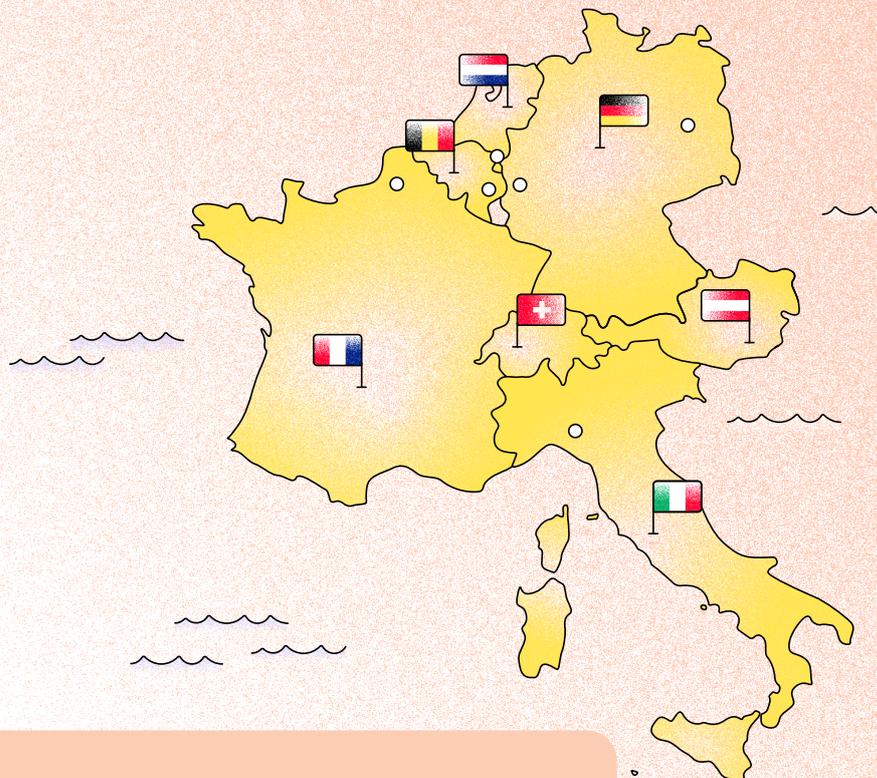


# Half-year report

30 JUNE  
2023





## About Redcare Pharmacy.

Originally founded in 2001, Redcare Pharmacy (formerly known as SHOP APOTHEKE EUROPE) today is the leading e-pharmacy in Europe, currently active in seven countries: Germany, Austria, France, Belgium, Italy, the Netherlands and Switzerland.

Headquartered in Sevenum, close to the Dutch city of Venlo and in the heart of Europe, the company has locations in Cologne, Berlin, Munich, Tongeren, Warsaw, Milan, Lille and Eindhoven.

As the one-stop pharmacy of the future, Redcare Pharmacy offers over 10 million active customers a wide range of more than 150,000 products at attractive and fair prices. Besides OTC, nutritional supplements, beauty and personal care products as well as an extensive assortment of health-related products in all markets, the company also provides prescription drugs for customers in Germany, Switzerland and the Netherlands.

Pharmaceutical safety is of top priority. Being a pharmacy at its core, Redcare stands for comprehensive pharmaceutical consultation service. Since care is at the heart of everything Redcare does, the company provides services for all stages of life and health. This ranges from its marketplaces to unique delivery options and medication management.

Redcare Pharmacy N.V. has been listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard) since 2016. As of 19 June 2023, the company is a member of the MDAX selection index.

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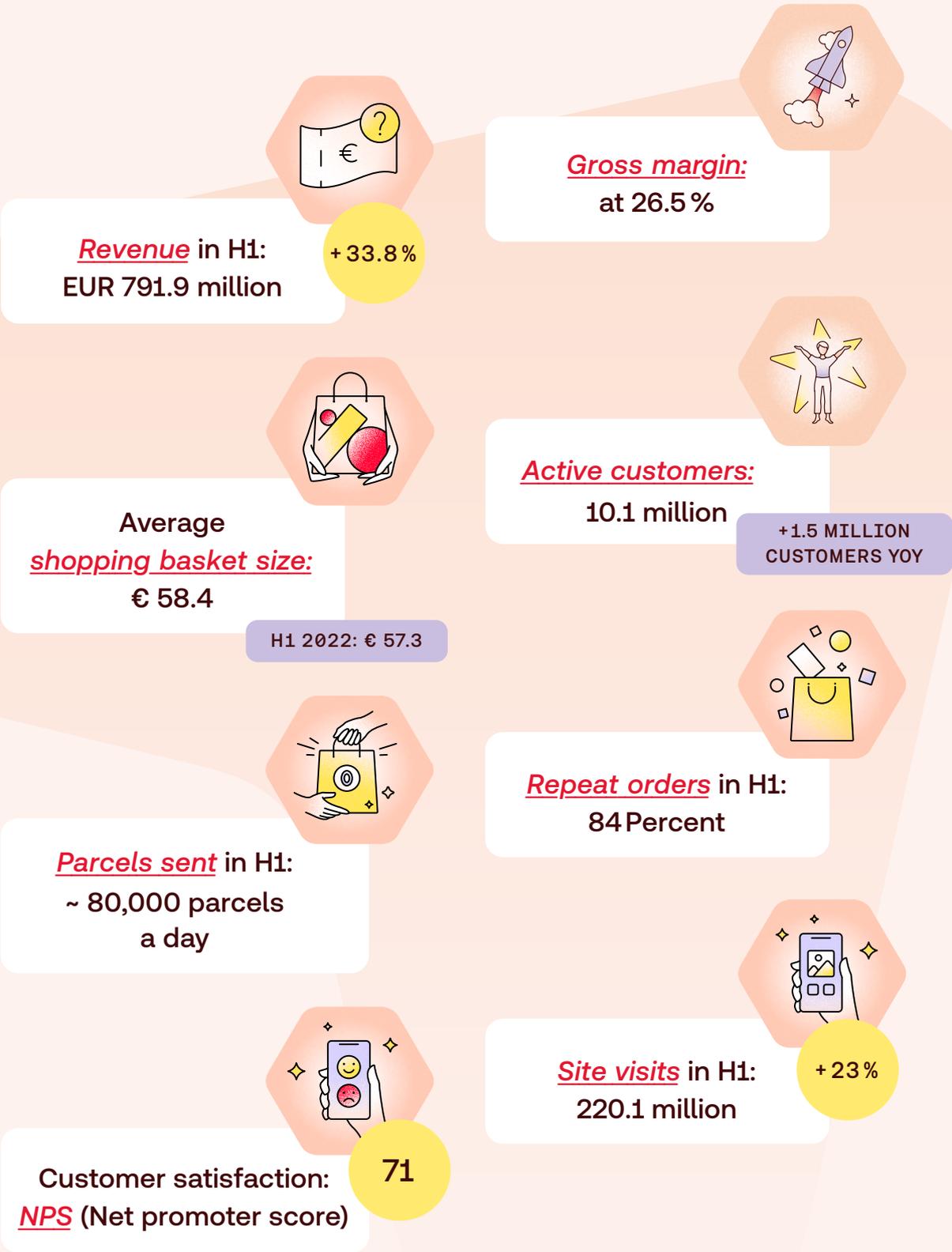
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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by Redcare Pharmacy N.V. during the interim reporting period.

# Key figures.

► Continuously increasing our strong growth across Europe.



# Interim group management report.

## ► Overall assessment by the management board.

Redcare Pharmacy has continued to grow and succeeded to even accelerate its growth rate in the first half of this year. The total group's sales rose by almost 34 % compared to the previous year. At the same time, the number of active customers is growing fast as well, surpassing the 10 million active customers. Strategically, Redcare Pharmacy entered into a strategic partnership with the Swiss health care provider Galenica AG. Through this partnership, the specialist pharmacy business of Galenica – MediService AG – has been combined with Redcare Pharmacy's Swiss pharmacy business to form the leading online pharmacy in Switzerland, further strengthening the already solid foothold in the DACH region.

At the same time, Redcare also achieved its highest ever adjusted EBITDA in Q2 with a margin of 3.2 % in Q2 and 2.8 % over the first six months of the year. Margins improved across all major lines in the P&L, through continued effectiveness, efficiency, customer loyalty and scale.

The Group ensured adequate growth financing in the past, putting it in a strong position to benefit from expected growth opportunities in general and the introduction of electronic prescriptions in Germany specifically.

Recently, Redcare Pharmacy has become Europe's leading e-pharmacy platform by a distance. We see this as a confirmation of our strategic decisions in the past and use this success as motivation for continued sustained growth in the future, always customer-centric.

## ► Overall economic situation.

In the first half of 2023 the economic and overall global situation remained challenging, with the euro area economy only growing 0.1 % in the first quarter of this year. According to the European Central Bank, confidence among businesses and consumers has recovered, but remains weaker than before the war in Ukraine. Though energy prices have fallen, core inflation remained high, leading to hesitancy among consumers.

Consequently, the overall e-commerce sector saw a decline in sales in the first half. According to the industry association "bevh", the German e-commerce sector reported a decline in sales of 15 percent in the first quarter. However, with a reported decline of 4,9 %, the pharmacy sector was less affected by these developments, as consumers become increasingly price sensitive. In recent months, the central banks' efforts to combat the high inflation rates were increasingly successful, though rising interest rates might have an adverse effect on financial markets.

## ► 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, with one significant change, namely the acquisition of 51 % of the shares in MediService AG. As a consequence, since mid-May 2023, the numbers of MediService are consolidated into the Redcare Pharmacy numbers.

## ► 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. Though previously disrupted by the effects of the Covid-19 pandemic, these seasonal patterns appear to slowly normalize.

During the second quarter, Redcare Pharmacy successfully continued revenue growth. In Q2 2023, group revenue increased by 46.2% to EUR 420 million (Q2 2022: EUR 287.2 million). For the first six months of 2023, group revenue increased by 33.8% to EUR 792 million (H1 2022: EUR 592.0 million).

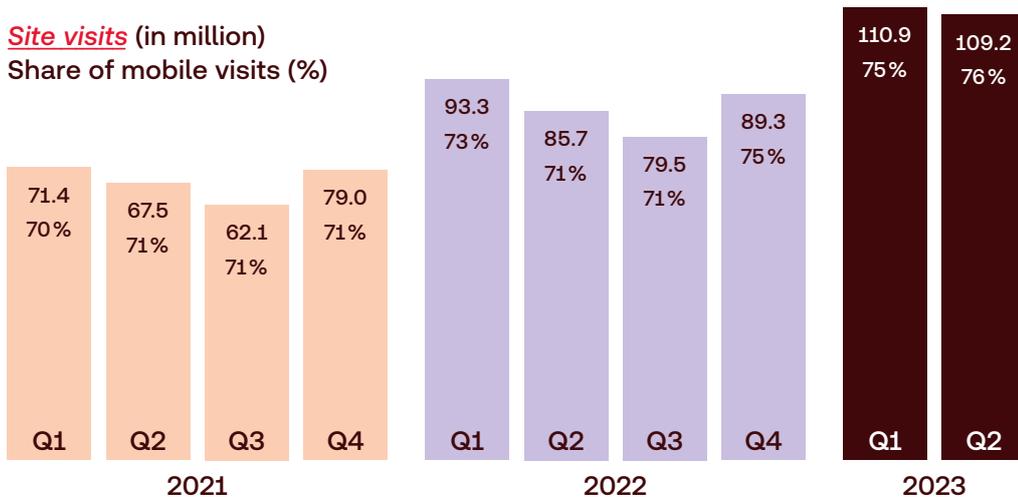
In continuation of the past many years, the number of active customers also rose significantly, surpassing the 10 million mark this Q2. Now standing at 10.1 million active customers, Redcare added over 1.5 million customers when compared to Q2 the previous year. Since the beginning of this year, Redcare achieved a 0.8 million increase of the active customer base.

The number of orders reached 14.2 million in H1, with the size of the average shopping basket value excluding MediService and platform, EUR 58.4; around 1.8% above the previous year's level of EUR 57.4. The share of repeat orders was 84% in H1, slightly above the previous year's level of 82% while the return rate remained minimal at less than 1%.

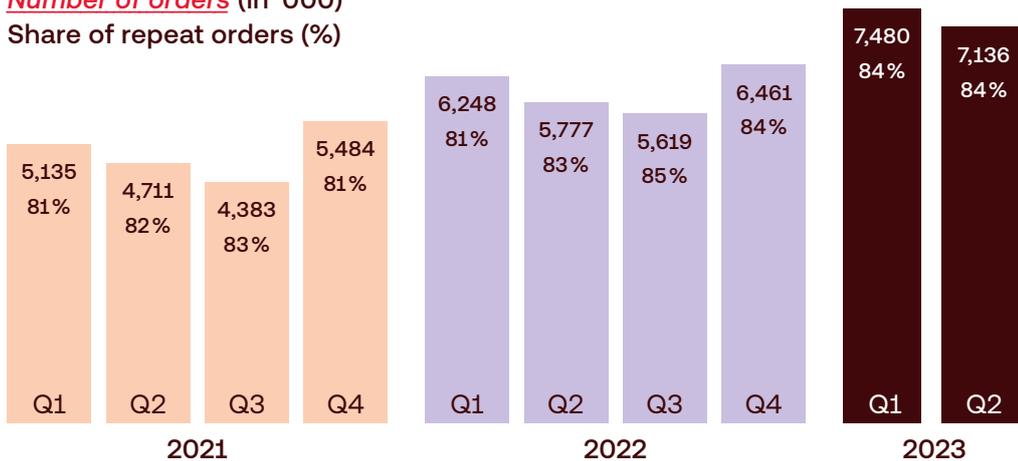
	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Page visits (million)	71.4	67.5	62.1	79.0	93.3	85.7	79.5	89.3	110.9	109.2
Mobile page visits (million)	50.4	48.0	44.4	56.0	67.7	60.6	56.3	67.1	83.1	82.5
Ratio mobile (in %)	70	71	71	71	73	71	71	75	75	76
Orders (million)	5.1	4.7	4.4	5.5	6.2	5.8	5.6	6.5	7.5	7.1
Orders by existing clients (in %)	81	82	83	81	81	83	85	84	84	84
Return rate (in %)	0.7	0.8	0.8	0.7	0.7	0.8	0.8	0.7	0.7	0.7
Active customers (million)	6.8	7.1	7.3	7.9	8.3	8.6	8.9	9.3	9.7	10.1
Average shopping cart (in €)	63.5	61.5	61.0	58.9	56.8	57.9	59.8	58.8	57.9	58.9



**Site visits** (in million)  
Share of mobile visits (%)



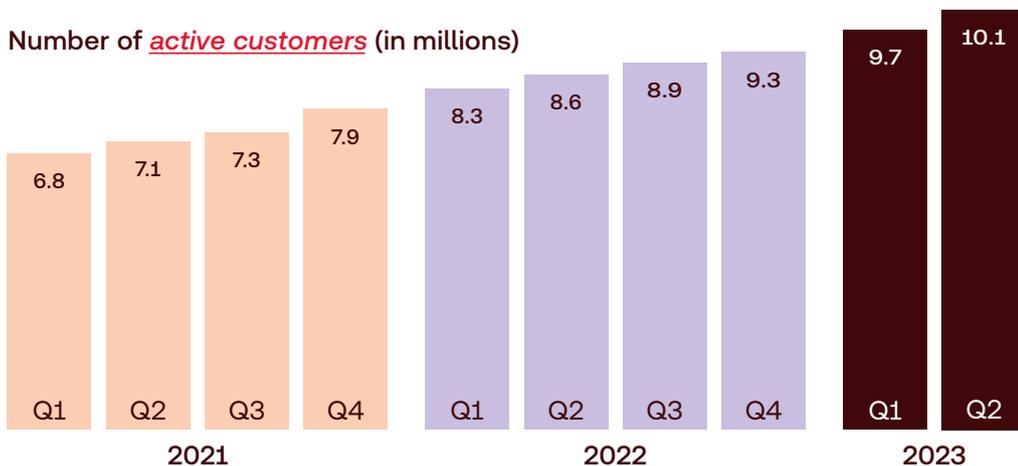
**Number of orders** (in '000)  
Share of repeat orders (%)



Redcare Pharmacy's continuously growing active customer base.



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

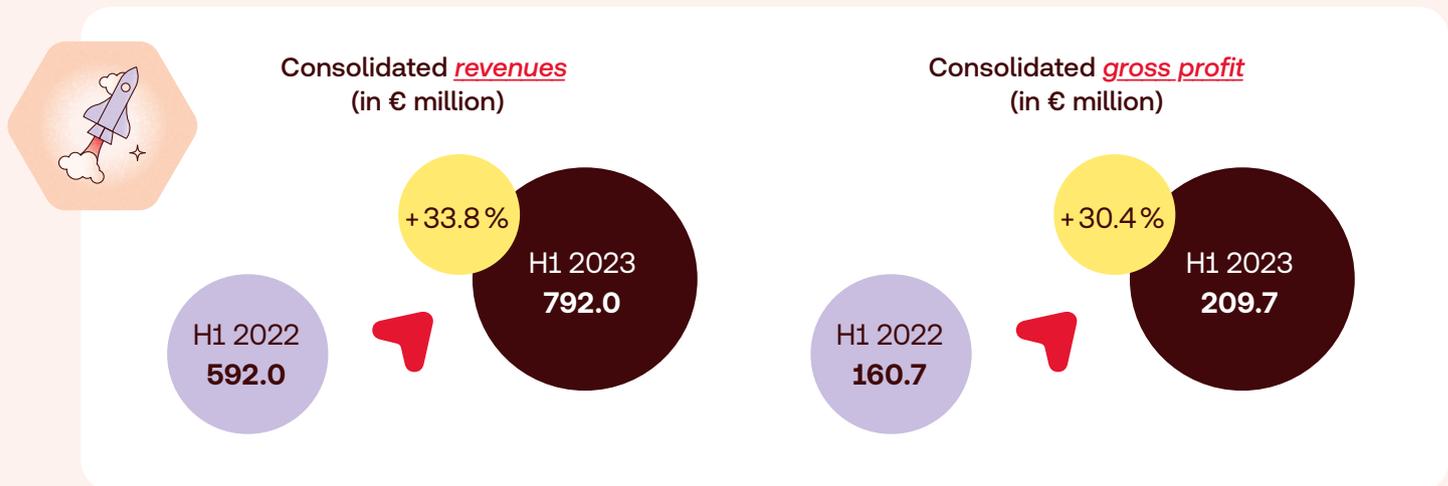


With a growth rate of 30.4%, gross profit at Group level increased significantly during the first six months of 2023, from EUR 160.7 million during H1 2022 to EUR 209.7 million this year. The consolidated gross margin stands at 26.5% (H1 2022: 27.2%). In Q2, the consolidated gross margin stood at 25.4% compared to 27.8% the previous year. The smaller gross profit margin was on due to the consolidation of MediService AG with its Rx business, which typically has lower gross margins (as percentage of sales) but in euros a significantly higher contribution per parcel. Organically, thus excluding MediService, the gross margin grew year over year by 0.9% in H1 and 0.7% in Q2, driven by net pricing, sourcing, and product mix changes.

Adjusted Selling and Distribution (S&D) expenses for the total business were EUR 164.8 million in H1, or 20.8% of sales (2022 H1: 25.7%). A significantly improvement year over year from efficiency, effectiveness, customer loyalty and scale, as well as benefiting from the inclusion of MediService. Adjusted Administrative costs amounted to EUR 22.9 million in H1 (2022: EUR 19.3 million). Adjusted administrative costs as percentage of sales were 2.9% in H1 and Q2, 0.4 pp lower than last year's 3.3% (Q2 2022: 3.6%).

Redcare Pharmacy's adjusted EBITDA stood at EUR 22 million (margin 2.8%) in H1 2023. Last year, it was EUR -10.4 million (margin -1.8%). In Q2, the adjusted EBITDA margin was 3.2% (Q2 2022: -2.1%).

With depreciation expenses of EUR 25 million (H1 2022: EUR 17.9 million), which are reflective of the past year's higher investment level, EBIT was EUR -9.8 million for the first six months 2023 (H1 2022: EUR -41 million). Net finance costs and income tax decreased by EUR 2.3 million to EUR -4.5 million. The net result of EUR -14.3 million compares favorably to last year's EUR -47.8 million. In Q2 Redcare's net result was EUR -4.1 million (Q2 2022: -24.8 million).



## ► Segment performance.

### DACH segment.

During the first half of 2023, DACH – Redcare Pharmacy’s largest segment by revenues, covering business activities in Germany, Austria and Switzerland – grew by 36.9% compared to a year earlier. In euros, revenues rose to EUR 623.6 million after EUR 455.4 million in H1 2022. Revenues from prescription drugs (Rx) business showed the largest growth with 107.9% year over year, driven by the inclusion of MediService, while non-Rx sales also grew double-digit in all three countries – with an average growth rate of 25.5%. Compared to last year, gross profit grew at a rate of 35.1% to EUR 168 million, with a gross margin of 26.9%. The adjusted EBITDA for the first six months of 2023 was EUR 32.6 million compared to EUR 3.5 million for H1 2022, translating into a margin of 5.2% vs. 0.8% previous year.

### International segment.

Redcare Pharmacy’s International segment (Belgium, France, Italy, and the Netherlands) increased its H1 revenues by 23.2% to EUR 168.4 million (previous year: EUR 136.6 million). Segment gross profit earnings rose by 14.6% from EUR 36.3 million to EUR 41.6 million during the reporting period. The gross margin stood at 24.7%, lower than last year’s 26.6%. However driven by significant improved expenses as a percentage of sales, the adjusted EBITDA margin increased from last year’s H1 –10.2% to –6.3%; in euros from –14 million last year to EUR –10.6 million in 2023.

### H1 2023 Segment development

in EUR 1,000	DACH	International	Consolidated
Revenues	623,565	168,375	791,940
Gross Profit	168,026	41,634	209,660
EBITDA	28,364	-13,214	15,150
Adjusted EBITDA	32,630	-10,617	22,013

### H1 2022 Segment development

in EUR 1,000	DACH	International	Consolidated
Revenues	455,362	136,641	592,003
Gross Profit	124,390	36,345	160,735
EBITDA	-4,057	-19,061	-23,118
Adjusted EBITDA	3,533	-13,966	-10,433

### Q2 2023 Segment development

in EUR 1,000	DACH	International	Consolidated
Revenues	334,190	85,698	419,888
Gross Profit	85,454	21,117	106,571
EBITDA	15,966	-5,384	10,582
Adjusted EBITDA	17,697	-4,447	13,250

### Q2 2022 Segment development

in EUR 1,000	DACH	International	Consolidated
Revenues	220,365	66,855	287,220
Gross Profit	62,055	17,711	79,766
EBITDA	-2,771	-9,837	-12,608
Adjusted EBITDA	1,097	-7,246	-6,149

## ► Assets, liabilities and financial position.

### Assets and liabilities.

As of the reporting date, the balance sheet total was EUR 1.1 billion after EUR 729.5 million at the end of the 2022 fiscal year. Within the non-current assets, intangible assets rose by EUR 213.3 million, driven by the acquisition of MediService AG. Current assets increased by EUR 150 million from EUR 343.9 million to EUR 493.9 million. Inventories were up from EUR 99.7 million to EUR 119.2 million, as a result from the higher business volume and the consolidation of MediService. Cash and cash equivalents went up from EUR 66.8 million to EUR 130.2 million. Cash and cash equivalents do not include securities and fixed-term deposits, these short-term financial assets amounted to EUR 113.6 million at the end of H1 (EUR 113.3 million at the start of the year).

Loans and borrowings within the non-current liabilities remained virtually unchanged at EUR 247.6 million. An increase of EUR 90.8 million in trade and other payables from EUR 72.9 million to EUR 163.7 million was primarily related to seasonal effects and the general expansion of the business volume and MediService. The equity capital ratio was 46.8% as of the reporting date.

### Liquidity situation.

Operational cash flow was a positive EUR 77.2 million compared to EUR 14.7 million during the same period of fiscal year 2022. This favourable development was driven by the operating result and working capital movements.

Net EUR – 35.4 million was used for investing activities in the first six months of 2023 (previous year: EUR – 29.3 million). Current year includes the acquisition of MediService, the impact of negative cash balances as per acquisition date amounted to EUR – 23.4 million. EUR – 17.9 million (H1 2022: EUR – 25.3 million) were investments in intangible assets and property, plant and equipment.

Cash flow from financing activities shows an inflow of EUR 21.6 million vs. an outflow EUR 6.7 million last year. This year's development is essentially driven by a capital increase in May 2023 related to the MediService transaction with Galenica AG with a net cash inflow of EUR 29.4 million.

Overall, cash and cash equivalents increased by EUR 63.4 million during the reporting period and amounted to EUR 130.2 million as of the balance sheet date. This excludes EUR 113.6 million of securities and fixed term deposits presented as short-term other financial assets in the balance sheet, including these, cash balances were EUR 244 million at the end of H1 2023.

## ► Risks and opportunities.

Compared to the assessment in the 2022 Annual Report, the company's risk assessment has not changed. Principally, Redcare Pharmacy's business is subject to regulatory changes, which could have a significant favorable or unfavorable impact on its prospects.

For risk management, see also page 28 in the appendix.

## ► Important events during the reporting period.

### **Annual general meeting approves corporate name change to “Redcare Pharmacy”.**

At the Annual General Meeting held on 26 April, shareholders approved with a 100 % in favour, the change of the corporate brand name from SHOP APOTHEKE EUROPE N.V. to Redcare Pharmacy N.V. On 13 June, the ticker symbol on the Stock Exchange changed from SAE (Shop Apotheke Europe) to RDC (Redcare).

### **New CEO Olaf Heinrich to start on 1 August 2023.**

At the Annual General Meeting held on 26 April, Olaf Heinrich’s proposed appointment as Redcare Pharmacy’s new CEO was approved. He supported Redcare Pharmacy as an advisor until his formal commencement date on 1 August.

### **Strategic partnership with Galenica AG approved by swiss anti-trust authorities.**

In May 2023, Redcare Pharmacy N.V. and Galenica AG received clearance from the relevant antitrust authorities for the incorporation of their announced partnership in the Swiss market. The antitrust clearances were conditions precedent for the execution of the transaction, under which the business activities of shop-apotheke.ch and MediService AG have since been merged into a jointly operated business. MediService has been fully consolidated into the Redcare’s numbers since mid-May 2023.

### **Redcare Pharmacy became member of the MDAX.**

Since 19 June 2023, Redcare Pharmacy is a member of the MDAX selection index. The index comprises the 50 largest listed companies in Germany based on free float market capitalisation, just behind the top 40 companies in the DAX.

## ► Events after the balance sheet date.

No events have occurred since 30 June 2023, which have a material impact on the company's consolidated financial statements.

## ► Forecast.

For the full year 2023, the Management Board of Redcare Pharmacy has revised the guidance for the full year upwards after the strong performance in H1, and announced this raise to the market on August 1, 2023 combined with the H1 results. In total the revised guidance is as follows: non-Rx sales growth 20 – 30 % (upward revision of prior's 10 to 20 %), total net sales EUR 1.7 – 1.8 billion, adjusted EBITDA margin 1.5 – 3 % (upward revision of prior's 0.5 to 2.5 %), and free cash flow in the range of EUR –20 to 20 million.

## ► Responsibility statement from legal representatives.

Sevenum, the Netherlands, 1 August 2023

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.

Redcare Pharmacy N.V.  
The Management Board

Jasper Eenhorst

Theresa Holler

Stephan Weber

Marc Fischer

# Unaudited consolidated statement of profit and loss.

EUR 1,000	Period ended 30.6.2023	Period ended 30.6.2022
Revenue	791,940	592,003
Cost of sales	-582,280	-431,268
<b>Gross profit</b>	<b>209,660</b>	<b>160,735</b>
Other income	56	34
Selling and distribution	-186,449	-167,054
Administrative expenses	-33,078	-34,693
<b>Operating result</b>	<b>-9,811</b>	<b>-40,978</b>
Finance income	2,004	1,825
Finance expenses	-7,578	-8,522
Share of profit of associates and joint ventures	190	0
<b>Result before tax</b>	<b>-15,195</b>	<b>-47,757</b>
Income tax	908	-82
<b>Result after tax</b>	<b>-14,287</b>	<b>-47,757</b>
Result attributable to:		
Owners of the company	-14,779	-47,757
Non-controlling interests	492	0
	<b>-14,287</b>	<b>-47,757</b>

# Unaudited statement of comprehensive income.

EUR 1,000	Period ended 30.6.2023	Period ended 30.6.2022
<b>Result for the period</b>	<b>-14,287</b>	<b>-47,757</b>
<b>Other comprehensive income</b>		
Items that are or may be reclassified subsequently to profit or loss		
– Foreign operations – foreign currency translation differences	-144	0
Items that will not be reclassified to profit or loss		
– Acquisition of subsidiary – consideration in kind	19,600	0
<b>Other comprehensive income for the period</b>	<b>19,456</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>5,169</b>	<b>-47,757</b>
<b>Total comprehensive income attributable to:</b>		
Owners of Redcare Pharmacy N.V.	4,748	-47,757
Non-controlling interests	422	0
	<b>5,169</b>	<b>-47,757</b>
<b>Earnings per share</b>		
Basic and diluted per share 30 June	-0.79	-2.63
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	18,599,439	18,191,758

# Unaudited consolidated statement of financial position.

EUR 1,000	30.6.2023	31.12.2022
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	95,470	85,435
Intangible assets	502,322	289,005
Deferred tax assets	1,347	462
Other financial assets	2,444	9,389
Investments in joint ventures	1,250	1,250
Investments in associates	5	5
Investments in equity-instruments	10	10
	<b>602,848</b>	<b>385,556</b>
<b>Current assets</b>		
Inventories	119,232	99,708
Trade and other receivables	123,803	59,876
Other financial assets	120,654	117,555
Cash and cash equivalents	130,198	66,777
	<b>493,887</b>	<b>343,916</b>
<b>Total assets</b>	<b>1,096,735</b>	<b>729,472</b>
<b>Equity and liabilities</b>		
<b>Shareholders' equity</b>		
Issued capital and share premium	730,150	571,057
Reserves/accumulated losses	-217,361	-216,427
Equity attributable to owners of the Company	512,789	354,630
Non-controlling interests	101,864	0
<b>Total equity</b>	<b>614,653</b>	<b>354,630</b>
<b>Non-current liabilities</b>		
Loans and Borrowings	247,627	247,650
Deferred tax liability	8,669	7,886
	<b>256,296</b>	<b>255,536</b>
<b>Current liabilities</b>		
Trade and other payables	163,720	72,882
Loans and Borrowings	9,061	7,505
Amounts due to banks	20	40
Other liabilities	52,985	38,879
	<b>225,786</b>	<b>119,306</b>
<b>Total equity and liabilities</b>	<b>1,096,735</b>	<b>729,472</b>

# Unaudited interim consolidated statement of cash flows.

EUR 1,000	Period ended 30.6.2023	Period ended 30.6.2022
<b>Cash flow from operating activities</b>		
<b>Operating result</b>	<b>-9,811</b>	<b>-40,978</b>
Adjustments for:		
- Depreciation and amortisation of non-current assets	24,961	17,860
- Net foreign exchange differences	79	1,816
- Share-based payment charge for the period	4,284	8,691
Corporate income tax paid	-271	-252
<b>Operating result adjusted for depreciation and amortisation and taxes</b>	<b>19,242</b>	<b>-12,863</b>
Movements in		
- (Increase)/decrease in trade and other receivables	-12,287	-2,992
- (Increase)/decrease in inventory	-964	21,687
- Increase/(decrease) in trade and other payables	66,391	6,845
- Increase/(decrease) in other liabilities	4,833	2,013
<b>Net cash (used in)/generated by operating activities</b>	<b>77,215</b>	<b>14,690</b>
<b>Cash flow from investing activities</b>		
Investment for property, plant and equipment	-3,715	-5,459
Investment for intangible assets	-14,172	-19,841
(Investment in)/disposal from escrow account	4,235	1,412
(Investment in)/disposal from other financial assets	-113	-554
Dividend received from associates	190	0
Acquisition of subsidiary, net of cash acquired	-23,441	-4,875
Interest received	1,626	5
<b>Net cash (used in)/generated by investing activities</b>	<b>-35,391</b>	<b>-29,312</b>
<b>Cash flow from financing activities</b>		
Interest paid	-3,866	-3,473
Capital increase	29,415	0
Capital increase exercised options	241	0
Repayment of other long-term loans	-904	-832
Cash-out lease payments	-3,298	-2,444
<b>Net cash (used in)/generated by financing activities</b>	<b>21,589</b>	<b>-6,749</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>63,414</b>	<b>-21,371</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>66,777</b>	<b>247,413</b>
Effect of movements in exchange rates on cash held	7	0
<b>Cash and cash equivalents at the end of the period</b>	<b>130,198</b>	<b>226,042</b>

# Unaudited interim statement of changes in shareholders' equity.

for the period ended 30 June 2023

EUR 1,000	Attributable to owners of the company							Non-controlling Interests	Total Equity
	Issued and paid-up share capital	Share premium	Retained Earnings	Equity part on convertible bonds	Reserve for stock option plan	Undistributed results	Total		
Equity as of 1 January 2023	362	570,695	-207,782	31,698	37,303	-77,646	354,630	0	354,630
Transfer to accumulated losses	0	0	-77,646	0	0	77,646	0	0	0
Share-based payment charge for the period	0	0	0	0	4,284	0	4,284	0	4,284
Capital increase exercised options	5	10,202	0	0	-9,966	0	241	0	241
Capital increase	8	29,383	0	0	0	0	29,391	0	29,391
Capital increase related to business combinations	24	119,471	0	0	0	0	119,495	0	119,495
Acquisition of subsidiary with NCI	0	0	0	0	0	0	0	101,442	101,442
Other comprehensive income for the period	0	0	19,527	0	0	0	19,527	71	19,456
Loss for the period	0	0	0	0	0	-14,779	-14,779	492	14,287
<b>Balance as at 30 June 2023</b>	<b>399</b>	<b>729,751</b>	<b>-265,901</b>	<b>31,698</b>	<b>31,621</b>	<b>-14,779</b>	<b>512,788</b>	<b>101,864</b>	<b>614,653</b>

for the period ended 30 June 2022

EUR 1,000	Issued and paid-up share capital	Share premium	Accumulated losses	Equity part on convertible bonds	Reserve for stock option plan	Undistributed results	Equity
Equity as of 1 January 2022	361	566,537	-133,597	31,698	24,599	-74,185	415,413
Transfer to accumulated losses	0	0	-74,185	0	0	74,185	0
Share-based payment charge for the period	0	0	0	0	8,691	0	8,691
Capital increase exercised options	1	3,294	0	0	-3,294	0	1
Loss for the period	0	0	0	0	0	-47,757	-47,757
<b>Balance as at 30 June 2022</b>	<b>362</b>	<b>569,831</b>	<b>-207,782</b>	<b>31,698</b>	<b>29,996</b>	<b>-47,757</b>	<b>376,348</b>

## 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 Note 2.

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 H1 2023.

### Segment information – non adjusted and adjusted

EUR 1,000	DACH	International	Unaudited interim consolidated
<b>Revenue</b>	<b>623,565</b>	<b>168,375</b>	<b>791,940</b>
Cost of sales	-455,539	-126,741	-582,280
Adjusted CoS	-455,539	-126,741	-582,280
<b>Gross profit</b>	<b>168,026</b>	<b>41,634</b>	<b>209,660</b>
Adjusted gross profit	168,026	41,634	209,660
% of revenue	26.9 %	24.7 %	26.5 %
Other income	45	11	56
Selling & distribution	-120,870	-44,363	-165,233
Adjusted S&D	-120,577	-44,254	-164,831
Segment EBITDA	47,201	-2,718	44,483
Adjusted segment EBITDA	47,494	-2,609	44,885
Administrative expenses	-18,837	-10,496	-29,333
Adjusted AE	-14,864	-8,008	-22,872
<b>EBITDA</b>	<b>28,364</b>	<b>-13,214</b>	<b>15,150</b>
Adjusted EBITDA	32,630	-10,617	22,013
Depreciation	-15,965	-8,996	-24,961
<b>EBIT</b>	<b>12,399</b>	<b>-22,210</b>	<b>-9,811</b>
Adjusted EBIT	16,665	-19,613	-2,948
Net finance cost and income tax			-4.476
Adjusted net finance cost and income tax			-4.476
<b>Net loss</b>			<b>-14.287</b>
Adjusted net loss			-7.424

## Results per segment H1 2022.

### Segment information – non adjusted and adjusted

EUR 1,000	DACH	International	Interim consolidated
<b>Revenue</b>	<b>455,362</b>	<b>136,641</b>	<b>592,003</b>
Cost of sales	-330,972	-100,296	-431,268
Adjusted CoS	-330,972	-100,296	-431,268
<b>Gross profit</b>	<b>124,390</b>	<b>36,345</b>	<b>160,735</b>
Adjusted gross profit	124,390	36,345	160,735
% of revenue	27.3 %	26.6 %	27.2 %
Other income	26	8	34
Selling & distribution	-109,300	-42,573	-151,873
Adjusted S&D	-109,304	-42,555	-151,859
Segment EBITDA	15,116	-6,220	8,896
Adjusted segment EBITDA	15,112	-6,202	8,910
Administrative expenses	-19,173	-12,841	-32,014
Adjusted AE	-11,579	-7,764	-19,343
<b>EBITDA</b>	<b>-4,057</b>	<b>-19,061</b>	<b>-23,118</b>
Adjusted EBITDA	3,533	-13,966	-10,433
Depreciation	-10,696	-7,164	-17,860
<b>EBIT</b>	<b>-14,753</b>	<b>-26,225</b>	<b>-40,978</b>
Adjusted EBIT	-7,163	-21,130	-28,293
Net finance cost and income tax			-6,779
Adjusted net finance cost and income tax			-6,779
<b>Net loss</b>			<b>-47,757</b>
Adjusted net loss			-35,072

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).

A detailed reconciliation of adjustments can be found in the following table:

Reconciliation of adjustments in EBITDA overview

	Adjustments HY1 2023 YTD					Adjustments HY1 2022 YTD				
	Non-adjusted	1.	2a.	3.	Adjusted	Non-adjusted	1.	2a.	3.	Adjusted
Revenue	791,940	-	-	-	791,940	592,003	-	-	-	592,003
Cost of sales	-582,280	-	-	-	-582,280	-431,268	-	-	-	-431,268
Gross profit	209,660	-	-	-	209,660	160,735	-	-	-	160,735
Other income	56	-	-	-	56	34	-	-	-	34
Selling & Distribution	-165,233	-	402	-	-164,831	-151,873	-	14	-	-151,859
Segment EBITDA	44,483	-	402	-	44,885	8,896	-	14	-	8,910
Administrative expenses	-29,333	1,539	912	4,010	-22,872	-32,014	3,476	508	8,687	-19,343
EBITDA	15,150	1,539	1,314	4,010	22,013	-23,118	3,476	522	8,687	-10,433
Depreciation	-24,961	-	-	-	-24,961	-17,860	-	-	-	-17,860
EBIT	-9,811	1,539	1,314	4,010	-2,948	-40,978	3,476	522	8,687	-28,293
Net finance cost and income tax	-4,476	-	-	-	-4,476	-6,779	-	-	-	-6,779
Net loss	-14,287	1,539	1,314	4,010	-7,424	-47,757	3,476	522	8,687	-35,072

Description of adjustment:

- IFRS expenses of the employee stock option plans. These expenses are non-cash for Redcare Pharmacy.
- One-off external project expenses related to other projects. This mainly concerns external advisory costs.
- Other major non-recurring one-offs. In 2022 and 2023, this concerned the impact of contingent considerations to former owners of the acquired companies smartpatient and MedApp. In the light of these acquisitions of 100% of the shares of smartpatient and MedApp, the total purchase price for the shares which Redcare Pharmacy agreed upon with the selling shareholders amounts EUR 70,545 thousand and EUR 8,004 thousand respectively. Along with the acquisitions contingent considerations are provided to the former owners which contain a service condition. Payments in the form of cash and shares under this contingent consideration forfeit if employment is terminated. The total contingent consideration amounts to EUR 47,839 thousand. On the basis of an IFRIC decision on IFRS 3.B55 Business Combinations – the contingent part of this purchase price should be accounted for as consideration for post-combination services – employee expenses during the vesting period. The total impact of the recognition of the cash component and share component of the contingent considerations of both business combinations in the result of the first six months of the year 2023 amounts to EUR 4.0 million. These costs are included in the employment expenses presented in the profit and loss statement under “administrative expenses”. The P&L impact of this accounting method distorts the view on our underlying financial result of our business for management reporting purposes, which is the reason we adjust for it in the presented adjusted EBITDA. Reference is made to note 28 to the consolidated financial statements of the financial year 2022 for detailed explanation.

# Business combinations during the period.

## ► Subsidiaries acquired.

During 2023, the following entity was acquired by the Redcare Pharmacy:  
– 51% of the shares of MediService AG, including its 100% subsidiary Curarex AG.

## ► Acquisition of Mediservice.

On 16 May 2023, Redcare Pharmacy (“Redcare”) acquired 51% of the shares and voting interest in MediService AG, including Curarex AG (“MediService”). MediService AG is Switzerland’s leading specialty pharmacy focusing on the delivery of prescription drugs (Rx) and the care of chronically ill patients at home.

As part of a strategic partnership with Galenica AG, the leading integrated healthcare provider in Switzerland, Redcare and Galenica AG are combining the business activities of the speciality pharmacy MediService AG and the online pharmacy shop-apotheke.ch.

Through the transaction, MediService has taken over the business activities of shop-apotheke.ch. Simultaneously, Redcare has acquired 51% of the shares of MediService from Galenica AG. The remaining 49% of the shares of MediService are held by Galenica AG.

## Purchase consideration.

As part of the Transaction, approx. 1.2 million Redcare shares were issued and transferred to Galenica in return for the sale of 51% shareholding in MediService – net of and after the purchase of the shop-apotheke.ch business by MediService via an exclusive license agreement.

In order to determine the purchase consideration, the number of total shares transferred is multiplied by the share price as at the Closing Date (EUR 92.91). Apart from the equity instruments issued, Redcare has implicitly also transferred 49% of the license agreement for webshop shop-apotheke.ch to Galenica via Galenica’s 49% shareholding in MediService AG.

In addition to the share transfer, by means of the transaction documentation, Galenica has acquired an additional number of approx. 0.4 million Redcare shares via a cash payment. Given that both the share transfer and the additional shares acquired are fixed at the same price – at the volume weighted average price of the 20 trading days preceding signing of EUR 72 per share – the difference between the share price as per the transaction documentation on 29 March 2023 and the share price as at the Closing Date is considered to be additional purchase consideration of EUR 8.5 million.

During the six months after the closing date the net working capital position of MediService will be measured. If the average of net working capital position during that period deviates from the normalized net working capital position, Redcare is entitled to a compensation payment of Galenica. The preliminary fair value of this variable purchase consideration (contingent consideration) has been determined on EUR nihil. No changes occurred in this estimation since acquisition.

Details of the purchase consideration, are as follows:

EUR 1,000	
Purchase consideration 51 % MediService AG	130,541
Additional purchase consideration	8,530
Variable consideration	-
<b>Total purchase consideration</b>	<b>139,071</b>

### Integration in consolidation.

The transaction is executed after the approval of the competition authorities. The closing date of the transaction has been determined to be 16 May 2023.

Based on the control assessment in accordance with IFRS 10 Consolidated financial statements Redcare has consolidated MediService AG figures as of closing of the transaction effective from 16 May 2023 and directly contributed to earnings per share.

### Identified assets and liabilities.

At the moment of preparation of these financial statements, the acquisition accounting is in process, pending completion of an independent valuation. 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.

In the initial purchase price allocation the difference between the purchase consideration and the book value of the identifiable assets and liabilities is in full presented as goodwill.

The provisional allocation of the fair values of the identifiable assets acquired, liabilities assumed, and the goodwill arising from the acquisition of MediService is as follows at the date of acquisition:

EUR 1,000	
Intangible fixed assets	4,594
Right-of-use-assets	4,967
Tangible fixed assets	–
Deferred tax assets	919
Inventories	18,667
Cash and cash equivalents	1,366
Trade and other receivables	52,015
Deferred tax liability	–1,715
Lease liabilities	–4,268
Trade and other payables	–26,977
Bank overdrafts	–24,807
<b>Net identifiable assets acquired</b>	<b>24,761</b>

Goodwill arising from the transaction has been recognised as follows:

EUR 1,000	2023
Consideration transferred	139,071
Non-controlling interest, based upon fair value	101,442
Fair value of the identifiable net assets	–24,761
<b>Goodwill</b>	<b>265,274</b>

From an initial assessment the following intangible assets and fair value adjustments of the assets and liabilities are expected:

- Intangible asset – customer relationships
- Intangible asset – brand name
- Fair value of inventories
- Fair value of the right-of-use asset

### Impact of acquisition on the results of the Group.

Full year 2023 expected net sales of MediService’s existing business are around CHF 450 million with an EBITDA margin between 2 % and 3 %. The incremental sales to be recorded by Redcare in 2023, namely as of the closing date, are an estimated EUR 300 million, and an adjusted EBITDA of Redcare would also benefit in 2023, by an estimated EUR 5 – 10 million.

For the first six months of 2023, MediService contributed revenue of EUR 60 million and profit of EUR 1 million to Redcare’s results.

# Notes to the consolidated interim financial statements.

## ► General information on Redcare.

Redcare Pharmacy N.V. (former: 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 'Redcare').

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 2023 has been approved by the Board of Directors on 31 July 2023.

## ► Basis of preparation of half-year report.

These interim consolidated financial statements for the half-year reporting period ended 30 June 2023 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 2022 and any public announcements made by Redcare Pharmacy 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 2022 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 result 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 2022.

## ► 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 2023:

– The acquisition of the business combination: MediService (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 11.

## Going concern.

From 1 January through 30 June 2023, the Company incurred losses before tax of EUR 14.3 m and generated a positive cash flow from operating activities of EUR 77.2 m. The working capital position at 30 June 2023 is EUR 17.3 m positive. Development of the working capital is in line with expectations.

EUR 1,000	30. 6. 2023	30. 6. 2022
Trade and other receivables	123,803	55,460
Inventory	119,232	74,937
Trade and other payables	-163,720	-87,572
Loans and borrowings (short-term)	-9,061	-6,350
Other liabilities (short-term)	-52,984	-41,461
<b>Working capital</b>	<b>17,270</b>	<b>-4,986</b>
% Revenue	1.23 %	-0.45 %
<b>Working capital incl. cash and short term securities</b>	<b>268,122</b>	<b>258,713</b>

The Company is closely monitoring its cash position and has taken the necessary measures to ensure future growth financing and financial robustness. The underlying unit economics in its larger markets are cash flow positive but the company is executing a fast growth strategy to build market share and increase its base of active customers. In parallel to the focus on growth, the company is driving margin improvements, efficiencies and scale. Liquidity is secured for at least the next 12 months.

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 Redcare, the first and fourth quarter of the year tend to be slightly higher in sales 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 2023, no significant changes of fair value calculations have occurred in comparison to the fair values from the 2022 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 Redcare’s annual report 2022 (page 84 – 91). Those risk categories and factors are deemed incorporated and repeated in this report by this reference. Redcare Pharmacy 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 2023.

– Though shortages in certain medicines continue to exist in Europe, we have seen no significant further deterioration in this situation during 2023 to date, but rather some improvement due to more stabilized global supply chains.

Redcare’s business is subject to regulatory changes, which could have a significant favourable or unfavourable impact on its prospects.

The Group will publish a detailed update of Redcare’s principal risks in its annual report 2023.

## ► Off-balance sheet commitments.

The nature and extent of the off-balance sheet obligations as at 30 June 2023 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 2022.

## ► Events after the reporting date

There have been no significant subsequent events.

## ► Responsibility statement from legal representatives.

Sevenum, the Netherlands, 1 August 2023

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.

Redcare Pharmacy N.V.  
The Management Board

Jasper Eenhorst

Theresa Holler

Stephan Weber

Marc Fischer



Due to the inclusion of MediService since mid-May and the increasing share of our platform business, we have updated some of the definitions of our KPI's, reference to the Annual Report 2022 pages 194 and 195, with the aim to continue to provide the most relevant insights with these metrics.

# Glossary.

## Active Customers

Unique customers who have placed at least one order in the 12 preceding months, predominantly via our online shops, for both our own-stock and platform business. Business-to-business (B2B) orders are excluded to not distort visibility on relevant trends. Platform-only customers are not yet included.

## Administrative Expenses

Cost of corporate overhead of which examples are IT services, Finance, HR, Facility, Legal and Executive Management.

## Adjusted EBITDA

Earnings Before Interest, Tax, Depreciation and Amortization excluding Adjustments. We use this metric as we find it an important indicator of our underlying operational financial performance.

## Adjustments

Items we adjust to get from EBITDA to Adjusted EBITDA. There are three categories: (a) Expenses of the employee stock option programs, (b) Non-recurring or extraordinary expenses related to projects, (c) Any other major non-recurring (one-off) items of which we would release what it concerns in case we record it as specifically mentioned.

## (Adjusted) EBITDA margin

(Adjusted) EBITDA as a percentage of sales.

## Average shopping basket

The average gross value of received orders from end-customers and patients (B2C), predominantly via our online shops for our own-stock business, divided by the total related number of orders placed in a given time period. Current prescription medication sales (Rx) in Switzerland and the Netherlands are not included because we believe current non-comparable customer types would distort visibility on relevant trends in this metric. Business-to-business (B2B) orders are excluded for the same reason. The average shopping basket includes value-added tax (VAT).

## BPC products

Beauty and personal care products.

## CAGR

Compound annual growth rate

## DACH Segment

Segment reporting provides financial information about the individual units of the company. Redcare uses a regional approach. The DACH Segment comprises its business activities in Germany, Austria and Switzerland.

## EBIT

Earnings Before Interest and Tax.

## e-RX/eScript

Computer-based electronic generation, transmission, and filling of a medical prescription.

## Group

Redcare Pharmacy N.V., Sevenum, the Netherlands, together with its consolidated subsidiaries.

## International Segment

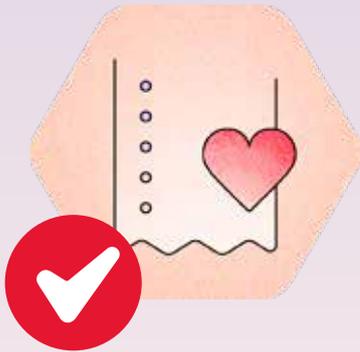
Segment reporting provides financial information about the individual units of the company. Redcare uses a regional approach. The International Segment comprises its business activities in France, Italy, Belgium and the Netherlands.

## Mobile visits

Site visits to our online shops originating from computers, tablets and smartphones as well as other computer-based means.

## Net working capital

The difference between the company's current assets (including: trade and other receivables and inventories) and its current liabilities (including: trade and other payables, short-term loans and borrowing and short-term other liabilities).



### **NPS**

Net promoter score of our B2C own stock and platform business for a given period of time. NPS does not yet include MedApp, GoPuls and MediService. We track NPS as an indicator for customer satisfaction.

### **Number of orders**

Number of end-customer and patient (B2C) orders, predominantly placed via our online shops for both our own-stock and platform business, containing at least one product, placed during the measurement period.

### **OTC products or medications**

Products or medicines sold to a customer without a prescription from a healthcare professional, as compared to prescription-only medicines, which may be sold only to customers possessing a valid prescription.

### **Pharmacy-related products**

Products that are almost exclusively distributed through pharmacies.

### **Private labels or own brands**

By private labels (or own brands) we mean the brands of products owned by Redcare Pharmacy or its subsidiaries.

### **Return Rate**

Percentage of billed B2C orders for our own stock business that incorporated a return or reclamation of total billed orders in a given time period. Current prescription medication sales (Rx) in Switzerland and the Netherlands are not included because we believe the current non-comparable customer types would distort visibility on relevant trends in this metric. Business-to-business (B2B) orders are excluded for the same reason.

### **Rx products or medications**

Prescription-only medicines, which are only allowed to be sold to customers possessing a valid prescription.

### **Rx revenues**

Sales related to prescriptions of our own stock business in the DACH Segment.

### **Sales**

Gross revenues minus value added taxes and discounts.

### **Selling & Distribution expenses**

Expenses related to marketing, shipping, packaging, payments and operational labor to support our Sales.

### **Share of mobile visits**

Mobile visits as a percentage of site visits.

### **Share of repeat orders**

Percentage of total orders, predominantly related to our online shops for both our own-stock and platform business, that is billed during the measurement period that is not the initial order bill to the customer. Business-to-business (B2B) orders are excluded to not distort visibility on relevant trends; with this definition we aim to provide the most relevant insight as to the development of this metric. The share of repeat orders related to platform-only customers is not yet included.

### **Website Visits (Web Traffic)**

Unique interactions of a visitor on our website (online shops); a visit is considered terminated when the visitor leaves the browser instance or has not interacted with the page for more than 30 minutes.



## Contact.

For the latest full year report, please refer to the Annual Report 2022, which you will find on Redcare Pharmacy [Corporate Website](https://ir.redcare-pharmacy.com/en) <https://ir.redcare-pharmacy.com/en> in the Investor Relations section.

**Redcare Pharmacy N.V.**  
Erik de Rodeweg 11/13  
5975 WD Sevenum

### Media contact:

Sven Schirmer  
Tel: +49 221 99 53 44 31  
Email: [presse@redcare-pharmacy.com](mailto:presse@redcare-pharmacy.com)

### Investor relations:

Monica Ambrosi  
Tel.: +31 77 850 6461  
Email: [monica.ambrosi@redcare-pharmacy.com](mailto:monica.ambrosi@redcare-pharmacy.com)

