



SHOP APOTHEKE
EUROPE

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 JUNE 2018

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS.

	30 JUNE 2018	30 JUNE 2017
	EUR 1.000	EUR 1.000
Revenue	257,231	126,707
Costs of sales	- 210,803	- 99,490
Gross profit	46,428	27,216
Other income	8	1,323
Selling and Distribution	- 50,907	- 31,389
Administrative Expense	- 8,970	- 4,245
Result from operations	- 13,441	- 7,094
Finance income	77	71
Finance expense	- 2,158	- 892
Net finance cost	- 2,081	- 821
Result before tax	- 15,522	- 7,915
Income tax	593	- 209
Result for the period after tax	- 14,929	- 8,124
Attributable to:		
Owners of the Company	- 14,929	- 8,124

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

	30 JUNE 2018	30 JUNE 2017
	EUR 1.000	EUR 1.000
Loss for the year	- 14.929	- 8.124
Other comprehensive income/loss	0	0
Total comprehensive loss	- 14.929	- 8.124
Attributable to		
Owners of the company	- 14.929	- 8.124
Earnings per share		
Basic and diluted per share 30 June 2018	- 1,24	- 0,90
Calculation of earnings per share:		
Result for the six month period	- 14.929	- 8.124
Weighted average number of shares	12.020.456	9.069.878
Earnings per share	- 1,24	- 0,90

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS.

ASSETS	30 JUNE 2018	31 DEC. 2017
	EUR 1.000	EUR 1.000
Non-Current Assets		
Property, plant and equipment	10,200	8.278
Intangible assets	189,473	189.827
Deferred tax assets	4,103	3.447
Investments in equity- accounted joint ventures	905	905
	204,681	202.457
Current Assets		
Inventories	30,870	39.989
Trade and other receivables	22,888	20.546
Other current assets	8,127	6.524
Other financial assets	34,820	12.510
Cash and cash equivalents	57,586	15.783
	154,291	95.352
Total Assets	358,971	297.808

EQUITY AND LIABILITIES	30 JUNE 2018	31 DEC. 2017
	EUR 1.000	EUR 1.000
Shareholders' Equity		
Issued capital and share premium	289,317	289.317
Reserves/accumulated losses	- 60,841	- 50.351
	228,475	238.966
Non-current Liabilities		
Provisions	397	323
Deferred tax liability	12.759	12.711
Other liabilities	71,667	4.316
	84,822	17.350
Current Liabilities		
Trade and other payables	25,659	23.090
Amounts due to banks	4,766	4.863
Other liabilities	15,249	13.539
	45,674	41.492
Total Equity and Liabilities	358,971	297.808

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.

	30 JUNE 2018	30 JUNE 2017
	EUR 1.000	EUR 1.000
CASH FLOW FROM OPERATING ACTIVITIES		
Results flow from operations	- 13,441	- 7,094
Adjustments for:		
- Depreciation and amortisation of non-current assets, taxes and provisions	6,072	2,095
Operating result adjusted for depreciation and amortisation, taxes and provisions	- 7,369	- 4,999
Movements in working capital:		
- (Increase)/decrease in trade and other receivables and other current assets	- 3,945	- 3,422
- (Increase)/decrease in inventory	9,119	6,352
- Increase/(decrease) in in trade and other payables and other liabilities	1,488	2.454
Working capital movement	6,662	5,385
Cash generated from operations	- 707	386
Interest received	77	180
Net cash (used in)/generated by operating activities	- 630	566
CASH FLOW FROM INVESTING ACTIVITIES		
Investment for property, plant and equipment	- 3,480	- 1,271
Investment for intangible assets	- 4,101	- 2,846
Investment for acquisitions	0	0
Investment in other financial assets	- 22,311	- 3,516
Net cash (used in)/generated by investing activities	- 29,892	- 7,633
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	- 1,313	- 888
Payment of earn-out obligations Farmaline	- 1,100	- 1,100
Issue convertible bond	73,497	0
Other non-current liabilities	1,241	77
Net cash (used in)/generated by financing activities	72,325	- 1,911
Net increase/(decrease) in cash and cash equivalents	41,803	- 8,977
Cash and cash equivalents at the beginning of the period	15,783	38,485
Cash and cash equivalents at the end of the period	57,586	29,507

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.

for the six month period ended 30 June 2018	ISSUED AND PAID-UP SHARE	SHARE PREMIUM	ACCUMULATED LOSSES	UNDISTRIBUTED RESULTS	EQUITY
	EUR 1.000	EUR 1.000	EUR 1.000	EUR 1.000	EUR 1.000
Equity as of 1 January 2018	240	289.076	- 28.993	- 21.358	238.966
Transfer to accumulated losses	0	0	- 21.358	- 21.358	0
Equity reserve for stock options	0	0	0	4.438	4.438
Comprehensive loss for the period	0	0	0	- 14.929	- 14.929
Balance as at 30 June 2018	240	289.076	- 50.350	- 10.491	228.475

for the six month period ended 30 June 2017	ISSUED AND PAID-UP SHARE	SHARE PREMIUM	ACCUMULATED LOSSES	UNDISTRIBUTED RESULTS	EQUITY
	EUR 1.000	EUR 1.000	EUR 1.000	EUR 1.000	EUR 1.000
Equity as of 1 January 2017	181	122.057	- 10.548	- 18.445	93.245
Transfer to accumulated losses	0	0	- 18.445	18.445	0
Comprehensive loss for the period	0	0	0	- 8.176	- 8.176
Balance as at 30 June 2017	181	122.057	- 28.993	- 8.176	85.069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

1. Basis of preparation

These Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2017 annual report.

The Interim Consolidated Financial Statements have not been audited.

2. Significant accounting policies

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. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Shop Apotheke Europe N.V. has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2017 annual financial statements.

Going concern

From 1 January through 30 June 2018, the Company incurred losses before tax of EUR 15.5m and generated a positive cash flow from operating activities of EUR – 0.6 m. The working capital position at 30 June 2018 is positive at EUR 20.6 m.

	30 JUNE 2018	30 JUNE 2017
	EUR 1.000	EUR 1.000
Trade and other receivables	22,888	11,701
Other current assets	8,127	2,554
Inventory	30,870	19,312
Trade and other payables	- 25,659	- 16,010
Other liabilities	- 15,629	- 7,001
	20,597	10,556
% Revenue	4.97	4.76

The shareholder's equity developed to EUR 228.5m as at 30 June 2018, with a cash and other financial assets position of EUR 92.4 m. The Company is on track with its planned investment in capacity expansion and automation. On the basis of the above, the Consolidated Financial Statements have been prepared on a going concern basis.

3. Use of estimates and judgements

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the annual financial statements 2017.

4. 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".

5. 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. Also, TV advertising focuses on the first quarter of the year.

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

6. Segment information

Our operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief 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.

For management purposes, our Group is organized into geographic business units:

- Germany:** Prescription (RX), prescription-free pharmaceuticals (OTC) and beauty and personal care products (BPC) sold to individual customers located in the German market.
- International:** Only prescription-free pharmaceuticals (OTC) and beauty and personal care products (BPC) sold to individual customers located in other European markets.

Due to the relatively small size of the applicable business, the segment "Germany Services" has been integrated into the segment "Germany" as of 1 January 2018.

This is based on our different shops and products and services provided. Segment EBITDA shows profitability by geographic segment without central overhead functions (IT, finance and management) that serve all segments and are sized for future international roll-out.

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.

No changes exist in the calculation methodology of this segment information in comparison to the 2017 annual report. No inter-segment revenues apply.

CONSOLIDATED SEGMENT FINANCIALS.

30 June 2018	GERMANY	INTERNATIONAL	UNAUDITED INTERIM CONSOLIDATED
	EUR 1.000	EUR 1.000	EUR 1.000
Revenue	202,486	54,745	257,231
Cost of sales	- 167,932	- 42,872	- 210,803
Gross Profit	34,554	11,874	46,428
% of revenue	17.1 %	21.7 %	18.0 %
Other income	0	7	8
Selling & Distribution	- 31,377	- 14,419	- 45,796
Segment EBITDA	3,178	- 2,538	640
Administrative expense			- 8,068
Administrative expense (adj.)			- 7,592
EBITDA			- 7,429
EBITDA (adj.)			- 6,952
Depreciation			- 6,013
EBIT			- 13,441
EBIT (adj.)			- 12,965
Net finance cost and income tax			- 1,488
Net Loss			- 14,929
Net Loss (adj.)			- 14,453

30 June 2017	GERMANY	INTERNATIONAL	GERMANY SERVICES	ELIMINATIONS	INTERIM CONSOLIDATED
	EUR 1.000	EUR 1.000			
Revenue	92,129	34,113	3,145	- 2,680	126,707
Cost of sales	- 72,757	- 26,588	- 146	0	- 99,490
Gross Profit	19,372	7,525	2,999	- 2,680	27,216
% of revenue	21.0 %	22.1 %	95.4 %		21.5 %
Other income	973	335	25	- 9	1,323
Selling & Distribution	- 17,866	- 11,560	- 2,863	2,680	- 29,609
Segment EBITDA	2,478	- 3,699	161	- 9	- 1,069
Administrative expense					- 3,930
EBITDA					- 5,000
Depreciation and amortisation					- 2,095
EBIT					- 7,095
Net finance cost and income tax					- 1,029
Net Loss					- 8,124

7. Business combinations

For the acquisition of the EHS Europe Health Services BV business in November 2017, the measurement period has not yet passed. However, an adjustment of the fair value as calculated in 2017 is considered not necessary.

8. Fair Value

As at 30 June 2018, no significant changes of fair value calculations have occurred in comparison to the fair values from the 2017 annual report.

9. 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 2017 (page 85-90). Those risk categories and factors are deemed incorporated and repeated in this report by this reference and Shop Apotheke believes that these risks similarly apply for the six month period ending 30 June 2018.

The Group will publish its annual report 2018 in March 2019 with a detailed update of Shop Apotheke's principal risks.

12. Events after the reporting date

On 12 July 2018, SHOP APOTHEKE EUROPE N.V. acquired 100 % of the shares in Berlin-based nu3 GmbH for 54,470 new bearer shares and an additional cash payment. nu3 is active in the growing market segment for functional nutritional products and has a European presence.

CONTACT AND FINANCIAL CALENDAR.

Investor Relations.

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Financial calendar 2018.

August 30, 2018

Commerzbank Sector Conference, Frankfurt

September 24, 2018

Goldman Sachs & Berenberg Conference, Munich

November 14, 2018

Analyst Day with Publication of Q3 results at Citibank, London

November 27, 2018

Berenberg West Coast Conference, San Francisco

December 3, 2018

Berenberg Pennyhill Conference, London