



SHOP APOTHEKE
EUROPE

INTERIM REPORT

31 MARCH 2023

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KEY FIGURES.

Continuously increasing our strong growth across Europe.



REVENUE Q1:
EUR 372 MILLION (+ 22 %).



PARCELS SENT IN Q1:
> 80,700 PARCELS A DAY.



GROSS MARGIN:
27.7% (Q1 2022: 26.6%).



REPEAT ORDERS:
84 PERCENT.



ACTIVE CUSTOMERS:
9.7 MILLION.
+ 0.4 MILLION CUSTOMERS
IN Q1.



AVERAGE SHOPPING
BASKET SIZE:
€ 57.9 (Q1 2022: € 56.8).



SITE VISITS Q1:
110.9 MILLION (+ 18.9%).



CUSTOMER SATISFACTION:
NET PROMOTER SCORE (NPS)
OF 71.



SHOP APOTHEKE
EUROPE

01

INTERIM GROUP
MANAGEMENT REPORT.

BUSINESS MODEL, GROUP STRUCTURE AND CORPORATE GOVERNANCE.

The statements made in the 2022 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.

The demand for prescription and non-prescription pharmaceuticals and pharmacy-related beauty and personal care products can vary depending on the season, with the first and fourth quarters of the year typically experiencing higher demand for pharmaceuticals.

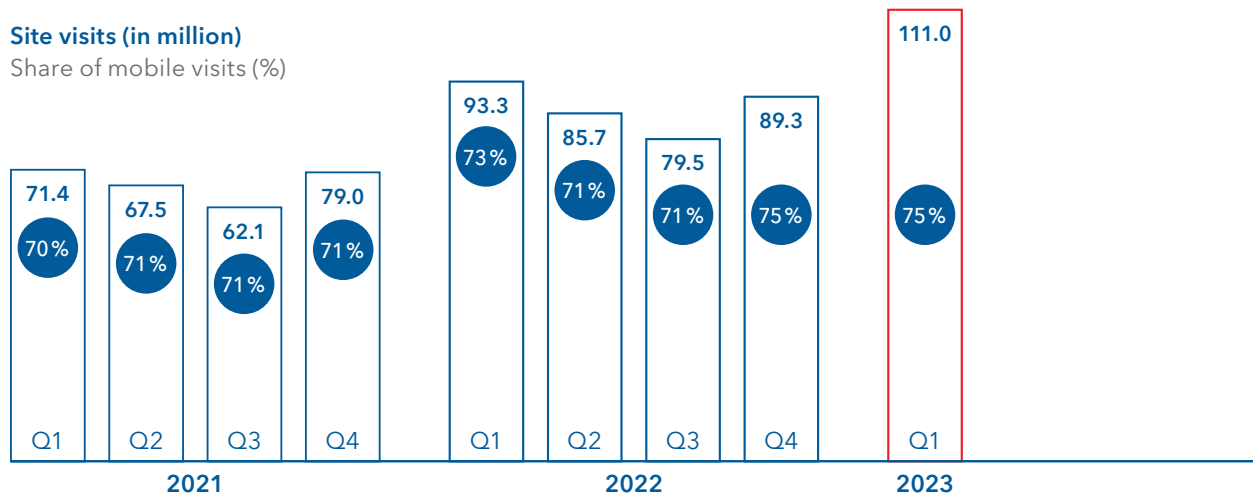
In the first quarter of 2023, SHOP APOTHEKE EUROPE reported a year-over-year increase of 22.1 % in group revenues, reaching EUR 372.1 million. The company's prescription (Rx) sales increased by 15.5 %, while Non-Rx business grew by 22.8 %. The number of active customers reached 9.7 million as of 31 March 2023, representing a year-over-year increase of 1.4 million and a quarter-over-quarter increase of 0.4 million.

During the first three months of 2023, the number of orders increased by 18.1 % compared to the same period in the previous year, totaling 7.3 million orders (3M 2022: 6.2 million), with an average basket size of EUR 57.94, up 2.0 % from last year's average basket size of EUR 56.79. The share of repeat orders in Q1 2023 was 84 %, compared to 81 % in the same period of the previous year, while the return rate remained significantly less than 1 %.

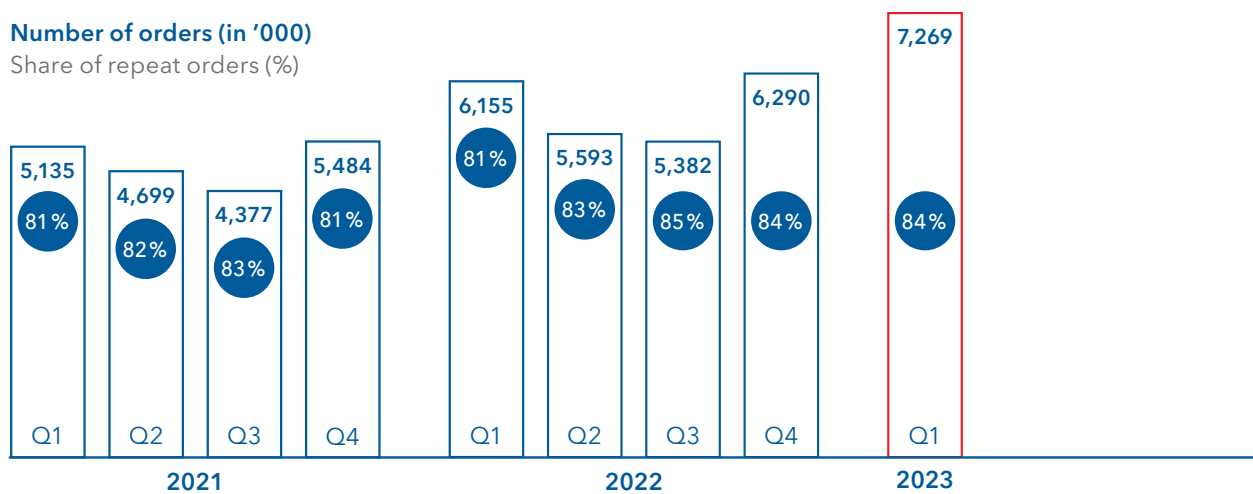
	2021				2022				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Page visits (million)	71.4	67.5	62.1	79.0	93.3	85.7	79.5	89.3	111.0
Mobile page visits (million)	50.4	48.0	44.4	56.0	67.7	60.6	56.3	67.1	83.1
Ratio mobile (in %)	70	71	71	71	73	71	71	75	75
Orders (million)	5.1	4.7	4.4	5.5	6.2	5.6	5.4	6.3	7.3
Orders by existing clients (in %)	81	82	83	81	81	83	85	84	84
Return rate (in %)	0.7	0.8	0.6	0.7	0.6	0.7	0.8	0.7	0.6
Active customers (million)	6.8	7.1	7.3	7.9	8.3	8.6	8.9	9.3	9.7
Average shopping cart (in €)	63.5	61.5	61.0	58.9	56.8	57.9	59.8	58.8	57.9

Site visits (in million)

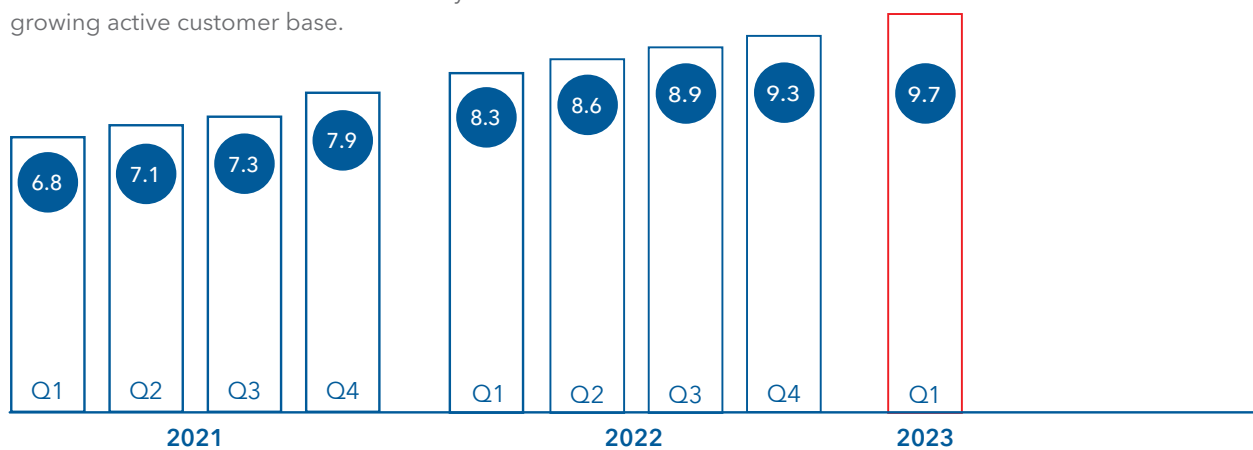
Share of mobile visits (%)

**Number of orders (in '000)**

Share of repeat orders (%)

**Number of active customers (in millions)**

SHOP APOTHEKE EUROPE's continuously growing active customer base.



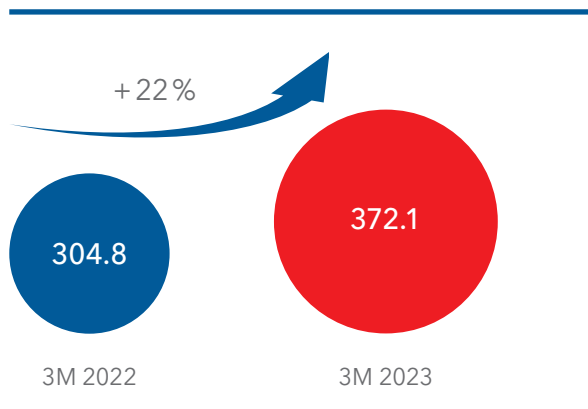
With a growth rate of 27.3%, gross profit at group level rose even stronger than sales, from EUR 81.0 million during the first three months of 2022 to EUR 103.1 million for the period under review. Compared to last year, the consolidated gross margin rose by 1.1 pp from 26.6% to 27.7% for the first three months of the year.

Adjusted selling and distribution (S&D) expenses were EUR 83.6 million for the first three months of the year, or 22.5% of sales (3M 2022: 25.0%). The improvement is largely driven by higher marketing efficiency and slightly higher overall basket sizes.

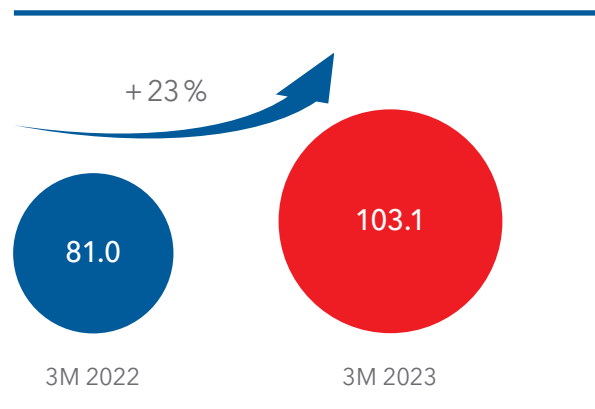
Administrative costs for the first three months 2023 were EUR 14.9 million (previous year: EUR 15.3 million) and included one-off expenses and employee stock option expenses amounting to EUR 4.2 million (Q1 2022: EUR 6.3 million). The adjusted administrative cost ratio was at last year's level of 2.9%.

Adjusted EBITDA was EUR 8.8 million compared to EUR -4.3 million for the first three months of 2022, translating into an adjusted EBITDA margin of 2.4% after -1.4% in the corresponding period 2022. Including depreciation of EUR 12.1 million (previous year: EUR 8.7 million), EBIT was EUR -7.6 million (3M 2022: EUR -19.2 million). After net finance cost and income tax, the net result was EUR -10.2 million compared to EUR -22.9 million a year earlier.

Consolidated revenues (in € million)



Consolidated gross profit (in € million)



SEGMENT PERFORMANCE.

● DACH SEGMENT.

In the first three months of 2023, DACH - SHOP APOTHEKE EUROPE's largest segment in terms of sales - comprising business activities in Germany, Austria and Switzerland experienced a strong growth of 23.1% compared to the same period in 2022. Revenues rose to EUR 289.4 million after EUR 235.0 million for the first three months of 2022. During the same period, gross profit was up 32.5% year-over-year, from EUR 62.3 million to EUR 82.6 million. The gross margin rose by 2 pp to 28.5% compared to 26.5% last year. The adjusted EBITDA for the first three months of 2023 was EUR 14.9 million (margin: 5.2%) compared to EUR 2.4 million (margin: 1.0%) during the same period of last year.

● INTERNATIONAL SEGMENT.

Sales for SHOP APOTHEKE EUROPE's International Segment (Belgium, France, Italy and the Netherlands) also demonstrated strong growth in the first quarter of 2023 - up 18.5% to EUR 82.7 million (previous year: EUR 69.8 million). Segment gross profit rose by 10.1% - from EUR 18.6 million to EUR 20.5 million with a gross margin at 24.8% (3M 2022: 26.7%). The adjusted EBITDA for the first three months of 2023 stood at EUR -6.2 million from EUR -6.7 million a year earlier.

3M 2023 Segment development

in EUR 1,000	Dach	International	consolidated
Revenues	289,375	82,677	372,052
Gross Profit	82,572	20,517	103,089
EBITDA	12,389	-7,830	4,568
Adjusted EBITDA	14,933	-6,170	8,763

3M 2022 Segment development

in EUR 1,000	Dach	International	consolidated
Revenues	234,997	69,786	304,783
Gross Profit	62,335	18,634	80,969
EBITDA	-1,286	-9,224	-10,510
Adjusted EBITDA	2,436	-6,720	-4,284

ASSETS, LIABILITIES AND FINANCIAL POSITION.

● ASSETS AND LIABILITIES.

As of the reporting date, the balance sheet shows a total of EUR 760 million in assets, which increased from EUR 729.5 million as of 31 December 2022. Non-current assets include property, plant and equipment of EUR 85.9 million, intangible assets of EUR 288.7 million and other financial assets of EUR 9.4 million, for a total of EUR 385.4 million after EUR 385.6 million at year end 2022. Current assets include inventories of EUR 97.8 million, trade and other receivables of EUR 60.7 million, other financial assets of EUR 117.8 million, and cash and cash equivalents of EUR 98.3 million, for a total of EUR 374.6 million. The increase of EUR 30.7 million mainly results from higher cash and cash equivalents.

Non-current liabilities include loans and borrowings of EUR 249.2 million and deferred tax liability of EUR 7 million, for a total of EUR 256.3 million. Current liabilities include – amongst others – trade and other payables of EUR 99.9 million, loans and borrowings of EUR 8.0 million and other liabilities of EUR 48.4 million, for a total of EUR 156.4 million.

Shareholders' equity includes issued capital and share premium of EUR 571.2 million and reserves/accumulated losses of EUR -223.9 million, resulting in a total of EUR 347.3 million. The equity capital ratio as of 31 March 2023 is 45.7%, which is slightly lower than the 48.6% as of 31 December 2022.

● LIQUIDITY SITUATION.

The operational cash flow of SHOP APOTHEKE EUROPE amounted to EUR 44 million, which represents an increase compared to the same period in the previous fiscal year (EUR 23.8 million). This development was mainly driven by a higher operating result and a more favourable development of working capital movements.

During the first three months of 2023, SHOP APOTHEKE EUROPE invested EUR -8.6 million, primarily in intangible assets. This amount is lower than the investment made during the same period last year, which amounted to EUR -11.0 million.

Cash flow from financing activities showed an outflow of EUR -3.8 million during the reporting period, which is higher than the outflow as of 31 March 2022 (EUR -3.3 million). This outflow includes interest payments related to the payment service providers that are active for SHOP APOTHEKE EUROPE.

As of the balance sheet date, the company's cash and cash equivalents increased by EUR 31.6 million, reaching a total of EUR 98.3 million. Including short-term financial assets (deposits and securities), the amount stood at EUR 211.7 million, compared to EUR 180.1 million at the beginning of the period. This amount is excluding cash kept in escrow for past investments of EUR 4 million.

IMPORTANT EVENTS DURING THE REPORTING PERIOD.

● CEO STEFAN FELTENS RESIGNS, OLAF HEINREICH APPOINTED AS NEW CEO.

During the reporting period, SHOP APOTHEKE EUROPE's CEO Stefan Feltens announced that he would not be extending his contract at the end of its four-year term. On 15 March 2023, the board announced that Olaf Heinrich had been appointed as the new CEO. Following Dutch law, the Annual General Meeting elected Olaf Heinrich as a member of the Executive Board on 26 April 2023.

● STRATEGIC PARTNERSHIP WITH SWISS HEALTH CARE SERVICE PROVIDER GALENICA AG.

At the end of the reporting period, SHOP APOTHEKE EUROPE revealed its intention to enter into a strategic partnership with GALENICA AG, a leading healthcare provider in Switzerland. As part of this transaction, shop-apotheke.ch and GALENICA's subsidiary, Mediservice AG, will combine their businesses, operating under the name Mediservice AG in Zuchwil, Switzerland. André Lüscher, the current CEO of Mediservice AG, will remain as CEO, while Stephan Weber, CCO and Co-Founder of SHOP APOTHEKE EUROPE, will be the new president of the board of directors.

After the intended transaction, SHOP APOTHEKE EUROPE will hold a 51% stake in Mediservice AG, and GALENICA will hold 49%. In exchange for selling 51% of Mediservice AG, GALENICA will receive 1.2 million shares of SHOP APOTHEKE EUROPE, which account for approximately 6% of the shares outstanding post-transaction. Additionally, GALENICA will purchase 0.4 million shares with a cash payment of EUR 29 million to SHOP APOTHEKE EUROPE. Following the capital increase, GALENICA's shareholding in SHOP APOTHEKE EUROPE will be 8%.

The competition authorities still need to approve the transaction as of the reporting date. As such the transaction has not been closed and therefore there is no impact from the acquisition on the SHOP APOTHEKE EUROPE figures for Q1 2023.

EVENTS AFTER THE BALANCE SHEET DATE.

No events have occurred since 31 March 2023, which have a material impact on the company's consolidated financial statements.

FORECAST.

After the intended transaction between GALENICA and SHOP APOTHEKE EUROPE, the figures of the newly formed partnership will be included in SHOP APOTHEKE EUROPE's 2023 figures. Mediservice AG's current business is expected to generate net sales of around CHF 450 million with an EBITDA margin between 2% and 3% for the full year 2023. The guidance for 2023 will be reconfirmed or updated after the transaction has been completed to reflect this addition.

Apart from the impact of the Mediservice AG transaction, the management of SHOP APOTHEKE EUROPE confirms the guidance provided on 7 March 2023 for the full year 2023:

- Non-Rx sales growth is expected to be in the range of 10% to 20% (mid-point 15%).
- Adjusted EBITDA margin is expected to be in the range of 0.5% to 2.5% (mid-point 1.5%).
- Free cash flow is expected to be in the range of EUR -20 million to EUR 20 million (mid-point 0).



SHOP APOTHEKE
EUROPE

02

APPENDIX.

RESULTS PER SEGMENT.

FOR THE PERIOD ENDED 31 MARCH 2023

Segment information - non adjusted and adjusted	DACH	International	Total
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	289,375	82,677	372,052
Cost of sales	-206,803	-62,160	-268,963
<i>Adjusted CoS</i>	-206,803	-62,160	-268,963
Gross profit	82,572	20,517	103,089
<i>Adjusted gross profit</i>	82,572	20,517	103,089
% of revenue	28.5 %	24.8 %	27.7 %
Other income	16	3	19
Selling & distribution	-61,187	-22,427	-83,614
<i>Adjusted S&D</i>	-61,171	-22,417	-83,588
Segment EBITDA	21,392	-1,907	19,494
<i>Adjusted segment EBITDA</i>	21,417	-1,897	19,520
Administrative expenses	-9,003	-5,923	-14,926
<i>Adjusted AE</i>	-6,484	-4,273	-10,757
EBITDA	12,389	-7,830	4,568
<i>Adjusted EBITDA</i>	14,933	-6,170	8,763
Depreciation	-7,327	-4,820	-12,147
EBIT	5,062	-12,650	-7,579
<i>Adjusted EBIT</i>	7,606	-10,990	-3,384
Net finance cost and income tax			-2,643
<i>Adjusted net finance cost and income tax</i>			-2,643
Net loss			-10,222
<i>Adjusted net loss</i>			-6,027

FOR THE PERIOD ENDED 31 MARCH 2022

Segment information - non adjusted and adjusted	DACH	International	Total
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	234,997	69,786	304,783
Cost of sales	-172,662	-51,152	-223,814
<i>Adjusted CoS</i>	-172,662	-51,152	-223,814
Gross profit	62,335	18,634	80,969
<i>Adjusted gross profit</i>	62,335	18,634	80,969
% of revenue	26.5 %	26.7 %	26,6 %
Other income	10	3	13
Selling & distribution	-54,460	-21,742	-76,202
<i>Adjusted S&D</i>	-54,542	-21,776	-76,318
Segment EBITDA	7,885	-3,105	4,780
<i>Adjusted segment EBITDA</i>	7,803	-3,139	4,664
Administrative expenses	-9,171	-6,119	-15,290
<i>Adjusted AE</i>	-5,367	-3,581	-8,948
EBITDA	-1,286	-9,224	-10,510
<i>Adjusted EBITDA</i>	2,436	-6,720	-4,284
Depreciation	-5,208	-3,475	-8,683
EBIT	-6,494	-12,699	-19,193
<i>Adjusted EBIT</i>	-2,772	-10,195	-12,967
Net finance cost and income tax			-3,739
<i>Adjusted net finance cost and income tax</i>			-3,739
Net loss			-22,932
<i>Adjusted net loss</i>			-16,706

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS.

FOR THE PERIOD ENDED 31 MARCH 2023

	Period ended 31.3.2023	Period ended 31.3.2022
	EUR 1,000	EUR 1,000
Revenue	372,052	304,783
Cost of sales	-268,963	-223,814
Gross profit	103,089	80,969
Other income	19	13
Selling and distribution	-93,939	-83,584
Administrative expenses	-16,748	-16,591
Operating result	-7,579	-19,193
Finance income	581	217
Finance expenses	-3,898	-3,917
Share of profit of associates and joint ventures	190	0
Result before tax	-10,705	-22,893
Income tax	483	-39
Result after tax	-10,222	-22,932
Attributable to:		
Owners of the company	-10,222	-22,932

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

AS AT 31 MARCH 2023

	31.3.2023	31.12.2022
	EUR 1,000	EUR 1,000
Assets		
Non-current assets		
Property, plant and equipment	85,856	85,435
Intangible assets	288,745	289,005
Deferred tax assets	131	462
Other financial assets	9,388	9,389
Investments in joint ventures	1,250	1,250
Investments in associates	5	5
Investments in equity-instruments	10	10
	385,385	385,556
Current assets		
Inventories	97,823	99,708
Trade and other receivables	60,702	59,876
Other financial assets	117,706	117,555
Cash and cash equivalents	98,340	66,777
	374,571	343,916
Total assets	759,956	729,472
Equity and liabilities		
Shareholders' equity		
Issued capital and share premium	571,198	571,057
Reserves/accumulated losses	-223,906	-216,427
	347,292	354,630
Non-current liabilities		
Loans and Borrowings	249,210	247,650
Deferred tax liability	7,043	7,886
	256,253	255,536
Current liabilities		
Trade and other payables	99,924	72,882
Loans and Borrowings	8,035	7,505
Amounts due to banks	30	40
Other liabilities	48,422	38,879
	156,411	119,306
Total equity and liabilities	759,956	729,472

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.

FOR THE PERIOD ENDED 31 MARCH, 2023

	Period ended 31.3.2023	Period ended 31.3.2022
	EUR 1,000	EUR 1,000
Cash flow from operating activities		
Operating result	-7,579	-19,193
Adjustments for:		
-Depreciation and amortisation of non-current assets	12.147	8.683
-Net foreign exchange differences	-23	219
-Share-based payment charge for the period	2.773	4.345
Corporate income tax paid	-137	-108
Operating result adjusted for depreciation and amortisation and taxes:	7.181	-6.054
Movements in:		
-(Increase)/decrease in trade and other receivables	-826	-1.547
-(Increase)/decrease in inventory	1.885	21.388
-Increase/(decrease) in trade and other payables	27.043	2.636
-Increase/(decrease) in other liabilities	8.691	7.398
Total movements in working capital	36.793	29.875
Net cash (used in)/generated by operating activities	43.974	23.821
Cash flow from investing activities		
Investment for property, plant and equipment	-742	-2.179
Investment for intangible assets	-8.406	-10.249
(Investment in)/disposal from escrow account	0	1.412
Dividend received	190	0
Interest received	393	0
Net cash (used in)/generated by investing activities	-8.565	-11.016
Cash flow from financing activities		
Interest paid	-2.027	-1.728
Capital increase exercised options	101	0
Repayment of other long-term loans	-406	-406
Cash-out lease payments	-1.514	-1.203
Net cash (used in)/generated by financing activities	-3.846	-3.337
Net increase/(decrease) in cash and cash equivalents	31.563	9.468
Cash and cash equivalents at the beginning of the period	66.777	247.413
Cash and cash equivalents at the end of the period	98.340	256.881

GLOSSARY.

For definitions of non-IFRS terms, please refer to the Annual Report 2022, pages 206/207 which you will find on SHOP APOTHEKE EUROPE's Corporate Website www.shop-apotheke-europe.com in the Investor Relations section.

CONTACT.

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