



SHOP APOTHEKE
EUROPE

HALF-YEAR REPORT

30 JUNE 2021

ABOUT SHOP APOTHEKE EUROPE.

SHOP APOTHEKE EUROPE is one of Europe's leading and fastest-growing online pharmacies, currently operating in Germany, Austria, France, Belgium, Italy, the Netherlands and Switzerland.

Headquartered in the Dutch logistics hub of Sevenum near Venlo with locations in Cologne, Berlin, Munich, Tongeren, Warsaw, Milan, Paris and Eindhoven, SHOP APOTHEKE EUROPE offers its customers a broad range of more than 100,000 original products at attractive prices: OTC, beauty and personal care products as well as prescription drugs, supplemented by high quality natural food and health products, low carb products and sports nutrition. Currently, more than 7 million active customers trust SHOP APOTHEKE EUROPE.

Since safe and reliable pharmaceutical advice are top priorities at SHOP APOTHEKE EUROPE, the e-pharmacy provides comprehensive pharmaceutical consulting services.

In preparation for the introduction of electronic prescriptions in Germany in summer 2021, the company will further improve the customer experience with focus on disease-specific digital medication management services following the acquisition of SMARTPATIENT in January 2021. This is a key part of SHOP APOTHEKE EUROPE's strategy to transform itself from a pure online retailer into a truly customer-centric e-pharmacy platform.

SHOP APOTHEKE EUROPE N.V. has been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) since 2016 and has been part of the MDAX stock index since September 2020.

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KEY FIGURES.

Continuously increasing our strong growth across europe.



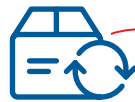
REVENUE Q2:
EUR 250 MILLION (+ 7.6%).



PARCELS SENT IN Q2:
>51,600 PARCELS A DAY



GROSS MARGIN:
INCREASED TO 25.4%.



REPEAT ORDERS:
82 PERCENT.



ACTIVE CUSTOMERS:
7.1 MILLION.
+ 0.3 MILLION CUSTOMERS
IN Q2.



AVERAGE SHOPPING
BASKET SIZE:
€ 61.5 (Q2 2020: € 65.5).



SITE VISITS Q2:
67.5 MILLION (+ 29%).



CUSTOMER SATISFACTION:
NPS SCORE: 68
(PREVIOUS QUARTER 71).



SHOP APOTHEKE
E U R O P E

01

INTERIM GROUP
MANAGEMENT REPORT.

OVERALL ASSESSMENT BY THE MANAGEMENT BOARD.

SHOP APOTHEKE EUROPE has continued to grow although the growth rate decelerated to some extent due to capacity constraints in connection with a tight labour market situation during the second quarter. Nevertheless, the underlying long-term perspectives and once the constraints will be overcome, the management expects to continue developing the company on its original growth path. Strategically, SHOP APOTHEKE EUROPE made investments in software, capacity expansion and automation to increase efficiency and optimize the customer experience. With the acquisition of the digital medication management experts SMARTPATIENT and MEDAPP the company has reached important milestones that further strengthen its expertise in the digital health realm. At the same time, the acquisition of MEDAPP enables SHOP APOTHEKE EUROPE to expand into the Rx segment in the Dutch market.

By issuing new convertible bonds in January 2021, the Group ensured adequate growth financing, putting it in a strong position to benefit from growth opportunities in general and the planned introduction of electronic prescriptions in Germany specifically.

Considering the strengthened cash position of well above EUR 300 million, the concurrent reduction of our financing costs, and the more than doubling of the operational capacity at the 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.

OVERALL ECONOMIC SITUATION.

In the early summer of this year, economic development worldwide continued to be determined by the Corona crisis. Corona infections reached new highs worldwide in the first quarter of 2021 and also in many European countries. As a consequence, strict containment measures were adopted in February and March, which again massively restricted business in these countries. However, the economic losses were significantly lower compared to the spring of last year, mainly because industrial value creation remained almost unaffected by the ongoing infection activity.

With falling infection levels and increasing opening and easing steps by the individual countries, the retail sector in Europe has also benefited significantly: In May 2021, seasonally adjusted retail sales volumes increased by 4.6% compared to April 2021 in both the Euro area and the EU, according to estimates from Eurostat, the statistical institute of the European Union. In April 2021, the volume of retail trade had fallen by 3.9% in the Euro area and by 3.6% in the EU.

The trend towards e-commerce is continuing unabated: according to the bevh (Bundesverband E-Commerce und Versandhandel Deutschland e.V. – German E-Commerce and Distance Selling Trade Association), e-commerce sales in the first half of 2021 rose by 23.2% year-on-year to EUR 45.2 bn.

BUSINESS MODEL, GROUP STRUCTURE AND CORPORATE GOVERNANCE.

The statements made in the 2020 annual report regarding the business model, the management system and the corporate governance practices still apply at the time of publication of this interim report.

The group structure has changed during the interim period. Details on the changes are described in the chapter "Business Combinations" at page 24.

BUSINESS DEVELOPMENT.

Consolidated revenues and results of operations.

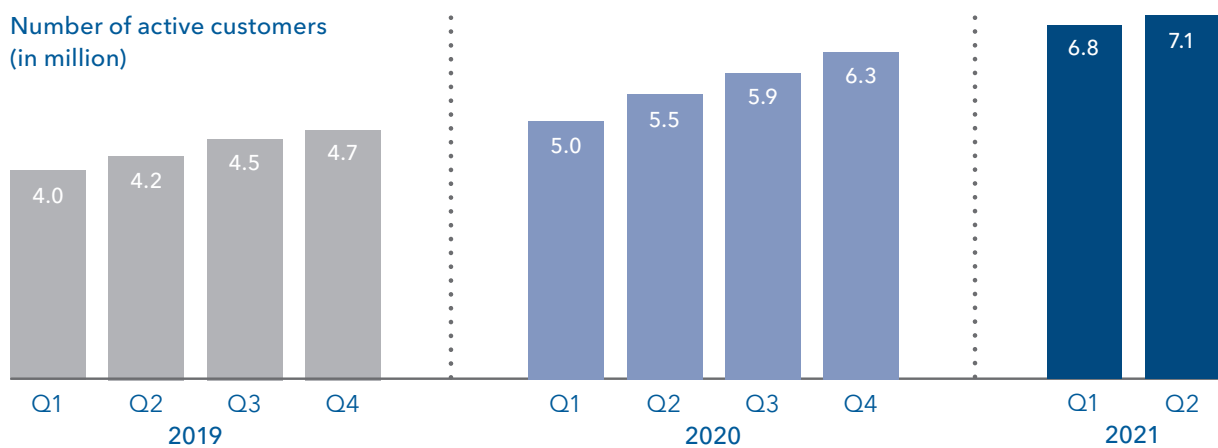
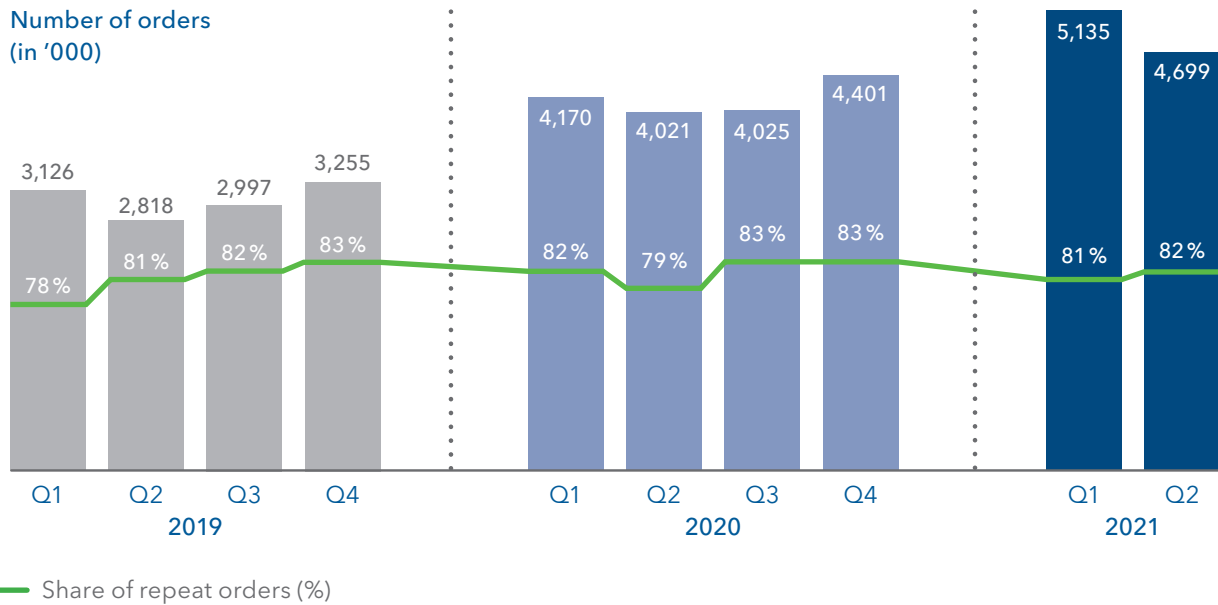
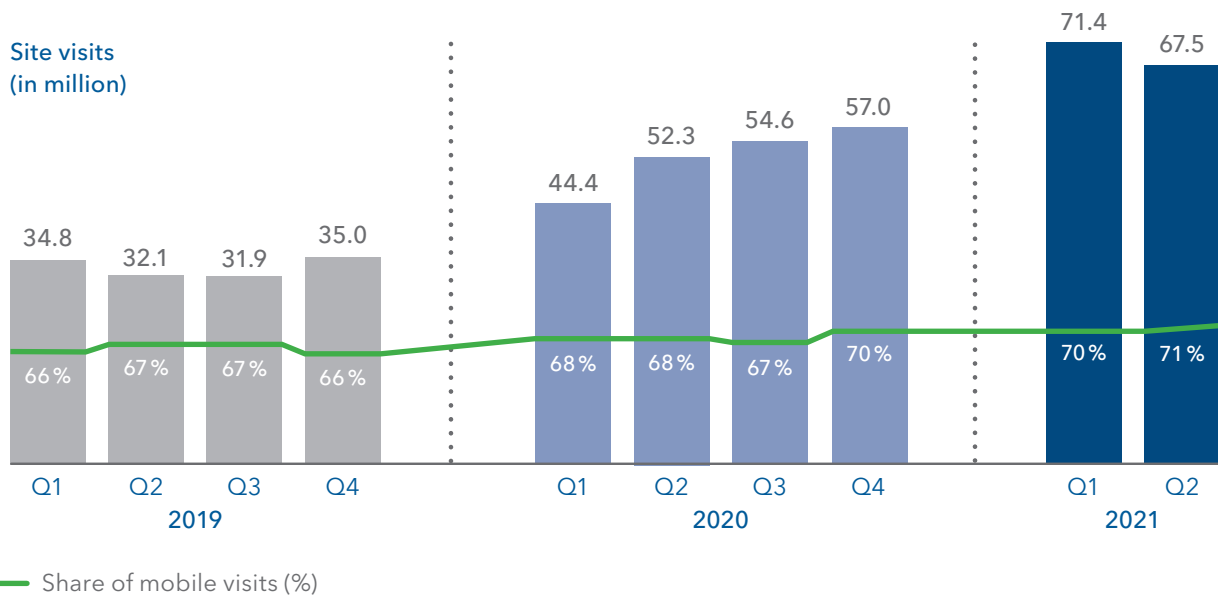
Sales of prescription and non-prescription pharmaceuticals and pharmacy-related beauty and personal care products are subject to seasonal fluctuations, with demand for pharmaceuticals especially high during the first and fourth quarters of the year. In the past and current year, however, typical seasonal patterns have been distorted by the effect of the Covid19 pandemic.

During the second quarter, SHOP APOTHEKE EUROPE N.V. experienced a temporary slowdown in growth due to constraints in order processing capacity resulting from a tight labour market. Nevertheless, the company increased its Group-level revenues during the first six months of 2021 by 15.0% to EUR 534.4 million compared to EUR 464.7 million in H1 2020.

The number of active customers rose organically by nearly 30% to 7.1 million, with approximately 0.3 million of those won during Q2 2021.

The number of orders increased by 20% compared to the corresponding period last year, reaching 9.8 million (H1 2020: 8.2 million) with the size of the average shopping basket at EUR 62.57 during H1, around 4% below the previous year's level of EUR 65.33. This development is mainly driven by faster growth of non-Rx orders than Rx orders. The share of repeat orders was 81% in H1, exactly on the same level of the previous year while the return rate remained minimal at less than 1%.

Performance indicators Group	2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Page visits (million)	34.8	32.1	31.9	35.1	44.4	52.3	54.6	57.0	71.4	67.5
Mobile page visits (million)	23.2	21.7	21.7	23.2	30.0	35.5	37.4	39.7	50.4	48.0
Ratio mobile (in %)	67	68	68	66	68	68	69	70	70	71
Orders (million)	3.1	2.8	3.0	3.3	4.2	4.0	4.0	4.4	5.1	4.7
Orders by existing clients (in %)	78	81	82	83	82	79	83	83	81	82
Return rate (in %)	0.9	0.9	0.8	0.6	0.7	0.5	0.7	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	7.1
Average shopping cart (in €)	65.0	67.7	66.9	67.9	65.2	65.5	66.9	68.0	63.5	61.5



With a growth rate of 30.5%, gross profit at Group level increased significantly faster than sales, from EUR 104.5 million during the first six months of 2020 to EUR 136.4 million this year. Compared to last year, the consolidated gross margin rose by 3.0 pp to 25.5% for the first half of the year. In Q2, the consolidated gross margin was at 25.4% compared to 23.5% the previous year, also driven by a larger share of non-Rx products which typically have a higher gross margin.

Adjusted Selling and distribution (S&D) expenses as percentage of sales in H1 stood at 21.2%, an increase by 3.7 pp year-over-year. In Q2, the consolidated S&D ratio was at 21.7% compared to last year's 18.1%. Marketing expenses in the previous year were significantly lower due to high demand related to Europe's Covid-19 outbreak and this year's performance was impacted by a lower than anticipated logistics capacity.

Administrative costs amounted to EUR 20.8 million in H1 (2020: EUR 13.9 million) and included one-off and employee stock option expenses of EUR 4.5 million (2020: EUR 2.0 million). Adjusted administrative costs as percentage of sales were 3.0% in H1 (Q2: 3.2%), 0.4 pp higher than last year's 2.6% (in Q2 2020: 2.7%). SHOP APOTHEKE EUROPE's adjusted EBITDA stood at EUR 6.9 million (margin 1.3%) in H1 2021. Last year, it was EUR 11.3 million. In Q2, the adjusted EBITDA was EUR 1.2 million (margin 0.5%). Last year, it was EUR 6.3 million. This quarter was SHOP APOTHEKE EUROPE's sixth consecutive quarter of a positive adjusted EBITDA.

With depreciation expenses of EUR 11.7 million (2020: EUR 6.8 million), EBIT was EUR -10.0 million this H1 (H1 2020: EUR 2.5 million). The higher depreciation is largely related to investments in the new logistics facility in Sevenum, the Netherlands, as well as to the IFRS16 lease accounting treatment. Net finance costs decreased by EUR 1.5 million to EUR -6.4 million as a result of a lower interest on the new versus the former convertible bonds. The net result of EUR -17.0 million compares to EUR -5.1 million last year.

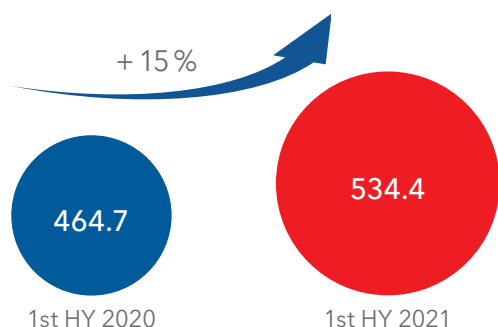
H1 consolidated financial information

	1 January - 30 June, 2021	1 January - 30 June, 2020
	EUR 1,000	EUR 1,000
Revenues	534,442	464,661
Gross profit	136,256	104,483
Selling & distribution costs	-113,895	-81,254
Administrative costs	-20,789	-13,948
Administrative costs (adjusted)	-16,254	-11,962
EBITDA	1,608	9,295
EBITDA adjusted	6,871	11,281

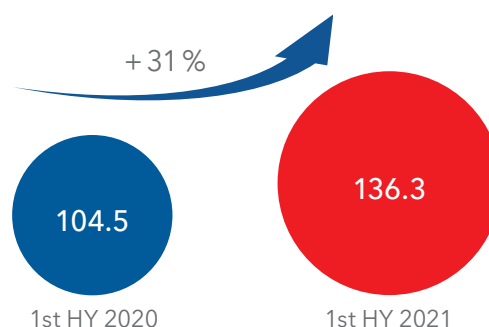
Q2 consolidated financial information

	1 April - 30 June, 2021	1 April - 30 June, 2020
	EUR 1,000	EUR 1,000
Revenues	250,388	232,675
Gross profit	63,405	54,572
Selling & distribution costs	-54,922	-42,030
Administrative costs	-9,934	-7,116
Administrative costs (adjusted)	-7,899	-6,240
EBITDA	-1,428	5,435
EBITDA adjusted	1,216	6,343

Consolidated revenues (in € million)



Consolidated gross profit (in € million)



SEGMENT PERFORMANCE.

DACH segment.

During the first six months of 2021, DACH – SHOP APOTHEKE EUROPE’s largest segment by revenues, covering business activities in Germany, Austria and Switzerland – grew by 9.7% compared to a year earlier. Revenues rose to EUR 428.9 million after EUR 391.1 million for the first six months of 2020. The slowdown in growth resulted from the beforementioned capacity constraints, but also from declining revenues from the prescription drugs (Rx) business, which stood at EUR 79 million, 24% lower than in H1 2020. Compared to last year, gross profit grew at a rate of 26.0% to EUR 107.4 million, equivalent to a 3.2 pp gross margin increase to 25.0%. The adjusted EBITDA for the first six months of 2020 was EUR 15.3 million compared to EUR 16.6 million for H1 2020.

International segment.

SHOP APOTHEKE EUROPE’s International segment (Belgium, France, Italy, and the Netherlands) increased its H1 revenues, up 43.5% to EUR 105.5 million (previous year: EUR 73.6 million). Segment gross earnings rose by 50.6% from EUR 19.3 million to EUR 29.0 million during the reporting period with the gross margin at 27.5%, 1.3 pp above last year’s 26.2%. Adjusted EBITDA for the first six months of 2021 declined to EUR -8.5 million from EUR -5.4 million a year earlier.

H1 2021 Segment development

	Dach	International	consolidated
	EUR 1,000	EUR 1,000	EUR 1,000
Revenues	428,897	105,545	534,442
Gross Profit	107,261	29,022	136,256
EBITDA	11,050	-9,415	1,608
Adjusted EBITDA	15,333	-8,462	6,871

H1 2020 Segment development

	Dach	International	consolidated
	EUR 1,000	EUR 1,000	EUR 1,000
Revenues	391,114	73,547	464,661
Gross Profit	85,211	19,272	104,483
EBITDA	14,949	-5,654	9,295
Adjusted EBITDA	16,633	-5,352	11,281

Q2 2021 Segment development

	Dach	International	consolidated
	EUR 1,000	EUR 1,000	EUR 1,000
Revenues	198,173	52,215	250,388
Gross Profit	48,694	14,738	63,405
EBITDA	3,008	-4,409	-1,428
Adjusted EBITDA	5,149	-3,933	1,216

Q2 2020 Segment development

	Dach	International	consolidated
	EUR 1,000	EUR 1,000	EUR 1,000
Revenues	190,284	42,391	232,675
Gross Profit	43,538	11,035	54,572
EBITDA	8,784	-3,349	5,435
Adjusted EBITDA	9,662	-3,319	6,343

ASSETS, LIABILITIES AND FINANCIAL POSITION.

Assets and liabilities.

As of the reporting date, the balance sheet total was EUR 817.2 million after EUR 536.9 million at the end of 2020. Within the non-current assets, the increase is especially related to intangible assets which rose by EUR 87.0 million as a result of the acquisitions of SMARTPATIENT and MEDAPP during the reporting period. Current assets increased by EUR 191.0 million from EUR 254.1 million to EUR 445.1 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 290.5 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 250.3 million.

The equity capital ratio was c. 57 percent as of the reporting date.

Liquidity situation.

Operational cash flow was EUR 25.1 million compared to EUR 15.9 million during the same period of fiscal year 2020. This development was substantially driven by improvement of working capital.

EUR -60.5 million was used for investing activities in the first six months of 2021 (previous year: EUR -7.1 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 -44.0 million (previous year: EUR 0). EUR -6.2 million (H1 2020: EUR -9.8 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 235.4 million vs. EUR 42.7 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 10.7 million was related to the employee stock option programme.

Overall, cash and cash equivalents increased by EUR 200.1 million during the reporting period and amounted to EUR 290.5 million as of the balance sheet date.

RISKS AND OPPORTUNITIES.

Compared to the assessment in the 2020 Annual Report, the company's risk profile remains largely unchanged.

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

The prior quarter we have also seen impact from the currently tight labour market. For more details on risk management, see also page 31 in the appendix.

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.

Guidance Update on 22 July.

Based on the developments in the first and especially in the second quarter, the Management has come to a new assessment of the forecast for the 2021 financial year. The updated guidance is reflected in the forecast provided below.

FORECAST.

In the light of the sales development in Q2, which was impacted by capacity constraints resulting from a tight labour market, the Management Board has updated its full-year sales growth expectation to 10 to 15 percent (previously: around 20 percent), with an adjusted EBITDA margin around break-even (previously: 2.3 to 2.8 percent). The expected Capex volume has been narrowed to around EUR 45 million (previously: 3.5 percent of sales). The current logistics constraints are of temporary nature and an isolated issue without impacting any of the future growth opportunities. The Management expects to overcome these constraints in the coming months.



SHOP APOTHEKE
EUROPE

02

APPENDIX.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS.

	Period ended 30.6.2021	Period ended 30.6.2020
	EUR 1,000	EUR 1,000
Revenue	534,442	464,662
Cost of sales	-398,186	-360,178
Gross profit	136,256	104,484
Other income	36	14
Selling and distribution	-123,798	-87,047
Administrative expenses	-22,536	-14,970
Result from operations	-10,042	2,481
Finance income	92	174
Finance expenses	-6,530	-8,085
Net finance costs	-6,438	-7,911
Result subsidiaries	-449	0
Share of profit of associates and joint ventures	0	0
Result before tax	-16,929	-5,430
Income tax	-33	310
Result after tax	-16,962	-5,120
Attributable to:		
Owners of the company	-16,962	-5,120

STATEMENT OF COMPREHENSIVE INCOME.

	Period ended 30.6.2021	Period ended 30.6.2020
	EUR 1,000	EUR 1,000
Loss for the year	-16,962	-5,102
Other comprehensive income/loss	0	0
Total comprehensive loss	-16,962	-5,102
Attributable to:		
Owners of the company	-16,962	-5,102
Earnings per share		
Basic and diluted per share 30 June	-0.95	-0.37
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	17,837,829	13,981,647

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.

before appropriation of result	30.6.2021	31.12.2020
	EUR 1,000	EUR 1,000
Assets		
Non-current assets		
Property, plant and equipment	76,766	74,545
Intangible assets	291,657	204,661
Deferred tax assets	120	120
Other financial assets	1,789	1,730
Investments in equity-accounted joint ventures	1,151	1,151
Investments in associates	605	605
Investments in equity-instruments	10	10
	372,098	282,822
Current assets		
Inventories	79,852	81,240
Trade and other receivables	39,560	44,591
Other financial assets	35,183	37,771
Cash and cash equivalents	290,541	90,485
	445,136	254,087
Total assets	817,234	536,909
Equity and liabilities		
Shareholders' equity		
Issued capital and share premium	564,919	552,019
Reserves/accumulated losses	-100,278	-126,881
	464,641	425,138
Non-current liabilities		
Deferred tax liability	6,644	4,347
Loans and Borrowings	250,289	32,810
	256,933	37,157
Current liabilities		
Trade and other payables	61,501	53,147
Loans and Borrowings	5,313	5,384
Amounts due to banks	37	39
Other liabilities	28,809	16,044
	95,660	74,614
Total equity and liabilities	817,234	536,909

CONSOLIDATED STATEMENT OF CASH FLOWS.

	Period ended 30.6.2021	Period ended 30.6.2020
	EUR 1,000	EUR 1,000
Cash flow from operating activities		
Result from operations	-10,042	2,481
Adjustments for:		
- Depreciation and amortisation of non-current assets	11,650	6,841
- Corporate income tax	-97	236
- Result subsidiaries	-449	0
- Share-based payment charge for the period	3,573	1,186
Operating result adjusted for depreciation and amortisation, taxes and provisions	4,635	10,744
Movements in working capital		
- (Increase)/decrease in trade and other receivables	6,237	-5,745
- (Increase)/decrease in inventory	1,397	-20,268
- (Increase)/decrease in trade and other payables	12,806	31,207*
Working capital movement	20,440	5,193
Net cash (used in)/generated by operating activities	25,075	15,937
Cash flow from investing activities		
Investment for property, plant and equipment	-6,183	-9,791
Investment for intangible assets	-12,777	-7,921
Investment for other financial assets	2,500	10,626
Acquisition of subsidiary, net of cash acquired	-43,997	0
Net cash (used in)/generated by investing activities	-60,457	-7,086
Cash flow from financing activities		
Interest received	92	174
Interest paid	-2,838	-5,131
Capital increase	0	63,381
Capital increase exercised ESOP	10,627	-4,340
Issue convertible bond	222,197	0
Issue/repayment other long-term liability	8,168	-18
Cash-out lease payments	-2,808	-1,203
Movement in bank overdraft	0	-10,131*
Net cash (used in)/generated by financing activities	235,438	42,732
Net increase/(decrease) in cash and cash equivalents	200,056	51,583
Cash and cash equivalents at the beginning of the period	90,485	62,653
Cash and cash equivalents at the end of the period	290.541	114.236

* the comparative figures of the cash flow statement for the interim period HY1-2020 have been adjusted. Last year's numbers showed the movement in bank overdraft of EUR - 10,131 as part of the movements in working capital. According to IAS 7.8 the bank overdraft position is an integral part of the financing activities of the company and as such presented in cash flow from financing activities. The figures 2021 and 2020 have been presented accordingly.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.

for the period ended 30 June 2021	Issued and paid-up share capital	Share Premium	Accumulated losses	Other capital reserves	Undistributed results	Equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Equity as of 1 January 2021	354	551,663	-116,950	6,842	-16,771	425,138
Transfer to accumulated losses	0	0	-16,771	0	16,771	0
Share-based payment charge for the period	0	0	0	3,573	0	3,573
Issue of convertible bond	0	0	0	42,264	0	42,264
Capital increase exercised options	5	12,897	0	-2,274	0	10,628
Comprehensive loss for the period	0	0	0	0	-16,962	-16,962
Balance as at 30 June 2021	359	564,560	-133,721	50,405	-16,962	464,641

for the period ended 30 June 2020	Issued and paid-up share capital	Share Premium	Accumulated losses	Other capital reserves	Undistributed results	Equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Equity as of 1 January 2020	269	340,923	-83,960	11,801	-36,270	232,763
Transfer to accumulated losses	0	0	-36,270	0	36,270	0
Share-based payment charge for the period	0	0	0	1,186	0	1,186
Capital increase incl. share issue costs	23	63,359	0	0	0	63,382
Capital increase exercised options	2	5,649	0	1,462	0	7,113
Comprehensive loss for the period	0	0	0	0	-5,120	-5,120
Balance as at 30 June 2020	294	409,931	-120,230	14,449	-5,120	299,324

SEGMENT INFORMATION.

Our operating segments are reported in a manner consistent with the internal reporting provided to the key operating decision-makers. The key operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the statutory directors of the Group and make strategic decisions.

Within the context of IFRS 8, we consider two business segments for external reporting purposes: our "DACH" segment which includes medications and pharmacy related BPC products sold to customers in Germany, Austria and Switzerland, and our "International" segment which includes OTC medications and pharmacy-related BPC products only, sold to customers in Belgium, The Netherlands, France and Italy.

The Group's assets and liabilities are not disclosed by segment as they are not included in the segment information used by the chief operating decision-makers.

The accounting policies of the operating segments are the same as the Group's accounting policies described in the Notes to the Consolidated Financial Statements.

The Group allocates all costs (excluding net finance cost and income tax) to the segments. The result by segment is shown in the line EBITDA including all costs directly related to the revenue of the segments (marketing, operations) and administrative expenses. EBITDA means earnings before tax, interest, depreciation and amortisation.

RESULTS PER SEGMENT.

Segment information H1 2021 - non adjusted and adjusted.

30.6.2021	DACH	International	Total
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	428,897	105,545	534,442
Cost of sales	-321,636	-76,550	-398,186
<i>Adjusted cost of sales</i>	-321,524	-76,523	-398,047
Gross profit	107,261	29,022	136,256
<i>Adjusted gross profit</i>	<i>107,373</i>	<i>29,022</i>	<i>136,395</i>
% of revenue	25.0%	27.5%	25.5%
Other income	29	7	36
Selling & distribution	-83,443	-30,452	-113,895
<i>Adjusted S&D</i>	<i>-82,959</i>	<i>-30,347</i>	<i>-113,306</i>
Segment EBITDA	23,847	-1,423	22,397
<i>Adjusted segment EBITDA</i>	<i>24,443</i>	<i>-1,318</i>	<i>23,125</i>
Administrative expenses	-12,797	-7,992	-20,789
<i>Adjusted AE</i>	<i>-9,110</i>	<i>-7,144</i>	<i>-16,254</i>
EBITDA	11,050	-9,415	1,608
<i>Adjusted EBITDA</i>	<i>15,333</i>	<i>-8,462</i>	<i>6,871</i>
Depreciation	-7,171	-4,479	-11,650
EBIT	3,879	-13,894	-10,042
<i>Adjusted EBIT</i>	<i>8,162</i>	<i>-12,941</i>	<i>-4,779</i>
Net finance cost and income tax			-6,920
<i>Adjusted net finance cost and income tax</i>			<i>-6,920</i>
Net loss			-16,962
<i>Adjusted net loss</i>			<i>-11,699</i>

RESULTS PER SEGMENT.

Segment information H1 2020 - non adjusted and adjusted.

30.6.2020	DACH	International	Total
	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	391,114	73,547	464,661
Cost of sales	-305,903	-54,275	-360,178
<i>Adjusted cost of sales</i>	-305,903	-54,275	-360,178
Gross profit	85,211	19,272	104,483
<i>Adjusted gross profit</i>	<i>85,211</i>	<i>19,272</i>	<i>104,483</i>
% of revenue	21.8%	26.2%	22.5%
Other income	12	2	14
Selling & distribution	-61,415	-19,839	-81,254
<i>Adjusted S&D</i>	<i>-61,415</i>	<i>-19,839</i>	<i>-81,254</i>
Segment EBITDA	23,808	-565	23,243
<i>Adjusted segment EBITDA</i>	<i>23,808</i>	<i>-565</i>	<i>23,243</i>
Administrative expenses	-8,859	-5,089	-13,948
<i>Adjusted AE</i>	<i>-7,175</i>	<i>-4,787</i>	<i>-11,962</i>
EBITDA	14,949	-5,654	9,295
<i>Adjusted EBITDA</i>	<i>16,633</i>	<i>-5,352</i>	<i>11,281</i>
Depreciation	-4,329	-2,486	-6,815
EBIT	10,620	-8,140	2,480
<i>Adjusted EBIT</i>	<i>12,304</i>	<i>-7,838</i>	<i>4,466</i>
Net finance cost and income tax			-7,601
<i>Adjusted net finance cost and income tax</i>			<i>-7,601</i>
Net loss			-5,121
<i>Adjusted net loss</i>			<i>-3,135</i>

For better orientation, we also provide adjusted figures, which reflect extraordinary items (the non-cash IFRS expenses related to the Employee Stock Ownership Plan, and one-of costs related business projects, specifically the new logistics center of which the project name is Venlo 2020). A detailed reconciliation of adjustments can be found in the following table:

	Adjustments 2021					Adjustments 2020				
	Non-adjusted	1.	2a.	2b.	Adjusted	Non-adjusted	1.	2.	2b.	Adjusted
Revenue	534,442	-	-	-	534,442	464,661	-	-	-	464,661
Cost of sales	-398,186	-	139	-	-398,047	-360,178	-	-	-	-360,178
Gross profit	136,256	-	-	-	136,395	104,483	-	-	-	104,483
Other income	36	-	-	-	36	14	-	-	-	14
Selling & Distribution	-113,895	-	251	338	-113,306	-81,254	-	-	-	-81,254
Segment EBITDA	22,397	-	-	-	23,125	23,243	-	-	-	23,243
Administrative expenses	-20,789	3,573	304	658	-16,254	-13,948	1,176	611	199	-11,962
EBITDA	1,608	3,573	694	996	6,871	9,295	1,176	611	199	11,281
Depreciation	-11,650	-	-	-	-11,650	-6,815	-	-	-	-6,815
EBIT	-10,042	3,573	694	996	-4,779	2,480	1,176	611	199	4,466
Net finance cost and income tax	-6,920	-	-	-	-6,920	-7,601	-	-	-	-7,601
Net loss	-16,962	3,573	694	996	-11,699	-5,121	1,176	611	199	-3,135

Description of adjustment:

1. IFRS expenses of the employee stock option plans. These expenses are non-cash for Shop Apotheke Europe.

2a. One-off external project expenses specifically related to our new logistics center project "Venlo 2020".

2b. One-off external project expenses related to other projects. This mainly concerns external advisory costs.

BUSINESS COMBINATIONS.

Subsidiaries acquired.

During 2021, the following entities were acquired by the Shop Apotheke Group:

- 100% of the shares of SmartPatient GmbH and its subsidiary SmartPatient Business Services sp. z o.o.
- 100% of the shares of MedApp Holding B.V., including MedApp Nederland B.V. and MedApp Apotheek B.V.

Acquisition of SmartPatient.

On 7 January 2021, the Shop Apotheke Group acquired 100% of the shares of SmartPatient GmbH ("SmartPatient"), a digital medication management expert, in order to accelerate the technological and digital health capabilities. SAE acquired SmartPatient for a consideration of EUR 70,545,000, by way of a combination of cash paid and a contingent consideration of SAE.

The results of SmartPatient are consolidated effective from 7 January 2021 (and directly contributed to the earnings per share).

Purchase consideration

Details of the purchase consideration, are as follows:

Consideration transferred	x EUR 1,000
Cash paid	28,231
Contingent consideration	42,314
Total purchase consideration	70,545

Contingent consideration

The contingent consideration arrangement is to be paid in cash and share considerations in 3 subsequent tranches in the following 3 years after the acquisition. Each tranche payment is conditional on the vendors remaining employed by SHOP APOTHEKE EUROPE at that time.

The fair value of the contingent consideration arrangement of EUR 42,314,000 was estimated calculating the present value of the future expected cashflows. The estimates are based on an after-tax cost of debt as the discount rate and assumed achievement of the precondition.

Of this contingent consideration EUR 12,704,000 has been paid in escrow and is therefore already recognised as a cash-out on acquisitions.

Identified assets and liabilities

The assets and liabilities recognised as a result of the acquisition are as follows:

Assets and liabilities recognised	Book Value	Adjustment	Fair Value
	EUR 1,000	EUR 1,000	EUR 1,000
Tangible fixed assets	1,100	0	1,100
Intangible fixed assets	0	12,000	12,000
Financial fixed assets	3	0	3
Deferred tax assets	1,543	0	1,543
Inventory	0	0	0
Trade and other receivables	726	0	726
Cash	1,053	0	1,053
Non-current liabilities	-3,284	0	-3,284
Trade and other payables	-712	0	-712
Other current liabilities	-2,882	0	-2,882
Goodwill on acquisition	0	64,838	64,838
Deferred tax liability	0	-3,840	-3,840
Total consideration	-2,453	72,998	70,545

The technology, the tradename and the order backlog from SmartPatient are as part of the purchase price allocation being valued as follows:

- Technology is valued at EUR 10,500,000 and is depreciated over a period of 7 years.
- Trade name is valued at EUR 900,000 and is depreciated over a period of 4 years.
- Order backlog is valued at EUR 600,000 and is depreciated over a period of 1 year.

The fair value of the acquired assets is provisional pending receipt of the final valuations for those assets. Deferred tax of EUR 3,840,000 has been provided in relation to these fair value adjustments.

The residual goodwill mainly accounts for the value attributable to future new app users and the assembled workforce. The goodwill arising on the SmartPatient acquisition is not deductible for tax purposes.

Impact of acquisition on the results of the Group

Included in the Result after Tax for the year 2021 is EUR -1.2m attributable to the additional business generated by the SmartPatient acquisition. Revenue for the year 2021 includes EUR 2.3m in respect of the SmartPatient business.

Acquisition of MedApp.

On 26 March 2021 SHOP APOTHEKE EUROPE N.V., through its subsidiary SA Europa B.V., acquired the technology-driven e-pharmacy MEDAPP via 100 percent of the shares in MEDAPP Holding B.V. including MEDAPP Nederland B.V. and MEDAPP Apotheek B.V., which is based in Eindhoven, the Netherlands. Through this acquisition, 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.

Purchase consideration

Details of the purchase consideration, are as follows:

Consideration transferred	x EUR 1,000
Cash paid	3,555
Contingent consideration	PM
Total purchase consideration	3,555

Contingent consideration

The contingent consideration arrangement is to be paid in cash and share considerations in 4 subsequent tranches in the following 4 years after the acquisition. Each tranche payment is conditional and variable based on the operating result performance achieved by MEDAPP in the upcoming years.

At the moment of preparation of these financial statements, the acquisition accounting is in process, the fair value of the contingent consideration has to be determined. The nominal value of the consideration without including and assumptions on achievement of the precondition amounts approx. EUR 5,700,000.

Identified assets and liabilities

The assets and liabilities recognised as a result of the acquisition are as follows:

Assets and liabilities recognised	Book Value	Adjustment	Fair Value
	EUR 1,000	EUR 1,000	EUR 1,000
Tangible fixed assets	30	0	30
Intangible fixed assets	115	0	115
Financial fixed assets	0	0	0
Deferred tax assets	0	0	0
Inventory	9	0	9
Trade and other receivables	480	0	480
Cash	53	0	53
Non-current liabilities	0	0	0
Trade and other payables	-292	0	-292
Other current liabilities	-109	0	-109
Payable to Shop Apotheke	-313	-150	-463
Goodwill on acquisition	0	3,732	3,732
Deferred tax liability	0	0	0
Total consideration	-27	3,582	3,555

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. The initial purchase price allocation does therefore not yet include fair value of the acquired technology.

Impact of acquisition on the results of the Group

Included in the Result after Tax for the year 2021 is EUR -0.6 m attributable to the additional business generated by the MedApp acquisition. Revenue for the year 2021 includes EUR 0.2 m in respect of the MedApp business.

Acquisition costs.

In 2021, the group incurred acquisition related costs for an amount of EUR 0.6 m. These costs have been included in Administrative expenses.

Subsidiaries divested.

In June 2021 SHOP APOTHEKE EUROPE has sold its interest in 100% subsidiary Farmanatur Productes S.L., Sant Cugat del Vallès (Barcelona), Spain.

BORROWINGS.

Convertible bond.

In January 2021, the Company issued 2.250 0.0% convertible bonds with an aggregate principal amount of EUR 225.0m. Each bond entitles the holder to convert to ordinary shares at a conversion price of EUR 233,83. Given the zero coupon no interest is due on these Bonds. Conversion of the above-mentioned bonds may occur in the period to and including the earlier of the following days:

- the 40th business day prior to the maturity date (21 January 2028); or
- if the bonds are redeemed by the issuer, the 30th business day prior to the redemption rate or if such day falls within an excluded period, the 1st business day prior to the beginning of this excluded period.

To the extent the bonds have not previously been redeemed, converted or repurchased and cancelled they will be redeemed at their principal amount on the maturity date (21 January 2028). The issuer will be entitled to fulfil its obligation to redeem the bonds in cash by redeeming all, but not some only, of the bonds, according to the share redemption option.

The Convertible Bonds contain two components: liability and equity elements. The equity element is presented in equity under the heading of "Equity part on convertible bonds".

The effective interest rate of the liability element on initial recognition is 3.05% per annum.

A summary of the initial recognition of the convertible bonds is given below:

	Issued on 14 January 2021
	EUR 1,000
Proceeds of issue principal (amount minus costs)	222,197
Liability component at date of issue	179,933
Equity component	42,264

A summary of the movements of of the convertible bonds is given below:

	Issued on 14 January 2021
	EUR 1,000
Balance 1 January 2021	0
Liability component issued convertible bond	179,933
Interest charged calculated at an effective interest rate of 3,05%	2,670
Interest paid	0
Balance 30 June 2021	182,603

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS.

General information on SHOP APOTHEKE EUROPE.

SHOP APOTHEKE EUROPE N.V. is a public limited liability company, established and domiciled in the Netherlands, with its corporate headquarters and registered office at Erik de Rodeweg 11/13, 5975 WD Sevenum. The consolidated financial statements include the company and all its subsidiaries (jointly referred to as "SHOP APOTHEKE EUROPE").

The financial year of the group is equal to the calendar year. The consolidated half-year financial statements for the first six months ending 30 June 2021 has been approved for by both the Board of Directors and the Supervisory Board on 4 August 2021.

Basis of preparation of half-year report

These interim consolidated financial statements for the half-year reporting period ended 30 June 2021 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by SHOP APOTHEKE EUROPE N.V. during the interim reporting period. The accounting policies adopted are consistent with those of the previous financial year end corresponding interim reporting period. The consolidated financial statements for 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations thereof as adopted by the thereof as issued by the International Accounting Standards Board (IASB) as adopted for use within the European Union and the statutory provisions of Part 9 of Book 2 of the Netherlands Civil Code.

A number of new or amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a results of these standards.

The interim consolidated financial statements have not been audited.

Use of estimates and judgements

The preparation of interim consolidated financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the annual financial statements 2020.

Significant changes in the current reporting period

The financial position and performance of the Company was particularly affected by the following events and transactions during the six months to 30 June 2021:

- The acquisition of two business combinations: SMARTPATIENT and MEDAPP (see separate note).
- The placement of a senior unsecured convertible bond in an aggregate principal amount of EUR 225 million (see separate note).

For a detailed discussion about the group's performance and financial position please refer to the review in our management report on pages 6 to 13.

Going concern

From 1 January through 30 June 2021, the Company incurred losses before tax of EUR 17.0 m and generated a positive cash flow from operating activities of EUR 25.1 m. The working capital position at 30 June 2021 is EUR 23.8 m.

	30.6.2021	30.6.2020
	EUR 1,000	EUR 1,000
Trade and other receivables	39,560	58,090
Inventory	79,852	76,956
Trade and other payables	-61,501	-55,548
Loans and borrowings (short-term)	-5,313	-8,911
Other liabilities (short-term)	-28,809	-18,023
	23,789	52,563
% Revenue	2.29	6.35

The shareholder's equity developed to EUR 464.6 m as at 30 June 2021 up EUR 39.5 m in H1. Cash and other financial assets position has improved with EUR 197.5 m to EUR 325.6 m. The company is closely monitoring its cash position and has taken the necessary measures to ensure executing its strategy. In January 2021 the Company successfully completed EUR 225 m convertible bond placement. Liquidity is secured for the upcoming year, and management believes until sustainable positive operating cashflow generation. In case of exceptional circumstances, for example a sizeable M&A, additional financing may be considered.

On the basis of the above, the consolidated interim financial statements have been prepared on a going concern basis.

Development expenses

In determining the development expenditures to be capitalized, we make estimates and assumptions based on expected future economic benefits generated by products that are the result of these development expenditures. In particular, we have capitalized development work for our websites and the ERP system that supports the business. Business development spending is not capitalized but reported under "Selling & Distribution Expenses".

Seasonality

For the business of the Shop Apotheke Group, the first and fourth quarter of the year tend to be slightly stronger than the second and third.

Vendor allowances are calculated for the interim financial statements on a pro-rata basis, under the assumption of full target achievement.

Fair Value

As at 30 June 2021, no significant changes of fair value calculations have occurred in comparison to the fair values from the 2020 annual report.

Risks and risk management

The Group's risk categories and risk factors that could have material impact on its financial position and results are described in Shop Apotheke's annual report 2020 (page 65 - 69). Those risk categories and factors are deemed incorporated and repeated in this report by this reference. SHOP APOTHEKE EUROPE has evaluated the identified risks and has determined that the identified risks still apply. In addition, there are a number of risks where we would like to highlight the developments in 2021.

- With regard to the introduction of electronic prescriptions in Germany concrete steps have been made in the first half of 2021. e-Rx was launched by the Gematik in a test environment for the Berlin-Brandenburg region as of 1st of July 2021.
- The e-commerce penetration for Rx medications and OTC and BPC products is still relatively low in most core European markets. But driven by impact from COVID-related measures in several countries the shift from off- to online accelerated. As always, changes in the competitive environment could have a significant impact.
- The logistic operations have been impacted by constraints in order processing capacity as a result of a tight labour market and corona specific developments on the labour market in Q2. The non-availability of sufficient logistic personnel impacted the growth in Q2.

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

The Group will publish a detailed update of Shop Apotheke's principal risks in its annual report 2021.

Off-balance sheet commitments

The nature and extent of the off-balance sheet obligations as at 30 June 2021 have not changed significantly from what is stated in the materially different from what is stated in the consolidated financial statements for the financial year 2020.

Events after the reporting date

Besides the new guidance provided on 22 July 2021 there have been no significant subsequent events.

Responsibility statement from legal representatives.

Sevenum, the Netherlands, 5 August 2021

To the best of our knowledge and in accordance with the applicable reporting principles for half-year financial reporting, the half-year consolidated financial statements give a true and fair view of the company's assets, liabilities, financial position and profitability, and the half-year management report of the Group includes a fair review of the development and performance of the business including financial results, and the position of the company is described so that an accurate picture of the current situation is conveyed as well as a description of the principal opportunities and risks associated with the expected development of the Group for the remainder of the fiscal year.

SHOP APOTHEKE EUROPE N.V.
The Management Board

Stefan Feltens

Jasper Eenhorst

Theresa Holler

Stephan Weber

Marc Fischer

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Financial calendar 2021.

02 November 2021
Q3/2021 Earnings Release