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Stefan Feltens: Thank you very much. And I want to welcome all of you to Shop Apotheke's Earnings Release Call. I hope that after the presentation, you will agree with Jasper and me that Shop Apotheke had indeed another strong quarter and we did another step on our growth trajectory.

However, before we walk you through the details of our performance in Q1, I'd like to acknowledge the questions that you might have around the announcement by Gematik last week regarding the rollout of electronic prescriptions in Germany, I'm sure that this will come up during our Q&A session as well. Later in the presentation, we are going to share our thoughts regarding this announcement. Most importantly, however, Shop Apotheke Europe, we will be ready for e-prescriptions when they start in earnest.

So, I think this is the fourth time we're doing this from our new headquarters here in Sevenum and it's actually the fourth time we are doing this via video webcast. Based on some feedback that we have received from you, we're going to handle the Q&A session a bit differently. This time, and unless we hear something different from you, we want to do this also for future webcasts, we're going to switch the questions back to audio.

You remember in the past, we did this via our chat function. We want to do it again via audio. We want to make sure that we will be able to answer all of the questions that you have including some follow-ups on your side.

So when we get to the Q&A session, for those of you who want to ask a question, please use the dial information that was part of the invitations that you all received. When you ask the question, please turn off the audio of your webcast to avoid an echo. For everybody else, so if you don't want to ask a question, nothing changes just stay on the webcast.

So we're going to start as usual with the highlights of our performance in the first quarter followed by an update on our strategies, some of the milestones we reached in the first quarter and as you will see, we have considerably shortened and condense our presentation to ensure that we will have sufficient time for your questions.

Well, let's have a look at the first quarter. We delivered, we think, another quarter of strong growth. Our top line went up by more than 22% and reached 284 million Euros. Furthermore, for the fifth quarter in a row, we delivered a positive adjusted EBITDA margin, this quarter of 2.0%, which, by the way, is fully in line with the plans – the internal plans that we have for this year.

When you look at our top line performance of 22% growth, I think that can only be fully appreciated if you consider a couple of headwinds that we experienced in the first quarter of this year. Number one, of course, the Rx bonus ban had a negative impact on our Rx business. Number two, the absence of a regular cough and cold season, related to the social distancing measures and generally higher hygiene standards negatively impacted both our Rx as well as our OTC portfolios.

But to keep this in perspective, overall, if you look at the OTC market in Germany for the first quarter, covering both stationary pharmacies as well as the online pharmacies declined year-over-year by 17%. We could decouple ourselves from this negative development, our OTC business in Germany actually went up a little bit but, again, that's the context in which we operate it in the first quarter.

And last, not least, and I think that's also obvious to all of you Q1 last year was simply a tough quarter to compare ourselves against. Despite these headwinds, again, we grew by 22% and the growth was purely organic in nature.

Our active customer base increased by 36% versus March last year and we have over 500,000 active customers versus the end of last year. Jasper is going to share a little bit more colour around the successful placement of our convertible bond earlier this year but in parallel to driving our top line, we didn't lose sight of executing our strategy.

We continued, as I already mentioned, with our preparations for the e-prescription launch in Germany and we strengthened our expertise in the area of digital medication management with the acquisitions of SMARTPATIENT in January, and then just a few weeks ago with the acquisition of MedApp in the Netherlands.

So if we look at the two reporting segments, on the right hand side, this time we're going to start with international segment, which went up really significantly by 71% year-over-year. The international segment, if you're not yet familiar with it, covers Belgium, France, Italy, and the Netherlands and all of these markets posted very significant year-over-year growth.

In the DACH segment, the three countries also increased and increased nicely. All the product segments increased, with one exception. And again, you're familiar with this already, our Rx business in Germany declined 17% year-over-year. Looking at the Rx development, we need to keep in mind that Q1 last year, of course, included March and in March last year, many of the chronically ill patients in Germany rushed to their doctors before the first lockdown in order to stock up on their prescription medications so we had very strong Rx sales in March last year. March was actually one of the very – the strongest months or Rx months in the history of Shop Apotheke. Only the month of July was even stronger. Again, this was after the lockdown when patients went back to their doctors to renew their prescriptions.

When you look at these two segments and it's notable that the relative share of international segment has increased over the last 12 months. A year ago, the International segment accounted for a little bit more than 13% of our overall sales. This year, in the first quarter, the International segment actually accounted or is approaching 20%, so significant growth in these international markets. And I know we don't talk too much about them or haven't talked too much about them in the past but also going forward for the foreseeable future, we see significant growth potential in these international markets.

Our active customer base reached 6.8 million or close to 7 million by the end of March. Our Net Promoter Score actually compared to Q4 last year went up by one point from 70 to 71. And you might have heard Jasper and me talk about this in the past, we closely monitor and more importantly, we manage our Net Promoter Score because it's the best measure to assess the overall satisfaction of our customers with the end-to-end customer journey. And again, to compare this to other retail verticals or if that's disclosed with some of our competitors, I think we can be really proud of the 71 that we achieved in Q1. And of course, we're not standing – we don't want to stand still.

Our average shopping basket went down by roughly euro 1.60 versus a year ago. This is purely a mixed effect, because we had the decline in our Rx business, the Rx business has significantly how higher average basket values. By the way, when you just look at the non-Rx basket year-over-year, we saw a considerable increase from a year ago. And the last remark on this chart, on the bottom right you see that we continue to add products to our RedCare line of own brand products, which by the way is developing nicely and according to expectations.

Switching to our web traffic. The orange line shows the total number of weekly visits to all Shop Apotheke websites. We see the January jumped to above 5 million weekly visits and we have stayed at this elevated level. By the way if you look at the left hand side, the first quarter last year,

the weekly visits, they were hovering between 3 and 4 million and in the first quarter this year, they increased to 5 to 6 million.

I also want to talk about the blue bars just briefly. The blue bars indicate our year-over-year traffic growth versus the exact same quarter – the exact same week, a year ago. And again, looking at the first quarter this year, with the exception of the first week of March, it was a little bit of an anomaly, throughout the quarter, we saw year-over-year growth in excess of – far in excess of 40%.

By the way, in March, Shop Apotheke German website was the fourth most frequently visited healthcare related website in Germany. Not a surprise, the number one position was the [inaudible] Institute. And when you compare – when you look at the pharmacy websites, Shop Apotheke in the month of March was once again clearly in the pole position.

Well, before I head over to Jasper to walk you through the financials of the first quarter, a quick look at the evolution of our quarterly orders, and our repeat order share. So you see the increase here, of our Q1 orders reached 5.1 million increase compared to a year ago by 23%. So that's pretty much in line with our top line growth. Our repeat order share remains in the 80% range. That's what we're aiming for. We think that is a healthy mix of loyal returning customers and new customers that we have continued to gain and want to continue to gain, going forward.

Jasper, now it is your turn.

Jasper Eenhorst: Yes. Okay. Thank you very much, Stefan. And good morning to everybody on the call today. On this slide, all the key P&L lines are summarised, this quarter versus the same quarter last year, this quarter versus last Q4 quarter. Before I go into the details of the numbers you're seeing here, I take one-step back, and just remind us of what happened last year.

So last year 2020, we had the guidance at the start of the year to break even for the first time on the adjusted EBITDA level of breaking even so around zero and general expectation based upon the seasonality that you always see with Shop Apotheke, there was an expectation of slightly negative adjusted EBITDA margin in the first quarter of last year.

But because of strong internal performance, and also of the arrival of COVID, we actually had a very strong quarter last year. We achieved an adjusted EBITDA margin last year of 2.1%, which was then a positive surprise to the market and to the analysts and also a little bit later, we actually raised our full year guidance based upon that new normal.

So, that was last year, a high margin because of actually an absence of marketing in a couple of weeks of March because we decided to stop marketing because the demand was so high. And also, our efficiency was really high where we, all on the head office, helped getting the orders out to bring the medicines to the people, in the start of the COVID period, so that was last year.

So if I take this helicopter view, then I'm seeing that we increased sales by 22%. That's an increase of 52 million. And this increase despite the headwinds from our Rx bonus bin and, very important, fewer people being ill and fewer people going to the doctor, in this quarter, we actually achieved a same profitability as we did last year, so that's my perspective. And also compared to our internal plans, that 2.0% in the first quarter is entirely online for the more than 2.3% expectation for the current year.

So, sales increase of 22%. We did this with a very strong increase of gross profit margin later I will show the bridge on the next slide. Selling and distribution expenses reflect that we decided to really focus on marketing and acquiring new customers, which we did successfully and also the fact that we operate two facilities because of the capacity. The adjusted total [ph] expenses that you see here are up versus last year, 0.4% but if you look to the right, it's actually slightly better than it was prior quarter four.

All in all, quarter one versus quarter one last, the profit, the adjusted EBITDA in absolute terms is slightly higher, 0.8; the margin is slightly lower, minus 0.1; and my last remark here is, if you look at the fully loaded, straightforward P&L EBITDA, that's at the bottom. You see a slight increase of the adjustments that we had this quarter.

But that's reflective of the fact that we have increased costs of our [inaudible] program, but also because we have one-off non-operational costs related to our two acquisitions, and issuance of new convertible bonds. So all in all, 2.0, on track of our guidance, making investments in growth, and we achieved a better gross profit margin.

Please, the next slide. Here is the bridge of the increase of 4.1%. So I start at the left, last year already, significantly above 20%, for the first time but we increased this year again, on top of the sourcing improvements in 2019 and 2020, this quarter, again, the 0.3% improved conditions on everything that we source. And then you see a 1.4 percentage points, which you have also seen a significant increase in the past three consecutive quarters, which we named net pricing and product mix.

So the total portfolio of prices, vouchers, price reduction, and products that we offer to the customers had an additional contribution margin of 1.4 percentage points. So this together a solid 1.7%. And if we then look at the country, and Rx-OTC mix, it is actually has more a mathematical impact from the fact that our average sales are down, so not that relevant and in other, there is a positive impact from the fact that SMARTPATIENT is having gross profit on their B2B business this quarter. So, that's the gross profit.

If we then go to the next slide, please. The selling and distribution expenses actually went up significantly compared to the prior quarter last year. Marketing because we focused on what you're

strong at doing successful marketing, we saw the MPS, we saw the inflow of new customers, we saw the impressive sales growth, offsetting the impact of Rx.

And we also compare this two very low marketing numbers that we had last year, so year-over-year increase of 2.7 percentage points. Shipping packaging and time due to the fact that international is growing faster, because premix actually there's no increase. And in operational level, that's our deliberate choice to at this moment, we decided that last summer, to operate two facilities at the same time, everything from internationals coming from the building I'm presenting from, so the new facility, but at the same time, everything from that is coming from the old facility.

So, we accept for six to nine months saw inefficiency because we prioritize stability and capacity to grow. We expect in the end of the current year that we will have all orders coming from one facility, an automated facility. So that's the story of S&D.

Next one, please. What does it mean for our cash? We started the year and we started with quarter with 128 million of cash, which includes short-term financial assets. And we ended the quarter at 213 higher at 341 million of cash. I start with the left. The positive info from our operations of 5 million, basically reflecting the positive adjusted either that. But in addition to that, the good performance of favourable working capital movements.

On one hand, in quarter one, we generally always see a favourable working capital because we start with the high year-end balances. But apart from that, you also see that on a structural basic, we improve our receivables and our payables position, five plus 25 is an inflow of 30 million in the first quarter.

Then we have our investments. That's not only our regular investments in PP&E and IT, it's also in our distribution centre, and it is including the cash out of the two acquisitions of MedApp and SMARTPATIENT.

Financing, to make a long story clear, basically, we could say this increase that you're seeing here is the result of the successful placement of our new comfortable bonds. And on the convertible bonds, please remind that we had a comfortable bonds where we paid for full an interest of 4.5% but in win-win situation with the large investors of convertible bonds. We earlier redeemed this bond past October, November 2020, so that bond did not exist anymore.

And we placed successful bonds at the start of this year where we paid the coupon of zero. But those modelling based upon the P&L, and please note that because of IFRS rules and the accounting of a convertible bond is split in the value of a call option and we pursuit bond coupon, so you will see in our P&L still interest expenses related to this bond. But that's all set in the cash flow because we don't [inaudible] it's a zero in the cash flow, so that's all overall operation.

One concluding remark looking at this picture, I think we are in a real robust situation. With that, Stefan, back to you.

Stefan Feltens: Okay, thank you. So let's shift gears for a quick and concise update on some of our strategy topics. You've heard of Shop Apotheke's ambition to evolve from predominantly being an online retailer to becoming Europe's leading customer centric ecommerce platform. We have, of course, built our strategy around this ambition and in the first quarter, we actually reached a couple – we achieved a couple of milestones tied to this strategy.

Shop Apotheke has an active presence today in seven European countries. We are, of course, solidly positioned in Germany. We have market leading positions in Austria and Belgium. And in the other four markets, we see significant growth potential going forward. The basis for the growth of our customer base is of course the overall satisfaction with Shop Apotheke's offering reflected in our end-to-end customer journey, which is measured, as I mentioned a moment ago, with our net promoter score of 71.

We talked about the strategic milestones that we hit in the first quarter, of course, and you've heard about this before, we strengthen our capabilities, but also our capacity in the area of digital medication management. With the acquisitions of SMARTPATIENT in Germany and MedApp in the Netherlands, we remain convinced that sophisticated digital medication management will be a key driver, especially in an eRx world. Moreover, of course, the acquisition of MedApp was the first step of Shop Apotheke to first Rx step beyond the boundaries of Germany.

In terms of our transition to our new logistics centre, everything is on track and remains on track. In January, we started the automation of our equipment, of our new equipment and of our processes and we are about to commence the transfer of customer orders from customers in the Dutch region from the old to the new facility.

I hope you agree with us that our strategy remains on track. Just a couple of words about the acquisition of MedApp in the Netherlands and to be precise in the city of Eindhoven. The addition of MedApp fits in three ways to Shop Apotheke. Number one, we strengthen our expertise in digital medication management. Number two, we continue our expansion into promising European markets and number three with the Netherlands, we entered the second Rx market and actually it's the first eRx market for Shop Apotheke.

So, let me say a couple of words about our path towards e-prescriptions. Starting with the announcement from the Gematik last week, which from our vantage point was reassuring in a couple of ways. Number one, the Gematik confirmed that that it will start up the telematics infrastructure in July as it had promised. Number two, it confirmed its readiness for the for the eRx mandate and that's when e-prescriptions are going to start in earnest on the first of January next year and principally confirmed that the mandate will indeed stay in place.

And in terms of the decision to start with a test region in Berlin, Brandenburg area, we actually think that was a smart move because based on the experience that all market participants are going to gain, we're going to end up with a better overall user experience. And that can only help with the with the adoption and the use of electronic prescriptions when once again, e-prescriptions are going to start in January next year.

We're going to, in all likelihood, the process, the systems, the potential errors will have been found during this pilot phase. And again, Gematik will be able to offer a better overall customer experience. Based on everything that we have seen so far, we have no doubt that Gematik, they have hit all of the milestones of their admittedly tight and ambitious, eRx roadmap and based on everything we know today, we have no reason to doubt that this will hold true for the remaining steps as well.

We, at Shop Apotheke, we of course with our Rx taskforce which has been in place literally since 2019, we will be ready whenever a customer, also a customer in the test region, decides to send the prescription our way, we'll be able to receive it, and we will be able to process it and to dispense the medication.

On the next chart, before I hand over again to the Jasper, just a couple of words about some changes on our supervisory board. Jan Pyttel, working at the helm of our supervisory board, since the IPO, for purely personal reasons, he decided not to go for another term. Jan has really been instrumental not just with the IPO itself, but he also helped us, and the management team, to avoid some of the potential post IPO pitfalls of fast growing company. So, Jan, thank you very much for your leadership and we're very happy that you will stay involved with Shop Apotheke as one of our major shareholders.

Bjorn Soder, who has been on the supervisory board since the IPO, he's going to take over as the Chairperson of the Supervisory Board. Bjorn is going to ensure continuity on the Supervisory Board

and we are looking forward to working with Bjorn in his new capacity. And last but not least, we are also happy to welcome Henriette, Henriette Peucker, to the Supervisory Board, Henriette has a wealth of experience in media relations, in public affairs and investment banking. And we are really excited to benefit from all the insights that she is going to bring to the table. So Henriette, a warm welcome for all of us, and again, we're looking forward to working closely with you in the future.

With this, I'll hand it over to Jasper again.

Jasper Eenhorst: Yeah, super. Yeah, with pleasure. Yeah, here's the guidance that we have and actually, from a relative perspective, a turbulent times on the capital markets, on the eRx, on the healthcare and corporate-related impact markets, we did not only actually deliver, according to me, a very solid or perhaps even a very strong quarter one results, but we also feel comfortable enough that we could actually reiterate today our guidance for 2021 for the longer term in all aspects.

So that means for the current year 2021, we expect to continue to grow around 20% on a full-year basis. The full year adjusted EBITDA up versus last year 2.22, between 2.3% and 2.8%. And just to remind, it is around 20%, just if I go back to the sales, we have always seen it in our guidance that we did not expect a significant increase from eRx, already at the start of the eRx.

We always set this around 20% is not including the significant to pick up in eRx in 2021 because the more important date is when it's national wide, and the ambition here is the first of January 2022 as you all will know. So, sales around 20%, adjusted EBITDA between 2.3% and 2.8%.

And we expect to make investments, of course, excluding the CapEx that we did spent on the acquisitions of MedApp and SMARTPATIENT in quarter one, with other investments of around 3.5% of sales and our longer-term target profitability, our business model for future isn't changed, of an EBIT margin in excess of 6%.

So confirmation that our expectation at the moment is that we expect to continue to grow fast in this year, and that we think we are in an end-to-end situation where we combine the significant investments in growth with even a slight uptick in our margins at the same time.

I would propose to go to the next slides and then now on please to the Q&A. I was asked to ask you that please if you ask questions, mute your webcast. Otherwise, they will interfere with each other. So, Emma, please let us know if there's any question.

Operator: Certainly. If you'd like to ask a question you can do so now by pressing star one on your telephones. That is star, one, if you would like to ask a question. We will now take our first question from A from Jefferies. Please go ahead. Your line is open.

A: Hi, good morning, Stefan and Jasper. Three questions for me please. Thank you very much for making the Q&A open line again, really appreciate it. I will leave the margin discussions to the others. My first question would be on your underlying customer structure. Do you see a change in the customer acquisition cost and quality of customer as you can see a trend in the conversion rate from previously stable at around 9% to 7% in the first quarter.

My second question is related to your current trading. Could you share some insights how the current OTC and Rx movement is evolving? And additionally, I know you don't disclose on the country level anymore but could you give us more colour on how the country split evolved in the DACH region to get a better understanding of the underlying OTC momentum in Germany versus Austria and Switzerland.

And my last one would be on the noise in the market. I mean, we kind of expected some noise in the press around the roll out. But I also heard a lot of factually wrong points being pushed. I mean one of them points in push is definitely related to your customer journey and I want to address this

point directly. I mean, we heard some noise that you might not be able to proceed a printed QR code in your app. What's your take on that? Thank you very much.

Jasper Eenhorst: Shall I start?

Stefan Feltens: Yeah, go ahead. Yeah.

Jasper Eenhorst: Okay. Thanks a lot, A. Appreciate a lot your questions. I'm not aware, we are not aware of any change in the behaviour of our underlying customers. We are actually happy with the inflow of new customers in quarter one, it was very positive but we are seeing is that our existing customers actually did spend somewhat less in the first quarter, but we know that – okay, let me see. Can you still hear me, A?

A: Yeah, I can hear you.

Jasper Eenhorst: Oh, you can hear me. Then I will just continue, there's something happening with the webcast, I hope that people can still hear us. Now the existing customers were of course impacted by the absence of no flu and colds but also by the fortunately fewer people going to the doctor. But we were able to offset that with successes in each of our countries, inflow of new customers. So, no change there in cohort, any issue that we are aware of, and also no change in conversion there; of course, apart from the conversion that we see in our Rx specifically.

Current trading. Yeah, I also would like just to stick to our guidance of growing full year 20% but I will nevertheless share a bit more colour, it is wishful thinking that our Rx will increase significantly in the second quarter. This start of quarter two was comparable to the end of quarter one. That's what we see in Rx but we remain confident that as we and our balanced portfolio are able to deliver on the full year guidance of growing around 20%.

With a question on DACH and the countries, I will take that one and you can.

Stefan Feltens: Yeah.

Jasper Eenhorst: In DACH countries, indeed I don't want to be too formal there but I want to stick to certain rules that we have, we report into segments that stuff and international. And we have achieved double-digit growth in each individual country too. So that's some colour over there. But discussing more the specific countries that's not the language that we are talking.

What you can see for the numbers and that's perhaps what you are looking for, it's mathematically of course the case. If our Rx is lower by 17% with our total DACH is increasing by 15%, still that means that everything that are in different countries in DACH have been very successful growing. I hope that's helping you somewhat A. Otherwise let me know after Stefan addresses your question on noise in the market.

A: Okay.

Stefan Feltens: Thank you. Yes, so, noise in the market, there has always been a lot of noise in the market because until it's happened, there is a certain degree of uncertainty. But let's look at the facts. We just received a confirmation based on some of the noise that of course, we also picked up on that we will be able to receive electronic prescriptions from the Berlin, Brandenburg test region if a customer chooses to send an electronic prescription to us. So again, that will allow us to test our processes and our systems. As an online pharmacy, we will be able to participate in this test region as well.

In terms of – and I think that was at the core of your question, A, how will we receive the electronic prescription or how will we access the electronic prescriptions? Well, I can only refer to Republic document that is available to all of us and those are the eRx specifications, as published by the

Gematik and Gematik talks about two primary ways of transmitting the QR code, number one through the Gematik central eRx app from Gematik.

And secondly, and that's explicitly written in the specifications there, it says that, in addition, transmission of the QR code via messenger services is permissible as well. We are all waiting, of course, for the directive from the health ministry. All I can say is based on all the contacts that we have, we don't foresee that there will be any significant change from what the Gematik published. But again, we are waiting for the final directive from the health ministry. Did we answer your questions. A?

A: Okay. Thank you very much. I think that – yeah, I think that basically confirms what I've also heard from my connections I had before. And also as a data point for you, I think the management of Coimbra Group are responsible for the part of the doctor connection law. I mean, they just confirmed on their earnings call that they also see no risk for the rollout and basically confirmed this January 1, 2022. So, thank you very much. I will jump back into the queue. Thank you.

Stefan Feltens: A, we had a confirmation from the Coimbra Group a little bit earlier, for our context. They said, well, 1st of October, that was initially the requirement, that will be really tough, but they will be ready by the 1st of January with their practice software.

Operator: Thank you. We will now take our next question from V from Baader Bank. Please go ahead. Your line is open.

V: Hi, hello, gentlemen. V with Baader Bank. Yeah, congratulations on the great top line momentum you showed in the first quarter? I would like to ask three questions. And first of all, I would start to the same day delivery progress. How many pharmacists signed up as a partner to your platform? And could you give an update on same day delivery?

And the second question is on the international business, I know you don't break it down. But however, could you perhaps provide some highlights, lowlights in regards to product categories or countries to get a bit more granularity in the whole block of international? And Jasper, the third one, yes, I also want to come back to the central question in regards to mandatory introduction of the e-script and e-visits going to happen or not. I hear the noise.

Yes, on the one hand, there is noise about technical issues, besides from outside, if it's right or wrong. But I hear you and I hear the confirmation of Gematik but however, there's also some noise about the solution which is no sound for introducing the e-script is potentially or perhaps not consumer centric enough, it was raised by Klaus Reinhardt, the President of Bundesärztekammer. Would you agree on that as well?

On all what you have seen, how the process will be managed finally, how do you look at the consumer centric way of the of the introduction because at the end, the consumer has to access the e-script and has to see e-script as a convenient tool in order to do raise the penetration going forward. Thank you.

Stefan Feltens: Well, I will start and Jasper, you will chime in. On same day, we talked about this in the past, we will cover all of the metropolitan areas in Germany by the end of this year and perhaps it is going to happen actually a little bit faster but again, our objective, the overall objective, is to cover all metro areas in Germany by the end of this year. Our concept is to work with a limited number of partner pharmacies in those metro areas because it needs to be economically viable for these partners as well.

And if you have a large number of partner pharmacies, that will make it difficult for them to see a financial return on their activities. We are identifying – in some cases, potential partners are approaching us, we are selecting a couple of partner pharmacies in each metro areas.

In terms of the third question and the second question, Jasper, perhaps you want to say something about it. Again, going back to electronic prescription, again, we are literally in daily context with our eRx or Rx, first task was with a variety of players, of market participants, we have good and solid working level context also with the Gematik. In terms of the technical aspects, we don't foresee any major problems based on everything that we know today.

So in terms of the consumer, as you describe the centricity, I think that the head of the German Physician Association, he was more referring to how convenient is this was for physicians, and there is one question that remains to be addressed. And that's how they can digitally authorize or sign electronic prescriptions. Right now, they literally have to lock in and have to electronically sign every prescription individually.

And I assume you have listened to the interview with the head of the Gematik Markus Leyck Dieken just a couple of days ago, he clearly stated that the so called [inaudible] signature, which will allow physicians to kind of a batch process to authorize a large number of electronic prescriptions at once, that is clearly on the agenda for the Gematik. And like Deacon, he clearly stated that they know in order to ensure acceptance from the physicians of electronic prescriptions, that's something that needs to be available with the eRx mandates on the first of January next year. Jasper, international segment?

Jasper Eenhorst: Yeah. Hi, good morning, V. Hi. Just one last sentence to what you said on the on the intro of prescription. Because V you also said that potentially it would not be customer centric enough the solution but if there's one thing that the Gematik has always focused on is that this should improve the lives of all Germans, of all customers. And a basic journey is you can indeed receive a digitally [inaudible], but you can also receive it on paper with a QR code on it and you can just use that in your account that's on the paper. So I think the central point here is actually that it is customer centric and proven over there.

And then to your international, thanks a lot for your question, because we don't get a lot of questions on international. But now that the numbers get bigger and the growth, I also understand that we get more questions there. Product categories and things like that, that's not the level of we disclose V.

We know, we don't have Rx, except for the fact that actually a couple of weeks ago, we started with Rx in the Netherlands, but there's just a start, so it is everything. But Rx, apart from that it's a comparable portfolio that we also have in the DACH region. And what's very interesting from our perspective, is that we see how different the approaches that we need to apply per country. Belgium, Italy and France are very different in this perspective already, what the pharmacy is, what can you sell in a drugstore, what are you not allowed to sell in the drugstore, what can you sell in the pharmacy and what kind of marketing can you do.

So you basically see here that we basically have the same portfolio across all the countries of our products, that the proposition we have to our customers, the devil is really in a detail there to be successful. V, that is from our side. Is there anything else? Otherwise we go to the next one.

V: Yeah. Perfect. Thank you very much and all the best. Thanks. Good luck.

Stefan Feltens: Thank you.

Operator: Thank you. We will now take our next question from O from Kepler Cheuvreux. Please go ahead. Your line is open.

O: Yes, thanks. Good morning. I also appreciate the move with audio and video, probably the best of both worlds. I would take my questions, one by one, if that's okay. I have the first one is again on e-script. I just wanted to confirm when you are considering, what are you hearing on the side

of the doctors, do you see any risk that there could be further delay to the introduction of e-scripts or not? That would be the first one.

Stefan Feltens: Well, O, you know, until this happens, there's always some risks. We don't foresee this. Again, based on everything we are hearing the health ministry, and there was an email statement from the health ministry, but also the Gematik, they confirm, they stand by the eRx mandate, as of the first of January. We're going to have elections this year. Again, there remains some uncertainty. I don't want to hide this but that's not what we are hearing from the decision makers.

O: Okay, fair enough. And then I was just wondering on the customer numbers, if you could shed some light on how many customers you added in the quarter, not the active customers, but just the customers that were new in the quarter.

Jasper Eenhorst: Well, the increase of the active customers is indeed net of new customers and churn of customers. So you're asking what's the gross amount?

O: Yeah.

Jasper Eenhorst: That's not how we look at it but there is nothing spectacular, different from all the other quarters. We can only grow our active customer base as fast as we do and if we able to be very sticky to our existing customers and add new ones. So the fact that we were able to increase more than half a million of customers in just the first three months, in all the challenging environment that we discussed extensively now is a very good sign, also of the fact that we were able to keep many of our existing customers.

But of course, intuitively, we look at that O. There's nothing to hide, but it's not the language that we talk externally to speak to split it out. For us, it's important to increase the base of loyal, active customers, and to make those customers really happy. And on the base of that active loyal

customer base, we are trying to add as many new customers and to make domestic as possible, yeah.

Stefan Feltens: Perhaps, Jasper, just one additional thought there. When we look at the behaviour of our pre-COVID cohorts and the COVID cohort, we don't see any difference. So this in terms of the stickiness that you were referring to, really, we don't see a change in the behaviour, in the churn, in the activation quota of the customers that we have gained since the start of the Corona pandemic.

Jasper Eenhorst: Also, last December, when all the pharmacies [ph] in the German cities were full again, when there was a temporary opening up, we did not see that there was any change of new customers being not that sticky, on the contrary, I would say. Yep, yep.

O: Okay. And can you shed some light on the international versus DACH customer development, perhaps?

Jasper Eenhorst: In each country, we had significant growth. We were successful adding new customers and increasing our active customer base with the exception of Rx in Germany. And it's not like a one country contributed much more than another country. It is really we were happy with the overall performance in everything, but Rx in Germany. So, all the countries added new customers.

O: Okay, fair enough. And I want to go back to slide 10 and 11, just on the on the sequential development of the gross profit margin and the selling and distribution costs. Just wondering on the gross profit, first, if you can help us think in terms of the quarter-on-quarter change in the gross margin. It's pretty – [inaudible] has a positive gross margin effect and a positive mix effect since you had lower sales in Rx, in terms of sharing the mix. Anything else to flag quarter-on-quarter? I was also curious to see how SMARTPATIENT contributed to the gross margin development quarter-on-quarter.

Jasper Eenhorst: Yeah. I think it adds insights if I tell you that there is not an EBITDA positive impact from the bonus balance. That's not there. And mathematically, our gross profit margin on the product is higher if you don't give a bonus, but we also gave an opportunity to our customers that because we were not allowed to give the bonus to them, that they could choose that we will give it to a charity and [inaudible] you need to care.

At the same time, you see that our marketing on Rx continues. So bottom line, there is lot of positive impact in the quarter because of having no bonus to Rx. That's not the case. If we could have continued to growing Rx that actually in Euros, our bottom line would have been better. Yeah, that's basically. So I think that's the key message there.

Then with SMARTPATIENT, I can't disclose anything of that. But in a total pitch, according to me, it's not very relevant. The main reason why we now have incorporated to work it together intensively with SMARTPATIENT is their expertise on improving digital medication management for our customers and in making the users of their app to our customers.

But apart from that ,they already had their own business and the business was developing at the medicine specific apps for the pharmacy industry and they get paid for that. And that's what you see the gross margin. So we have some sales from SMARTPATIENT, we have some contribution margin there but that was just because we disclosed on the bridge that it was an over [inaudible], it was helping our contribution margin over there.

But the main impacts of SMARTPATIENT is going to be in the retail sales and in the retail gross margin, so that's the overall picture. And it is in the order of 1.1, it was a major part in the gross margin isolated, the SMARTPATIENT impact was a major part, yeah.

O: Okay. Fair enough. And then in slide 11, kind of the same question. Last year, you stopped marketing for about a month in Q1. This year, definitely it was not the case. What about, , quarter-on-quarter, Q420 to Q121, what happened there?

Jasper Eenhorst: Generally, if you look at – you'll see that in quarter one, our marketing as a percentage of sales is higher than in the fourth quarter, it's generally the quarter where we focus a lot, also, because of seasonality and customer behaviour on acquiring new customers. This year was also the case, we'll also continue probably in the balance within our guidance to focus as much on growth as possible.

And in quarter four, you actually saw that our sales growth was much more which was making our – there was not the [inaudible], which is also making the percentage of quarter four looking better compared to quarter one. There was nothing happening. It was actually – no, we did what we are really good at. We did focus a lot on marketing in quarter one and we are continuing to do that now.

O: Okay. And the last one, I was just wondering –

Jasper Eenhorst: Yeah, and last year, we had a couple of weeks without marketing, not an entire month. Yeah, O, can you limit your to one last question.

O: Yeah, the last one. Yeah, very last question on Rx. In Q2, do you expect a continuation of the trend that we've seen in Q1 or something more towards the low-single digit?

Stefan Feltens: It's too early, but we see a continuation of what we have seen in the first quarter. Again, we stated there is a negative impact from the RF bonus ban which is a different topic, we remain convinced is a violation of European law, but it has an impact on our Rx business. Will leave it at this.

O: Okay. Thanks a lot.

Jasper Eenhorst: Have a good day.

Operator: Thank you. We will now take our next question from AR from Barclays. Please go ahead.  
Your line is open.

AR: Hi, thanks for taking my questions. I've got three. And hopefully I'm not beating a dead horse. But you talked about two ways of transmitting the QR code free e-scripts. And regarding the central e-scripts in particular, based on your conversations with those close to the matter, do you have clarity on whether and how third party apps will be able to connect to the Gematik app directly? And I realize it's not totally clear yet but is there a date by which this should become quite clear?

Second, do you have a sense of what proportion of doctors, practices and physical pharmacies already have the technology needed to actually implement e-scripts, and how comfortable – how can we get comfortable that they'll be ready for the 2022 deadline? And then lastly, a bit of a boring question. What kind of net finance costs do you expect for the full year, both cash and non-cash?

Jasper Eenhorst: So I take the boring one then and you the first two.

Stefan Feltens: Yeah, okay.

Jasper Eenhorst: Let's start on the financing. The key of the financing cost of quarter one, AR, is that there's nothing peculiar in quarter one. So I don't know if you can extrapolate it one on one but it is just what it is. And what's included in it, it's financing but it's – what I just said, the accounting treatments also have our [inaudible] which is non-cash, but which is in our – that's one part of the financing expenses.

Then there is the fact that because of our cash balances, we pay a negative interest. That's in it but also our operating leases off the head office, and particularly of our facility here, that the operating leases, you account for in depreciation and in interest expenses as well, so that's – those are main elements that are in that financing. If I think about it – I think that they'll be comparable in the coming quarters to what you saw in quarter one. Yeah.

Stefan Feltens: Okay. AR, in terms of the connection to the Gematik, there was a statement from the Gematik in the past that so called value at app state, it will be able to connect. At this point of time, it was supposed to happen in relatively short order, but we don't have a firm date there yet.

More important for us is again, when 90% of – initially 90% of the prescription of the electronic prescriptions, once the physician has uploaded the prescription to the telematics infrastructure, meaning the cloud, the physician will print out a copy of this electronic prescription and the most important piece of information on this printout will be the QR code.

And for we think the major way to transmit the QR code to a pharmacy of choice will be either by messenger apps or also by, for example, the apps of the various service providers, including Shop Apotheke. Again, we are all waiting for further clarity, a definitive clarity with the directive from the health ministry but that's our understanding right now.

In terms of readiness, again, there are two major players, of course, we have to pharmacies, I don't foresee any issue that they are not going to be ready well in advance of the eRx mandate coming into effect. In terms of physicians, again, that was a reassuring statement that we heard from A, we had told, as I mentioned, some time ago already that the largest provider of physician software will be ready for the first of January.

This year, we don't – if there is a software component, again, that is the physician software, again, we get more and more confident probably some small providers might not be ready, but the vast majority of physicians should be covered. There is a hardware component that connect us that's based on what we have learned so far, that should not be an issue. So again, on the critical path is more to the software component but it looks promising. Thank you.

AR: Thank you.

Operator: Thank you. We will now take our next question from G from Berenberg. Please go ahead.  
Your line is open.

G: Good morning. Also two questions in respect of to the eRx, please. First of all, do you have an expectation when the directive from the health ministry should come?

Stefan Feltens: Well, it is understanding that this directive will have to be notified to the European Commission. It is supposed to come into effect on the first of October, again, based on everything that referred so far. So really, in order to be able to notify the European Commission, it should come within a very short period of time. We don't have a firm date, as you know, that was supposed to come much, much earlier but now they're really under the gun because they need to adhere to the notification period.

G: Okay. And if I hear you correctly, what you expect in the first step is that vast majority of e-prescriptions will be printed into PDF, there is a QR code and then I would guess that in your app, you would have a scan function where you could scan this QR code and that's how people would send it to you?

Stefan Feltens: I want to leave it a little bit open. There will be alternative means according to the Gematik specifications of transmitting this beyond the central Gematik app.

G: I'm just wondering, I guess the rumours about the Gematik app itself being an app that you don't need anything else? So, in real life, how would it look like on my mobile phone? Do I have the Gematik app and Shop Apotheke app any way to transfer the QR code between the two or does it have to come out in the printer then go back into Shop Apotheke. Any news maybe about the restriction of you being allowed to scan it in because there could be fraud. I mean, anybody could scan in a QR code. So I think that is the main issue there.

Stefan Feltens: Yeah, everybody could scan in the QR code, but the prescription can only be mailed to the person that's indicated, that's included in the electronic prescription. You might have seen what the print is going to look like similar to the paper prescription today. Of course, the main, there's the address, we as the service provider, as the pharmacy, it doesn't matter who sends the QR code to us because you have some patients that might not be able to handle the smartphone, the QR code by the smartphone, so a relative might do it for them. But we can only mail the prescription to the individual that's included in the electronic prescription.

Again, the assessment that initially 90% or more of the prescriptions will be printed out, well, meaning that the patient will initially not access these prescriptions through the Gematik app, that is something – that is an estimate that came actually from the Gematik.

G: Okay, thank you.

Jasper Eenhorst: Thank you. Okay.

Stefan Feltens: I think that's it. So thank you very much for your interest in Shop Apotheke. Again, hopefully you agree with Jasper and with me, we have a strong quarter. These are very interesting and exciting time for all of us, because something that has been in the making in Germany literally,

for almost 20 years is coming to fruition within the foreseeable future. We're very excited about this. We will be ready for electronic prescriptions.

And again, we don't want to lose sight of this that this will be an important growth driver for Shop Apotheke but there is much more Shop Apotheke being a customer-centric e-pharmacy. We've seen some interesting, exciting developments outside of Rx and outside of Germany in the last quarter. And I'm sure we'll be able to share more exciting news with you in our next call and I think that's in early August, Jasper.

Jasper Eenhorst: Yes. Yep. Absolutely. Yeah, after summer. Yeah.

Stefan Feltens: Thanks, everybody. And you don't have to find us if you have more questions.

Jasper Eenhorst: Yeah. Thanks a lot. Okay. Bye, bye.