

SHOP APOTHEKE
E U R O P E

INTERIM REPORT

30 SEPTEMBER 2020

LETTER FROM THE MANAGEMENT BOARD.

Dear shareholders, ladies and gentlemen,

We are happy to post a positive EBITDA for the third consecutive quarter. At the same time, we continue to demonstrate our ability to grow organically, gaining market shares across Europe.

With EUR 238.7 million, we increased our sales in Q3 by 39.7% compared the same quarter last year. For the first nine months, this resulted in total sales of EUR 703.4 million (+ 38.1%). Once again, we achieved a substantial increase in the number of active customers, which stood at 5.9 million as of 30 September 2020. This represents an increase of 1.4 million compared to last year and an increase of 400k in Q3 alone. Our bottom line also continues to improve: The consolidated gross margin rose by 3.0 pp to 21.9% in Q3 and by 2.7 pp to 22.3% for the first nine months of the year, again largely driven by net pricing improvements and better sourcing conditions. In combination with scale effects, this led to an adjusted EBITDA of EUR + 4.2 million in Q3 or 1.9% (2019: EUR -2.1 or -1.2%) and EUR + 15.5 million with a margin of + 2.2% for the first nine months (2019: - 11.7 and -2.3%).

Financially, the earlier conversion of our EUR 135 million 4.5% convertible bond, originally due in 2023, was another important milestone. Three weeks after the start, i.e. on October 14, we were able to announce a successful full redemption. As a result of this early conversion we have substantially improved our balance sheet with an excellent equity ratio and our financing costs will be significantly lower as of the start of 2021.

We are also proceeding successfully with our strategy of evolving SHOP APOTHEKE EUROPE into a customer-centric e-pharmacy platform. After moving our offices to our new site in Sevenum near Venlo in July we are now happy to announce that the first parcel has left our new logistics centre in October - well ahead of schedule. As part of our marketplace initiative we expanded our same-day delivery service - SHOP APOTHEKE NOW! in the Munich and Berlin metropolitan areas. Finally, we added several products to our RedCare private label portfolio.

Our successful growth story is also attracting more and more attention on the capital market. Since the IPO in October 2016, SHOP APOTHEKE EUROPE has continuously increased its trading volume on the stock exchange as well as its market capitalisation (currently around EUR 2.7 billion). Consequently, the SHOP APOTHEKE EUROPE share has been promoted to the MDAX in September, just two years after its admission to the SDAX. We are proud of this success and at the same time consider it a motivation to do even better in the future.

Although the overall economic environment remains challenging, the visibility for the remaining part of the year has improved and we are looking forward to it with a higher degree of confidence. Therefore, we raised our 2020 full year guidance again: Now, we are expecting year-on-year sales growth of at least 35% (previously: at least 30%) and an adjusted EBITDA margin of around 2% (previously: in the range of 1-2%).

We thank you for your trust.

SHOP APOTHEKE EUROPE
The Management Board

TABLE OF CONTENTS.

01**INTERIM GROUP MANAGEMENT REPORT.**

BUSINESS MODEL, GROUP STRUCTURE AND CORPORATE GOVERNANCE.	6
BUSINESS DEVELOPMENT.	6
SEGMENT PERFORMANCE.	10
ASSETS AND FINANCIAL POSITION.	11
RISKS AND OPPORTUNITIES.	11
IMPORTANT EVENTS DURING THE REPORTING PERIOD.	12
EVENTS AFTER THE BALANCE SHEET DATE.	12
FORECAST.	12

02**APPENDIX.**

CONSOLIDATED SEGMENT FINANCIALS.	14
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS.	16
UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION.	17
UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.	18
CONTACT.	19

KEY FIGURES.

Continuously increasing our strong growth across europe.



REVENUE Q3 2020:
EUR 239 MILLION (+40%).



PARCELS SENT IN Q3:
>43,750 PARCELS A DAY.



GROSS MARGIN:
INCREASED TO 21.9%.



REPEAT ORDERS:
83 PERCENT.



ACTIVE CUSTOMERS:
5.9 MILLION.
+0.4 MILLION CUSTOMERS IN Q3.



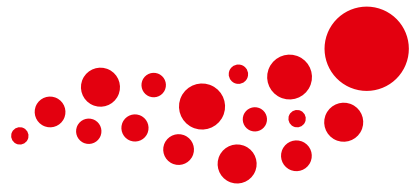
AVERAGE SHOPPING
BASKET SIZE:
€ 66.9 (Q3 2019: € 66.9).



SITE VISITS:
54.6 MILLION (+71%).



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



SHOP APOTHEKE
E U R O P E

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 statement.

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. In the current year, however, typical seasonal patterns have been distorted by the effect of the Covid-19 pandemic.

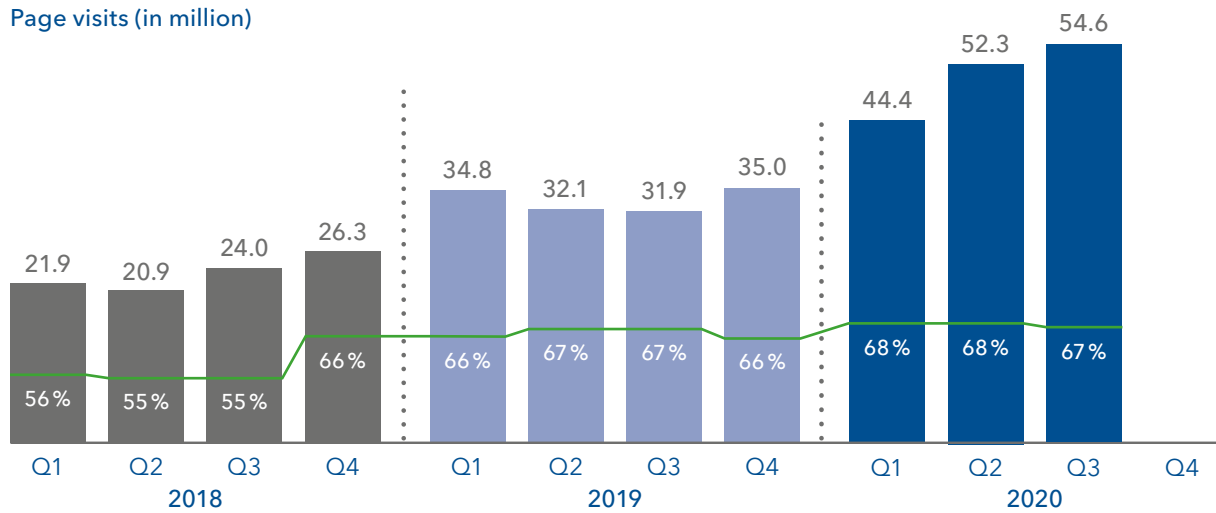
During the first nine months of fiscal year 2020, SHOP APOTHEKE EUROPE N.V. recorded substantial revenue growth. Consolidated revenues rose by 38% to EUR 703.3 million compared to EUR 509.2 million during the first nine months a year earlier.

The number of active customers increased by 31% from 4.5 million as of 30 September 2019 to now more than 5.9 million as a result of the company's successful proposition and growth initiatives.

The number of orders increased by 44% compared to the corresponding period last year, reaching 12.2 million (9M 2019: 8.9 million) with the size of the average shopping basket at EUR 65.84 (consumer sales) during the first nine months of the year, slightly below the previous year's high level of EUR 66.48, driven by faster growth of non-Rx orders than Rx orders. The share of repeat orders was 81% compared to 80% the previous year while the return rate remained minimal at less than 1%.

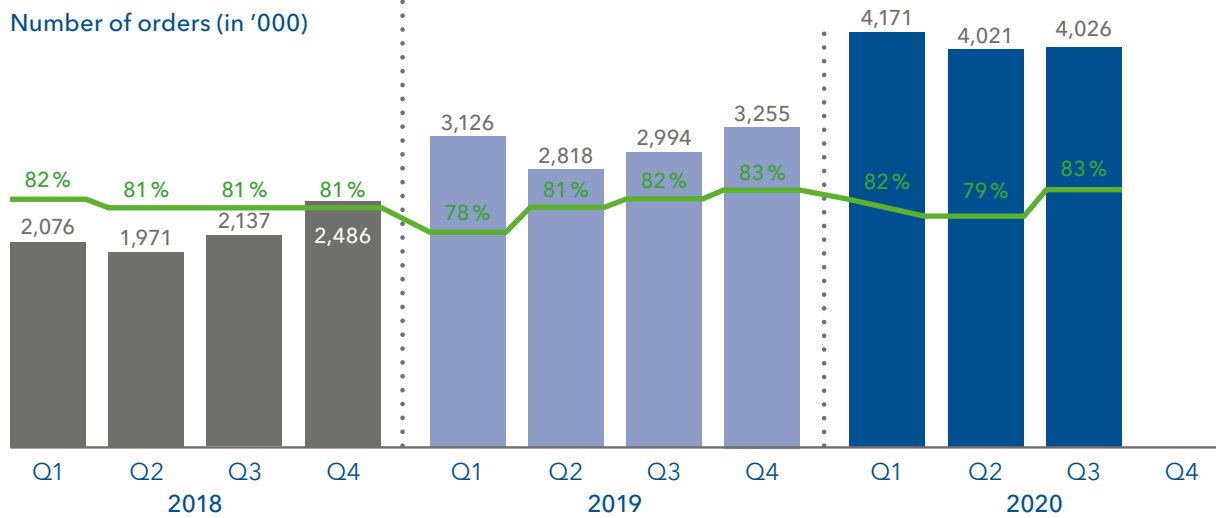
Performance indicators Group	2018				2019				2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Page visits (million)	21.9	20.9	24.0	26.3	34.8	32.1	31.9	35.1	44.4	52.3	54.6
Mobile page visits (million)	12.3	11.5	13.3	17.5	23.2	21.7	21.7	23.2	30.0	35.5	37.4
Ratio mobile (in %)	56	55	55	66	67	68	68	66	68	68	69
Orders (million)	2.1	2.0	2.1	2.50	3.1	2.8	3.0	3.3	4.2	4.0	4.0
Orders by existing clients (in %)	82	81	81	81	78	81	82	83	82	79	83
Return rate (in %)	0.7	0.9	0.9	0.8	0.9	0.9	0.8	0.6	0.7	0.5	0.7
Active customers (million)	2.7	2.8	3.2	3.5	4.0	4.2	4.5	4.7	5.0	5.5	5.9
Average shopping cart (in €)	73.4	75.0	72.3	69.6	65.0	67.7	66.9	67.9	65.2	65.5	66.9

Page visits (in million)



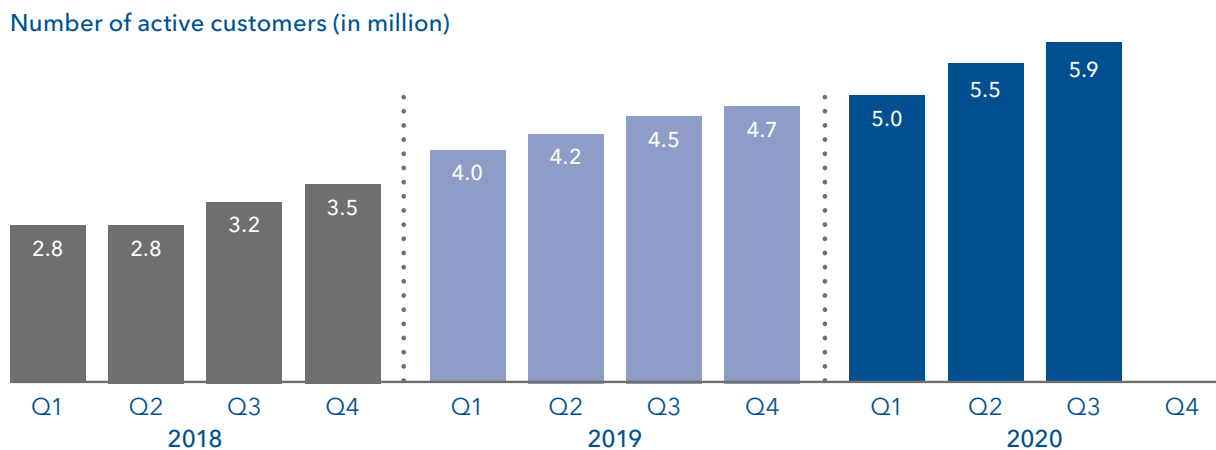
— Share of mobile visits (%)

Number of orders (in '000)



— Share of repeat orders (%)

Number of active customers (in million)



With a growth rate of 57%, gross profit at Group level increased significantly faster than sales, from EUR 99.7 million during the first nine months of 2019 to EUR 156.9 million over the period under review. Compared to a year earlier, the consolidated gross margin rose by 2.7 pp to 22.3% for the first nine months of the year. In Q3, the consolidated gross margin was at 21.9% compared to 18.9% the previous year. The higher gross margins were largely driven by net pricing improvements and better sourcing conditions.

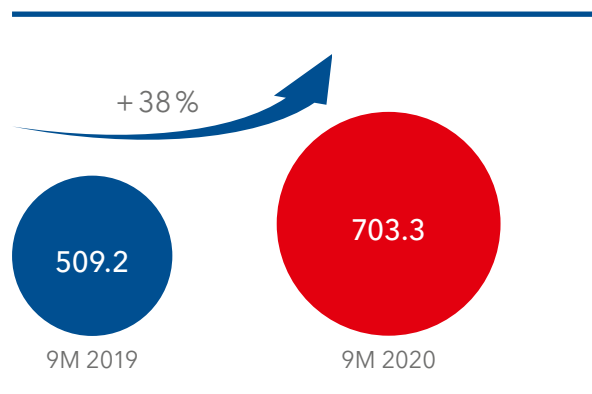
Selling and distribution expenses (S&D) increased by 27%, from EUR 96.7 million during the first nine months of 2019 to EUR 123.2 million for the period under review. As a result, the S&D ratio for the first nine months of 2020 improved by 1.5 pp to 17.5%. This is partly related to considerably lower marketing spending, especially in March and April 2020, in connection with the Corona outbreak. In addition, particularly in the first six months, operational efficiency improved year over year. In Q3, the S&D ratio was at 17.6%, slightly above the level of 17.4% in Q3 2019 as SHOP APOTHEKE EUROPE acted on the strong momentum and invested in higher growth.

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 30.6 million from EUR 3.0 million during the first nine months of 2019 to EUR 33.6 million during the reporting period.

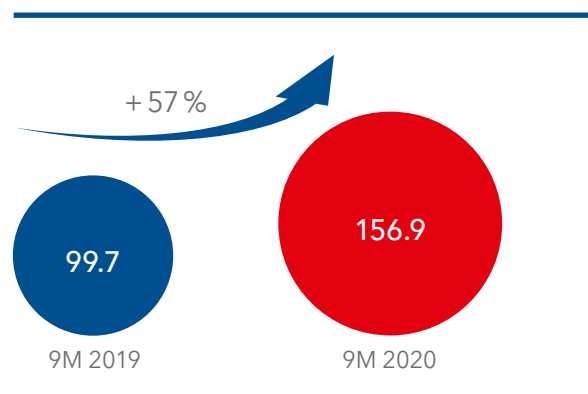
Administrative costs were EUR 21.6 million (previous year: EUR 17.4 million) and included one-off expenses of EUR 3.4 million (previous year: EUR 2.6 million); the adjusted administrative cost ratio was 2.6%, an 0.3 pp improvement from 2.9% a year earlier.

Adjusted consolidated EBITDA was EUR 15.5 million compared to EUR -11.7 million for the first nine months of 2019, translating into an adjusted EBITDA margin of 2.2% after -2.3% a year earlier. Including depreciation expenses of EUR 10.9 million (previous year: EUR 11.0 million), EBIT was EUR 1.2 million (9M 2019: EUR -25.3 million). After net finance cost and income tax, net result was EUR -9.5 million compared to EUR -30.4 million a year earlier.

Consolidated revenues (in € million)



Consolidated gross profit (in € million)



Nine-month consolidated financial information

	JAN 1 - SEP 30, 2020	JAN 1 - SEP 30, 2019
	EUR 1,000	EUR 1,000
Revenues	703,345	509,154
Gross profit	156,861	99,660
Selling & distribution costs	-123,231	-96,727
Segment EBITDA	33,644	3,021
Administrative costs	-21,577	-17,371
EBITDA	12,067	-14,351
EBITDA adjusted	15,493	-11,731

Third quarter consolidated financial information

	JULY 1 - SEP 30, 2020	JULY 1 - SEP 30, 2019
	EUR 1,000	EUR 1,000
Revenues	238,684	170,878
Gross profit	52,378	32,300
Selling & distribution costs	-41,977	-29,654
Segment EBITDA	10,401	2,717
Administrative costs	-7,629	-6,018
EBITDA	2,772	-3,301
EBITDA adjusted	4,212	-2,118

SEGMENT PERFORMANCE.

DACH-Segment.

During the first nine months of 2020, DACH – SHOP APOTHEKE EUROPE's largest segment by revenues, covering business activities in Germany, Austria and Switzerland – grew by 32.1 % compared to the corresponding period a year earlier. Revenues rose to EUR 591.7 million after EUR 447.9 million for the first nine months of 2019. During the same time period, gross earnings were up 52.5 % year-on-year from EUR 84.4 million to EUR 128.7 million. The gross margin rose by 2.9 pp to 21.7 % compared to 18.8 % last year. EBITDA (adjusted) for the first nine months of 2020 was EUR 25.1 million compared to EUR -1.8 million for the same period last year.

International Segment.

SHOP APOTHEKE EUROPE significantly increased its revenues in its international markets (Belgium, France, Italy and the Netherlands), up 82.4 % to EUR 111.6 million (previous year: EUR 61.2 million). Segment gross earnings rose by 84.5 % from EUR 15.3 million to EUR 28.2 million during the reporting period with the gross margin at 25.3 %, 0.3 pp above last year's 25.0 %. Adjusted EBITDA for the first nine months of 2020 also improved slightly to EUR -9.6 million from EUR -9.9 million a year earlier.

	DACH	INTERNATIONAL	CONSOLIDATED
	EUR 1,000	EUR 1,000	EUR 1,000
9M 2020 Segment development			
Revenues	591,696	111,649	703,345
Gross Profit	128,669	28,192	156,861
EBITDA	22,157	-10,090	12,067
Adjusted EBITDA	25,063	-9,570	15,493
9M 2019 Segment development			
Revenues	447,935	61,219	509,154
Gross Profit	84,377	15,283	99,660
EBITDA	-3,625	-10,726	-14,351
Adjusted EBITDA	-1,830	-9,902	-11,732
Q3 2020 Segment development			
Revenues	200,582	38,102	238,684
Gross Profit	43,458	8,920	52,378
EBITDA	7,208	-4,436	2,772
Adjusted EBITDA	8,430	-4,218	4,212
Q3 2019 Segment development			
Revenues	149,976	20,902	170,878
Gross Profit	27,157	5,143	32,300
EBITDA	0,076	-3,378	-3,302
Adjusted EBITDA	0,930	-3,050	-2,119

ASSETS AND FINANCIAL POSITION.

Assets.

As of the reporting date, the balance sheet total was EUR 549.9 million after EUR 428.0 million at the end of fiscal year 2019. Within the non-current assets, the increase is especially related to property, plant and equipment, which rose by EUR 45.6 million. The majority of this increase is related to the lease accounting of the new logistics centre in Sevenum, 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 160.3 million. Within the current assets, inventories and trade receivables rose by EUR 16.3 million and EUR 10.7 million. This is primarily related to the expansion of the business, while inventories were also higher due to Corona related products. A decrease of EUR 10.7 million in other current assets is mainly related to the sale of securities. With EUR 156.6 million, cash and cash equivalents - including investments in securities - were up EUR 43.3 million versus the balance on 31 December 2019. The equity capital ratio was ca. 55 percent as of the reporting date.

Liquidity situation.

Operational cash flow was EUR 10.9 million compared to EUR 4.4 million during the same period of fiscal year 2019. Operating result improved from EUR - 18.3 million last year to EUR 1.2 million. On the other hand, working capital especially inventory levels were higher, in part related to Corona-related products besides impact from the expansion of the business.

EUR -22.9 million was used for investing activities in the first nine months of 2020 (previous year: EUR -23.8 million). Investments in IT and the new distribution facility in Sevenum were in part offset by divestment of short-term securities amounting to EUR 10.6 million. EUR - 19.6 million was in property, plant and equipment, predominantly related to the new logistics centre.

Total cash flow from financing activities was EUR 66.1 million vs. EUR 103.2 million last year, mainly from the capital increase in April 2020 with a cash inflow of EUR 63.4 million. In addition a capital increase of EUR 11.5 million was related to an employee stock option programme. In 2019, a capital increase and the issuance of convertible bonds were the key contributors to the positive cash flow from financing activities. Interest payments are related to interest on the convertible bonds and payment service providers. Last year's cash outflow of EUR - 1.1 million to meet payment obligations for the FARMALINE acquisition does no longer apply as these are fully paid by now.

RISKS AND OPPORTUNITIES.

Our evaluation of the company's risks and opportunities has slightly improved compared to the 2019 annual report in regard to the expected introduction of electronic prescriptions in Germany. In July 2020, the German parliament passed the "Patient data protection act (PDSG)", which includes stipulations requiring general physicians to issue e-scripts starting in January 2022 (if the infrastructure is in place) through the telematics infrastructure provided by gematik. During the reporting period, the PDSG has also passed the Bundesrat, Germany's second chamber. On the other hand, the draft VOASG law, which includes a prohibition of Rx bonuses currently offered by SHOP APOTHEKE EUROPE to its German Rx customers, is being discussed in the German parliament. This law could harm SHOP APOTHEKE EUROPE's existing Rx sales and growth in Rx until the introduction of electronic prescriptions.

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

Principally, SHOP APOTHEKE EUROPE's business is subject to regulatory changes, which could have a significant favorable or unfavorable impact on its prospects.

IMPORTANT EVENTS DURING THE REPORTING PERIOD.

Early conversion of the 4.5% convertible bonds originally due in 2023.

During the reporting period, SHOP APOTHEKE EUROPE submitted an offer for an earlier conversion of the convertible bonds issued in 2018 and 2019 with a total nominal volume of EUR 135 million (coupon 4.5%, original maturity 2023) to bond holders. On October 14, the successful full redemption was announced.

EVENTS AFTER THE BALANCE SHEET DATE.

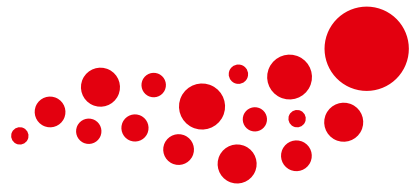
Redemption of outstanding convertible bonds.

On 6 October 2020, SHOP APOTHEKE EUROPE announced that it wanted to make use of the clean-up call in accordance with the terms and conditions of the bonds and that it would redeem all of the outstanding convertible bonds on 13 November 2020. Through this transaction, SHOP APOTHEKE EUROPE will substantially further improve its balance sheet and increase its equity ratio. Also financing costs will be significantly lower as of 2021 due to the reduced interest expenses.

FORECAST.

Guidance for 2020 raised again.

Based on the year's developments to date and our assessment of the remaining part of the year, SHOP APOTHEKE EUROPE has again raised its guidance for 2020. For the full year, the company now expects year-on-year sales growth of at least 35% (up from previously: at least 30% and at the beginning of the year: around 20%) and a positive adjusted EBITDA margin of around 2% (up from previously: in the range of 1-2% and at the beginning of the year: break-even of adjusted EBITDA).



SHOP APOTHEKE
E U R O P E

02

APPENDIX.

CONSOLIDATED SEGMENT FINANCIALS.

Segment information Q3 2020 - non adjusted and adjusted

Sept. 30 2020	DACH	International	Unaudited interim consolidated
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	591,696	111,649	703,345
Cost of sales	-463,027	-83,457	-546,484
Gross profit	128,669	28,192	156,861
% of revenue	21.7%	25.3%	22.3%
Other income	12	2	14
Selling & distribution	-92,824	-30,407	-123,231
<i>Adjusted S&D</i>	<i>-92,824</i>	<i>-30,407</i>	<i>-123,231</i>
Segment EBITDA	35,857	-2,213	33,644
<i>Adjusted segment EBITDA</i>	<i>35,857</i>	<i>-2,213</i>	<i>33,644</i>
Administrative expenses	-13,700	-7,877	-21,577
<i>Adjusted AE</i>	<i>-10,794</i>	<i>-7,357</i>	<i>-18,151</i>
EBITDA	22,157	-10,090	12,067
<i>Adjusted EBITDA</i>	<i>25,063</i>	<i>-9,570</i>	<i>15,493</i>
Depreciation	-6,904	-3,970	-10,874
EBIT	15,253	-14,060	1,193
<i>Adjusted EBIT</i>	<i>18,159</i>	<i>-13,540</i>	<i>4,619</i>
Net finance cost and income tax			-10,651
Net Result			-9,458
<i>Adjusted net Result</i>			<i>-6,032</i>

CONSOLIDATED SEGMENT FINANCIALS.

Segment information Q3 2019 - non adjusted and adjusted

Sept. 30 2019	DACH	International	Unaudited interim consolidated
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	447,935	61,219	509,154
Cost of sales	-363,559	-45,935	-409,494
Gross profit	84,376	15,284	99,660
% of revenue	18.8%	25.0%	19.6%
Other income	77	10	87
Selling & distribution	-76,714	-20,013	-96,727
<i>Adjusted S&D</i>	<i>-76,477</i>	<i>-20,013</i>	<i>-96,490</i>
Segment EBITDA	7,739	-4,719	3,020
<i>Adjusted Segment EBITDA</i>	<i>7,976</i>	<i>-4,719</i>	<i>3,257</i>
Administrative expenses	-11,364	-6,007	-17,371
<i>Adjusted AE</i>	<i>-9,806</i>	<i>-5,183</i>	<i>-14,989</i>
EBITDA	-3,625	-10,726	-14,351
<i>Adjusted EBITDA</i>	<i>-1,830</i>	<i>-9,902</i>	<i>-11,732</i>
Depreciation	-7,187	-3,799	-10,986
EBIT	-10,812	-14,525	-25,337
<i>Adjusted EBIT</i>	<i>-9,017</i>	<i>-13,701</i>	<i>-22,718</i>
Net finance cost and income tax			-5,072
Net Result			-30,409
<i>Adjusted net Result</i>			<i>-27,790</i>

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS.

	Period ended Sept. 30 2020	Period ended Sept. 30 2019
	EUR 1,000	EUR 1,000
Revenue	703,345	509,154
Cost of sales	-546,483	-409,494
Gross profit	156,862	99,660
Other income	14	87
Selling and distribution	-132,474	-106,065
Administrative expenses	-23,208	-19,019
Result from operations	1,194	-25,337
Finance income	190	261
Finance expenses	-11,306	-6,317
Net finance costs	-11,116	-6,056
Result before tax	-9,922	-31,392
Income tax	464	984
Result after tax	-9,458	-30,408
Attributable to:		
Owners of the company	-9,458	-30,408

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

	Sept. 30 2020	Dec. 31 2019
	EUR 1,000	EUR 1,000
Assets		
Non-current assets		
Property, plant and equipment	58,792	13,178
Intangible assets	206,561	199,850
Deferred tax assets	120	120
Other financial assets	1,682	2,500
Investments in equity-accounted joint ventures	1,105	1,105
Investments in associates	402	402
Investments in equity-instruments	10	10
	268,673	217,165
Current assets		
Inventories	72,982	56,688
Trade and other receivables	51,638	40,894
Other financial assets	39,852	50,581
Cash and cash equivalents	116,728	62,653
	281,200	210,816
Total assets	549,872	427,981
Equity and liabilities		
Shareholders' equity		
Issued capital and share premium	414,611	341,192
Reserves/accumulated losses	-114,006	-108,429
	300,604	232,763
Non-current liabilities		
Deferred tax liability	3,415	3,905
Loans and borrowings	160,300	131,512
	163,715	135,417
Current liabilities		
Trade and other payables	57,159	32,004
Loans and borrowings	9,887	7,522
Amounts due to banks	37	10,167
Other liabilities	18,471	10,108
	85,553	59,801
Total equity and liabilities	549,872	427,981

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.

	Period ended Sept. 30 2020	Period ended Sept. 30 2019
	EUR 1,000	EUR 1,000
Cash flow from operating activities		
Result from operations	1,194	-18,304
Adjustments for:		
- Depreciation and amortisation of non-current assets	11,002	7,254
- Corporate income tax	226	-5
- Share-based payment charge for the period	2,395	1,303
Operating result adjusted for depreciation and amortisation, taxes and provisions	14,817	-9,751
Movements in working capital		
- (Increase)/decrease in trade and other receivables	-10,744	-4,008
- (Increase)/decrease in inventory	-16,294	579
- (Increase)/decrease in trade and other payables	23,134	17,550
Working capital movement	-3,904	14,120
Net cash (used in)/generated by operating activities	10,913	4,369
Cash flow from investing activities		
Investment for property, plant and equipment	-19,558	-1,154
Investment for intangible assets	-13,978	-7,017
Investment for other financial assets	10,626	-15,588
Acquisition of subsidiary, net of cash acquired	0	0
Net cash (used in)/generated by investing activities	-22,910	-23,759
Cash flow from financing activities		
Interest received	190	78
Interest paid	-6,423	-2,480
Payment of earn-out obligations Farmaline	0	-1,100
Capital increase	63,381	49,147
Capital increase exercised ESOP	11,508	0
Issue convertible bond	0	58,592
Issue other long-term liability	-27	-18
Cash-out lease payments	-2,558	-1,047
Net cash (used in)/generated by financing activities	66,071	103,172
Net increase/(decrease) in cash and cash equivalents	54,075	83,781
Cash and cash equivalents at the beginning of the period	62,653	24,338
Cash and cash equivalents at the end of the period	116,728	108,119

CONTACT.

Investor Relations.

Carmen Herkenrath

Telefon: +31 77 850 6109

Email: carmen.herkenrath@shop-apotheke.com