



**SHOP APOTHEKE**  
EUROPE

# INTERIM REPORT

31 MARCH 2021

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## LETTER FROM THE MANAGEMENT BOARD.

Dear Shareholders, Ladies and Gentlemen,

With an adjusted EBITDA of EUR 5.7 million we have achieved a positive figure for the fifth consecutive quarter. Our group level sales were up 22.4% and reached EUR 284 million in Q1. This solid development confirms once more our ability to grow fast organically without losing sight of our bottom-line. The impressive improvement of the gross margin by 4.1 percentage points (pp) to 25.6% was again primarily the result of net pricing improvements and better sourcing conditions, and a different product mix, especially in regard to a higher share of non-Rx products sold but also by the first-time inclusion of SMARTPATIENT. Rx sales were 17% lower than last year reflecting three main impacts: a peak of Rx orders in last year's March with the start of the Coronavirus outbreak in Europe, the absence of the usual cold and flu season this year and particularly the ban on Rx bonuses in Germany. At the same time, our overall growth shows the disproportionate successes achieved in our international business, which approached a share of 20% of total sales volume for the first time ever this quarter.

Bigger investments in growth resulted in a substantial increase in the number of active customers, which stood at 6.8 million as of 31 March 2021. This represents a record-high increase of 1.8 million compared to March 2020, with an increase of over half a million active customers in Q1 2021 alone. Although the concurrent operation of two logistics facilities additionally impacts our earnings in the first six to nine months of 2021, the adjusted EBITDA margin of 2.0% was comparable to last year's strong level.

Overall, with our performance in Q1 we are on track to meet the guidance we have communicated for the full year: sales growth of around 20% or more and an adjusted EBITDA margin in the range of 2.3% to 2.8%.

We have made further significant progress regarding our strategy of evolving the company into a European customer-centric e-pharmacy platform. With the acquisition of the digital medication management experts SMARTPATIENT and MEDAPP we have reached important milestones that further strengthen our expertise in the digital health realm. At the same time, the acquisition of MEDAPP enables us to expand into the Rx segment in the Dutch market.

This year's top priority is our preparation for the launch of electronic prescriptions in Germany, which will be introduced mid-year and become mandatory from 1 January 2022. We are satisfied with the state of our preparations in all required aspects for this important opportunity.

Considering our strengthened cash position of well above EUR 300 million, the concurrent reduction of our financing costs, and the more than doubling of our operational capacity at our new logistics centre, SHOP APOTHEKE EUROPE is well-prepared to continue on its path to become Europe's leading e-pharmacy platform of the future.

We thank you for your continued trust and support.

SHOP APOTHEKE EUROPE N. V.  
The Management Board

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## KEY FIGURES.

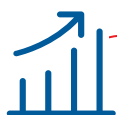
Continuously increasing our strong growth across Europe.



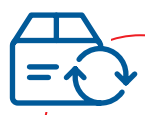
REVENUE Q1 2021:  
EUR 284 MILLION (+ 22 %).



PARCELS SENT IN Q1:  
> 57,000 PARCELS A DAY.



GROSS MARGIN:  
INCREASED TO 25.6%.



REPEAT ORDERS:  
81 PERCENT.



ACTIVE CUSTOMERS:  
6.8 MILLION.  
+ 0.5 MILLION CUSTOMERS IN Q1.



AVERAGE SHOPPING  
BASKET SIZE:  
€ 63.5 (Q1 2020: € 65.2).



SITE VISITS:  
71.4 MILLION (+ 61 %).



CUSTOMER SATISFACTION:  
NET PROMOTOR SCORE: 71  
(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 2020 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 usually especially high during the first and fourth quarters of the year. However, typical seasonal patterns have been distorted to some extent by the effect of the Covid-19 pandemic.

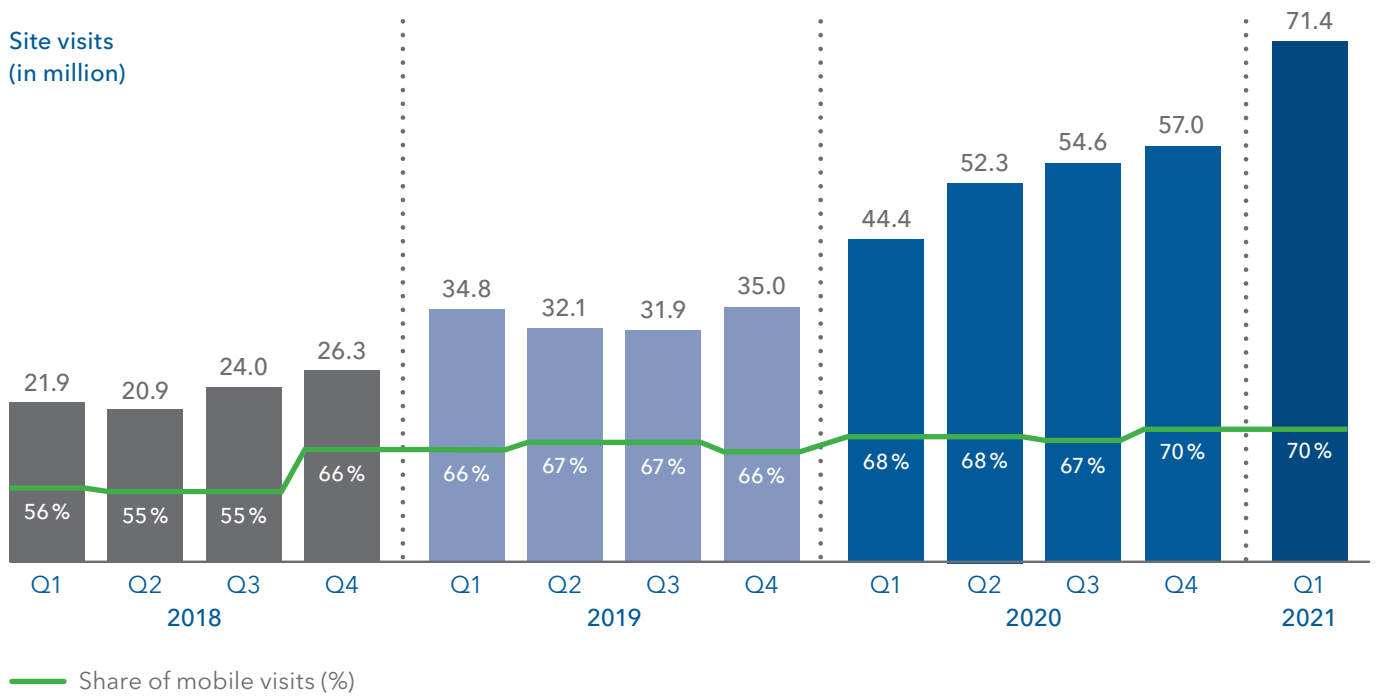
During the first three months of the 2021 fiscal year, SHOP APOTHEKE EUROPE N.V. recorded continued revenue growth. Consolidated sales rose by 22.4% to EUR 284.1 million compared to EUR 232.0 million during the first three months a year earlier.

The number of active customers increased by 36% from 5.0 million as of 31 March 2020 to 6.8 million. Around 500,000 of these were recruited during the first quarter 2021.

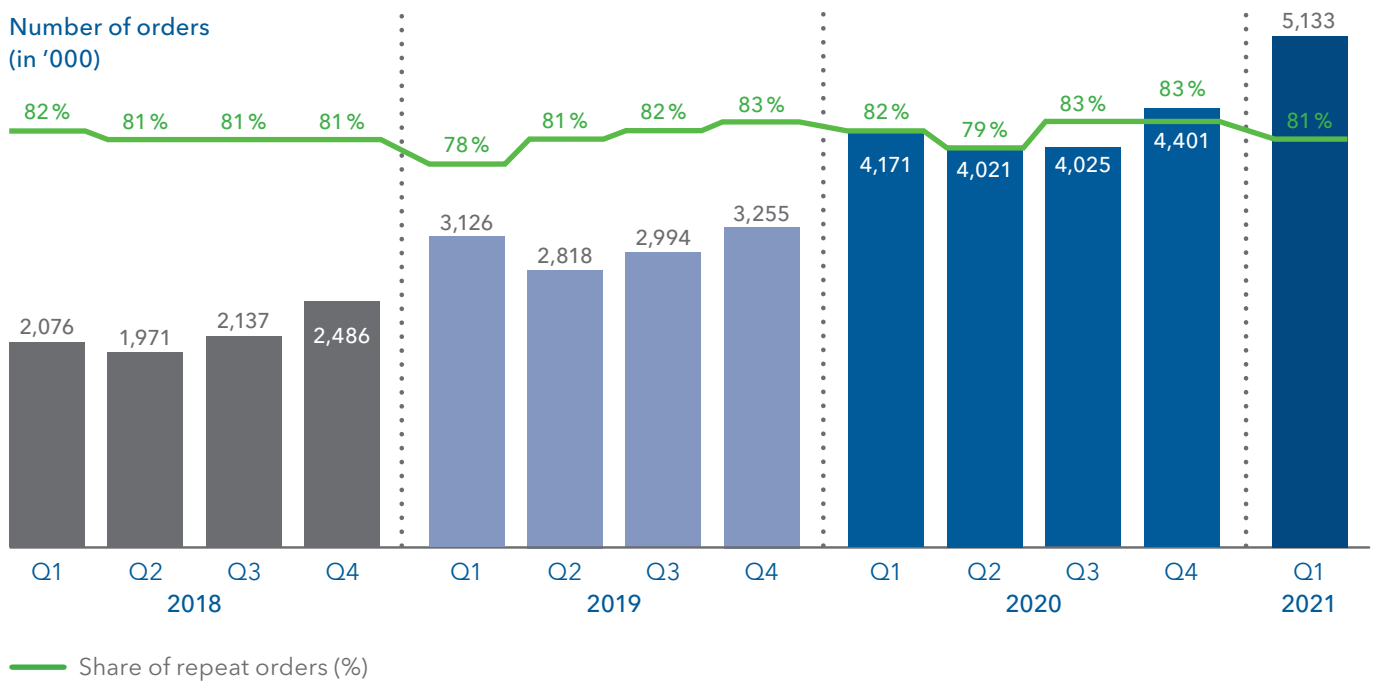
The number of orders increased by 23% compared to the corresponding period last year, reaching 5.1 million (Q1 2020: 4.2 million), with the size of the average shopping basket at EUR 63.52 during the first three months of the year, 2.5% below the previous year's level of EUR 65.15. The reason for the moderate decline is a higher share of non-Rx orders vs. Rx orders. The share of repeat orders was 81% compared to 82% the previous year while the return rate remained minimal at less than 1% of all orders.

Performance indicators group	2019				2020				2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Site visits (million)	34.8	32.1	31.9	35.1	44.4	52.3	54.6	57.0	71.4
Mobile visits (million)	23.2	21.7	21.7	23.2	30.0	35.5	37.4	39.7	50.4
Mobile share orders (in %)	67	68	68	66	68	68	69	70	70
Number of orders (million)	3.1	2.8	3.0	3.3	4.2	4.0	4.0	4.4	5.1
Repeat orders (in %)	78	81	82	83	82	79	83	83	81
Return rate (in %)	0.9	0.9	0.8	0.6	0.7	0.5	0.7	0.7	0.6
Active customers (million)	4.0	4.2	4.5	4.7	5.0	5.5	5.9	6.3	6.8
Average shopping basket (in EUR incl. VAT)	65.0	67.7	66.9	67.9	65.2	65.5	66.9	68.0	63.5

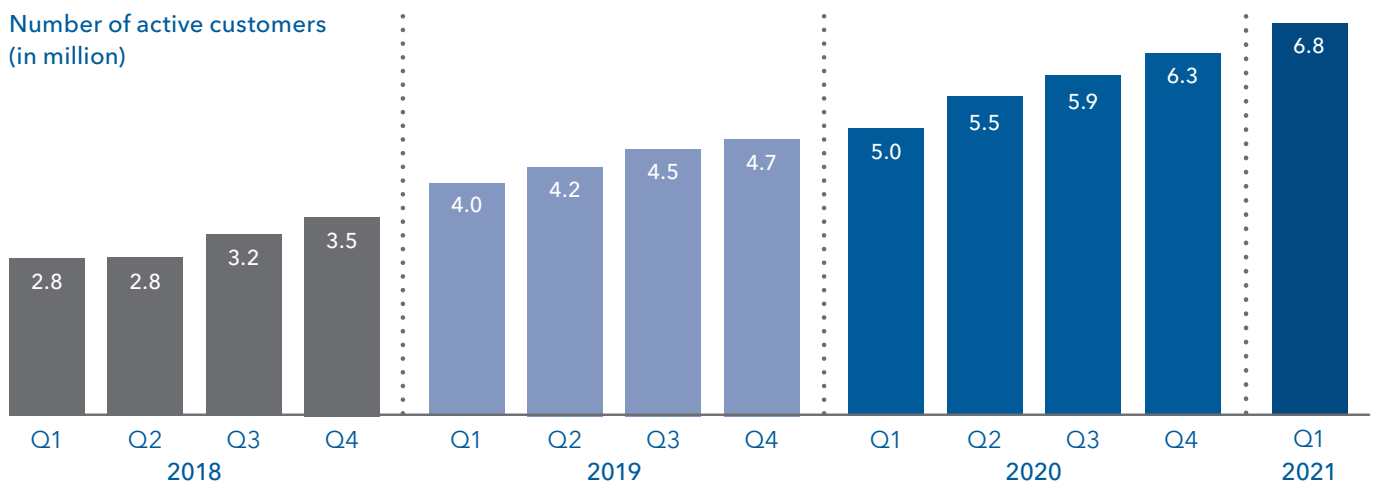
Site visits  
(in million)



Number of orders  
(in '000)



Number of active customers  
(in million)



With a growth rate of 46%, gross profit at group level increased significantly faster than sales, from EUR 49.9 million during the first three months of 2020 to EUR 72.9 million over the period under review. Compared to a year earlier, the consolidated gross margin rose by 4.1 pp to 25.6% for the first three months of the year. The higher gross margins were mainly driven by net pricing improvements and a higher share of non-Rx products.

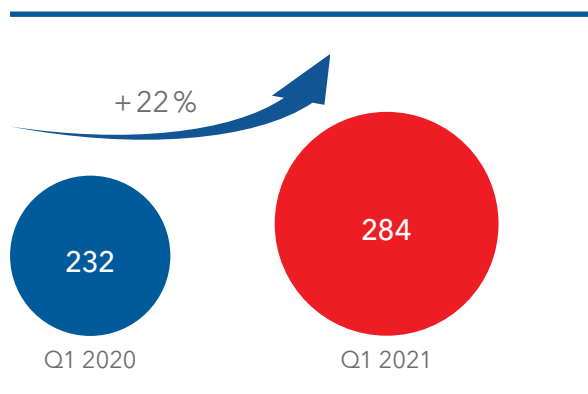
Selling and distribution (S&D) expenses increased by 51%, from EUR 39.2 million during the first three months of 2020 to EUR 59.0 million for the period under review, reflecting SHOP APOTHEKE EUROPE's commitment to drive growth. The increase is also partly related to considerably lower marketing spending in the corresponding period last year when the Corona-outbreak started in Europe. The S&D ratio climbed by 3.9 pp to 20.8%.

The group's segment EBITDA went up by EUR 3.2 million from EUR 10.7 million during the first three months of 2020 to EUR 13.9 million during the reporting period.

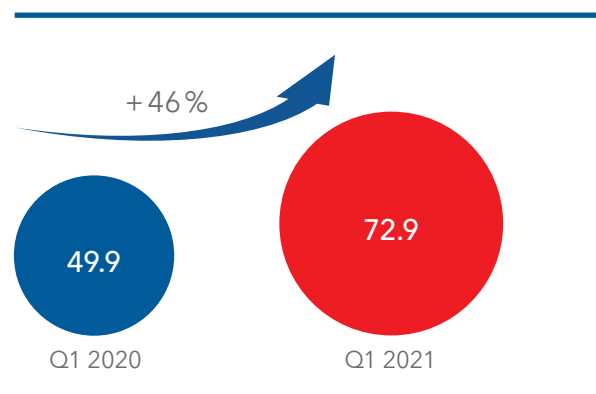
Administrative costs amounted to EUR 10.9 million (previous year: EUR 6.8 million) and included extraordinary items of EUR 2.5 million (previous year: EUR 1.1 million), which concerned non-cash employee stock option costs and one-off costs related to projects (in Q1 2021: the set-up of new logistics centre and acquisition expenses). The adjusted administrative cost ratio was 2.9% versus last year's 2.5%. The increase by 0.4 pp is mainly related to higher costs in connection with the acquired digital health company SMARTPATIENT.

The adjusted EBITDA reached EUR 5.7 million versus EUR 4.9 million in Q1 2020, up EUR 0.8 million. This translates into an adjusted EBITDA margin of 2.0% (last year 2.1%). Including depreciation charges of EUR 5.5 million (previous year: EUR 3.4 million), EBIT was EUR -2.4 million after EUR 0.5 million (adjusted: EUR 0.2 million after EUR 1.6 million). Net finance costs decreased by EUR 2.3 million or 59.6% to EUR -3.4 million. The net result stood at EUR -5.8 million compared to EUR -5.0 million a year earlier.

#### Consolidated revenues (in EUR million)



#### Consolidated gross profit (in EUR million)





**Q1 consolidated financial information.**

	JAN 1 - MARCH 31, 2021	JAN 1 - MARCH 31, 2020
	EUR 1,000	EUR 1,000
Revenues	284,054	231,986
Gross profit	72,851	49,911
Selling & distribution costs	-58,973	-39,224
Segment EBITDA	14,010	10,660
Administrative costs	-10,855	-6,832
EBITDA	3,036	3,860
EBITDA adjusted	5,655	4,938

## SEGMENT PERFORMANCE.

### DACH segment.

During the first three months of 2021, DACH – SHOP APOTHEKE EUROPE’s largest segment by revenues, covering business activities in Germany, Austria and Switzerland – grew by 14.9% compared to the corresponding period 2020. Sales rose to EUR 230.7 million after EUR 200.8 million for the first three months of 2020. During the same time, gross earnings were up 40.6% year-on-year from EUR 41.7 million to EUR 58.6 million. The gross margin rose by 4.6 pp to 25.4% compared to 20.8% last year. EBITDA (adjusted) for the first three months of 2021 was EUR 10.2 million compared to EUR 7.0 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 71.2% to EUR 53.3 million (previous year: EUR 31.2 million). Segment gross earnings rose by 73.4% from EUR 8.2 million to EUR 14.3 million during the reporting period with the gross margin at 26.8%, slightly above last year’s 26.4%. The adjusted EBITDA for the first three months of 2021 decreased to EUR -4.5 million from EUR -2.0 million a year earlier.

	DACH	INTERNATIONAL	CONSOLIDATED
	in EUR 1,000	in EUR 1,000	in EUR 1,000
<b>Q1 2021 Segment development</b>			
Revenues	230,724	53,330	284,054
Gross profit	58,567	14,284	72,851
EBITDA	8,042	-5,006	3,036
Adjusted EBITDA	10,184	-4,529	5,655
<b>Q1 2020 Segment development</b>			
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

## ASSETS AND FINANCIAL POSITION.

### Assets.

At the reporting date, the balance sheet total was EUR 834.8 million after EUR 536.9 million at the end of the 2020 fiscal year. Within the non-current assets, the increase is especially related to the intangible assets, which rose by EUR 78.8 million driven by the acquisitions of SMARTPATIENT and MEDAPP. Current assets increased by EUR 212.1 million from EUR 254.1 million to EUR 466.2 million, virtually entirely related to the cash inflow from the issuance of new convertible bonds in January 2021. As a result, cash and cash equivalents grew from EUR 90.5 million to EUR 303.1 million. For the same reason, loans and borrowings within the non-current liabilities increased from EUR 32.8 million as per the end of the 2020 fiscal year to EUR 250.0 million. An increase of EUR 19.3 million in trade and other payables from EUR 53.1 million to EUR 72.4 million is primarily related to the general expansion of the business volume.

The equity capital ratio was more than 56% (Q1 2020: 49%) as of the reporting date.

### Liquidity situation.

Operational cash flow increased to EUR 29.8 million from EUR 12.1 million during the same period of fiscal year 2020. The improvement is largely attributable to an increase of the change in trade and other payables, which was EUR 13.1 million higher than last year.

EUR -53.5 million was used for investing activities in the first three months of 2021 (previous year: EUR -5.6 million). The increase was mainly due to the acquisitions of SMARTPATIENT and MEDAPP. Net of cash acquired, the cash outflow for these investments amounted to EUR -43.6 million (previous year: EUR 0). EUR -4.6 million were investments in property, plant and equipment, mostly for the new logistics facility in Sevenum, the Netherlands, including its automation.

Total cash flow from financing activities stood at an inflow of EUR 236.3 million vs. EUR -1.4 million last year, essentially driven by the issuance of new convertible bonds in January 2021 with a net cash inflow of EUR 222.2 million. A further capital increase of EUR 8.4 million was related to the employee stock option programme.

Overall, cash and cash equivalents increased by EUR 212.6 million during the reporting period and amounted to EUR 303.1 million as of the balance sheet date.

## RISKS AND OPPORTUNITIES.

Our assessment of the company's risks and opportunities has not changed compared to the description provided in the 2020 Annual Report.

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 favourable or unfavourable impact on its prospects.

## BUSINESS COMBINATIONS.

There were two business combinations in the reporting period.  
The payments for the acquisition of subsidiaries relate to the transactions from these acquisitions.

The purchase price allocations for the following companies were not yet finalized as at 31 March 2021:

### SMARTPATIENT.

On 7 January 2021 SHOP APOTHEKE EUROPE N.V., through its subsidiary SHOP APOTHEKE EUROPE B.V., acquired 100 per cent of SMARTPATIENT GmbH, which is based in Munich, Germany.  
The initial purchase price allocation for this acquisition has been recorded as per 31 March 2021.

### MEDAPP.

On 26 March 2021 SHOP APOTHEKE EUROPE N.V., through its subsidiary SHOP APOTHEKE EUROPE B.V., acquired 100 percent of MEDAPP Holding B.V. including MEDAPP Nederland B.V. and MEDAPP Apotheek B.V., which is based in Eindhoven, the Netherlands. At the moment of preparation of these financial statements, the acquisition accounting is in process.

Up to twelve months from the effective date of these acquisitions, adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed as well as to the consideration transferred to reflect new information about facts and circumstances that existed as of the acquisition date.

## IMPORTANT EVENTS DURING THE REPORTING PERIOD.

### Issuance of convertible bonds.

During the reporting period, SHOP APOTHEKE EUROPE successfully placed senior unsecured convertible bonds with a zero coupon in an aggregate principal amount of EUR 225 million and a maturity of seven years with a put option after five years. The initial conversion price has been fixed at EUR 233.83, corresponding to a premium of 50% above the volume-weighted average price of the listed share of the Company on XETRA between launch and pricing.

### Expansion of digital health services and e-Rx business into the Netherlands through the acquisitions of SMARTPATIENT and MEDAPP.

During the reporting period, SHOP APOTHEKE EUROPE acquired the digital medication management expert SMARTPATIENT and the technology-driven e-pharmacy MEDAPP. Through the acquisitions, SHOP APOTHEKE EUROPE accelerates its technological and digital health capabilities even more rapidly. Furthermore, MEDAPP enables SHOP APOTHEKE EUROPE to expand into the prescription drugs business in the Dutch market.

## EVENTS AFTER THE BALANCE SHEET DATE.

No events have occurred after the reporting date that would materially affect the presentation of the group's situation in this interim report.

## FORECAST.

For the full-year 2021, the Management Board of SHOP APOTHEKE EUROPE expects sales growth of around 20% or more, an adjusted EBITDA margin in the range of 2.3% to 2.8% (2020: 2.2%), and capital expenditures excluding M&A of around 3.5% of sales.



**SHOP APOTHEKE**  
EUROPE

02

APPENDIX.

## CONSOLIDATED SEGMENT FINANCIALS.

### Segment information Q1 2021 - non-adjusted and adjusted.

March 31 2021	DACH	International	Unaudited interim consolidated
	in EUR 1,000	in EUR 1,000	in EUR 1,000
Revenue	230,724	53,330	284,054
Cost of sales	-172,157	-39,046	-211,203
<i>Adjusted CoS</i>	-172,157	-39,046	-211,203
<b>Gross profit</b>	<b>58,567</b>	<b>14,284</b>	<b>72,851</b>
<i>Adjusted gross profit</i>	58,567	14,284	72,851
% of revenue	25.4%	26.8%	25.6%
Other income	11	2	13
Selling & distribution	-43,801	-15,172	-58,973
<i>Adjusted S&amp;D</i>	-43,693	-15,161	-58,854
<b>Segment EBITDA</b>	<b>14,777</b>	<b>-886</b>	<b>13,891</b>
<i>Adjusted segment EBITDA</i>	14,885	-875	14,010
Administrative expenses	-6,735	-4,120	-10,855
<i>Adjusted AE</i>	-4,701	-3,654	-8,355
<b>EBITDA</b>	<b>8,042</b>	<b>-5,006</b>	<b>3,036</b>
<i>Adjusted EBITDA</i>	10,184	-4,529	5,655
Depreciation	-3,386	-2,071	-5,457
<b>EBIT</b>	<b>4,656</b>	<b>-7,077</b>	<b>-2,421</b>
<i>Adjusted EBIT</i>	6,798	-6,600	198
Net finance cost and income tax			-3,369
<i>Adjusted net finance cost and income tax</i>			-3,369
<b>Net loss</b>			<b>-5,790</b>
<i>Adjusted net loss</i>			-3,171

## CONSOLIDATED SEGMENT FINANCIALS.

### Segment information Q1 2020 - non-adjusted and adjusted.

March 31 2020	DACH	International	Unaudited interim consolidated
	in EUR 1,000	in EUR 1,000	in EUR 1,000
Revenue	200,830	31,156	231,986
Cost of sales	-159,156	-22,919	-182,075
Adjusted CoS	-159,189	-22,919	-182,108
<b>Gross profit</b>	<b>41,641</b>	<b>8,237</b>	<b>49,911</b>
Adjusted gross profit	41,608	8,237	49,878
% of revenue	20.7%	26.4%	21.5%
Other income	4	1	5
Selling & distribution	-30,346	-8,878	-39,224
Adjusted S&D	-30,345	-8,878	-39,223
<b>Segment EBITDA</b>	<b>11,331</b>	<b>-640</b>	<b>10,692</b>
Adjusted segment EBITDA	11,300	-640	10,660
Administrative expenses	-5,168	-1,664	-6,832
Adjusted AE	-4,328	-1,394	-5,722
<b>EBITDA</b>	<b>6,165</b>	<b>-2,305</b>	<b>3,860</b>
Adjusted EBITDA	6,971	-2,033	4,938
Depreciation	-2,535	-816	-3,352
<b>EBIT</b>	<b>3,630</b>	<b>-3,121</b>	<b>508</b>
Adjusted EBIT	4,436	-2,851	1,586
Net finance cost and income tax			-5,466
Adjusted net finance cost and income tax			-5,466
<b>Net loss</b>			<b>-4,958</b>
Adjusted net loss			-3,880



## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS.

	Period ended March 31 2021	Period ended March 31 2020
	in EUR 1,000	in EUR 1,000
Revenue	284,054	231,986
Cost of sales	-211,204	-182,075
<b>Gross profit</b>	<b>72,850</b>	<b>49,911</b>
Other income	13	4
Selling and distribution	-63,611	-42,072
Administrative expenses	-11,673	-7,335
<b>Result from operations</b>	<b>-2,421</b>	<b>508</b>
Finance income	109	80
Finance expenses	-3,459	-5,701
Share of profit of associates and joint ventures	0	0
Net finance costs	-3,350	-5,621
<b>Result before tax</b>	<b>-5,771</b>	<b>-5,113</b>
Income tax	-19	155
<b>Result after tax</b>	<b>-5,790</b>	<b>-4,958</b>
<b>Attributable to:</b>		
Owners of the company	-5,790	-4,958

## UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

	March 31 2021	Dec. 31 2020
	in EUR 1,000	in EUR 1,000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	77,792	74,545
Intangible assets	283,464	204,661
Deferred tax assets	120	120
Other financial assets	5,474	1,730
Investments in equity-accounted joint ventures	1,151	1,151
Investments in associates	605	605
Investments in equity-instruments	10	10
	368,616	282,822
<b>Current assets</b>		
Inventories	82,820	81,240
Trade and other receivables	42,678	44,591
Other financial assets	37,628	37,771
Cash and cash equivalents	303,053	90,485
	466,179	254,087
<b>Total assets</b>	<b>834,795</b>	<b>536,909</b>
<b>Equity and liabilities</b>		
<b>Shareholders' equity</b>		
Issued capital and share premium	561,840	552,019
Reserves/accumulated losses	-90,160	-126,881
	471,680	425,138
<b>Non-current liabilities</b>		
Deferred tax liability	6,644	4,347
Loans and borrowings	250,012	32,810
	256,656	37,157
<b>Current liabilities</b>		
Trade and other payables	72,399	53,147
Loans and borrowings	5,667	5,384
Amounts due to banks	37	39
Other liabilities	28,356	16,043
	106,459	74,613
<b>Total equity and liabilities</b>	<b>834,795</b>	<b>536,908</b>

## UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.

	Period ended March 31 2021	Period ended March 31 2020
	in EUR 1,000	in EUR 1,000
<b>Cash flow from operating activities</b>		
Result from operations	-2,421	508
Adjustments for:		
- Depreciation and amortisation of non-current assets	5,457	3,352
- Corporate income tax	-65	0
- Share-based payment charge for the period	1,725	442
Operating result adjusted for depreciation and amortisation, taxes and provisions	4,696	4,302
<b>Movements in working capital</b>		
- (Increase)/decrease in trade and other receivables	2,344	-4,212
- (Increase)/decrease in inventory	-1,580	839
- (Increase)/decrease in trade and other payables	24,324	11,193
Working capital movement	25,088	7,820
Net cash (used in)/generated by operating activities	29,784	12,122
<b>Cash flow from investing activities</b>		
Investment for property, plant and equipment	-4,591	-7,402
Investment for intangible assets	-5,337	-2,979
Investment for other financial assets	0	4,755
Acquisition of subsidiary, net of cash acquired	-43,588	0
Net cash (used in)/generated by investing activities	-53,516	-5,626
<b>Cash flow from financing activities</b>		
Interest received	111	80
Interest paid	-1,706	-879
Capital increase exercised ESOP	8,342	0
Issue convertible bond	222,197	0
Issue/repayment other long-term liability	8,585	-9
Cash-out lease payments	-1,229	-592
Net cash (used in)/generated by financing activities	236,300	-1,399
Net increase/(decrease) in cash and cash equivalents	212,568	5,097
Cash and cash equivalents at the beginning of the period	90,485	62,653
Cash and cash equivalents at the end of the period	303,053	67,750

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## GLOSSARY.

For definitions of non-IFRS terms, please refer to the Annual Report 2020, pages 146 and 147 which you will find on SHOP APOTHEKE EUROPE's Corporate Website [www.shop-apotheke-europe.com](http://www.shop-apotheke-europe.com) in the Investor Relations section.

## CONTACT.

### Investor Relations.

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