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March
12
2018

SHOP APOTHEKE EUROPE increases revenues by 60% in 2017; growth projected to further accelerate in 2018 with positive Group-level EBITDA expected.

- In 2017 Group revenues rise by +60% to EUR 284 m.
- Leading market position in Germany and Continental Europe further extended.
- Forecast 2018 I: range for revenue growth 87% to 97%.
- Forecast 2018 II: Positive Group-level EBITDA* of EUR 0 to 2 m projected.

Venlo/Cologne, March 12, 2018. -- SHOP APOTHEKE EUROPE N.V., Continental Europe's leading online pharmacy, has reached its ambitious growth targets for the 2017 fiscal year (January 1 – December 31, 2017). Boosted by the takeover of Europa Apotheek in November 2017, SHOP APOTHEKE EUROPE has further accelerated its growth rate substantially with Group revenues rising 60% to EUR 284.0 m. For 2018 management expects the pace of growth to further speed up to a rate of 87% to 97% as well as a positive Group-level EBITDA* of EUR 0 to 2 m.

The company's dynamic growth is due to an increase in the number of active customers across Europe from 1.8 m at the end of 2016 to approximately 2.7 m at the end of 2017 and the related rise in the volume of orders. The number of orders climbed from 4.0 m to 5.7 m during the period under review, with 76% of those orders coming from existing customers, up from an already high level of 73% in 2016. The return rate stayed at a minimal level of below 1% of orders like in 2016. The number of site visits increased from 41.8 m during the 2016 fiscal year to 71.5 m in 2017.

Group revenues rose by 60% during the 2017 fiscal year to EUR 284.0 m from EUR 177.4 m a year earlier. This increase in revenues is due to both organic growth and to the fourth-quarter takeover of Europa Apotheek, which has been consolidated as of November 8, 2017, accounting for EUR 25.1 m in revenues. Gross earnings rose by 59% from EUR 36.3 m to EUR 57.6 m during the 2017 fiscal year, leading to a gross margin of 20.3% compared to 20.5% in 2016. The slight decrease in the gross margin is mainly due to a higher proportion of

prescription medications sold as a result of the takeover of Europa Apotheek; these usually have a lower gross margin than other products in the portfolio.

Increases in efficiency and economies of scale contributed to a substantially improved administrative expenses ratio. Total administrative costs for 2017 were EUR 13.4 m compared to EUR 9.1 m in 2016. This figure includes one-time costs of EUR 3.6 m related to the takeover of Europa Apotheek and the subsequent increase in capital in order to process the share swap agreed on to undertake the acquisition. Hence, adjusted administrative expenses ratio including depreciations stood at 3.5% in proportion to revenues (previous year: 4.2%).

Revenues for SHOP APOTHEKE EUROPE'S profitable core segment "Germany" rose by 44% to EUR 209.5 m (previous year: EUR 145.5 m). During the same timeframe, the overall German online pharmacy market grew by just 11.8% according to a survey conducted by Germany's Federal Association for e-commerce and mail order businesses (Bundesverband E-Commerce und Versandhandel/bevh). Thus, SHOP APOTHEKE EUROPE has been able to further extend its market leadership in Continental Europe's largest online pharmacy market. Due to the bigger ratio of prescription medications sold, the 2017 gross margin stood at 19.8% compared to 20.4% a year earlier. Cost of sales grew at a lower rate than revenues, increasing 33% from EUR 27.5 m in 2016 to EUR 36.8 m in 2017. Accordingly, the sales cost ratio improved to 17.6% for the reporting period compared to 18.8% the previous year. Segment EBITDA** was EUR 6.9 m, up from EUR 4.0 m for the 2016 fiscal year with a margin of 3.3% for the year under review compared to 2.7% in 2016.

SHOP APOTHEKE EUROPE'S international markets – which include Austria, France, Belgium, the Netherlands, Spain and Italy – have been once again the company's most dynamic driver of growth, with the volume of business increasing by more than 143%. As a result, revenues for the "International" segment rose to EUR 73.7 m (previous year: EUR 30.4 m) with the segment's gross margin growing significantly during the period under review, up 3 percentage points to 21.4% from 18.4% a year earlier. Due to the high cost of new customer acquisition, 2017 segment EBITDA** was EUR -6.6 m, down EUR 1.9 m compared to EUR -4.7 m the previous year (respectively EUR -4.0 m when adjusted for one-time costs related to the acquisition of Farmaline in 2016). Relative to revenues, the segment's EBITDA margin improved to -8.9% in the period under review compared to -15.6% unadjusted, or -13.0% adjusted respectively in 2016.

The segment "Germany Services" posted revenues of EUR 0.7 m (previous year: EUR 2.5 m) excluding sales revenues from intra-Group services that were eliminated as part of the consolidation. Since it contributes only a small share of overall revenues, the segment will be integrated into the "Germany" segment in the future. At 88.4%, the gross margin was at a similarly high level as in 2016 when it stood at 89.7%. Segment EBITDA** was EUR -0.1 m compared to EUR 1.0 m a year earlier.

Dr. Ulrich Wandel, CFO of SHOP APOTHEKE EUROPE, comments on the company's development during the 2017 fiscal year: "We have achieved our ambitious growth targets with a revenue increase of 60%. Our accelerated growth course is driven by strong operational results as well as key investment decisions. The integration of Europa Apotheek has further strengthened our growth trajectory. In 2018 we'll keep our foot on the accelerator. We want to achieve an attractive combination of fast growth and profitability during the current fiscal year."

For the 2018 fiscal year, SHOP APOTHEKE EUROPE's Management Board forecasts a revenue increase between 87% and 97% to a range of EUR 530 to 560 m, driven primarily by strong international growth and the consolidation of Europa Apotheek. The gross margin is expected to be lower than during the 2017 fiscal year due to the greater proportion of orders for prescription medications. Despite the smaller gross margin, the contribution margin per order will be bigger due to the increase in the size of the average shopping basket. Combined with further improvements in efficiency, effects of scale and further automation, the Management Board forecasts a positive Group-level EBITDA* of EUR 0 to 2 m for the 2018 fiscal year.

Brand strategy will be another focus during the coming year. As a result of the acquisitions undertaken in the last two years, SHOP APOTHEKE EUROPE is currently operating its business using several different brand names, which will for the most part be united under a common brand in the medium term. SHOP APOTHEKE EUROPE also plans to continue playing an active role in the consolidation of the online pharmacy market. Due to both potential future acquisitions and a generally greater need for working capital as a result of increased business volume, the Management Board is evaluating different financing models options that allow the company to respond flexibly and quickly should interesting opportunities arise.

The investment volume for the current fiscal year is expected to be in the low double-digit million range. Investments will focus on automation and expanding storage capacity, the parallel optimization of our software systems and the standardisation of payment methods

across the Group in order to standardise the checkout process for customer orders and further develop our customer relations management across all country webshops.

* prior to special effects due to potential transactions and/or acquisitions

**Segment EBITDA defined as earnings before interest, taxes, deductions and amortizations as well as Group-level administrative expenses.

2018 FINANCIAL CALENDAR

April 26, 2018	Annual General Meeting
May 15, 2018	Publication of the results of Q1 2018
August 14, 2018	Publication of the results of the first half of 2018
November 14, 2018	Publication of the results of Q3 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS.

	PERIOD ENDED 31.12.2017	PERIOD ENDED 31.12.2016
	EUR 1,000	EUR 1,000
Revenue	283,992	177,391
Cost of sales	-226,407	-141,109
Gross profit	57,585	36,282
Other income	3,015	2,204
Selling and distribution	-66,417	-41,036
Administrative expenses	-13,378	-9,098
Result from operations	-19,197	-11,639
Finance income	40	17
Finance expenses	-2,246	-9,338
Net finance costs	-2,206	-9,321
Result before tax	-21,403	-20,960
Income tax expenses	45	2,515
Result after tax	-21,358	-18,445
Attributable to:		
Owners of the company	-21,358	-18,445

CONSOLIDATED SEGMENT FINANCIALS FOR 2017.

	Germany	International	Germany Services	Eliminations	Consolidated
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	209,549	73,716	6,848	-6,121	283,992
Cost of sales	-168,040	-57,971	-797	401	-226,407
Gross profit	41,510	15,745	6,050	-5,720	57,585
% of revenue	19.80%	21.40%	88.40%		20.30%
Other income	2,151	810	54	0	3,015
Selling & distribution	-36,801	-23,160	-6,176	5,720	-60,417
<i>Adjusted S&D</i>	<i>-36,801</i>	<i>-23,160</i>	<i>-6,176</i>		<i>-60,417</i>
Segment EBITDA	6,859	-6,606	-71	0	182
<i>Adjusted segment EBITDA</i>	<i>6,859</i>	<i>-6,606</i>	<i>-71</i>	<i>0</i>	<i>182</i>
Administrative expenses					-12,320
<i>Adjusted AE</i>					-8,728
EBITDA					-12,137
<i>Adjusted EBITDA</i>					<i>-8,545</i>
Depreciation					-7,059
EBIT					-19,197
<i>Adjusted EBIT</i>					<i>-15,605</i>
Net finance cost and income tax					-2,161
<i>Adjusted net finance cost and</i>					<i>-2,161</i>
Net loss					-21,358
<i>Adjusted net loss</i>					<i>-17,766</i>

CONSOLIDATED SEGMENT FINANCIALS FOR 2016.

	Germany	International	Germany Services	Eliminations	Consolidated
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	145,549	30,376	4,108	-2,641	177,391
Cost of sales	-115,910	-24,777	-423	0	-141,109
Gross profit	29,640	5,599	3,685	-2,641	36,282
% of revenue	20.40%	18.40%	89.70%		20.50%
Other income	1,810	363	31	0	2,204
Selling & distribution	-27,458	-10,698	-2,742	2,641	-38,255
<i>Adjusted S&D</i>	<i>-27,419</i>	<i>-9,901</i>	<i>-2,742</i>	<i>2641</i>	<i>-37,421</i>
Segment EBITDA	3,992	-4,735	975		231
<i>Adjusted segment EBITDA</i>	<i>4,030</i>	<i>-3,939</i>	<i>975</i>		<i>1066</i>
Administrative expenses					-8,597
<i>Adjusted AE</i>					-6,855
EBITDA					-8,366
<i>Adjusted EBITDA</i>					<i>-5,789</i>
Depreciation					-3,273
EBIT					-11,638
<i>Adjusted EBIT</i>					<i>-9,062</i>
Net finance cost and income tax					-6,807
<i>Adjusted net finance cost and</i>					<i>-1,644</i>
Result before tax					-18,445
<i>Adjusted net loss</i>					<i>-10,733</i>

ABOUT SHOP APOTHEKE EUROPE.

SHOP APOTHEKE EUROPE is the leading and fastest growing online pharmacy in Continental Europe. With the acquisition of Europa Apotheek Venlo in November 2017, SHOP APOTHEKE EUROPE significantly extended its European market leadership with an expanded product range for the whole family in the areas of OTC, beauty and care products as well as prescription drugs

SHOP APOTHEKE EUROPE already operates online pharmacies in Germany, Austria, France, Belgium, Italy, Spain and the Netherlands. In Germany, the TÜV-certified shop-apotheke.com is the market leader in terms of traffic. SHOP APOTHEKE EUROPE delivers a broad range of more than 100,000 original products to about 2.7 million active customers quickly and at attractive prices. In addition, SHOP APOTHEKE EUROPE provides comprehensive and consistent pharmaceutical services.

SHOP APOTHEKE EUROPE N.V. has been listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard) since 13 October 2016.

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