



SHOP APOTHEKE
EUROPE

STRATEGICALLY POSITIONED FOR GROWTH.

INTERIM FINANCIAL STATEMENTS
FIRST QUARTER 2018
SHOP APOTHEKE EUROPE N.V.



15 MAY 2018

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AGENDA.

- Strong First Quarter 2018
- Financial Performance
- Outlook 2018
- Q+A

HIGHLIGHTS.

Revenue Q1 2018

€ 131m
(+105% YoY)

€ 23m
(+74 % YoY)

Gross Profit

Cash & short-term securities

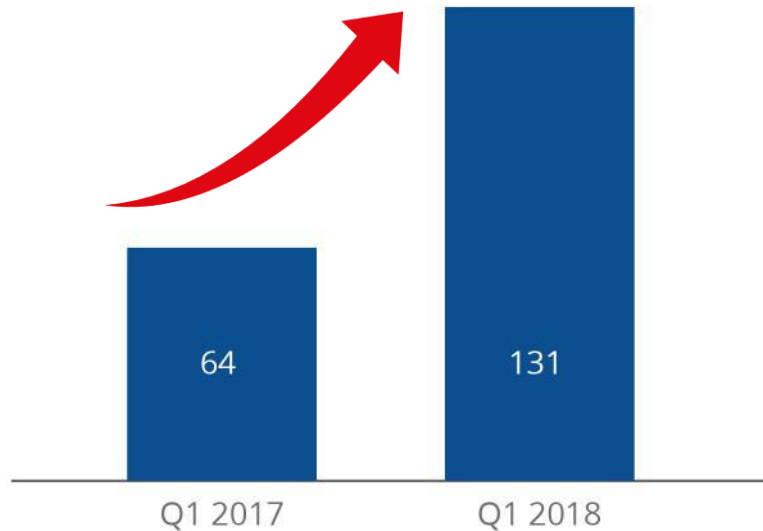
€ 32m

2.7m
(+29 % YoY)

Active customers

STRONG PERFORMANCE IN FIRST QUARTER 2018.

Group Revenues in EUR m



GROUP REVENUES INCREASED BY 105%

- ✓ Sales in Germany increased by 117% YoY.
- ✓ International sales increased by 69% YoY.

GROUP SEGMENT EBITDA IMPROVED TO -1.0% (-2.6% in Q1 2017).

INCREASED CONTRIBUTION PER ORDER TO REACH OUR CURRENT AND FUTURE EBITDA TARGETS.



- ✓ Increased basket size and € contribution per parcel have already resulted in significantly improved group segment EBITDA and EBITDA margin.



- ✓ New customer acquisition is targeted at gaining value customers with high activation and repeat order rate.
- ✓ Shop Apotheke has been awarded BEST GERMAN ONLINE PHARMACY BRAND* and CUSTOMER CHAMPION IN AUSTRIA**.



- ✓ EBITDA is supported by economies of scale that have decreased administration costs to 2.8% of sales (3.0% in Q1 2017).

* Handelsblatt and YouGov 2018

** ÖGVS Institute 2018

INVESTMENTS IN AUTOMATION AND WEBSHOPS SUPPORT SAVINGS IN SELLING & DISTRIBUTION.



- Additional packing lines with sorters are up and running, **Selling & Distribution costs have been reduced to 18.7% from 24.6% in 2017.** Continuous process optimization to further reduce S&D costs per parcel.
- **International shipping rates are decreasing** due to the strong growth in sales and deliveries to our European target markets.
- International webshops have migrated to a common **Shop Apotheke platform**, adding further economies of scale in our international marketing.

SUCCESSFUL ROLL-OUT OF REDPOINTS STRENGTHENS CUSTOMER LOYALTY.

- Shop-Apotheke customers collect RedPoints and use them for repeat purchases.
- Benefits for SHOP APOTHEKE:
 - + increased repeat orders, basket size and customer activation,
 - + maximizing customer lifetime value (CLV).



THE EUROPA APOTHEEK INTEGRATION WITH BRAND SYNERGIES STARTING 2019 IS ON PLAN.



Combining the OTC and Rx offering



Serving the whole family



Creating leadership position in Europe



STRONG PUBLIC RESISTANCE AGAINST POTENTIAL RX BAN THAT WOULD CONFLICT WITH GERMAN AND EUROPEAN LAW.

Selected press view on potential Rx ban

"No fear of new laws"⁽¹⁾

Börsen-Zeitung, 13 March 2018

Börsen-Zeitung

"Analysts and experts think a ban is unlikely"⁽²⁾

Börse Online, 15 – 21 February 2018

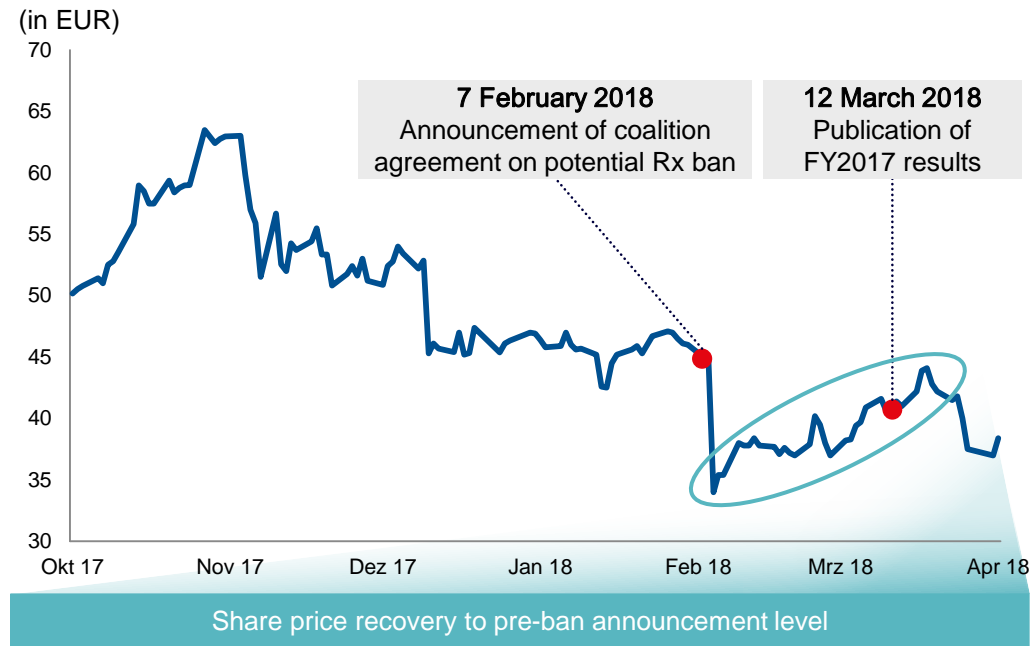
**BÖRSE
ONLINE**

"Chances are high that the government will get a bloody nose from courts after a ban"⁽³⁾

Frankfurter Rundschau, 13 March 2018

Frankfurter Rundschau

SHOP APOTHEKE share price development⁽⁴⁾



SHOP APOTHEKE's revenue split⁽⁵⁾



Analyst forecast
2018E: EUR 560m



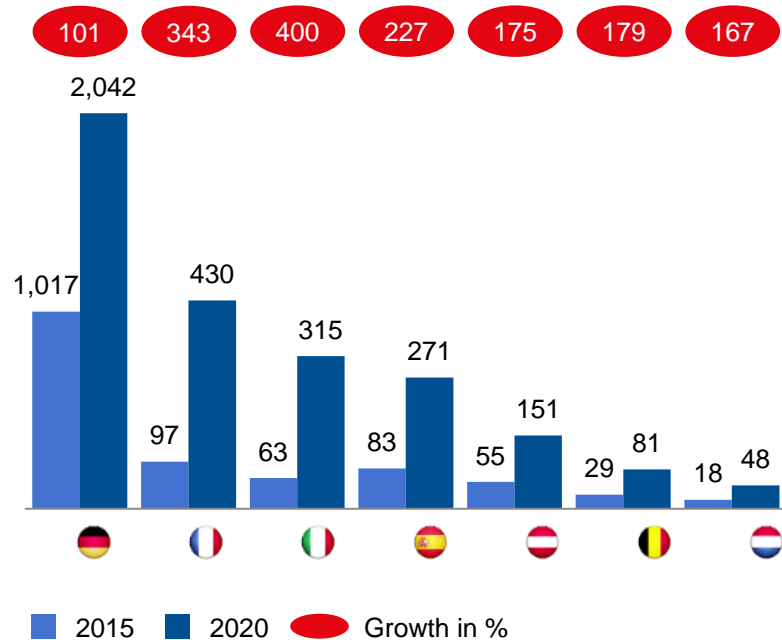
Strategic M&A to
further increase the
share of OTC & BPC



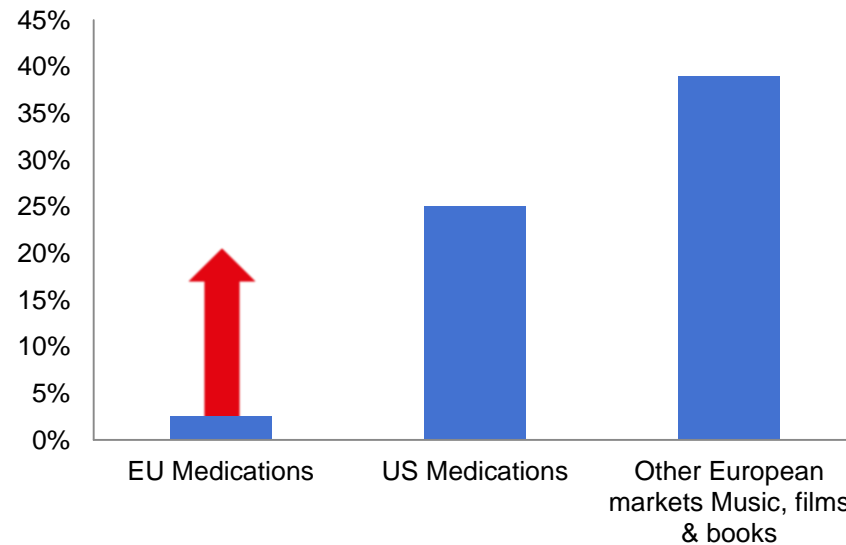
- The Minister of Health was not appointed when the coalition agreement was signed
- The new German Minister of Health, Mr Spahn, is an advocate of digitalization in the health sector

SHOP APOTHEKE IS WELL POSITIONED TO GRASP THE HUGE ONLINE MARKET OPPORTUNITY.

Enormous OTC mail order market growth in our European markets (in EUR m) ⁽¹⁾



OTC represents a huge addressable market in continental Europe with an online penetration close to zero⁽²⁾



Multiple paths to profitable growth

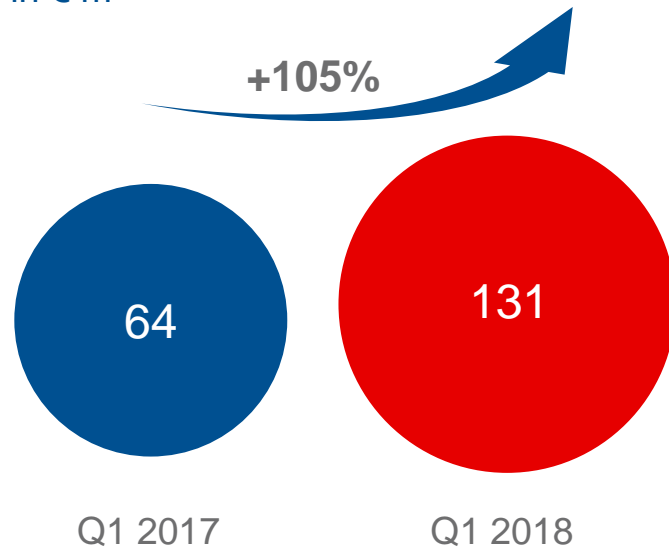
- **Huge projected market growth** across all end markets
- **Best positioned to capture >100% growth rates in the OTC online market**
- **Still low penetration of the international online market**
- **As a market leader, Shop Apotheke will benefit from increasing online penetration⁽³⁾**

Source: (1) Sempora market research 2017; (2) IMS PharmaScope, 2017, Sempora market study, 2017, Euromonitor (as of 03 April 2017), online penetration calculated by dividing the internet retailing market size across Europe by the total market size for each vertical, DE and US 2015, other European markets including France, Germany, Italy, Spain, United Kingdom, Switzerland, 2016; (3) ABDA, Sempora, Euromonitor, IMS health: avg. online penetration in Europe was 2.5% for Rx and 3.5% for OTC in 2016; The avg. online penetration rate is expected to grow to 6% by 2020 in continental Europe (excl. DE)

FINANCIAL PERFORMANCE.

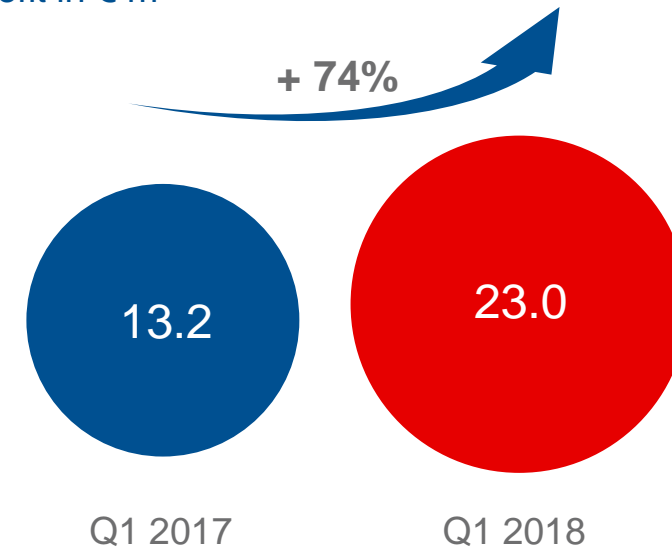
THE CONSOLIDATED SHOP APOTHEKE EUROPE KEY FINANCIALS CONFIRM OUR GUIDANCE.

Revenue in € m



- Strong sales momentum in Q1 2018.
- SHOP APOTHEKE EUROPE is on target for FY 2018.

Gross Profit in € m



- Strong Gross Profit growth despite high international sales growth.
- Focus on contribution per order has increased group segment EBITDA.

STRONG INTERNATIONAL PERFORMANCE HAS RESULTED IN INCREASED GROUP SEGMENT EBITDA.

Segment EBITDA in EUR million

Germany



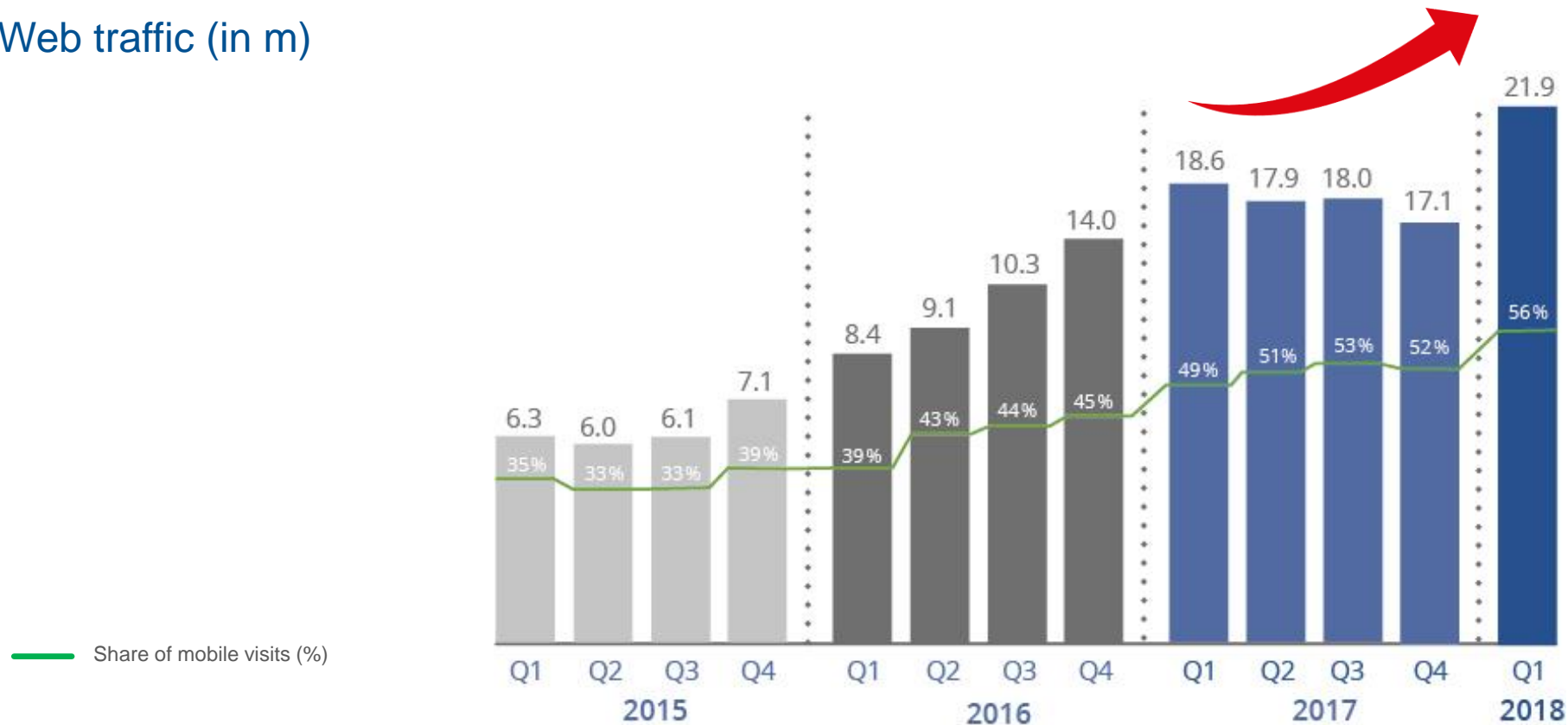
International*



- International Segment EBITDA improved from EUR –2.3 million in Q1 2017 to EUR –1.8 million in Q1 2018 despite the strong sales growth to EUR 27 million in Q1 2018 from EUR 16 million in Q1 2017.
- German Segment EBITDA is stable at EUR 0.4 million despite consolidation effects mostly eliminating other income.

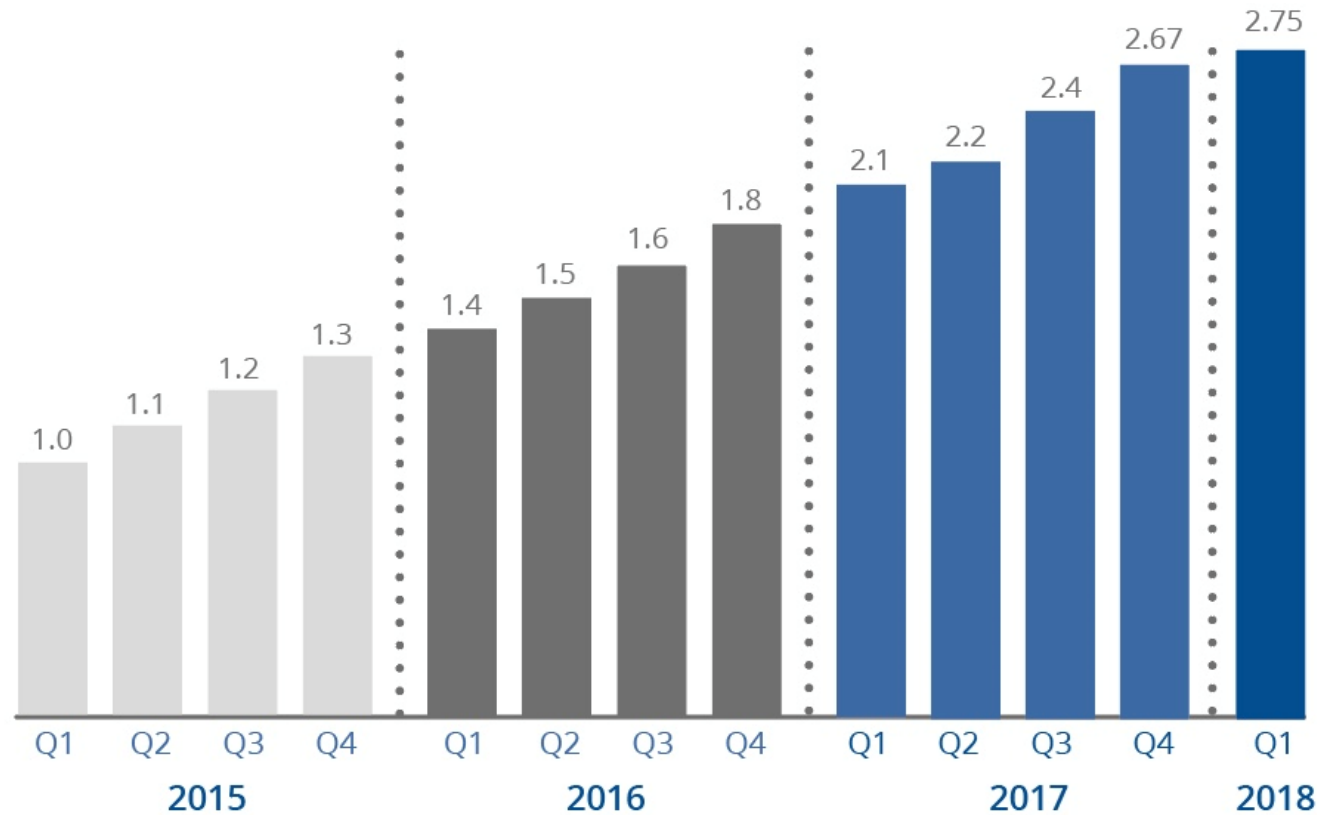
SITE VISIT GROWTH CONFIRMS MARKET LEADERSHIP.

Web traffic (in m)



FOCUS ON LOYAL CUSTOMERS PAYS OFF.

Number of
Active Customers (in m)*

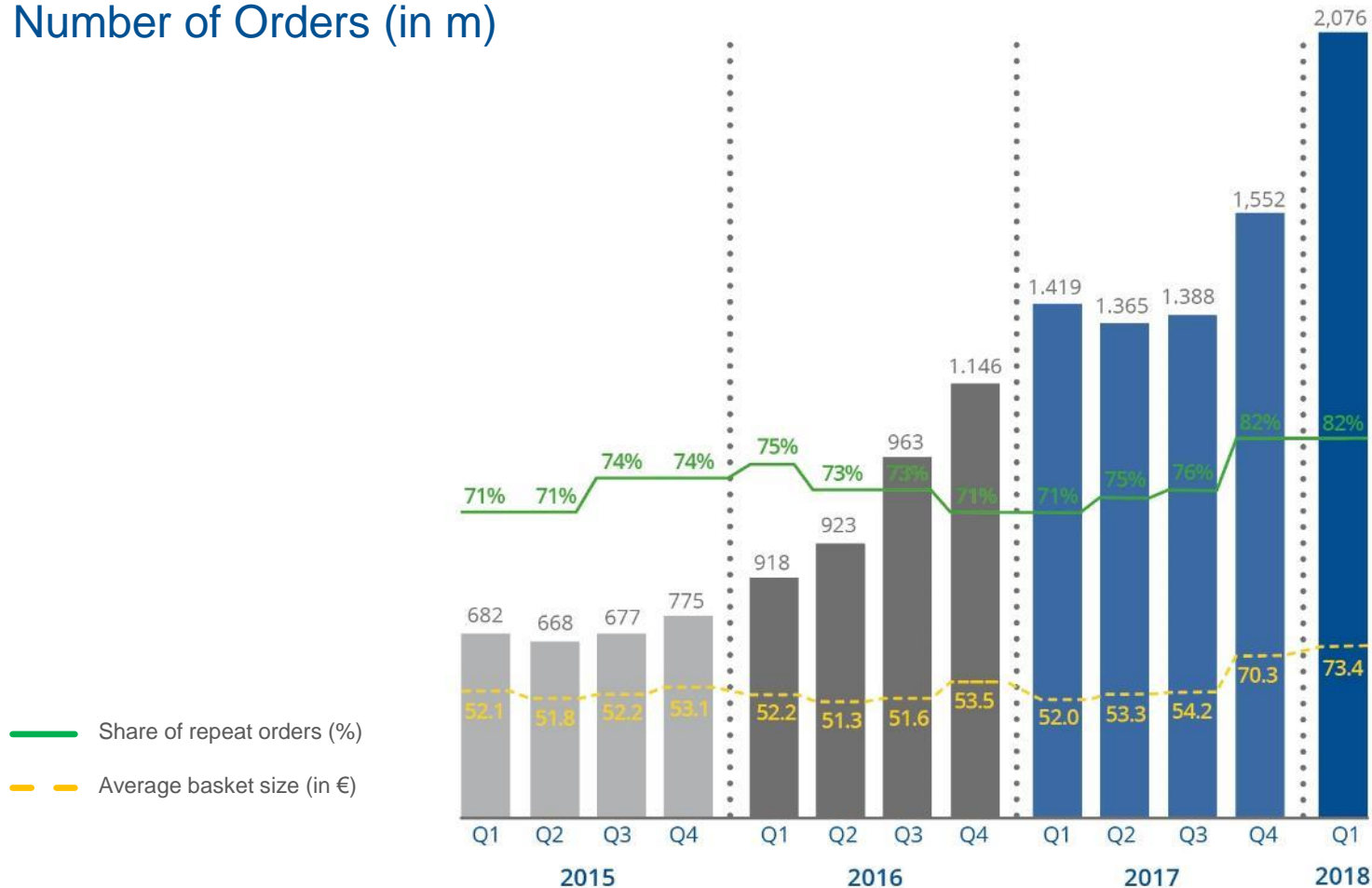


We define active customers as unique customers who are active in 12 months preceeding a given period of time.

Source: SHOP APOTHEKE EUROPE.

ATTRACTIVE BASKET SIZE SUPPORTS PROFITABILITY.

Number of Orders (in m)

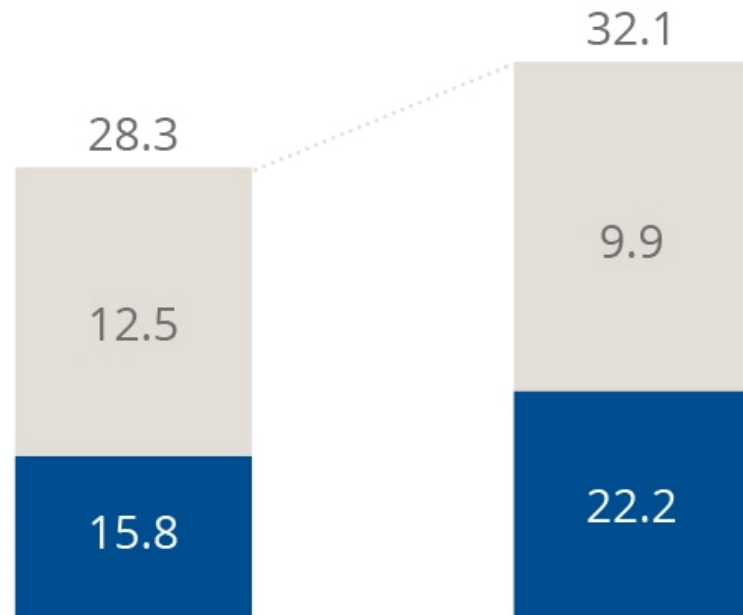


- Basket size increased to EUR 73.4 in Q1 and is driven by the focus on contribution per order plus the integration of the Europa Apotheek business.
- Repeat orders reached the new high of 82%.
- The roll-out of the RedPoints loyalty program will further increase both basket size and repeat order rates.

Source: SHOP APOTHEKE EUROPE.

SHOP APOTHEKE EUROPE FINANCIAL PERFORMANCE – CASH FLOW.

Development of cash (in EUR million)



Total Cash
as at 31/12/17

(€ 28.3 m incl.
short-term securities
and credit line)

Total Cash
as at 31/03/18

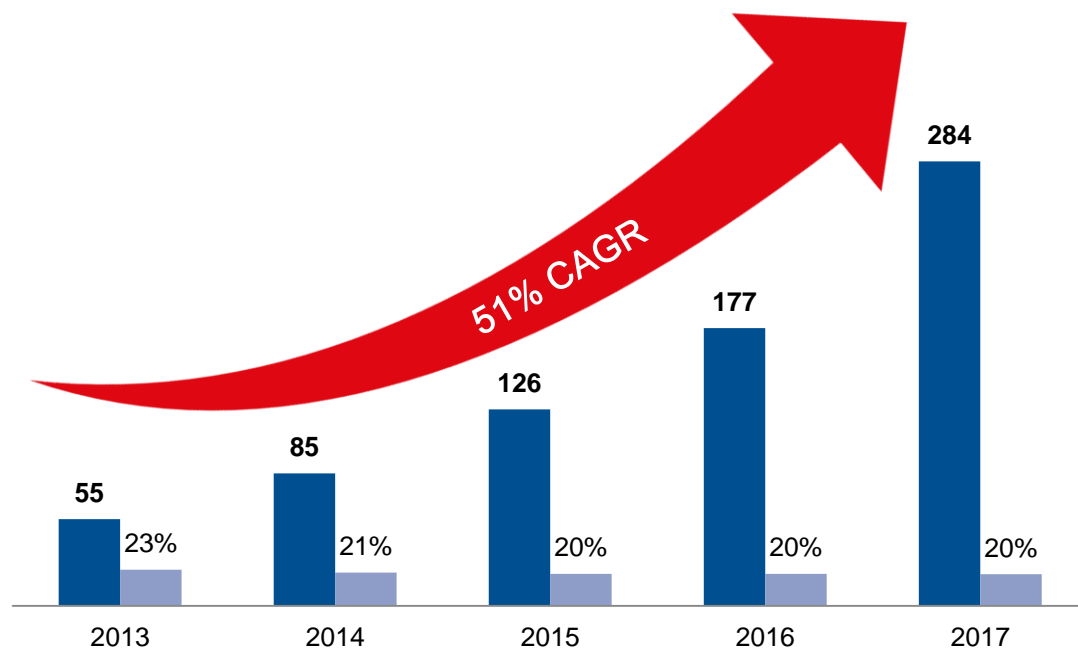
(€ 32.1 m incl.
short-term securities
and credit line)

- EUR 9.3 million Operating cash-flow reflects efficient working capital management.
- While investments in property, plant and equipment as well as in intangible assets led to an outflow of EUR –2.8 million, divestment of short-term securities amounting to EUR 2.6 million led to a cash inflow.
- Cash flow from financing activities of EUR –2.1 million comprises payments for earn-out and accounts receivable financing.

EUR 75m CONVERTIBLE BOND PLACEMENT ON 12 APRIL FOR ACQUISITIONS IN OTC/BPC TO ACCELERATE GROWTH.

Sales growth⁽¹⁾

(in EURm) ■ Sales ■ Gross profit margin



OTC is a “winner takes it all” market

Key facts

- One-stop-shop online pharmacy
- Broad product offering in OTC, BPC and Rx⁽²⁾
- Core market in Germany, active in 7 European countries
- High-quality customer base with large basket sizes and high share of repeat orders

SHOP APOTHEKE is well positioned to become Europe’s leading online pharmacy.

- 1 Growth: average sales growth >50% since 2013
- 2 Outperformance: growth 4x average of the German core online market⁽³⁾
- 3 Liquidity: c. EUR 30m cash in Q1 and proceeds from bond issuance to finance M&A
- 4 M&A: accelerated sales growth and economies of scale through M&A mainly in German OTC

Source: (1) Company information

Note: (2) OTC: Prescription-free medication sold; Rx: Pharmaceuticals that require a prescription; BPC: Beauty and personal care products (3) Sales growing +44% YoY, while market increased by 11.8% according to the German E-Commerce Trade Association (bevh)

HIGHLY EXPERIENCED MANAGEMENT WITH A C. 25% STAKE AND A STRONG COMMITMENT TO PROFITABLE GROWTH.



Michael Köhler, CEO & Co-founder

> 20 years of experience in the pharmaceutical industry (Hoechst, Aventis)



Stephan Weber, CMO & Co-founder

> 15 years of pharmaceutical and online experience; led the business since 2001



Dr. Ulrich Wandel, CFO

> 20 years of experience in the pharmaceutical industry



Theresa Holler, COO

> 15 years of experience in the in leading mail-order pharmacies (incl. DocMorris)



Marc Fischer, CTO & Co-founder

> 20 years of experience in the IT industry (incl. Credit Suisse, Brechtle)



**Committed management team with ample experience in the field,
holding a significant stake in Shop Apotheke Europe N.V.**

OUTLOOK.

LOOKING FORWARD...

- In FY 2018, sales are expected to **grow at 87%–97% to EUR 530 to 560 million.**
- **Positive adjusted EBITDA of EUR 0 to 2 million** expected on a group level.
- Given the higher share of prescription medications in our revenue mix, the Group's gross margins will be lower than in 2017, however, **increasing basket size and contribution per parcel** are raising our profitability in 2018 and beyond.
- Investments in 2018 are expected to be in the low double-digit million range, with a focus on capacity expansion, process automation and webshop and ERP development.
- **On April 12, Shop Apotheke Europe N.V. issued a EUR 75 million convertible bond to accelerate sales growth through acquisitions in OTC/BPC.**

Q+A.

CORPORATE CALENDAR 2018.

May 17, 2018	Citibank Internet and eCommerce Day, London
May 23 – 24, 2018	Berenberg Conference USA 2018, Tarrytown, NY
August 14, 2018	Publication of the results for 1 st HY 2018
August 30, 2018	Commerzbank Sector Conference, Frankfurt
November 14, 2018	Publication of the results for Q3 2018

CONSOLIDATED SEGMENT FINANCIALS

Q1 2018.

Q1 2018	GERMANY	INTERNATIONAL	CONSOLIDATED
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	103,527	27,139	130,667
Cost of sales	- 86,319	- 21,333	- 107,652
Gross Profit	17,209	5,806	23,015
% of revenue	16.6 %	21.4 %	17.6 %
Other income	- 13	42	29
Selling & Distribution	- 16,778	- 7,599	- 24,377
Segment EBITDA	418	- 1,751	- 1,333
Administrative expense			- 3,637
EBITDA			- 4,970
Depreciation			- 3,087
EBIT			- 8,057
Net finance cost and income tax			- 50
Net loss			- 8,107

CONSOLIDATED SEGMENT FINANCIALS

Q1 2017.

Q1 2017	GERMANY	INTERNATIONAL	GERMANY SERVICES	ELIMINATIONS	CONSOLIDATED
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	47.493	16.034	1.678	- 1,427	63.778
Cost of sales	- 37.662	- 12.812	- 73	0	- 50.547
Gross Profit	9.831	3.222	1,605	- 1,427	13.231
% of revenue	20,7 %	20,1 %	95.6 %		20,7 %
Other income	590	188	6	0	784
Selling & Distribution	- 9.979	- 5.753	- 1,372	- 1,427	- 15.676
Segment EBITDA	442	- 2.343	240	0	- 1.661
Administrative expense					- 1.900
EBITDA					- 3.561
Depreciation and amortisation					- 1.295
EBIT					- 4.856
Net finance cost and income tax					- 582
Net Loss					- 5,439

CONSOLIDATED STATEMENT OF PROFIT AND LOSS.

	PERIOD ENDED 31. 3. 2018	PERIOD ENDED 31. 3. 2017
	EUR 1,000	EUR 1,000
Revenue	130,667	63,778
Costs of sales	- 107,652	- 50,547
Gross profit	23,015	13,231
Other income	29	784
Selling & Distribution	- 27,001	- 16,777
Administrative Expense	- 4,101	- 2,095
Result from operations	- 8,057	- 4,856
Finance income	24	22
Finance expense	- 477	- 553
Net finance cost	- 452	- 531
Result before tax	- 8,510	- 5,387
Income tax	403	- 52
Result after tax	- 8,107	- 5,439

CONSOLIDATED BALANCE SHEET.

ASSETS	PERIOD ENDED 31. 3. 2018	PERIOD ENDED 31. 12. 2017
	EUR 1,000	EUR 1,000
Non-current assets		
Property, plant and equipment	8.431	8.278
Intangible assets	189.360	189.827
Deferred tax assets	3.884	3.447
Investments in equity- accounted joint ventures	905	905
	202.580	202.457
Current assets		
Inventories	34.361	39.989
Trade and other receivables	23.711	20.546
Other current assets	4.354	6.524
Other financial assets	9.926	12.510
Cash and cash equivalents	22.222	15.783
	94.573	95.352
Total Assets	297.152	297.808

EQUITY AND LIABILITIES	PERIOD ENDED 31. 3. 2018	PERIOD ENDED 31. 12. 2017
	EUR 1,000	EUR 1,000
Shareholders' equity		
Issued capital and share premium	289.317	289.317
Reserves/accumulated losses	-58.458	-50.351
	230.859	238.966
Non-current liabilities		
Provisions	220	323
Deferred tax liability	12.730	12.711
Other liabilities	3.783	4.316
	16.733	17.350
Current liabilities		
Trade and other payables	33.349	23.090
Amounts due to banks	4.225	4.863
Other liabilities	11.986	13.539
	49.560	41.492
Total Equity and Liabilities	297.152	297.808

CONSOLIDATED CASH FLOW STATEMENT.

	PERIOD ENDED 31. 3. 2018	PERIOD ENDED 31. 3. 2017
	EUR 1,000	EUR 1,000
CASH FLOW FROM OPERATING ACTIVITIES		
Results flow from operations	- 8,057	- 4,856
Adjustments for:		
- Depreciation and amortisation of non-current assets	3,087	1,295
Operating result adjusted for depreciation and amortisation, taxes and provisions	- 4,970	- 3,561
Movements in working capitals:		
- (Increase)/decrease in trade and other receivables and other current assets	- 995	488
- (Increase)/decrease in inventory	5,628	2,962
- Increase/(decrease) in in trade and other payables and other liabilities	9,631	2,962
Working capital movement	14,265	6,412
Cash generated from operations	9,295	2,851
Interest received	24	22
Net cash (used in)/generated by operating activities	9,319	2,873

	PERIOD ENDED 31. 3. 2018	PERIOD ENDED 31. 3. 2017
	EUR 1,000	EUR 1,000
CASH FLOW FROM INVESTING ACTIVITIES		
Investment for property, plant and equipment	- 841	- 4,348
Investment for intangible assets	- 1,933	- 1,545
Investment in other financial assets	2,584	0
Net cash (used in)/generated by investing activities	- 189	- 5,893
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	- 420	- 553
Payment of earn-out obligations Farmaline	- 1,100	0
Other non-current liabilities	- 533	0
Net cash (used in)/generated by financing activities	- 2,052	- 553
Net increase/(decrease) in cash and cash equivalents	7,077	- 3,573
Cash and cash equivalents at the beginning of the period	10,920	38,485
Cash and cash equivalents at the end of the period	17,996	34,912

INVESTOR CONTACT.

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