

SHOP APOTHEKE
E U R O P E

INTERIM REPORT

31 MARCH, 2020

LETTER FROM THE MANAGEMENT BOARD.

Dear shareholders, ladies and gentlemen,

In continuation of last year's Q4, we recorded strong sales in January and February. As of mid-March, the Covid-19 related lockdowns and forced closure of non-essential stores in all countries we are operating in, triggered additional growth of our revenues. Overall, our sales rose by 33 % to EUR 232.0 million in the first quarter after EUR 174.6 million in Q1 2019. EUR 55 million came from the prescription drug (Rx) business, which grew by 23 % year-over-year.

The strong performance of our business during the first quarter enabled us to achieve the projected break-even ahead of schedule. Our adjusted EBITDA for Q1 improved by EUR 14 million from EUR -9.1 million in 2019 to EUR 4.9 million in Q1 2020. This translates into an adjusted EBITDA margin of 2.1 % compared to -5.2 % last year. The greater part of this development is based on sustainable, operational improvements and not on temporary impacts of Covid-19.

The near-term operational challenges to meet additional demand and lockdown conditions with the associated costs, are likely to continue for some time. In line with these goals we have implemented several proactive measures going beyond the guidelines issued by national governments and health authorities to ensure continuity of supply while prioritising the safety of our employees, partners and the communities we live and work in. Our operational plans are working well and the commitment of our employees has been outstanding. In appreciation of their dedication and engagement, the Management Board decided that every SHOP APOTHEKE EUROPE employee will participate in our success by receiving a special Corona bonus.

Everyday life has changed rapidly over the last weeks and trading conditions around the globe have been far from normal. The online penetration of our and other businesses has increased faster than expected but at this stage the underlying long-term sustainability is uncertain. Nevertheless, we expect that Covid-19 will accelerate the changes in retail and healthcare that we are addressing in our strategy.

In this challenging environment we are progressing on our company's road to success. In Q1, we introduced a new online doctor service in cooperation with Zava, which is an important element of SHOP APOTHEKE EUROPE's strategy to become a customer-centric e-pharmacy platform. The next milestones for the current fiscal year are the roll-out of our same-day delivery option to further metropolitan areas in Germany and the launch of our marketplace, which is scheduled for the second half of 2020.

The revenue momentum continued in April and performance in 2020 remains ahead of planning. Considering the continued revenue momentum, the Management Board now expects a positive adjusted EBITDA for the full year 2020 instead of breaking even. Based on developments in Q2 2020 and with a clearer view of the volatile overall environment due to corona, SHOP APOTHEKE EUROPE will provide a full update on the 2020 guidance with the H1 results.

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KEY FIGURES.

Continuously increasing our strong growth across europe.



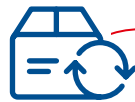
REVENUE Q1 2020:
EUR 232 MILLION (+ 33 %).



PARCELS SENT IN Q1:
>45,800 PARCELS A DAY,
66,727 IN PEAK



GROSS MARGIN:
INCREASED TO 21.5%.



REPEAT ORDERS:
82 PERCENT.



ACTIVE CUSTOMERS:
5.0 MILLION.
+ 0.3 MILLION CUSTOMERS
IN Q1.



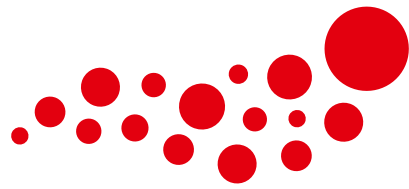
AVERAGE SHOPPING
BASKET SIZE:
€ 65.2 (Q1 2019: € 65.0).



SITE VISITS:
44.4 MILLION (+ 28 %).



CUSTOMER SATISFACTION:
NPS SCORE: 70
(PREVIOUS QUARTER 70).



SHOP APOTHEKE
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01

INTERIM GROUP
MANAGEMENT REPORT.

BUSINESS MODEL, GROUP STRUCTURE AND CORPORATE GOVERNANCE.

The statements made in the 2019 annual report regarding the business model, the group structure, the management system and the corporate governance practices still apply at the time of publication of this interim report.

BUSINESS DEVELOPMENT.

Consolidated revenues and results of operations.

Sales of prescription and non-prescription pharmaceuticals as well as medications and pharmacy-related beauty and personal care products are subject to seasonal fluctuations, with demand for pharmaceuticals especially high during the first and fourth quarters of the year.

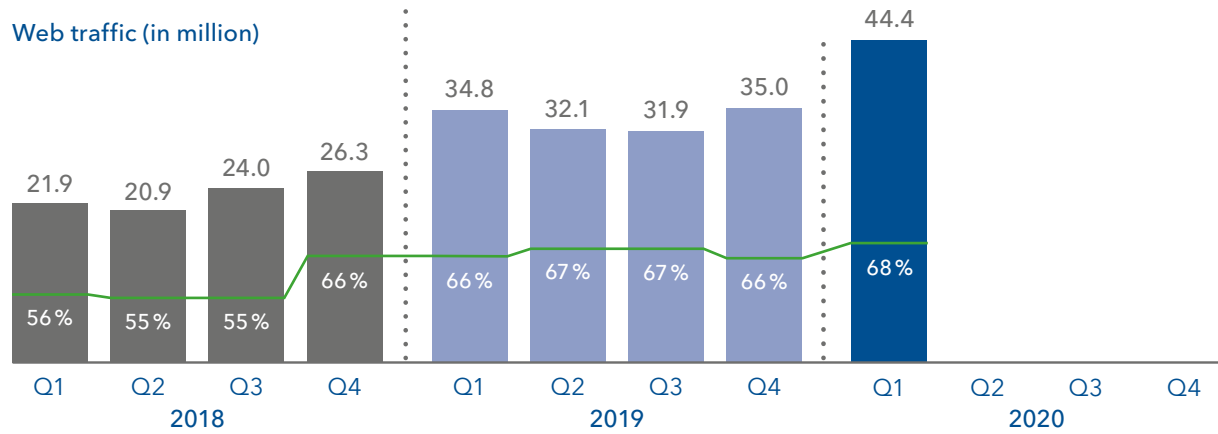
During the first three months of fiscal year 2020, SHOP APOTHEKE EUROPE N.V. recorded substantial revenue growth. Consolidated revenues rose by 33% to EUR 232.0 million compared to EUR 174.6 million during the first three months a year earlier.

The number of active customers increased by 25% from 4.0 million as of 31 March 2019 to 5.0 million, thereof around 300k during the first quarter 2020.

The number of orders increased by 35% compared to the corresponding period last year, reaching 4.2 million (Q1 2019: 3.1 million) with the size of the average shopping basket at EUR 65.15 during the first three months of the year, slightly above the previous year's level of EUR 64.92. The share of repeat orders was 82% compared to 78% the previous year while the return rate remained minimal at less than 1%.

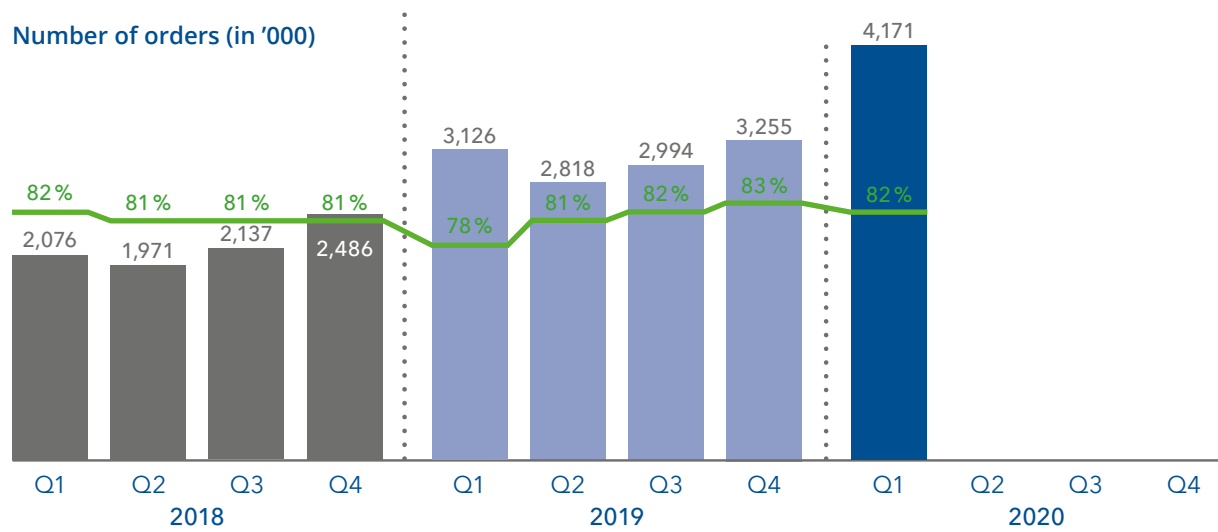
Performance indicators Group	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Page visits (million)	21.9	20.9	24.0	26.3	34.8	32.1	31.9	35.1	44.4
Mobile page visits (million)	12.3	11.5	13.3	17.5	23.2	21.7	21.7	23.2	30.0
Ratio mobile (in %)	56	55	55	66	67	68	68	66	68
Orders (million)	2.1	2.0	2.1	2.50	3.1	2.8	3.0	3.3	4.2
Orders by existing clients (in %)	82	81	81	81	78	81	82	83	82
Return rate (in %)	0.7	0.9	0.9	0.8	0.9	0.9	0.8	0.6	0.7
Active customers (million)	2.7	2.8	3.2	3.5	4.0	4.2	4.5	4.7	5.0
Average shopping cart (in €)	73.4	75.0	72.3	69.6	65.0	67.7	66.9	67.9	65.2

Web traffic (in million)



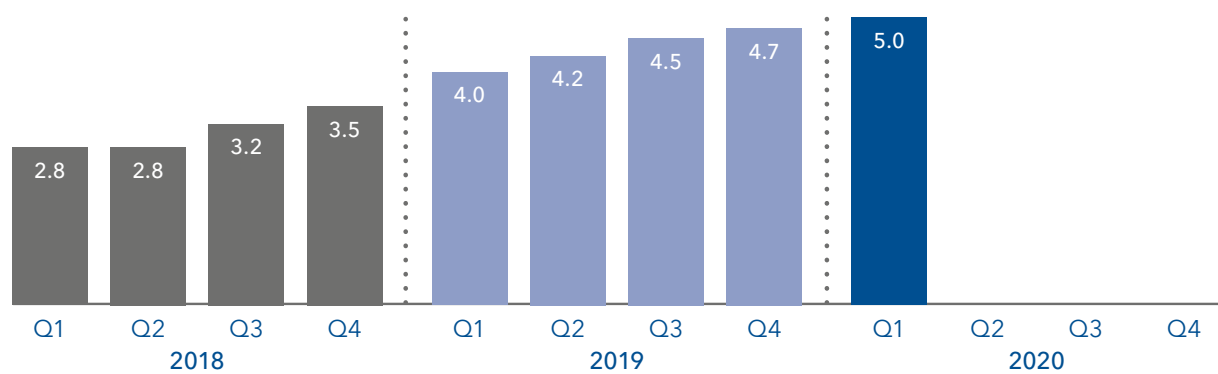
— Share of mobile visits (%)

Number of orders (in '000)

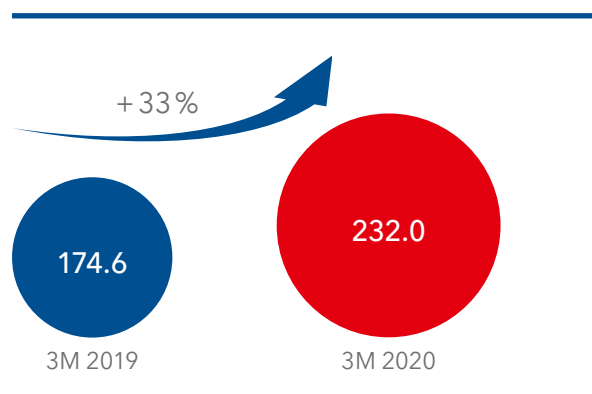


— Share of repeat orders (%)

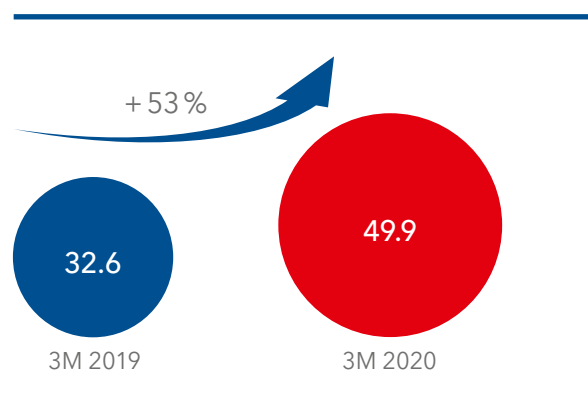
Number of active customers (in million)



Consolidated revenues (in € million)



Consolidated gross profit (in € million)



With a rate of 53%, gross profit at Group level increased significantly faster than sales, from EUR 32.6 million during the first three months of 2019 to EUR 49.9 million over the period under review. Compared to a year earlier, the consolidated gross margin rose by 2.8 pp to 21.5%. This favorable development can largely be attributed to two reasons: the successful improvement of sourcing conditions and a higher average net price impacted by fewer voucher campaigns.

Selling and distribution expenses (S&D) increased by 7.5%, from EUR 36.5 million during Q1 2019 to EUR 39.2 million for the period under review. As a result, the S&D ratio was down by 4.0 pp to 16.9% driven by sustainable efficiency gains, but also due to lower marketing spending related to the corona outbreak in March. In combination, the beneficial developments of both figures, gross margin and S&D ratio, led to a substantial improvement of the Group's segment EBITDA, which went up by EUR 14.6 million from EUR -3.9 million in Q1 2019 to EUR 10.7 million during the reporting period.

Administrative costs were EUR 6.8 million (previous year: EUR 5.9 million) and included extraordinary expenses of EUR 1.1 million (previous year: EUR 0.7 million); the adjusted administrative cost ratio was 2.5%, down 0.5 pp from 3.0% a year earlier. The increase of administrative costs is largely driven by labour costs due to a higher number of employees.

Adjusted consolidated EBITDA reached EUR 4.9 million compared to EUR -9.1 million for the first three months of 2019 an improvement of EUR 14 million, translating into an (adjusted) EBITDA margin of 2.1% after -5.2% in previous year's period. Including depreciations of EUR 3.4 million (previous year: EUR 3.5 million), the adjusted EBIT was EUR 1.6 million (Q1 2019: EUR -12.6 million). Adjusted earnings after taxes were EUR -3.9 million compared to EUR -14.0 million a year earlier.

Three-month consolidated financial information

	JAN 1 - MAR 31, 2020	JAN 1 - MAR 31, 2019
	EUR 1,000	EUR 1,000
Revenues	231,986	174,646
Gross profit	49,911	32,617
Selling & distribution costs	-39,224	-36,503
Segment EBITDA	10,692	-3,885
Administrative costs	-6,832	-5,906
Administrative costs (adjusted)	-5,722	-5,190
EBITDA	3,860	-9,791
EBITDA adjusted	4,938	-9,075

SEGMENT PERFORMANCE.

DACH segment.

During the first three months of 2020, DACH - SHOP APOTHEKE EUROPE's largest segment by revenues, covering business activities in Germany, Austria and Switzerland - grew by 29.6% compared to the corresponding period a year earlier. Revenues rose to EUR 200.8 million after EUR 155.0 million for the first three months of 2019. Within the DACH segment, Rx sales in Germany grew by 23% and OTC sales in Germany grew by 30%. Sales in Austria and Switzerland grew even faster but from a lower level. nu3 recorded a growth rate of 25% in the DACH region. During the same time, gross profit was up 49.1% year-on-year from EUR 28.0 million to EUR 41.7 million. The gross margin rose by 2.8 pp to 20.8% compared to 18.0% last year. SHOP APOTHEKE EUROPE improved the adjusted EBITDA in the DACH segment by EUR 12.6 million to EUR 7.0 million (previous year: EUR -5.7 million).

International segment.

SHOP APOTHEKE EUROPE significantly increased its revenues in its international markets (Belgium, France, Italy and the Netherlands), up 58.7% to EUR 31.2 million (previous year: EUR 19.6 million). Segment gross profit rose by 76.9% from EUR 4.7 million to EUR 8.2 million during the reporting period with the gross margin at 26.4%, well above last year's 23.7%. Adjusted EBITDA in the International segment improved to EUR -2.0 million after EUR -3.4 million over the corresponding period last year's period.

Segment development for the first three months 2020

	DACH	INTERNATIONAL	CONSOLIDATED
	EUR 1,000	EUR 1,000	EUR 1,000
Revenues	200,830	31,156	231,986
Gross Profit	41,673	8,237	49,911
EBITDA	6,165	-2,305	3,860
Adjusted EBITDA	6,971	-2,033	4,938

Segment development for the first three months 2019

	DACH	INTERNATIONAL	CONSOLIDATED
	EUR 1,000	EUR 1,000	EUR 1,000
Revenues	155,011	19,635	174,646
Gross Profit	27,960	4,657	32,617
EBITDA	-6,223	-3,568	-9,791
Adjusted EBITDA	-5,670	-3,405	-9,075

ASSETS, LIABILITIES AND FINANCIAL POSITION.

Assets and liabilities.

As of the reporting date, the balance sheet total was EUR 468.8 million after EUR 428.0 million at the end of the 2019 fiscal year. The increase is especially related to higher non-current assets as property, plant and equipment rose by EUR 33.9 million, of which EUR 27.6 million are related to the lease accounting of the new logistic center near Venlo which is currently being constructed. For the same reason, loans and borrowings within the non-current liabilities increased from EUR 131.5 million as per year end 2019 to EUR 162.6 million.

During the reporting period, cash and cash equivalents - including short-term investments in securities and credit line - were slightly reduced from EUR 113.2 million as of 31 December, 2019, to EUR 111.0 million while at the same time amounts due to banks within the current liabilities declined from EUR 10.2 million to EUR 4.3 million due to a partly repayment of a credit line.

The equity capital ratio was nearly 49 percent as of the reporting date.

Liquidity situation.

Operating cash flow increased by EUR 14.5 million from EUR 12.2 million compared to EUR -2.3 million during the same period of fiscal year 2019. This positive development has been supported by the improved operating result which was EUR 13.8 million higher than in the previous year's period.

EUR -5.6 million were used for investing activities in the first three months of 2020 (previous year: EUR -4.0 million). EUR -7.4 million were investments in property, plant and equipment, mostly related to a prepayment for the new logistic center and to hardware. Divestments of short-term securities amounting to EUR 4.8 million lead to a cash inflow within the cash flow from investing activities.

Total cash flow from financing activities stood at EUR -1.4 million vs. EUR -2.2 million last year. The included interest payments are partly related to the payment service providers active for SHOP APOTHEKE EUROPE. Last year's cash flow included an outflow of EUR -1.1 million to meet payment obligations for the FARMALINE acquisition, which are meanwhile fully satisfied and do therefore no longer apply.

RISKS AND OPPORTUNITIES.

Our evaluation of the company's risks and opportunities has slightly improved compared to the 2019 annual report. The E-script legislation in Germany (GSAV) had passed the Bundestag and Bundesrat houses of parliament last year and timing of the introduction of the E-script is now becoming even more visible and may be introduced faster than expected because the German Government presented a draft law "Patient data protection act (PDSG)" which stipulates the mandatory use of e-prescriptions from January 2022. Nevertheless, the draft PDSG law has to be passed by the German parliament.

Generally, any significant changes of the regulatory environment could have adverse or favorable effects on SHOP APOTHEKE EUROPE's business.

Overall, there still do not appear to be any risk factors that could threaten the future of SHOP APOTHEKE EUROPE N.V.

IMPORTANT EVENTS DURING THE REPORTING PERIOD.

Board change

Jasper Eenhorst has become the new Chief Financial Officer of SHOP APOTHEKE EUROPE N.V. effective 1 February, 2020. In accordance with Dutch law, Jasper Eenhorst has been formally appointed as a member of the Management Board by the Annual General Meeting of SHOP APOTHEKE EUROPE N.V. which took place on 30 April, 2020.

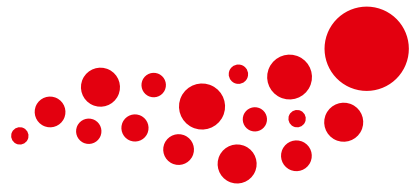
EVENTS AFTER THE BALANCE SHEET DATE.

Capital measures

SHOP APOTHEKE EUROPE N.V. successfully completed a transaction worth EUR 65 million on 7 April, 2020. As part of the transaction, SHOP APOTHEKE EUROPE placed approximately 1.12 million additional new bearer shares in the company - equivalent to around 8.3% of the company's outstanding share capital prior to the transaction - with institutional investors via accelerated bookbuilding. The new shares were placed at an issue price of EUR 58.00 per share.

FORECAST.

Considering the continued revenue momentum, the Management Board now expects a positive adjusted EBITDA for the full year 2020 instead of breaking even. Based on developments in Q2 2020 and with a clearer view of the volatile overall environment due to corona, SHOP APOTHEKE EUROPE will provide a full update on the 2020 guidance with the H1 results.



SHOP APOTHEKE
EUROPE

02

APPENDIX.

CONSOLIDATED SEGMENT FINANCIALS.

Segment information Q1 2020 - non adjusted and adjusted

31.3.2020	DACH	International	Total
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	200,830	31,156	231,986
Cost of sales	-159,156	-22,919	-182,075
<i>Adjusted cost of sales</i>	-159,189	-22,919	-182,108
Gross profit	41,673	8,237	49,911
<i>Adjusted gross profit</i>	<i>41,641</i>	<i>8,237</i>	<i>49,878</i>
% of revenue	20.8%	26.4%	21.5%
Other income	4	1	5
Selling & distribution	-30,346	-8,878	-39,224
<i>Adjusted S&D</i>	<i>-30,345</i>	<i>-8,878</i>	<i>-39,223</i>
Segment EBITDA	11,331	-640	10,692
<i>Adjusted segment EBITDA</i>	<i>11,300</i>	<i>-640</i>	<i>10,660</i>
Administrative expenses	-5,168	-1,664	-6,832
<i>Adjusted AE</i>	<i>-4,328</i>	<i>-1,394</i>	<i>-5,722</i>
EBITDA	6,165	-2,305	3,860
<i>Adjusted EBITDA</i>	<i>6,971</i>	<i>-2,033</i>	<i>4,938</i>
Depreciation	-2,535	-816	-3,352
EBIT	3,630	-3,121	508
<i>Adjusted EBIT</i>	<i>4,436</i>	<i>-2,851</i>	<i>1,586</i>
Net finance cost and income tax			-5,466
<i>Adjusted net finance cost and income tax</i>			<i>-5,466</i>
Net loss			-4,958
<i>Adjusted net loss</i>			<i>-3,880</i>

CONSOLIDATED SEGMENT FINANCIALS.

Segment information Q1 2019 - non adjusted and adjusted

31.3.2019	DACH	International	Total
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	155,011	19,635	174,646
Cost of sales	-127,050	-14,979	-142,029
Gross profit	27,960	4,657	32,617
% of revenue	18.0%	23.7%	18.7%
Other income	1	0	1
Selling & distribution	-29,620	-6,883	-36,502
<i>Adjusted S&D</i>	-29,620	-6,883	-36,502
Segment EBITDA	-1,659	-2,226	-3,885
Administrative expenses	-4.565	-1.342	-5,906
<i>Adjusted AE</i>	-4.011	-1.179	-5,190
EBITDA	-6.223	-3.568	-9,791
<i>Adjusted EBITDA</i>	-5.670	-3.405	-9,075
Depreciation	-2.724	-801	-3,524
EBIT	-8.947	-4.368	-13,315
<i>Adjusted EBIT</i>	-8.394	-4.206	-12,599
Net finance cost and income tax			-1,406
Net loss			-14,721
<i>Adjusted net loss</i>			-14,005

CONSOLIDATED STATEMENT OF PROFIT AND LOSS.

	Period ended 31.3.2020	Period ended 31.3.2019
	EUR 1,000	EUR 1,000
Revenue	231,986	174,646
Cost of sales	-182,075	-142,029
Gross profit	49,911	32,617
Other income	4	1
Selling and distribution	-42,072	-39,498
Administrative expenses	-7,335	-6,435
Result from operations	508	-13,315
Finance income	80	48
Finance expenses	-5,701	-1,496
Net finance costs	-5,621	-1,448
Result before tax	-5,113	-14,763
Income tax	155	42
Result after tax	-4,958	-14,721
Attributable to:		
Owners of the company	-4,958	-14,721

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

	31.3.2020	31.12.2019
	EUR 1,000	EUR 1,000
Assets		
Non-current assets		
Property, plant and equipment	47,061	13,178
Intangible assets	200,595	199,850
Deferred tax assets	120	120
Other financial assets	2,500	2,500
Investments in equity-accounted joint ventures	1,105	1,105
Investments in associates	402	402
Investments in equity-instruments	10	10
	251,795	217,165
Current assets		
Inventories	55,849	56,688
Trade and other receivables	50,106	40,894
Other financial assets	43,276	50,581
Cash and cash equivalents	67,752	62,653
	216,983	210,816
Total assets	468,778	427,981
Equity and liabilities		
Shareholders' equity		
Issued capital and share premium	341,192	341,192
Reserves/accumulated losses	-112,935	-108,429
	228,257	232,763
Non-current liabilities		
Deferred tax liability	3,741	3,905
Loans and Borrowings	162,601	131,512
	166,342	135,417
Current liabilities		
Trade and other payables	42,842	32,004
Loans and Borrowings	10,707	7,522
Amounts due to banks	4,282	10,167
Other liabilities	16,348	10,108
	74,178	59,801
Total equity and liabilities	468,778	427,981

CONSOLIDATED STATEMENT OF CASH FLOWS.

	Period ended 31.3.2020	Period ended 31.3.2019
	EUR 1,000	EUR 1,000
Cash flow from operating activities		
Result from operations	508	-13,315
Adjustments for:		
- Depreciation and amortisation of non-current assets	3,352	5,723
- Corporate income tax	0	0
- Share-based payment charge for the period	442	692
Operating result adjusted for depreciation and amortisation, taxes and provisions	4,302	-6,900
Movements in working capital		
- (Increase)/decrease in trade and other receivables	-4,212	-5,597
- (Increase)/decrease in inventory	839	-5,415
- (Increase)/decrease in trade and other payables	11,193	15,584
Working capital movement	7,820	4,572
Net cash (used in)/generated by operating activities	12,122	-2,328
Cash flow from investing activities		
Investment for property, plant and equipment	-7,402	-196
Investment for intangible assets	-2,979	-3,517
Investment for other financial assets	4,755	-261
Investment for acquisitions	0	0
Acquisition of subsidiary, net of cash acquired	0	0
Net cash (used in)/generated by investing activities	-5,626	-3,974
Cash flow from financing activities		
Interest received	80	48
Interest paid	-879	-1,449
Payment of earn-out obligations Farmaline	0	-1,100
Capital increase	0	0
Issue convertible bond	0	1,059
Issue other long-term liability	-9	-702
Cash-out lease payments	-592	0
Net cash (used in)/generated by financing activities	-1,399	-2,144
Net increase/(decrease) in cash and cash equivalents	5,097	-8,445
Cash and cash equivalents at the beginning of the period	62,653	24,338
Cash and cash equivalents at the end of the period	67,750	15,893

CONTACT AND FINANCIAL CALENDAR.

Investor Relations.

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Financial calendar 2020.

6 August 2020

Publication of the results for H1 2020

5 November 2020

Publication of the results for 9M 2020