company's Board of Director's approved a stock repurchase program (the "June 2018 stock repurchase program"), which authorized the repurchase of up to \$10.0 billion of the Company's common stock of which the Company had repurchased \$8.0 billion as of November 30, 2023. The June 2018 stock repurchase program has no specified expiration date. In July 2020, the Company suspended repurchases under this program. The Company may continue to repurchase stock to offset anticipated dilution from equity incentive plans.

The Company determines the timing and amount of repurchases, including repurchases to offset anticipated dilution from equity incentive plans, based on its assessment of various factors, including prevailing market conditions, alternate uses of capital, liquidity and the economic environment. The Company has repurchased, and may from time to time in the future repurchase, shares on the open market through Rule 10b5-1 plans, which enable the Company to repurchase shares at times when we otherwise might be precluded from doing so under federal securities laws.

Debt covenants

Each of the Company's credit facilities described in Note 7. Debt, to the Consolidated Condensed Financial Statements, contain a covenant to maintain, as of the last day of each fiscal quarter, a ratio of consolidated debt to total capitalization not to exceed 0.60:1.00, subject to increase in certain circumstances set forth in the applicable credit agreement. As of November 30, 2023, the Company was in compliance with all such applicable financial covenants.

**WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS***Credit ratings*

As of January 4, 2023, the credit ratings of Walgreens Boots Alliance were:

Rating agency	Senior unsecured debt rating	Commercial paper rating	Outlook
Moody's	Ba2	NP	Stable outlook
Standard & Poor's	BBB-	A-3	Negative outlook

In assessing the Company's credit strength, each rating agency considers various factors including the Company's business model, capital structure, financial policies and financial performance. There can be no assurance that any particular rating will be assigned or maintained. The Company's credit ratings impact its borrowing costs, access to capital markets and operating lease costs. The rating agency ratings are not recommendations to buy, sell or hold the Company's debt securities or commercial paper. Each rating may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other rating.

The Company's senior unsecured debt ratings were lowered to BBB- with a negative outlook by Standard and Poor's in October 2023 and Ba2 (below investment grade) with a stable outlook by Moody's in December 2023. The reduction in the Company's credit ratings has limited impact to the cost of interest on existing debt, but has minimally increased borrowing margins under certain credit facilities that are tied to ratings grids or similar terms. The Company's current credit ratings significantly reduce the Company's ability to issue commercial paper, may increase the cost of new financing for the Company, and may decrease access to credit and debt capital markets. As of November 30, 2023, the Company had an aggregate borrowing capacity under committed revolving credit facilities of \$5.8 billion, with no funds drawn under these facilities.

**WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CRITICAL ACCOUNTING ESTIMATES

The Consolidated Condensed Financial Statements are prepared in accordance with GAAP and include amounts based on management's prudent judgments and estimates. Actual results may differ from these estimates. Management believes that any reasonable deviation from those judgments and estimates would not have a material impact on our consolidated financial position or results of operations. To the extent that the estimates used differ from actual results, however, adjustments to the Consolidated Condensed Statements of Earnings and corresponding Consolidated Condensed Balance Sheets accounts would be necessary. These adjustments would be made in future periods. For a discussion of our significant accounting policies, please see the Company's fiscal 2023 Form 10-K. Some of the more significant estimates include business combinations, leases, goodwill and indefinite-lived intangible asset impairments, cost of sales and inventory, equity method investments, pension and postretirement benefits, legal contingencies, and income taxes.

NEW ACCOUNTING PRONOUNCEMENTS

A discussion of new accounting pronouncements is described in Note 17. New accounting pronouncements, to the Consolidated Condensed Financial Statements of this Quarterly Report on Form 10-Q and is incorporated herein by reference.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report and other documents that we file or furnish with the SEC contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These include, without limitation, any statements regarding the Company's future operations, financial or operating results, capital allocation, anticipated debt levels and ratios, future earnings, planned activities, anticipated growth, market opportunities, strategies, competition, and other expectations and targets for future periods. Words such as "expect," "outlook," "forecast," "would," "could," "should," "can," "will," "project," "intend," "plan," "goal," "guidance," "target," "aim," "continue," "transform," "accelerate," "model," "long-term," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," "potential," "preliminary," and variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, known or unknown, that could cause actual results to vary materially from those indicated or anticipated. These risks, assumptions and uncertainties include those described in the 2023 Form 10-K, Item 1A, Risk factors which are incorporated herein by reference, and in other documents that we file or furnish with the SEC. If one or more of these risks or uncertainties materializes, or if underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. All forward-looking statements we make or that are made on our behalf are qualified by these cautionary statements. Accordingly, you should not place undue reliance on these forward-looking statements, which speak only as of the date they are made.

We do not undertake, and expressly disclaim, any duty or obligation to update publicly any forward-looking statement after the date of this report, whether as a result of new information, future events, changes in assumptions or otherwise.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Item 3. Quantitative and qualitative disclosure about market risk

Interest rate risk

The Company is exposed to interest rate volatility with regard to existing variable-rate debt instruments and future incurrences of fixed or variable-rate debt, which exposure primarily relates to movements in various interest rates, such as U.S. treasury rates and commercial paper rates. From time to time, the Company uses interest rate swaps and forward-starting interest rate swaps to hedge its exposure to the impact of interest rate changes on existing debt and future debt issuances respectively, to reduce the volatility of financing costs and, based on current and projected market conditions, achieve a desired proportion of fixed-rate versus floating-rate debt. Generally, under these swaps, the Company agrees with a counterparty to exchange the difference between fixed-rate and floating-rate interest amounts based on an agreed upon notional principal amount.

Information regarding the Company's transactions and financial instruments are set forth in Note 8. Financial instruments, to the Consolidated Condensed Financial Statements. These financial instruments are sensitive to changes in interest rates. As of November 30, 2023, the Company had \$2.3 billion of debt obligations at floating interest rates.

Foreign currency exchange rate risk

The Company is exposed to fluctuations in foreign currency exchange rates, primarily with respect to the British pound sterling and certain other foreign currencies, which may affect its net investment in foreign subsidiaries and may cause fluctuations in cash flows related to foreign denominated transactions. The Company is also exposed to the translation of foreign currency earnings to the U.S. dollar. The Company enters into foreign currency forward contracts to hedge against the effect of exchange rate fluctuations on non-functional currency cash flows. These transactions are almost exclusively less than 12 months in maturity. In addition, the Company enters into foreign currency forward contracts that are not designated in hedging relationships to offset, in part, the impacts of certain intercompany activities (primarily associated with intercompany financing transactions).

The Company's foreign currency derivative instruments are sensitive to changes in exchange rates. A hypothetical 1% change in foreign currency exchange rates versus the U.S. dollar would change the fair value of the foreign currency derivatives held as of November 30, 2023, by approximately \$41 million. The foreign currency derivatives are intended to partially hedge anticipated transactions, foreign currency trade payables and receivables and net investments in foreign subsidiaries.

Equity price risk

Changes in Cencora common stock price may have a significant impact on the fair value of the equity method investment in Cencora. As of November 30, 2023, a hypothetical 10% increase or decrease in the market price of Cencora common stock would increase or decrease the fair value of the Cencora common stock held by the Company by \$620 million.

Changes in Cencora common stock price may have a significant impact on the fair value of the variable prepaid forward derivative contracts. As of November 30, 2023, a hypothetical 10% increase or decrease in the market price of Cencora common stock would increase or decrease the fair value of the Company's variable prepaid forward contract liabilities by \$316 million and \$303 million, respectively.

See Note 5. Equity method investments and Note 8. Financial instruments to the Consolidated Condensed Financial Statements for further details.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
ITEM 4. CONTROLS AND PROCEDURES

Item 4. Controls and procedures

Evaluation of disclosure controls and procedures

Management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The controls evaluation was conducted under the supervision and with the participation of the Company's management, including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Based upon the controls evaluation, our CEO and CFO have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

In the ordinary course of business, the Company reviews its internal control over financial reporting and makes changes to its systems and processes that are intended to enhance such controls and increase efficiency while maintaining an effective internal control environment. Changes may include such activities as updating existing systems, automating manual processes, standardizing controls and modifying monitoring controls.

As we transform our business processes, we continue to make strategic changes in how we perform certain key business functions. These changes include the continued leveraging of extended workforces via third-party outsource arrangements as well as our continued implementation of new information systems. These initiatives are not being implemented in response to any identified internal control deficiency or weakness. As these changes occur, we will evaluate quarterly whether such changes materially affect, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

In connection with the evaluation pursuant to Exchange Act Rule 13a-15(d) of the Company's internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) by the Company's management, including its CEO and CFO, no changes during the quarter ended November 30, 2023 were identified that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent limitations on effectiveness of controls

Our management, including the CEO and CFO, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
PART II. OTHER INFORMATION

Item 1. Legal proceedings

The information in response to this item is incorporated herein by reference to Note 10. Commitments and contingencies, to the Consolidated Condensed Financial Statements of this Quarterly Report.

Item 1A. Risk factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in item 1A. “Risk factors” in the 2023 10-K, which could materially affect our business, financial condition, or future results.

Item 2. Unregistered sales of equity securities and use of proceeds

The following table provides information about purchases by the Company during the quarter ended November 30, 2023 of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act. Subject to applicable law, share purchases may be made from time to time in open market transactions, privately negotiated transactions including accelerated share repurchase agreements, or pursuant to instruments and plans complying with Rule 10b5-1, among other types of transactions and arrangements.

Period	Issuer purchases of equity securities			
	Total number of shares purchased by month ²	Average price paid per share	Total number of shares purchased by month as part of publicly announced plans or programs ¹	Approximate dollar value of shares that may yet be purchased under the plans or programs ¹
09/01/23 - 09/30/23	—	\$ —	—	\$ 2,003,419,960
10/01/23 - 10/31/23	3,100,000	22.37	—	2,003,419,960
11/01/23 - 11/30/23	—	—	—	2,003,419,960
	3,100,000		—	

¹ On June 28, 2018, the Company announced a stock repurchase program, which authorized the repurchase of up to \$10.0 billion of Walgreens Boots Alliance Inc. common stock. This program has no specified expiration date. In July 2020, the Company announced that it had suspended activities under this program.

² During the period, 3,100,000 shares of common stock were purchased to support the needs of the employee stock plans

Item 5. Other information

During the three months ended November 30, 2023, none of the Company’s directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” (as those terms are defined in Regulation S-K, Item 408).

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
PART II. OTHER INFORMATION

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>	<u>SEC Document Reference</u>
3.1	Amended and Restated Certificate of Incorporation of Walgreens Boots Alliance, Inc.	Incorporated by reference to Exhibit 3.1 to Walgreens Boots Alliance, Inc.'s Current Report on Form 8-K12B (File No. 1-36759) filed with the SEC on December 31, 2014.
3.2	Amended and Restated Bylaws of Walgreens Boots Alliance, Inc.	Incorporated by reference to Exhibit 3.1 to Walgreens Boots Alliance, Inc.'s Current Report on Form 8-K (File No. 1-36759) filed with the SEC on January 31, 2023.
10.1*	Form of Restricted Stock Unit Award agreement (effective October 2023).	Filed herewith.
10.2*	Form of Restricted Stock Unit Award agreement for Executive Chairman (effective October 2023).	Filed herewith.
10.3*	Employment Agreement between Walgreens Boots Alliance, Inc. and Timothy Charles Wentworth, dated October 9, 2023.	Incorporated by reference to Exhibit 10.1 to Walgreens Boots Alliance, Inc.'s Current Report on Form 8-K (File No. 1-36759) filed with the SEC on October 11, 2023.
10.4*	Offer Letter agreement between Walgreens Boots Alliance, Inc. and Ginger L. Graham, dated September 20, 2023.	Incorporated by reference to Exhibit 10.34 to Walgreens Boots Alliance, Inc.'s Annual Report on Form 10-K for the year ended August 31, 2023 (File No. 1-36759) filed with the SEC on October 12, 2023.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.	Furnished herewith.
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.	Furnished herewith.
101.INS	Inline XBRL Instance Document (The following financial information from this Quarterly Report on Form 10-Q for the quarter ended November 30, 2023 formatted in Inline XBRL (Extensive Business Reporting Language) includes: (i) the Consolidated Condensed Balance Sheets; (ii) the Consolidated Condensed Statements of Equity; (iii) the Consolidated Condensed Statements of Earnings; (iv) the Consolidated Condensed Statements of Comprehensive Income; (v) the Consolidated Condensed Statements of Cash Flows; and (vi) Notes Financial Statements).	Filed herewith.
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.

**WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
PART II. OTHER INFORMATION**

101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
104	Cover Page Interactive Data File (formatted as Inline XBRL document and included in Exhibit 101)	Filed herewith.

* Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Walgreens Boots Alliance, Inc.
(Registrant)

Dated: January 4, 2024

/s/ Manmohan Mahajan
Manmohan Mahajan
Senior Vice President and Interim Global Chief Financial Officer
Principal Financial Officer

Dated: January 4, 2024

/s/ Todd D. Heckman
Todd D. Heckman
Vice President, Interim Global Controller and Chief Accounting Officer
Principal Accounting Officer

WALGREENS BOOTS ALLIANCE, INC.

2021 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

These materials, which may include descriptions of company stock plans, prospectuses and other information and documents, and the information they contain, are provided by Walgreens Boots Alliance, Inc., not by Fidelity, and are not an offer or solicitation by Fidelity for the purchase of any securities or financial instruments. These materials were prepared by Walgreens Boots Alliance, Inc., which is solely responsible for their contents and for compliance with legal and regulatory requirements. Fidelity is not connected with any offering or acting as an underwriter in connection with any offering of securities or financial instruments of Walgreens Boots Alliance, Inc. Fidelity does not review, approve or endorse the contents of these materials and is not responsible for their content.

**WALGREENS BOOTS ALLIANCE, INC.
2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Participant Name:

Participant ID:

Grant Date: (the "Grant Date")

Units Granted:

Vesting: One third of the Shares Granted vest on each of the first, second and third anniversaries of the Grant Date (the "Vesting Dates")

Acceptance Date:

Electronic Signature:

This document (referred to below as this "Agreement") spells out the terms and conditions of the Restricted Stock Unit Award (the "Award") granted to you by Walgreens Boots Alliance, Inc., a Delaware corporation (the "Company"), pursuant to the Walgreens Boots Alliance, Inc. 2021 Omnibus Incentive Plan (the "Plan") on and as of the Grant Date designated above. Except as otherwise defined herein, capitalized terms used in this Agreement have the respective meanings set forth in the Plan. For purposes of this Agreement, "Employer" means the entity (the Company or the Affiliate) that employs you on the applicable date. The Plan, as it may be amended from time to time, is incorporated into this Agreement by this reference.

You and the Company agree as follows:

1. Grant of Restricted Stock Units. Pursuant to the approval and direction of the Compensation and Leadership Performance Committee of the Company's Board of Directors (the "Committee"), the Company hereby grants you the number of Restricted Stock Units specified above (the "Restricted Stock Units"), subject to the terms and conditions of the Plan and this Agreement.

2. Restricted Stock Unit Account and Dividend Equivalents. The Company will maintain an account (the "Account") on its books in your name to reflect the number of Restricted Stock Units awarded to you as well as any additional Restricted Stock Units credited as a result of Dividend Equivalents. The Account will be administered as follows:

(a) The Account is for recordkeeping purposes only, and no assets or other amounts shall be set aside from the Company's general assets with respect to such Account.

(b) As of each record date with respect to which a cash dividend is to be paid with respect to shares of Company common stock par value US\$.01 per share ("Stock"), the Company will credit your Account with an equivalent amount of Restricted Stock Units determined by dividing the value of the cash dividend that would have been paid on your Restricted Stock Units if they had been shares of Stock, divided by the value of Stock on such date.

(c) If dividends are paid in the form of shares of Stock rather than cash, then your Account will be credited with one additional Restricted Stock Unit for each share of Stock that would have been received as a dividend had your outstanding Restricted Stock Units been shares of Stock.

(d) Additional Restricted Stock Units credited via Dividend Equivalents shall vest or be forfeited at the same time as the Restricted Stock Units to which they relate.

3. Restricted Period. The period prior to the vesting date with respect each Restricted Stock Unit is referred to as the "Restricted Period." Subject to the provisions of the Plan and this Agreement, unless vested or forfeited earlier as described in Section 4, 5, 6 or 7 of this Agreement, as applicable, your Restricted Stock Units will become vested and be settled as described in Section 8 below, as of the vesting date or dates indicated in the introduction to this Agreement.

4. Disability or Death. If during the Restricted Period you have a Termination of Service by reason of Disability or death, then the Restricted Stock Units will become fully vested as of the date of your Termination of Service and the Vesting Date shall become the date of your Termination of Service. Any Restricted Stock Units becoming vested by reason of your Termination of Service by reason of Disability or death shall be settled as provided in Section 8.

5. Retirement. If during the Restricted Period you have a Termination of Service by reason of Retirement, as reasonably determined and approved by the Committee or its delegates, then, subject to such approval, the number of Restricted Stock Units that become vested by reason of your Retirement will be prorated to reflect the portion of the vesting period during which you remained employed by the Company. For each Vesting Date occurring after such Termination of Service, such prorated portion shall equal the number of Restricted Stock Units scheduled to vest as of that Vesting Date, multiplied by a fraction equal to the number of full months of that portion of the vesting period completed as of your Termination of Service, divided by 12. Any Restricted Stock Units becoming vested by reason of your Retirement shall be settled as provided in Section 8.

6. Termination of Service Following a Change in Control. If during the Restricted Period there is a Change in Control of the Company and within the one-year period thereafter you have a Termination of Service initiated by your Employer other than for Cause (as defined in Section 7), then your Restricted Stock Units shall become fully vested, and they shall be settled in accordance with Section 9. For purposes of this Section 6, a Termination of Service initiated by your Employer shall include a Termination of Employment for Good Reason under - and pursuant to the terms and conditions of - the Walgreens Boots Alliance, Inc. Executive Severance and Change in Control Plan, but only to the extent applicable to you as an eligible participant in such Plan.

7. Other Termination of Service. If during the Restricted Period you have a voluntary or involuntary Termination of Service for any reason other than as set forth in Section 4, 5 or 6 above or Section 9 below, as determined by the Committee, then you shall thereupon forfeit any Restricted Stock Units that are still in a Restricted Period on your termination date. For purposes of this Agreement, "Cause" means any one or more of the following, as determined by the Committee in its sole discretion:

(a) your commission of a felony or any crime of moral turpitude;

(b) your dishonesty or material violation of standards of integrity in the course of fulfilling your duties to the Company or any Affiliate;

(c) your material violation of a material written policy of the Company or any Affiliate violation of which is grounds for immediate termination;

(d) your willful and deliberate failure to perform your duties to the Company or any Affiliate in any material respect, after reasonable notice of such failure and an opportunity to correct it; or

(e) your failure to comply in any material respect with the United States ("U.S.") Foreign Corrupt Practices Act, the U.S. Securities Act of 1933, the Exchange Act, the U.S. Sarbanes-Oxley Act of 2002, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and the U.S. Truth in Negotiations Act, or any rules or regulations thereunder.

8. Settlement of Vested Restricted Stock Units. Subject to the requirements of Section 13 below, as promptly as practicable after the applicable Vesting Date, whether occurring upon your Separation from Service or otherwise, but in no event later than 75 days after the Vesting Date, the Company shall transfer to you one share of Stock for each Restricted Stock Unit becoming vested at such time, net of any applicable tax withholding requirements in accordance with Section 10 below; provided, however, that, if you are a Specified Employee at the time of Separation from Service, then to the extent your Restricted Stock Units are deferred compensation subject to Section 409A of the Code, settlement of which is triggered by your Separation from Service (other than for death), payment shall not be made until the date which is six months after your Separation from Service.

Notwithstanding the foregoing, if you are resident or employed outside of the U.S., the Company, in its sole discretion, may provide for the settlement of the Restricted Stock Units in the form of:

(a) a cash payment (in an amount equal to the Fair Market Value of the Stock that corresponds with the number of vested Restricted Stock Units) to the extent that settlement in shares of Stock (i) is prohibited under local law, (ii) would require you, the Company or an Affiliate to obtain the approval of any governmental or regulatory body in your country of residence (or country of employment, if different), (iii) would result in adverse tax consequences for you, the Company or an Affiliate or (iv) is administratively burdensome; or

(b) shares of Stock, but require you to sell such shares of Stock immediately or within a specified period following your Termination of Service (in which case, you hereby agree that the Company shall have the authority to issue sale instructions in relation to such shares of Stock on your behalf).

9. Settlement Following Change in Control. Notwithstanding any provision of this Agreement to the contrary, the Company may, in its sole discretion, fulfill its obligation with respect to all or any portion of the Restricted Stock Units that become vested in accordance with Section 6 above, by:

(a) delivery of (i) the number of shares of Stock that corresponds with the number of Restricted Stock Units that have become vested or (ii) such other ownership interest as such shares of Stock that correspond with the vested Restricted Stock Units may be converted into by virtue of the Change in Control transaction;

(b) payment of cash in an amount equal to the Fair Market Value of the Stock that corresponds with the number of vested Restricted Stock Units at that time; or

(c) delivery of any combination of shares of Stock (or other converted ownership interest) and cash having an aggregate Fair Market Value equal to the Fair Market Value of the Stock that corresponds with the number of Restricted Stock Units that have become vested at that time.

Settlement shall be made as soon as practical after the Restricted Stock Units become fully vested under Section 6, but in no event later than 30 days after such date.

10. Responsibility for Taxes; Tax Withholding.

(a) You acknowledge that, regardless of any action taken by the Company or your Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe

benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), is and remains your responsibility and may exceed the amount actually withheld by the Company or your Employer, if any. You further acknowledge that the Company and/or your Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the subsequent sale of shares of Stock acquired pursuant to such settlement and the receipt of any Dividend Equivalents and/or dividends; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or your Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or your Employer to satisfy all Tax-Related Items. In this regard, except as provided below, the Company, your Employer or its agent shall satisfy the obligations with regard to all Tax-Related Items by withholding from the shares of Stock to be delivered upon settlement of the Award that number of shares of Stock having a Fair Market Value equal to the amount required by law to be withheld. For purposes of the foregoing tax withholding, no fractional shares of Stock will be withheld. Notwithstanding the foregoing, if you are a Section 16 officer of the Company under the Exchange Act at the time of any applicable tax withholding event, you may make a cash payment to the Company, your Employer or its agent to cover the Tax-Related Items that the Company or your Employer may be required to withhold or account for as a result of your participation in the Plan. If you are not a Section 16 officer of the Company at the time of any applicable tax withholding event, the Company and/or your Employer may (in its sole discretion) allow you to make a cash payment to the Company, your Employer or its agent to cover such Tax-Related Items.

The Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from the shares of Stock to be delivered upon settlement of the Award, for tax purposes, you will be deemed to have been issued the full number of shares of Stock subject to the earned Award, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items.

The Company may refuse to issue or deliver the shares of Stock (or cash payment) or the proceeds from the sale of shares of Stock if you fail to comply with your obligations in connection with the Tax-Related Items.

11. Nontransferability. During the Restricted Period and thereafter until Stock is transferred to you in settlement thereof, you may not sell, transfer, pledge, assign or otherwise alienate or hypothecate the Restricted Stock Units whether voluntarily or involuntarily or by operation of law, other than by beneficiary designation effective upon your death, or by will or by the laws of intestacy.

12. Rights as Stockholder. You shall have no rights as a stockholder of the Company with respect to the Restricted Stock Units until such time as a certificate of stock for the Stock issued in settlement of such Restricted Stock Units has been issued to you or such shares of Stock have been recorded in your name in book entry form. Until that time, you shall not have any voting rights with respect to the Restricted Stock Units. Except as provided in Section 9

above, no adjustment shall be made for dividends or distributions or other rights with respect to such shares for which the record date is prior to the date on which you become the holder of record thereof. Anything herein to the contrary notwithstanding, if a law or any regulation of the U.S. Securities and Exchange Commission or of any other regulatory body having jurisdiction shall require the Company or you to take any action before shares of Stock can be delivered to you hereunder, then the date of delivery of such shares may be delayed accordingly.

13. Securities Laws. If a Registration Statement under the U.S. Securities Act of 1933, as amended, is not in effect with respect to the shares of Stock to be delivered pursuant to this Agreement, you hereby represent that you are acquiring the shares of Stock for investment and with no present intention of selling or transferring them and that you will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange on which the shares of Stock may then be listed.

14. Not a Public Offering. If you are resident outside the U.S., the grant of the Restricted Stock Units is not intended to be a public offering of securities in your country of residence (or country of employment, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Restricted Stock Units is not subject to the supervision of the local securities authorities.

15. Insider Trading/Market Abuse Laws. By participating in the Plan, you agree to comply with the Company's policy on insider trading, to the extent that it is applicable to you. You further acknowledge that, depending on your or your broker's country of residence or where the shares of Stock are listed, you may be subject to insider trading restrictions and/or market abuse laws that may affect your ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock, or rights linked to the value of shares of Stock during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees and/or service providers. Any restrictions under these laws and regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions and, therefore, you should consult your personal advisor on this matter.

16. Repatriation; Compliance with Law. If you are resident or employed outside the U.S., you agree to repatriate all payments attributable to the shares of Stock and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in your country of residence (and country of employment, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in your country of residence (and country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal obligations under local laws, rules and/or regulations in your country of residence (and country of employment, if different).

17. No Advice Regarding Grant. No employee of the Company is permitted to advise you regarding your participation in the Plan or your acquisition or sale of the shares of Stock underlying the Restricted Stock Units. You are hereby advised to consult with your own personal tax, legal and financial advisors before taking any action related to the Plan.

18. Change in Stock. In the event of any change in Stock, by reason of any stock dividend, recapitalization, reorganization, split-up, merger, consolidation, exchange of shares, or of any similar change affecting the shares of Stock, the number of Restricted Stock Units subject to this Agreement shall be equitably adjusted by the Committee.

19. Nature of the Award. In accepting the Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and limited in duration, and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time;

(b) the grant of the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Awards or other grants, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of the Award, the number of shares subject to the Award, and the vesting provisions applicable to the Award;

(d) the Award and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any Affiliate and shall not interfere with the ability of the Company, your Employer or an Affiliate, as applicable, to terminate your employment or service relationship;

(e) you are voluntarily participating in the Plan;

(f) the Award and the shares of Stock subject to the Award are not intended to replace any pension rights or compensation;

(g) the Award, the shares of Stock subject to the Award and the income and value of the same, is an extraordinary item of compensation outside the scope of your employment (and employment contract, if any) and is not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, your Employer or any Affiliate;

(h) the future value of the shares of Stock underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

(i) unless otherwise determined by the Committee in its sole discretion, a Termination of Service shall be effective from the date on which active employment or service ends and shall not be extended by any statutory or common law notice of termination period;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from a Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, your Employer or any Affiliate, waive your ability, if any, to bring any such claim, and release the Company, the Employer and all Affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) unless otherwise provided herein, in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock of the Company; and

(l) neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the U.S. dollar that may affect the value of the Award or of any amounts due to you pursuant to the settlement of the Award or the subsequent sale of any shares of Stock acquired upon settlement of the Award.

20. Committee Authority; Recoupment. It is expressly understood that the Committee or its delegate is authorized to administer, construe and make all determinations necessary or appropriate for the administration of the Plan and this Agreement, including the enforcement of the Company's Policy on Recoupment of Compensation Due to Improper Conduct (which is applicable to employees at the Direction Band and above and can be accessed online by clicking the "Policy Center" tab of the WBA Worldwide homepage, and the Company's Policy on Recoupment of Incentive Compensation (which is applicable only to the Company's executive officers) (collectively, the "Recoupment Policies"), all of which shall be binding upon you and any claimant, as applicable. Any inconsistency between this Agreement and the Plan or the Recoupment Policies shall be resolved in favor of the Plan or such Policies, as applicable.

21. Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies you of the following in relation to your personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Restricted Stock Units and your participation in the Plan. The collection, processing and transfer of personal data is necessary for the Company's administration of the Plan and your participation in the Plan, and your denial and/or objection to the collection, processing and transfer of personal data may affect your participation in the Plan. As such, you voluntarily acknowledge and consent (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein:

(a) The Company and your Employer hold certain personal information about you, specifically: your name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of all entitlements to shares of Stock awarded, canceled, purchased, vested, unvested or outstanding in your favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by you or collected, where lawful, from the Company, its Affiliates and/or third parties, and the Company and your Employer will process the Data for the exclusive purpose of implementing, administering and managing your participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in your country of residence (or country of employment, if different). Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for your participation in the Plan.

(b) The Company and your Employer will transfer Data internally as necessary for the purpose of implementation, administration and management of your participation in the Plan, and the Company and/or your Employer may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. You hereby authorize (where required under applicable

law) the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, as may be required for the administration of the Plan and/or the subsequent holding of the shares of Stock on your behalf, to a broker or other third party with whom you may elect to deposit any shares of Stock acquired pursuant to the Plan.

(c) You may, at any time, exercise your rights provided under applicable personal data protection laws, which may include the right to (i) obtain confirmation as to the existence of Data, (ii) verify the content, origin and accuracy of the Data, (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of the Data, (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and your participation in the Plan, and (v) withdraw your consent to the collection, processing or transfer of Data as provided hereunder (in which case, your Restricted Stock Units will become null and void). You may seek to exercise these rights by contacting your Human Resources manager or the Company's Human Resources Department, who may direct the matter to the applicable Company privacy official.

22. Non-Competition, Non-Solicitation and Confidentiality. As a condition to the receipt of the Restricted Stock Units, you must agree to the Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Restrictive Covenants Agreement") attached hereto as Exhibit A. By clicking the acceptance box for this Agreement, you also agree to the terms and conditions expressed in the Restrictive Covenants Agreement. Failure to accept the terms of this Agreement and the Restrictive Covenants Agreement within 180 days of the Grant Date shall constitute your decision to decline to accept this Award.

23. Addendum to Agreement. Notwithstanding any provision of this Agreement to the contrary, the Restricted Stock Units shall be subject to any special terms and conditions for your country of residence (and country of employment, if different) as set forth in the addendum to the Agreement, attached hereto as Exhibit B (the "Addendum"). Further, if you transfer your residence and/or employment to another country reflected in the Addendum, the special terms and conditions for such country will apply to you to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Restricted Stock Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). The Addendum shall constitute part of this Agreement.

24. Additional Requirements. The Company reserves the right to impose other requirements on the Restricted Stock Units, any shares of Stock acquired pursuant to the Restricted Stock Units and your participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Restricted Stock Units and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

25. Amendment or Modification, Waiver. Except as set forth in the Plan, no provision of this Agreement may be amended or waived unless the amendment or waiver is agreed to in writing, signed by you and by a duly authorized officer of the Company. No waiver of any condition or provision of this Agreement shall be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time.

26. Electronic Delivery. The Company may, in its sole discretion, deliver by electronic means any documents related to the Award or your future participation in the Plan. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

27. Governing Law and Jurisdiction. This Agreement is governed by the substantive and procedural laws of the state of Illinois, U.S.A. You and the Company shall submit to the exclusive jurisdiction of, and venue in, the courts in Illinois, U.S.A., in any dispute relating to this Agreement without regard to any choice of law rules thereof which might apply the laws of any other jurisdictions.

28. English Language. If you are resident in a country where English is not an official language, you acknowledge and agree that it is your express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. You further acknowledge that you are sufficiently proficient in English, or have consulted with an advisor who is sufficiently proficient in English, so as to allow you to understand the terms and conditions of this Agreement, the Plan and any other documents related to the Award. If you have received this Agreement, the Plan or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

29. Conformity with Applicable Law. If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

30. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon your death, acquire any rights hereunder.

This Agreement contains highly sensitive and confidential information. Please handle it accordingly.

Please read the attached Exhibits A and B. Once you have read and understood this Agreement and Exhibits A and B, please click the acceptance box to certify and confirm your agreement to be bound by the terms and conditions of this Agreement and Exhibits A and B, as applicable, and to acknowledge your receipt of the Prospectus, the Plan and this Agreement and your acceptance of the terms and conditions of the Award granted hereunder.

EXHIBIT A

WALGREENS BOOTS ALLIANCE, INC. NON-COMPETITION, NON-SOLICITATION AND CONFIDENTIALITY AGREEMENT

This Exhibit (the "Restrictive Covenants Agreement") forms a part of the Restricted Stock Unit Award Agreement (the "Award Agreement") covering restricted stock units awarded to an employee ("Employee" or "I") of Walgreens Boots Alliance, Inc. or an affiliate thereof, on behalf of itself, its affiliates, subsidiaries, and successors (collectively referred to as the "Company").

WHEREAS, the Company develops and/or uses valuable business, technical, proprietary, customer and patient information it protects by limiting its disclosure and by keeping it secret or confidential;

WHEREAS, I acknowledge that during the course of employment, I have or will receive, contribute, or develop such Confidential Information and Trade Secrets (as defined below); and

WHEREAS, the Company desires to protect from third parties (e.g. competitors and customers) such Confidential Information and Trade Secrets and also desires to protect its legitimate business interests and goodwill in maintaining its employee and customer relationships.

NOW THEREFORE, in consideration of the Restricted Stock Units issued to me pursuant to the Award Agreement (to which this Restrictive Covenants Agreement is attached as Exhibit A) and for other good and valuable consideration, including but not limited to employment or continued employment, the specialized knowledge, skill and training that the Company provides me, and the goodwill that I develop with customers on behalf of the Company, I agree to be bound by the terms of this Restrictive Covenants Agreement as follows:

1. Confidentiality.

(a) At all times during and after the termination of my employment with the Company, I will not, without the Company's prior written permission, directly or indirectly for any purpose other than performance of my duties for the Company, utilize or disclose to anyone outside of the Company any Trade Secrets (defined in subparagraph 1(a)(i)) or other Confidential Information (defined in subparagraph 1(a)(ii)) or any information received by the Company in confidence from or about third parties, as long as such matters remain Trade Secrets or otherwise confidential.

(i) For purposes of this Restrictive Covenants Agreement, "**Trade Secrets**" means a form of intellectual property that are protectable under applicable state and/or Federal law, including the Uniform Trade Secrets Act (as amended and adapted by the states) and the Federal Defend Trade Secrets Act of 2016 (the "DTSA"). They include all tangible and intangible (e.g., electronic) forms and types of information that is held and kept confidential by the Company and is not generally known outside of the Company, including but not limited to information about: the Company's financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs or codes, and may in particular include such things as pricing information, business records, software programs, algorithms, inventions, patent applications, and designs and processes not known outside the Company.

(ii) For purposes of this Restrictive Covenants Agreement, "**Confidential Information**" means Trade Secrets and, more broadly, any other tangible and intangible (e.g., electronic) forms and types of information that are

held and kept confidential by the Company and are not generally known outside the Company, and which relates to the actual or anticipated business of the Company or the Company's actual or prospective vendors or clients. Confidential Information shall not be considered generally known to the public if it is revealed improperly to the public by me or others without the Company's express written consent and/or in violation of an obligation of confidentiality to the Company. Examples of Confidential Information include, but are not limited to: customer, referral source, supplier and contractor identification and contacts; special contract terms; pricing and margins; business, marketing and customer plans and strategies; financial data; company created (or licensed) techniques; technical know-how; research, development and production information; processes, prototypes, software, patent applications and plans, projections, proposals, discussion guides, and/or personal or performance information about employees.

(b) I understand that this obligation of non-disclosure shall last so long as the information remains confidential. I, however, understand that, if I live and work primarily in Wisconsin, Virginia, or any other state requiring a temporal limit on non-disclosure clauses, Confidential Information shall be protected for two (2) years following termination of my employment (for any reason). I also understand that Trade Secrets are protected by statute and are not subject to any time limits. I also agree to contact the Company before using, disclosing, or distributing any Confidential Information or Trade Secrets if I have any questions about whether such information is protected information.

(c) The restrictions set forth in this paragraph are in addition to and not in lieu of any obligations or rights I have by law with respect to the Company's Confidential Information. Consistent with subparagraph 9(n) below, nothing herein shall prohibit me from disclosing Confidential Information or Trade Secrets if compelled by order of court or an agency of competent jurisdiction or as required by law; however, I shall take reasonable steps to protect such disclosure of Confidential Information or Trade Secrets. Pursuant to the Defend Trade Secrets Act of 2016 (DTSA), I understand that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that: (A) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, I understand that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the Trade Secret to his or her attorney and use the Trade Secret information in the court proceeding, so long as any document containing the Trade Secret is filed under seal and the individual does not disclose the Trade Secret, except pursuant to court order. Nothing in this Restrictive Covenants Agreement is intended to conflict with the DTSA or create liability for disclosures of Trade Secrets that are expressly allowed by DTSA.

2. Non-Competition. I agree that during my employment with the Company and for twelve (12) months after the termination of my employment (for any reason), I will not, directly or indirectly have Responsibilities with respect to any Competing Business Line. As set forth in subparagraph 9(b) below, I understand that the restrictions in this paragraph apply no matter whether my employment is terminated by me or the Company and no matter whether that termination is voluntary or involuntary. These restrictions shall not apply to passive investments of less than five percent (5%) ownership interest in any entity. For purposes of this Restrictive Covenants Agreement, "**Responsibilities**" means the same or similar material responsibilities I performed for the Company during the two (2) years prior to my last day of employment with the Company and within the same geographic area, or portion thereof, where I performed or directed (*i.e.*, where my work extends to a larger geographic territory, including applicably state(s), county(ies) and city(ies)) those responsibilities for the Company. For purposes of this

Restrictive Covenants Agreement, "**Competing Business Line**" means any business that is in competition with any business engaged in by the Company and for which I had Responsibilities during the two (2) years prior to my last day of employment with the Company. Competing Business Line shall also include businesses or business lines that may not be directly competitive with the Company in most respects (such as pharmacy benefit managers), but only to the extent I am engaged by any such business in a role: (a) that involves my performing Responsibilities for Competing Products or Services; or (b) where my knowledge of the Company's Confidential Information could be used by a competitor to unfairly compete with or undermine the Company's legitimate business interests. For purposes of this Restrictive Covenants Agreement, "**Competing Products or Services**" means products or services that are competitive with products or services offered by, developed by, designed by or distributed by the Company during the two (2) years prior to my last day of employment with the Company.

3. Non-Solicitation. I agree that during my employment with the Company and for two (2) years after the termination of my employment from the Company (for any reason):

(a) I will not directly or indirectly, solicit any Restricted Customer for purposes of providing Competing Products or Services, or offer, provide or sell Competing Products or Services to any Restricted Customer. For purposes of this Restrictive Covenants Agreement, "**Restricted Customer**" means any person, company or entity that was a customer, vendor, supplier or referral source of the Company and with which I had direct contact for purposes of performing responsibilities for the Company or for which I had supervisory responsibilities on behalf of the Company, in either case at any time during the two (2) years prior to my last day of employment with the Company. To the extent permitted by applicable law, "**Restricted Customer**" also means any prospective customer(s), vendor(s), supplier(s) or referral source(s) with which I had business contact on behalf of the Company in the twelve (12) months prior to my last day of employment with the Company; and

(b) I will not, nor will I assist any third party to, directly or indirectly (i) raid, solicit, or attempt to persuade any then-current employee of the Company with whom I currently directly work or with whom I had direct contact work during the two years prior to my last day of employment with the Company, and who possesses or had access to Confidential Information of the Company, to leave the employ of the Company; (ii) interfere with the performance by any such employee of his/her duties for the Company; and/or (iii) communicate with any such employee for the purposes described in items (i) and (ii) in this subparagraph 3(b).

4. Non-Inducement. I will not directly or indirectly assist or encourage any person or entity in carrying out or conducting any activity that would be prohibited by this Restrictive Covenants Agreement if such activity were carried out or conducted by me.

5. Non-Disparagement. During my employment with the Company and thereafter, I agree not to make negative comments or otherwise disparage the Company or any of its officers, directors, employees, shareholders, members, agents or products. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings); and the foregoing shall not apply to any claims for harassment or discrimination to the extent so restricted by applicable state law.

6. Intellectual Property. The term "**Intellectual Property**" shall mean all trade secrets, ideas, inventions, designs, developments, devices, software, computer programs, methods and processes (whether or not patented or patentable, reduced to practice or included in the Confidential Information) and all patents and patent applications related thereto, all copyrights, copyrightable works and mask works (whether or not included in the Confidential Information) and all registrations and applications for registration related thereto, all Confidential Information, and all other proprietary rights contributed to, or conceived or created by, or reduced to practice by me or anyone acting on my behalf (whether alone or jointly with others)

at any time from the beginning of my employment with the Company to the termination of that employment plus ninety (90) days, that (i) relate to the business or to the actual or anticipated research or development of the Company; (ii) result from any services that I or anyone acting on my behalf perform for the Company; or (iii) are created using the equipment, supplies or facilities of the Company or any Confidential Information.

a. Ownership. All Intellectual Property is, shall be and shall remain the exclusive property of the Company. I hereby assign to the Company all right, title and interest, if any, in and to the Intellectual Property; provided, however, that, when applicable, the Company shall own the copyrights in all copyrightable works included in the Intellectual Property pursuant to the "work-made-for-hire" doctrine (rather than by assignment), as such term is defined in the 1976 Copyright Act. All Intellectual Property shall be owned by the Company irrespective of any copyright notices or confidentiality legends to the contrary that may be placed on such works by me or by others. I shall ensure that all copyright notices and confidentiality legends on all work product authored by me or anyone acting on his/her behalf shall conform to the Company's practices and shall specify the Company as the owner of the work. The Company hereby provides notice to me that the obligation to assign does not apply to an invention for which no equipment, supplies, facility, or Trade Secrets of the Company was used and which was developed entirely on my own time, unless (i) the invention relates (1) to the business of the Company, or (2) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by me for the Company.

b. Keep Records. I shall keep and maintain, or cause to be kept and maintained by anyone acting on my behalf, adequate and current written records of all Intellectual Property in the form of notes, sketches, drawings, computer files, reports or other documents relating thereto. Such records shall be and shall remain the exclusive property of the Company and shall be available to the Company at all times during my employment with the Company.

c. Assistance. I shall supply all assistance requested in securing for the Company's benefit any patent, copyright, trademark, service mark, license, right or other evidence of ownership of any such Intellectual Property, and will provide full information regarding any such item and execute all appropriate documentation prepared by Company in applying or otherwise registering, in the Company's name, all rights to any such item or the defense and protection of such Intellectual Property.

d. Prior Inventions. I have disclosed to the Company any continuing obligations to any third party with respect to Intellectual Property. I claim no rights to any inventions created prior to his/her employment for which a patent application has not previously been filed, unless he/she has described them in detail on a schedule attached to this Restrictive Covenants Agreement.

e. Trade Secret Provisions. The provisions in paragraph 1 of this Restrictive Covenants Agreement with regard to Trade Secrets and the DTSA shall apply as well in the context of the parties' Intellectual Property rights and obligations.

7. Return of Company Property. I agree that all documents and data accessible to me during my employment with the Company, including Confidential Information and Trade Secrets, regardless of format (electronic or hard copy), including but not limited to any Company computer, monitor, printer equipment, external drives, wireless access equipment, telecom equipment and systems ("Company Equipment"), are and remain the sole and exclusive property of the Company and/or its clients, and must be returned to the Company upon separation or upon demand by the Company. I further agree that I will provide passwords to access such Company Equipment and I will not print, retain, copy, destroy, modify or erase Company U.S. data on Company Equipment or otherwise wipe Company Equipment prior to returning the Company Equipment. I further acknowledge and agree that, beginning on my last

day of employment, (a) I shall remove any reference to the Company as my current employer from any source I control, either directly or Indirectly, including, but not limited to, any social media, including LinkedIn, Facebook, Twitter, Instagram, Google+, and/or MySpace, etc. and (b) I am not permitted to represent that I am currently being employed by the Company to any person or entity, including, but not limited to, on any social media.

8. Consideration and Acknowledgments. I acknowledge and agree that the covenants described in this Restrictive Covenants Agreement are essential terms, and the underlying Restricted Stock Unit Award would not be provided by the Company in the absence of these covenants. I further acknowledge that these covenants are supported by adequate consideration as set forth in this Restrictive Covenants Agreement and are not in conflict with any public interest. I further acknowledge and agree that I fully understand these covenants, have had full and complete opportunity to discuss and resolve any ambiguities or uncertainties regarding these covenants before signing this Restrictive Covenants Agreement, and have voluntarily agreed to comply with these covenants for their stated terms. I further acknowledge and agree that these covenants are reasonable and enforceable in all respects.

9. Enforceability; General Provisions.

(a) I understand that my non-compete and/or non-solicitation obligations in this Restrictive Covenants Agreement shall not apply to me if I am covered under applicable state or local statutory law prohibiting non-competes or non-solicits on the basis of my income and/or position level at the time of enforcement, including but not limited to those addressed in Exhibit A-1.

(b) I agree that the restrictions contained in this Restrictive Covenants Agreement are reasonable and necessary to protect the Company's legitimate business interests and that full compliance with the terms of this Restrictive Covenants Agreement will not prevent me from earning a livelihood following the termination of my employment, and that these covenants do not place undue restraint on me. I further understand that the restrictions in this Restrictive Covenants Agreement apply no matter whether my employment is terminated by me or the Company and no matter whether that termination is voluntary or involuntary.

(c) Because the Company is incorporated in the state of Delaware (i) this Restrictive Covenants Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any conflict of law provisions, and (ii) I consent to personal jurisdiction and the exclusive jurisdiction of the state and federal courts of Delaware with respect to any claim, dispute or declaration arising out of this Restrictive Covenants Agreement.

(d) In the event of a breach or a threatened breach of this Restrictive Covenants Agreement, I acknowledge that the Company will face irreparable injury which may be difficult to calculate in dollar terms and that the Company shall be entitled, in addition to all remedies otherwise available in law or in equity, to temporary restraining orders and preliminary and final injunctions enjoining such breach or threatened breach in any court of competent jurisdiction without the necessity of posting a surety bond, as well as to obtain an equitable accounting of all profits or benefits arising out of any violation of this Restrictive Covenants Agreement.

(e) I agree that if a court determines that any of the provisions in this Restrictive Covenants Agreement is unenforceable or unreasonable in duration, territory, or activity, then that court shall modify those provisions so they are reasonable and enforceable, and enforce those provisions as modified.

(f) If any one or more provisions (including paragraphs, subparagraphs and terms) of this Restrictive Covenants Agreement or its application is determined to be invalid, illegal, or unenforceable to any extent or for any reason by a court of competent

jurisdiction, I agree that the remaining provisions (including paragraphs, subparagraphs and terms) of this Restrictive Covenants Agreement will still be valid and the provision declared to be invalid or illegal or unenforceable will be considered to be severed and deleted from the rest of this Restrictive Covenants Agreement. I further agree that if any court of competent jurisdiction finds any of the restrictions set forth in this Restrictive Covenants Agreement to be overly broad and unenforceable, the restriction shall be interpreted to extend only over the maximum time period, geographic area, or range of activities or clients that such court deems enforceable

(g) Notwithstanding the foregoing provisions of this Restrictive Covenants Agreement, the non-competition provisions of paragraph 2 above shall not restrict me from performing legal services as a licensed attorney for a Competing Business to the extent that the attorney licensure requirements in the applicable jurisdiction do not permit me to agree to the otherwise applicable restrictions of paragraph 2.

(h) Waiver of any of the provisions of this Restrictive Covenants Agreement by the Company in any particular instance shall not be deemed to be a waiver of any provision in any other instance and/or of the Company's other rights at law or under this Restrictive Covenants Agreement.

(i) I agree that the Company may assign this Restrictive Covenants Agreement to its successors and assigns and that any such successor or assign may stand in the Company's stead for purposes of enforcing this Restrictive Covenants Agreement.

(j) I agree to reimburse the Company for all attorneys' fees, costs, and expenses that it reasonably incurs in connection with enforcing its rights and remedies under this Restrictive Covenants Agreement, but only to the extent the Company is ultimately the prevailing party in the applicable legal proceedings.

(k) I understand and agree that, where allowed by applicable law, the time for my obligations set out in paragraphs 2-6 shall be extended for period of non-compliance up to an additional two (2) years following my last day of employment with the Company (for any reason).

(l) I fully understand my obligations in this Restrictive Covenants Agreement, have had full and complete opportunity to discuss and resolve any ambiguities or uncertainties regarding these covenants before signing this Restrictive Covenants Agreement, and have voluntarily agreed to comply with these covenants for their stated terms.

(m) I agree that all non-competition, non-solicitation, non-disclosure and use, non-recruiting, and disclosure obligations in this Restrictive Covenants Agreement shall survive any termination of this Restrictive Covenants Agreement and extend to the proscribed periods following my last day of employment with the Company (for any reason) and no dispute regarding any other provisions of this Restrictive Covenants Agreement or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations.

(n) I understand that nothing in this Restrictive Covenants Agreement, including the non-disclosure and non-disparagement provisions, limit my ability to file a charge or complaint with the Equal Employment Opportunity Commission, Department of Labor, National Labor Relations Board, Occupational Safety and Health Administration, Securities and Exchange Commission or any other federal, state or local governmental agency or commission. I also understand that this Restrictive Covenants Agreement does not limit my ability to communicate with any government agencies or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information, without notice to the

Company. Finally, nothing in this Restrictive Covenants Agreement in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding me from: (i) exercising my rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); or (ii) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

10. Relationship of Parties. I acknowledge that my relationship with the Company is “terminable at will” by either party and that the Company or I can terminate the relationship with or without cause and without following any specific procedures. Nothing contained in this Restrictive Covenants Agreement is intended to or shall be relied upon to alter the “terminable at will” relationship between the parties. I agree that my obligations in this Restrictive Covenants Agreement shall survive the termination of my employment from the Company for any reason and shall be binding upon my successors, heirs, executors and representatives.

11. Modifications and Other Agreements. I agree that the terms of this Restrictive Covenants Agreement may not be modified except by a written agreement signed by both me and the Company. This Restrictive Covenants Agreement shall not supersede any other restrictive covenants to which I may be subject under an employment contract, benefit program or otherwise, such that the Company may enforce the terms of any and all restrictive covenants to which I am subject. The obligations herein are in addition to and do not limit any obligations arising under applicable statutes and common law.

12. State and Commonwealth Law Modifications. I acknowledge and agree that while I primarily reside or work in a jurisdiction identified in Exhibit A-1, including on my last day of employment with the Company, I agree that the restricted activities set forth in this Restrictive Covenants Agreement shall be superseded only as set forth in the applicable Addendum attached hereto as **Exhibit A-1**.

13. Notification. I agree that in the event I am offered employment at any time in the future with any entity that may be considered a Competing Business Line, I shall immediately notify such Competing Business of the existence and terms of this Restrictive Covenants Agreement. I also understand and agree that the Company may notify anyone attempting to or later employing me of the existence and provisions of this Restrictive Covenants Agreement.

*** **

By clicking the acceptance box for this grant agreement, I acknowledge receipt of the Award Agreement to which this Restrictive Covenants Agreement is attached as Exhibit A, and I agree to the terms and conditions expressed in this Restrictive Covenants Agreement, including the modifications set forth in Exhibit A-1, as applicable.

EXHIBIT A-1

**WALGREENS BOOTS ALLIANCE, INC. NON-COMPETITION, NON-SOLICITATION
AND CONFIDENTIALITY AGREEMENT**

State and Commonwealth Law Modifications

This Exhibit A-1 to the Walgreens Boots Alliance, Inc. Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Restrictive Covenants Agreement") includes jurisdiction-specific "Addenda," which modify the Restrictive Covenants Agreement as applied to individuals who primarily reside and work in one of the applicable jurisdictions, but only to the extent the laws of such jurisdiction are applicable to the Restrictive Covenants Agreement. The Addenda of this Exhibit A-1 should be read in conjunction with the rest of the Restrictive Covenants Agreement and enforced to the fullest extent permissible to protect the Company's legitimate business interests.

CALIFORNIA ADDENDUM

No. 1:

The covenants in **paragraph 2 "Non-Competition"** apply during my employment with the Company, but do not apply post-employment, during such time(s) that I primarily reside and work in California.

No. 2:

The covenants in **paragraph 3 "Non-Solicitation"** apply during my employment with the Company, but do not apply post-employment, during such time(s) that I primarily reside and work in California.

No. 3:

The language in **paragraph 5 "Non-Disparagement"** is stricken and replaced with the following:

During my employment with the Company and thereafter, I agree not to make negative comments or otherwise disparage the Company or any of its officers, directors, employees, shareholders, members, agents or products, except as otherwise allowed by law, including California Government Code Section 12964.5.

No. 4:

The language in **paragraph 6 "Intellectual Property"** is supplemented with the following language:

The terms of this Restrictive Covenants Agreement requiring disclosure and assignment of inventions to the Company do not apply to any invention that qualifies fully under California Labor Code Section 2870, which reads:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

While employed, I will advise the Company promptly in writing of any inventions that I believe meet the criteria in California Labor Code Section 2870 for a confidential ownership determination.

No. 5:

The language in **paragraph 9 "Enforceability; General Provisions," subparagraph 9(c)** by this Addendum shall substitute "California" for "Delaware" with respect to the choice of law and forum, during such time(s) that I primarily reside and work in California.

COLORADO ADDENDUM

No. 1:

The language in **subparagraph 1(a)** is modified by adding the following:

I acknowledge and agree that the restrictions in this paragraph are reasonable and shall not prohibit the disclosure of information arising from my general training, knowledge, skill, or experience, whether gained on the job or otherwise, information readily ascertainable to the public, and/or information an employee has a right to disclose as legally protected conduct.

No. 2:

The language in **paragraph 2 "Non-Competition"** is modified so that the term "same geographic area" is defined to mean:

the territory (i.e.: (i) state(s), (ii) county(ies), and/or (iii) city(ies)) where, during the twenty-four (24) months prior to my last day of employment with the Company, I: (A) had material responsibilities or performed services on behalf of the Company (or in which I supervised others with respect to the exercise of such material responsibilities or servicing activities) and/or (B) solicited Restricted Customer or otherwise sold services on behalf of the Company (or in which I supervised such solicitation or selling activities). If my material responsibilities were not geographically limited to any territory at any time during the twenty-four (24) months prior to my last day of employment with the Company, "same geographic area" means anywhere in the United States the Company is engaged in the business. Same geographic area only covers territory where my knowledge of the Company's Trade Secrets could be used by a competitor to unfairly compete with or undermine the Company's legitimate business interests.

No. 3:

The language in **paragraph 2 "Non-Competition," paragraph 3 "Non-Solicitation," and paragraph 4 "Non-Inducement"** is modified by adding the following:

If I primarily work or reside in the State of Colorado, the restrictions related to competitive activities in paragraph 2 only applies to the extent I earn, both at the time this Restrictive Covenants Agreement is entered into and at the time the Company enforces it, an amount of annualized cash compensation equivalent to or greater than the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this Restrictive Covenants Agreement is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, Trade Secrets disclosed to me during the course of my employment with the Company.

If I primarily work or reside in the State of Colorado, the restrictions related to solicitation activities in paragraph 3 and paragraph 4 only apply to the extent I earn, both at the time this Restrictive Covenants Agreement is entered into and at the time the Company enforces it, an amount of annualized cash compensation equivalent to or greater than 60% of the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this Restrictive Covenants Agreement is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, Trade Secrets disclosed to me during the course of employment with the Company.

No. 4:

The language in **subparagraph 9(n)** is modified to add the following sentence to the end of that subparagraph:

Nothing in this Restrictive Covenants Agreement prohibits me from discussing or disclosing conduct that employee reasonably believes under Washington State, Federal, or common law to be illegal discrimination, illegal harassment, illegal retaliation, a wage and hour violation, or sexual assault, or that is recognized as against a clear mandate of public policy.

No. 5:

A new **subparagraph 9(o)** is added as follows:

I acknowledge and agree I have been provided with, and have signed, a separate notice of my obligations either (i) prior to my acceptance of employment with the Company or (ii) for current employees of the Company, at least fourteen (14) days before the effective date of this Restrictive Covenants Agreement, in the following form and substance. I further acknowledge and agree that paragraphs 1-4 shall not become effective until (iii) my first day of employment, if presented with such notice and a copy of the Restrictive Covenants Agreement prior to accepting an offer of employment, or (iv) for current employees of the Company, fourteen (14) days after receiving such notice and a copy of the Restrictive Covenants Agreement.

No. 6:

The language in **paragraph 9 “Enforceability; General Provisions,” subparagraph 9(c)** by this Addendum shall substitute the substantive laws of “Colorado” for “Delaware” with respect to the choice of law and forum, during such time(s) that I primarily reside and work in Colorado.

DISTRICT OF COLUMBIA ADDENDUM

Under the District of Columbia’s Ban on Non-Compete Agreements Amendment Act of 2020, as amended by the Non-competes Clarification Amendment Act of 2022 (collectively, the “Act”), the

following addenda for the District of Columbia shall only apply to non-competition agreements employees sign on or after October 1, 2022 and to employers who are operating in the District of Columbia or any person or group of persons acting directly or indirectly in the interest of an employer operating in the District of Columbia in relation to an employee or a prospective employee. The primary Non-Competition Agreement otherwise controls.

No. 1:

A new **subparagraph 9(o) "Covered Employee Ban"** is added as follows:

I understand that the non-competition obligations under paragraph 2 shall not apply to me if I am considered a "covered employee" under the Act. I am a covered employee if the following conditions are satisfied:

Current Employees – If I have commenced work for the Company, I am covered if (i) I spend more than 50% of my work time for the Company working in the District of Columbia; or (ii) my employment is based in the District of Columbia, and I regularly spend a substantial amount of my work time for the Company in the District of Columbia and not more than 50% of my work time for the Company in another jurisdiction.

Prospective Employees – If I have not yet commenced work for the Company, I am covered if (i) the Company reasonably anticipates that I will spend more than 50% of my work time for the Company working in the District of Columbia; or (ii) my employment for the Company will be based in the District of Columbia, and the Company reasonably anticipates that I will regularly spend a substantial amount of my work time for the Company in the District of Columbia and not more than 50% of my work time for the Company in another jurisdiction.

No. 2:

A new **subparagraph 9(p) "Highly Compensated Employee Exclusion"** is added as follows:

I understand that the non-competition obligations under paragraph 1 shall apply to me if I am a "highly compensated employee" (and is therefore excluded from the definition of "covered employee"). Under the Act, a "highly compensated employee" is someone who earns at least \$150,000 during a consecutive 12-month period or whose compensation earned from the Company in the consecutive 12-month period preceding the date the proposed non-competition is to begin is at least \$150,000. The Act provides that for "medical specialists, the compensation threshold for "highly compensated employee" status is \$250,000. Beginning on January 1, 2024, and each calendar year thereafter, the dollar threshold for highly compensated employee status will be adjusted based on increases in the Consumer Price Index.

No. 3:

A new **subparagraph 9(q) "Notice"** is added as follows:

I agree that before being required to sign this Restrictive Covenants Agreement, the Company provided written notice to me that I had fourteen (14) calendar days before I commenced employment to review the non-competition provision in the Restrictive Covenants Agreement; or, in the case of a current employee, that I had at least fourteen (14) calendar days to review the non-competition provision

in the Agreement before I must execute the Restrictive Covenants Agreement. In addition, the Company provided me with the following written notice.

The District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

GEORGIA ADDENDUM

No. 1:

The language in **subparagraph 3(b)** is modified so that its obligations are limited to the same geographic area where I performed Responsibilities for the Company.

ILLINOIS ADDENDUM

No. 1:

A new **subparagraph 9(o)** is added as follows:

Effective if I sign this Restrictive Covenants Agreement after January 1, 2022, I understand that (i) the non-competition obligations under paragraph 2 do not apply to me if I do not earn the statutory minimum compensation set by Illinois statute (e.g., between January 1, 2021 and January 2, 2027, the statutory threshold is \$75,001 per year or more); and (ii) the non-solicitation obligations under paragraph 3 do not apply to me if I do not earn the statutory minimum compensation set by Illinois statute (e.g., between January 1, 2022 and January 2, 2027, the statutory threshold is \$45,001 per year or more).

No. 2:

A new **subparagraph 9(p)** is added as follows:

I agree that before being required to sign this Restrictive Covenants Agreement, the Company provided me with at least fourteen (14) calendar days to review it. The Company also hereby advises me to consult with an attorney before entering into this Restrictive Covenants Agreement.

LOUISIANA ADDENDUM

No. 1:

The definition of "**Responsibilities**" in **paragraph 2** is modified to include only those responsibilities I performed in the Restricted Area, which is now defined to be the following:

For purposes of this Addendum, "Restricted Area" means the parishes (and equivalents) in the following list so long as Company continues to carry on business therein: Acadia Parish, Allen Parish, Ascension Parish, Assumption Parish, Avoyelles Parish, Beauregard Parish, Bienville Parish, Bossier Parish, Caddo Parish, Calcasieu Parish, Caldwell Parish, Cameron Parish, Catahoula Parish, Claiborne Parish, Concordia Parish, DeSoto Parish, East Baton Rouge Parish, East Carroll Parish, East Feliciana Parish, Evangeline Parish, Franklin Parish, Grant Parish, Iberia Parish, Iberville Parish, Jackson Parish, Jefferson

Parish, Jefferson Davis Parish, Lafayette Parish, Lafourche Parish, LaSalle Parish, Lincoln Parish, Livingston Parish, Madison Parish, Morehouse Parish, Natchitoches Parish, Orleans Parish, Ouachita Parish, Plaquemines Parish, Pointe Coupee Parish, Rapides Parish, Red River Parish, Richland Parish, Sabine Parish, St. Bernard Parish, St. Charles Parish, St. Helena Parish, St. James Parish, St. John the Baptist Parish, St. Landry Parish, St. Martin Parish, St. Mary Parish, St. Tammany Parish, Tangipahoa Parish, Tensas Parish, Terrebonne Parish, Union Parish, Vermilion Parish, Vernon Parish, Washington Parish, Webster Parish, West Baton Rouge Parish, West Carroll Parish, West Feliciana Parish, and Winn Parish, all so long as the Business is transacted therein. I hereby continues to stipulate that the Company does business in all of the above parishes, counties, and municipalities as of the date of this Louisiana Addendum. I also understand that the Company serves those counties of the adjacent states that border the State of Louisiana and that I will equally be bound in those geographic areas where I also perform Material responsibilities for the Company during the two (2) years prior to my last day of employment with the Company.

I acknowledge that the Company's business and my Responsibilities for the Company are expanding. Accordingly, I agree that the Company may amend the Restricted Area by way of separate written amendment(s) in the form set forth in **Schedule A** to this Louisiana Addendum specifying new or additional parishes and counties. Any such separate written amendment(s) shall have the same force and effect as if the amendment(s) were originally a part of, or such parishes and counties were originally listed in, this Louisiana Addendum. The Company will provide me with any and all amendments that amend the Restricted Area. I agree that if the Company provides me with an amendment that amends the Restricted Area that it will represent as fact that the Company does business in all of the geographical areas identified in such an amendment, unless I provide the Company with written notice disputing that fact within seven (7) days of my receipt of the amendment, provided however that, despite such notice of dispute, should the Company be found to in fact be doing business in the disputed parish or county, such parish or county identified by the Amendment shall be included within the meaning of Restricted Area.

No. 2:

The first sentence of **subparagraph 3(a)** is stricken and replaced with the following

I will not directly or indirectly, solicit any Restricted Customer within in the Restricted Area, as defined in paragraph 2, for purposes of providing Competing Products or Services, or offer, provide or sell Competing Products or Services to any Restricted Customer within the Restricted Area.

No. 3:

The first sentence of **subparagraph 9(c)** is stricken and replaced with the following:

The interpretation, validity, and enforcement of this Restrictive Covenants Agreement will be governed by the substantive laws of the State of Louisiana, without regard to any conflicts of law principles that require the application of the law of another jurisdiction.

* * *

SCHEDULE A TO LOUISIANA ADDENDUM – FORM OF AMENDMENT

AMENDMENT NO. 1 TO THE LOUISIANA ADDENDUM

The parties agree that this Amendment No. 1 to the Louisiana Addendum (“First Amendment”) shall modify the term “**Restricted Area**” contained in the Louisiana Addendum to the Walgreens Boots Alliance, Inc. Non-Competition, Non-Solicitation and Confidentiality Agreement (the “Restrictive Covenants Agreement”). This First Amendment shall be read in conjunction with the rest of the Restrictive Covenants Agreement and the Louisiana Addendum and enforced to the fullest extent permissible to protect the Company’s legitimate business interests.

“**Restricted Area**” means the parishes, counties (and equivalents) inside and outside Louisiana that are identified in the list in the Louisiana Addendum and Schedule A thereto, as modified and superseded by the attachment to this Amendment No. 1 that is provided by the Company, so long as the Company continues to carry on the Company’s business therein; which the Company certifies by its signature below.

Employee

Walgreens Boots Alliance, Inc.

By: _____
Name: _____
Dated: _____

By: _____
Name: _____
Title: _____
Dated: _____

MASSACHUSETTS ADDENDUM

No. 1:

The language in **paragraph 2 “Non-Competition”** is stricken and replaced with the following:

2. **Non-Competition.** In exchange for the Company providing me the consideration set forth in the Restrictive Covenants Agreement, I agree that during my employment and for a period of one (1) year from the Termination Date (*i.e.*, the date of my voluntary termination of employment, or of the involuntary termination of my employment with Cause (as defined below)), I will not, directly or indirectly, engage in “Competition” (as defined below) within the “Geographic Region” (as defined below).

(a) “**Cause**” means misconduct, violation of any policy of the Company, including any rule of conduct or standard of ethics of the Company, breach of the Restrictive Covenants Agreement (including this Addendum) or the breach of any confidentiality, non-disclosure, non-solicitation or assignment of inventions obligations to the Company, failure to meet the Company’s reasonable performance expectations, or other grounds directly and reasonably related to the legitimate business needs of the Company.

(b) “**Competing Business**” means a business that is in competition with any business engaged in by the Company.

(c) “**Competition**” means to provide the same or substantially similar services to a Competing Business as those that I provided to the Company during the last two (2) years of my employment with the Company. “Competition”

does not include passive investments of less than five percent (5%) ownership interest in any entity.

(d) **“Geographic Region”** means the geographic area in which I, during any time within the last two years of my employment with the Company, provided services or had a material presence or influence.

(e) If the Company enforces the restrictions in this paragraph 2 for a period of time after the Termination Date (the “Restraint Period”), it will pay me, during the Restraint Period, an amount equal to fifty percent (50%) of my annual base salary. My annual base salary, for the purposes of this subparagraph 2(e), will be calculated based on my average annual salary for my last two (2) years of employment, less any applicable deductions, and excluding any incentive compensation, bonuses, benefits, or other compensation, less any applicable deductions (the “Restraint Payment”). The Restraint Payment will be paid on a pro-rata basis during the Restraint Period in the same manner that I would have received wages from the Company had I been employed during the Restraint Period.

(f) The Restraint Period shall be extended from one (1) year following the Termination Date to two (2) years following the Termination Date if I (i) breached Employee’s fiduciary duty(ies) to the Company, or (ii) unlawfully took, physically or electronically, property belonging to the Company. In the event that the Restraint Period is extended due to my breach of my fiduciary duty(ies) to the Company, or due to my having unlawfully taken, physically or electronically, property belonging to the Company, the Company shall not be required to provide payments to me during the extension of the Restraint Period.

(g) I understand that if the Company elects to waive the non-competition provisions set forth herein, I will not receive any compensation or consideration described in subparagraph 2(e). I further understand that at the time of my separation from employment, the Company shall elect whether to waive its enforcement of the non-competition provisions in the Restrictive Covenants Agreement (including this Massachusetts Addendum). I will be notified by the Company of its election or waiver by letter, in the form set forth in the below Schedule A to this Massachusetts Addendum.

(h) If I was already employed by the Company on the date of my signature on the Restrictive Covenants Agreement, I acknowledge that the Restrictive Covenants Agreement, including this Massachusetts Addendum, was delivered to me at least ten (10) business days before the date that this Addendum was executed by both of the parties (the “Effective Date”). If I was not already employed by the Company on the date of the my signature on the Restrictive Covenants Agreement, I acknowledge that the Restrictive Covenants Agreement, including this Massachusetts Addendum, was delivered to me (i) before a formal offer of employment was made by the Company, or (ii) ten (10) business days before the commencement of my employment with the Company, whichever was earlier.

(i) I acknowledge that I have been advised of my right to consult with counsel of my own choosing prior to signing the Restrictive Covenants Agreement and this Massachusetts Addendum. By signing the Restrictive Covenants Agreement and this Addendum, I acknowledge that I had time to read and understand the terms of the Restrictive Covenants Agreement and this Addendum, and to consult with my own legal counsel, not including counsel for the Company, regarding the Restrictive Covenants Agreement and the Addendum prior to their execution. I agree that I have actually read and understand the Restrictive Covenants Agreement and this Addendum and all of

their terms, and that I am entering into and signing the Restrictive Covenants Agreement and this Addendum knowingly and voluntarily, and that in doing so I am not relying upon any statements or representations by the Company or its agents.

(j) I acknowledge that (i) the Non-Competition covenant contained in this paragraph 2 is no broader than necessary to protect the Company's trade secrets, Confidential Information, and goodwill, and (ii) the business interests identified in the Restrictive Covenants Agreement cannot be adequately protected through restrictive covenants other than the Non-Competition covenant contained in this paragraph 2, including without limitation the non-solicitation and non-disclosure restrictions set forth in the Restrictive Covenants Agreement.

No. 2:

The language in **subparagraph 9(b) "Enforceability; General Restrictions"** is stricken and replaced with the following:

I agree that the restrictions contained in this Restrictive Covenants Agreement are reasonable and necessary to protect the Company's legitimate business interests and that full compliance with the terms of this Restrictive Covenants Agreement will not prevent me from earning a livelihood following the termination of my employment, and that these covenants do not place an undue restraint on me. I further understand that the restrictions in this Restrictive Covenants Agreement – other than the non-competition restrictions set forth in paragraph 2 – apply no matter whether my employment is terminated by the Company or me and no matter whether that termination is voluntary or involuntary. I understand that the non-competition provisions in paragraph 2 apply following the voluntary termination of my employment or the involuntary termination of my employment for Cause, as defined in paragraph 2, unless the Company elects to waive the non-competition provisions of [paragraph 2 as set forth in subparagraph 2(g)].

No. 3:

The language in **subparagraph 9(c) "Enforceability; General Restrictions"** is stricken and replaced with the following:

(c)(i) Because the Company is incorporated in Delaware, except with respect to the non-competition provisions of paragraph 2, this Restrictive Covenants Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any conflict of law provisions, and I consent to personal jurisdiction and the exclusive jurisdiction of the state and federal courts of Delaware with respect to any claim, dispute, or declaration – other than a claim, dispute, or declaration arising out of paragraph 2 – that arises out of this Restrictive Covenants Agreement.

(c)(ii) The interpretation, validity, and enforcement of the non-competition provisions set forth in paragraph 2 of this Restrictive Covenants Agreement and Massachusetts Addendum will be governed by the laws of the Commonwealth of Massachusetts, without regard to any conflicts of laws principles that would require the application of the law of another jurisdiction. The parties agree that any action relating to or arising out of the non-competition provisions shall be brought in (1) the United States District Court for the District of Massachusetts, Eastern Division, if that Court has subject matter jurisdiction over the dispute; or, if it does not, in (2) the Business Litigation Session of the Suffolk County Superior Court, or, if the Business Litigation Session does not accept the case for whatever reason whatsoever, the Suffolk County Superior Court. The parties

agree and consent to the personal jurisdiction and venue of the federal or state courts of Massachusetts for resolution of any disputes or litigation arising under or in connection with the Non-Competition provisions set forth in paragraph 2 of this Restrictive Covenants Agreement and Massachusetts Addendum, and waive any objections or defenses to personal jurisdiction or venue in any such proceeding before any such court.

No. 4:

The language in **subparagraph 9(m) "Enforceability; General Restrictions"** is stricken and replaced with the following:

I agree that all non-solicitation, non-disclosure and use, non-recruiting, and disclosure obligations in this Restrictive Covenants Agreement shall survive any termination of this Restrictive Covenants Agreement and extend to the proscribed periods following my last day of employment with the Company (for any reason) and no dispute regarding any other provisions of this Restrictive Covenants Agreement or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations. I further agree that all non-competition obligations in this Restrictive Covenants Agreement shall survive the voluntary termination of my employment or the involuntary termination of my employment for Cause, as defined in paragraph 2, unless the Company elects to waive the non-competition provisions of paragraph 2 as set forth in subparagraph 2(g), and no dispute regarding any other provisions of this Restrictive Covenants Agreement or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations.

* * *

SCHEDULE A TO MASSACHUSETTS ADDENDUM – FORM OF AGREEMENT
SCHEDULE A TO MASSACHUSETTS ADDENDUM

_____ (the "Hiring Entity"), Walgreens Boots Alliance, Inc., and any subsidiaries, affiliates, or divisions, direct or indirect predecessors, successors, parents, business units or affiliated companies of Walgreens Boots Alliance, Inc. to which I, directly in succession after the Hiring Entity, transfer or accept employment (each a "Company Entity" and collectively with the Hiring Entity, the "Company"), pursuant to the Massachusetts Addendum to the Walgreens Boots Alliance, Inc. Non-Competition, Non-Solicitation, and Confidentiality Agreement between the Company and the undersigned Employee (the "Restrictive Covenants Agreement"), in its sole discretion, elects to:

- Enforce the one year Restraint Period according to paragraph 2 the Addendum. As agreed to by the Parties, the Company agrees to pay me the amounts described in paragraph 2 of the Massachusetts Addendum.
- Waive enforcement of the Restraint Period. I shall not receive any compensation or consideration pursuant to paragraph 2 the Massachusetts Addendum.

Regardless of the election or waiver, I remain bound by all other terms of the Restrictive Covenants Agreement, and also remain bound by the terms of any and all other agreements between the Company and me.

Accepted and agreed to:

Employee

Walgreens Boots Alliance, Inc.

By: _____
Name: _____
Dated: _____

By: _____
Name: _____
Title: _____
Dated: _____

MINNESOTA ADDENDUM

No. 1:

For Agreements entered into after July 1, 2023, the language in **paragraph 2 “Non-Competition”** is modified to only apply during Employee’s employment with the Company.

No. 2:

The language in **paragraph 9 “Enforceability; General Provisions,” subparagraph 9(b)** is modified by adding the following language at the end of said subparagraph:

I further acknowledge and agree that (i) the covenants in this subparagraph are no broader than necessary to protect the Company’s legitimate business interests (including but not limited to business interests in its Confidential Information, Trade Secrets, goodwill, customer relations, and employee relations), (ii) those business interests cannot be adequately protected other than through these covenants, (iii) I and the Company bargained for the terms of this Agreement, including the covenants in this subparagraph and the consideration therefore, and (d) I either (x) was advised, prior to my acceptance of the Company’s offer of employment, of the terms of this Agreement, and that the Company’s offer of employment was contingent on my agreement to those terms, or (y) received additional consideration in exchange for entering into this Agreement, to which I was not otherwise entitled, which additional consideration gave me real advantages.

No. 3:

The language in **paragraph 9 “Enforceability; General Provisions,” subparagraph 9(c)** by this Addendum shall substitute “Minnesota” for “Delaware” with respect to the choice of law and forum, during such time(s) that I primarily reside and work in Minnesota.

NEBRASKA ADDENDUM

No. 1:

The obligations under **paragraph 2 “Non-Competition”** do not apply to me during such time(s) that I primarily reside and work in Nebraska, but do apply, as stated, to other competitive activity.

No. 2:

The obligations under **paragraph 3 “Non-Solicitation”** are strictly limited to those current and existing Restricted Customers or employees with whom I actually did business and had direct, personal contact while employed by the Company.

All other covenants, agreements and promises contained in the Restrictive Covenants Agreement remain in full force and effect and still apply to Nebraska employees doing business inside and outside of Nebraska.

OKLAHOMA ADDENDUM

No. 1:

The covenants in **paragraph 2 “Non-Competition”** do not apply to me during such time(s) that I primarily reside and work in Oklahoma.

No. 2:

The language in **paragraph 3 “Non-Solicitation”** is stricken and replaced with the following (except that the definitions in paragraph 3 remains in full force and effect):

I covenant and agree that for a period of twelve (12) months after my employment with the Company ends (for any reason), I will not directly solicit the sale of goods, services or a combination of goods and services from the established customers of the Company.

OREGON ADDENDUM

No. 1:

The language in the **“NOW, THEREFORE”** section on page 1 of the Agreement is modified to include the following language:

The Restrictive Covenants Agreement is executed upon my initial employment with Company and is a condition of such employment or is executed upon my “subsequent bona fide advancement” within the meaning of Oregon Revised Statutes (ORS) Section 653.295 because of, among other things, my increased responsibilities and access to Confidential Information and Trade Secrets. If this Restrictive Covenants Agreement is executed upon initial employment, I acknowledge that I was informed in a written job offer at least two (2) weeks before starting work that I must enter into this Restrictive Covenants Agreement as a condition of employment. If executed upon a “subsequent bona fide advancement,” I knowingly and voluntarily waive any argument that my new role does not constitute a “subsequent bona fide advancement.”

No. 2:

The language in **paragraph 2 “Non-Solicitation”** and **paragraph 3 “Non-Inducement”** are stricken in their entirety and replaced with the following (except that the definitions in paragraphs 2 and 3 remain in full force and effect):

During the period of twelve (12) months after my employment with the Company ends (for any reason), and in connection with a Competing Business Line, I shall not directly or indirectly: (a) solicit, refer or attempt to solicit or refer any Restricted Customer to a competitor; (b) transact or attempt to transact business with any Restricted Customer; or (c) induce or encourage any Restricted Customer to terminate a relationship with the Company or otherwise to cease accepting services or products from the Company.

No. 3:

A new **subparagraph 9(o)** is added as follows:

Except as provided in this Restrictive Covenants Agreement, the non-competition restrictions in paragraph 2 does not apply to me if (i) I am not classified as exempt from overtime under Oregon law as an employee engaged in administrative, executive, or professional work; or, (ii) at the time of my separation from the Company, I am not paid a gross salary and commissions in the amount required under ORS 653.295, calculated on an annual basis (hereafter, a "Non-Qualified Employee"). However, even if I am a Non-Qualified Employee, the Company may, at its sole discretion, elect to enforce the non-competition restrictions in paragraph 2 by paying me, for up to the maximum Restricted Period, compensation equal to the greater of (iii) fifty (50) percent of my annual gross base salary and commissions at the time of my separation; or (iv) fifty (50) percent of the minimum annual compensation required under ORS 653.295. If the Company elects to enforce paragraph 2 by agreeing to make the payments referenced in this subparagraph, I will be notified in writing. I understand and acknowledge that the Company's election not to pay the compensation set out in this subparagraph affects the applicability of paragraph 2 only in the event I am a Non-Qualified Employee and that the election of non-payment does not relieve a Non-Exempt Employee from any other post-employment restriction in the Restrictive Covenants Agreement.

PUERTO RICO ADDENDUM

No. 1:

The language in **paragraphs 2 and 3** are stricken and replaced by the following covenants and definitions:

"Similar Business" means the same or substantially the same business activity or activities performed or engaged by me for, or on behalf, of the business of the Company or one of its subsidiaries or affiliated companies.

"Engage" means participate in, consult with, be employed by, or assist with the organization, policy making, ownership, financing, management, operation or control of any Similar Business in any capacity (*i.e.*, as an independent contractor, consultant, employee, shareholder, member-owner, or business partner).

"Goodwill" means any tendency of customers, distributors, representatives, employees, vendors, suppliers, or federal, state, local or foreign governmental entities to continue or renew any valuable business relationship with the Company or any Similar Business with which I may be associated, based in whole or in part on past successful relationships with the Company or the lawful efforts of the Company to foster such relationships, and in which I actively participated at any time during the most recent twelve (12) months of my employment.

"Competing Business" means any individual (including me), corporation, limited liability company, partnership, joint venture, association, or other entity, regardless of form, that is directly engaged in whole or in relevant part in any business or enterprise that is the same as, or substantially the same as, that part of the Company for which I provided services during the last two (2) years of my employment, or that is taking material steps to engage in such business.

"Customers" means those individuals, companies, or other entities for which the Company has provided or does provide products or services in connection with the business of the Company, or those individuals, companies, or other entities to which the Company has provided written proposals concerning the business of the Company in the two (2) year period preceding the termination of my employment.

“Restricted Territory” means those municipalities within the Commonwealth of Puerto Rico in which I performed the Competing Business.

Non-Competition. I acknowledge and agree that the Company would be irreparably damaged if I – in any capacity (*i.e.*, as an independent contractor, consultant, employee, shareholder, member, owner or business partner) – were to provide services to any person directly or indirectly competing with the Company or any of its affiliates or Engaged in a Competing Business and that such competition by me would result in a significant loss of Goodwill by the Company. Therefore, I agree that the following are reasonable restrictions and agree to be bound by such restrictions:

(a) During my employment, and for a period of twelve (12) months immediately following the termination of such employment for any reason, I shall not, directly or indirectly – in any capacity (*i.e.*, as an independent contractor, consultant, employee, shareholder, member, owner or business partner) – Engage in Competing Business services or activities within the Restricted Territory; provided, that nothing herein shall prohibit me from being a passive owner of not more than five percent (5%) of the outstanding stock of any class of a corporation which is publicly traded so long as I do not have any active participation in the business of such corporation.

(b) I warrant and represent that the nature and extent of this non-competition clause has been fully explained to me by the Company and that my decision to accept the same is made voluntarily, knowingly, intelligently and free from any undue pressure or coercion. I further warrant and represent that I have agreed to this non-competition clause in consideration of the Restricted Stock Units I will be receiving under this Restrictive Covenants Agreement.

Non-Solicitation of Customers. I agree that for a period of twelve (12) months following the voluntary or involuntary termination of my employment for any reason, I will not, either on my own behalf or for any Competing Business, directly or indirectly solicit, divert, or appropriate (or attempt to solicit, divert, or appropriate) any Customer with which I had material business contact in the six (6) month period preceding the termination of my employment, for providing products or services that are the same as or substantially similar to those provided by the Company.

Non-Solicitation of Employees. I recognize and admit that the Company has a legitimate business interest in retaining its employees, representatives, agents and/or consultants and of protecting its business from previous employees, representatives, agents and/or consultants, which makes necessary the establishment of a non-solicitation clause in this Restrictive Covenants Agreement. I agree that for a period of twelve (12) months following the voluntary or involuntary termination of my employment for any reason, I shall not, directly or indirectly, (a) induce or attempt to induce any employee, representative, agent or consultant of the Company or any of its affiliates or subsidiaries to leave the employ or services of the Company or any of its affiliates or subsidiaries, or in any way interfere with the relationship between the Company or any of its affiliates or subsidiaries and any employee, representative, agent or consultant thereof or (b) hire any person who was an employee, representative, agent or consultant of the Company or any of its affiliates or subsidiaries at any time during the twelve (12) month period immediately prior to the date on which such hiring would take place. No action by another person or

entity shall be deemed to be a breach of this provision unless I directly or indirectly assisted, encouraged or otherwise counseled such person or entity to engage in such activity.

No. 2:

The language in **subparagraph 9(c) "Enforceability; General Restrictions"** is modified to add the following choice of law:

The laws of Puerto Rico will govern the interpretation, validity, and enforcement of the non-competition provisions set forth in paragraph 2 of this Restrictive Covenants Agreement and Puerto Rico Addendum.

No. 3:

Subparagraph 9(e), subparagraph 9(f), and subparagraph 9(k) "Enforceability; General Restrictions" are stricken.

SOUTH CAROLINA ADDENDUM

No. 1:

The definition of "**Confidential Information**" in **paragraph 1** is further limited to that Confidential Information I learn about or am exposed to through my employment with the Company.

No. 2:

Paragraphs 2 and 3 of the Restrictive Covenants Agreement are replaced by the following covenants and definitions:

"Competing Business" means any individual (including me), corporation, limited liability company, partnership, joint venture, association, or other entity, regardless of form, that is directly engaged in whole or in relevant part in any business or enterprise that is the same as, or substantially the same as, that part of the Company for which I provided services during the last two (2) years of my employment, or that is taking material steps to engage in such business.

"Customers" means those individuals, companies, or other entities for which the Company has provided or does provide products or services in connection with the business of the Company, or those individuals, companies, or other entities to which the Company has provided written proposals concerning the business of the Company in the two (2) year period preceding the termination of my employment.

"Restricted Territory" means:

1) the counties or areas where I worked for the Company or had material business contact with the Customers in the two (2) year period preceding the termination of my employment with the Company: and/or

2) the geographic territory in which I worked for the Company, represented the Company, or had material business contact with the Customers in the two (2) year period preceding the termination of my employment with the Company.

I agree that subparagraphs 1) and 2) above are separate and severable covenants.

Non-Competition. I agree that for a period of one (1) year following the voluntary or involuntary termination of my employment for any reason, I will not, directly or indirectly, own, manage, operate, join, control, be employed by or with, or participate in any manner with a Competing Business anywhere in the Restricted Territory where doing so will require me to provide the same or substantially similar services to any such Competing Business as those that I provided to the Company during the last two (2) years of my employment.

Non-Solicitation of Customers. I agree that for a period of two (2) years following the voluntary or involuntary termination of my employment for any reason, I will not, either on my own behalf or for any Competing Business, directly or indirectly solicit, divert, or appropriate, or attempt to solicit, divert, or appropriate any Customer with which I had material business contact in the two (2) year period preceding the termination of my employment, for the purposes of providing products or services that are the same as or substantially similar to those provided by the Company.

VIRGINIA ADDENDUM

No. 1:

The geographic area in **paragraph 2 “Non-Competition”** is limited to twenty-five (25) miles from any location where I physically worked and performed Responsibilities for the Company.

No. 2:

The language in **paragraph 2 “Non-Competition”** and **paragraph 3 “Non-Solicitation”** shall not apply if, at the time of my termination of employment (for any reason), I am considered a “low-wage employee” pursuant to Virginia Code § 40.1-28.7:8(A), meaning that I earn less than the average weekly wage of the Commonwealth of Virginia as determined by subsection B of Virginia Code § 65.2-500.

No. 3:

The language in **subparagraph 3(b)(i) “Non-Solicitation”** shall be amended to provide: “(i) raid, solicit, or attempt to persuade any then-current employee of the Company with whom I currently work or with whom I had direct contact work during the two years prior to my last day of employment with the Company, and who possesses or had access to Confidential Information of the Company, to leave the employ of the Company *and become employed by a person or entity who provides Competing Products or Services.*”

WASHINGTON ADDENDUM

No. 1:

Paragraph 2 is stricken and replaced with the following:

Non-Competition.

(a) The non-competition provisions of this paragraph 2 shall apply only if the amount of my annualized earnings at the time of enforcement of this Restrictive Covenants Agreement is equal to or greater than the compensation requirements described in Ch. 49.62 of the Revised Code of Washington ("RCW:"). As of January 1, 2023, the minimum annualized earnings amount for enforcement of the non-competition provisions of this paragraph 2 is \$116,593.18, however, I understand that this amount is subject to adjustment each year by the Washington Department of Labor and Industries in accordance with RCW Ch. 49.62.

(b) I agree that during my employment with the Company and for one (1) year after the termination of my employment for any reason, I will not, directly or indirectly, engage in Competing Services with respect to any Competing Business Line. As set forth in subparagraph 10(a) below, I understand that the restrictions in this paragraph apply no matter whether my employment is terminated by me or the Company and no matter whether that termination is voluntary or involuntary. The above restrictions shall not apply to passive investments of less than five percent (5%) ownership interest in any entity. For purposes of this Restrictive Covenants Agreement, "**Competing Business Line**" means any business that is in competition with any business engaged in by the Company and for which I performed Competing services during the two (2) years prior to my last day of employment with the Company. For purposes of this Restrictive Covenants Agreement, "**Competing Services**" means the same or similar responsibilities I performed for the Company during the two (2) years prior to my last day of employment with the Company and within the same geographic area, or portion thereof, with respect to which I performed those responsibilities for the Company. For purposes of this Restrictive Covenants Agreement, "same geographic area" means: (i) within a twenty-five (25) mile radius of: (A) any Company location where I worked; (B) any Company location where I was assigned; or (C) any other location where I performed Material (defined below) responsibilities for the Company (e.g., my performing remote work); and/or (ii) if I had national responsibilities for the Company, any location where I performed Material responsibilities and where performing those responsibilities for a Competing Business Line will provide an unfair advantage to that competitor because of my access to and use of Confidential Information. "Material" means my primary job duties and responsibilities in connection with providing Restricted Customers with a Competing Service. The foregoing geographic restrictions are limited to my locations/responsibilities during the twenty-four (24) months prior to my last day of employment with the Company.

(c) I agree that, if and after my employment with the Company ends because of or in connection with a layoff or reduction-in-force, the non-competition provisions of subparagraph 2(a) above will not be enforced by the Company unless and to the extent that it continues to pay me an amount that is equal to or greater than my base salary rate that is in effect on the last day of my employment with the Company. Such payments will be made to me at regular payroll intervals for the duration of the one (1) year post-employment non-competition period or such shorter period during which the Company enforces these non-competition provisions. I agree that I must promptly inform the Company of the date on which I begin any other employment or engagement by, with or for the benefit of any other individual or entity, at which time I agree the Company may and will terminate all such payments to me. Although such payments by the Company will terminate when I commence employment or any other engagement by, with or for the benefit of another individual, entity or employer, I agree that subparagraph 2(b) non-competition restrictions will remain in effect until one (1) year after my Company employment ends, which means I will have breached the provisions of subparagraph 2(b) if my new employment is with a Competitive Business Line. I also agree that if I fail to timely notify the

Company of any other employment or engagement, and if the Company's payments to me therefore continue after I have commenced any such employment or engagement, then any such payments to me will be deemed to be placed by me in constructive trust for the benefit of the Company, and I agree that I must and will promptly return all such payments to the Company.

No. 3:

The language in **subparagraph 9(c)** of the Restrictive Covenants Agreement is stricken and replaced with the following:

This Restrictive Covenants Agreement shall be governed by and construed in accordance with the laws of the State of Washington without giving effect to any conflict of law provisions. Any claim, dispute or declaration arising out of or in connection with this Restrictive Covenants Agreement will be resolved exclusively in the state or federal courts in the State of Washington.

No. 3:

The language in **subparagraph 9(n)** is modified to add the following sentence to the end of that subparagraph:

I understand that nothing in this Restrictive Covenants Agreement prohibits me from discussing or disclosing conduct that I reasonably believe under Washington State, Federal, or common law to be illegal discrimination, illegal harassment, illegal retaliation, a wage and hour violation, or sexual assault, or that is recognized as against a clear mandate of public policy.

WISCONSIN ADDENDUM

No. 1:

The language in **paragraph 1 "Confidentiality"** is amended by adding the following at the end of **subparagraph 1(b)**:

To the extent the above obligation of non-use and non-disclosure of Confidential Information applies after the termination of my employment and to Confidential Information that does not meet the definition of a trade secret under applicable law, it shall apply only for two years after the termination of my employment and only in geographic areas in which the unauthorized use or disclosure of such Confidential Information would be competitively damaging to the Company.

No. 2:

The language in **paragraph 2 "Non-Competition"** is amended by striking the definition of "Responsibilities" and replacing it with the following:

"Responsibilities" means the same or similar material responsibilities I performed for the Company during the two (2) years prior to my last day of employment with the Company in which the Confidential Information I have would be competitively valuable and within the same geographic area, or portion thereof, with respect to which I performed those responsibilities for the Company.

No. 3:

The language in **paragraph 3 "Non-Solicitation"** is amended by striking the definition of "Restricted Customer" in **subparagraph 3(a)** and replacing it with the following:

“Restricted Customer” means any person, company or entity that was a customer of the Company and with which I had direct contact for purposes of performing responsibilities for the Company or for which I had supervisory responsibilities on behalf of the Company, in either case at any time during the two (2) years prior to my last day of employment with the Company.

The language in **subparagraph 3(a)** is further amended by striking the following sentence:

To the extent permitted by applicable law, Restricted Customer also means any prospective customer(s), vendor(s), supplier(s) or referral source(s) with which I had business contact on behalf of the Company in the twelve (12) months prior to my last day of employment with the Company;

The language in **subparagraph 3(b)** is amended by replacing it with the following:

I will not, nor will I assist any third party to, directly or indirectly (i) raid, solicit, or attempt to persuade any then-current employee of the Company with whom I currently work or with whom I worked at any point during the two years prior to my last day of employment with the Company, and who possesses or had access to Confidential Information of the Company, to leave the employ of the Company and join a competitor in a capacity in which the Confidential Information I had access to as a result of my employment with the Company could be used to compete with the Company; (ii) interfere with the performance by any such employee of his/her duties for the Company; or (iii) communicate with any such employee for the purposes described in items (i) and (ii) in this subparagraph 3(b). This restriction shall apply in all geographic areas in which the Company does business.

No. 4:

The language in **paragraph 9 “Enforceability, General Provisions”** is amended as follows: **Paragraph 9(f)** is amended by adding the following text to the end of the paragraph:

The restrictive covenants in this Restrictive Covenants Agreement are intended to be divisible and interpreted and applied independent of each other.

Subparagraph 9(k) is stricken and shall not be applied or referred to.

EXHIBIT B

**ADDENDUM TO THE
WALGREENS BOOTS ALLIANCE, INC. 2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

In addition to the terms of the Plan and the Agreement, the Award is subject to the following additional terms and conditions to the extent you reside and/or are employed in one of the countries addressed herein. Pursuant to Section 24 of the Agreement, if you transfer your residence and/or employment to another country reflected in this Addendum, the additional terms and conditions for such country (if any) will apply to you to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Restricted Stock Units and the Plan (or the Company may establish alternative terms as may be necessary or advisable to accommodate your transfer). All defined terms contained in this Addendum shall have the same meaning as set forth in the Plan and the Agreement.

EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA") / SWITZERLAND / THE UNITED KINGDOM

Personal Data. The following provision replaces Section 19 of the Agreement in its entirety:

The Company, with its registered address at 108 Wilmot Road, Deerfield, Illinois 60015, U.S.A. is the controller responsible for the processing of your personal data by the Company and the third parties noted below.

(a)Data Collection and Usage. Pursuant to applicable data protection laws, you are hereby notified that the Company collects, processes and uses certain personal information about you for the legitimate purpose of implementing, administering and managing the Plan and generally administering awards; specifically: your name, home address, email address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any shares or directorships held in the Company, and details of all Restricted Stock Units, any entitlement to shares of Stock awarded, canceled, exercised, vested, or outstanding in your favor, which the Company receives from you or the Employer ("Personal Data"). In granting the Restricted Stock Units under the Plan, the Company will collect, process, use, disclose and transfer (collectively, "Processing") Personal Data for purposes of implementing, administering and managing the Plan. The Company's legal basis for the Processing of Personal Data is the Company's legitimate business interests of managing the Plan, administering employee awards and complying with its contractual and statutory obligations, as well as the necessity of the Processing for the Company to perform its contractual obligations under the Agreement and the Plan. Your refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. As such, by accepting the Restricted Stock Units, you voluntarily acknowledge the Processing of your Personal Data as described herein.

(b)Stock Plan Administration Service Provider. The Company may transfer Personal Data to Fidelity Stock Plan Services, LLC ("Fidelity"), an independent service provider based, in relevant part, in the United States, which may assist the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Personal Data with another company that serves in a similar manner. The Company's service provider will open an account for you to receive and trade shares of Stock pursuant to the Restricted Stock Units. The Processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating the Plan. When receiving your Personal Data, if applicable, Fidelity provides appropriate safeguards in accordance with the EU Standard Contractual Clauses or other appropriate cross-border transfer solutions. By participating in the Plan, you understand that the

service provider will Process your Personal Data for the purposes of implementing, administering and managing your participation in the Plan.

(c)International Data Transfers. The Company is based in the United States, which means it will be necessary for Personal Data to be transferred to, and Processed in the United States. When transferring your Personal Data to the United States, the Company provides appropriate safeguards in accordance with the EU Standard Contractual Clauses, and other appropriate cross-border transfer solutions. You may request a copy of the appropriate safeguards with Fidelity or the Company by contacting your Human Resources manager or the Company's Human Resources Department.

(d)Data Retention. The Company will use Personal Data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs Personal Data related to the Plan, the Company will remove it from its systems. If the Company keeps Personal Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with relevant laws or regulations.

(e)Data Subject Rights. To the extent provided by law, you have the right to (i) subject to certain exceptions, request access or copies of Personal Data the Company Processes, (ii) request rectification of incorrect Personal Data, (iii) request deletion of Personal Data, (iv) place restrictions on Processing of Personal Data, (v) lodge complaints with competent authorities in your country, and/or (vi) request a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding your rights or to exercise your rights, you may contact your Human Resources manager or the Company's Human Resources Department. You also have the right to object, on grounds related to a particular situation, to the Processing of Personal Data, as well as opt-out of the Plan herein, in any case without cost, by contacting your Human Resources manager or the Company's Human Resources Department in writing. Your provision of Personal Data is a contractual requirement. You understand, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to administer the Restricted Stock Units, or grant other awards or administer or maintain such awards. For more information on the consequences of the refusal to provide Personal Data, you may contact your Human Resources manager or the Company's Human Resources Department in writing. You may also have the right to lodge a complaint with the relevant data protection supervisory authority.

GERMANY

No country-specific provisions.

HONG KONG

1. Form of Payment. Notwithstanding any provision in the Agreement or Plan to the contrary, the Restricted Stock Units shall be settled only in Shares (and not in cash).

2. IMPORTANT NOTICE. WARNING: The contents of the Agreement, this Addendum, the Plan, the Plan prospectus, the Plan administrative rules and all other materials pertaining to the Restricted Stock Units and/or the Plan have not been reviewed by any regulatory authority in Hong Kong. You are hereby advised to exercise caution in relation to the offer thereunder. If you have any doubts about any of the contents of the aforesaid materials, you should obtain independent professional advice. Neither the grant of the Restricted Stock Units nor the issuance of the shares of Stock upon settlement of the Restricted Stock Units constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Affiliates. The Agreement, including this Addendum, the Plan and other incidental communication materials distributed in connection with the Restricted Stock Units (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong

Kong and (ii) are intended only for the personal use of each eligible employee of the Company or its Affiliates and may not be distributed to any other person.

3. Wages. The Restricted Stock Units and shares of Stock subject to the Restricted Stock Units do not form part of your wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

ITALY

Plan Document Acknowledgment. In accepting the Restricted Stock Units, you acknowledge that a copy of the Plan was made available to you, and you have reviewed the Plan and the Agreement, including this Addendum, in their entirety and fully understand and accept all provisions of the Plan, the Agreement and the Addendum.

You further acknowledge that you have read and specifically approve the following provisions in the Agreement: Section 3: Restricted Period (terms of lapse of restrictions on Restricted Stock Units); Section 4: Disability or Death (terms of payment of Restricted Stock Units upon a Termination of Service by reason of Disability or death); Section 5: Retirement (terms of payment of Restricted Stock Units upon a Termination of Service by reason of retirement); Section 6: Termination of Service Following a Change in Control (terms of payment of Restricted Stock Units in the event of a Termination of Service following a Change in Control); Section 7: Other Termination of Service (forfeiture of Restricted Stock Units in other cases of Termination of Service); Section 10(a): Responsibility for Taxes; Tax Withholding (liability for all Tax-Related Items related to the Restricted Stock Units and legally applicable to the participant); Section 11: Nontransferability (Restricted Stock Units shall not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated); Section 18: Change in Stock (right of the Company to equitably adjust the number of Restricted Stock Units subject to this Agreement in the event of any change in Stock); Section 19(j): Nature of the Award (waive any claim or entitlement to compensation or damages arising from forfeiture of the Restricted Stock Units resulting from a Termination of Service); Section 19(l): Nature of the Award (the Company is not liable for any foreign exchange rate fluctuation impacting the value of the Restricted Stock Units); Section 20: Committee Authority; Recoupment (right of the Committee to administer, construe, and make all determinations necessary or appropriate for the administration of the Restricted Stock Units and this Agreement, including the enforcement of any recoupment policy); Section 21: Non-Competition, Non-Solicitation and Confidentiality (the receipt of the Award is conditioned upon agreement to the Non-Competition, Non-Solicitation and Confidentiality Agreement attached hereto as Exhibit A); Section 24: Addendum to Agreement (the Restricted Stock Units are subject to the terms of the Addendum); Section 25: Additional Requirements (Company right to impose additional requirements on the Restricted Stock Units in case such requirements are necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate operation and administration of the Restricted Stock Units and the Plan); Section 27: Electronic Delivery (Company may deliver documents related to the Award or Plan electronically); Section 28: Governing Law and Jurisdiction (Agreement is governed by Illinois law without regard to any choice of law rules thereof; agreement to exclusive jurisdiction of Illinois courts); Section 29: English Language (documents will be drawn up in English; if a translation is provided, the English version controls); and the provision titled "Personal Data" under the heading "European Union ('EU') / European Economic Area ('EEA') / Switzerland / the United Kingdom", included in this Addendum.

MEXICO

1. Commercial Relationship. You expressly recognize that your participation in the Plan and the Company's grant of the Restricted Stock Units does not constitute an employment relationship between you and the Company. You have been granted the Restricted Stock Units as a consequence of the commercial relationship between the Company and the Affiliate in Mexico that employs you ("WBA Mexico"), and WBA Mexico is your sole employer. Based on the foregoing, you expressly recognize that (a) the Plan and the benefits you may derive from your participation in the Plan do not establish any rights between you and WBA Mexico, (b) the

Plan and the benefits you may derive from your participation in the Plan are not part of the employment conditions and/or benefits provided by WBA Mexico, and (c) any modifications or amendments of the Plan by the Company, or a termination of the Plan by the Company, shall not constitute a change or impairment of the terms and conditions of your employment with WBA Mexico.

2. Extraordinary Item of Compensation. You expressly recognize and acknowledge that your participation in the Plan is a result of the discretionary and unilateral decision of the Company, as well as your free and voluntary decision to participate in the Plan in accordance with the terms and conditions of the Plan, the Agreement and this Addendum. As such, you acknowledge and agree that the Company, in its sole discretion, may amend and/or discontinue your participation in the Plan at any time and without any liability. The Award, the shares of Stock subject to the Award and the income and value of the same is an extraordinary item of compensation outside the scope of your employment contract, if any, and is not part of your regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar payments, which are the exclusive obligations of WBA Mexico.

3. Securities Law Notification. The Restricted Stock Units and shares of Stock offered under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, this Agreement and any other document relating to the Restricted Stock Units may not be publicly distributed in Mexico. These materials are addressed to you only because of your existing relationship with the Company and WBA Mexico and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of WBA Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

MONACO

Use of English Language. You acknowledge that it is your express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Vous reconnaissez avoir expressément exigé la rédaction en anglais de la présente Convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relatifs à, ou suite à, la présente Convention.***

PORTUGAL

Consent to Receive Information in English. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and Agreement. ***Conhecimento da Língua. Contratado, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo.***

SWITZERLAND

Securities Law Notification. Neither this document nor any other materials relating to the Restricted Stock Units (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company, or (iii) has been or will be filed with, or approved or supervised by, any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

THAILAND

No country-specific provisions.

UNITED KINGDOM

1. Indemnification for Tax-Related Items. Without limitation to Section 10 of the Agreement, you hereby agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items, as and when requested by the Company, your Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). You also hereby agree to indemnify and keep indemnified the Company and your Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that you are a director or executive officer and income tax due is not collected from or paid by you within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You acknowledge that you ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or your Employer (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or your Employer may recover from you at any time thereafter by any of the means referred to in Section 10 of the Agreement.

2. Exclusion of Claim. You acknowledge and agree that you will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from your ceasing to have rights under or to be entitled to the Restricted Stock Units, whether or not as a result of your Termination of Service (whether such termination is in breach of contract or otherwise), or from the loss or diminution in value of the Restricted Stock Units. Upon the grant of the Restricted Stock Units, you shall be deemed irrevocably to have waived any such entitlement.

3. Post-Termination Restrictions. To the extent that you are employed by your Employer pursuant to an employment agreement governed by the laws of England, Wales, Scotland and/or Northern Ireland, Paragraphs 2 and 3 of the NNCA Agreement attached to the Agreement as Exhibit A shall not apply to you.

*** **

By clicking the acceptance box for this grant agreement, I acknowledge receipt of the Restricted Stock Unit Award Agreement to which this Addendum is attached as Exhibit B, and I agree to the terms and conditions expressed in this Addendum.

WALGREENS BOOTS ALLIANCE, INC.

2021 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

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**WALGREENS BOOTS ALLIANCE, INC.
2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Participant Name:

Participant ID:

Grant Date: (the "Grant Date")

Units Granted:

Vesting: Three years from Grant Date (the "Vesting Date")

Acceptance Date:

Electronic Signature:

This document (referred to below as this "Agreement") spells out the terms and conditions of the Restricted Stock Unit Award (the "Award") granted to you by Walgreens Boots Alliance, Inc., a Delaware corporation (the "Company"), pursuant to the Walgreens Boots Alliance, Inc. 2021 Omnibus Incentive Plan (the "Plan") on and as of the Grant Date designated above. Except as otherwise defined herein, capitalized terms used in this Agreement have the respective meanings set forth in the Plan. For purposes of this Agreement, "Employer" means the entity (the Company or the Affiliate) that employs you on the applicable date. The Plan, as it may be amended from time to time, is incorporated into this Agreement by this reference.

You and the Company agree as follows:

1. Grant of Restricted Stock Units. Pursuant to the approval and direction of the Compensation and Leadership Performance Committee of the Company's Board of Directors (the "Committee"), the Company hereby grants you the number of Restricted Stock Units specified above (the "Restricted Stock Units"), subject to the terms and conditions of the Plan and this Agreement.

2. Restricted Stock Unit Account and Dividend Equivalents. The Company will maintain an account (the "Account") on its books in your name to reflect the number of Restricted Stock Units awarded to you as well as any additional Restricted Stock Units credited as a result of Dividend Equivalents. The Account will be administered as follows:

(a) The Account is for recordkeeping purposes only, and no assets or other amounts shall be set aside from the Company's general assets with respect to such Account.

(b) As of each record date with respect to which a cash dividend is to be paid with respect to shares of Company common stock par value US\$.01 per share ("Stock"), the Company will credit your Account with an equivalent amount of Restricted Stock Units determined by dividing the value of the cash dividend that would have been paid on your Restricted Stock Units if they had been shares of Stock, divided by the value of Stock on such date.

(c) If dividends are paid in the form of shares of Stock rather than cash, then your Account will be credited with one additional Restricted Stock Unit for each share of Stock that would have been received as a dividend had your outstanding Restricted Stock Units been shares of Stock.

(d) Additional Restricted Stock Units credited via Dividend Equivalents shall vest or be forfeited at the same time as the Restricted Stock Units to which they relate.

3. Restricted Period. The period prior to the vesting date with respect each Restricted Stock Unit is referred to as the "Restricted Period." Subject to the provisions of the Plan and this Agreement, unless vested or forfeited earlier as described in Section 4, 5, 6 or 7 of this Agreement, as applicable, your Restricted Stock Units will become vested and be settled as described in Section 8 below, as of the vesting date or dates indicated in the introduction to this Agreement, provided the performance goal in this Section 3 ("Performance Goal") is satisfied as of the end of the applicable performance period. The Performance Goal will be established and certified by the Committee and cover one or more Company performance goals over the course of the Company's 2024 fiscal year. If the Performance Goal is not attained as of the end of this performance period, the Restricted Stock Units awarded hereunder shall be thereupon forfeited.

4. Disability or Death. If during the Restricted Period you have a Termination of Service by reason of Disability or death, then the Restricted Stock Units will become fully vested as of the date of your Termination of Service and the Vesting Date shall become the date of your Termination of Service. Any Restricted Stock Units becoming vested by reason of your Termination of Service by reason of Disability or death shall be settled as provided in Section 8.

5. Retirement. If prior to the end of the first 12 months of the Restricted Period you have a Termination of Service by reason of retirement from the Company's Board of Directors, as reasonably determined and approved by the Committee, then, subject to such approval and subject to satisfaction of the Performance Goal, the Restricted Stock Units will become vested on a prorated basis as of the later of the end of the performance period for the Performance Goal and the date of your Termination of Service, with such pro-rata based on the number of full months of service completed during the Restricted Period, divided by 36 months. If on or after the end of the first 12 months of the Restricted Period you have a Termination of Service by reason of retirement from the Company's Board of Directors, as reasonably determined and approved by the Committee, then, subject to such approval and subject to satisfaction of the Performance Goal, the Restricted Stock Units will become fully vested as of the date of your Termination of Service. Any Restricted Stock Units becoming vested by reason of your retirement shall be settled as provided in Section 8.

6. Termination of Service Following a Change in Control. If during the Restricted Period there is a Change in Control of the Company and within the one-year period thereafter you have a Termination of Service initiated by your Employer other than for Cause (as defined in Section 7), then your Restricted Stock Units shall become fully vested, and they shall be settled in accordance with Section 9. For purposes of this Section 6, a Termination of Service initiated by your Employer shall include a Termination of Employment for Good Reason under - and pursuant to the terms and conditions of - the Walgreens Boots Alliance, Inc. Executive Severance and Change in Control Plan, but only to the extent applicable to you as an eligible participant in such Plan.

7. Other Termination of Service. If during the Restricted Period you have a voluntary or involuntary Termination of Service for any reason other than as set forth in Section 4, 5 or 6 above or Section 9 below, as determined by the Committee, then you shall thereupon forfeit any Restricted Stock Units that are still in a Restricted Period on your termination date. For purposes of this Agreement, "Cause" means any one or more of the following, as determined by the Committee in its sole discretion:

(a) your commission of a felony or any crime of moral turpitude;

(b) your dishonesty or material violation of standards of integrity in the course of fulfilling your duties to the Company or any Affiliate;

(c) your material violation of a material written policy of the Company or any Affiliate violation of which is grounds for immediate termination;

(d) your willful and deliberate failure to perform your duties to the Company or any Affiliate in any material respect, after reasonable notice of such failure and an opportunity to correct it; or

(e) your failure to comply in any material respect with the United States ("U.S.") Foreign Corrupt Practices Act, the U.S. Securities Act of 1933, the Exchange Act, the U.S. Sarbanes-Oxley Act of 2002, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and the U.S. Truth in Negotiations Act, or any rules or regulations thereunder.

8. Settlement of Vested Restricted Stock Units. Subject to the requirements of Section 13 below, as promptly as practicable after the applicable Vesting Date, whether occurring upon your Separation from Service or otherwise, but in no event later than 75 days after the Vesting Date, the Company shall transfer to you one share of Stock for each Restricted Stock Unit becoming vested at such time, net of any applicable tax withholding requirements in accordance with Section 10 below; provided, however, that, if you are a Specified Employee at the time of Separation from Service, then to the extent your Restricted Stock Units are deferred compensation subject to Section 409A of the Code, settlement of which is triggered by your Separation from Service (other than for death), payment shall not be made until the date which is six months after your Separation from Service.

Notwithstanding the foregoing, if you are resident or employed outside of the U.S., the Company, in its sole discretion, may provide for the settlement of the Restricted Stock Units in the form of:

(a) a cash payment (in an amount equal to the Fair Market Value of the Stock that corresponds with the number of vested Restricted Stock Units) to the extent that settlement in shares of Stock (i) is prohibited under local law, (ii) would require you, the Company or an Affiliate to obtain the approval of any governmental or regulatory body in your country of residence (or country of employment, if different), (iii) would result in adverse tax consequences for you, the Company or an Affiliate or (iv) is administratively burdensome; or

(b) shares of Stock, but require you to sell such shares of Stock immediately or within a specified period following your Termination of Service (in which case, you hereby agree that the Company shall have the authority to issue sale instructions in relation to such shares of Stock on your behalf).

9. Settlement Following Change in Control. Notwithstanding any provision of this Agreement to the contrary, the Company may, in its sole discretion, fulfill its obligation with respect to all or any portion of the Restricted Stock Units that become vested in accordance with Section 6 above, by:

(a) delivery of (i) the number of shares of Stock that corresponds with the number of Restricted Stock Units that have become vested or (ii) such other ownership interest as such shares of Stock that correspond with the vested Restricted Stock Units may be converted into by virtue of the Change in Control transaction;

(b) payment of cash in an amount equal to the Fair Market Value of the Stock that corresponds with the number of vested Restricted Stock Units at that time; or

(c) delivery of any combination of shares of Stock (or other converted ownership interest) and cash having an aggregate Fair Market Value equal to the Fair Market Value of the Stock that corresponds with the number of Restricted Stock Units that have become vested at that time.

Settlement shall be made as soon as practical after the Restricted Stock Units become fully vested under Section 6, but in no event later than 30 days after such date.

10. Responsibility for Taxes; Tax Withholding.

(a) You acknowledge that, regardless of any action taken by the Company or your Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), is and remains your responsibility and may exceed the amount actually withheld by the Company or your Employer, if any. You further acknowledge that the Company and/or your Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the subsequent sale of shares of Stock acquired pursuant to such settlement and the receipt of any Dividend Equivalents and/or dividends; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or your Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or your Employer to satisfy all Tax-Related Items. In this regard, except as provided below, the Company, your Employer or its agent shall satisfy the obligations with regard to all Tax-Related Items by withholding from the shares of Stock to be delivered upon settlement of the Award that number of shares of Stock having a Fair Market Value equal to the amount required by law to be withheld. For purposes of the foregoing tax withholding, no fractional shares of Stock will be withheld. Notwithstanding the foregoing, if you are a Section 16 officer of the Company under the Exchange Act at the time of any applicable tax withholding event, you may make a cash payment to the Company, your Employer or its agent to cover the Tax-Related Items that the Company or your Employer may be required to withhold or account for as a result of your participation in the Plan. If you are not a Section 16 officer of the Company at the time of any applicable tax withholding event, the Company and/or your Employer may (in its sole discretion) allow you to make a cash payment to the Company, your Employer or its agent to cover such Tax-Related Items.

The Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from the shares of Stock to be delivered upon settlement of the Award, for tax purposes, you will be deemed to have been issued the full number of shares of Stock subject to the earned Award, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items.

The Company may refuse to issue or deliver the shares of Stock (or cash payment) or the proceeds from the sale of shares of Stock if you fail to comply with your obligations in connection with the Tax-Related Items.

11. Nontransferability. During the Restricted Period and thereafter until Stock is transferred to you in settlement thereof, you may not sell, transfer, pledge, assign or otherwise alienate or hypothecate the Restricted Stock Units whether voluntarily or involuntarily or by operation of law, other than by beneficiary designation effective upon your death, or by will or by the laws of intestacy.

12. Rights as Stockholder. You shall have no rights as a stockholder of the Company with respect to the Restricted Stock Units until such time as a certificate of stock for the Stock issued in settlement of such Restricted Stock Units has been issued to you or such shares of Stock have been recorded in your name in book entry form. Until that time, you shall not have any voting rights with respect to the Restricted Stock Units. Except as provided in Section 9 above, no adjustment shall be made for dividends or distributions or other rights with respect to such shares for which the record date is prior to the date on which you become the holder of record thereof. Anything herein to the contrary notwithstanding, if a law or any regulation of the U.S. Securities and Exchange Commission or of any other regulatory body having jurisdiction shall require the Company or you to take any action before shares of Stock can be delivered to you hereunder, then the date of delivery of such shares may be delayed accordingly.

13. Securities Laws. If a Registration Statement under the U.S. Securities Act of 1933, as amended, is not in effect with respect to the shares of Stock to be delivered pursuant to this Agreement, you hereby represent that you are acquiring the shares of Stock for investment and with no present intention of selling or transferring them and that you will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange on which the shares of Stock may then be listed.

14. Not a Public Offering. If you are resident outside the U.S., the grant of the Restricted Stock Units is not intended to be a public offering of securities in your country of residence (or country of employment, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Restricted Stock Units is not subject to the supervision of the local securities authorities.

15. Insider Trading/Market Abuse Laws. By participating in the Plan, you agree to comply with the Company's policy on insider trading, to the extent that it is applicable to you. You further acknowledge that, depending on your or your broker's country of residence or where the shares of Stock are listed, you may be subject to insider trading restrictions and/or market abuse laws that may affect your ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock, or rights linked to the value of shares of Stock during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees and/or service providers. Any restrictions under these laws and regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions and, therefore, you should consult your personal advisor on this matter.

16. Repatriation; Compliance with Law. If you are resident or employed outside the U.S., you agree to repatriate all payments attributable to the shares of Stock and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in your country of residence (and country of employment, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in your country of residence (and country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal obligations under local laws, rules and/or regulations in your country of residence (and country of employment, if different).

17. No Advice Regarding Grant. No employee of the Company is permitted to advise you regarding your participation in the Plan or your acquisition or sale of the shares of Stock underlying the Restricted Stock Units. You are hereby advised to consult with your own personal tax, legal and financial advisors before taking any action related to the Plan.

18. Change in Stock. In the event of any change in Stock, by reason of any stock dividend, recapitalization, reorganization, split-up, merger, consolidation, exchange of shares, or of any similar change affecting the shares of Stock, the number of Restricted Stock Units subject to this Agreement shall be equitably adjusted by the Committee.

19. Nature of the Award. In accepting the Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and limited in duration, and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time;

(b) the grant of the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Awards or other grants, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of the Award, the number of shares subject to the Award, and the vesting provisions applicable to the Award;

(d) the Award and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any Affiliate and shall not interfere with the ability of the Company, your Employer or an Affiliate, as applicable, to terminate your employment or service relationship;

(e) you are voluntarily participating in the Plan;

(f) the Award and the shares of Stock subject to the Award are not intended to replace any pension rights or compensation;

(g) the Award, the shares of Stock subject to the Award and the income and value of the same, is an extraordinary item of compensation outside the scope of your employment (and employment contract, if any) and is not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, your Employer or any Affiliate;

(h) the future value of the shares of Stock underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

(i) unless otherwise determined by the Committee in its sole discretion, a Termination of Service shall be effective from the date on which active employment or service ends and shall not be extended by any statutory or common law notice of termination period;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from a Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, your Employer or any Affiliate, waive your ability, if any, to bring any such claim, and release the Company, the Employer and all Affiliates from any such claim; if, notwithstanding the

foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) unless otherwise provided herein, in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock of the Company; and

(l) neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the U.S. dollar that may affect the value of the Award or of any amounts due to you pursuant to the settlement of the Award or the subsequent sale of any shares of Stock acquired upon settlement of the Award.

20. Committee Authority; Recoupment. It is expressly understood that the Committee or its delegate is authorized to administer, construe and make all determinations necessary or appropriate for the administration of the Plan and this Agreement, including the enforcement of the Company's Policy on Recoupment of Compensation Due to Improper Conduct (which is applicable to employees at the Direction Band and above and can be accessed online by clicking the "Policy Center" tab of the WBA Worldwide homepage, and the Company's Policy on Recoupment of Incentive Compensation (which is applicable only to the Company's executive officers) (collectively, the "Recoupment Policies"), all of which shall be binding upon you and any claimant, as applicable. Any inconsistency between this Agreement and the Plan or the Recoupment Policies shall be resolved in favor of the Plan or such Policies, as applicable.

21. Non-Competition, Non-Solicitation and Confidentiality. As a condition to the receipt of this Award, you must agree to the Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Restrictive Covenants Agreement") attached hereto as Exhibit A. By clicking the acceptance box for this Agreement, you also agree to the terms and conditions expressed in the Restrictive Covenants Agreement. Failure to accept the terms of this Agreement and the Restrictive Covenants Agreement within 180 days of the Grant Date shall constitute your decision to decline to accept this Award.

22. Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies you of the following in relation to your personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Restricted Stock Units and your participation in the Plan. The collection, processing and transfer of personal data is necessary for the Company's administration of the Plan and your participation in the Plan, and your denial and/or objection to the collection, processing and transfer of personal data may affect your participation in the Plan. As such, you voluntarily acknowledge and consent (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein:

(a) The Company and your Employer hold certain personal information about you, specifically: your name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company, details of all entitlements to shares of Stock awarded, canceled, purchased, vested, unvested or outstanding in your favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by you or collected, where lawful, from the Company, its Affiliates and/or third parties, and the Company and your Employer will process the Data for the exclusive purpose of implementing, administering and managing your participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are

collected and with confidentiality and security provisions as set forth by applicable laws and regulations in your country of residence (or country of employment, if different). Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for your participation in the Plan.

(b) The Company and your Employer will transfer Data internally as necessary for the purpose of implementation, administration and management of your participation in the Plan, and the Company and/or your Employer may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. You hereby authorize (where required under applicable law) the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, as may be required for the administration of the Plan and/or the subsequent holding of the shares of Stock on your behalf, to a broker or other third party with whom you may elect to deposit any shares of Stock acquired pursuant to the Plan.

(c) You may, at any time, exercise your rights provided under applicable personal data protection laws, which may include the right to (i) obtain confirmation as to the existence of Data, (ii) verify the content, origin and accuracy of the Data, (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of the Data, (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and your participation in the Plan, and (v) withdraw your consent to the collection, processing or transfer of Data as provided hereunder (in which case, your Restricted Stock Units will become null and void). You may seek to exercise these rights by contacting your Human Resources manager or the Company's Human Resources Department, who may direct the matter to the applicable Company privacy official.

23. Addendum to Agreement. Notwithstanding any provision of this Agreement to the contrary, the Restricted Stock Units shall be subject to any special terms and conditions for your country of residence (and country of employment, if different) as set forth in the addendum to the Agreement, attached hereto as Exhibit B (the "Addendum"). Further, if you transfer your residence and/or employment to another country reflected in the Addendum, the special terms and conditions for such country will apply to you to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Restricted Stock Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). The Addendum shall constitute part of this Agreement.

24. Additional Requirements. The Company reserves the right to impose other requirements on the Restricted Stock Units, any shares of Stock acquired pursuant to the Restricted Stock Units and your participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Restricted Stock Units and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

25. Amendment or Modification, Waiver. Except as set forth in the Plan, no provision of this Agreement may be amended or waived unless the amendment or waiver is agreed to in writing, signed by you and by a duly authorized officer of the Company. No waiver of any condition or provision of this Agreement shall be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time.

26. Electronic Delivery. The Company may, in its sole discretion, deliver by electronic means any documents related to the Award or your future participation in the Plan. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

27. Governing Law and Jurisdiction. This Agreement is governed by the substantive and procedural laws of the state of Illinois, U.S.A. You and the Company shall submit to the exclusive jurisdiction of, and venue in, the courts in Illinois, U.S.A., in any dispute relating to this Agreement without regard to any choice of law rules thereof which might apply the laws of any other jurisdictions.

28. English Language. If you are resident in a country where English is not an official language, you acknowledge and agree that it is your express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. You further acknowledge that you are sufficiently proficient in English, or have consulted with an advisor who is sufficiently proficient in English, so as to allow you to understand the terms and conditions of this Agreement, the Plan and any other documents related to the Award. If you have received this Agreement, the Plan or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

29. Conformity with Applicable Law. If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement or the validity, legality or enforceability of such provision in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

30. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon your death, acquire any rights hereunder.

This Agreement contains highly sensitive and confidential information. Please handle it accordingly.

Please read the attached Exhibits A and B. Once you have read and understood this Agreement and Exhibits A and B, please click the acceptance box to certify and confirm your agreement to be bound by the terms and conditions of this Agreement and Exhibits A and B, as applicable, and to acknowledge your receipt of the Prospectus, the Plan and this Agreement and your acceptance of the terms and conditions of the Award granted hereunder.

EXHIBIT A

WALGREENS BOOTS ALLIANCE, INC. NON-COMPETITION, NON-SOLICITATION AND CONFIDENTIALITY AGREEMENT

This Exhibit (the "Restrictive Covenants Agreement") forms a part of the Restricted Stock Unit Award Agreement (the "Award Agreement") covering restricted stock units awarded to an employee ("Employee" or "I") of Walgreens Boots Alliance, Inc. or an affiliate thereof, on behalf of itself, its affiliates, subsidiaries, and successors (collectively referred to as the "Company").

WHEREAS, the Company develops and/or uses valuable business, technical, proprietary, customer and patient information it protects by limiting its disclosure and by keeping it secret or confidential;

WHEREAS, I acknowledge that during the course of employment, I have or will receive, contribute, or develop such Confidential Information and Trade Secrets (as defined below); and

WHEREAS, the Company desires to protect from third parties (e.g. competitors and customers) such Confidential Information and Trade Secrets and also desires to protect its legitimate business interests and goodwill in maintaining its employee and customer relationships.

NOW THEREFORE, in consideration of the Restricted Stock Units issued to me pursuant to the Award Agreement (to which this Restrictive Covenants Agreement is attached as Exhibit A) and for other good and valuable consideration, including but not limited to employment or continued employment, the specialized knowledge, skill and training that the Company provides me, and the goodwill that I develop with customers on behalf of the Company, I agree to be bound by the terms of this Restrictive Covenants Agreement as follows:

1. Confidentiality.

(a) At all times during and after the termination of my employment with the Company, I will not, without the Company's prior written permission, directly or indirectly for any purpose other than performance of my duties for the Company, utilize or disclose to anyone outside of the Company any Trade Secrets (defined in subparagraph 1(a)(i)) or other Confidential Information (defined in subparagraph 1(a)(ii)) or any information received by the Company in confidence from or about third parties, as long as such matters remain Trade Secrets or otherwise confidential.

(i) For purposes of this Restrictive Covenants Agreement, "**Trade Secrets**" means a form of intellectual property that are protectable under applicable state and/or Federal law, including the Uniform Trade Secrets Act (as amended and adapted by the states) and the Federal Defend Trade Secrets Act of 2016 (the "DTSA"). They include all tangible and intangible (e.g., electronic) forms and types of information that is held and kept confidential by the Company and is not generally known outside of the Company, including but not limited to information about: the Company's financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs or codes, and may in particular include such things as pricing information, business records, software programs, algorithms, inventions, patent applications, and designs and processes not known outside the Company.

(ii) For purposes of this Restrictive Covenants Agreement, "**Confidential Information**" means Trade Secrets and, more broadly, any other tangible and intangible (e.g., electronic) forms and types of information that are held and kept confidential by the Company and are not generally known outside

the Company, and which relates to the actual or anticipated business of the Company or the Company's actual or prospective vendors or clients. Confidential Information shall not be considered generally known to the public if is revealed improperly to the public by me or others without the Company's express written consent and/or in violation of an obligation of confidentiality to the Company. Examples of Confidential Information include, but are not limited to: customer, referral source, supplier and contractor identification and contacts; special contract terms; pricing and margins; business, marketing and customer plans and strategies; financial data; company created (or licensed) techniques; technical know-how; research, development and production information; processes, prototypes, software, patent applications and plans, projections, proposals, discussion guides, and/or personal or performance information about employees.

(b) I understand that this obligation of non-disclosure shall last so long as the information remains confidential. I, however, understand that, if I live and work primarily in Wisconsin, Virginia, or any other state requiring a temporal limit on non-disclosure clauses, Confidential Information shall be protected for two (2) years following termination of my employment (for any reason). I also understand that Trade Secrets are protected by statute and are not subject to any time limits. I also agree to contact the Company before using, disclosing, or distributing any Confidential Information or Trade Secrets if I have any questions about whether such information is protected information.

(c) The restrictions set forth in this paragraph are in addition to and not in lieu of any obligations or rights I have by law with respect to the Company's Confidential Information. Consistent with subparagraph 9(n) below, nothing herein shall prohibit me from disclosing Confidential Information or Trade Secrets if compelled by order of court or an agency of competent jurisdiction or as required by law; however, I shall take reasonable steps to protect such disclosure of Confidential Information or Trade Secrets. Pursuant to the Defend Trade Secrets Act of 2016 (DTSA), I understand that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that: (A) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, I understand that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the Trade Secret to his or her attorney and use the Trade Secret information in the court proceeding, so long as any document containing the Trade Secret is filed under seal and the individual does not disclose the Trade Secret, except pursuant to court order. Nothing in this Restrictive Covenants Agreement is intended to conflict with the DTSA or create liability for disclosures of Trade Secrets that are expressly allowed by DTSA.

2. Non-Competition. I agree that during my employment with the Company and for twelve (12) months after the termination of my employment (for any reason), I will not, directly or indirectly have Responsibilities with respect to any Competing Business Line. As set forth in subparagraph 9(b) below, I understand that the restrictions in this paragraph apply no matter whether my employment is terminated by me or the Company and no matter whether that termination is voluntary or involuntary. These restrictions shall not apply to passive investments of less than five percent (5%) ownership interest in any entity. For purposes of this Restrictive Covenants Agreement, "**Responsibilities**" means the same or similar material responsibilities I performed for the Company during the two (2) years prior to my last day of employment with the Company and within the same geographic area, or portion thereof, where I performed or directed (*i.e.*, where my work extends to a larger geographic territory, including applicably state(s), county(ies) and city(ies)) those responsibilities for the Company. For purposes of this Restrictive Covenants Agreement, "**Competing Business Line**" means any business that is in competition with any business engaged in by the Company and for which I had Responsibilities

during the two (2) years prior to my last day of employment with the Company. Competing Business Line shall also include businesses or business lines that may not be directly competitive with the Company in most respects (such as pharmacy benefit managers), but only to the extent I am engaged by any such business in a role: (a) that involves my performing Responsibilities for Competing Products or Services; or (b) where my knowledge of the Company's Confidential Information could be used by a competitor to unfairly compete with or undermine the Company's legitimate business interests. . For purposes of this Restrictive Covenants Agreement, "**Competing Products or Services**" means products or services that are competitive with products or services offered by, developed by, designed by or distributed by the Company during the two (2) years prior to my last day of employment with the Company.

3. Non-Solicitation. I agree that during my employment with the Company and for two (2) years after the termination of my employment from the Company (for any reason):

(a) I will not directly or indirectly, solicit any Restricted Customer for purposes of providing Competing Products or Services, or offer, provide or sell Competing Products or Services to any Restricted Customer. For purposes of this Restrictive Covenants Agreement, "**Restricted Customer**" means any person, company or entity that was a customer, vendor, supplier or referral source of the Company and with which I had direct contact for purposes of performing responsibilities for the Company or for which I had supervisory responsibilities on behalf of the Company, in either case at any time during the two (2) years prior to my last day of employment with the Company. To the extent permitted by applicable law, "**Restricted Customer**" also means any prospective customer(s), vendor(s), supplier(s) or referral source(s) with which I had business contact on behalf of the Company in the twelve (12) months prior to my last day of employment with the Company; and

(b) I will not, nor will I assist any third party to, directly or indirectly (i) raid, solicit, or attempt to persuade any then-current employee of the Company with whom I currently directly work or with whom I had direct contact work during the two years prior to my last day of employment with the Company, and who possesses or had access to Confidential Information of the Company, to leave the employ of the Company; (ii) interfere with the performance by any such employee of his/her duties for the Company; and/or (iii) communicate with any such employee for the purposes described in items (i) and (ii) in this subparagraph 3(b).

4. Non-Inducement. I will not directly or indirectly assist or encourage any person or entity in carrying out or conducting any activity that would be prohibited by this Restrictive Covenants Agreement if such activity were carried out or conducted by me.

5. Non-Disparagement. During my employment with the Company and thereafter, I agree not to make negative comments or otherwise disparage the Company or any of its officers, directors, employees, shareholders, members, agents or products. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings); and the foregoing shall not apply to any claims for harassment or discrimination to the extent so restricted by applicable state law.

6. Intellectual Property. The term "**Intellectual Property**" shall mean all trade secrets, ideas, inventions, designs, developments, devices, software, computer programs, methods and processes (whether or not patented or patentable, reduced to practice or included in the Confidential Information) and all patents and patent applications related thereto, all copyrights, copyrightable works and mask works (whether or not included in the Confidential Information) and all registrations and applications for registration related thereto, all Confidential Information, and all other proprietary rights contributed to, or conceived or created by, or reduced to practice by me or anyone acting on my behalf (whether alone or jointly with others) at any time from the beginning of my employment with the Company to the termination of that employment plus ninety (90) days, that (i) relate to the business or to the actual or anticipated

research or development of the Company; (ii) result from any services that I or anyone acting on my behalf perform for the Company; or (iii) are created using the equipment, supplies or facilities of the Company or any Confidential Information.

a. Ownership. All Intellectual Property is, shall be and shall remain the exclusive property of the Company. I hereby assign to the Company all right, title and interest, if any, in and to the Intellectual Property; provided, however, that, when applicable, the Company shall own the copyrights in all copyrightable works included in the Intellectual Property pursuant to the "work-made-for-hire" doctrine (rather than by assignment), as such term is defined in the 1976 Copyright Act. All Intellectual Property shall be owned by the Company irrespective of any copyright notices or confidentiality legends to the contrary that may be placed on such works by me or by others. I shall ensure that all copyright notices and confidentiality legends on all work product authored by me or anyone acting on his/her behalf shall conform to the Company's practices and shall specify the Company as the owner of the work. The Company hereby provides notice to me that the obligation to assign does not apply to an invention for which no equipment, supplies, facility, or Trade Secrets of the Company was used and which was developed entirely on my own time, unless (i) the invention relates (1) to the business of the Company, or (2) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by me for the Company.

b. Keep Records. I shall keep and maintain, or cause to be kept and maintained by anyone acting on my behalf, adequate and current written records of all Intellectual Property in the form of notes, sketches, drawings, computer files, reports or other documents relating thereto. Such records shall be and shall remain the exclusive property of the Company and shall be available to the Company at all times during my employment with the Company.

c. Assistance. I shall supply all assistance requested in securing for the Company's benefit any patent, copyright, trademark, service mark, license, right or other evidence of ownership of any such Intellectual Property, and will provide full information regarding any such item and execute all appropriate documentation prepared by Company in applying or otherwise registering, in the Company's name, all rights to any such item or the defense and protection of such Intellectual Property.

d. Prior Inventions. I have disclosed to the Company any continuing obligations to any third party with respect to Intellectual Property. I claim no rights to any inventions created prior to his/her employment for which a patent application has not previously been filed, unless he/she has described them in detail on a schedule attached to this Restrictive Covenants Agreement.

e. Trade Secret Provisions. The provisions in paragraph 1 of this Restrictive Covenants Agreement with regard to Trade Secrets and the DTSA shall apply as well in the context of the parties' Intellectual Property rights and obligations.

7. Return of Company Property. I agree that all documents and data accessible to me during my employment with the Company, including Confidential Information and Trade Secrets, regardless of format (electronic or hard copy), including but not limited to any Company computer, monitor, printer equipment, external drives, wireless access equipment, telecom equipment and systems ("Company Equipment"), are and remain the sole and exclusive property of the Company and/or its clients, and must be returned to the Company upon separation or upon demand by the Company. I further agree that I will provide passwords to access such Company Equipment and I will not print, retain, copy, destroy, modify or erase Company U.S. data on Company Equipment or otherwise wipe Company Equipment prior to returning the Company Equipment. I further acknowledge and agree that, beginning on my last day of employment, (a) I shall remove any reference to the Company as my current employer from any source I control, either directly or indirectly, including, but not limited to, any social

media, including LinkedIn, Facebook, Twitter, Instagram, Google+, and/or MySpace, etc. and (b) I am not permitted to represent that I am currently being employed by the Company to any person or entity, including, but not limited to, on any social media.

8. Consideration and Acknowledgments. I acknowledge and agree that the covenants described in this Restrictive Covenants Agreement are essential terms, and the underlying Restricted Stock Unit Award would not be provided by the Company in the absence of these covenants. I further acknowledge that these covenants are supported by adequate consideration as set forth in this Restrictive Covenants Agreement and are not in conflict with any public interest. I further acknowledge and agree that I fully understand these covenants, have had full and complete opportunity to discuss and resolve any ambiguities or uncertainties regarding these covenants before signing this Restrictive Covenants Agreement, and have voluntarily agreed to comply with these covenants for their stated terms. I further acknowledge and agree that these covenants are reasonable and enforceable in all respects.

9. Enforceability; General Provisions.

(a) I agree that the restrictions contained in this Restrictive Covenants Agreement are reasonable and necessary to protect the Company's legitimate business interests and that full compliance with the terms of this Restrictive Covenants Agreement will not prevent me from earning a livelihood following the termination of my employment, and that these covenants do not place undue restraint on me. I further understand that the restrictions in this Restrictive Covenants Agreement apply no matter whether my employment is terminated by me or the Company and no matter whether that termination is voluntary or involuntary.

(b) Because the Company is incorporated in the state of Delaware (i) this Restrictive Covenants Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any conflict of law provisions, and (ii) I consent to personal jurisdiction and the exclusive jurisdiction of the state and federal courts of Delaware with respect to any claim, dispute or declaration arising out of this Restrictive Covenants Agreement.

(c) In the event of a breach or a threatened breach of this Restrictive Covenants Agreement, I acknowledge that the Company will face irreparable injury which may be difficult to calculate in dollar terms and that the Company shall be entitled, in addition to all remedies otherwise available in law or in equity, to temporary restraining orders and preliminary and final injunctions enjoining such breach or threatened breach in any court of competent jurisdiction without the necessity of posting a surety bond, as well as to obtain an equitable accounting of all profits or benefits arising out of any violation of this Restrictive Covenants Agreement.

(d) I agree that if a court determines that any of the provisions in this Restrictive Covenants Agreement is unenforceable or unreasonable in duration, territory, or activity, then that court shall modify those provisions so they are reasonable and enforceable, and enforce those provisions as modified.

(e) If any one or more provisions (including paragraphs, subparagraphs and terms) of this Restrictive Covenants Agreement or its application is determined to be invalid, illegal, or unenforceable to any extent or for any reason by a court of competent jurisdiction, I agree that the remaining provisions (including paragraphs, subparagraphs and terms) of this Restrictive Covenants Agreement will still be valid and the provision declared to be invalid or illegal or unenforceable will be considered to be severed and deleted from the rest of this Restrictive Covenants Agreement. I further agree that if any court of competent jurisdiction finds any of the restrictions set forth in this Restrictive Covenants Agreement to be overly broad and unenforceable, the restriction shall be interpreted to extend only over the maximum time period, geographic area, or range of activities or clients that such court deems enforceable.

(f) Notwithstanding the foregoing provisions of this Restrictive Covenants Agreement, the non-competition provisions of paragraph 2 above shall not restrict me from performing legal services as a licensed attorney for a Competing Business to the extent that the attorney licensure requirements in the applicable jurisdiction do not permit me to agree to the otherwise applicable restrictions of paragraph 2.

(g) Waiver of any of the provisions of this Restrictive Covenants Agreement by the Company in any particular instance shall not be deemed to be a waiver of any provision in any other instance and/or of the Company's other rights at law or under this Restrictive Covenants Agreement.

(h) I agree that the Company may assign this Restrictive Covenants Agreement to its successors and assigns and that any such successor or assign may stand in the Company's stead for purposes of enforcing this Restrictive Covenants Agreement.

(i) I agree to reimburse the Company for all attorneys' fees, costs, and expenses that it reasonably incurs in connection with enforcing its rights and remedies under this Restrictive Covenants Agreement, but only to the extent the Company is ultimately the prevailing party in the applicable legal proceedings.

(j) I understand and agree that, where allowed by applicable law, the time for my obligations set out in paragraphs 2-6 shall be extended for period of non-compliance up to an additional two (2) years following my last day of employment with the Company (for any reason).

(k) I fully understand my obligations in this Restrictive Covenants Agreement, have had full and complete opportunity to discuss and resolve any ambiguities or uncertainties regarding these covenants before signing this Restrictive Covenants Agreement, and have voluntarily agreed to comply with these covenants for their stated terms.

(l) I agree that all non-competition, non-solicitation, non-disclosure and use, non-recruiting, and disclosure obligations in this Restrictive Covenants Agreement shall survive any termination of this Restrictive Covenants Agreement and extend to the proscribed periods following my last day of employment with the Company (for any reason) and no dispute regarding any other provisions of this Restrictive Covenants Agreement or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations.

(m) I understand that nothing in this Restrictive Covenants Agreement, including the non-disclosure and non-disparagement provisions, limit my ability to file a charge or complaint with the Equal Employment Opportunity Commission, Department of Labor, National Labor Relations Board, Occupational Safety and Health Administration, Securities and Exchange Commission or any other federal, state or local governmental agency or commission. I also understand that this Restrictive Covenants Agreement does not limit my ability to communicate with any government agencies or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information, without notice to the Company. Finally, nothing in this Restrictive Covenants Agreement in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding me from: (i) exercising my rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); or (ii) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

10. Relationship of Parties. I acknowledge that my relationship with the Company is “terminable at will” by either party and that the Company or I can terminate the relationship with or without cause and without following any specific procedures. Nothing contained in this Restrictive Covenants Agreement is intended to or shall be relied upon to alter the “terminable at will” relationship between the parties. I agree that my obligations in this Restrictive Covenants Agreement shall survive the termination of my employment from the Company for any reason and shall be binding upon my successors, heirs, executors and representatives.

11. Modifications and Other Agreements. I agree that the terms of this Restrictive Covenants Agreement may not be modified except by a written agreement signed by both me and the Company. This Restrictive Covenants Agreement shall not supersede any other restrictive covenants to which I may be subject under an employment contract, benefit program or otherwise, such that the Company may enforce the terms of any and all restrictive covenants to which I am subject. The obligations herein are in addition to and do not limit any obligations arising under applicable statutes and common law.

12. Notification. I agree that in the event I am offered employment at any time in the future with any entity that may be considered a Competing Business Line, I shall immediately notify such Competing Business of the existence and terms of this Restrictive Covenants Agreement. I also understand and agree that the Company may notify anyone attempting to or later employing me of the existence and provisions of this Restrictive Covenants Agreement.

*** **

By clicking the acceptance box for this grant agreement, I acknowledge receipt of the Award Agreement to which this Restrictive Covenants Agreement is attached as Exhibit A, and I agree to the terms and conditions expressed in this Restrictive Covenants Agreement, as applicable.

EXHIBIT B

ADDENDUM TO THE WALGREENS BOOTS ALLIANCE, INC. 2021 OMNIBUS INCENTIVE PLAN RESTRICTED STOCK UNIT AWARD AGREEMENT

In addition to the terms of the Plan and the Agreement, the Award is subject to the following additional terms and conditions to the extent you reside and/or are employed in one of the countries addressed herein. Pursuant to Section 23 of the Agreement, if you transfer your residence and/or employment to another country reflected in this Addendum, the additional terms and conditions for such country (if any) will apply to you to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Restricted Stock Units and the Plan (or the Company may establish alternative terms as may be necessary or advisable to accommodate your transfer). All defined terms contained in this Addendum shall have the same meaning as set forth in the Plan and the Agreement.

EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA") / SWITZERLAND / THE UNITED KINGDOM

Personal Data. The following provision replaces Section 19 of the Agreement in its entirety:

The Company, with its registered address at 108 Wilmot Road, Deerfield, Illinois 60015, U.S.A. is the controller responsible for the processing of your personal data by the Company and the third parties noted below.

(a)Data Collection and Usage. Pursuant to applicable data protection laws, you are hereby notified that the Company collects, processes and uses certain personal information about you for the legitimate purpose of implementing, administering and managing the Plan and generally administering awards; specifically: your name, home address, email address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any shares or directorships held in the Company, and details of all Restricted Stock Units, any entitlement to shares of Stock awarded, canceled, exercised, vested, or outstanding in your favor, which the Company receives from you or the Employer ("Personal Data"). In granting the Restricted Stock Units under the Plan, the Company will collect, process, use, disclose and transfer (collectively, "Processing") Personal Data for purposes of implementing, administering and managing the Plan. The Company's legal basis for the Processing of Personal Data is the Company's legitimate business interests of managing the Plan, administering employee awards and complying with its contractual and statutory obligations, as well as the necessity of the Processing for the Company to perform its contractual obligations under the Agreement and the Plan. Your refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. As such, by accepting the Restricted Stock Units, you voluntarily acknowledge the Processing of your Personal Data as described herein.

(b)Stock Plan Administration Service Provider. The Company may transfer Personal Data to Fidelity Stock Plan Services, LLC ("Fidelity"), an independent service provider based, in relevant part, in the United States, which may assist the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Personal Data with another company that serves in a similar manner. The Company's service provider will open an account for you to receive and trade shares of Stock pursuant to the Restricted Stock Units. The Processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating the Plan. When receiving your Personal Data, if applicable, Fidelity provides appropriate safeguards in accordance with the EU Standard Contractual Clauses or other

appropriate cross-border transfer solutions. By participating in the Plan, you understand that the service provider will Process your Personal Data for the purposes of implementing, administering and managing your participation in the Plan.

(c)International Data Transfers. The Company is based in the United States, which means it will be necessary for Personal Data to be transferred to, and Processed in the United States. When transferring your Personal Data to the United States, the Company provides appropriate safeguards in accordance with the EU Standard Contractual Clauses, and other appropriate cross-border transfer solutions. You may request a copy of the appropriate safeguards with Fidelity or the Company by contacting your Human Resources manager or the Company's Human Resources Department.

(d)Data Retention. The Company will use Personal Data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs Personal Data related to the Plan, the Company will remove it from its systems. If the Company keeps Personal Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with relevant laws or regulations.

(e)Data Subject Rights. To the extent provided by law, you have the right to (i) subject to certain exceptions, request access or copies of Personal Data the Company Processes, (ii) request rectification of incorrect Personal Data, (iii) request deletion of Personal Data, (iv) place restrictions on Processing of Personal Data, (v) lodge complaints with competent authorities in your country, and/or (vi) request a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding your rights or to exercise your rights, you may contact your Human Resources manager or the Company's Human Resources Department. You also have the right to object, on grounds related to a particular situation, to the Processing of Personal Data, as well as opt-out of the Plan herein, in any case without cost, by contacting your Human Resources manager or the Company's Human Resources Department in writing. Your provision of Personal Data is a contractual requirement. You understand, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to administer the Restricted Stock Units, or grant other awards or administer or maintain such awards. For more information on the consequences of the refusal to provide Personal Data, you may contact your Human Resources manager or the Company's Human Resources Department in writing. You may also have the right to lodge a complaint with the relevant data protection supervisory authority.

GERMANY

No country-specific provisions.

HONG KONG

1. Form of Payment. Notwithstanding any provision in the Agreement or Plan to the contrary, the Restricted Stock Units shall be settled only in Shares (and not in cash).

2. IMPORTANT NOTICE. WARNING: The contents of the Agreement, this Addendum, the Plan, the Plan prospectus, the Plan administrative rules and all other materials pertaining to the Restricted Stock Units and/or the Plan have not been reviewed by any regulatory authority in Hong Kong. You are hereby advised to exercise caution in relation to the offer thereunder. If you have any doubts about any of the contents of the aforesaid materials, you should obtain independent professional advice. Neither the grant of the Restricted Stock Units nor the issuance of the shares of Stock upon settlement of the Restricted Stock Units constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Affiliates. The Agreement, including this Addendum, the Plan and other incidental communication materials distributed in connection with the Restricted Stock Units (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong

Kong and (ii) are intended only for the personal use of each eligible employee of the Company or its Affiliates and may not be distributed to any other person.

3. Wages. The Restricted Stock Units and shares of Stock subject to the Restricted Stock Units do not form part of your wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

ITALY

Plan Document Acknowledgment. In accepting the Restricted Stock Units, you acknowledge that a copy of the Plan was made available to you, and you have reviewed the Plan and the Agreement, including this Addendum, in their entirety and fully understand and accept all provisions of the Plan, the Agreement and the Addendum.

You further acknowledge that you have read and specifically approve the following provisions in the Agreement: Section 3: Restricted Period (terms of lapse of restrictions on Restricted Stock Units); Section 4: Disability or Death (terms of payment of Restricted Stock Units upon a Termination of Service by reason of Disability or death); Section 5: Retirement (terms of payment of Restricted Stock Units upon a Termination of Service by reason of retirement); Section 6: Termination of Service Following a Change in Control (terms of payment of Restricted Stock Units in the event of a Termination of Service following a Change in Control); Section 7: Other Termination of Service (forfeiture of Restricted Stock Units in other cases of Termination of Service); Section 10(a): Responsibility for Taxes; Tax Withholding (liability for all Tax-Related Items related to the Restricted Stock Units and legally applicable to the participant); Section 11: Nontransferability (Restricted Stock Units shall not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated); Section 18: Change in Stock (right of the Company to equitably adjust the number of Restricted Stock Units subject to this Agreement in the event of any change in Stock); Section 19(j): Nature of the Award (waive any claim or entitlement to compensation or damages arising from forfeiture of the Restricted Stock Units resulting from a Termination of Service); Section 19(l): Nature of the Award (the Company is not liable for any foreign exchange rate fluctuation impacting the value of the Restricted Stock Units); Section 20: Committee Authority; Recoupment (right of the Committee to administer, construe, and make all determinations necessary or appropriate for the administration of the Restricted Stock Units and this Agreement, including the enforcement of any recoupment policy); Section 21: Non-Competition, Non-Solicitation and Confidentiality (the receipt of the Award is conditioned upon agreement to the Non-Competition, Non-Solicitation and Confidentiality Agreement attached hereto as Exhibit A); Section 23: Addendum to Agreement (the Restricted Stock Units are subject to the terms of the Addendum); Section 24: Additional Requirements (Company right to impose additional requirements on the Restricted Stock Units in case such requirements are necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate operation and administration of the Restricted Stock Units and the Plan); Section 26: Electronic Delivery (Company may deliver documents related to the Award or Plan electronically); Section 27: Governing Law and Jurisdiction (Agreement is governed by Illinois law without regard to any choice of law rules thereof; agreement to exclusive jurisdiction of Illinois courts); Section 28: English Language (documents will be drawn up in English; if a translation is provided, the English version controls); and the provision titled "Personal Data" under the heading "European Union ('EU') / European Economic Area ('EEA') / Switzerland / the United Kingdom", included in this Addendum.

MEXICO

1. Commercial Relationship. You expressly recognize that your participation in the Plan and the Company's grant of the Restricted Stock Units does not constitute an employment relationship between you and the Company. You have been granted the Restricted Stock Units as a consequence of the commercial relationship between the Company and the Affiliate in Mexico that employs you ("WBA Mexico"), and WBA Mexico is your sole employer. Based on the foregoing, you expressly recognize that (a) the Plan and the benefits you may derive from your participation in the Plan do not establish any rights between you and WBA Mexico, (b) the Plan and the benefits you may derive from your participation in the Plan are not part of the

employment conditions and/or benefits provided by WBA Mexico, and (c) any modifications or amendments of the Plan by the Company, or a termination of the Plan by the Company, shall not constitute a change or impairment of the terms and conditions of your employment with WBA Mexico.

2. Extraordinary Item of Compensation. You expressly recognize and acknowledge that your participation in the Plan is a result of the discretionary and unilateral decision of the Company, as well as your free and voluntary decision to participate in the Plan in accordance with the terms and conditions of the Plan, the Agreement and this Addendum. As such, you acknowledge and agree that the Company, in its sole discretion, may amend and/or discontinue your participation in the Plan at any time and without any liability. The Award, the shares of Stock subject to the Award and the income and value of the same is an extraordinary item of compensation outside the scope of your employment contract, if any, and is not part of your regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar payments, which are the exclusive obligations of WBA Mexico.

3. Securities Law Notification. The Restricted Stock Units and shares of Stock offered under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, this Agreement and any other document relating to the Restricted Stock Units may not be publicly distributed in Mexico. These materials are addressed to you only because of your existing relationship with the Company and WBA Mexico and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of WBA Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

MONACO

Use of English Language. You acknowledge that it is your express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Vous reconnaissez avoir expressément exigé la rédaction en anglais de la présente Convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relatifs à, ou suite à, la présente Convention.***

PORTUGAL

Consent to Receive Information in English. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and Agreement. ***Conhecimento da Língua. Contratado, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo.***

SWITZERLAND

Securities Law Notification. Neither this document nor any other materials relating to the Restricted Stock Units (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company, or (iii) has been or will be filed with, or approved or supervised by, any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

THAILAND

No country-specific provisions.

UNITED KINGDOM

1. Indemnification for Tax-Related Items. Without limitation to Section 10 of the Agreement, you hereby agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items, as and when requested by the Company, your Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). You also hereby agree to indemnify and keep indemnified the Company and your Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that you are a director or executive officer and income tax due is not collected from or paid by you within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You acknowledge that you ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or your Employer (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or your Employer may recover from you at any time thereafter by any of the means referred to in Section 10 of the Agreement.

2. Exclusion of Claim. You acknowledge and agree that you will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from your ceasing to have rights under or to be entitled to the Restricted Stock Units, whether or not as a result of your Termination of Service (whether such termination is in breach of contract or otherwise), or from the loss or diminution in value of the Restricted Stock Units. Upon the grant of the Restricted Stock Units, you shall be deemed irrevocably to have waived any such entitlement.

3. Post-Termination Restrictions. To the extent that you are employed by your Employer pursuant to an employment agreement governed by the laws of England, Wales, Scotland and/or Northern Ireland, Paragraphs 2 and 3 of the NNCA Agreement attached to the Agreement as Exhibit A shall not apply to you.

*** **

By clicking the acceptance box for this grant agreement, I acknowledge receipt of the Restricted Stock Unit Award Agreement to which this Addendum is attached as Exhibit B, and I agree to the terms and conditions expressed in this Addendum.

CERTIFICATION

I, Timothy C. Wentworth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Walgreens Boots Alliance, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/

Timothy C. Wentworth
Timothy C. Wentworth

Chief Executive Officer

Date: January 4, 2024

CERTIFICATION

I, Manmohan Mahajan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Walgreens Boots Alliance, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/

Manmohan Mahajan
Manmohan Mahajan

Interim Global Chief Financial Officer

Date: January 4, 2024

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Walgreens Boots Alliance, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the quarter ended November 30, 2023 as filed with the Securities and Exchange Commission (the "Report"), I, Timothy C. Wentworth, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Timothy C. Wentworth

Timothy C. Wentworth

Chief Executive Officer

Dated: January 4, 2024

A signed original of this written statement required by Section 906 has been provided to Walgreens Boots Alliance, Inc. and will be retained by Walgreens Boots Alliance, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Walgreens Boots Alliance, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the quarter ended November 30, 2023 as filed with the Securities and Exchange Commission (the "Report"), I, Manmohan Mahajan, Interim Global Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Manmohan Mahajan

Manmohan Mahajan

Interim Global Chief Financial Officer

Dated: January 4, 2024

A signed original of this written statement required by Section 906 has been provided to Walgreens Boots Alliance, Inc. and will be retained by Walgreens Boots Alliance, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.