

**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, 2021

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)

Former name, former address and former fiscal year, if changed since last report

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

Accelerated filer

Non-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 31, 2021 was 863,272,027.

WALGREENS BOOTS ALLIANCE, INC.

FORM 10-Q FOR THE THREE MONTHS ENDED NOVEMBER 30, 2021

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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, 2021	August 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,135	\$ 1,193
Accounts receivable, net	5,960	5,663
Inventories	9,475	8,159
Other current assets	745	800
Total current assets	20,314	15,814
Non-current assets:		
Property, plant and equipment, net	12,295	12,247
Operating lease right-of-use assets	21,826	21,893
Goodwill	21,520	12,421
Intangible assets, net	12,770	9,936
Equity method investments (see Note 6)	6,367	6,987
Other non-current assets	1,413	1,987
Total non-current assets	76,192	65,471
Total assets	\$ 96,507	\$ 81,285
Liabilities, redeemable noncontrolling interest and equity		
Current liabilities:		
Short-term debt	\$ 2,647	\$ 1,305
Trade accounts payable (see Note 17)	12,452	11,136
Operating lease obligations	2,266	2,259
Accrued expenses and other liabilities	6,973	7,260
Income taxes	110	94
Total current liabilities	24,447	22,054
Non-current liabilities:		
Long-term debt	11,199	7,675
Operating lease obligations	22,103	22,153
Deferred income taxes	1,970	1,850
Other non-current liabilities	3,422	3,413
Total non-current liabilities	38,694	35,091
Commitments and contingencies (see Note 11)		
Total liabilities	63,141	57,145
Redeemable noncontrolling interest	2,787	319
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, 2021 and August 31, 2021	12	12
Paid-in capital	10,966	10,988
Retained earnings	38,286	35,121
Accumulated other comprehensive loss	(2,301)	(2,109)
Treasury stock, at cost; 308,671,242 shares at November 30, 2021 and 307,139,982 shares at August 31, 2021	(20,700)	(20,593)
Total Walgreens Boots Alliance, Inc. shareholders' equity	26,263	23,419
Noncontrolling interests	4,316	402
Total equity	30,579	23,822
Total liabilities, redeemable noncontrolling interest and equity	\$ 96,507	\$ 81,285

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, 2021

	Equity attributable to Walgreens Boots Alliance, Inc.								
	Common stock shares	Common stock amount	Treasury stock amount	Paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings	Noncontrolling interests	Total equity	
August 31, 2021	865,373,636	\$ 12	\$ (20,593)	\$ 10,988	\$ (2,109)	\$ 35,121	\$ 402	\$ 23,822	
Net earnings	—	—	—	—	—	3,580	(27)	3,552	
Other comprehensive income (loss), net of tax	—	—	—	—	(193)	—	(3)	(196)	
Dividends declared and distributions	—	—	—	—	—	(415)	—	(415)	
Treasury stock purchases	(3,179,750)	—	(154)	—	—	—	—	(154)	
Employee stock purchase and option plans	1,648,490	—	47	(59)	—	—	—	(11)	
Stock-based compensation	—	—	—	35	—	—	—	35	
Business combination	—	—	—	—	—	—	3,944	3,944	
Noncontrolling interests contribution and other	—	—	—	2	—	—	—	2	
November 30, 2021	863,842,376	\$ 12	\$ (20,700)	\$ 10,966	\$ (2,301)	\$ 38,286	\$ 4,316	\$ 30,579	

Three months ended November 30, 2020

	Equity attributable to Walgreens Boots Alliance, Inc.								
	Common stock shares	Common stock amount	Treasury stock amount	Paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings	Noncontrolling interests	Total equity	
August 31, 2020	865,603,519	\$ 12	\$ (20,575)	\$ 10,761	\$ (3,771)	\$ 34,210	\$ 498	\$ 21,136	
Net earnings (loss)	—	—	—	—	—	(308)	9	(299)	
Other comprehensive income (loss), net of tax	—	—	—	—	88	—	2	90	
Dividends declared and distributions	—	—	—	—	—	(405)	—	(405)	
Treasury stock purchases	(3,000,000)	—	(110)	—	—	—	—	(110)	
Employee stock purchase and option plans	1,298,298	—	43	(39)	—	—	—	4	
Stock-based compensation	—	—	—	36	—	—	—	36	
Adoption of new accounting standards	—	—	—	—	—	(3)	(3)	(5)	
Business combination	—	—	—	117	—	—	—	117	
Noncontrolling interests contribution and other	—	—	—	1	—	—	—	1	
November 30, 2020	863,901,817	\$ 12	\$ (20,642)	\$ 10,876	\$ (3,682)	\$ 33,495	\$ 506	\$ 20,563	

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,	
	2021	2020
Sales	\$ 33,901	\$ 31,438
Cost of sales	26,326	24,808
Gross profit	7,574	6,630
Selling, general and administrative expenses	6,391	5,792
Equity earnings (loss) in AmerisourceBergen	100	(1,373)
Operating income (loss)	1,283	(535)
Other income	2,617	63
Earnings (loss) before interest and tax	3,900	(472)
Interest expense, net	86	136
Earnings (loss) before tax	3,814	(607)
Income tax provision (benefit)	275	(207)
Post tax (loss) earnings from other equity method investments	(7)	15
Net earnings (loss) from continuing operations	3,531	(385)
Net earnings from discontinued operations	—	87
Net earnings (loss)	3,531	(299)
Net (loss) earnings attributable to noncontrolling interests - continuing operations	(48)	5
Net earnings attributable to noncontrolling interests - discontinued operations	—	4
Net earnings (loss) attributable to Walgreens Boots Alliance, Inc.	\$ 3,580	\$ (308)
Net earnings (loss) attributable to Walgreens Boots Alliance, Inc.:		
Continuing operations	\$ 3,580	\$ (391)
Discontinued operations	—	83
Total	\$ 3,580	\$ (308)
Basic net earnings (loss) per common share:		
Continuing operations	\$ 4.13	\$ (0.45)
Discontinued operations	—	0.10
Total	\$ 4.13	\$ (0.36)
Diluted net earnings (loss) per common share:		
Continuing operations	\$ 4.13	\$ (0.45)
Discontinued operations	—	0.10
Total	\$ 4.13	\$ (0.36)
Weighted average common shares outstanding:		
Basic	865.8	865.3
Diluted	867.6	865.3

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,	
	2021	2020
Comprehensive income:		
Net earnings (loss)	\$ 3,531	\$ (299)
Other comprehensive (loss) income, net of tax:		
Pension/postretirement obligations	(5)	11
Unrealized gain on cash flow hedges	1	4
Net investment hedges	44	(7)
Movement on available for debt sale securities	(96)	—
Share of other comprehensive (loss) income of equity method investments	(46)	5
Currency translation adjustments	(94)	80
Total other comprehensive (loss) income	(196)	94
Total comprehensive income (loss)	3,336	(206)
Comprehensive (loss) income attributable to noncontrolling interests	(51)	14
Comprehensive income (loss) attributable to Walgreens Boots Alliance, Inc.	\$ 3,387	\$ (220)

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,	
	2021	2020
Cash flows from operating activities:		
Net earnings (loss)	\$ 3,531	\$ (299)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	500	475
Deferred income taxes	164	(348)
Stock compensation expense	35	36
Equity (earnings) loss from equity method investments	(93)	1,350
Gain on previously held investment interests	(2,576)	—
Other	95	(71)
Changes in operating assets and liabilities:		
Accounts receivable, net	(127)	(259)
Inventories	(1,352)	(1,225)
Other current assets	(58)	36
Trade accounts payable	1,335	1,398
Accrued expenses and other liabilities	(399)	(105)
Income taxes	79	132
Other non-current assets and liabilities	(36)	74
Net cash provided by operating activities	<u>1,099</u>	<u>1,195</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(454)	(431)
Proceeds from sale-leaseback transactions	202	231
Business, investment and asset acquisitions, net of cash acquired	(1,800)	(77)
Other	95	19
Net cash (used for) investing activities	<u>(1,958)</u>	<u>(259)</u>
Cash flows from financing activities:		
Net change in short-term debt with maturities of 3 months or less	937	(347)
Proceeds from debt	7,940	3,310
Payments of debt	(4,444)	(2,807)
Stock purchases	(154)	(110)
Proceeds related to employee stock plans	19	4
Cash dividends paid	(413)	(405)
Other	(7)	4
Net cash provided by (used for) financing activities	<u>3,877</u>	<u>(352)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(20)	10
Changes in cash, cash equivalents and restricted cash:		
Net increase in cash, cash equivalents and restricted cash	2,998	594
Cash, cash equivalents and restricted cash at beginning of period	1,270	746
Cash, cash equivalents and restricted cash at end of period	<u>\$ 4,268</u>	<u>\$ 1,339</u>

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. (“Walgreens Boots Alliance” or the “Company”) included herein have been prepared pursuant to the rules and regulations of the 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. 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, 2021, as amended by Form 10-K/A for the fiscal year ended August 31, 2021 filed on November 24, 2021.

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 including estimates of the impact of the COVID-19 pandemic (“COVID-19”). The extent to which COVID-19 impacts the Company’s business and financial results will depend on numerous factors discussed throughout this Quarterly Report on Form 10-Q including, but not limited to, the severity and duration of COVID-19, the extent to which it will impact our customers, team members, suppliers, vendors, business partners and distribution channels. The Company assessed certain accounting matters that require consideration of estimates and assumptions in context with the information reasonably available to the Company and the unknown future impacts of COVID-19 as of November 30, 2021 and through the date of this report. The accounting matters assessed included, but were not limited to, the Company’s carrying value of goodwill, intangible and other long-lived assets including operating lease right-of-use assets. The Company’s future assessment of the magnitude and duration of COVID-19, as well as other factors, could result in material impacts to the Company’s consolidated financial statements in future reporting periods. 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. The impact of COVID-19, the influence of certain holidays, seasonality, foreign currency rates, changes in vendor, payer and customer relationships and terms, strategic transactions including acquisitions, dispositions, changes in laws and general economic conditions 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.

On June 1, 2021, the Company completed the sale of the majority of the Company’s Alliance Healthcare business as well as a portion of the Company’s retail pharmacy international businesses in Europe (“Disposal Group”) to AmerisourceBergen Corporation (“AmerisourceBergen”). The Disposal Group met the criteria to be reported as discontinued operations. Therefore, the operating results of the Disposal Group are reported as discontinued operations for all prior periods.

Effective as of the first quarter of fiscal year 2022, the Company is aligned into three reportable segments: United States, International and Walgreens Health. Unless otherwise specified, disclosures in these Consolidated Condensed Financial Statements reflect continuing operations only. Certain prior period data, related to discontinued operations has been reclassified in the Consolidated Condensed Financial Statements and accompanying notes to conform to the current period presentation. See Note 2 Discontinued operations and Note 15 Segment reporting for further information.

Certain amounts in the Consolidated Condensed Financial Statements and associated notes may not add due to rounding. Percentages have been calculated using unrounded amounts for all periods presented.

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

Note 2. Discontinued operations

On June 1, 2021, the Company completed the sale of Alliance Healthcare, for total consideration of \$6.9 billion, which included cash consideration of \$6.7 billion, subject to net working capital and net cash adjustments and 2 million shares of AmerisourceBergen common stock.

As of November 30, 2021, Other current assets include a \$98 million receivable for purchase price consideration due from AmerisourceBergen that is subject to change upon the finalization of net working capital adjustments.

The operating results of the Disposal Group are reported as discontinued operations as the disposition reflected a strategic shift that has, or will have, a major effect on the Company's operations and financial results.

Results of discontinued operations were as follows (in millions):

	Three months ended November 30, 2020	
Sales	\$	5,327
Cost of sales		4,818
Gross profit		509
Selling, general and administrative expense		415
Operating income from discontinued operations		94
Other expense		(2)
Interest expense, net		(4)
Earnings before income tax – discontinued operations		88
Income tax provision		8
Post tax earnings from other equity method investments		7
Net earnings from discontinued operations	\$	87

Sales from the Disposal Group to the Company's continuing operations are not eliminated and aggregate to (in millions):

	Three months ended November 30, 2020	
Sales	\$	458

Cash flows from operating and investing activities for discontinued operations are (in millions):

	Three months ended November 30, 2020	
Cash used in operating activities - discontinued operations	\$	(45)
Cash used for investing activities - discontinued operations		(19)

See Note 17 Related parties, to the Consolidated Condensed Financial Statements for more information on the Company's transactions and continuing involvement with AmerisourceBergen.

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

Note 3. Acquisitions

VillageMD

On November 24, 2021, the Company completed the acquisition of Village Practice Management Company, LLC (“VillageMD”). Pursuant to the terms and subject to the conditions set forth in the Unit Purchase Agreement, the Company purchased additional outstanding equity interests of VillageMD, increasing the Company’s total beneficial ownership in VillageMD’s outstanding equity interests from approximately 30% to approximately 63%, on a fully diluted basis, for a purchase price of \$5.2 billion. The total purchase price comprises cash consideration of \$4.0 billion and a promissory note of \$1.2 billion. The cash consideration consisted of \$2.9 billion to be paid to existing shareholders, after giving affect to the \$1.9 billion tender offer described below, as well as \$1.1 billion paid in exchange for new preferred units issued by VillageMD. Subject to notice being served, the Company has an option to prepay the promissory note at any time and VillageMD may require the Company to redeem the promissory note after February 1, 2022. The promissory note is eliminated in consolidation within the Consolidated Condensed Balance Sheets.

On November 24, 2021, VillageMD commenced a tender offer to purchase up to \$1.9 billion of units in VillageMD for cash. As of November 30, 2021, the Company recorded the \$1.9 billion as redeemable non-controlling interest. The tender offer was fully subscribed and settled on December 28, 2021. The tender offer was funded by cash proceeds provided to VillageMD pursuant to the Unit Purchase Agreement.

The Company accounted for this acquisition as a business combination resulting in consolidation of VillageMD within the Walgreens Health segment in its financial statements. A noncontrolling interest was recognized at fair value. As of November 30, 2021, the Company had not completed the analysis to assign fair values to all tangible and intangible assets acquired. As such, the preliminary purchase price allocation will be subject to further refinement and may change. These changes may relate to finalization of the fair value of the purchase consideration and the allocation of purchase consideration to all tangible and intangible assets acquired and identified.

As a result of this acquisition, the Company recognized a pre-tax gain in Other income in the Consolidated Condensed Statements of Earnings, of \$1,597 million related to the fair valuation of the Company’s previously held minority equity interest. The Company also recorded a pre-tax gain of \$577 million in Other income in the Consolidated Condensed Statements of Earnings related to the conversion to equity of the Company’s previously held investment in convertible debt securities of VillageMD, reclassified from within accumulated other comprehensive income.

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

Purchase Price Allocation:

Total purchase price	\$	5,200
Less: purchase price for issuance of new preferred units at fair value ¹		(2,300)
Net consideration	\$	2,900
Fair value of share-based compensation awards attributable to pre-combination services ²		683
Fair value of previously held equity and debt		3,211
Fair value of non-controlling interest		3,257
Total	\$	10,051

Identifiable assets acquired and liabilities assumed:

Tangible assets ¹	\$	637
Intangible assets		1,982
Liabilities		(241)
Total identifiable net assets	\$	2,378

Goodwill	\$	7,673
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WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

1. Comprises cash consideration of \$1.1 billion and a promissory note of \$1.2 billion. This consideration was provided in exchange for the issuance of new preferred units by VillageMD. VillageMD's tangible assets acquired exclude this \$1.1 billion of cash and \$1.2 billion promissory note receivable.
2. Primarily related to vested share-based compensation awards.

The goodwill represents anticipated future growth and expansion opportunities into new markets. Pro forma sales and net earnings of the Company, assuming the acquisition had occurred at the beginning of each period presented, would not be materially different from the results reported.

Shields acquisition

On October 29, 2021, the Company completed the acquisition of Shields Health Solutions Parent, LLC ("Shields"). Pursuant to the terms and subject to the conditions set forth in the Securities Purchase Agreement, the Company purchased additional outstanding equity interests of Shields, increasing the Company's total beneficial ownership in Shields' outstanding equity interests from 25% to approximately 70%, on a fully diluted basis, for cash consideration of \$969 million, subject to certain purchase price adjustments.

The Company accounted for this acquisition as a business combination resulting in consolidation of Shields within the Walgreens Health segment in its financial statements. A noncontrolling interest was recognized at fair value. Under the terms of the transaction agreements, the Company has an option to acquire the remaining equity interests of Shields in the future. Shields' other equity holders will also have an option to require the Company to purchase the remaining equity interests. Considering the contractual terms related to the noncontrolling interest, it is classified as redeemable noncontrolling interest in the Consolidated Condensed Balance Sheets.

As of November 30, 2021, the Company had not completed the analysis to assign fair values to all tangible and intangible assets acquired. As such, the preliminary purchase price allocation will be subject to further refinement and may result in changes. These changes may relate to finalization of the fair value of the purchase consideration and the allocation of purchase consideration to all tangible and intangible assets acquired and identified.

As a result of this acquisition, the Company remeasured its previously held minority equity interest in Shields at fair value resulting in a pre-tax gain of \$402 million recognized in Other income in the Consolidated Condensed Statements of Earnings.

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

Purchase Price Allocation:

Cash consideration	\$	969
Fair value of share-based compensation awards attributable to pre-combination services		13
Fair value of previously held equity interests		502
Fair value of non-controlling interests		589
Total	\$	2,074

Identifiable assets acquired and liabilities assumed:

Tangible assets	\$	84
Intangible assets		1,060
Liabilities		(528)
Total identifiable net assets	\$	616

Goodwill	\$	1,457
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The goodwill represents anticipated future growth and expansion opportunities into new healthcare offerings. Pro forma sales and net earnings of the Company, assuming the acquisition had occurred at the beginning of each period presented, would not be materially different from the results reported.

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

See Note 15 Segment reporting and Note 16 Sales for further information.

Other acquisitions

The Company acquired certain prescription files and related pharmacy inventory primarily in the U.S. for the aggregate purchase price of \$74 million and \$38 million during the three months ended November 30, 2021 and 2020, respectively.

Note 4. 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’s Board of Directors approved an expansion and extension of the Transformational Cost Management Program through the end of fiscal 2024. As a result, the Company increased its annual cost savings target to \$3.3 billion by the end of fiscal 2024.

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 on the United States 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. As a result of the expanded program, the Company plans to reduce its presence by up to 150 Boots stores in the UK and up to 150 stores in the United States over the next three years which are incremental to the previously planned reductions of approximately 200 Boots stores in the UK and approximately 250 stores in the United States.

The Company currently estimates that the Transformational Cost Management Program will result in cumulative pre-tax charges to its GAAP financial results of approximately \$3.6 billion to \$3.9 billion, of which \$3.3 billion to \$3.6 billion are expected to be recorded as exit and disposal activities. In addition to these impacts, 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.

Since the inception of the Transformational Cost Management Program to November 30, 2021, the Company has recognized cumulative pre-tax charges to its financial results in accordance with GAAP of \$1.5 billion, which were primarily recorded within selling, general and administrative expenses. These charges included \$442 million related to lease obligations and other real estate costs, \$292 million in asset impairments, \$550 million in employee severance and business transition costs and \$172 million of information technology 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, 2021 and 2020, respectively, were as follows (in millions):

Three months ended November 30, 2021	United States	International	Corporate and Other	Walgreens Boots Alliance, Inc.
Lease obligations and other real estate costs	\$ 87	\$ 2	\$ —	\$ 89
Asset impairments	15	25	—	40
Employee severance and business transition costs	20	10	7	37
Information technology transformation and other exit costs	1	7	1	9
Total pre-tax exit and disposal charges	\$ 123	\$ 44	\$ 9	\$ 175

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Three months ended November 30, 2020	United States	International	Corporate and Other	Walgreens Boots Alliance, Inc.
Lease obligations and other real estate costs	\$ 22	\$ —	\$ —	\$ 22
Asset impairments	4	(2)	—	1
Employee severance and business transition costs	12	28	12	52
Information technology transformation and other exit costs	10	(5)	—	5
Total pre-tax exit and disposal charges	\$ 48	\$ 21	\$ 12	\$ 81

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, 2021	\$ 17	\$ —	\$ 77	\$ 20	\$ 114
Costs	89	40	37	9	175
Payments	(15)	—	(51)	(7)	(74)
Other	(72)	(40)	(3)	—	(115)
Currency	—	—	(1)	—	(1)
Balance at November 30, 2021	\$ 19	\$ —	\$ 59	\$ 23	\$ 101

Note 5. Leases

The Company leases certain retail stores, clinics, warehouses, distribution centers, office space, land, and equipment. For the majority of leases in the U.S., the initial lease term is typically 15 to 25 years, followed by additional terms containing renewal options typically 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. The commencement date of all lease terms is the earlier of the date the Company becomes legally obligated to make rent payments or 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 term of the lease. In addition to minimum fixed rentals, some leases provide for contingent rentals based upon a portion of sales.

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

Balance Sheet supplemental information:	November 30, 2021	August 31, 2021
Operating Leases:		
Operating lease right-of-use assets	\$ 21,826	\$ 21,893
Operating lease obligations - current	2,266	2,259
Operating lease obligations - non-current	22,103	22,153
Total operating lease obligations	\$ 24,369	\$ 24,412
Finance Leases:		
Right-of-use assets included in:		
Property, plant and equipment, net	\$ 713	\$ 725
Lease obligations included in:		
Accrued expenses and other liabilities	37	37
Other non-current liabilities	963	974
Total finance lease obligations	\$ 1,000	\$ 1,010

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

Statement of Earnings supplemental information:	Three months ended November 30,	
	2021	2020
Operating lease cost		
Fixed	\$ 805	\$ 805
Variable ¹	205	158
Finance lease cost		
Amortization	\$ 11	\$ 11
Interest	13	13
Sublease income	25	20
Impairment of right-of-use assets	68	10
Gain on sale and leaseback ²	87	93

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

² Recorded within selling, general and administrative expenses.

Other supplemental information related to leases were as follows (in millions):

Other Supplemental Information:	Three months ended November 30,	
	2021	2020
Cash paid for amounts included in the measurement of lease obligations:		
Operating cash flows from operating leases	\$ 846	\$ 857
Operating cash flows from finance leases	12	12
Financing cash flows from finance leases	11	10
Total	<u>\$ 869</u>	<u>\$ 879</u>
Right-of-use assets obtained in exchange for new lease obligations:		
Operating leases	\$ 544	\$ 787
Finance leases	5	—
Total	<u>\$ 549</u>	<u>\$ 787</u>

Average lease term and discount rate were as follows:

Weighted average terms and discount rates:	November 30, 2021	August 31, 2021
Weighted average remaining lease term in years:		
Operating leases	10.2	10.3
Finance leases	20.1	20.2
Weighted average discount rate:		
Operating leases	4.75 %	4.77 %
Finance leases	5.18 %	5.18 %

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The aggregate future lease payments for operating and finance leases as of November 30, 2021 were as follows (in millions):

Future lease payments:

Fiscal year	Finance lease	Operating lease
2022 (Remaining period)	\$ 67	\$ 2,608
2023	88	3,376
2024	88	3,260
2025	87	3,145
2026	87	3,032
2027	86	2,924
Later	1,054	12,801
Total undiscounted minimum lease payments	\$ 1,556	\$ 31,146
Less: Present value discount	(556)	(6,777)
Lease liability	\$ 1,000	\$ 24,369

Note 6. Equity method investments

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

	November 30, 2021		August 31, 2021	
	Carrying value	Ownership percentage	Carrying value	Ownership percentage
AmerisourceBergen	\$ 4,393	28%	\$ 4,407	28%
Others	1,974	8% - 50%	2,580	8% - 50%
Total	\$ 6,367		\$ 6,987	

AmerisourceBergen investment

As of November 30, 2021 and August 31, 2021, the Company owned 58,854,867 AmerisourceBergen common shares representing approximately 28.3% of its outstanding common stock based on the most recent share count publicly reported by AmerisourceBergen in its most recent Annual Report on Form 10-K.

The Company accounts for its equity investment in AmerisourceBergen using the equity method of accounting, with the net earnings (loss) attributable to the Company's investment being classified within the operating income of its United States segment. Due to the timing and availability of financial information of AmerisourceBergen, the Company accounts for this equity method investment on a financial reporting lag of two months. Equity earnings (loss) from AmerisourceBergen are reported as a separate line in the Consolidated Condensed Statements of Earnings.

During the three months ended November 30, 2021 and 2020, the Company recognized equity income of \$100 million and equity losses of \$1.4 billion, in AmerisourceBergen, respectively. The equity losses for the period ended November 30, 2020 were primarily due to AmerisourceBergen's recognition of loss of \$5.6 billion, net of tax, related to its ongoing opioid litigation in its financial statements for the three months ended September 30, 2020.

The Level 1 fair market value of the Company's equity investment in AmerisourceBergen common stock at November 30, 2021 and August 31, 2021 was \$6.8 billion and \$7.2 billion, respectively. As of November 30, 2021 the carrying value of the Company's investment in AmerisourceBergen exceeded its proportionate share of the net assets of AmerisourceBergen by \$4.3 billion. This premium of \$4.3 billion was recognized as part of the carrying value in the Company's equity investment in AmerisourceBergen. The difference was primarily related to goodwill and the fair value of AmerisourceBergen intangible assets.

Other investments

The Company's other equity method investments include its U.S. investments in HC Group Holdings I, LLC ("HC Group Holdings") which owns equity interest in Option Care Health, and BrightSpring Health Services, and the Company's China investments in Sinopharm Medicine Holding Guoda Drugstores Co., Ltd, Guangzhou Pharmaceuticals Corporation and Nanjing

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Pharmaceutical Company Limited. The Company reported \$7 million of post-tax equity losses and \$15 million of post-tax equity earnings from other equity method investments for the three months ended November 30, 2021 and 2020, respectively.

During the three months ended November 30, 2021, the Company acquired majority equity interests in VillageMD and Shields. The Company accounted for these acquisitions as business combinations resulting in the remeasurement of its previously held minority equity interests and convertible debt securities at fair value resulting in pre-tax gains of \$2,174 million and \$402 million for VillageMD and Shields, respectively, recognized in Other income in the Consolidated Condensed Statements of Earnings. As a result of these transactions, the Company now consolidates VillageMD and Shields within the Walgreens Health segment in its financial statements.

Summarized financial information

Summarized financial information for the Company's equity method investments in aggregate is as follows:

Statements of earnings (loss) (in millions)

	Three months ended November 30,	
	2021	2020
Sales	\$ 67,588	\$ 56,088
Gross Profit	3,420	2,410
Net earnings (loss)	308	(4,806)
Share of earnings (loss) from equity method investments	93	(1,357)

The summarized financial information for equity method investments has been included on an aggregated basis for all investments as reported at the end of each reporting period.

Note 7. Goodwill and other intangible assets

Goodwill and indefinite-lived intangible assets are evaluated for impairment annually during the fourth quarter, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit or intangible asset below its carrying value.

Based on the analysis completed during fiscal 2021, as of the June 1, 2021 valuation date, the fair values of the Company's reporting units exceeded their carrying amounts ranging from approximately 18% to approximately 195%. Boots reporting unit's fair value was in excess of its carrying value by approximately 18%, compared to a nominal amount as of June 1, 2020. Other international reporting unit's fair value was in excess of its carrying value by approximately 29%. As of November 30, 2021 the carrying values of goodwill were \$1.0 billion and \$372 million for Boots reporting unit and Other international reporting unit, respectively. The fair values of indefinite-lived intangibles within the Boots reporting unit exceeded their carrying value amounts ranging from approximately 5% to approximately 27%. As of November 30, 2021 and August 31, 2021 the carrying value of the indefinite-lived intangibles within the Boots reporting unit was \$7.2 billion and \$7.3 billion, respectively.

The determination of the fair value of the reporting units requires the Company to make significant estimates and assumptions with respect to the business and financial performance of the Company's reporting units, as well as how such performance may be impacted by COVID-19.

Although the Company believes its estimates of fair value are reasonable, actual financial results could differ from those estimates due to the inherent uncertainty involved in making such estimates. Changes in assumptions concerning future financial results or other underlying assumptions, including the impact of COVID-19, could have a significant impact on either the fair value of the reporting units and indefinite-lived intangibles, the amount of any goodwill and indefinite-lived intangible impairment charges, or both. These estimates can be affected by a number of factors including, but not limited to, the impact of COVID-19, its severity, duration and its impact on global economies, general economic conditions as well as our profitability. The Company will continue to monitor these potential impacts, including the impact of COVID-19 and economic, industry and market trends and the impact these may have on the Boots and Other international reporting units.

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Changes in the carrying amount of goodwill by reportable segment consist of the following (in millions):

Goodwill roll forward:	United States	International	Walgreens Health	Walgreens Boots Alliance, Inc.
August 31, 2021	\$ 10,947	\$ 1,474	\$ —	\$ 12,421
Acquisitions	—	—	9,130	9,130
Currency translation adjustments	—	(32)	—	(32)
November 30, 2021	\$ 10,947	\$ 1,443	\$ 9,130	\$ 21,520

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

Intangible assets	November 30, 2021	August 31, 2021
Gross amortizable intangible assets		
Customer relationships and loyalty card holders ¹	\$ 4,430	\$ 3,522
Primary care provider network	1,660	—
Trade names and trademarks	708	361
Purchasing and payer contracts	317	317
Developed technology	290	—
Others	75	221
Total gross amortizable intangible assets	\$ 7,479	\$ 4,421
Accumulated amortization		
Customer relationships and loyalty card holders ¹	\$ 1,395	\$ 1,335
Trade names and trademarks	228	226
Purchasing and payer contracts	284	227
Developed technology	17	—
Others	29	37
Total accumulated amortization	1,953	1,826
Total amortizable intangible assets, net	\$ 5,526	\$ 2,595
Indefinite-lived intangible assets		
Trade names and trademarks	\$ 5,208	\$ 5,276
Pharmacy licenses	2,036	2,066
Total indefinite-lived intangible assets	\$ 7,244	\$ 7,342
Total intangible assets, net	\$ 12,770	\$ 9,936

¹ Includes purchased prescription files.

Amortization expense for intangible assets was \$165 million and \$95 million for the three months ended November 30, 2021, and 2020, respectively. Estimated future annual amortization expense for the next five fiscal years for intangible assets recorded at November 30, 2021 is as follows (in millions):

	2022 (Remaining period)	2023	2024	2025	2026	2027
Estimated annual amortization expense	\$ 462	\$ 560	\$ 541	\$ 514	\$ 490	\$ 443

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Note 8. Debt

Debt carrying values are presented net of unamortized discount and debt issuance costs, where applicable, and foreign currency denominated debt is translated 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, 2021	August 31, 2021
Short-term debt		
Commercial paper	\$ 875	\$ —
Credit facilities	799	—
\$8 billion note issuance ¹		
3.300% unsecured notes due 2021 ²	—	1,250
\$4 billion note issuance ⁴		
3.100% unsecured notes due 2022	731	—
Other ³	242	56
Total short-term debt	\$ 2,647	\$ 1,305
Long-term debt		
Credit facilities	\$ 2,990	\$ —
\$850 million note issuance ¹		
0.9500% unsecured notes due 2023	848	—
\$1.5 billion note issuance ¹		
3.200% unsecured notes due 2030	497	497
4.100% unsecured notes due 2050	792	792
\$6 billion note issuance ¹		
3.450% unsecured notes due 2026	1,442	1,442
4.650% unsecured notes due 2046	318	318
\$8 billion note issuance ¹		
3.800% unsecured notes due 2024	1,154	1,154
4.500% unsecured notes due 2034	301	301
4.800% unsecured notes due 2044	868	868
£700 million note issuance ¹		
3.600% unsecured Pound sterling notes due 2025	403	408
€750 million note issuance ¹		
2.125% unsecured Euro notes due 2026	846	873
\$4 billion note issuance ⁴		
3.100% unsecured notes due 2022	—	731
4.400% unsecured notes due 2042	263	263
Other ³	477	29
Total long-term debt, less current portion	\$ 11,199	\$ 7,675

¹ Notes are 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 On September 18, 2021, the Company redeemed in full the \$1.25 billion aggregate principal amount outstanding of its 3.300% unsecured notes due 2021 issued by the Company on November 18, 2014.

³ Other debt represents a mix of fixed and variable rate debt with various maturities and working capital facilities denominated in various currencies. Other long term debt includes \$447 million of debt acquired as part of Shields acquisition.

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⁴ Notes are senior debt obligations of Walgreen Co. and rank equally with all other unsecured and unsubordinated indebtedness of Walgreen Co. On December 31, 2014, the Company fully and unconditionally guaranteed the outstanding notes on an unsecured and unsubordinated basis. The guarantee, for so long as it is in place, is an unsecured, unsubordinated debt obligation of the Company and will rank equally in right of payment with all other unsecured and unsubordinated indebtedness of the Company.

\$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 allow for the Notes to be repaid, in full or in part, prior to May 17, 2022 (the “Par Call Date”) at 100% of the principal amount of the Notes to be redeemed or the sum of the present values of the remaining scheduled payments thereof to the Par Call Date discounted at the applicable treasury rate, plus 10 basis points and (ii) on or after the Par Call Date, at 100% of the principal amount of the Notes to be redeemed, in each case plus accrued and unpaid interest.

Credit facilities

November 15, 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”). An aggregate amount of \$3.0 billion or more of the November 2021 DDTL is for the purpose of funding the consideration due in respect of the purchase of an increased equity stake in VillageMD, and paying fees and expenses related to the foregoing, and the remainder can be used for general corporate purposes. The November 2021 DDTL is available for drawing in one or more tranches until May 15, 2022. The maturity date on the 364-day loan, the two-year loan and the three-year loan is, in each case, the earlier of the date that is 364 days, two years and three years from the date of the first drawing under each facility and February 14, 2023, February 15, 2024 and February 15, 2025 respectively. As of November 30, 2021 there were \$3.0 billion in borrowings outstanding under the November 2021 DDTL.

December 23, 2020, Revolving Credit Agreement

On December 23, 2020, the Company entered into a \$1.25 billion senior unsecured 364-day revolving credit agreement and a \$2.25 billion senior unsecured 18-month revolving credit facility, with a swing line subfacility commitment amount of \$350 million, with designated borrowers from time to time party thereto and lenders from time to time party thereto (the “2020

Revolving Credit Agreement”). The 364-day facility’s termination date is the earlier of (i) 364 days from December 23, 2020, the effective date (subject to the extension thereof pursuant to the 2020 Revolving Credit Agreement) and (ii) the date of termination in whole of the aggregate amount of the revolving commitments under the 364-day facility pursuant to the 2020 Revolving Credit Agreement. The 18-month facility’s termination date is the earlier of (i) 18 months from the effective date (subject to the extension thereof pursuant to the 2020 Revolving Credit Agreement) and (ii) the date of termination in whole of the aggregate amount of the revolving commitments under the 18-Month Facility pursuant to the 2020 Revolving Credit Agreement. As of November 30, 2021 there were \$800 million in borrowings outstanding under the 2020 Revolving Credit Agreement.

August 2018 Revolving Credit Agreement

On August 29, 2018, the Company entered into a revolving credit agreement (the “August 2018 Revolving Credit Agreement”) with the lenders and letter of credit issuers from time-to-time party thereto. The August 2018 Revolving Credit Agreement is an unsecured revolving credit facility with aggregate commitment in the amount of \$3.5 billion, with a letter of credit subfacility commitment amount of \$500 million. The facility termination date is the earlier of (a) August 29, 2023, subject to extension thereof pursuant to the August 2018 Revolving Credit Agreement, and (b) the date of termination in whole of the aggregate amount of the revolving commitments pursuant to the August 2018 Revolving Credit Agreement. As of November 30, 2021, there were no borrowings outstanding under the August 2018 Revolving Credit Agreement.

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 also contain various other customary covenants.

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Commercial paper

The Company periodically borrows under its commercial paper program and may borrow under it in future periods. The Company had average daily U.S. commercial paper outstanding of \$712 million and \$1.6 billion at a weighted average interest rate of 0.25% and 0.63% for the three months ended November 30, 2021 and 2020, respectively.

A subsidiary of the Company had average daily commercial paper outstanding, which was issued under the Joint HM Treasury and Bank of England's COVID Corporate Financing Facility commercial paper program, of £300 million, or approximately \$401 million at a weighted average interest rate of 0.43% for the three months ended November 30, 2020. The subsidiary of the Company repaid the commercial paper issued under the Joint HM Treasury and Bank of England's COVID Corporate Financing Facility commercial paper program on May 14, 2021.

Interest

Interest paid by the Company was \$153 million and \$234 million for the three months ended November 30, 2021 and 2020, respectively.

Note 9. 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 notional amounts and fair value of derivative instruments outstanding were as follows (in millions):

November 30, 2021	Notional	Fair Value	Location in Consolidated Condensed Balance Sheets
Derivatives designated as hedges:			
Foreign currency forwards	\$ 5	\$ —	Other non-current assets
Cross currency interest rate swaps	153	4	Other non-current assets
Foreign currency forwards	17	—	Other non-current liabilities
Cross currency interest rate swaps	633	8	Other non-current liabilities
Foreign currency forwards	610	17	Other current assets
Foreign currency forwards	85	1	Other current liabilities
Cross currency interest rate swaps	157	5	Other current liabilities
Derivatives not designated as hedges:			
Foreign currency forwards	\$ 3,900	\$ 64	Other current assets
Foreign currency forwards	2,968	2	Other current liabilities
Total return swap	271	11	Other current liabilities

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August 31, 2021	Notional	Fair Value	Location in Consolidated Condensed Balance Sheets
Derivatives designated as hedges:			
Cross currency interest rate swaps	\$ 155	\$ 1	Other non-current assets
Foreign currency forwards	6	—	Other non-current assets
Foreign currency forwards	23	1	Other non-current liabilities
Cross currency interest rate swaps	801	23	Other non-current liabilities
Foreign currency forwards	575	7	Other current assets
Foreign currency forwards	31	1	Other current liabilities
Cross currency interest rate swaps	109	9	Other current liabilities
Derivatives not designated as hedges:			
Foreign currency forwards	\$ 3,636	\$ 38	Other current assets
Total return swap	224	2	Other current assets
Foreign currency forwards	808	3	Other current liabilities
Total return swap	37	—	Other 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 the currency translation adjustment within accumulated other comprehensive income (loss).

Cash flow hedges

The Company uses interest rate swaps to hedge the variability in forecasted cash flows of certain floating-rate debt. For qualifying cash flow hedges, changes in the fair value of the derivatives are recorded in accumulated other comprehensive income (loss) and released to the Consolidated 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. The Company also utilizes total return swaps to economically hedge variability in compensation charges related to certain deferred compensation obligations. The income (expenses) due to changes in fair value of these derivative instruments were recognized in earnings as follows (in millions):

	Location in Consolidated Condensed Statements of Earnings	Three months ended November 30,	
		2021	2020
Foreign currency forwards	Selling, general and administrative expenses	\$ 55	\$ (29)
Total return swap	Selling, general and administrative expenses	(2)	13
Foreign currency forwards	Other income (expense)	(1)	(9)

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.

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.

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Note 10. 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:

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):

	<u>November 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Market funds ¹	\$ 319	\$ 319	\$ —	—
Investments in equity securities ²	1	1	—	—
Investments in debt securities ³	20	—	—	20
Currency forwards ⁵	81	—	81	—
Currency interest rate swaps ⁶	4	—	4	—
Liabilities:				
Currency forwards ⁵	\$ 4	\$ —	\$ 4	—
Currency interest rate swaps ⁶	12	—	12	—
Total return swap	11	—	11	—
	<u>August 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Money market funds ¹	\$ 634	\$ 634	\$ —	\$ —
Investments in equity securities ²	2	2	—	—
Investments in debt securities ⁴	663	—	—	663
Foreign currency forwards ⁵	46	—	46	—
Cross currency interest rate swaps ⁶	1	—	1	—
Total return swaps	2	—	2	—
Liabilities:				
Foreign currency forwards ⁵	\$ 5	\$ —	\$ 5	\$ —
Cross currency interest rate swaps ⁶	32	—	32	—

¹ Money market funds are valued at the closing price reported by the fund sponsor.

² Fair values of quoted investments are based on current bid prices as of November 30, 2021 and August 31, 2021.

³ Level 3 debt securities are valued using standard valuation techniques based on income and market approach.

⁴ Level 3 debt securities include investments in convertible debt securities of VillageMD which are valued on a quarterly basis using the Probability Weighted Expect Return Method with gains or losses recorded in Other Comprehensive Income. Inputs include the enterprise value, expected holding term of the investment, volatility and risk-free interest rates.

⁵ 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 9 Financial instruments, for additional information.

⁶ The fair value of interest rate swaps and cross currency interest rate swaps is calculated by discounting the estimated future cash flows based on the applicable observable yield curves. See Note 9 Financial instruments, for additional information.

There were no transfers between Levels for the three months ended November 30, 2021.

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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 Financial Statements. As of November 30, 2021 the carrying amounts and estimated fair values of long-term notes outstanding including the current portion were \$8.5 billion and \$9.2 billion, respectively. The fair values of the notes outstanding are Level 1 fair value measures and determined based on quoted market prices and translated at the November 30, 2021 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, 2021. See Note 8 Debt, for further information.

The carrying values of accounts receivable and trade accounts payable approximated their respective fair values due to their short-term nature.

Note 11. Commitments and contingencies

The Company is involved in legal proceedings, including litigation, arbitration and other claims, and investigations, inspections, subpoenas, audits, claims, inquiries and similar actions by pharmacy, healthcare, tax and other governmental authorities, arising in the normal course of the Company's business, including the matters described below. Legal proceedings, in general, and securities, class action and multi-district litigation, in particular, can be expensive and disruptive. Some of these suits may purport or may be determined to be class actions and/or involve parties seeking large and/or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years. 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.

Like other companies in the retail pharmacy and pharmaceutical wholesale industries, 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. There continues to be a heightened level of review and/or audit by regulatory authorities of, and increased litigation regarding, the Company's and the rest of the health care and related industry's business, compliance and reporting practices. As a result, the Company regularly is the subject of government actions of the types described above. The Company also may be named from time to time in qui tam actions initiated by private third parties. In such actions, the private parties purport to act on behalf of federal or state governments, allege that false claims have been submitted for payment by the government and may receive an award if their 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 his or her 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. With respect to litigation and other legal proceedings where the Company has determined that a material loss is reasonably possible, except as otherwise noted, the Company is unable to estimate the amount or range of reasonably possible loss due to the inherent difficulty of predicting the outcome of and uncertainties regarding such litigation and legal proceedings. The Company believes that its defenses and assertions in pending legal proceedings have merit and does not believe that any of these pending matters, after consideration of applicable reserves and rights to indemnification, will have a material adverse effect on the Company's consolidated financial position. However, substantial unanticipated verdicts, fines and rulings do sometimes occur. As a result, the Company could from time to time incur judgments, enter into settlements or revise its expectations regarding the outcome of certain matters, and such developments could have a material adverse effect on its results of operations in the period in which the amounts are accrued and/or its cash flows in the period in which the amounts are paid. 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/or suspension or exclusion from participation in government programs.

On December 29, 2014, a putative shareholder filed a derivative action in federal court in the Northern District of Illinois against certain current and former directors and officers of Walgreen Co. and Walgreen Co., as a nominal defendant, arising out of certain public statements the Company made regarding its former fiscal 2016 goals. (*Cutler v. Wasson et al.*, No. 1:14-cv-10408 (N.D. Ill.)) The action asserts claims for breach of fiduciary duty, waste and unjust enrichment. On May 18, 2015, the case was stayed in light of a securities class action that was filed on April 10, 2015, described below. On November 3, 2016, the Court entered a stipulation and order extending the stay until the resolution of the securities class action.

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On April 10, 2015, a putative shareholder filed a securities class action in federal court in the Northern District of Illinois against Walgreen Co. and certain former officers of Walgreen Co. (*Washtenaw County Employees' Retirement System v. Walgreen Co. et al.*, No. 1:15-cv-3187 (N.D. Ill.)) The action asserts claims for violation of the federal securities laws arising out of certain public statements the Company made regarding its former fiscal 2016 goals. A motion to dismiss a consolidated class action complaint filed on August 17, 2015 was granted in part and denied in part on September 30, 2016. The court granted plaintiff's motion for class certification on March 29, 2018 and plaintiff filed a first amended complaint on December 19, 2018. A motion to dismiss the first amended complaint was granted in part and denied in part on September 23, 2019. Fact discovery and expert discovery have concluded. On November 2, 2021, the Court denied plaintiffs' motion for summary judgment and granted in part and denied in part defendants' cross motion.

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. action") arising out of transactions contemplated by the merger agreement between the Company and Rite Aid. The amended complaint alleged that the Company and certain of its officers made false or misleading statements regarding the transactions. The Court denied the Company's motion to dismiss the amended complaint on April 15, 2019. The Company filed an answer and affirmative defenses, and the Court granted plaintiffs' motion for class certification. Fact discovery has concluded and expert discovery is ongoing. In October and December 2020, two separate purported Rite Aid Shareholders filed lawsuits in the same court as the M.D. Pa. action opting out of the class in the M.D. Pa. action making nearly identical allegations as those in the M.D. Pa. action (the "Direct Actions"). On December 24, 2020, the parties to the Direct Actions filed a joint stipulation to stay the Direct Actions until the earlier of (a) 30 days after the entry of an order resolving any pre-trial dispositive motions in the M.D. Pa. action, or (b) 30 days after the entry of an order of final approval of any settlement of the M.D. Pa. action. The court so ordered the joint stipulation on December 28, 2020.

In December 2017, the U.S. Judicial Panel on Multidistrict Litigation consolidated numerous cases filed against an array of defendants by various plaintiffs such as counties, cities, hospitals, Indian tribes, and others, alleging claims generally concerning the impacts of widespread opioid abuse. The consolidated multidistrict litigation, captioned *In re National Prescription Opiate Litigation* (MDL No. 2804, Case No. 17-md-2804), is pending in the U.S. District Court for the Northern District of Ohio ("N.D. Ohio"). The Company is involved in the following multidistrict litigation (MDL) bellwether cases: (1) two consolidated cases in N.D. Ohio (*Cnty. of Summit, Ohio, et al. v. Purdue Pharma L.P., et al.*, Case No. 18-op-45090; *Cnty. of Cuyahoga, Ohio, et al. v. Purdue Pharma L.P.*, Case No. 18-op-45004), previously scheduled for trial in November 2020 but postponed indefinitely; (2) one remanded to the U. S. District Court for the Eastern District of Oklahoma (*The Cherokee Nation v. McKesson Corp., et al.*, Case No. 18-CV-00056-RAW-SPS), scheduled for trial in September 2022; and (3) one remanded to the U.S. District Court for the Northern District of California (*City and Cnty. of San Francisco, et al. v. Purdue Pharma L.P., et al.*, Case No. 3:18-cv-07591-CRB), originally scheduled for trial in October 2021, but rescheduled for April 2022. The Company was also involved in two additional 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), initially scheduled for trial in May 2021 but continued until October 2021. The jury in that case returned a verdict in favor of the plaintiffs as to liability, and the court will schedule a second trial regarding remedies to take place at some point in 2022. The court has yet to determine how much each defendant will pay in damages. The Company is unable to predict the outcome relative to remedies or apportionment and believes it has very strong grounds for appeal. In April 2021, the MDL court selected five additional bellwether cases involving the Company, all currently pending in N.D. Ohio: (1) *Cobb Cnty. v. Purdue Pharma L.P., et al.*, Case No. 18-op-45817; (2) *Durham Cnty. v. AmerisourceBergen Drug Corp., et al.*, Case No. 19-op-45346; (3) *Montgomery Cnty. Bd. of Cnty. Commrs., et al. v. Cardinal Health, Inc., et al.*, Case No. 18-op-46326; (4) *Board of Cnty. Commrs. of the Cnty. of Santa Fe v. Purdue Pharma L.P., et al.*, Case No. 18-op-45776; and (5) *Cnty. of Tarrant v. Purdue Pharma L.P., et al.*, Case No. 18-op-45274.

The Company also has been named as a defendant in numerous lawsuits brought in state courts relating to opioid matters. Trial dates have been set in cases pending in state courts in New Mexico (*State of New Mexico, ex rel. Hector Balderas, Attorney General v. Purdue Pharma L.P., et al.*, Case No. D-101-cv-2017-02541, First Judicial District Court, Santa Fe County, New Mexico - September 2022); West Virginia (*State of West Virginia, ex rel. Patrick Morrissey, Attorney General v. Walgreens Boots Alliance, Inc., et al.*, Civil Action No.20-C-82 PNM, Circuit Court of Kanawha County, West Virginia, - September 2022); Missouri (*Jefferson County, Missouri v. Dannie E. Williams, M.D., et al.*, Cause No. 20JE-CC00029, Twenty-Third Judicial Circuit, Jefferson County, Missouri - April 2023); Florida (*State of Florida, Office of the Attorney General, Department of Legal Affairs v. Purdue Pharma L.P., et al.*, Case No. 2018-CA-001438, Sixth Judicial Circuit in and for Pasco County, Florida - April 2022); Nevada (*State of Nevada v. McKesson Corporation, et al.*, Case No. A-19-796755-B, Eighth Judicial District Court, Clark County, Nevada - April 2023); Michigan (*State of Michigan, ex rel. Dana Nessel, Attorney General v. Cardinal Health, Inc., et al.*, Case No. 19-016896-NZ, Circuit Court for Wayne County, Michigan - October 2022);

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and Alabama (*The DCH Health Care Authority, et al. v. Purdue Pharma LP, et al.*, Cause No. CV-2019-000007.00, Circuit Court of Conecuh County, Alabama - July 2022).

The relief sought by various plaintiffs in these matters includes compensatory, abatement and punitive damages, as well as injunctive relief. Additionally, the Company has received from the Department of Justice and the Attorney Generals of numerous states subpoenas, civil investigative demands, and/or other requests concerning opioid matters. The Company has also had communications with the Department of Justice with respect to purported violations of the federal Controlled Substances Act and the federal False Claims Act in dispensing prescriptions at certain Walgreens locations.

As discussed above, legal proceedings, including government investigations, are often uncertain and difficult to predict, and the costs and penalties incurred in these matters can be substantial.

Note 12. Income taxes

The effective tax rate for the three months ended November 30, 2021 was an expense of 7.2%, primarily due to lower tax expense on gains from consolidation of the Company's investment in VillageMD and Shields, as a portion of these gains is not subject to tax. See Note 3 Acquisitions for further information.

The effective tax rate for the three months ended November 30, 2020 was a benefit of 34.0%, on a pretax loss for the three months ended November 30, 2020, primarily due to the discrete tax effect of equity losses in AmerisourceBergen. See Note 6 Equity method investments for further information.

Income taxes paid for the three months ended November 30, 2021 were \$34 million, compared to \$16 million for the three months ended November 30, 2020.

Note 13. Retirement benefits

The Company sponsors several retirement plans, including defined benefit plans, defined contribution plans and a postretirement 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.

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

	Location in Consolidated Condensed Statements of Earnings	Three months ended November 30,	
		2021	2020
Service costs	Selling, general and administrative expenses	\$ 1	\$ 1
Interest costs	Other expense	39	33
Expected returns on plan assets/other	Other income	(74)	(80)
Total net periodic pension costs (income)		\$ (33)	\$ (45)

The Company made cash contributions to its defined benefit pension plans of \$1 million for the three months ended November 30, 2021, which primarily related to committed payments. The Company plans to contribute an additional \$40 million to its defined benefit pension plans in fiscal 2022.

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

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periodically by certain Committees of the Walgreens Boots Alliance Board of Directors. The profit-sharing provision was an expense of \$69 million and \$57 million for the three months ended November 30, 2021 and 2020, respectively.

The Company also has certain contract based defined contribution arrangements. The principal arrangement is based in UK to which both the Company and participating employees contribute. The Company recognized an expense of \$25 million and \$26 million for the three months ended November 30, 2021 and 2020, respectively.

Note 14. Accumulated other comprehensive income (loss)

The following is a summary of net changes in accumulated other comprehensive income (“AOCI”) by component and net of tax for the three months ended November 30, 2021 and 2020 (in millions):

	Pension/ post- retirement obligations	Unrealized gain (loss) on cash flow hedges	Net investment hedges	Unrealized gain (loss) on available for sale securities	Share of OCI of equity method investments	Cumulative translation adjustments	Total
Balance at August 31, 2021	\$ (359)	\$ (10)	\$ (35)	\$ 96	\$ (29)	\$ (1,772)	\$ (2,109)
Other comprehensive income (loss) before reclassification adjustments	(1)	1	53	450	(60)	(88)	356
Amounts reclassified from AOCI	(5)	1	—	(577)	—	(4)	(585)
Tax benefit (provision)	1	—	(9)	31	14	—	37
Net change in other comprehensive income (loss)	(5)	1	44	(96)	(46)	(91)	(193)
Balance at November 30, 2021	\$ (364)	\$ (9)	\$ 9	\$ —	\$ (74)	\$ (1,863)	\$ (2,301)

	Pension/ post- retirement obligations	Unrealized gain (loss) on cash flow hedges	Net investment hedges	Unrealized gain (loss) on available for sale securities	Share of AOCI of equity method investments	Cumulative translation adjustments	Total
Balance at August 31, 2020	\$ (748)	\$ (31)	\$ (34)	\$ —	\$ (10)	\$ (2,948)	\$ (3,771)
Other comprehensive income (loss) before reclassification adjustments	17	4	(14)	—	7	72	85
Amounts reclassified from AOCI	(2)	1	—	—	—	3	2
Tax benefit (provision)	(4)	(1)	8	—	(1)	—	1
Net change in other comprehensive income (loss)	11	4	(7)	—	5	75	88
Balance at November 30, 2020	\$ (736)	\$ (27)	\$ (41)	\$ —	\$ (5)	\$ (2,873)	\$ (3,682)

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Note 15. Segment reporting

In conjunction with the launch of its new consumer-centric healthcare strategy, in fiscal 2022, the Company announced the creation of a new operating segment, Walgreens Health. As a result, beginning in fiscal year 2022, the Company is now aligned into three reportable segments: United States, International and Walgreens Health. 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.

United States

The Company's United States segment includes the Walgreens business which includes the operations of retail drugstores, health and wellness services, and specialty and home delivery pharmacy services, and its equity method investment in AmerisourceBergen. 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.

International

The Company's International segment consists of pharmacy-led health and beauty retail businesses outside the U.S. and 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, the Benavides brand in Mexico and the Ahumada brand 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.

Walgreens Health

The Company's Walgreens Health segment currently consists of Walgreens Health, an organically developed consumer-centric omni-channel business that contracts with payors and providers to deliver clinical healthcare services to their members through both digital and physical channels; a majority equity ownership position in VillageMD, a leading, national provider of value-based primary care services; a majority equity ownership position in Shields, a specialty pharmacy integrator and accelerator for hospitals.

Selling, general and administrative costs for Walgreens Health for the three months ended November 30, 2020 have been reclassified in the Consolidated Condensed Financial Statements and accompanying notes to conform to the current period presentation.

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

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

	Three months ended November 30,	
	2021	2020
Sales:		
United States	\$ 28,032	\$ 27,163
International	5,818	4,285
Walgreens Health	51	—
Corporate and Other ¹	—	(10)
Walgreens Boots Alliance, Inc.	\$ 33,901	\$ 31,438
Adjusted Operating income:		
United States	\$ 1,690	\$ 1,155
International	164	87
Walgreens Health	(13)	(3)
Corporate and Other ¹	(63)	(42)
Walgreens Boots Alliance, Inc.	\$ 1,777	\$ 1,196

¹ Includes certain eliminations.

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

	Three months ended November 30,	
	2021	2020
Adjusted operating income	\$ 1,777	\$ 1,196
Transformational cost management	(203)	(100)
Acquisition-related amortization	(165)	(95)
Acquisition-related costs	(71)	(21)
Adjustments to equity earnings (loss) in AmerisourceBergen	(43)	(1,481)
LIFO provision	(14)	(33)
Operating income (loss)	\$ 1,283	\$ (535)

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Note 16. Sales

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

	Three months ended November 30,	
	2021	2020
United States		
Pharmacy	\$ 21,105	\$ 20,869
Retail	6,927	6,294
Total	28,032	27,163
International		
Pharmacy	1,017	895
Retail	1,796	1,522
Wholesale	3,005	1,868
Total	5,818	4,285
Walgreens Health	51	—
Corporate and Other¹	—	(10)
Walgreens Boots Alliance, Inc.	\$ 33,901	\$ 31,438

¹ Includes certain eliminations.

See Note 19 Supplemental information for further information on receivables from contracts with customers.

Note 17. Related parties

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

Related party transactions with AmerisourceBergen (in millions):

	Three months ended November 30,	
	2021	2020
Purchases, net	\$ 15,791	\$ 15,441
	November 30, 2021	August 31, 2021
Trade accounts payable, net	\$ 6,909	\$ 6,589

See Note 2 Discontinued operations for further information.

Note 18. New accounting pronouncements

Adoption of new accounting pronouncements

Receivables - nonrefundable fees and others

In October 2020, the FASB issued ASU 2020-08, Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other. This ASU clarifies the accounting for the amortization period for certain purchased callable debt securities held at a premium by giving consideration to securities which have multiple call dates. The Company adopted the new standard effective September 1, 2021, and the adoption did not have any impact on the Company's results of operations, cash flows or financial position.

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Investments — equity securities; Investments — equity method and joint ventures; Derivatives and hedging

In January 2020, the FASB issued ASU 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815). The amendments in this ASU clarify the interaction between the accounting for investments in equity securities, investment in equity method and certain derivatives instruments. The ASU is expected to reduce diversity in practice and increase comparability of the accounting for these interactions. The Company adopted the new standard effective September 1, 2021, and the adoption did not have any impact on the Company’s results of operations, cash flows or financial position.

Income taxes - simplifying the accounting for income taxes

In December 2019, the FASB issued ASU 2019-12: Simplifying the Accounting for Income Taxes (Topic 740), which removes certain exceptions to the general principles in Topic 740 and improves consistent application of and simplifies GAAP for other areas of Topic 740 by clarifying and amending existing guidance. The Company adopted the new standard effective September 1, 2021, and the adoption did not have any impact on the Company’s results of operations, cash flows or financial position.

Effects of reference rate reform on financial reporting

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. This ASU provides optional expedient and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In response to the concerns about structural risks of interbank offered rates (“IBORs”) and, particularly, the risk of cessation of the London Interbank Offered Rate (“LIBOR”), regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable, or transaction based and less susceptible to manipulation. The ASU provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. In January 2021, the FASB issued ASU 2021-01, which adds implementation guidance to the above the ASU to clarify certain optional expedients in Topic 848. The Company adopted the new standard effective September 1, 2021, and the adoption did not have a material impact on the Company’s results of operations, cash flows or financial position.

New accounting pronouncements not yet adopted

Acquired contract assets and contract liabilities in a business combination

In October 2021, the FASB issued 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 fiscal years beginning after December 15, 2022 (fiscal 2024). The Company is evaluating the effect of adopting this new accounting guidance.

Disclosures by business entities about government assistance

In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832) – Disclosures by Business Entities about Government Assistance. This ASU requires disclosures that are expected to increase the transparency of transactions with a government accounted for by applying a grant or contribution accounting model by analogy, including (1) the types of transactions, (2) the accounting for those transactions, and (3) the effect of those transactions on an entity’s financial statements. This ASU is effective for annual periods beginning after December 15, 2021 (fiscal 2023). The Company is evaluating the effect of adopting this new accounting guidance.

Note 19. 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 providers (e.g., pharmacy benefit managers, insurance companies and governmental agencies). Trade receivables were \$4.6 billion and \$4.5 billion at November 30, 2021 and August 31, 2021, respectively. Other accounts receivable balances, which consist primarily of receivables from vendors and manufacturers, including receivables from AmerisourceBergen (see Note 17 Related parties), were \$1.3 billion and \$1.1 billion at November 30, 2021 and August 31, 2021, respectively.

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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,	
	2021	2020
Depreciation expense	\$ 335	\$ 342
Intangible asset and other amortization	165	95
Total depreciation and amortization expense	\$ 500	\$ 437

Accumulated depreciation and amortization on property, plant and equipment was \$13.3 billion at November 30, 2021 and \$13.1 billion at August 31, 2021.

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 (in millions):

	November 30, 2021	August 31, 2021
Cash and cash equivalents - continuing operations	\$ 4,135	\$ 1,193
Restricted cash - continuing operations (included in other current assets)	133	77
Cash, cash equivalents and restricted cash	\$ 4,268	\$ 1,270

Redeemable noncontrolling interest

The redeemable noncontrolling interest balance as of November 30, 2021 was \$2,787 million increasing primarily due to acquisitions during the three months ended November 30, 2021. See Note 3 Acquisitions for further information.

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

Redeemable noncontrolling interest roll forward:	Walgreens Boots Alliance, Inc.
August 31, 2021	\$ 319
Acquisitions ¹	2,489
Net (loss)	(21)
Redemption value adjustment	7
Currency translation adjustments and other	(8)
November 30, 2021	\$ 2,787

¹ Includes \$1.9 billion of redeemable non-controlling interest representing the maximum purchase price to redeem non-controlling units in VillageMD for cash. On November 24, 2021, VillageMD commenced a tender offer to purchase up to \$1.9 billion of units in VillageMD for cash. As of November 30, 2021, the Company recorded the \$1.9 billion as redeemable non-controlling interest. The tender offer was fully subscribed and settled on December 28, 2021. The tender offer was funded by cash proceeds provided to VillageMD pursuant to the Unit Purchase Agreement.

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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. There were 16.1 million weighted outstanding options to purchase common shares that were anti-dilutive and excluded from the first quarter earnings per share calculation as of November 30, 2021 compared to 18.5 million as of November 30, 2020.

Due to the anti-dilutive effect resulting from the reported net loss for the three months ended November 30, 2020, the incremental impact of potentially dilutive securities were omitted from the calculation of weighted-average common shares outstanding.

Cash dividends declared per common share

Cash dividends per common share declared were as follows:

Quarter ended	2021	2020
November	\$ 0.4775	\$ 0.4675

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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 our financial condition and results of operations should be read together with the financial statements and the related notes included elsewhere herein and the Consolidated Condensed 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, 2021, as amended by Form 10-K/A for the fiscal year ended August 31, 2021 filed on November 24, 2021 (the "2021 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. Factors that might cause a difference include, but are not limited to, those discussed below under "Cautionary note regarding forward-looking statements", and in Item 1A, Risk factors, in our 2021 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 a global leader in retail pharmacy and is positioning to become a leading provider of healthcare services. Its operations are conducted through three reportable segments:

- United States,
- International, and
- Walgreens Health

See Note 15 Segment reporting and Note 16 Sales, to the Consolidated Condensed Financial Statements for further information.

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 the COVID-19 pandemic ("COVID-19") on our operations and financial results; the financial performance of our equity method investees, including AmerisourceBergen Corporation ("AmerisourceBergen"); the influence of certain holidays; seasonality; foreign currency rates; changes in vendor, payer and customer relationships and terms and associated reimbursement pressure; strategic transactions and acquisitions, dispositions, joint ventures and other strategic collaborations; changes in laws, including U.S. tax law changes; 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; the impacts of looting, natural disasters, war, terrorism and other catastrophic events; and changes in general economic conditions in the markets in which the Company operates.

Specialty pharmacy represents a significant and growing proportion of prescription drug spending in the U.S., a significant portion of which is dispensed outside of traditional retail pharmacies. To better serve the evolving specialty pharmacy market, in March 2017, we and Prime Therapeutics LLC, a pharmacy benefit management ("PBM") company, closed a transaction to form a combined central specialty pharmacy and mail services company, AllianceRx Walgreens Prime, using an innovative model that seeks to align pharmacy, PBM, and health plans to coordinate patient care, improve health outcomes and deliver cost of care opportunities. Certain clients of our joint venture are not obligated to contract through our joint venture, and have in the past, and may in the future, enter into specialty pharmacy and other agreements without involving our joint venture. During fiscal 2021, and the first three months of fiscal 2022, certain clients chose not to renew their contracts through our joint venture which impacts gross sales. However, considering the relatively low margin nature of this business, the Company does not anticipate this will have a material impact on operating income.

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.

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

COVID-19

COVID-19 has severely impacted, and may continue to impact, the economies of the U.S., the UK and other countries around the world. COVID-19 has created significant public health concerns as well as significant volatility, uncertainty and economic disruption in every region in which we operate, which has adversely affected, and may again adversely affect, our industries and our business operations. Further, financial and credit markets experienced, and may again experience, volatility. Policies and initiatives designed to reduce the transmission of COVID-19 have resulted in, among other things, temporary closure or reduced hours of operation of certain store locations in the U.S., the UK and other countries, reduced customer traffic and sales in our retail pharmacies and the adoption and continuation of work-from-home policies.

In response to COVID-19 and emerging variants, various domestic and foreign, federal, state and local governmental legislation, regulations, orders, policies and initiatives have been implemented that are designed to reduce the transmission of COVID-19, as well as to help address economic and market volatility and instability resulting from COVID-19. The Company has assessed and will continue to assess the impact of these governmental actions on the Company. The Company has participated in certain of these programs, including for example availing itself to certain tax deferrals which were introduced by the CARES Act in the U.S., and certain tax deferral and benefit and employee wage support in the UK, and if available, may continue to do so in the future.

The Company continues to play a critical role in fighting the COVID-19 pandemic. The Company has worked with the Centers for Disease Control and Prevention ("CDC"), U.S. Department of Health and Human Services ("HHS") and the U.S. government to help administer COVID-19 vaccinations to the general public, high priority groups, including long-term care facility residents and staff. The United States segment also expanded vaccination models to ensure convenient access, including same-day and walk-in appointments, mobile clinics, employer partnerships and extended hours. As of November 30, 2021, the Company has administered more than 50 million COVID-19 vaccinations, including 8 million boosters, and more than 20 million COVID-19 tests in the U.S. During the three months ended November 30, 2021, the Company has administered more than 15.6 million COVID-19 vaccinations, including 8 million boosters, and more than 6.5 million COVID-19 tests in the U.S.

During the three months ended November 30, 2021, performance was driven by execution in COVID-19 vaccine and testing delivery, US retail sales growth, and continued recovery in International. In the US segment, comparable prescriptions filled increased in the quarter primarily driven by COVID-19 vaccinations. Comparable retail sales increased in the quarter, reflecting broad based growth across all categories including health and wellness, which was aided by at-home COVID-19 tests. Gross profit increased compared with the year-ago quarter driven by improved pharmacy margin, aided by COVID-19 vaccinations. The International segment experienced an increase in retail sales in the UK market following the lifting of COVID-19 restrictions, however footfall on the high street remained below pre-COVID-19 levels. The Company also incurred an increase in selling, general and administrative expenses ("SG&A") when compared to prior year from investments to support COVID-19 vaccinations and testing in the US and COVID-19 related government support in the UK which occurred in the prior year-ago quarter.

The situation surrounding COVID-19 remains fluid, and could result in additional mandates and directives, including revisions thereto, from foreign, federal, state, county and city authorities throughout the continuation of the COVID-19 pandemic and for sometime thereafter. The impact on the U.S. and global economies, including supply chains and the labor force, and consumer, customer and health care utilization pattern depends upon the evolving factors and future developments related to COVID-19. As a result, the financial and/or operational impact on the Company, operating results, cash flows and/or financial condition is uncertain, but the impact, singularly or collectively, could be material and adverse.

The Company's current expectations described above are forward-looking statements and our actual results may differ. Factors that might cause a difference include, but are not limited to, those discussed below under "Cautionary note regarding forward-looking statements" and in Item 1A, Risk factors, in our 2021 10-K.

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

STRATEGIC UPDATE

In October 2021, the Company announced the launch of its new healthcare strategy. The Company plans to become a leading provider of local clinical care services by leveraging its consumer-centric technology and pharmacy network to deliver value-based care. The Company also plans to continue to transform its core pharmacy and retail business. The Company's goal is to provide better consumer experiences, improve health outcomes and lower costs.

WALGREENS HEALTH

At the center of the Company's healthcare strategy is Walgreens Health, a consumer-centric, technology-enabled healthcare business that engages consumers through a personalized, omni-channel experience across the care journey. Walgreens Health delivers improved health outcomes and lower costs for payors and providers by delivering care through owned and partnered assets. To advance its strategy, the Company completed majority equity investments in Village Practice Management Company, LLC ("VillageMD") and Shields Health Solutions Parent, LLC ("Shields") and announced investment in CareCentrix, Inc. ("CareCentrix").

The Company has created a new operating segment, Walgreens Health, and is now aligned into three reportable segments: United States, International and Walgreens Health. Fiscal 2021 data related to the Walgreens Health segment, has been reclassified in the Consolidated Condensed Financial Statements and accompanying notes to conform to the current period presentation.

See Note 15 Segment reporting to the Consolidated Condensed Financial Statements for further information.

RECENT TRANSACTIONS

VillageMD acquisition

On November 24, 2021, the Company completed the acquisition of VillageMD. Pursuant to the terms and subject to the conditions set forth in the Unit Purchase Agreement, the Company purchased additional outstanding equity interests of VillageMD, increasing the Company's total beneficial ownership in VillageMD's outstanding equity interests from approximately 30% to approximately 63%, on a fully diluted basis, for a purchase price of \$5.2 billion. The total purchase price comprises cash consideration of \$4.0 billion and a promissory note of \$1.2 billion. The cash consideration consisted of \$2.9 billion to be paid to existing shareholders, after giving affect to the \$1.9 billion tender offer described below, as well as \$1.1 billion paid in exchange for new preferred units issued by VillageMD. Subject to notice being served, the Company has an option to prepay the promissory note at any time and VillageMD may require the Company to redeem the promissory note after February 1, 2022. The promissory note is eliminated in consolidation within the Consolidated Condensed Balance Sheets.

On November 24, 2021, VillageMD commenced a tender offer to purchase up to \$1.9 billion of units in VillageMD for cash. As of November 30, 2021, the Company recorded the \$1.9 billion as redeemable non-controlling interest. The tender offer was fully subscribed and settled on December 28, 2021. The tender offer was funded by cash proceeds provided to VillageMD pursuant to the Unit Purchase Agreement.

The Company accounted for this acquisition as a business combination resulting in consolidation of VillageMD within the Walgreens Health segment in its financial statements. A noncontrolling interest was recognized at fair value. As of November 30, 2021, the Company had not completed the analysis to assign fair values to all tangible and intangible assets acquired. As such, the preliminary purchase price allocation will be subject to further refinement and may change. These changes may relate to finalization of the fair value of the purchase consideration and the allocation of purchase consideration to all tangible and intangible assets acquired and identified.

See Note 3 Acquisitions, and Note 6 Equity method investments to the Consolidated Condensed Financial Statements for further information.

Shields acquisition

On October 29, 2021, the Company completed the acquisition of Shields. Pursuant to the terms and subject to the conditions set forth in the Securities Purchase Agreement, the Company purchased additional outstanding equity interests of Shields, increasing the Company's total beneficial ownership in Shields' outstanding equity interests from 25% to approximately 70%, on a fully diluted basis, for cash consideration of \$969 million, subject to certain purchase price adjustments.

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
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The Company accounted for this acquisition as a business combination resulting in consolidation of Shields within the Walgreens Health segment in its financial statements. A noncontrolling interest was recognized at fair value. Under the terms of the transaction agreements, the Company has an option to acquire the remaining equity interests of Shields in the future. Shields' other equity holders will also have an option to require the Company to purchase the remaining equity interests. Considering the contractual terms related to the noncontrolling interest, it is classified as redeemable noncontrolling interest in the Consolidated Condensed Balance Sheets.

See Note 3 Acquisitions, and Note 6 Equity method investments to the Consolidated Condensed Financial Statements for further information.

CareCentrix acquisition

On September 4, 2021, the Company executed a Membership Interest Purchase Agreement to acquire a majority equity interest in CareCentrix, a leading player in the post-acute and home care management sectors, which after the application of a net debt adjustment, is expected to be approximately \$330 million.

The investment will result in the Company owning approximately 55% controlling equity interest in CareCentrix. Under the terms of the Agreement, the Company has an option to acquire the remaining equity interests of CareCentrix in the future. CareCentrix' other equity holders will also have an option to require the Company to purchase the remaining equity interests.

The transaction is subject to the receipt of required regulatory clearances and approvals and other customary closing conditions. Upon closing, the Company will account for this acquisition as a business combination and consolidate CareCentrix in its financial statements.

Pharmaceutical Wholesale business in Germany

On November 30, 2021, the Company signed an agreement with McKesson Corporation to acquire the remaining 30% equity interest in the pharmaceutical wholesale business in Germany not currently owned by the Company. The transaction is subject to standard regulatory clearance by the relevant local authorities.

AllianceRx Walgreens Prime

On December 31, 2021, the Company completed a transaction with Prime Therapeutics LLC to acquire the remaining 45% minority equity interest in AllianceRx Walgreens Prime. AllianceRx Walgreens Prime is a specialty and home delivery pharmacy business in the United States.

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 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's Board of Directors approved an expansion and extension of the Transformational Cost Management Program through the end of fiscal 2024. As a result, the Company increased its annual cost savings target to \$3.3 billion by the end of fiscal 2024.

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 on the United States 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. As a result of the expanded program, the Company plans to reduce its presence by up to 150 Boots stores in the UK and up to 150 stores in the United States over the next three years which are incremental to the previously planned reductions of approximately 200 Boots stores in the UK and approximately 250 stores in the United States.

The Company currently estimates that the Transformational Cost Management Program will result in cumulative pre-tax charges to its GAAP financial results of approximately \$3.6 billion to \$3.9 billion, of which \$3.3 billion to \$3.6 billion are expected to be recorded as exit and disposal activities. The Company estimates that approximately 85% of the cumulative pre-

WALGREENS BOOTS ALLIANCE, INC. AND SUBSIDIARIES
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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 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	\$1,250 to 1,350 million
Asset impairments ²	\$525 to 575 million
Employee severance and business transition costs	\$1,150 to 1,200 million
Information technology transformation and other exit costs	\$400 to 450 million
Total cumulative pre-tax exit and disposal costs	\$3.3 to 3.6 billion
Other IT transformation costs	\$275 to 325 million
Total estimated pre-tax costs	\$3.6 to 3.9 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.

Since the inception of the Transformational Cost Management Program to November 30, 2021, the Company has recognized aggregate cumulative pre-tax charges to its financial results in accordance with GAAP of \$1.7 billion, of which \$1.5 billion are recorded as exit and disposal activities. See Note 4 Exit and disposal activities, to the Consolidated Condensed Financial Statements for additional information. These charges included \$442 million related to lease obligations and other real estate costs, \$292 million in asset impairments, \$550 million in employee severance and business transition costs, \$172 million of information technology transformation and other exit costs and \$227 million other IT costs.

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) on September 1, 2019.

Costs from continuing operations under the Transformational Cost Management Program, which were primarily recorded in selling, general and administrative expenses for the three months ended November 30, 2021 and 2020, were as follows (in millions):

Three months ended November 30, 2021	United States	International	Corporate and Other	Walgreens Boots Alliance, Inc.
Lease obligations and other real estate costs	\$ 87	\$ 2	\$ —	\$ 89
Asset impairments	15	25	—	40
Employee severance and business transition costs	20	10	7	37
Information technology transformation and other exit costs	1	7	1	9
Total pre-tax exit and disposal costs	\$ 123	\$ 44	\$ 9	\$ 175
Other IT transformation costs	18	10	—	27
Total pre-tax costs	\$ 141	\$ 53	\$ 9	\$ 203

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Three months ended November 30, 2020	United States	International	Corporate and Other	Walgreens Boots Alliance, Inc.
Lease obligations and other real estate costs	\$ 22	\$ —	\$ —	\$ 22
Asset impairments	4	(2)	—	1
Employee severance and business transition costs	12	28	12	52
Information technology transformation and other exit costs	10	(5)	—	5
Total pre-tax exit and disposal costs	\$ 48	\$ 21	\$ 12	\$ 81
Other IT transformation costs	13	6	—	19
Total pre-tax costs	\$ 61	\$ 27	\$ 12	\$ 100

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” below.

INVESTMENT IN AMERISOURCEBERGEN

As of November 30, 2021 and August 31, 2021, the Company owned 58,854,867 of AmerisourceBergen common shares, representing approximately 28.3% of its outstanding common stock based on the share count publicly reported by AmerisourceBergen in its most recent Annual Report on Form 10-K. The Company has a shareholders agreement with AmerisourceBergen, which was most recently amended and restated in connection with the Alliance Healthcare Sale (the “A&R Shareholders Agreement”). Pursuant to the A&R Shareholders Agreement, the Company has designated one member of AmerisourceBergen’s board of directors. The Company is also permitted to acquire up to an additional 8,398,752 AmerisourceBergen shares in the open market, and thereafter to designate another member of AmerisourceBergen’s board of directors. The amount of permitted open market purchases is subject to increase or decrease in certain circumstances.

The Company accounts for its equity investment in AmerisourceBergen using the equity method of accounting, subject to a two-month reporting lag, with the net earnings (loss) attributable to the investment classified within the operating income (loss) of the Company’s United States segment. During the three months ended November 30, 2021 and 2020, the Company recognized equity income of \$100 million and equity losses of \$1.4 billion, in AmerisourceBergen, respectively. The equity losses for the period ended November 30, 2020 were primarily due to AmerisourceBergen’s recognition of loss of \$5.6 billion, net of tax, related to its ongoing opioid litigation in its financial statements for the three months ended September 30, 2020.

The financial performance of AmerisourceBergen will impact the Company’s results of operations. Additionally, a substantial and sustained decline in the price of AmerisourceBergen’s common stock could trigger an impairment evaluation of our investment. These considerations may materially and adversely affect the Company’s financial condition and results of operations.

For more information, see Note 2 Discontinued operations and Note 6 Equity method investments, to the Consolidated Condensed Financial Statements.

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,			
	2021		2020	
Sales	\$	33,901	\$	31,438
Gross profit		7,574		6,630
Selling, general and administrative expenses		6,391		5,792
Equity earnings (loss) in AmerisourceBergen		100		(1,373)
Operating income (loss)		1,283		(535)
Adjusted operating income (Non-GAAP measure) ¹		1,777		1,196
Earnings (loss) before interest and income tax provision		3,900		(472)
Net earnings (loss) attributable to Walgreens Boots Alliance, Inc. - continuing operations (GAAP)		3,580		(391)
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. - continuing operations (Non-GAAP measure) ¹		1,455		947
Diluted net earnings (loss) per common share - continuing operations (GAAP)		4.13		(0.45)
Adjusted diluted net earnings per common share - continuing operations (Non-GAAP measure) ¹		1.68		1.09

	Percentage increases (decreases)			
	Three months ended November 30,			
	2021		2020	
Sales		7.8		5.1
Gross profit		14.2		(2.2)
Selling, general and administrative expenses		10.4		(1.3)
Operating income (loss)		NM		(158.1)
Adjusted operating income (Non-GAAP measure) ¹		48.5		(11.0)
Earnings (loss) before interest and income tax provision		NM		(149.3)
Net earnings (loss) attributable to Walgreens Boots Alliance, Inc. - continuing operations (GAAP)		NM		(150.8)
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. - continuing operations (Non-GAAP measure) ¹		53.5		(15.4)
Diluted net earnings (loss) per common share - continuing operations (GAAP)		NM		(152.3)
Adjusted diluted net earnings per common share - continuing operations (Non-GAAP measure) ¹		53.2		(12.8)

	Percent to sales			
	Three months ended November 30,			
	2021		2020	
Gross margin		22.3		21.1
Selling, general and administrative expenses		18.9		18.4

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
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WALGREENS BOOTS ALLIANCE RESULTS OF OPERATIONS

Net earnings from continuing operations

Net earnings attributable to the Company for the three months ended November 30, 2021 was \$3.6 billion compared to a net loss of \$391 million for the prior year period. Diluted net earnings per share was \$4.13 compared to diluted net loss per share of \$0.45 for the prior year period. The increases in net earnings and diluted net earnings per share reflect a \$2.5 billion after-tax gain due to the remeasurement of the Company's previously held minority equity and debt investments in VillageMD and Shields to fair value during the three months ended November 30, 2021, and a \$1.2 billion charge, net of tax, from the company's equity earnings in AmerisourceBergen in the year-ago quarter.

Other income for the three months ended November 30, 2021 was \$2.6 billion compared to \$63 million for the prior year quarter. The increase in other income is mainly due to the remeasurement of the Company's previously held equity and debt investments in VillageMD and Shields to fair value during the three months ended November 30, 2021.

Net interest expense was \$86 million and \$136 million for the three months ended November 30, 2021 and 2020, respectively. The decrease in interest expense was primarily the result of debt extinguishments completed during fiscal 2021 and lower interest rates on remaining debt.

The Company's effective tax rate for the three months ended November 30, 2021 was an expense of 7.2 percent, primarily due to lower tax expense on gains from consolidation of the Company's investment in VillageMD and Shields, as a portion of these gains is not subject to tax. See Note 3 Acquisitions, to the Consolidated Condensed Financial Statements for further information. The effective tax rate for the three months ended November 30, 2020 was a benefit of 34.0 percent, on a pretax loss for the three months ended November 30, 2020, primarily due to the discrete tax effect of equity losses in AmerisourceBergen. See Note 6 Equity method investments, to the Consolidated Condensed Financial Statements for further information.

Adjusted net earnings from continuing operations (Non-GAAP measure)

Adjusted net earnings attributable to the Company for the three months ended November 30, 2021 increased 53.5 percent to \$1.5 billion compared with the prior year quarter. Adjusted diluted net earnings per share for the three months ended November 30, 2021 increased 53.2 percent to \$1.68 compared with the year-ago quarter. Adjusted diluted net earnings and adjusted diluted net earnings per share were not significantly impacted by currency translation.

Excluding the impact of currency translation, the increases in adjusted net earnings for the three months ended November 30, 2021 primarily reflect strong adjusted gross profit growth across both pharmacy and retail in the United States and a continued rebound in International segment sales and profitability. See "-- Non-GAAP Measures" below for a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP and related disclosures.

RESULTS OF OPERATIONS BY SEGMENT

United States

The Company's United States segment includes the Walgreens business which includes the operations of retail drugstores, health and wellness services, and mail and central specialty pharmacy services, and its equity method investment in AmerisourceBergen. 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.

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

FINANCIAL PERFORMANCE

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

	2021	2020
Sales	\$ 28,032	\$ 27,163
Gross profit	6,347	5,639
Selling, general and administrative expenses	5,091	4,770
Equity earnings (loss) in AmerisourceBergen	100	(1,373)
Operating income (loss)	1,356	(504)
Adjusted operating income (Non-GAAP measure) ¹	1,690	1,155
Number of prescriptions ²	218.0	204.6
30-day equivalent prescriptions ^{2,3}	313.8	297.3
Number of locations at period end	8,942	9,001

Percentage increases (decreases)
Three months ended November 30,

	2021	2020
Sales	3.2	3.9
Gross profit	12.6	(1.3)
Selling, general and administrative expenses	6.7	(0.8)
Operating income (loss)	NM	(154.9)
Adjusted operating income (Non-GAAP measure) ¹	46.3	(11.4)
Comparable sales ⁴	7.9	3.7
Pharmacy sales	1.1	5.9
Comparable pharmacy sales ⁴	6.8	5.0
Retail sales	10.1	(2.2)
Comparable retail sales ⁴	10.6	0.4
Comparable number of prescription ^{2,4}	7.1	(2.5)
Comparable 30-day equivalent prescriptions ^{2,3,4}	6.2	2.7

Percent to sales
Three months ended November 30,

	2021	2020
Gross margin	22.6	20.8
Selling, general and administrative expenses	18.2	17.6

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 the fact 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

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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. Comparable retail sales for previous periods have been restated to include e-commerce sales. 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, 2021 compared to three months ended November 30, 2020

Sales for the three months ended November 30, 2021 increased by 3.2 percent to \$28.0 billion. Comparable sales increased by 7.9 percent for the three months ended November 30, 2021.

Pharmacy sales increased by 1.1 percent for the three months ended November 30, 2021 and represented 75.3 percent of the segment's sales. Excluding AllianceRx Walgreens Prime, pharmacy sales increased by 5.8 percent. The increase is due to higher brand inflation and favorable COVID-19 vaccinations and testing, partially offset by reimbursement pressure. For the three months ended November 30, 2020, pharmacy sales increased 5.9 percent and represented 76.8 percent of the segment's sales. Comparable pharmacy sales increased 6.8 percent for the three months ended November 30, 2021 compared to an increase of 5.0 percent in the year-ago quarter. Within comparable sales, prescriptions filled during the three months ended November 30, 2021 increased by 6.2 percent from a year earlier, including a positive impact of approximately 5.3 percent from COVID-19 vaccinations. The effect of generic drugs, which have a lower retail price, replacing brand name drugs reduced prescription sales by 0.3 percent for the three months ended November 30, 2021 compared to a reduction of 0.4 percent for the year-ago quarter. The effect of generics on segment sales was a reduction of 0.2 percent for the three months ended November 30, 2021 compared to a reduction of 0.3 percent for the year-ago quarter. Third party sales, where reimbursement is received from managed care organizations, governmental agencies, employers or private insurers, were 97.2 percent of prescription sales for the three months ended November 30, 2021 compared to 97.5 percent in the year-ago quarter. The total number of prescriptions (including vaccinations) filled for the three months ended November 30, 2021 was 218.0 million compared to 204.6 million in the year-ago quarter. Prescriptions (including vaccinations) adjusted to 30-day equivalents were 313.8 million in the three months ended November 30, 2021 compared to 297.3 million in the year-ago quarter.

Retail sales increased by 10.1 percent for the three months ended November 30, 2021 and were 24.7 percent of the segment's sales. In comparison, in the year-ago quarter, retail sales decreased by 2.2 percent and comprised 23.1 percent of the segment's sales. Comparable retail sales increased 10.6 percent in the three months ended November 30, 2021 and 0.4 percent in the year-ago quarter. The increase in comparable retail sales in the current quarter was primarily driven by health & wellness, including favorable impact of at-home COVID-19 tests and cough cold flu, as well as beauty and personal care categories, partially offset by the continued de-emphasis of tobacco.

Operating income for the three months ended November 30, 2021 compared to three months ended November 30, 2020

Operating income for the three months ended November 30, 2021 was \$1.4 billion, including \$100 million from the Company's share of equity earnings in AmerisourceBergen. This compared with a loss of \$504 million in the prior year quarter, including \$1.4 billion from Company's equity loss in AmerisourceBergen. Excluding the impact of AmerisourceBergen, the increase was due to gross profit growth across both pharmacy and retail.

Gross margin was 22.6 percent for the three months ended November 30, 2021 compared to 20.8 percent in the year-ago quarter. Gross margin was positively impacted in the current quarter by pharmacy margins, primarily due to COVID-19 vaccinations and testing. The increase in pharmacy margins was partially offset by reimbursement pressure. Retail margin was negatively impacted by shrink and increased import freight costs for the three months ended November 30, 2021.

Selling, general and administrative expenses as a percentage of sales were 18.2 percent for the three months ended November 30, 2021 and 17.6 percent for the three months ended November 30, 2020. Costs related to COVID-19 vaccinations and testing were partially offset by savings related to the Company's Transformational Cost Management Program.

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

Adjusted operating income (Non-GAAP measure) for the three months ended November 30, 2021 and 2020

Adjusted operating income for the three months ended November 30, 2021 increased by 46.3 percent to \$1.7 billion. The increase was primarily due to adjusted gross profit growth across both pharmacy and retail.

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 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, the Benavides brand in Mexico and the Ahumada brand 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, foreign currency exchange rate 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,	
	2021	2020
Sales	\$ 5,818	\$ 4,285
Gross profit	1,207	990
Selling, general and administrative expenses	1,153	952
Operating income	54	39
Adjusted operating income (Non-GAAP measure) ¹	164	87
Number of locations at period end	4,020	4,116
	Percentage increases (decreases)	
	Three months ended November 30,	
	2021	2020
Sales	35.8	13.4
Gross profit	21.9	(6.9)
Selling, general and administrative expenses	21.1	(6.0)
Operating income	39.8	(25.1)
Adjusted operating income (Non-GAAP measure) ¹	89.0	(1.0)
Comparable sales in constant currency ²	12.0	(3.1)
Pharmacy sales	13.6	(0.3)
Comparable pharmacy sales in constant currency ²	9.2	3.7
Retail sales	18.0	(10.3)
Comparable retail sales in constant currency ²	13.7	3.8

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

	Percent to sales	
	Three months ended November 30,	
	2021	2020
Gross margin	20.7	23.1
Selling, general and administrative expenses	19.8	22.2

- 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 stores 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. Comparable retail sales in constant currency for previous periods have been restated to include e-commerce sales. 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, 2021 compared to three months ended November 30, 2020

Sales for the three months ended November 30, 2021 increased 35.8 percent to \$5.8 billion, which includes incremental sales associated with the Company's pharmaceutical wholesale combined business in Germany. The favorable impact of currency translation on sales was 1.6 percentage points. Comparable sales in constant currency increased 12.0 percent, mainly due to higher sales in Boots UK. Sales in the comparable year ago-quarter include the adverse impact of strict COVID-19 restrictions on store footfall, as the UK entered a second national lockdown in November 2020.

Pharmacy sales increase 13.6 percent in the three months ended November 30, 2021 and represented 17.5 percent of the segment's sales. The favorable impact of currency translation on pharmacy sales was 4.6 percentage points. Comparable pharmacy sales in constant currency increased 9.2 percent, primarily in the UK, reflecting stronger demand for pharmacy services.

Retail sales increased 18.0 percent for the three months ended November 30, 2021 and represented 30.9 percent of the segment's sales. The favorable impact of currency translation on retail sales was 4.4 percentage points. Comparable retail sales in constant currency increased 13.7 percent reflecting higher retail sales in the UK, including a recovery in store footfall compared to a year ago-quarter, as COVID-19 restrictions were lifted. Footfall on the UK high street remains below pre-COVID-19 levels.

Operating income for the three months ended November 30, 2021 compared to three months ended November 30, 2020

Operating income for the three months ended November 30, 2021 increased 39.8 percent to \$54 million. Operating income was negatively impacted by 3.8 percentage points (\$1 million) as a result of currency translation. Excluding the impact of currency translation, the increase in operating income was primarily in the UK, reflecting recovery in UK footfall, following the lifting of COVID-19 restrictions. This was partially offset by higher costs associated with the Company's wholesale business in Germany.

Gross profit increased 21.9 percent for the three months ended November 30, 2021. Gross profit was favorably impacted by 3.7 percentage points (\$37 million) as a result of currency translation. The remaining increase was primarily due to higher retail sales and stronger demand for pharmacy services in the UK, together with the incremental gross profit associated with the Company's pharmaceutical wholesale business in Germany. This was partially offset by higher NHS reimbursement levels in the year ago quarter.

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

Selling, general and administrative expenses increased 21.1 percent for the three months ended November 30, 2021. Expenses were adversely impacted by 4.0 percentage points (\$38 million) as a result of currency translation. Excluding the impact of currency translation, the increase reflects increased investments in acquisition related activity compared to the year-ago quarter, incremental expenses associated with the Company's wholesale business in Germany and the non-recurring COVID-19 related government support in the year ago quarter.

As a percentage of sales, selling, general and administrative expenses were 19.8 percent in the three months ended November 30, 2021 compared to 22.2 percent in the year-ago quarter.

Adjusted operating income (Non-GAAP measure) for the three months ended November 30, 2021 compared to three months ended November 30, 2020

Adjusted operating income for the three months ended November 30, 2021 increased 89.0 percent to \$164 million. Adjusted operating income in the quarter was not significantly impacted by currency translation. Excluding the impact of currency translation, the increase in adjusted operating income was primarily in the UK, reflecting higher retail sales and stronger demand for pharmacy services.

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

Walgreens Health

The Company's Walgreens Health segment currently consists of Walgreens Health, an organically developed consumer-centric omni-channel business that contracts with payors and providers to deliver clinical healthcare services to their members through both digital and physical channels; a majority equity ownership position in VillageMD, a leading, national provider of value-based primary care services; a majority equity ownership position in Shields, a specialty pharmacy integrator and accelerator for hospitals.

FINANCIAL PERFORMANCE

(in millions, except location amounts)

	Three months ended November 30,	
	2021	2020
Sales	\$ 51	\$ —
Gross profit	20	—
Selling, general and administrative expenses	65	3
Operating (loss)	(45)	(3)
Adjusted operating (loss) (Non-GAAP measure) ¹	(13)	(3)
Number of payor/provider partnerships at period end	2	—
Number of locations with Walgreens Health Corners at period end	45	—
Number of VillageMD co-located clinics at period end	72	—

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.

Sales for the three months ended November 30, 2021 compared to three months ended November 30, 2020

Sales for the three months ended November 30, 2021 were \$51 million. This includes VillageMD sales of \$26 million reflecting ownership since the acquisition date of November 24, 2021 and Shields sales of \$25 million reflecting ownership since the acquisition date of October 29, 2021.

Operating income for the three months ended November 30, 2021 compared to three months ended November 30, 2020

Operating loss for the three months ended November 30, 2021 was \$45 million, compared to a loss of \$3 million in the year-ago quarter.

Selling, general and administrative expenses were \$65 million for the three months ended November 30, 2021 compared to \$3 million for the three months ended November 30, 2020. Selling, general and administrative expenses reflect the two acquisitions and accelerating of investments in Walgreens Health for the three months ended November 30, 2021.

Adjusted operating income (Non-GAAP measure) for the three months ended November 30, 2021 compared to three months ended November 30, 2020

Adjusted operating loss was \$13 million for the three months ended November 30, 2021, reflecting the two acquisitions and accelerating of investments in Walgreens Health compared to a loss of \$3 million in the year-ago quarter. 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 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 Earnings (loss) From Continuing Operations (GAAP)" to "Adjusted diluted net earnings per common share (Non-GAAP measure)" reconciliation table 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. 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 does not provide a reconciliation for non-GAAP estimates on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, are out of the Company's control or cannot be reasonably predicted, and that would impact the most directly comparable forward-looking GAAP financial measure. These items may include but are not limited to merger integration expenses, restructuring charges, acquisition-related costs, asset impairments and other significant items that currently cannot be predicted without unreasonable efforts. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures may vary materially from the corresponding GAAP financial measures.

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

Operating income to Adjusted operating income by segments

(in millions)					
Three months ended November 30, 2021					
	United States	International	Walgreens Health	Corporate and Other	Walgreens Boots Alliance, Inc.
Operating income (loss) (GAAP)	1,356	54	(45)	(82)	1,283
Transformational cost management	141	54	—	9	203
Acquisition-related amortization	140	17	8	—	165
Acquisition-related costs	(3)	39	24	11	71
Adjustments to equity earnings in AmerisourceBergen	43	—	—	—	43
LIFO provision	14	—	—	—	14
Adjusted operating income (loss) (Non-GAAP measure)	\$ 1,690	\$ 164	\$ (13)	\$ (63)	\$ 1,777

(in millions)					
Three months ended November 30, 2020					
	United States	International	Walgreens Health	Corporate and Other	Walgreens Boots Alliance, Inc.
Operating income (loss) (GAAP)	\$ (504)	\$ 39	\$ (3)	\$ (66)	\$ (535)
Transformational cost management	60	27	—	12	100
Acquisition-related amortization	76	19	—	—	95
Acquisition-related costs	8	2	—	12	21
Adjustments to equity earnings (loss) in AmerisourceBergen	1,481	—	—	—	1,481
LIFO provision	33	—	—	—	33
Adjusted operating income (loss) (Non-GAAP measure)	\$ 1,155	\$ 87	\$ (3)	\$ (42)	\$ 1,196

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

Net Earnings to Adjusted net earnings & Earnings per share to Adjusted Earnings per share

	(in millions)	
	Three months ended November 30,	
	2021	2020
Net earnings (loss) from continuing operations (GAAP)	\$ 3,580	\$ (391)
Adjustments to operating income (loss):		
Transformational cost management ¹	203	100
Acquisition-related amortization ²	165	95
Acquisition-related costs ³	71	21
Adjustments to equity earnings (loss) in AmerisourceBergen ⁴	43	1,481
LIFO provision ⁵	14	33
Total adjustments to operating income (loss)	495	1,731
Adjustments to other income:		
Net investment hedging loss ⁶	1	9
Gain on previously held investments ⁷	(2,576)	—
Total adjustments to other income	(2,574)	9
Adjustments to income tax provision (benefit):		
Equity method non-cash tax ⁸	18	(346)
Tax impact of adjustments ⁸	(26)	(61)
Total adjustments to income tax provision (benefit)	(8)	(407)
Adjustments to post tax (loss) earnings in other equity method investments:		
Adjustments to equity earnings in other equity method investments ⁹	15	13
Total adjustments to post tax (loss) earnings from other equity method investments	15	13

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

Adjustments to net (loss) earnings attributable to noncontrolling interests:		
Transformational cost management ¹	(1)	—
Acquisition-related amortization ²	(32)	(4)
Acquisition-related costs ³	(17)	—
LIFO provision ⁵	—	(3)
Total adjustments to net (loss) earnings attributable to noncontrolling interests	(50)	(8)
Adjusted net earnings attributable to Continuing Operations (Non-GAAP measure)	\$ 1,455	\$ 948
Net earnings attributable to Walgreens Boots Alliance, Inc. - discontinued operations (GAAP)	—	83
Transformational cost management ¹	—	4
Acquisition-related amortization ²	—	21
Acquisition-related costs ³	—	2
Tax impact of adjustments ⁸	—	(5)
Total adjustments to net earnings (loss) attributable to Walgreens Boots Alliance, Inc. - discontinued operations	\$ —	\$ 22
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. - discontinued operations (Non-GAAP measure)	\$ —	\$ 105
Adjusted net earnings attributable to Walgreens Boots Alliance, Inc. (Non-GAAP measure)	\$ 1,455	\$ 1,052
Diluted net earnings per common share - continuing operations (GAAP) ¹⁰	\$ 4.13	\$ (0.45)
Adjustments to operating income	0.57	2.00
Adjustments to other income	(2.97)	0.01
Adjustments to income tax provision (benefit)	(0.01)	(0.47)
Adjustments to post tax (loss) earnings from other equity method investments ⁹	0.02	0.01
Adjustments to net (loss) earnings attributable to noncontrolling interests	(0.06)	(0.01)
Adjusted diluted net earnings per common share - continuing operations (Non-GAAP measure)	\$ 1.68	\$ 1.09
Diluted net earnings per common share - discontinued operations (GAAP)	\$ —	\$ 0.10
Total adjustments to net earnings attributable to Walgreens Boots Alliance, Inc. - discontinued operations	—	0.03
Adjusted diluted net earnings per common share - discontinued operations (Non-GAAP measure)	\$ —	\$ 0.12
Adjusted diluted net earnings per common share (Non-GAAP measure)	\$ 1.68	\$ 1.22
Weighted average common shares outstanding, diluted (in millions) ¹¹	867.6	865.3

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

- ¹ Transformational Cost Management Program charges are costs associated with a formal restructuring plan. These charges are primarily recorded within selling, general and administrative expenses. These costs do not reflect current operating performance and are impacted by the timing of restructuring activity.
- ² Acquisition-related amortization includes amortization of acquisition-related intangible assets and inventory valuation adjustments. Amortization of acquisition-related intangible assets includes amortization of intangibles assets such as customer relationships, trade names, trademarks 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. Business combination accounting principles require us to measure acquired inventory at fair value. The fair value of the inventory reflects cost of acquired inventory and a portion of the expected profit margin. The acquisition-related inventory valuation adjustments excludes the expected profit margin component from cost of sales recorded under the business combination accounting principles.
- ³ Acquisition-related costs are transaction and integration costs associated with certain merger, acquisition and divestitures related activities. These costs include all charges incurred on certain mergers, acquisition and divestitures related activities, for example, including costs related to integration efforts for successful merger, acquisition and divestitures activities. Examples of such costs include deal costs, severance and stock compensation. These charges are primarily recorded within selling, general and administrative expenses. 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.
- ⁴ Adjustments to equity earnings (loss) in AmerisourceBergen consist of the Company's proportionate share of non-GAAP adjustments reported by AmerisourceBergen consistent with the Company's non-GAAP measures. The Company recognized equity losses in AmerisourceBergen of \$1,373 million during the three months ended November 30, 2020. These equity losses are primarily due to AmerisourceBergen's recognition of \$5.6 billion, net of tax, charges related to its ongoing opioid litigation in its financial statements for the three months period ended September 30, 2020.
- ⁵ The Company's United States 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 United States 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 Gain or loss on certain derivative instruments used as economic hedges of the Company's net investments in foreign subsidiaries. These charges are recorded within other income (loss). We do not believe this volatility related to mark-to-market adjustment on the underlying derivative instruments reflects the Company's operational performance.
- ⁷ Includes significant gains on business combinations due to the remeasurement of previously held minority equity interests and debt securities to fair value. During the three months ended November 30, 2021, the Company recorded such pretax gains of \$2,174 million and \$402 million for VillageMD and Shields respectively.
- ⁸ Adjustments to income tax provision (benefit) include adjustments to the GAAP basis tax provision (benefit) commensurate with non-GAAP adjustments and certain discrete tax items including U.S. tax law changes and equity method non-cash tax. These charges are recorded within income tax provision (benefit).
- ⁹ Adjustments to post tax (loss) 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 within post tax (loss) earnings from other equity method investments. 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.
- ¹⁰ 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 quarterly calculation of weighted-average common shares outstanding for diluted EPS for the three months ended November 30, 2020.
- ¹¹ Includes impact of potentially dilutive securities in the quarterly calculation of weighted-average common shares, diluted for adjusted diluted net earnings per common share calculation purposes for the three months ended November 30, 2020.

The Company considers certain metrics presented in this report, such as comparable sales, comparable pharmacy sales, comparable retail sales, 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, which are described in more detail in this report, may not be comparable to similarly-titled performance indicators used by other companies.

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

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. In June 2018, the Company's Board of Directors reviewed and refined the Company's dividend policy to set forth the Company's current intention to increase its dividend each year.

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 COVID-19 and the resulting market volatility and instability. For further information regarding the impact of COVID-19 on the Company, including on its liquidity and capital resources, please see Item 1A, Risk factors in the 2021 10-K.

The Company expects to fund its working capital needs, capital expenditures, pending acquisitions, continuing obligations for recently completed acquisitions, dividend payments and debt service obligations from liquidity sources including cash flow from operations, availability under existing credit facilities, commercial paper programs, working capital financing arrangements and current cash and investment balances. The Company believes that these sources, and the ability to obtain other financing will provide adequate cash funds for the Company's foreseeable working capital needs, capital expenditures, pending acquisitions, dividend payments and debt service obligations for at least the next 12 months. See Part II, Item 3, Qualitative and quantitative disclosures about market risk, below for a discussion of certain financing and market risks.

Cash, cash equivalents and restricted cash were \$4.3 billion (including \$286 million in non-U.S. jurisdictions) as of November 30, 2021 compared to \$1.3 billion (including \$204 million in non-U.S. jurisdictions) as of August 31, 2021. 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 24, 2021, VillageMD commenced a tender offer to purchase up to \$1.9 billion of units in VillageMD for cash. As of November 30, 2021, the Company recorded the \$1.9 billion as redeemable non-controlling interest. The tender offer was fully subscribed and settled on December 28, 2021. The tender offer was funded by cash proceeds provided to VillageMD pursuant to the Unit Purchase Agreement. The Company has also previously announced its intention to make further cash investments for the acquisition of CareCentrix. Additionally, certain acquisitions include put options which may be exercised in the future. The Company currently expect that the incremental investment resulting from the exercise of the put options in the future could be between approximately \$1.3 billion and \$1.6 billion.

As of November 30, 2021, the Company had an aggregate borrowing capacity of \$9 billion, including funds already drawn. At November 30, 2021, the Company had no guarantees outstanding and no amounts issued under letters of credit. See Note 8 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

Cash provided by operations and the incurrence of debt are the principal sources of funds for expansion, investments, acquisitions, remodeling programs, dividends to stockholders and stock repurchases. Net cash provided by operating activities for the three months ended November 30, 2021 was \$1.1 billion, compared to \$1.2 billion for the prior year period. The decrease in cash provided by operating activities reflects higher cash outflows from inventories and lower cash inflows from accrued expenses and other liabilities, partially offset by an increase in operating performance. Changes in inventories and accrued expenses and other liabilities are mainly driven by timing.

Cash flows from investing activities

Net cash used for investing activities was \$2.0 billion for the three months ended November 30, 2021 compared to \$0.3 billion for the prior-year period. Net cash used for investing activities for the three months ended November 30, 2021 includes business acquisitions, net of cash acquired of VillageMD and Shields for \$0.8 billion and \$0.9 billion, respectively. Net cash used for the business acquisition of VillageMD includes net consideration of \$2.9 billion of which \$1.9 billion was held as cash by VillageMD on November 30, 2021, and subsequently used for the tender offer which completed on December 28, 2021. See Note 3 Acquisitions, to the Consolidated Condensed Financial Statement for further information.

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

Capital Expenditure

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

	Three months ended November 30,			
	2021		2020	
United States	\$	355	\$	343
International		84		59
Walgreens Health		15		10
Discontinued operations		—		20
Total	\$	454	\$	431

Cash flows from financing activities

Net cash used for financing activities for the three months ended November 30, 2021 was \$3.9 billion compared to \$352 million in the prior-year period. In the three months ended November 30, 2021 there were \$8.9 billion in proceeds from debt, primarily from revolving credit facilities and the issuance of notes, compared to \$3.0 billion in proceeds from debt in three months ended November 30, 2020. In the three months ended November 30, 2021 there were \$4.4 billion in payments of debt made primarily for revolving credit facilities and commercial paper debt compared to \$2.8 billion in three months ended November 30, 2020. See Note 8 Debt, to the Consolidated Condensed Financial Statement for further information. The Company repurchased shares totaling \$154 million in the three months ended November 30, 2021 to support the needs of its employee stock plans compared to \$110 million in the prior year period which also included stock repurchase program described below. Cash dividends paid were \$413 million during the three months ended November 30, 2021 compared to \$405 million for the prior year period.

See Item 3, Qualitative and quantitative disclosures about market risk, below for a discussion of certain financing and market risks.

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, 2021. 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 8 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. The credit facilities also contain various other customary covenants. As of November 30, 2021, the Company was in compliance with all such applicable covenants.

Credit ratings

As of January 5, 2022, the credit ratings of Walgreens Boots Alliance were:

Rating agency	Long-term debt rating	Commercial paper rating	Outlook
Moody's	Baa2	P-2	Negative
Standard & Poor's	BBB	A-2	Stable

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

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.

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 Statements of Earnings and corresponding Consolidated 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 2021 10-K. Some of the more significant estimates include business combinations, leases, goodwill and indefinite-lived intangible asset impairment, cost of sales and inventory, equity method investments, pension and postretirement benefits and income taxes.

NEW ACCOUNTING PRONOUNCEMENTS

A discussion of new accounting pronouncements is described in Note 18 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," "likely," "outlook," "forecast," "preliminary," "pilot," "project," "intend," "plan," "goal," "target," "aim," "continue," "believe," "seek," "anticipate," "upcoming," "may," "possible," 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 Item 1A, Risk factors, above, 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.

On March 5, 2021, the UK Financial Conduct Authority (the "FCA"), which regulates the London Interbank Offered Rate, or LIBOR, issued an announcement on the future cessation or loss of representativeness of LIBOR benchmark settings currently published by ICE Benchmark Administration. That announcement confirmed that LIBOR will either cease to be provided by any administrator or will no longer be representative after December 31, 2021, for all non-USD LIBOR reference rates, and for 1W and 2M USD LIBOR and after June 30, 2023, for other USD LIBOR reference rates.

Certain of our credit facilities provide that, under certain circumstances set forth in such credit facilities, we and the administrative agent may amend the applicable credit facility to replace LIBOR with an alternate benchmark rate, giving due consideration to any evolving or then existing convention for similar syndicated credit facilities in the U.S. market for alternative benchmarks. Such an alternative benchmark rate could include the secured overnight financing rate, also known as SOFR, published by the Federal Reserve Bank of New York.

Information regarding the Company's transactions are set forth in Note 9 Financial instruments, to the Consolidated Condensed Financial Statements. These financial instruments are sensitive to changes in interest rates. As of November 30, 2021, the Company had \$3.0 billion of long-term debt obligations at floating interest rates. The amounts exclude the impact of any associated derivative contracts.

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, 2021 by approximately \$55 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 AmerisourceBergen common stock price may have a significant impact on the fair value of the equity investment in AmerisourceBergen described in Note 6 Equity method investments, to the Consolidated Condensed Financial Statements. See "--Investment in AmerisourceBergen" above.

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").

As of the end of the period covered by this report, the Company had completed the acquisition of a majority equity interest in VillageMD and Shields. The Company accounted for these acquisitions as business combinations resulting in consolidation within the Walgreens Health Segment. The scope of management's assessment of the effectiveness of the Company's disclosure controls and procedures did not include the internal controls over financial reporting of the acquired businesses. This exclusion is in accordance with the SEC staff's general guidance that an assessment of a recently acquired business may be omitted from the scope of management's assessment for one year following the acquisition. The recognition of goodwill and intangible assets, however, is covered by our internal controls over mergers and acquisitions, which were included in management's assessment of the effectiveness of the Company's internal control over financial reporting as of November 30, 2021.

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, 2021 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 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 11 Commitments and contingencies, to the Consolidated Condensed Financial Statements of this Quarterly Report.

As previously disclosed, the Company has been under investigation by certain counties within the State of California for alleged noncompliance with state hazardous waste regulations. The Company has worked with state and local officials in an effort to resolve this matter. The Company executed a settlement agreement in October 2020 which includes a monetary payment and injunctive provisions, including funding of supplemental environmental projects. The total settlement value is \$3.5 million. On December 17, 2020, the settlement was approved by a California state court in Alameda County (People of the State of California v. Walgreen Co., Case No. RG20081172), and its injunctive provisions will be in effect for three years.

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 2021 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, 2021 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	Average price paid per share	Total number of shares purchased by month as part of publicly announced repurchase programs ¹	Approximate dollar value of shares that may yet be purchased under the plans or program ¹
09/01/21 - 09/31/21	—	\$ —	—	\$ 2,003,419,960
10/01/21 - 10/31/21	—	—	—	2,003,419,960
11/01/21 - 11/30/21	3,179,750	48.39	—	2,003,419,960
	3,179,750	\$ 48.39	—	\$ 2,003,419,960

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

Item 5. Other information

None.

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>
<u>2.1</u>	Securities Purchase Agreement, by and among Walgreen Co., the several equity holders of Shields Health Solutions Parent, LLC listed on Schedules A and B thereto, the stockholders of WCAS Shields Holdings, Inc. listed on Schedule C thereto, Shields Health Solutions Parent, LLC, WCAS Shields Holdings, Inc. and WCAS XIII Associates, LLC, solely in its capacity as Sellers' Representative thereunder.**	Incorporated by reference to Exhibit 2.1 to Walgreen's Boots Alliance, Inc.'s Current Report on Form 8-K (File No. 1-36759) filed with the SEC on September 21, 2021.
<u>2.2</u>	Class D Preferred Unit Purchase Agreement, dated as of October 14, 2021, by and among WBA Acquisition 4, LLC, WBA Financial, LLC, Walgreens Boots Alliance, Inc., Village Practice Management Company, LLC and certain members of Village Practice Management Company, LLC **	Incorporated by reference to Exhibit 2.1 to Walgreen's Boots Alliance, Inc.'s Current Report on Form 8-K (File No. 1-36759) filed with the SEC on October 14, 2021.
<u>3.1</u>	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.
<u>3.2</u>	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 June 10, 2016.
<u>4.1</u>	First Supplemental Indenture, dated as of October 13, 2021, by and between Walgreens Boots Alliance, Inc. and Wells Fargo Bank, National Association, as trustee.	Incorporated by reference to Exhibit 4.13 to Walgreens Boots Alliance, Inc.'s Annual Report on Form 10-K for the year ended August 31, 2021 (File No. 1-36759) filed with the SEC on October 14, 2021.
<u>4.2</u>	Form of 0.950% Notes due 2023.	Incorporated by reference to Exhibit 4.1 to Walgreens Boots Alliance, Inc.'s Current Report on Form 8-K (File No. 1-36759) filed with the SEC on November 17, 2021.
<u>10.1</u>	Second Amended and Restated Limited Liability Company Agreement of Shields Health Solutions Parent, LLC.**	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 29, 2021.
<u>10.2</u>	Seventh Amended and Restated Limited Liability Company Agreement of Village Practice Management Company, LLC.**	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 November 26, 2021.
<u>10.3</u>	Appointment and Waiver Agreement, dated as of November 24, 2021, by and among Walgreens Boots Alliance, Inc., WBA Acquisition 5, LLC and Village Practice Management Company, LLC.	Incorporated by reference to Exhibit 10.2 to Walgreens Boots Alliance, Inc.'s Current Report on Form 8-K (File No. 1-36759) filed with the SEC on November 26, 2021.
<u>10.4</u>	Form of Performance Share Award agreement (effective October 2021).	Filed herewith.

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

10.5	Form of Stock Option Award agreement (effective October 2021).	Filed herewith.
10.6	Form of Restricted Stock Unit Award agreement (effective October 2021).	Filed herewith.
10.7	Form of Restricted Stock Unit Award agreement for Executive Chairman (November 2021).	Filed herewith.
10.8	Delayed Draw Term Loan Credit Agreement, dated as of November 15, 2021, by and among Walgreens Boots Alliance, Inc., the Designated Borrowers from time to time party thereto, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent.	Incorporated by reference to Exhibit 10.1 to Walgreens Boots Alliance Inc.'s Current Report on Form 8-K (File No. 1-36759) filed on November 16, 2021.
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, 2021 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.
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.

** Certain schedules and exhibits to this agreement have been omitted pursuant to Items 601(a)(5) of Regulation S-K, and Walgreens Boots Alliance, Inc. agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule and/or exhibit upon request.

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 6, 2022

/s/ James Kehoe
James Kehoe
Executive Vice President and Global Chief Financial Officer
Principal Financial Officer

Dated: January 6, 2022

/s/ Manmohan Mahajan
Manmohan Mahajan
Senior Vice President, Global Controller and Chief Accounting Officer
Principal Accounting Officer

WALGREENS BOOTS ALLIANCE, INC.

2021 OMNIBUS INCENTIVE PLAN

PERFORMANCE SHARE 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 your company's securities or financial instruments. 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
PERFORMANCE SHARE AWARD AGREEMENT

Participant Name:

Participant ID:

Grant Date: (the "Grant Date")

Performance Period: **Fiscal Years – 2022 - 2024** (the "Performance Period")

Shares Granted:

Acceptance Date:

Electronic Signature:

This document (referred to below as this "Agreement") spells out the terms and conditions of the Performance Share 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 Performance Shares. 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 target number of Performance Shares specified above (the "Performance Shares"), subject to the terms and conditions of the Plan and this Agreement. This "target" number of shares is computed by dividing the target award dollar amount for your position by the average closing stock price of the Company's common stock, par value US\$.01 per share ("Stock") for the last 30 trading days of the fiscal year preceding the Grant Date.

2. Performance Measure. The number of Performance Shares earned at the end of the three-year Performance Period will vary depending on the degree to which the following performance goals for the Performance Period, as established by the Committee, are met: 70% allocated to adjusted earnings per share growth for each fiscal year of the Performance Period; and 30% allocated to constant currency revenue growth for each fiscal year of the Performance Period.

3. Determination of Performance Shares Earned. For each component fiscal year calculation described in Section 2 above, at the target level, 100% performance will be achieved; at the threshold level, 50% performance will be achieved; below the threshold level, 0% performance will be achieved; and at the maximum level or above, 150% performance will be achieved. Performance between minimum and target, and between target and maximum, will achieve performance levels on a pro-rated basis between 50% and 100%, and 100% and 150%, respectively. As established and approved by the Committee, the resulting total achieved performance level for each fiscal year of the Performance Period will be averaged to arrive at the final earned performance percentage for the Performance Period.

The amount earned will be calculated according to the following:

$$\begin{array}{rcccl} \text{Performance} & & & & \text{Percent of} \\ \text{Shares Awarded} & = & \text{Target} & \times & \text{Target} \\ & & \text{Performance Shares} & & \text{Performance Shares Earned} \end{array}$$

4. Disability or Death. If during the Performance Period you have a Termination of Service by reason of Disability or death, then the number of Performance Shares earned (based on performance as of the end of the Performance Period) shall become vested at the end of the Performance Period. Any Performance Shares becoming vested by reason of your Termination of Service by reason of Disability or death shall be paid at the same time Performance Shares are paid to other Participants.

5. Retirement. If during the Performance 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 Performance Shares earned (based on performance as of the end of the Performance Period) will be prorated to reflect the portion of the Performance Period during which you remained employed by the Company. Such prorated portion shall equal the full number of earned Performance Shares, multiplied by a fraction equal to the number of full months of the Performance Period completed as of your Termination of Service, divided by 36. Any Performance Shares becoming vested by reason of your Retirement shall be paid at the same time Performance Shares are paid to other Participants.

6. Termination of Service Following a Change in Control. If during the Performance 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 earned Award shall equal your target number of Performance Shares, prorated to reflect the portion of the Performance Period during which you remained employed by the Company. Such prorated portion shall equal your target number of Performance Shares, multiplied by a fraction equal to the number of full months of the Performance Period completed as of your Termination of Service, divided by the number of months in the Performance Period. This prorated award will be settled in cash (subject to required tax withholdings) in accordance with Section 9.01(b) of the Plan within 45 days after your Termination of Service. 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 Performance 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, as determined by the Committee, then all of your Performance Shares shall be forfeited. 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 Earned Performance Shares. At the end of the Performance Period actual performance for the entire Performance Period shall be reviewed, and the amount of the earned Award shall be determined based on this performance and communicated to you. Subject to the requirements of Section 12 below, the Company shall transfer to you one (1) share of Stock for each Performance Share earned at that time, net of any applicable tax withholding requirements in accordance with Section 9 below. The Performance Shares payable under this Agreement are intended to be exempt from Code Section 409A under the exemption for short-term deferrals. Accordingly, the Performance Shares will be settled in shares of Stock no later than the 15th day of the third month following the end of the fiscal year of the Company (or if later, the calendar year) in which the Performance Shares are earned.

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 Performance Shares in the form of:

(a) a cash payment (in an amount equal to the Fair Market Value of the shares of Stock that corresponds with the number of earned Performance Shares) 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. 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 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.

10. Nontransferability. During the Performance Period and thereafter until shares of Stock are transferred to you in settlement thereof, you may not sell, transfer, pledge, assign or otherwise alienate or hypothecate the Performance Shares, 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.

11. Rights as Stockholder. You shall have no rights as a stockholder of the Company with respect to the Performance Shares until such time as a certificate of stock for the shares of Stock issued in settlement of the Performance Shares has been issued to you or such shares of Stock have been recorded in your name in book entry form. Except as provided in Section 17 below, no adjustment shall be made for dividends or distributions or other rights with respect to such shares of Stock 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.

12. 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 of Stock except in compliance with all applicable securities laws and requirements of any stock exchange on which the shares of Stock may then be listed.

13. Not a Public Offering. If you are resident outside the U.S., the grant of the Performance Shares 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 Performance Shares is not subject to the supervision of the local securities authorities.

14. 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.

15. 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).

16. 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 Performance Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors before taking any action related to the Plan.

17. Change in Stock. In the event of any change in the shares of 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 the Performance Shares subject to this Award Agreement shall be equitably adjusted by the Committee.

18. 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 Performance Shares, or benefits in lieu of Performance Shares, even if Performance Shares 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 of Stock subject to the Award, and the earning 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.

19. Committee Authority; Recoupment. It is expressly understood that the Committee 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 any recoupment policy, all of which shall be binding upon you and any claimant. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan.

20. 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 Performance Shares 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, email address and telephone number, date of birth, social security, passport 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"). 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 Data for

the exclusive purpose of implementing, administering and managing your participation in the Plan. 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 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 Data, (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of Data, (iv) oppose, for legal reasons, the collection, processing or transfer of 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 Performance Shares 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.

21. Addendum to Agreement. Notwithstanding any provision of this Agreement to the contrary, the Performance Shares 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 this Agreement, attached hereto as Exhibit A (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 Performance Shares 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.

22. Additional Requirements. The Company reserves the right to impose other requirements on the Performance Shares, any shares of Stock acquired pursuant to the Performance Shares 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 Performance Shares 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.

23. 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.

24. 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.

25. 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 jurisdiction.

26. 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 the Agreement, the Plan or 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.

27. 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.

28. 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 Exhibit A. Once you have read and understood this Agreement and Exhibit A, please click the acceptance box to certify and confirm your agreement to be bound by the terms and conditions of this Agreement and Exhibit A 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

ADDENDUM TO THE WALGREENS BOOTS ALLIANCE, INC. 2021 OMNIBUS INCENTIVE PLAN PERFORMANCE SHARE 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 21 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 Performance Shares 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 20 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 Performance Shares, 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 Performance Shares 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 Performance Shares, 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 Performance Shares. 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 Performance Shares, 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.

CHILE

Private Placement. The following provision shall replace Section 13 of the Agreement:

The grant of the Performance Shares hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Grant Date, and this offer conforms to general ruling no. 336 of the Chilean Commission for the Financial Market;
 - b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Commission for the Financial Market, and therefore such securities are not subject to its oversight;
 - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, since such securities are not registered with the Chilean Commission for the Financial Market; and
 - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
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- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento y esta oferta se acoge a la norma de carácter general n° 336 de la Comisión para el Mercado Financiero en Chile;*
 - b) *La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Comisión para el Mercado Financiero en Chile, por lo que tales valores no están sujetos a la fiscalización de ésta;*
 - c) *Por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*

d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

GERMANY

No country-specific provisions.

HONG KONG

1. Form of Payment. Notwithstanding any provision in the Agreement or Plan to the contrary, the Performance Shares 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 Performance Shares 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 Performance Shares nor the issuance of the shares of Stock upon vesting of the Performance Shares 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 Performance Shares (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 Performance Shares and shares of Stock subject to the Performance Shares do not form part of your wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

IRELAND

No country-specific provisions.

ITALY

Plan Document Acknowledgment. In accepting the Performance Shares, 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: Determination of Performance Shares Earned (threshold levels for earning Performance Shares); Section 4: Disability or Death (terms of payment of Performance Shares upon a Termination of Service by reason of Disability or death); Section 5: Retirement (terms of payment of Performance Shares upon a Termination of Service by reason of retirement); Section 6: Termination of Service Following a Change in Control (terms of payment of Performance Shares in the event of a Termination of Service following a Change in Control); Section 7: Other Termination of Service (forfeiture of Performance Shares in other cases of Termination of Service); Section 9(a): Responsibility for Taxes; Tax Withholding (liability for all Tax-Related Items related to the Performance Shares and legally applicable to the participant); Section 10: Nontransferability (Performance Shares shall not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated); Section 17: Change in Stock (right of the Company to equitably adjust the number of Performance Shares subject to this Agreement in the event of any change in Stock); Section 18(j): Nature of the Award (waive any claim or entitlement to compensation or damages arising from forfeiture of the Performance Shares resulting from a Termination of Service); Section 18(l): Nature of the Award (the Company is not liable for any foreign exchange rate fluctuation impacting the value of the Performance Shares); Section 19: Committee Authority; Recoupment (right of the Committee to administer, construe, and make all determinations necessary or appropriate for the administration of the Performance Shares and this Agreement, including the enforcement of any

recoupment policy); Section 21: Addendum to Agreement (the Performance Shares are subject to the terms of the Addendum); Section 22: Additional Requirements (Company right to impose additional requirements on the Performance Shares 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 Performance Shares and the Plan); Section 24: Electronic Delivery (Company may deliver documents related to the Award or Plan electronically); Section 25: 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 26: 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 Performance Shares does not constitute an employment relationship between you and the Company. You have been granted the Performance Shares 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 Performance Shares 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 Performance Shares 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.***

SWITZERLAND

Securities Law Notification. Neither this document nor any other materials relating to the Performance Shares (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 9 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 Performance Shares, 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 Performance Shares. Upon the grant of the Performance Shares, you shall be deemed irrevocably to have waived any such entitlement.

*** **

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

WALGREENS BOOTS ALLIANCE, INC.

2021 OMNIBUS INCENTIVE PLAN

STOCK OPTION 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 your company's securities or financial instruments. 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

STOCK OPTION AWARD AGREEMENT

Participant Name:

Participant ID:

Grant Date: (the "Grant Date")

Grant Price:

Shares Granted: (the "Shares 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")

Expiration Date: (the "Expiration Date")

Acceptance Date:

Electronic Signature:

This document (referred to below as this "Agreement") spells out the terms and conditions of the stock option (the "Option") 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 in effect on the date of this Agreement and 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 Option. 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 an Option to purchase all or any part of the number of Shares Granted set forth above of common stock of the Company, par value US\$.01 ("Stock"), at the per-share exercise price, which is 100% of the Fair Market Value of a share of Stock on the Grant Date (the "Exercise Price"), subject to the terms and conditions of the Plan and this Agreement. The Option is intended to be a "non-qualified stock option" and shall not be treated as an incentive stock option within the meaning of Section 422 of the Code.

2. Vesting/Exercise/Expiration. You may not exercise the Option prior to the Vesting Date or Dates set forth above absent action by the Committee to waive or alter such restrictions or as may be permitted under the below paragraphs. Thereafter, except as hereinafter provided, you may exercise the Option, to the extent it is vested, at any time and from time to time until the close of business on the Expiration Date set forth above. The Option may be exercised to purchase any number of whole shares of Stock, except that no purchase shall be for less than ten (10) full shares of Stock, or the remaining unexercised shares, if less. The Option is deemed to be "outstanding" until it has been exercised in full or expired pursuant to the terms of this Agreement.

3. Disability. If, without having fully exercised the Option, you have a Termination of Service due to Disability, then any Shares Granted under the Option that are not yet vested at

that time shall thereupon become vested and (a) you may exercise the Option for the full number of Shares Granted (less any shares for which the Option was previously exercised), but (b) your right to exercise the Option shall terminate upon the earlier of the Expiration Date or a date which is one (1) year following the date of your Termination of Service.

4. Death. If, without having fully exercised the Option, you have a Termination of Service due to your death, then any Shares Granted under the Option that are not yet vested at that time shall thereupon become fully vested and (a) the Option may be exercised by the executor or administrator of your estate or by such person or persons who shall have acquired your rights hereunder by bequest or inheritance or by designation as your beneficiary for the full number of Shares Granted (less any shares for which the Option was previously exercised), but (b), such person's right to exercise the Option shall terminate upon the earlier of the Expiration Date or a date which is one (1) year after the date of your death.

5. Retirement. If without having fully exercised the Option 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 (a) any Shares Granted under the Option that are not vested at that time shall thereupon become vested, and (b) you may exercise the Option for the full number of Shares Granted (less any shares for which the Option was previously exercised) until the Expiration Date set forth above.

6. Termination of Service Following a Change in Control. If 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 8), then any Shares Granted under the Option that are not yet vested at that time shall thereupon become vested, and you may exercise the Option for the full number of Shares Granted (less any shares for which the Option was previously exercised) until the Expiration Date set forth above. Shares Granted for which you cannot exercise the Option under this Section 6 shall be forfeited. The foregoing is also subject to the Committee's exercise of its discretion under Section 9.01 of the Plan. 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 without having fully exercised the Option you have a voluntary or involuntary Termination of Service for any reason other than as set forth in Section 3, 4, 5 or 6 above, as determined by the Committee, then (a) for any Shares Granted with respect to which such Termination of Service is prior to the applicable Vesting Date, the Option shall be forfeited, and (b) for any Shares Granted with respect to which such Termination of Service is on or after the applicable Vesting Date, then your right to exercise the Option shall terminate upon the earlier of the Expiration Date or a date which is ninety (90) days after the date of your Termination of Service. The foregoing is subject to the right of the Committee to extend the exercise period of the Option, including any extension granted by the Committee or its delegate as needed to allow your right to exercise to extend beyond a period during which you are restricted from exercising the Option due to a Company-designated trading blackout period, and is subject to earlier expiration as provided in Section 8 below.

8. Forfeiture of Outstanding Options Upon Termination for Cause or Upon Other Violations. Notwithstanding any provision of this Agreement to the contrary, the Option (whether vested or unvested) shall immediately terminate if you are terminated for Cause or if and when you violate any obligation that you may have to the Company during or post-employment, including but not limited to a violation of any applicable provision of the NNCA Agreement (defined in Section 22 below) or any other non-competition, non-solicitation, confidentiality, non-disparagement or other restrictive covenant. 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.

9. Exercise Process. The Option may be exercised by giving notice to Fidelity Stock Plan Services, LLC ("Fidelity"), the third party administrator administering the Option exercise process or any other third party administrator the Company may engage in the future. The exercise notice (a) shall be signed by you or (in the event of your death) your legal representative, (b) shall specify the number of full shares of Stock then elected to be purchased, and (c) shall be accompanied by payment in full of the Exercise Price of the shares of Stock to be purchased. Payment may be made in cash or by check payable to the order of the Company, and such payment shall include any income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan that are required to be withheld ("Tax-Related Items"), as set forth in Section 10 below. Alternatively, the Committee may allow for one or more of the following methods of exercising the Option:

(a) Payment for shares of Stock as to which the Option is being exercised and/or payment of any Tax-Related Items may be made by transfer to the Company of shares of Stock you already own, or any combination of such shares of Stock and cash, having a fair market value determined at the time of exercise of the Option equal to, but not exceeding, the Exercise Price and/or any Tax-Related Items, as the case may be.

(b) A "same day sale" transaction pursuant to which a third party (engaged by you or the Company) loans funds to you to enable you to purchase the shares of Stock and pay any Tax-Related Items, and then sells a sufficient number of the exercised shares of Stock on your behalf to enable you to repay the loan and any fees. The remaining shares of Stock and/or cash are then delivered by the third party to you.

(c) A "net exercise" transaction, pursuant to which the Company delivers to you the net number of whole shares of Stock remaining from the portion of the Option being exercised after deduction of a number of shares of Stock with a fair market value equal to the Exercise Price and the amount of any Tax-Related Items.

As promptly as practicable after receipt of such notice of exercise and payment (including payment with respect to any Tax-Related Items), subject to Section 13 below, the Company shall cause to be issued and delivered to you (or in the event of your death to your legal representative, as the case may be), certificates for the shares of Stock so purchased. Alternatively, such shares of Stock may be issued and held in book entry form.

Notwithstanding any provision within this Agreement to the contrary, if you are resident or employed outside of the U.S., the Committee may require that you (or in the event of your death, your legal representative, as the case may be) exercise the Option in a method other than as specified above, may require you to exercise the Option only by means of a "same day sale" transaction (either a "sell-all" transaction or a "sell-to-cover" transaction) as it shall determine in its sole discretion, or may require you to sell any shares of Stock you acquire under the Plan 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).

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 Tax-Related Items related to your participation in the Plan and legally applicable to you 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 Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of shares of Stock acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option 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 exercise of the Option 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, no fractional shares of Stock will be withheld or issued pursuant to the grant of the Option and the issuance of shares of Stock hereunder. 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 exercise of the Option, for tax purposes, you will be deemed to have been issued the full number of shares of Stock subject to the exercised Option, 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 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. Limited Transferability. You may not sell, transfer, pledge, assign or otherwise alienate or hypothecate the Option, whether voluntarily or involuntarily or by operation of law, other than by beneficiary designation effective upon your death, by will or by the laws of intestacy. During your lifetime, the Option and all rights granted hereunder shall be exercisable only by you. Notwithstanding the foregoing, you may transfer the Option, in whole or in part, by gift to a Permitted Transferee in accordance with rules and subject to any conditions specified by the Committee under the Plan.

12. Rights as Stockholder. You shall have no rights as a stockholder of the Company with respect to the shares of Stock subject to the Option until such time as the Exercise Price has been paid and a certificate of stock for such shares has been issued to you or such shares of Stock have been recorded in your name in book entry form. Except as provided in Section 18 below, no adjustment shall be made for dividends or distributions or other rights with respect to such shares of Stock 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 of Stock 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 Option 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 Option 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 (e.g., the Option) 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; Method of Exercise. 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 Option. Investment in shares of Stock involves a degree of risk. Before deciding to purchase shares of Stock pursuant to the Option, you should carefully consider all risk factors relevant to the acquisition of shares of Stock under the Plan and you should carefully review all of the materials related to the Option and the Plan. 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 the shares of 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 shares of Stock subject to the Option and the Exercise Price shall be equitably adjusted by the Committee.

19. Nature of the Option. In accepting the Option, 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 Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of stock options, or benefits in lieu of stock options, even if stock options have been granted in the past;

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

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

(g) the Option, the shares of Stock subject to the Option 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 Option is unknown, indeterminable and cannot be predicted with certainty and if you exercise a vested Option, the value of the underlying shares of Stock may increase or decrease, even below the Exercise Price;

(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 Option 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 Option 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 Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option 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 Option or of any amounts due to you pursuant to the settlement of the Option or the subsequent sale of any shares of Stock acquired upon settlement of the Option.

20. Committee Authority; Recoupment. It is expressly understood that the Committee 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 any recoupment policy, all of which shall be binding upon you and any claimant. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan.

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 Option 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, email address and telephone number, date of birth, social security, passport 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"). 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 Data for the exclusive purpose of implementing, administering and managing your participation in the Plan. 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 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 Data, (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of 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, the Option 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 Option, you must agree to the Non-Competition, Non-Solicitation and Confidentiality Agreement (the "NNCA 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 NNCA Agreement. Failure to accept the terms of this Agreement and NNCA Agreement within 120 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 Option 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 this 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 Option 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 Option, any shares of Stock acquired pursuant to the Option 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 Option 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 Option 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 jurisdiction.

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 Option, 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 or any other document related to the Option. If you have received this Agreement, the Plan or any other documents related to the Option 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, and to acknowledge your receipt of the Prospectus, the Plan and this Agreement and your acceptance of the terms and conditions of the Option granted hereunder.

EXHIBIT A

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

This Exhibit (the "Non-Compete Agreement") forms a part of the Stock Option Award Agreement covering Options 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, Employee acknowledges that during the course of employment, he or she has 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 Stock Option issued to Employee pursuant to the Agreement to which this 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 Employee, and the goodwill that Employee develops with customers on behalf of the Company, Employee agrees to be bound by the terms of this Non-Compete 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 Non-Compete 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 Non-Compete 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 I have by law with respect to the Company's Confidential Information, including any obligations I may owe under the DTSA and any applicable state statutes. Nothing herein shall prohibit me from divulging evidence of criminal wrongdoing to law enforcement or 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 promptly inform the Company of any such situations and shall take reasonable steps to prevent disclosure of Confidential Information or Trade Secrets until the Company has been informed of such required disclosure and has had a reasonable opportunity to seek a protective order. Pursuant to the 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 Non-Compete 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 paragraph 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 Non-Compete 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 scope, or portion thereof, where I performed those responsibilities for the Company. For purposes of this Non-Compete 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 I would be called upon to inevitably rely upon or disclose Confidential Information and

such reliance or disclosure would competitively harm the Company. For purposes of this Non-Compete 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 Non-Compete 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 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 Non-Compete 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 Employee or anyone acting on his/her behalf (whether alone or jointly with others) at any time from the beginning of Employee’s 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 Employee or anyone acting on its 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. Employee hereby assigns 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 Employee or by others. Employee shall ensure that all copyright notices and confidentiality legends on all work product authored by Employee 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 Employee 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 the Employee's 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 Employee for the Company.

b. Keep Records. Employee shall keep and maintain, or cause to be kept and maintained by anyone acting on his/her 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. Employee 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. Employee has disclosed to the Company any continuing obligations to any third party with respect to Intellectual Property. Employee claims 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 Non-Compete Agreement.

e. Trade Secret Provisions. The provisions in paragraph 1 of this Non-Compete 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.

8. Consideration and Acknowledgments. I acknowledge and agree that the covenants described in this Non-Compete Agreement are essential terms, and the underlying Stock Option 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 Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement are reasonable and necessary to protect the Company's legitimate business interests and that full compliance with the terms of this Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement.

(d) In the event of a breach or a threatened breach of this Non-Compete 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 Non-Compete Agreement.

(e) I agree that if a court determines that any of the provisions in this Non-Compete Agreement is unenforceable or unreasonable in duration, territory, or scope, 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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement. I further agree that if any court of competent jurisdiction finds any of the restrictions set forth in this Non-Compete 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 Non-Compete Agreement, the non-competition provisions of paragraph 2 above shall not restrict Employee 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 Employee to agree to the otherwise applicable restrictions of paragraph 2.

(h) Waiver of any of the provisions of this Non-Compete 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 Non-Compete Agreement.

(i) I agree that the Company may assign this Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement, have had full and complete opportunity to discuss and resolve any ambiguities or uncertainties regarding these covenants before signing this Non-Compete 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 Non-Compete Agreement shall survive any termination of this Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete 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, I understand that nothing in this Non-Compete Agreement is intended to restrict my legally-protected right to discuss wages, hours or other working condition with co-workers, or in any way limit my rights under the National Labor Relations Act or any whistleblower act.

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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement may not be modified except by a written agreement signed by both me and the Company. This Non-Compete 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 agree that if I, on the last day of my employment with the Company (for any reason), primarily reside and work in California, Illinois, Louisiana, Massachusetts, Nebraska, Oklahoma, Puerto Rico, South Carolina, Virginia,

Washington or Wisconsin, I am subject to the modifications to this Non-Compete Agreement set forth in Exhibit A-1 applying to such state and to the extent such state law applies.

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 Non-Compete 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 Non-Compete Agreement.

*** **

By clicking the acceptance box for this grant agreement, I acknowledge receipt of the Stock Option Award Agreement to which this Non-Compete Agreement is attached as Exhibit A, and I agree to the terms and conditions expressed in this Non-Compete 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 "Non-Compete Agreement") includes jurisdiction-specific "Addenda," which modify the Non-Compete 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 Non-Compete Agreement. The Addenda of this Exhibit A-1 should be read in conjunction with the rest of the Non-Compete 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:

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:

Paragraph 6 "Intellectual Property" is supplemented with the following language:

The terms of this Non-Compete 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:

Paragraph 9 “Enforceability; General Provisions”, subparagraph (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.

ILLINOIS ADDENDUM

Addendum No. 1:

A new Section 9(a)(i) is added as follows:

Effective if I sign this Non-Compete Agreement after January 1, 2022, I understand that (A) the non-competition obligations under Section 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 \$75,000 per year or less); and (B) the non-solicitation obligations under Section 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 \$45,000 per year or less).

Addendum No. 2:

A new Section 9(a)(ii) is added as follows:

I agree that before being required to sign this Non-Compete 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 Non-Compete Agreement.

LOUISIANA ADDENDUM

No. 1:

The definition of “**Responsibilities**” in **paragraph 2** is stricken and replaced with the following:

For purposes of this Non-Compete Agreement, “**Responsibilities**” means the same or similar material responsibilities I performed for the Company, including my representation of the Company or my business contact with Restricted Customers, during the two (2) years prior to my last day of employment with the Company and within the Restricted Area, or portion thereof, where I performed those responsibilities for the Company. “**Restricted Area**” means the Louisiana Parishes that the Company identifies in separate written amendment(s) in the form set forth in Schedule A to this Addendum, including at the time of entering into this Non-Compete Agreement. The Parishes include certain of the following: 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 of the Company is transacted therein. I hereby stipulate that the Company does business in certain of the aforementioned parishes, counties, and municipalities as of the date of this 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 responsibilities for 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 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 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 exhibit.

No. 2:

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

The interpretation, validity, and enforcement of this Non-Compete Agreement will be governed by the 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 "Non-Compete Agreement"). This First Amendment shall be read in conjunction with the rest of the Non-Compete Agreement and the Louisiana Addendum and enforced to the fullest extent permissible to protect the Company's legitimate business interests.

With respect to Louisiana Parishes, I agree that the Restricted Area shall include the following Parishes (IN **BOLD OR CIRCLED**) where the Company does business and I am performing Responsibilities for the Company: 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 of the Company is transacted therein. I hereby continue to stipulate that the Company does business in all of the above bolded or circled parishes, counties, and municipalities as of the date of this 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 responsibilities for the Company.

By my signature below, I agree to the terms and conditions expressed in this Amendment No. 1 to the Louisiana Addendum.

Employee

Walgreens Boots Alliance, Inc.

By: _____

By: _____

Name: _____

Name: _____

Dated: _____

Title: _____

Dated: _____

MASSACHUSETTS ADDENDUM

No. 1:

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 Non-Compete 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 Non-Compete 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 paragraph 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 paragraph 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 Non-Compete 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 Non-Compete Agreement, I acknowledge that the Non-Compete 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 Non-Compete Agreement, I acknowledge that the Non-Compete 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 Non-Compete Agreement and this Massachusetts Addendum. By signing the Non-Compete Agreement and this Addendum, I acknowledge that I had time to read and understand the terms of the Non-Compete Agreement and this Addendum, and to consult with my own legal counsel, not including counsel for the Company, regarding the Non-Compete Agreement and the Addendum prior to their execution. I agree that I have actually read and understand the Non-Compete Agreement and this Addendum and all of their terms, and that I am entering into and signing the Non-Compete 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 Non-Compete 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 Non-Compete Agreement.

No. 2:

Paragraph 9(b) “Enforceability; General Restrictions” is stricken and replaced with the following:

I agree that the restrictions contained in this Non-Compete Agreement are reasonable and necessary to protect the Company’s legitimate business interests and that full compliance with the terms of this Non-Compete 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 Non-Compete 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:

Paragraph 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 Non-Compete 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 Non-Compete Agreement.

(c)(ii) The interpretation, validity, and enforcement of the non-competition provisions set forth in paragraph 2 of this Non-Compete 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 Non-Compete 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:

Paragraph 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 Non-Compete Agreement shall survive any termination of this 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 Non-Compete 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 Non-Compete 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 Non-Compete 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 "Non-Compete 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 Non-Compete Agreement, and also remain bound by the terms of any and all other agreements between the Company and me.

Accepted and agreed to:

Employee

By: _____
Name: _____
Dated: _____

Walgreens Boots Alliance, Inc.

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

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 Non-Compete 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:

Paragraph 3 **“Non-Solicitation”** is stricken and replaced with the following:

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.

PUERTO RICO ADDENDUM

No. 1:

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 Stock Option I will be receiving under this Non-Compete 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 Non-Compete 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:

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 Non-Compete 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 Non-Compete 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 subsections 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 scope 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:

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:

Paragraph 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 only apply when my annualized salaried exceeds the compensation requirements of the Restrictions on Noncompetition Covenants Bill 5478 as codified in RCW 49.

(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 paragraph 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 Non-Compete 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 Non-Compete 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 scope, or portion thereof, with respect to which I performed those responsibilities for 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 paragraph 2(a) above will not be enforced by the Company unless and to the extent that it pays 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 the paragraph 2(a) non-competition restrictions will remain in effect until one (1) year after my Company employment ends. 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. 2:

Subparagraph 9(c) of the Non-Compete Agreement is stricken and replaced with the following:

This Non-Compete 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 Non-Compete Agreement will be resolved exclusively in the state or federal courts in the State of Washington.

WISCONSIN ADDENDUM

No. 1:

Paragraph 1 “Confidentiality” is amended by adding the following at the end of Paragraph 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:

Paragraph 2 “Non-Competition” is amended by striking the definition of “Responsibilities” and replacing it with the following:

“Responsibilities” 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 in which the Confidential Information I have would be competitively valuable and within the same geographic scope, or portion thereof, with respect to which I performed those responsibilities for the Company.

No. 3:

Paragraph 3 “Non-Solicitation” is amended by striking the definition of “Restricted Customer” in paragraph 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.

Paragraph 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;

Paragraph 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; (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:

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 Non-Compete Agreement are intended to be divisible and interpreted and applied independent of each other."

Paragraph 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 STOCK OPTION AWARD AGREEMENT

In addition to the terms of the Plan and the Agreement, the Option 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 Option 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 21 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 stock options, 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 Option 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 Option, 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 Option. 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 Option, 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.

CHILE

Private Placement. The following provision shall replace Section 14 of the Agreement:

The grant of the Option hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Grant Date, and this offer conforms to general ruling no. 336 of the Chilean Commission for the Financial Market;
 - b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Commission for the Financial Market, and therefore such securities are not subject to its oversight;
 - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, since such securities are not registered with the Chilean Commission for the Financial Market; and
 - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
-
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento y esta oferta se acoge a la norma de carácter general n° 336 de la Comisión para el Mercado Financiero en Chile;*
 - b) *La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Comisión para el Mercado Financiero en Chile, por lo que tales valores no están sujetos a la fiscalización de ésta;*
 - c) *Por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*

d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

GERMANY

No country-specific provisions.

HONG KONG

1. Sale of Shares of Stock. Shares of Stock purchased upon exercise of the Option are accepted as a personal investment. In the event that shares of Stock are issued in respect of the Option within six (6) months after the Grant Date, you agree that the shares of Stock may not be offered to the public or otherwise disposed of prior to the six-month anniversary of the Grant Date.

2. IMPORTANT NOTICE. WARNING: The contents of the Agreement the Addendum, the Plan, the Plan prospectus, the Plan administrative rules and all other materials pertaining to the Option 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 Option nor the issuance of the shares of Stock upon exercise of the Option 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 Option (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 Option and shares of Stock subject to the Option do not form part of your wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

IRELAND

No country-specific provisions.

ITALY

1. Plan Document Acknowledgment. In accepting the Option, 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 2: Vesting/Exercise/Expiration (expiration of the right to exercise the Option after the Expiration Date); Section 3: Disability (term for exercising the Option prior to the Vesting Dates in the case of a Termination of Service due to Disability); Section 4: Death (term for exercising the option prior to the Vesting Dates in the case of a Termination of Service due to death); Section 5: Retirement (term for exercising the Option prior to the Vesting Dates in the case of a Termination of Service by reason of Retirement); Section 6: Termination of Service Following a Change in Control (term for exercising the Option in the event of a Termination of Service following a Change in Control); Section 7: Other Termination of Service (term to exercise the vested Option and forfeiture of the unvested Option in other cases of Termination of Service); Section 8: Forfeiture of Outstanding Options Upon Termination for Cause or Following Termination of Service; Section 10(a): Responsibility for Taxes; Tax Withholding (liability for all Tax-Related Items related to the Option and legally applicable to the participant); Section 11: Limited Transferability (Option 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 Option and the Exercise Price in the event of any change in the Stock); Section 19(j): Nature of the Option (waive any claim or entitlement to compensation or damages arising from forfeiture of the Option resulting from a Termination of Service); Section

19(l): Nature of the Option (the Company is not liable for any foreign exchange rate fluctuation impacting the value of the Option); Section 22: Non-Competition, Non-Solicitation and Confidentiality (the receipt of the Option is conditioned upon agreement of the Non-Competition, Non-Solicitation and Confidentiality Agreement attached hereto as Exhibit A); Section 23: Addendum to Agreement (the Option is subject to the terms of the Addendum); Section 24: Additional Requirements (Company right to impose additional requirements on the Option 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 Option and the Plan); Section 26: Electronic Delivery (Company may deliver documents related to the Option 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 Option does not constitute an employment relationship between you and the Company. You have been granted the Option 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 Option, the shares of Stock subject to the Option and the value of the same are 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 Option 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 Option 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.

SWITZERLAND

Securities Law Notification. Neither this document nor any other materials relating to the Option (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 Option, 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 Option. Upon the grant of the Option, 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 Stock Option 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

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 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 any recoupment policy, all of which shall be binding upon you and any claimant. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan.

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. 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 A (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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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 Exhibit A. Once you have read and understood this Agreement and Exhibit A, please click the acceptance box to certify and confirm your agreement to be bound by the terms and conditions of this Agreement and Exhibit A, 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

**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.

CHILE

Private Placement. The following provision shall replace Section 14 of the Agreement:

The grant of the Restricted Stock Units hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Grant Date, and this offer conforms to general ruling no. 336 of the Chilean Commission for the Financial Market;
 - b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Commission for the Financial Market, and therefore such securities are not subject to its oversight;
 - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, since such securities are not registered with the Chilean Commission for the Financial Market; and
 - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento y esta oferta se acoge a la norma de carácter general n° 336 de la Comisión para el Mercado Financiero en Chile;*

- b) *La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Comisión para el Mercado Financiero en Chile, por lo que tales valores no están sujetos a la fiscalización de ésta;*
- c) *Por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*
- d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente*

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.

IRELAND

No country-specific provisions.

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.***

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.

*** **

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 A, 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

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: 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 2022 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-ration 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 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 any recoupment policy, all of which shall be binding upon you and any claimant. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan.

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 "NNCA 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 NNCA Agreement. Failure to accept the terms of this Agreement and NNCA Agreement within 120 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 "Non-Compete Agreement") forms a part of the Restricted Stock Unit 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, Employee acknowledges that during the course of employment, he or she has 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 Employee pursuant to the Agreement to which this 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 Employee, and the goodwill that Employee develops with customers on behalf of the Company, Employee agrees to be bound by the terms of this Non-Compete 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 Non-Compete 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 Non-Compete 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 I have by law with respect to the Company's Confidential Information, including any obligations I may owe under the DTSA and any applicable state statutes. Nothing herein shall prohibit me from divulging evidence of criminal wrongdoing to law enforcement or 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 promptly inform the Company of any such situations and shall take reasonable steps to prevent disclosure of Confidential Information or Trade Secrets until the Company has been informed of such required disclosure and has had a reasonable opportunity to seek a protective order. Pursuant to the 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 Non-Compete 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 paragraph 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 Non-Compete 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 scope, or portion thereof, where I performed those responsibilities for the Company. For purposes of this Non-Compete 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 I would be called upon to inevitably rely upon or disclose Confidential Information and such reliance or disclosure would competitively harm the Company. For purposes of this Non-Compete 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 Non-Compete 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 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 Non-Compete 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 Employee or anyone acting on his/her behalf (whether alone or jointly with others) at any time from the beginning of Employee's 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

Employee or anyone acting on its 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. Employee hereby assigns 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 Employee or by others. Employee shall ensure that all copyright notices and confidentiality legends on all work product authored by Employee 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 Employee 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 the Employee's 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 Employee for the Company.

b. Keep Records. Employee shall keep and maintain, or cause to be kept and maintained by anyone acting on his/her 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. Employee 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. Employee has disclosed to the Company any continuing obligations to any third party with respect to Intellectual Property. Employee claims 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 Non-Compete Agreement.

e. Trade Secret Provisions. The provisions in paragraph 1 of this Non-Compete 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.

8. Consideration and Acknowledgments. I acknowledge and agree that the covenants described in this Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement are reasonable and necessary to protect the Company's legitimate business interests and that full compliance with the terms of this Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement.

(d) In the event of a breach or a threatened breach of this Non-Compete 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 Non-Compete Agreement.

(e) I agree that if a court determines that any of the provisions in this Non-Compete Agreement is unenforceable or unreasonable in duration, territory, or scope, 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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement. I further agree that if any court of competent jurisdiction finds any of the restrictions set forth in this Non-Compete 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 Non-Compete Agreement, the non-competition provisions of paragraph 2 above shall not restrict Employee 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 Employee to agree to the otherwise applicable restrictions of paragraph 2.

(h) Waiver of any of the provisions of this Non-Compete 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 Non-Compete Agreement.

(i) I agree that the Company may assign this Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement, have had full and complete opportunity to discuss and resolve any ambiguities or uncertainties regarding these covenants before signing this Non-Compete 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 Non-Compete Agreement shall survive any termination of this Non-Compete 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 Non-Compete 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 Non-Compete 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 Non-Compete 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, I understand that nothing in this Non-Compete Agreement is intended to restrict my legally-protected right to discuss wages, hours or other working condition with co-workers, or in any way limit my rights under the National Labor Relations Act or any whistleblower act.

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 Non-Compete 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 Non-Compete 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 Non-Compete Agreement may not be modified except by a written agreement signed by both me and the Company. This Non-Compete 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 agree that if I, on the last day of my employment with the Company (for any reason), primarily reside and work in California, Illinois, Louisiana, Massachusetts, Nebraska, Oklahoma, Puerto Rico, South Carolina, Virginia, Washington or Wisconsin, I am subject to the modifications to this Non-Compete Agreement set forth in Exhibit A-1 applying to such state and to the extent such state law applies.

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 Non-Compete 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 Non-Compete Agreement.

*** **

By clicking the acceptance box for this grant agreement, I acknowledge receipt of the Restricted Stock Unit Award Agreement to which this Non-Compete Agreement is attached as Exhibit A, and I agree to the terms and conditions expressed in this Non-Compete 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 "Non-Compete Agreement") includes jurisdiction-specific "Addenda," which modify the Non-Compete 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 Non-Compete Agreement. The Addenda of this Exhibit A-1 should be read in conjunction with the rest of the Non-Compete 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:

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:

Paragraph 6 "Intellectual Property" is supplemented with the following language:

The terms of this Non-Compete 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:

Paragraph 9 “Enforceability; General Provisions”, subparagraph (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.

ILLINOIS ADDENDUM

Addendum No. 1:

A new Section 9(a)(i) is added as follows:

Effective if I sign this Non-Compete Agreement after January 1, 2022, I understand that (A) the non-competition obligations under Section 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 \$75,000 per year or less); and (B) the non-solicitation obligations under Section 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 \$45,000 per year or less).

Addendum No. 2:

A new Section 9(a)(ii) is added as follows:

I agree that before being required to sign this Non-Compete 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 Non-Compete Agreement.

LOUISIANA ADDENDUM

No. 1:

The definition of “**Responsibilities**” in **paragraph 2** is stricken and replaced with the following:

For purposes of this Non-Compete Agreement, “**Responsibilities**” means the same or similar material responsibilities I performed for the Company, including my representation of the Company or my business contact with Restricted Customers, during the two (2) years prior to my last day of employment with the Company and within the Restricted Area, or portion thereof, where I performed those responsibilities for the Company. “**Restricted Area**” means the Louisiana Parishes that the Company identifies in separate written amendment(s) in the form set forth in Schedule A to this Addendum, including at the time of entering into this Non-Compete Agreement. The Parishes include certain of the following:

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 of the Company is transacted therein. I hereby stipulate that the Company does business in certain of the aforementioned parishes, counties, and municipalities as of the date of this 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 responsibilities for 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 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 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 exhibit.

No. 2:

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

The interpretation, validity, and enforcement of this Non-Compete Agreement will be governed by the 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 "Non-Compete Agreement"). This First Amendment shall be read in conjunction with the rest of the Non-Compete Agreement and the Louisiana Addendum and enforced to the fullest extent permissible to protect the Company's legitimate business interests.

With respect to Louisiana Parishes, I agree that the Restricted Area shall include the following Parishes (IN **BOLD OR CIRCLED**) where the Company does business and I am performing Responsibilities for the Company: 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 of the Company is transacted therein. I hereby continue to stipulate that the Company does business in all of the above bolded or circled parishes, counties, and municipalities as of the date of this 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 responsibilities for the Company.

By my signature below, I agree to the terms and conditions expressed in this Amendment No. 1 to the Louisiana Addendum.

Employee

Walgreens Boots Alliance, Inc.

By: _____

By: _____

Name: _____

Name: _____

Dated: _____

Title: _____

Dated: _____

MASSACHUSETTS ADDENDUM

No. 1:

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 Non-Compete 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 Non-Compete 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 paragraph 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 paragraph 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 Non-Compete 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 Non-Compete Agreement, I acknowledge that the Non-Compete 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 Non-Compete Agreement, I acknowledge that the Non-Compete 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 Non-Compete Agreement and this Massachusetts Addendum. By signing the Non-Compete Agreement and this Addendum, I acknowledge that I had time to read and understand the terms of

the Non-Compete Agreement and this Addendum, and to consult with my own legal counsel, not including counsel for the Company, regarding the Non-Compete Agreement and the Addendum prior to their execution. I agree that I have actually read and understand the Non-Compete Agreement and this Addendum and all of their terms, and that I am entering into and signing the Non-Compete 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 Non-Compete 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 Non-Compete Agreement.

No. 2:

Paragraph 9(b) "Enforceability; General Restrictions" is stricken and replaced with the following:

I agree that the restrictions contained in this Non-Compete Agreement are reasonable and necessary to protect the Company's legitimate business interests and that full compliance with the terms of this Non-Compete 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 Non-Compete 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:

Paragraph 9c) "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 Non-Compete 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 Non-Compete Agreement.

(c)(ii) The interpretation, validity, and enforcement of the non-competition provisions set forth in paragraph 2 of this Non-Compete 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 Non-Compete 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:

Paragraph 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 Non-Compete Agreement shall survive any termination of this 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 Non-Compete 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 Non-Compete 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 Non-Compete 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 “Non-Compete 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 Non-Compete Agreement, and also remain bound by the terms of any and all other agreements between the Company and me.

Accepted and agreed to:

Employee

By: _____

Name: _____

Dated: _____

Walgreens Boots Alliance, Inc.

By: _____

Name: _____

Title: _____

Dated: _____

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 Non-Compete 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:

Paragraph 3 **“Non-Solicitation”** is stricken and replaced with the following:

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.

PUERTO RICO ADDENDUM

No. 1:

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 Non-Compete 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 Non-Compete 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:

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 Non-Compete 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 Non-Compete 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 subsections 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 scope 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:

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:

Paragraph 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 only apply when my annualized salaried exceeds the compensation requirements of the Restrictions on Noncompetition Covenants Bill 5478 as codified in RCW 49.

(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 paragraph 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 Non-Compete 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 Non-Compete 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 scope, or portion thereof, with respect to which I performed those responsibilities for 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 paragraph 2(a) above will not be enforced by the Company unless and to the extent that it pays 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 the paragraph 2(a) non-competition restrictions will remain in effect until one (1) year after my Company employment ends. 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. 2:

Subparagraph 9(c) of the Non-Compete Agreement is stricken and replaced with the following:

This Non-Compete 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 Non-Compete Agreement will be resolved exclusively in the state or federal courts in the State of Washington.

WISCONSIN ADDENDUM

No. 1:

Paragraph 1 “Confidentiality” is amended by adding the following at the end of Paragraph 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:

Paragraph 2 “Non-Competition” is amended by striking the definition of “Responsibilities” and replacing it with the following:

“Responsibilities” 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 in which the Confidential Information I have would be competitively valuable and within the same geographic scope, or portion thereof, with respect to which I performed those responsibilities for the Company.

No. 3:

Paragraph 3 “Non-Solicitation” is amended by striking the definition of “Restricted Customer” in paragraph 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.

Paragraph 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;

Paragraph 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; (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:

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 Non-Compete Agreement are intended to be divisible and interpreted and applied independent of each other.”

Paragraph 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 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.

CHILE

Private Placement. The following provision shall replace Section 14 of the Agreement:

The grant of the Restricted Stock Units hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Grant Date, and this offer conforms to general ruling no. 336 of the Chilean Commission for the Financial Market;
 - b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Commission for the Financial Market, and therefore such securities are not subject to its oversight;
 - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, since such securities are not registered with the Chilean Commission for the Financial Market; and
 - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento y esta oferta se acoge a la norma de carácter general n° 336 de la Comisión para el Mercado Financiero en Chile;*

- b) *La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Comisión para el Mercado Financiero en Chile, por lo que tales valores no están sujetos a la fiscalización de ésta;*
- c) *Por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*
- d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente*

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.

IRELAND

No country-specific provisions.

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.***

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.

*** **

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, Rosalind G. Brewer, 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/

Rosalind G. Brewer
 Rosalind G. Brewer

Chief Executive Officer

Date: January 6, 2022

CERTIFICATION

I, James Kehoe, 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/

James Kehoe
James Kehoe

Global Chief Financial Officer

Date: January 6, 2022

**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, 2021 as filed with the Securities and Exchange Commission (the "Report"), I, Rosalind G. Brewer, 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/ Rosalind G. Brewer
Rosalind G. Brewer
Chief Executive Officer
Dated: January 6, 2022

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, 2021 as filed with the Securities and Exchange Commission (the "Report"), I, James Kehoe, 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/ James Kehoe

James Kehoe

Global Chief Financial Officer

Dated: January 6, 2022

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.