Dear Shareholders, Ladies and Gentlemen,

During the second quarter of the current fiscal year we continued to post strong growth while reaching important milestones for our long-term corporate development. Organic growth and the consolidation of Europa Apotheek, which we acquired last year, led to a sharp rise in our revenues in the German market. Revenues for the “Germany” segment increased by 120 % to around EUR 202 million. Group-level revenues grew by + 103 % to more than EUR 257 million during the first half of the year. At 18.0 %, the gross margin was lower than the 21.5 % posted during the previous year due to the higher share of prescription medications sold. Nevertheless, the profit contribution per order was up significantly due to the larger size of the average shopping basket.

International revenues increased by 60 % to EUR 55 million with the segment’s gross margin nearly at last year’s level at 21.7 % (2017: 22.1 %). This is due to the fact that revenues outside Germany are almost exclusively generated by the sale of OTC medications as well as beauty and personal care products.

Thanks to the takeover of nu3 GmbH after the reporting date we were able to strategically expand our portfolio with nu3’s strong and established brands giving us a unique selling proposition among online pharmacies. nu3 is a specialist for functional nutritional products like superfoods, natural foods, health foods, low carb products and sports nutrition. Both companies’ product offerings and customer groups complement each other ideally and will generate significant cross-selling opportunities, especially as we further develop international markets.

The outlook for 2nd HY 2018 remains strong: Taking the consolidation of nu3 GmbH as of July 12, 2018, into account, SHOP APOTHEKE EUROPE’s Management Board now forecasts revenues of EUR 540 million – EUR 570 million for the 2018 fiscal year (previous forecast: EUR 530 million – EUR 560 million). Furthermore, our goal is to reach breakeven in EBITDA before non-recurring costs compared to EUR – 8.5 million in 2017, with a challenge of up to – 0.5 % in terms of adjusted EBITDA margin, depending, for instance, on the integration progress of the newly acquired nu3 GmbH, Berlin.

To ensure that the company can respond quickly and flexibly should interesting business opportunities arise, SHOP APOTHEKE EUROPE has issued convertible bonds worth EUR 75 million to institutional investors. Net proceeds from the issue are primarily intended to finance acquisitions in the OTC segment in Germany to further drive the company’s growth in its most developed market.

We will continue to diligently implement our strategy to achieve European market leadership and thank you for your continued confidence.

The Management Board
### KEY FIGURES.

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<th>2016 Q4</th>
<th>2017 Q1</th>
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<tr>
<td>Page visits (million)</td>
<td>8.4</td>
<td>9.1</td>
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<td>14.0</td>
<td>18.6</td>
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<td>18.0</td>
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<td>20.9</td>
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<td>Mobile page visits (million)</td>
<td>3.3</td>
<td>3.9</td>
<td>4.6</td>
<td>6.3</td>
<td>8.9</td>
<td>9.2</td>
<td>9.4</td>
<td>8.9</td>
<td>12.3</td>
<td>11.5</td>
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<tr>
<td>Ratio of mobile visits (%)</td>
<td>39</td>
<td>43</td>
<td>44</td>
<td>45</td>
<td>48</td>
<td>51</td>
<td>53</td>
<td>52</td>
<td>56</td>
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<tr>
<td>Orders (million)</td>
<td>0.9</td>
<td>0.9</td>
<td>1.0</td>
<td>1.1</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
<td>2.1</td>
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<td>Repeat orders (in %)</td>
<td>75</td>
<td>73</td>
<td>73</td>
<td>71</td>
<td>71</td>
<td>75</td>
<td>76</td>
<td>82</td>
<td>82</td>
<td>81</td>
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<tr>
<td>Return rate</td>
<td>0.7</td>
<td>0.7</td>
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<td>0.8</td>
<td>0.8</td>
<td>0.7</td>
<td>0.8</td>
<td>0.7</td>
<td>0.7</td>
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<tr>
<td>Active customers (million)</td>
<td>1.4</td>
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<td>1.6</td>
<td>1.8</td>
<td>2.1</td>
<td>2.2</td>
<td>2.4</td>
<td>2.7</td>
<td>2.7</td>
<td>2.8</td>
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<td>Shopping basket size (in EUR)</td>
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<td>51.3</td>
<td>51.6</td>
<td>53.5</td>
<td>52.2</td>
<td>53.3</td>
<td>54.2</td>
<td>70.3</td>
<td>73.4</td>
<td>75.0</td>
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01 HIGHLIGHTS.
SHOP APOTHEKE EUROPE continues accelerated growth course: Revenues more than doubled during the first half of 2018.

- Consolidated revenues rose by 103% to EUR 257.2 million during the first half of the year.
- Consolidated gross earnings increased by 71% to EUR 46.4 million.
- Positive segment EBITDA margin of +0.25% after –0.84 last year.
- EBITA margin improved from –3.9% to –2.7%.
- With revenue growth of 120% to EUR 202 million, market share in Germany was further expanded.
- International revenues rose by 60% to EUR 55 million.
- Number of active customers increased by 27% to 2.8 million as of the reporting date.

KEY FIGURES.

- € 257 million (+103%)
  Revenues H1 2018
- 2.8 million (+27%)
  Active customers
- 81%
  Repeat orders
- 43 million
  Page visits
- > 100,000
  Available products
SHOP APOTHEKE EUROPE: THE SUCCESSFUL EUROPEAN GROWTH STORY.
Europe’s leading OTC online pharmacy.

SHOP APOTHEKE EUROPE is the leading and fastest-growing online pharmacy in Continental Europe. Its business activities focus on non-prescription over-the-counter (OTC) medications and pharmacy-related beauty and personal care (BPC) products. With the acquisition of Farmaline in September 2016 and the takeover of Europa Apotheek in November 2017, SHOP APOTHEKE EUROPE has significantly extended its European market leadership with an expanded product portfolio for the entire family.

The founder-led company delivers a range of more than 100,000 original products fast and at attractive prices to currently over 2.8 million customers (as of June 30, 2018). The portfolio is complemented by comprehensive pharmaceutical consulting services. The state-of-the-art centralized logistics infrastructure in Venlo, the Netherlands, ensures that SHOP APOTHEKE EUROPE can significantly expand its business volume while also reaping the benefits of economies of scale. All of the company’s technology and logistics processes are already geared towards future growth thanks to investments in capacity expansion and automation.

Growth in our established markets and achieving the leading position in all relevant Continental European markets are at the core of our European growth strategy.
GROUP STRUCTURE AND CORPORATE GOVERNANCE PRACTICES.

The business activities of SHOP APOTHEKE EUROPE are managed by its parent company SHOP APOTHEKE EUROPE N.V. in Venlo, the Netherlands.

The internal reporting structure of SHOP APOTHEKE EUROPE is based on geographic segmentation with the segments Germany and International. The formerly existing segment Germany Services, which comprised webshop services, has been integrated into the Germany segment.

International revenue growth and European market leadership are key to the business success of SHOP APOTHEKE EUROPE. Results-based financial key performance indicators (KPIs) used in managing the organization include the gross margin and segment EBITDA.

The management of SHOP APOTHEKE EUROPE furthermore uses the following operational performance indicators in managing the Group:

**Number of site visits/number of mobile site visits:**
As a performance indicator with a significant impact on the growth of the SHOP APOTHEKE EUROPE Group, the number of website visits is a central tool for company management. As a growing number of people use mobile devices to access the internet, the number of mobile website visits is recorded separately. This indicator is also used to examine the success of the mobile websites and apps that SHOP APOTHEKE EUROPE is permanently developing and expanding specifically for this target group.

**Number of active customers:**
SHOP APOTHEKE EUROPE measures its business success based on the development in the number of customers. An active customer is defined as a customer who has placed at least one order within the past 12 months (as of the reporting date).

**Number of orders:**
The number of orders is an important growth driver. It is measured without reference to the shopping cart size.

**Average gross basket size:**
In addition to the number of orders, there is a direct correlation between the average basket size and the development of consolidated revenue.

**Repeat orders:**
This shows the proportion of orders placed by existing customers and is an important indicator of customer loyalty. As marketing costs for existing customers are lower than for newly acquired customers, there is also a correlation with consolidated net profit.

**Return rate:**
One key advantage of trading in pharmaceuticals and medicines is the negligible return rate. As returns are a significant cost factor in e-commerce, there is a direct correlation with the company's earnings.
03 BUSINESS DEVELOPMENT.
OVERALL ASSESSMENT
BY THE MANAGEMENT BOARD.

SHOP APOTHEKE EUROPE has continued on its accelerated growth course with revenue growth at the top end of the forecast while also reaching important milestones for the company’s long-term development. Thanks to its rapid growth, SHOP APOTHEKE EUROPE has gained market share in all of its markets. While higher order volumes from wholesalers due to isolated bottlenecks in the supply of several medications had an unplanned negative impact on earnings during the first half of 2018, effects of scale and further process optimization led to structural improvements in the cost situation. At the same time, SHOP APOTHEKE EUROPE made targeted investments in software, capacity expansion and automation to increase efficiency and optimize the customer experience.

By issuing convertible bonds in April 2018, the Group greatly improved its liquidity situation, putting it in a strong position to continue playing an active role in the consolidation of the online pharmacy market.

In summary, the profit, revenue and financial situation show that the company is in a strong economic position as of the reporting date.
The European Centre for Economic Research’s (ZEW) economic expectations index has declined substantially more than expected. The ZEW’s financial experts have revised their projections for the Eurozone economy downwards in both June and July. The relevant indicator went down 6.1 points to its current value of -18.7 points. Fears of an escalating trade war with the USA are severely dampening optimism despite good news on industrial production, incoming orders and employment statistics according to the ZEW’s experts.

The volume of retail trade in the Eurozone was also slightly behind expectations with revenues for June up 0.3 % from May according to Eurostat; experts had projected a rise of 0.4 %. However, revenues for May had developed better than initially reported with revised data showing a plus of 0.3 % rather than a stagnant retail sector. Total retail revenues for June increased by 1.2 % compared to a year earlier.

Market research institute Sempora Consulting projects a steady annual growth rate of around 4 % until 2020 for the sale of OTC medications. Online pharmacies are forecast to benefit disproportionately, with Sempora Consulting projecting a 21 % growth rate across Europe for this year and an average growth rate of 17 % until 2020. In less developed online markets such as France, Spain and Italy, the growth projections are substantially higher at ca. 30 %.
Sales of pharmaceuticals, medications and pharmacy-related beauty and personal care products are in part subject to seasonal fluctuations, with demand for pharmaceuticals and medications especially high during the first and fourth quarters of the year.

SHOP APOTHEKE EUROPE has successfully continued the rapid growth pace of the beginning of the year with revenues increasing 103 % to EUR 257.2 million over the first six months of the current fiscal year compared to EUR 126.7 million during the corresponding period last year.

As a result of the company’s successful growth initiatives, the number of active customers rose substantially, from 2.2 million at the end of the first half of 2017 to now more than 2.8 million.

The number of orders increased by 45 % compared to a year earlier, reaching 4.0 million (H1 2017: 2.8 million) with the size of the average shopping basket growing around 41 %, from EUR 52.7 during the first half of 2017 to EUR 74.18 in the first half of 2018. During the second quarter 2018 the size of the average shopping basket grew to EUR 74.97. The share of orders placed by existing customers increased to 81 % over the reporting period compared to 73 % a year earlier. The return rate remained at a minimal level of 0.9 % while the ratio of mobile page visits increased to 55 % during the second quarter 2018 and 56 % during the first half of 2018.

**CONSOLIDATED REVENUES AND RESULTS OF OPERATIONS.**
SHOP APOTHEKE EUROPE increased its consolidated gross earnings by 71%, from EUR 27.2 million during the first half of 2017 to EUR 46.4 million over the period under review. In line with expectations, the consolidated gross margin declined by 3.5% to 18% due to the higher ratio of prescription medications sold by Europa Apotheek in the Germany segment.

Bottlenecks in the supply of several medications had an unplanned negative effect on earnings during the first half of 2018 as this required the company to purchase a greater share of the order volume from wholesalers. Nonetheless, consolidated segment EBITDA improved noticeably to +0.6 million compared to EUR –1.1 million a year earlier.

First-half 2018 administrative costs adjusted for one-off costs were EUR 7.6 million (2017: EUR 3.9 million); they were reduced to 2.9% relative to revenues (2017: 3.1%). Selling expenses rose at a disproportionate rate relative to revenues, up 55% from EUR 29.6 million to EUR 45.8 million. As a result, the sales cost ratio at 17.8% was substantially lower than a year earlier when it was 23.4%. Adjusted consolidated EBITDA was EUR –7.0 million compared to EUR –5 million for the first six months of 2017. Including amortisations of EUR 6 million (2017: EUR 2.1 million), the adjusted EBIT was EUR –13 million (2017: EUR –7.1 million). Adjusted earnings after taxes were EUR –14.5 million compared to EUR –8.1 million a year earlier.

<table>
<thead>
<tr>
<th>Consolidated revenues (in € million)</th>
<th>Consolidated gross margin (in € million)</th>
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</thead>
<tbody>
<tr>
<td>H1 2017: 127</td>
<td>H1 2018: 257</td>
</tr>
<tr>
<td>+ 103%</td>
<td>+ 71%</td>
</tr>
<tr>
<td>H1 2017: 27.2</td>
<td>H1 2018: 46.4</td>
</tr>
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2018 Half-year financial report
SHOP APOTHEKE EUROPE
BUSINESS DEVELOPMENT.
SEGMENT DEVELOPMENT.

Segment Germany.

SHOP APOTHEKE EUROPE’s largest segment by revenue had profitable growth of 120% compared to the same period a year earlier. Revenues climbed to EUR 202.5 million compared to EUR 92.1 million for the first half of 2017. At the same time, gross earnings were up 78%, from EUR 19.4 million to EUR 34.6 million year-on-year. Due to a higher ratio of prescription medications sold as a result of the integration of Europa Apotheek, the gross margin declined in line with expectations, from 21% in 2017 to 17.1%. Segment EBITDA for the first six months of the year was EUR 3.2 million compared to EUR 2.5 million over the same period last year, leading to a segment EBITDA margin of 1.6% (2017: 2.7%). This takes into consideration effects from the new segmentation structure and from the loss of other operational income in connection with the integration of Europa Apotheek as well as the impact of the previously mentioned supply bottlenecks for several medications. Preparations for the joint market presence of Shop Apotheke and Europa Apotheek are going ahead as planned and are expected to generate synergies of EUR 2 – 2.5 million per year starting in 2019.

Segment International.

SHOP APOTHEKE EUROPE also increased its revenues substantially outside of Germany, up 60% to EUR 54.7 million compared to EUR 34.1 million the previous year. The company also further grew its market leadership in Belgium and Austria. Segment gross earnings rose by 59% from EUR 7.5 million to EUR 11.9 million during the reporting period with the gross margin at 21.7%, slightly lower than last year’s strong 22.1%.

In line with the share expansion in the company’s new markets – Italy, France and Spain – the segment also had a sharp increase in customer numbers. Despite the resulting high ratio of orders by new customers – which have greater acquisition costs – segment EBITDA for the first six months of 2018 improved to EUR – 2.5 million compared to EUR – 3.7 million a year earlier.

Segment Germany Services.

Due to its relatively low contribution to overall revenues, this segment has been integrated in the “Germany” segment.
FINANCIAL AND LIQUIDITY SITUATION.

Financial Situation.

As of the reporting date the balance sheet total was EUR 359.0 million after EUR 297.8 million at the end of the 2017 fiscal year. The increase is in large part due to the issue of convertible bonds worth EUR 75 million in April 2018.

During the reporting period cash and cash equivalents – including short-term investments in securities – increased by EUR 64.1 million, from EUR 28.3 million as of December 31, 2017, to EUR 92.4 million.

The equity capital ratio was around 64 percent as of the reporting date.

Liquidity situation.

Efficient management of working capital as well as reporting date-related effects stemming from inventory reduction led to a positive operational cash flow of EUR + 0.6 million.

Cash outflow of EUR – 7.6 million is largely due to investments in automation and capacity expansion as well as in the ERP system and international webshops. In addition, further EUR – 22.3 million were invested in short-term securities to cover the cost of interest, resulting in a cash flow of EUR – 29.9 million from investment activities.

Cash flow from financial operations included interest payments equivalent to EUR – 2.2 million some of which are related to the cash payment providers active for SHOP APOTHEKE EUROPE. Additional cash outflow of EUR – 1.1 million met payment obligations as a result of the FARMALINE acquisition. The issue of convertible bonds in April 2018 led to a cash inflow of EUR 74.3 million. Total cash flow from financial operations amounted to EUR + 71.1 million.
Our evaluation of the company's risks and opportunities has not changed substantially compared to the 2017 financial report.

The European Court of Justice's judgment of October 19, 2016 (Rs. C-148/15) regarding fixed price for prescription medications in Germany provides scope for additional business opportunities. The Court determined that the fixed prices that German pharmacists are required to charge do not apply to medications that are sold across EU borders. Thanks to the introduction of a bonus system in late 2016, SHOP APOTHEKE EUROPE has the opportunity to generate additional revenues beyond its core product portfolio.

There still do not appear to be any risk factors that could threaten the future of SHOP APOTHEKE EUROPE.
EVENTS AFTER THE BALANCE SHEET DATE.

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. During the 2017 fiscal year the company generated revenues of ca. EUR 30 million of which around EUR 20 million were generated in European target markets outside of Germany. In addition to revenue increases for both companies in the German core market and other European target markets such as France, SHOP APOTHEKE EUROPE expects faster and profitable growth as a result of leveraging synergies between the two companies in the coming years.

With the acquisition of nu3 GmbH, SHOP APOTHEKE EUROPE is further strengthening its positioning and value creation in its European markets: In addition to the expansion of the product portfolio and the offering of a complementary product offering, the acquisition generates cross-selling opportunities by addressing new customer segments. nu3 GmbH already has a presence in several European markets and is active in the rapidly growing market segment for functional nutritional products. nu3's high quality portfolio of natural and health products, low carb products and sports nutrition includes several strong and established brands.
The outlook for 2nd HY 2018 remains strong: Taking the consolidation of nu3 GmbH as of July 12, 2018, into account, SHOP APOTHEKE EUROPE’s Management Board now forecasts revenues of EUR 540 million – EUR 570 million for the 2018 fiscal year (previous forecast: EUR 530 million – EUR 560 million). Furthermore, a significant improvement in earnings is expected. The goal to reach a breakeven in EBITDA compared to EUR – 8.5 million in 2017, with a challenge of – 0.5 % in terms of adjusted EBITDA margin, depending, for instance, on the integration progress of the newly acquired nu3 GmbH, Berlin.

To ensure that the company can respond quickly and flexibly should interesting business opportunities arise, SHOP APOTHEKE EUROPE has issued convertible bonds worth EUR 75 million to institutional investors. Net proceeds from the issue are primarily intended to finance acquisitions in the OTC segment in Germany to further drive the company’s growth in its most developed market.

Responsibility statement from legal representatives.

Venlo, the Netherlands, 14 August 2018

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