SHOP APOTHEKE
EUROPE

Prospectus
for the public offering

of

up to 3,571,428 newly issued ordinary bearer shares of the Company pursuant to the Offering Capital Increase

and of

up to 535,714 existing ordinary bearer shares of the Company from the holdings of the Greenshoe Shareholders to cover the potential over-allotment

and at the same time

for the admission to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange

of

up to 3,571,428 newly issued ordinary bearer shares in the share capital of the Company pursuant to the Offering Capital Increase

and

5,498,450 existing ordinary bearer shares in the share capital of the Company

– each such share with a nominal value of €0.02 each
and full dividend rights as from 1 January 2016 –

of

Shop Apotheke Europe N.V.
Venlo, the Netherlands

Price Range: €28.00 – €35.00

International Securities Identification Number (ISIN): NL0012044747
German Securities Code (WKN): A2AR94
Trading Symbol: SAE

Joint Global Coordinators and Joint Bookrunners

Berenberg **Citigroup**

Joint Bookrunner

COMMERZBANK

The date of this Prospectus is 28 September 2016

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1. SUMMARY OF THE PROSPECTUS

Summaries are made up of disclosure requirements known as elements ("Elements"). These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words "not applicable".

Section A - Introduction and Warnings

A.1	**Warnings**	This summary should be read as an introduction to this prospectus (the "**Prospectus**"). An investor should base any decision to invest in the securities described herein on the review of the Prospectus as a whole. In case a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area (the "**EEA**"), have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the ordinary bearer shares in the share capital of Shop Apotheke Europe N.V., each with a nominal value of €0.02 (the "**Shares**"). Shop Apotheke Europe N.V., Venlo, the Netherlands (the "**Company**" or the "**Issuer**", and, together with its consolidated subsidiaries, the "**Group**", "**we**", "**us**", "**our**" or "**our Group**"), assumes responsibility for the content of this summary.
A.2	**Information regarding the subsequent use of the Prospectus**	Not applicable. Consent of the Company regarding the use of the Prospectus for a subsequent release or final placement of the Shares by financial intermediaries has not been granted.

Section B - Issuer

B.1	**Legal and commercial name**	The Company's legal name is "Shop Apotheke Europe N.V." The Group currently operates primarily under the commercial names which comprise the different domain names under which it is active: "shop-apotheke.com", "shop-apotheke.at", "shop-pharmacie.fr", "shop-pharmacie.be" as well as "farmaline.nl", "farmaline.be", "farmaline.es" and "farmaline.it", "vitazita.at", "vitazita.fr", "vitazita.nl", "vitazita.be", "vitazita.es" and "vitazita.it".
B.2	**Domicile, legal form, legislation under which the issuer operates, country of incorporation**	The Company has its corporate seat (*statutaire zetel*) in Venlo, the Netherlands, and its registered business address at Dirk Hartogweg 14, 5928 LV Venlo, the Netherlands, and is registered with the trade register of the Chamber of Commerce (*Kamer van Koophandel*) (the "**Trade Register**") under number 63986981. The Company is a public company with limited liability (*naamloze vennootschap*) incorporated in the Netherlands and governed by Dutch law.
B.3	**Current operations and principal business activities and principal markets in which the issuer competes**	**Overview of our business** We are a pure-play online pharmacy with a business focused on non-prescription, over-the-counter medications ("**OTC Medications**") and beauty and personal care products that are otherwise almost preferentially distributed through pharmacies, which we refer to as "**Pharmacy-Related BPC Products**". We are currently the leading pure-play online pharmacy in Germany (source: SEMPORA Study October 2015) – one of the largest OTC Medications and Pharmacy-Related BPC Products markets in Continental Europe (source: SEMPORA Study June 2016). Our vision is to create the leading online pharmacy brand focused on OTC Medications and Pharmacy- Related BPC Products in Continental Europe, where currently no established pan-European offline or online brand exists. (We define "**Continental Europe**" as Germany, France, Italy, Spain, Poland, Romania, the Netherlands, Belgium, Portugal, the Czech Republic, Hungary, Sweden, Bulgaria, Denmark, Slovakia, Norway and Austria.)

Since our foundation in 2001, with the launch of the shop-apotheke.com website as the online platform of a Cologne-based pharmacy, we have continually expanded our business. In 2010, we took the strategic decision to move our operations from Cologne to Venlo, the Netherlands, in order to take advantage of the more advanced Dutch regulatory regime concerning ownership of pharmacies by legal persons and better access to external markets for our expansion into new Continental European markets.

Over the last several years, we have extended our geographic reach within Continental Europe by launching our Austrian website, shop-apotheke.at (April 2012), our French website, shop-pharmacie.fr (March 2015), and our Belgian website, shop-pharmacie.be (July 2015). With effect as of 14 September 2016, we acquired the online business of the Belgian pharmacy Farmaline N.V. (the "**Farmaline Business**") (the "**Farmaline Acquisition**"). With the integration of the Farmaline Business into our Group, we have expanded our business in one step to a number of European markets previously targeted by us, including the Netherlands, Spain and Italy, and have further enhanced our competitive position in Belgium and France. Through the acquisition of this already existing business, we have significantly accelerated our Continental European roll out.[1]

Our annual revenues increased from €55,292 thousand in the year ended 31 December 2013, to €84,671 thousand in the year ended 31 December 2014 and to €125,578 thousand in the year ended 31 December 2015. In the six-month period ended 30 June 2016 our revenue amounted to €82,161 thousand (excluding the Farmaline Business).

In the six-month period ended 30 June 2016, approximately 85.4% of our revenues were derived from sales of products to customers located in Germany and approximately 13.6% of our revenues were derived from sales of products to customers located in Austria, France and Belgium and approximately 1.0% of our revenue was derived from sales of services, principally to German customers.

Our country-specific websites provide access to a total of approximately 100,000 products, which we believe is substantially in excess of the range of products offered in most traditional pharmacies, having a local, physical presence, which we refer to as "**Brick-and-Mortar Pharmacies**" and which have approximately 10,000 prescription medications, OTC Medications and Pharmacy-Related BPC Products on average stock at any given time (source: Apotheken Umschau 2012). Prices for OTC Medications and Pharmacy-Related BPC Products are on average 15% (source: Stiftung Warentest, 2014)[2] and with regard to selected products even up to 46% lower than the prices of Brick-and-Mortar Pharmacies (source: chip.de, 2015). Our country-specific online shops, which we continually strive to optimize, provide a personalized, user-friendly and convenient shopping experience, available 24/7 from any location and most common devices. We further support our customers' shopping experience by providing ancillary services such as pharmaceutical advice videos, instruction videos, automated medication interaction checks and personalized product recommendations. This allows our customers to make informed decisions about the products they purchase.

We have strong relationships with most of the leading OTC Medications and Pharmacy-Related BPC Products manufacturers and suppliers. This allows us to make attractive offers to our customers, grow additional sources of income (for instance, by placing brand-specific advertising on our websites). It also facilitates the negotiations of favorable supply terms, which result in cost advantages in relation to our competitors.

Across the markets in which we operate, our business is supported by our strong technological capabilities as well as our centralized logistics, fulfillment and distribution infrastructure. We have built a proprietary IT platform that we believe to be robust, secure and highly scalable and which has been designed to support the continued growth envisaged by our strategy. Our IT platform allows us to leverage customer information derived from analytic tools to personalize our offering and pharmaceutical services. Our logistics, fulfillment and distribution infrastructure in Venlo supports our centralized taking and handling of orders, warehouse logistics and distribution operations and is built for making use of economies of scale.

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1 The effects of the Farmaline Acquisition are not included in the historical financial information included in "*23. Financial Information*" in this Prospectus.

2 Representative OTC product basket includes 3 products tested in Germany; shipping costs excluded due to free-shipping above certain threshold by most mail order pharmacies.

Key Competitive Strengths

The still very low online penetration in the Continental European market for OTC Medications and Pharmacy-Related BPC Products as well as the absence of leading online and offline brands in this market and the increasing demand for pharmaceutical products represent a unique opportunity for our business to gain traction on our existing platform created over the past 15 years. On this basis we have built the following competitive strengths:

- We are focused on a large addressable market which is rapidly shifting online.
- We have a very strong value proposition for our customers, comprising highly attractive prices for and a large selection of products (approximately 100,000), as well as a convenient shopping experience and superior product information, consultation and pharmaceutical safety.
- We are a clear market leader in the German OTC Medications and Pharmacy-Related BPC Products market, and are well-positioned to capture leadership in Continental Europe.
- We have achieved excellence in all areas of our operations.
- We have an attractive financial profile evidenced by relevant key performance indicators.
- We have a founder-led management team with expert know-how in the pharmacy and online pharmacy business and a proven track record of successfully growing our business.

Strategy

Our vision is to create the leading online pharmacy brand in Europe, focused on OTC Medications and Pharmacy-Related BPC Products. We aim to achieve this objective by pursuing the following strategies:

- We aim to further strengthen our market leadership in footprint countries such as Germany and Austria.
- We aim to further penetrate our existing markets in Continental Europe and to further expand our business into new markets.
- We aim to continue to invest in our logistics, fulfillment and distribution infrastructure and our front-end platform.
- We aim to develop new revenue streams, by expanding our product range to include non-Pharmacy-Related BPC Products as well as private-label Pharmacy-Related BPC Products, and by becoming the advertising platform of choice for the largest OTC Medications and Pharmacy-Related BPC brands, as well as a data-analytics provider for the pharmaceutical and the beauty industries.

Principal Markets

The Continental European pharmacy market, which includes the product categories on which we focus, namely (i) OTC Medications and (ii) Pharmacy-Related BPC Products, as well as (iii) prescription medications, has been steadily growing over the past years. In 2015, the total addressable pharmacy market in Continental Europe amounted to approximately €184 billion (including Non-Pharmacy-Related BPC Products in the amount of €31 billion and excluding VAT), whereas the market for prescription medications amounted to €120 billion (source: SEMPORA Study June 2016). In 2015, the Continental European market for OTC Medications amounted to approximately €14 billion, while the market for Pharmacy-Related BPC Products amounted to approximately €19 billion (source: SEMPORA Study June 2016). It is expected that the OTC Medications and Pharmacy-Related BPC market will grow at a compound annual growth rate ("**CAGR**") of 3.6% in the period 2015 to 2020 (source: SEMPORA Study June 2016).

The online penetration in the market for OTC Medications and Pharmacy-Related BPC Products is still very low compared to other product categories, such as media products (35.9%), appliances and electronics (19.6%) or apparel (13.8%) (source: Euromonitor), due to, in particular, regulatory restrictions on shipping medications from outside the premises of a pharmacy. The average share of pharmaceuticals

purchased online in the overall pharmacy turnover in Continental Europe, excluding Germany, amounted only to around 2% in 2015 (source: SEMPORA Study June 2016).

Regulatory Environment

Our business is subject to regulatory restrictions with respect to the medicinal and pharmaceutical aspect of the products we deliver as well as to the e-commerce aspect.

The EU Directive on the Community Code Relating to Medicinal Products for Human Use (2001/83/EC) ("**Medicinal Products Directive**"), recognizes national legislation of the EU Member States to prohibit sales of prescription-only medications to the public by means of information society services (i.e., made via mail-order or online). However, the Medicinal Products Directive does not stipulate any specific restrictions on mail-order sales of OTC Medications generally or from one Member State to another and, as a consequence, such sales are in principle permitted under European law based on the principle of the freedom of movement of goods. For example in our largest market Germany, the online sale of prescription medications is allowed, if among other things, the foreign online pharmacy holds a permission to sell medications online pursuant to the laws of the member state of the European Union in which it is based and the country of origin is listed on a so-called list of countries (*Länderliste*) of those member states of the European Union that have established comparable safety standards to Germany, or if it holds a permit pursuant to the German Pharmacy Act (*Apothekengesetz*). The Netherlands are listed on such list provided, however, that the pharmacy operates a physical local retail pharmacy in the Netherlands at the same time.

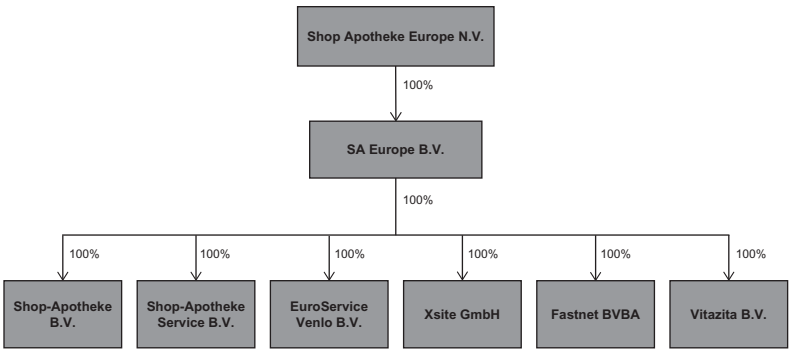
B.4a Most significant recent trends affecting the issuer and the industry in which it operates

We believe that the factors below have contributed significantly and will contribute to the development of the market in which we operate, over the recent years:

- *Aging demographics*: the European population has been aging over the last several decades and this trend is expected to continue in the future, mainly due to consistently low fertility rates and the progressive ageing of the older population itself.
- *Increasing health awareness and trend toward self-medication:* higher educational levels, combined with growing individual interest in personal health, lead to a growing necessity for direct participation in health care decisions. Further, the demographic transition toward a more elderly population requires changes in health policy, including giving individuals a possibility to assume greater responsibility for their health care needs, which in turn means increasing their capacity for self-care.
- *The competitive environment:* the pharmacy market in Continental Europe is highly fragmented.
- *Trend toward e-commerce consumption:* the growth of the online market for OTC Medications and Pharmacy-Related BPC Products is positively influenced by the ongoing general shift away from traditional shops toward e-commerce.
- *Increasing mobile penetration of the pharmacy market:* the increasing online penetration of the pharmacy market is further strengthened by the rapidly growing use of mobile devices, such as smartphones or tablets, which allow customers to conveniently shop anywhere and at any time of the day.
- *Regulatory environment*: the regulatory environment, in which we operate is continuously subject to deregulation.

B.5 Description of the Group and the issuer's position within the Group

The Issuer is the parent entity of the Group. The following chart provides an overview of the Group as of the date of this Prospectus:



B.6 Persons, who directly or indirectly, have a (notifiable) interest in the issuer's capital and voting rights

The following table sets forth information with respect to the beneficial ownership of each holder of Shares, or group of affiliated holders of Shares, who own 3% or more of the Company's issued and outstanding share capital as at the date of this Prospectus.

	Immediately prior to the Offering	
Direct Shareholder	**Number of Shares**	**Percent**
MK Beleggingsmaatschappij Venlo B.V.(1)	1,353,405	24.61%
Dr. Hess Verwaltungsgesellschaft mbH(2)	570,655	10.38%
Christoph Laubmann	541,540	9.85%
Jan Pyttel	325,435	5.92%
Michael Köhler(3)(1)	280,000	5.09%
Dr. Ulrich Wandel(3)	203,770	3.71%
Theresa Holler(3)	199,635	3.63%
Vivus Beteiligungen GmbH(4)	196,075	3.57%
Stephan Weber(3)	195,635	3.56%
Frank Köhler	189,575	3.45%
Marc Fischer(3)	189,385	3.44%
Jens Kuhn	165,430	3.01%
Other shareholders(5)	1,087,910	19.78%
Total	**5,498,450**	**100.00%**

(1) MK Beleggingsmaatschappij Venlo B.V. is a company of which 55.9% is held by a member of the Managing Board, Michael Köhler. In the aggregate, 18.85% of the Shares can be attributed to Michael Köhler directly and through MK Beleggingsmaatschappij Venlo B.V.

(2) Controlling shareholder with a shareholding of 100% in Dr. Hess Verwaltungsgesellschaft mbH is Dr. Robert Hess.

(3) Member of our Managing Board.

(4) Controlling shareholder with a shareholding of 100% in Vivus Beteiligungen GmbH is Dr. Frank Steinhoff.

(5) As of the date of the Prospectus and prior to the Offering Capital Increase (as defined in C.3), none of the shareholders summarized in this table under "Other shareholders" individually holds 3% or more in the share capital of the Company.

Voting rights

Each Share carries one vote at the Company's general meeting. There are no restrictions on voting rights.

Direct or indirect control over the issuer and nature of such control

Not applicable (no control).

B.7 Selected key historical financial information

The financial information contained in the following tables is taken or derived from our audited combined financial statements as of and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 ("**Annual Financial Statements**") and our unaudited condensed interim consolidated financial statements as of and for the six-month period ended 30 June 2016 including the unaudited condensed interim consolidated financial statements as of and for the six-month period ended 30 June 2015 ("**Interim Financial Statements**") and our internal reporting system. The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The Interim Financial Statements have been prepared in accordance with IFRS for interim financial reporting (IAS 34).

The Annual Financial Statements are the first accounts that have been prepared in accordance with IFRS and we have applied IFRS 1 – First Time Adoption of International Financial Reporting Standards in preparing these financial statements. Since we have not previously prepared financial statements, the financial statements do not include any IFRS 1 first-time adoption reconciliations. Estimates made by us in preparing our first IFRS financial statements reflect the facts and circumstances that existed at the time such estimates were made. Accordingly, the estimates we have made to prepare these financial statements are consistent with those made in the historical reporting of financial information as included in the financial statements of EHS Europe Health Services B.V., from which our business was demerged pursuant to the series of legal demergers and asset transfers completed in September 2015 pursuant to which the Group was formed (the "**Reorganization**"). See note 3 to our Annual Financial Statements.

The financial information with respect to the business activities of the Group is reflected in the individual legal entities that comprise the Group. The Annual Financial Statements and the Interim Financial Statements have been derived from the accounting records of EHS Europe Health Services B.V. until 29 September 2015, and from the accounting records of Shop Apotheke Europe B.V. from 30 September 2015 onward and reflect the cash flows, revenue, expenses, assets and liabilities of these individual legal entities.

As the Group did not operate as a stand-alone entity before its incorporation on 30 September 2015, our Annual Financial Statements may not be indicative of the Group's future performance and do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Group operated as a separate entity apart from EHS Europe Health Services B.V. during the periods presented. A number of assumptions have been made for the preparation of our Annual Financial Statements as explained in the notes to our Annual Financial Statements. See Note 2 to our Annual Financial Statements.

Where financial data in the following tables is labeled "audited", this means that it has been derived from the Annual Financial Statements mentioned above, which are subject to audit, and not that the individual amounts have been audited. The label "unaudited" is used in the following tables to indicate financial data that has not been taken directly from the Annual Financial Statements mentioned above, but rather was taken from either our Interim Financial Statements or our internal reporting system, or has been calculated based on such information. This section also includes certain non-GAAP measures used as key figures by our management to monitor the performance of the Group. If such non-GAAP measures are not included in the Annual Financial Statements, they are labeled in the respective tables "unaudited". On the other hand, if such non-GAAP measures are included in the Annual Financial Statements, they are labeled "audited".

Deloitte Accountants B.V., Flight Forum 1, 5657 DA Eindhoven, The Netherlands, has audited the Annual Financial Statements and issued an unqualified auditor's report thereon. The auditor who signs on behalf of Deloitte Accountants B.V. is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*). The Annual Financial Statements and the auditor's reports thereon, as well as our Interim Financial Statements are included in this Prospectus starting on page F-1.

The financial information shown in the tables below represents a selection of the financial information contained in our Annual Financial Statements and our Interim Financial Statements, unless otherwise noted, and should be read in conjunction with the Annual Financial Statements and the auditor's reports thereon, as well as our Interim Financial Statements, which are included in this Prospectus starting on page F-1.

Selected Financial Information from the Statements of Profit and Loss

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	**2015**	**2015**	**2014**	**2013**
	(unaudited)			(audited)	
	(€, thousands)				
Revenue	**82,161**	**60,529**	**125,578**	**84,671**	**55,292**
Costs of sales	−65,294	−47,828	−99,841	−66,636	−42,545
Gross profit	16,867	12,701	**25,737**	**18,035**	**12,747**
Other income	1,098	440	1,316	928	673
Selling and distribution	−19,514	−13,948	−29,143	−19,523	−12,448
Administrative expense	−3,361	−2,338	−6,729	−3,488	−2,850
Result of operations	**−4,910**	**−3,145**	**−8,819**	**−4,048**	**−1,878**
Finance income	–	394	593	–	–
Finance expense	−1,310	−1,157	−2,275	−826	−839
Net finance costs	−1,310	−763	−1,682	−826	−839
Result before tax	**−6,220**	**−3,907**	**−10,501**	**−4,874**	**−2,717**
Income tax expenses	−4	−24	−47	−161	−113
Result for the period	**−6,224**	**−3,931**	**−10,548**	**−5,035**	**−2,831**
Attributable to:					
Owners of the Company	−6,224	−3,931	−10,548	−5,035	−2,831
Earnings per Share:					
			(in €)		
Basic and diluted	−6.22	−3.93	−10.55	−5.04	−2.83

Selected Financial Information from the Statements of Financial Position

	As of 30 June	As of 31 December		
	2016	2015	2014	2013
	(unaudited)	(audited)		
	(€, thousands)			
Assets				
Non-current assets:				
Property, plant and equipment	2,392	2,417	1,773	1,872
Intangible assets	13,892	13,616	12,384	11,643
Total non-current assets	16,284	16,033	14,157	13,515
Current assets:				
Inventories	10,304	10,412	4,592	2,942
Pre-ordered stock	4,356	5,653	5,531	5,405
Trade and other receivables	6,150	4,100	2,940	2,612
Other current assets	1,990	3,046	1,992	1,155
Cash and cash equivalents	10,458	3,529	297	92
Total current assets	33,258	26,739	15,352	12,206
Total assets	**49,542**	**42,772**	**29,509**	**25,721**
Equity and liabilities				
Capital and reserves:				
Business equity[(1)]	–	–	20,056	18,080
Equity	6,240	2,459	–	–
Total capital and reserves	6,240	2,459	20,056	18,080
Non-current liabilities:				
Shareholder Loans	19,715	19,002	–	–
Deferred tax liability	2,568	2,564	563	447
Other liabilities	3,000	3,000	–	–
Total non-current liabilities	25,283	24,566	563	447
Current liabilities:				
Trade and other payables	12,952	8,638	7,625	6,122
Amounts due to related parties	1,419	3,202	–	–
Other liabilities	3,648	3,906	1,265	1,072
Total current liabilities	18,019	15,747	8,890	7,194
Total equity and liabilities	**49,542**	**42,772**	**29,509**	**25,721**

(1) Because the separate legal entities that comprise the Group were not held by a single legal entity prior to the incorporation of the legal structure, business equity is shown in lieu of shareholders' equity in the statement of financial position as of 31 December 2014 and 31 December 2013. Business equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through 29 September 2015. The impact of transactions between the Group and EHS Europe Health Services B.V. that were not historically settled in cash is also included in business equity.

Selected Financial Information from the Statements of Cash Flows

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)			(audited)	
	(€, thousands)				
Cash flow from operating activities					
Operating result	−4,910	−3,145	−8,819	−4,048	−1,878
Adjustments for:					
Depreciation and amortization of non-current assets	1,489	964	2,166	1,656	1,126
Operating result adjusted for depreciation and amortization	−3,421	−2,180	−6,653	−2,392	−752
Movements in working capital:					
(Increase)/decrease in trade and other receivables	−994	657	−2,213	−1,165	−643
(Increase)/decrease in inventory	108	−1,647	−5,820	−1,650	50
(Increase)/decrease in pre-ordered stock	1,297	−176	−121	−126	−91
Increase/(decrease) in provisions	–	3	−95	−46	334
Increase/(decrease) in trade and other payables	4,056	−736	2,921	1,696	−3,140
Increase/(decrease) in amounts due to related parties	−1,784	–	3,202	–	–
Total movements in working capital	2,683	−1,900	−2,126	−1,291	−3,490
Cash generated from operations	–738	−4,080	−8,779	−3,683	−4,242
Net cash (used in)/generated by operating activities	**–738**	**−4,080**	**−8,779**	**−3,683**	**−4,242**
Cash flow from investing activities					
Investment for property, plant and equipment	−376	−759	−1,313	−477	−1,002
Investment for intangible assets	−1,364	−987	−2,737	−1,820	−3,539
Investment for acquisitions	–	–	–	–	−864
Net cash (used in)/generated by investing activities	**−1,740**	**−1,746**	**−4,050**	**−2,297**	**−5,405**
Cash flow from financing activities					
Interest paid	−597	−497	−950	−826	−839
Business financing	–	–	–	7,011	10,578
Additional financing from related parties	–	6,365	14,011	–	–
Deposits from related parties	–	–	3,000	–	–
Capital increase	10,005	–	–	–	–
Net cash (used in)/generated by financing activities	**9,408**	**5,868**	**16,061**	**6,185**	**9,739**
Net increase/(decrease) in cash and cash equivalents	**6,929**	**43**	**3,232**	**205**	**92**
Cash and cash equivalents at the beginning of the year	3,529	297	297	92	–
Cash and cash equivalents at the end of the year	10,458	340	3,529	297	92

Significant changes to the issuer's financial condition and operating results during and subsequent to the period covered by the historical key financial information

Results of Operations

The following significant changes in the Company's results of operations occurred in the six-month periods ended 30 June 2016 and 30 June 2015, and in the years ended 31 December 2015, 31 December 2014 and 31 December 2013:

Six-month periods ended 30 June 2016 and 30 June 2015

Our revenue for the six-month period ended 30 June 2016 was €82,161 thousand, a €21,632 thousand, or 35.7%, increase compared to €60,529 thousand for the six-month period ended 30 June 2015. The increase was principally the result of profitable sales growth in our German core market and strong international sales growth.

Our result for the six-month period ended 30 June 2016 was a net loss of €6,224 thousand, a €2,293 thousand, or 58.3%, increase compared to a net loss of €3,931 thousand for the six-month period ended 30 June 2015. The increase was principally the result of higher selling and distribution costs due to strong international sales growth and TV advertising campaigns in Germany and Austria.

Years ended 31 December 2015 and 31 December 2014

Our revenue for the year ended 31 December 2015 was €125,578 thousand, a €40,907 thousand, or 48.3%, increase, compared to €84,671 thousand for the year ended 31 December 2014. The increase was principally the result of strong sales growth in Germany and Austria, resulting from the introduction of more competitive pricing, our increased product offering, and an increased Share of Repeat orders.

Our result for the year ended 31 December 2015 was a net loss of €10,548 thousand, a €5,513 thousand, or 109.5%, increase, compared to a net loss of €5,035 thousand for the year ended 31 December 2014, reflecting costs associated with acquiring new customers and one-off costs related to the Reorganization and the Offering (as defined in E.3).

Years ended 31 December 2014 and 31 December 2013

Our revenue for the year ended 31 December 2014 was €84,671 thousand, a €29,379 thousand, or 53.1%, increase compared to €55,292 thousand for the year ended 31 December 2013. The increase was principally result of a substantial increase in sales in Germany and an increase in sales in Austria, where we increased our product range.

Our result for the year ended 31 December 2014 was a net loss of €5,035 thousand, a €2,204 thousand, or 77.9%, increase compared to a net loss of €2,831 thousand for the year ended 31 December 2013, mainly reflecting increased marketing expenses related to higher sales in the period and an increase in marketing expenses related principally to TV advertising and increased IT-related costs, operations overhead costs and facility expenses to prepare for future expansion, as well as the other factors mentioned below.

Segment information

The following table shows certain data by operating segment for the six-month period ended 30 June 2016 and 30 June 2015, as well as for the years ended 31 December 2015, 31 December 2014 and 31 December 2013.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(audited)		
	(€, thousands)				
Revenue					
Germany[1]	70,174	56,604	115,660	80,968	54,278
International[2]	11,152	2,909	8,425	2,180	893
Germany Services[3]	1,976	1,468	3,398	2,198	121
Eliminations[4]	−1,141	−452	−1,905	−675	–
Total revenue	**82,161**	**60,529**	**125,578**	**84,671**	**55,292**
Segment EBITDA (excluding administrative expense)[5]					
Germany	1,340	25	841	462	1,902
International	−2,099	−547	−2,269	−217	−52
Germany Services	474	544	1,194	594	−42
Combined segment EBITDA (excluding administrative expense)[6]	**−284**	**22**	**−234**	**839**	**1,808**

(1) Germany includes principally OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the German market.
(2) International includes only OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the Austrian, French and Belgian markets.
(3) Germany Services includes the webshop services of Xsite GmbH delivered principally to German customers.
(4) Eliminations relates to German intercompany sales by Xsite GmbH.
(5) We define "segment EBITDA" as EBIT for each segment before depreciation and amortization expenses and administrative expense. "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization. See our Annual Financial Statements and our Interim Financial Statements and, in particular, notes 6 and 10 to our Annual Financial Statements. Segment EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of segment EBITDA, which means that segment EBITDA shown by other companies may not necessarily be comparable with segment EBITDA presented above.
(6) We define "combined segment "EBITDA" as the total segment EBITDA for our operating segments. There is no uniform definition of combined segment EBITDA, which means that combined segment EBITDA shown by other companies may not necessarily be comparable with combined segment EBITDA presented above.

Key performance indicators

We regularly review the following key performance indicators to evaluate our business, measure our performance, identify trends and make strategic decisions.

	For the six-month period ended 30 June		For the year ended 31 December	
Key performance indicator[1]	2016	2015	2015	2014
			(unaudited)	
Site Visits[2] (thousands)	17,516	12,316	25,496	19,016
Mobile Visits[3] (thousands)	7,209	4,210	8,947	5,564
Share of Mobile Visits[4] (%)	41.2	34.2	35.1	29.3
Number of Orders[5] (thousands)	1,841	1,350	2,801	1,945
Share of Repeat Orders[6] (%)	74.1	71.3	72.9	67.9
Return Rate[7] (%)	0.7	0.7	0.7	0.8
Active Customers[8] (thousands)	1,472	1,120	1,267	968

Key performance indicator[1]	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014	31 Mar 2014
Site Visits[2] (thousands)	9,086	8,430	7,080	6,101	6,037	6,279	4,886	4,530	4,639	4,962
Mobile Visits[3] (thousands)	3,920	3,289	2,726	2,011	2,001	2,209	1,514	1,309	1,374	1,367
Share of Mobile Visits[4] (%)	43.1	39.0	38.5	33.0	33.1	35.2	31.0	28.9	29.6	27.6
Number of Orders[5] (thousands)	923	918	775	677	668	682	545	477	440	482
Share of Repeat Orders[6] (%)	73.5	74.7	74.5	74.4	71.5	71.1	71.2	69.4	68.6	62.1
Return Rate[7] (%)	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.8	0.9	0.9
Active Customers[8] (thousands)	1,472	1,361	1,267	1,181	1,120	1,033	968	907	838	778

(1) All data have been derived from the Company's internal reporting systems and are unaudited.

(2) In accordance with the standard definition of the ECONDA Solution for Unique Site Visits we define "**Site Visits**" as an interaction of a visitor on our website. A visit is considered terminated when the visitor leaves the browser instance or has not interacted with the page for more than 30 minutes.

(3) We define "**Mobile Visits**" as Site Visits originating from tablets and smartphones as well as other non-desktop computer based means of visiting our sites, such as smart TVs.

(4) We define "**Share of Mobile Visits**" as the Mobile Visit as a percentage of Site Visits.

(5) We define "**Number of Orders**" as the number of customer orders containing at least one product, placed during the measurement period.

(6) We define "**Share of Repeat Orders**" as the percentage of total orders billed during the measurement period that are not the initial order bill to the customer.

(7) We define "**Return Rate**" as the percentage of billed orders that incorporated a return or reclamation of total billed orders in a given time period.

(8) We define "**Active Customers**" as unique customers who have placed at least one order in the 12 preceding months.

Non-GAAP Measures

In this Prospectus we present certain non-GAAP measures used by our management as financial measures to monitor the performance of the Group or which management regards as being useful for investors. These figures are not recognized measures under IFRS and should, for this reason, not be considered as an alternative to the applicable GAAP measures. None of these non-GAAP measures have been subject to audit, except for the segment EBITDA included in the segment information of the Annual Financial Statements.

We have provided these non-GAAP measures and other information because we believe they provide investors with additional information to measure the operating performance of our business activities. Our use of non-GAAP measures may vary from the use of other companies in our industry. The measures we use should not be considered as an alternative to revenue, results of operations, result for the period or any other performance measure derived in accordance with IFRS. Nor should these measures be considered as an alternative to net cash used in/generated by operating activities as measure of liquidity.

The non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under IFRS. They may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable GAAP measures in accordance with IFRS. Their usefulness is therefore subject to limitations, which are described below. The non-GAAP measures should be considered in conjunction with our Annual Financial Statements and our Interim Financial Statements, interim combined financial statements and annual financial statements, respectively, prepared in accordance with IFRS and the respective notes thereto. The following discussion provides definitions of non-GAAP measures, information regarding the usefulness of non-GAAP measures and, where appropriate, a reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

We define "**EBIT**" (earnings before interest and taxes) as our result for the period before financial result (i.e., finance income plus finance expense) and income tax expenses. We define "**EBITDA**" as EBIT before depreciation and amortization

expenses. We define "**segment EBITDA**" as EBIT for each segment before depreciation and amortization expenses and administrative expense. We define "**combined segment EBITDA**" as the total segment EBITDA for our operating segments. We define "**adjusted EBITDA**" as EBITDA before certain one-off costs related to the Reorganization and the Offering.

We disclose EBIT, EBITDA, adjusted EBITDA, segment EBITDA and combined segment EBITDA as supplemental non-GAAP measures, as we believe they are meaningful measures to evaluate the performance of our business activities over time. We understand that these measures are broadly used by analysts, rating agencies and investors in assessing our performance.

The following table shows a reconciliation of our result for the period to EBIT, EBITDA, adjusted EBITDA and combined segment EBITDA for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 and the six-month periods ended 30 June 2016 and 30 June 2015.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(audited, except as otherwise indicated) (€, thousands)		
Combined segment EBITDA (excluding administrative expense)[1]	**−284**	**22**	**−234**	**839**	**1,808**
Administrative expense[2]	−3,137	−2,202	−6,419	−3,232	−2,560
EBITDA[3]	**−3,421**	**−2,180**	**−6,653**	**−2,392**	**−752**
Adjustments (unaudited)[4]	214	148	1,339	–	–
Adjusted EBITDA (unaudited)	**−3,207**	**−2,032**	**−5,254**	**−2,392**	**−752**
Depreciation and amortization	−1,489	−964	−2,166	−1,656	−1,126
Result from operations (EBIT)[5]	**−4,910**	**−3,145**	**−8,819**	**−4,048**	**−1,878**
Finance costs:					
Finance income	–	394	593	–	–
Finance expense	−1,310	−1,157	−2,275	−826	−839
Net finance costs	−1,310	−763	−1,682	−826	−839
Income tax expenses	−4	−24	−47	−161	−113
Result for the period	**−6,224**	**−3,931**	**−10,548**	**−5,035**	**−2,831**

(1) We define "combined segment EBITDA" as the total segment EBITDA for our operating segments. We define "segment EBITDA" as EBIT for each segment before depreciation and amortization expenses and administrative expense. Combined segment EBITDA and segment EBITA are not recognized terms under IFRS and do not purport to be an alternative to data from our statements of profit and loss prepared in accordance with IFRS. There is no uniform definition of combined segment EBITDA (which means that combined segment EBITDA shown by other companies may not necessarily be comparable with combined segment EBITDA presented above.

(2) "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization. See our Annual Financial Statements and our Interim Financial Statements and, in particular, notes 6 and 10 to our Annual Financial Statements.

(3) EBITDA represents EBIT before depreciation and amortization expenses. EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBITDA, which means that EBITDA shown by other companies may not necessarily be comparable EBITDA presented above.

(4) "Adjustments" in 2015 comprise one-off costs related to the Reorganization and the Offering.

(5) EBIT represents our result for the period before income tax expenses and net finance costs. EBIT is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBIT, which means that EBIT shown by other companies may not necessarily be comparable with EBIT presented above.

Recent Developments

The overall development of the first eight months of 2016 reflects a shift toward profitable growth in our core market Germany and is in line with management's

		expectations: our revenue for the six-month period ended 30 June 2016 was €82,161 thousand, compared to €60,529 thousand in the first six months 2015. For the second quarter of 2016, Germany achieved positive EBITDA after allocation of administrative expense in proportion to generated revenues. Since the integration of the Farmaline Business into our Group has only been accomplished very shortly prior to the publication of this Prospectus, we cannot make any statement as to the realized positive effects expected through the Farmaline Acquisition, but expect it to improve our competitive position significantly.
B.8	**Pro forma data**	Not applicable. No pro-forma financial information has been prepared by the Company.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate has been published.
B.10	**Qualifications in the audit report on the historical financial information**	Not applicable. The audit reports on the historical financial information included in this Prospectus have been issued without qualifications.
B.11	**Insufficiency of the issuer's working capital for its present requirements**	Not applicable. Our working capital is, in the Group's opinion, sufficient for the Group's present requirements, namely, for at least the next twelve months following the date of this Prospectus.
Section C - Securities		
C.1	**Type and class of the securities being offered and/or admitted to trading**	The Shares are ordinary bearer shares in the share capital of the Company, each with a nominal value of €0.02 and full dividend rights as from 1 January 2016.
	Security identification number	International Securities Identification Number (ISIN): NL0012044747. German Securities Code (Wertpapierkennnummer, WKN): A2AR94. Trading Symbol: SAE.
C.2	**Currency**	Euro.
C.3	**The number of shares issued and fully paid**	As of the date of the Prospectus, the issued share capital of the Company amounts to €109,969, divided into 5,498,450 Shares in bearer form with a nominal value of €0.02 each. All Shares issued as of the date of this Prospectus are, and all Shares that will be issued prior to the commencement of trading will be, fully paid up. In connection with and for the purposes of the Offering, it is expected that the Company will issue up to 3,571,428 New Shares. On 28 September 2016, the managing board of the Company (the "**Managing Board**"), with the prior approval of the supervisory board of the Company (the "**Supervisory Board**"), resolved to issue such number of New Shares as necessary to complete the Offering and to exclude the pre-emptive rights to which the current Shareholders may be entitled in connection with the issuance of these Shares (the "**Offering Capital Increase**"). It is expected that the Offering Capital Increase will become effective on 11 October 2016. Upon the Offering Capital Increase becoming effective, the Company's issued and outstanding share capital will amount to up to €181,397.56 and be divided into up to 9,069,878 Shares, with a nominal value of €0.02 each.
	Nominal value	As of the date of this Prospectus, each Share represents a nominal value of €0.02 in the share capital of the Company.
C.4	**A description of the rights attached to the securities**	Each Share confers the right to cast one vote in the general meeting of the Company (the "**General Meeting**"). There are no voting restrictions, other than that the Company has no voting rights on the Shares that it or its subsidiary companies owns, if any. The Shares will be eligible for any dividends which the Company may declare on Shares as from 1 January 2016. Each holder of the Shares has a pre-emptive right in proportion to the aggregate nominal value of its shareholding upon the issue of New Shares. Exceptions to this pre-emptive right include the issue of New Shares: (i) against payment in kind (contribution other than in cash), (ii) to employees of the Company or another member of its Group and (iii) to persons exercising a previously-granted right to subscribe for Shares. These pre-emptive rights also apply in case of granting of rights to subscribe for Shares.

		Subject to the approval of the Supervisory Board of the Company, the Managing Board is authorized to limit or exclude the pre-emptive rights to which shareholders are entitled if and to the extent that the General Meeting has authorized the Managing Board for this purpose, and only if the Managing Board at that time is also authorized to issue Shares. On 28 September 2016, the General Meeting has resolved to designate the Managing Board, with the prior approval of the Supervisory Board, as the competent body to issue or grant rights to subscribe for New Shares for a period of 18 months with effect as of 28 September 2016. In its resolution, the General Meeting has resolved to restrict the competency of the Managing Board as regards the issue of Shares and the granting of rights to subscribe for Shares up to a maximum of 65% of the total issued and outstanding share capital of the Company at the time of the issue and/or grant.
C.5	**A description of any restrictions on the free transferability of the securities**	The Offer Shares (as defined below) to be offered pursuant to the Offering will be freely transferable. However, the offer of the Offer Shares to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction.
C.6	**Application for admission to trading on a regulated market and identity of regulated markets where the securities are to be traded**	The Company will apply for admission of the Shares to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on or about 29 September 2016. The listing approval for the Shares is expected to be granted on 12 October 2016. Trading in the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to commence on 13 October 2016.
C.7	**Dividend policy**	The Company currently intends to retain all available funds and future earnings to support operations and to finance the growth and development of the business of the Group and does not intend to pay dividends in the foreseeable future. There can be no assurances that in any given year a dividend will be paid. The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including future revenue, profits, financial conditions, general economic and business conditions and prospects and such other factors as the Managing Board, subject to the prior approval of the Supervisory Board, may deem relevant as well as other legal and regulatory requirements, many of which are beyond the control of the company. There can be no assurances that the Group's performance will facilitate adherence to the dividend policy or any increase in the pay-out ratio and, in particular, the Company's ability to pay dividends may be impaired if any of the risks described in this Prospectus were to occur. The Company is a holding company and its ability to generate income and pay dividends is dependent on the ability of its subsidiaries to declare and pay dividends or lend funds to the Company. In addition, the Company's ability to pay dividends is subject to restrictions on the distribution of dividends under Dutch law. Furthermore, the Company's dividend policy is also subject to change as the Managing Board, subject to the prior approval of the Supervisory Board, will revise the Company's dividend policy from time to time.
Section D - Risks		
D.1	**Key risks specific to the issuer and its industry**	**Risks Related to Our Business** • If we are unable to manage our growth effectively, this could have a material adverse effect on our business, financial condition and results of operations. • We are dependent on our advertising partners and there is a risk that these partners will change their policy regarding publishing pharmacy-related advertisement on their platforms or do not adapt their policies to changes in certification which will impair our ability to attract customers. • We have incurred significant operating losses since our inception, and there is no guarantee that we will be able to successfully grow and operate our business and achieve profitability in the future. • Our recent entry in the respective markets of the Netherlands, Italy and Spain, as well as our plan to expand our business into new markets in Continental Europe, will expose us to a variety of different local legal, regulatory, tax and cultural standards which we might fail to address or comply with. • We have a limited operating history and operate in fragmented and for us new geographical markets, making it difficult to evaluate our future prospects.

- We may not be able to establish and/or maintain an efficient system of internal controls over financial reporting, and our internal reporting and/or risk management procedures may not be adequate to meet the needs of our growing business.
- Any pharmacy errors with respect to the filling or packaging of medications and other products that we sell may expose us to liability and result in negative publicity.
- Information provided by our pharmacists or on our websites may result in liability or negative publicity.
- Any publicly announced dissatisfaction with our products, services or offering or complaints in social media or critical media coverage or negative lobbying could damage our reputation and our brand.
- Failure to provide our customers with an attractive online shopping experience or to meet their expectations could limit our growth and prevent us from achieving or maintaining profitability.
- Use of smartphones, tablets and other mobile devices by our customers is rapidly evolving and failure to successfully adapt to these changes could have an adverse effect on the reception of our online product offering by our customers.
- We are dependent on a limited number of suppliers of OTC Medications and Pharmacy-Related BPC Products and there is a risk that our suppliers could discontinue selling to us on financially viable terms, fail to supply us with products that meet our requirements, or fail to comply with applicable laws or regulations.
- We rely on email, telephone and other messaging services in our marketing efforts, and restrictions on sending emails or messages, or delays in their delivery could negatively impair our customers' positive reception of our offering and our reputation.
- Any changes to search engines' algorithms or terms of services could exclude our websites from search results, rank them lower in search results and/or require raising marketing expenses.
- If we are unable to manage the transition of our operations to greater automation, the evolution of our warehousing system could be impaired.
- We highly depend on third-party logistics providers for the distribution of our products to our customers and for delivery to us of certain products from our suppliers and manufacturers; our distribution costs may be affected by changes in the price for fuel, as well as other factors beyond our control, and we may not be able to pass on price increases to our customers.
- We are subject to payment related risks.
- We rely on third parties to provide payment processing and if these third parties do not perform adequately or terminate their relationships with us, our costs may increase and our business and results of operations could be harmed.
- Any failure to operate, maintain, integrate and scale our internet and mobile infrastructure and our other technology may have a negative impact on our operations.
- We are exposed to the risk of security breaches and unauthorized use of one or more of our websites, databases, online security systems or computerized logistics management systems.
- Ineffective protection of confidential information might materially weaken our market position and reputation and may expose us to liability under data protection law.
- Our management team has no experience in managing a public company and publicly traded company reporting and compliance requirements could divert resources from the day-to-day management of our business.

Risks related to the Acquisition of the Farmaline Business

- The acquisition of the Farmaline Business is subject to legal risks.

- The Farmaline Business may not perform in line with expectations and, therefore, not justify the expense related to the acquisition, and we may fail to achieve the strategic goals pursued by the Farmaline Acquisition or may only be able to do so to a limited extent, at higher costs and/or at a later point in time than originally anticipated.
- The two brand strategy pursued after the Farmaline Acquisition could adversely affect our product gross margin.

Risks Related to Regulation

- We are subject to a variety of regulations in the jurisdictions in which we operate, including but not limited to consumer protection laws, regulations governing e-commerce, data protection laws, online pharmacies and competition laws, and future regulations might impose additional requirements and other obligations on our business.
- If a regulatory body alleges that we have engaged in the unauthorized practice of medicine or that our business proposition violates applicable country-specific laws, we may be subject to significant liabilities and may need to restrict our pharmaceutical offering in the future.
- We sell our merchandise in several Continental European countries and face legal and regulatory risks in the countries into which we sell.
- The inability to acquire, use or maintain the current domain names for our online shops as well as future domain names for our online shops could substantially harm our business, financial condition and results of operations.
- Adverse judgments or settlements resulting from legal proceedings could expose us to monetary damages and limit our ability to operate our business.
- Our control and prevention mechanisms to ensure group-wide compliance with certain legislative requirements might not be sufficient to adequately protect us from all legal or financial risks.

Risks Related to the Reorganization

- We have a limited operating history in our current corporate structure. Due to the Reorganization, parts of the historical financial information presented in this Prospectus are complex and are based on a number of estimates and assumptions. They may not reflect our business, financial position or results as if it had existed in its current form since 1 January 2013 and may not be indicative of future results.

D.2 Key risks specific to the securities

Related to Our Shares and the Offering

- Following the Offering, all members of our Managing Board as well as a large number of our existing shareholders as of the date of this Prospectus (the "**Existing Shareholders**") are at the same time shareholders of the Europa Apotheek Group, which is a competitor to us, and their interests may conflict with our interests and those of our other shareholders or other investors.
- Our ability to pay dividends depends, among other things, on our financial condition and results of operations.
- The price of our Shares could fluctuate significantly, and investors could lose all or part of their investment.
- Future offerings of debt or equity securities by us could adversely affect the market price of the Shares, and future capitalization measures could substantially dilute the interests of our shareholders.
- The Offering may not take place.
- Compliance with the laws and regulations affecting public companies will increase our administrative requirements, resulting in higher costs and requiring significant management attention.

Section E - Offer

E.1 The total net proceeds The Company will receive the proceeds of the Offering from the sale of the New Shares. To the extent the Greenshoe Option (as defined in E.3) is exercised, the

		Greenshoe Shareholders (as defined in E.3) will receive the Offer Price (as defined in E.3) for each of their Shares in respect of which the Greenshoe Option (as defined in E.3) is exercised. The amount of the proceeds of the Offering and the costs related to the Offering depend on the final Offer Price, which also factors into the determination of the commissions and fees payable to the Underwriters (as defined below), and on the number of Shares that will be placed in the Offering. Joh. Berenberg, Gossler & Co. KG ("**Berenberg**"), Citigroup Global Markets Limited ("**Citi**") and COMMERZBANK Aktiengesellschaft ("**COMMERZBANK**" and, together with Berenberg and Citi, the "**Underwriters**") are acting as underwriters with respect to the Offering. The Company aims to achieve total gross proceeds of approximately €100 million from the sale of the New Shares in the Offering. The costs of the Company related to the Offering of the New Shares and the listing of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) are expected to total up to approximately €5.2 million, including Underwriters' commissions of €2.5 million and a discretionary fee of up to €1.5 million. Under the above assumptions, the net proceeds to the Company from the sale of the New Shares, i.e., the gross proceeds less the costs of the Company and the Underwriters' commissions and fees, are expected to amount to approximately €94.8 million. If the final Offer Price is set at the mid-point or the high end of the Price Range, the number of New Shares to be placed may be significantly lower than at the low end of the Price Range. To achieve total gross proceeds of approximately €100 million 3,571,428 New Shares would need to be placed at the low point of the Price Range, while 3,174,603 New Shares would need to be placed at the mid-point of the Price Range and 2,857,142 New Shares would need to be placed at the high end of the Price Range. The decision on the number of New Shares to be placed will be made by the Management Board on 11 October 2016.
	Estimate of the total expenses of the Offering and listing, including estimated expenses charged to the investor by the issuer	The Company expects to incur total costs related to the Offering and the listing of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) of up to approximately €5.2 million, including Underwriters commissions of approximately €2.5 million and a discretionary fee of up to €1.5 million.
E.2a	**Reasons for the Offering**	We intend to cause the Shares being admitted to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange to achieve better access to the capital markets.
	Use of proceeds, estimated net amount of the proceeds	We intend to use approximately €80 million of the proceeds of the Offering in roughly equal amounts (i) to increase our working capital by financing, for example, additional inventory, (ii) to invest in additional automation of our operations as well as IT and (iii) to repay the Shareholder Loans in full. The remaining portion of the proceeds will be used to strengthen leadership and intensify our efforts to penetrate new markets, in accordance with our strategy.
E.3	**Offer conditions**	The Prospectus relates to the offer and sale (the "**Offering**") of up to 4,107,142 Shares consisting of: • up to 3,571,428 Shares to be issued by the Company pursuant to the Offering Capital Increase (the "**New Shares**"); and • up to 535,714 Shares currently held by MK Beleggingsmaatschappij Venlo B.V., Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Vivus Beteiligungen GmbH, Stephan Weber, Frank Köhler, Marc Fischer and Jens Kuhn (the "**Greenshoe Shareholders**") in connection with a potential over-allotment (the "**Over-allotment Shares**" and, together with the New Shares, the "**Offer Shares**").

	The Offering consists of (i) a public Offering to institutional and retail investors in the Federal Republic of Germany ("**Germany**") and (ii) a private placement to certain institutional investors in various other jurisdictions outside Germany. In the United States of America (the "**United States**"), the Offer Shares will be offered and sold only to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"), in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act. Outside the United States, the Offer Shares will be offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**").
Offer Period	The period during which investors may submit purchase orders for the Offer Shares is expected to begin on 29 September 2016 and is expected to end on 11 October 2016 (the "**Offer Period**"). On the last day of the Offer Period, offers to purchase may be submitted (i) until 12:00 noon (Central European Summer Time) ("**CEST**") by retail investors and (ii) until 14:00 (CEST) by institutional investors.
Price range and Offer Price	The Price Range within which purchase orders may be placed is €28.00 to €35.00 per Offer Share. The offer price (the "**Offer Price**") and the final number of the Offer Shares to be placed in the Offering will be set jointly by the Company and the Underwriters. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during a bookbuilding process. The Offer Price and the final number of the Offer Shares placed in the Offering (i.e., the result of the Offering) are expected to be set on 11 October 2016. After the Offer Price has been set, the Offer Shares will be allotted to investors on the basis of the offers to purchase then available. The Offer Price and the final number of Offer Shares (that is, the result of the Offering) are expected to be published on or about 11 October 2016 2016 by means of an *ad hoc* release on an electronic information dissemination system and on the Company's website (www.shop-apotheke-europe.com).
Amendments to the Term of the Offering	The Company reserves the right, together with the Joint Global Coordinators, to reduce or increase the number of the Offer Shares, to lower or raise the lower and/or upper limits of the Price Range and/or to extend or shorten the Offer Period. To the extent that the terms of the Offering are changed, such change will be announced through electronic media, on the Company's website (www.shop-apotheke-europe.com) and published, if required as an *ad hoc* announcement and/or as a supplement to this Prospectus. In the underwriting agreement entered into between the Company, the Greenshoe Shareholders and the Underwriters on 28 September 2016 (the "**Underwriting Agreement**"), the Underwriters have reserved the right to terminate the Offering under certain circumstances. The Offering may be terminated even after trading has commenced and until the Offer Shares have been delivered in exchange for payment of the Offer Price and the customary securities commissions. If the Underwriting Agreement is terminated, the Offering will not take place. Any allotments already made to investors will be invalidated. In such case, no claim to delivery exists. Claims relating to any securities commissions already paid and costs incurred by any investor in connection with the subscription are controlled solely by the legal relationship between the investor and the institution to which the investor submitted its purchase order.
Delivery and Payment	The delivery of the Offer Shares against payment of the Offer Price is expected to take place on 14 October 2016. The Offer Shares are and will be represented by one or more global share certificates, which will be held in custody with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream**") for safe-keeping for and on behalf of the parties entitled to the Offer Shares represented by such global share certificates.
Stabilization Measures, Over-allotment and Greenshoe Option	In connection with the placement of the Offer Shares, Berenberg acting for the account of the Underwriters, will act as the stabilization manager (the "**Stabilization Manager**") and may, as Stabilization Manager acting in accordance with legal requirements, make over-allotments and take stabilization measures to support the market price of the Shares and thereby counteract any selling pressure. The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, no assurance can be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time

		without notice. Such measures may be taken from the date the Shares are listed on the regulated market on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than the thirtieth calendar day after such day (the "**Stabilization Period**"). These measures may result in the market price of the Shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level. Under the possible stabilization measures, investors may, in addition to the New Shares, be allocated up to 535,714 Over-allotment Shares (not to exceed 15% of the New Shares) as part of the Offering (such Shares the "**Over-allotment Shares** as part of the Offering (the "**Over-allotment**"). The Over-allotment Shares will be provided to the Stabilization Manager, for the account of the Underwriters, in the form of a securities loan. The Greenshoe Shareholders have granted the Underwriters an option (the "**Greenshoe Option**") to acquire up to 535,714 Over-allotment Shares from the holdings of the Greenshoe Shareholders to cover a potential Over-allotment (any such Over-allotment Shares purchased upon exercise of the Greenshoe Option, the "**Greenshoe Shares**") at the Offer Price, less the Underwriters' commissions and fees. The Greenshoe Option will terminate on or about 12 November 2016 (30 calendar days after the first day of trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The Stabilization Manager is entitled to exercise the Greenshoe Option to the extent an Over-allotment was initially made, for the number of Greenshoe Shares subject to the Over-allotment, less the number of Shares held by the Stabilization Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilization Manager in the context of stabilization measures. Once the Stabilization Period has ended, an announcement will be made within one week in various media outlets distributed across the EEA as to whether stabilization measures were taken, when price stabilization started and finished, and the Price Range within which the stabilization measures were taken; the latter will be made known for each occasion on which price stabilization measures were taken. The exercise of the Greenshoe Option, the timing of its exercise and the number of Greenshoe Shares will also be announced promptly in the same manner.
E.4	**Interest material to the issue/offer including conflicting interests**	The Underwriters act for the Company on the Offering and coordinate the structuring and execution of the Offering. In addition, Berenberg has been appointed to act as designated sponsor for the Shares and Bankhaus Neelmeyer AG has been appointed paying agent. Upon successful implementation of the Offering, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the success of the Offering. Furthermore, in connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for their own account, may acquire Shares in the Offering and in that capacity may retain, purchase or sell for its own account such Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Offering. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares or other share capital of the Company. None of the Underwriters intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so or as disclosed in this Prospectus. Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with our Group (including lending activities) or may perform services for our Group in the ordinary course of business. The Greenshoe Shareholders will receive the proceeds of the Greenshoe Shares sold in the Offering. Assuming full placement of all of the Greenshoe Shares, after deduction of the costs of the Greenshoe Shareholders and the Underwriters' commissions and fees, the proceeds to the Greenshoe Shareholders from the Offering would amount to approximately €14.5 million, or 13.3% of the net proceeds.
E.5	**Name of the person or entity Offering to sell the security**	The New Shares are being sold by the Company. The Greenshoe Shares, if any, are being sold by the Greenshoe Shareholders (namely, MK Beleggingsmaatschappij Venlo B.V., Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Vivus Beteiligungen

GmbH, Stephan Weber, Frank Köhler, Marc Fischer and Jens Kuhn). The New Shares and the Over-allotment Shares are being offered on behalf of the Company and the Greenshoe Shareholders, respectively, by the Underwriters.

Lock-up agreement: the parties involved; and indication of the period of the lock-up

Dr. Björn Söder, member of the Supervisory Board, who owns 0.54% of our outstanding share capital as of the date of this Prospectus, and each of our Existing Shareholders that owns 1.0% or more of our outstanding share capital as of the date of this Prospectus (namely Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Vivus Beteiligungen GmbH, Frank Köhler, Jens Kuhn, Martin Frei, Thomas Frei, VVGS Beleggingsmaatschappij Venlo B.V., Leen Ponet, Lode Fastré, Toivo GmbH, Dr. Markus Rall, Gabriela Kuhn), and that is not a Management Shareholder (as defined below) (together, the "**Significant Shareholders**") have agreed with the Joint Global Coordinators, acting on behalf of the Underwriters, that for the period from the date of the Underwriting Agreement until the date which falls six months after the first day of trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), not to, directly or indirectly, without the prior written consent of the Joint Global Coordinators, who may grant or withhold such consent in their absolute discretion,

(a) market, transfer or otherwise dispose of Shares or other securities of the Company; this also applies to any transaction economically equivalent to a disposal in economic terms, for example the issue of options or conversion rights on shares of the Company;

(b) cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company;

(c) propose, directly or indirectly, any increase in the share capital of the Company to any shareholders' meeting for resolution, or vote in favor of such a proposed increase;

(d) cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments provided with options and warrants convertible into shares of the Company; or

(e) enter into a transaction or perform any action economically similar to those described above.

The foregoing shall not apply to transfers to affiliates of such Significant Shareholder and any other shareholders of the Company immediately prior to the Offering, provided in each case that such transferee(s) agree(s) towards the Joint Global Coordinators to be bound by the same lock-up undertaking. The Joint Global Coordinators may jointly waive the above lock-up undertakings in full or in part in their absolute discretion.

The Joint Global Coordinators have agreed with each such Significant Shareholders that their respective lock-up undertakings as set forth above will lapse if the Offering has not closed and been settled by 31 March 2017. The Significant Shareholders include each of the following: Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Vivus Beteiligungen GmbH, Frank Köhler, Jens Kuhn, Martin Frei, Thomas Frei, VVGS Beleggingsmaatschappij Venlo B.V., Leen Ponet, Lode Fastré, Toivo GmbH, Dr. Markus Rall, Gabriela Kuhn and Dr. Björn Söder.

In addition, each of MK Beleggingsmaatschappij Venlo B.V., Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Stephan Weber and Marc Fischer (the "**Management Shareholders**") has agreed with the Joint Global Coordinators, acting on behalf of the Underwriters, that, for the period from the date of the Underwriting Agreement until the date which falls twelve months after the first day of trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), not to, directly or indirectly, without the prior written consent of the Joint Global Coordinators, who may grant or withhold such consent in their absolute discretion,

(a) market, transfer or otherwise dispose of Shares or other securities of the Company; this also applies to any transaction economically equivalent to a disposal in economic terms, for example the issue of options or conversion rights on shares of the Company;

(b) cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company;

(c) propose, directly or indirectly, any increase in the share capital of the Company to any shareholders' meeting for resolution, or vote in favor of such a proposed increase;
(d) cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments provided with options and warrants convertible into shares of the Company; or

(e) enter into a transaction or perform any action economically similar to those described above.

The foregoing shall not apply to transfers to affiliates of the Management Shareholder and any other shareholders of the Company immediately prior to the Offering, provided in each case that such transferee(s) agree(s) towards the Joint Global Coordinators to be bound by the same lock-up undertaking.

The Joint Global Coordinators may jointly waive the above lock-up undertakings in full or in part in their absolute discretion.

The Joint Global Coordinators have agreed with Management Shareholder that his or her respective lock-up undertakings as set forth above will lapse if the Offering has not closed and been settled by 31 March 2017.

Pursuant to the Underwriting Agreement, the Company agreed with each Underwriter that until the end of a period of six months following the first day of trading of the Shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange the Company undertakes

(a) not to announce or effect an increase of its share capital;

(b) not to propose to its general meeting an increase of its share capital; and

(c) not to announce, effect or propose the issue of securities with conversion or option rights on shares of the Company or economically similar transactions,

without the prior written consent of the Joint Global Coordinators, who may grant or withhold such consent in their absolute discretion.

The foregoing does not apply to any future employee share purchase and share option schemes.

A group of 20 Existing Shareholders, who are neither Significant Shareholders nor members of the Managing Board, and individually hold less than 1.0% of the Company's share capital before the completion of the Offering are not parties to the lock-up agreements. This group will represent in aggregate 4.8% of the issued share capital after the Offering Capital Increase assuming an Offer Price at the low end of the Price Range and 5.2% assuming an Offer Price at the high end of the Price Range. All members of the Supervisory Board have entered into lock-up agreements other than Jérôme Cochet who does not own any Shares.

E.6 Amount and percentage of immediate dilution resulting from the Offering

The net book value of the Company (total assets less total liabilities) amounted to €6,240 thousand as of 30 June 2016. This represents €1.17 per Share calculated on the basis of 5,333,500 Shares (1,066,700 Shares prior to the 1:5 share split) outstanding immediately prior to completion of the Farmaline Acquisition.

On the assumption that gross proceeds of €100 million are generated by the sale of the New Shares, 3,571,428, 3,174,603 or 2,857,142 New Shares will be sold in the Offering at the low end (€28.00), the mid-point (€31.50) or the high end (€35.00) of the Price Range, respectively. On the assumption that the Offering had been fully implemented by 30 June 2016, the adjusted net book value of the Company (total assets less total liabilities) as of 30 June 2016 would have been €101.0 million, representing approximately €11.35 per Share (calculated on the basis of 8,904,928 Shares outstanding at the low end of the Price Range).

That would correspond to a direct dilution of approximately €16.65 (59.5%) per Share for investors acquiring the Offered Shares at the low end of the Price Range. At the mid-point and high end of the Price Range, the corresponding figures would be approximately €19.62 (62.3%) per Share and approximately €22.66 (64.8%) per Share, respectively.

Under the assumption that the Existing Shareholders do not acquire New Shares in the Offering and the Offering Capital Increase is fully implemented, Existing

		Shareholders would experience an accretion in value of €10.18 (869.8%) per Share based on an Offer Price at the low end of the Price Range. At the mid-point and high end of the Price Range, the corresponding figures would be approximately €10.71 (915.1%) per share and approximately €11.17 (954.4%), respectively. The Company has no indication that Existing Shareholders will acquire New Shares in the Offering. On the assumption that 3,571,428, 3,174,603, or 2,857,142 New Shares will be sold in the Offering (corresponding to the low end (€28.00), the mid-point (€31.50) or the high end (€35.00) of the Price Range, respectively) and that the Greenshoe Option is not exercised, the aggregate voting rights of our Significant Shareholders and our Management Shareholders (that is, all shareholders that are on our Managing Board or Supervisory Board or who otherwise own 1.0% or more of our Shares) will be diluted from 92.14% as of the date of this Prospectus to 55.86%, 58.41%, or 60.63%. If the Greenshoe Option is exercised in full, the aggregate voting rights of our Significant Shareholders and our Management Shareholders will be diluted to 49.95%, 52.92%, 55.50%.
E.7	**Estimated expenses charged to the investor by the issuer**	Not applicable. Investors will not be charged expenses by the Company or the Underwriters. Investors will have to bear customary transaction and handling fees charged by their account-keeping financial institution.

Summary – German Translation (Zusammenfassung des Prospekts)

The AFM has not approved the following German translation of the summary of the Prospectus. In case of any discrepancy the English summary will prevail.

Bei der nachfolgenden deutschsprachigen Zusammenfassung handelt es sich um eine Übersetzung der englischsprachigen Zusammenfassung. Die Inhalte der Übersetzung wurden von der *Autoriteit Financiële Markten* (AFM) als zuständiger Behörde des Herkunftsmitgliedstaats im Sinne der Richtlinie 2003/71/EG, in ihrer jeweils gültigen Fassung, weder auf inhaltliche Richtigkeit geprüft noch gebilligt.

2. DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG DES PROSPEKTS

*Die Zusammenfassungen, die als "**Punkte**" bezeichnet werden, gehen zurück auf Veröffentlichungspflichten. Die Punkte sind in den Abschnitten A – E (A.1 – E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Punkte, die für die vorliegende Art des Wertpapiers und des Emittenten in eine Zusammenfassung aufzunehmen sind. Da einige Punkte nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Punkt wegen der Art des Wertpapiers und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf diesen Punkt keine relevanten Informationen gegeben werden können. In diesem Fall enthält die Zusammenfassung eine kurze Beschreibung des Punkts mit dem Hinweis „Entfällt".*

Abschnitt A - Einleitung und Warnhinweise

A.1	**Warnhinweise**	Diese Zusammenfassung sollte als eine Einleitung zum Prospekt (der "**Prospekt**") gelesen werden. Bei jeder Entscheidung in die hier beschriebenen Wertpapiere zu investieren, sollten sich Anleger auf die Prüfung des gesamten Prospektes stützen. Werden Ansprüche in Bezug auf die in diesem Prospekt enthaltenen Informationen vor Gericht geltend gemacht, so könnte der klagende Anleger, nach den einzelstaatlichen Rechtsvorschriften der Mitgliedsstaaten des Europäischen Wirtschaftsraumes ("**EWR**") vor Prozessbeginn die Kosten der Übersetzung dieses Prospektes zu tragen haben. Allein diejenigen Personen, die die Zusammenfassung einschließlich etwaiger Übersetzungen erstellt haben, können haftbar gemacht werden. Die Haftung setzt jedoch voraus, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt, die Anlegern bei ihrer Entscheidung hinsichtlich einer Investition in auf den Inhaber lautenden Stammaktien am Grundkapital von Shop Apotheke Europe N.V., welche jeweils einen Nennwert von €0,02 haben (die **"Aktien"**), hilfreich sein sollen. Shop Apotheke Europa N.V., Venlo, die Niederlande (die "**Gesellschaft**" oder der "**Emittent**" und zusammen mit ihren konsolidierten Tochterunternehmen, die "**Gruppe**", "**wir**", "**uns**" oder "**unsere Gruppe**") übernimmt Verantwortung für den Inhalt dieser Zusammenfassung.
A.2	**Angabe über die spätere Verwendung des Prospekts**	Entfällt. Es wurde keine Zustimmung zur Verwendung des Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung der Aktien durch Finanzintermediäre erteilt.

Abschnitt B - Emittent

B.1	**Juristische und kommerzielle Bezeichnung**	Die juristische Bezeichnung der Gesellschaft lautet "Shop Apotheke Europe N.V.". Die Gruppe agiert gegenwärtig primär unter den kommerziellen Bezeichnungen ihrer jeweiligen Domain Namen "shop-apotheke.com", "shop-apotheke.at", "shop-pharmacie.fr" und "shop-pharmacie.be" sowie "farmaline.nl", "farmaline.be", "farmaline.es" und "farmaline.it", "vitazita.at", "vitazita.fr", "vitazita.nl", "vitazita.be", "vitazita.es" und "vitazita.it".
B.2	**Sitz, Rechtsform, geltendes Recht unter dem der Emittent operiert, Land der Gründung**	Die Gesellschaft hat ihren Firmensitz (*statutaire zetel*) in Venlo, Niederlande, und ihre eingetragene Geschäftsadresse im Dirk Hartogweg 14, 5928 LV Venlo, Niederlande. Sie ist im Handelsregister der Handelskammer (*kamer van koophandel*) unter der Nummer 63986981 eingetragen. Die Gesellschaft ist eine *naamloze vennootschap* (Aktiengesellschaft), die in den Niederlanden gegründet wurde und niederländischem Recht unterliegt.

B.3	**Derzeitige Geschäftstätigkeit sowie Hauptmärkte, auf denen der Emittent vertreten ist**	**Überblick über unser Geschäftsmodell** Wir sind eine reine Online-Apotheke, wobei im Mittelpunkt unserer geschäftlichen Aktivitäten rezeptfreie Medikamente (*over-the-counter* – "**OTC-Medikamente**") sowie Beauty- und Pflegeprodukte stehen, die ansonsten bevorzugt über Apotheken vertrieben werden und die wir als "**apothekenübliche BPC-Produkte**" bezeichnen. Wir sind gegenwärtig die führende reine Online-Apotheke in Deutschland (Quelle: SEMPORA Studie Oktober 2015) – einem der größten Märkte in Kontinentaleuropa für OTC-Medikamente und apothekenübliche BPC-Produkte (Quelle: SEMPORA Studie Juni 2016). Unsere Vision ist es, die führende Online-Apotheken-Marke für OTC-Medikamente und apothekenübliche BPC-Produkte in Kontinentaleuropa zu werden, wo es derzeit keine etablierten paneuropäischen Offline- oder Online-Apotheken gibt. (Wir verstehen unter "**Kontinentaleuropa**" Deutschland, Frankreich, Italien, Spanien, Polen, Rumänien, die Niederlande, Belgien, Portugal, die Tschechische Republik, Ungarn, Schweden, Bulgarien, Dänemark, die Slowakei, Norwegen und Österreich.) Seit unserer Gründung im Jahr 2001, als unsere Website "shop-apotheke.com" als Online-Plattform einer Kölner Apotheke eingeführt wurde, haben wir unsere geschäftlichen Aktivitäten kontinuierlich ausgeweitet. Im Jahr 2010 trafen wir die strategische Entscheidung, unsere Geschäftstätigkeit von Köln nach Venlo in den Niederlanden zu verlagern, um von den dortigen fortgeschritteneren regulatorischen Rahmenbedingungen betreffend der Geschäftsführung von Apotheken durch juristische Personen und einem besseren Zugang zu ausländischen Märkten zu profitieren, um in weitere kontinentaleuropäische Märkte zu expandieren. In den letzten Jahren haben wir unsere geografische Reichweite innerhalb Europas durch die Einführung unserer österreichischen Website "shop-apotheke.at" (April 2012) sowie unserer französischen Website "shop-pharmacie.fr" (März 2015) und unserer belgischen Website "shop-pharmacie.be" (Juli 2015) vergrößert. Per 14. September 2016 haben wir das online Geschäft der belgischen Apotheke Farmaline N.V. (das "**Farmaline Geschäft**") erworben (die "**Farmaline Akquisition**"). Mit der Eingliederung des Farmaline Geschäfts haben wir in einem Schritt in einer Reihe von unseren früheren europäischen Zielmärkten, einschließlich der Niederlande, Spanien und Italien, expandiert und unsere Wettbewerbsposition in Belgien und Frankreich zusätzlich gestärkt. Durch die Akquisition dieses bereits bestehenden Geschäfts haben wir unseren europäischen Roll-out signifikant beschleunigt[1]. Unser Jahresumsatz stieg von €55.292 Tausend in dem zum 31. Dezember 2013 endenden Geschäftsjahr auf €84.671 Tausend in dem zum 31. Dezember 2014 endenden Geschäftsjahr und auf €125.578 Tausend in dem zum 31. Dezember 2015 endenden Geschäftsjahr an. In dem zum 30. Juni 2016 endenden Sechs-Monats-Zeitraum betrug unser Umsatz €82.161 Tausend (Farmaline Geschäft ausgenommen). In dem zum 30. Juni 2016 endenden Sechs-Monats-Zeitraum wurden ca. 85,4% unseres Umsatzes aus Produktverkäufen an Kunden in Deutschland erzielt, etwa 13,6% unseres Umsatzes wurden aus dem Verkauf von Produkten an Kunden in Österreich, Frankreich und Belgien erzielt, und etwa 1,0% unseres Umsatzes wurde aus dem Verkauf von Dienstleistungen primär an Kunden in Deutschland erzielt. Unsere länderspezifischen Websites bieten Zugang zu insgesamt knapp 100.000 Produkten. Wir sind der Ansicht, dass unser Produktangebot das der meisten traditionellen Apotheken, die eine lokale physische Präsenz – von uns als "**Stationäre-Apotheken**" bezeichnet – und ein durchschnittliches, jederzeit auf Lager verfügbares Produktangebot von etwa 10.000 verschreibungspflichtigen Medikamenten, OTC-Medikamenten und apothekenüblichen BPC-Produkten haben, bei weitem übersteigt (Quelle: Apotheken Umschau 2012). Unsere Preise für OTC-Medikamente und apothekenübliche BPC-Produkte liegen etwa 15% unter den Preisen von Stationären-Apotheken (Quelle: Stiftung Warentest 2014)[2]. und sind bei ausgewählten Produkten sogar 46% niedriger im Vergleich zu diesen (Quelle: chip.de, 2015). Unsere länderspezifischen Online-Shops, die wir kontinuierlich zu optimieren versuchen, ermöglichen ein persönliches, benutzerfreundliches und

[1] Die Auswirkungen der Farmaline Acquisition sind in den historischen Finanzinformationen (siehe "23. Financial Information") in diesem Prospekt nicht reflektiert.

[2] Ein repräsentativer OTC-Warenkorb beinhaltet 3 Produkte, die in Deutschland getestet wurden: exklusive Versandkosten aufgrund des kostenlosen Versands oberhalb einer bestimmten Schwelle bei den meisten Online-Apotheken.

komfortables Einkaufserlebnis, welches 24 Stunden am Tag, sieben Tage die Woche, von jedem Ort mit allen gängigen Geräten verfügbar ist. Des Weiteren verbessern wir das Einkaufserlebnis unserer Kunden, indem wir ergänzende Dienstleistungen anbieten, wie z.B. pharmazeutische Beratungsvideos, Anleitungsvideos, die automatisierte Überprüfung von Medikamenten-Wechselwirkungen und personalisierte Produktempfehlungen. Dies erlaubt es unseren Kunden, eine informierte Entscheidung über die Produkte, die sie kaufen möchten, zu treffen.

Wir haben enge Beziehungen zu den meisten führenden Produzenten und Lieferanten von OTC-Medikamenten und apothekenüblichen BPC-Produkten. Dies ermöglicht es uns, unseren Kunden attraktive Angebote zu machen, zusätzliche Einkommensquellen zu generieren (zum Beispiel durch das Platzieren von markenspezifischer Werbung auf unseren Websites) und erleichtert es uns, günstige Lieferbedingungen auszuhandeln, was uns im Vergleich zu unseren Wettbewerbern Kostenvorteile verschafft.

Unsere geschäftlichen Aktivitäten werden in allen Märkten, in denen wir tätig sind, durch unsere starke Technologiekompetenz sowie durch unsere zentralisierten Logistik-, Abwicklungs- und Vertriebsstrukturen unterstützt. Wir haben eine firmeneigene IT-Plattform aufgebaut, von der wir glauben, dass sie robust, sicher und in höchstem Maße skalierbar ist, und die entworfen wurde, um das von unserer Strategie angestrebte weitere Wachstum zu fördern. Unsere IT-Plattform ermöglicht es uns, gezielt Kundeninformationen, die durch unsere Analyseinstrumente gewonnen wurden, zur Personalisierung unseres Angebots und unserer Apothekendienstleistungen zu nutzen. Unsere Logistik-, Abwicklungs- und Vertriebsstruktur in Venlo unterstützt unsere zentralisierte Annahme und Bearbeitung von Bestellungen, Warenhauslogistik sowie Vertriebsaktivitäten und fördert Skaleneffekte.

Zentrale Wettbewerbsstärken

Die derzeit niedrige Online-Durchdringung des kontinentaleuropäischen Marktes für OTC-Medikamente und apothekenübliche BPC-Produkte sowie die wachsende Nachfrage nach Pharmaprodukten stellen eine einmalige Gelegenheit für unser Geschäft dar, damit unsere bereits existierende Plattform, die wir über die letzten 15 Jahre geschaffen haben, an Zugkraft gewinnt. Darauf aufbauend haben wir die folgenden Wettbewerbsstärken entwickelt:

- Unser Fokus liegt auf einem großen Zielmarkt, der sich zunehmend dem Online-Geschäft zuwendet.
- Wir bieten unseren Kunden ein starkes Leistungsangebot, bestehend aus hoch attraktiven Preisen, einer großen Produktauswahl (von etwa 100.000), einem komfortablen Einkaufserlebnis sowie ausgezeichneter Produktinformation, Beratung und Arzneimittelsicherheit.
- Wir sind klarer Marktführer im deutschen Markt für OTC-Medikamente und apothekenübliche BPC-Produkte und sind gut aufgestellt, um in Kontinentaleuropa die Marktführerschaft zu erlangen.
- Wir haben hervorragende Leistungen in allen Bereichen unserer Geschäftstätigkeit erreicht.
- Wir haben ein attraktives Finanzprofil, wie bestimmte Leistungskennzahlen belegen.
- Wir verfügen über ein gründergeführtes Managementteam, das über Expertenwissen im Pharmageschäft und im online Pharmageschäft verfügt und sich in Anbetracht der Erfolgsgeschichte unseres geschäftlichen Wachstums bewährt hat.

Strategie

Unser Ziel ist es, die führende Online-Apotheke in Europa für OTC-Medikamente und apothekenübliche BPC-Produkte zu werden. Um dieses Ziel zu erreichen, verfolgen wir die nachfolgenden Strategien:

- Wir streben an, unsere Marktführerschaft in unseren ursprünglichen Märkten wie etwa Deutschland und Österreich zu festigen.
- Wir streben die weitere Durchdringung der kontinentaleuropäischen Märkte, in denen wir bereits tätig sind, sowie die weitere Expansion in neue Märkte an.
- Wir streben an, weitere Investitionen in unsere Logistik-, Abwicklungs- und Vertriebsstruktur sowie in unsere Front-End-Plattform zu tätigen.

- Wir streben an, neue Einkommensquellen zu erschließen, indem wir unsere Produktpalette um nicht-apothekenübliche BPC-Produkte sowie um apothekenübliche BPC-Produkte von Eigenmarken erweitern, wir die bevorzugte Werbeplattform für die bedeutendsten OTC-Medikamente- und apothekenübliche BPC-Produkte-Marken als auch Anbieter für Datenanalysen für die Pharma- und Schönheitsindustrie werden.

Hauptmärkte

Der kontinentaleuropäische Pharmamarkt, der die Produktkategorien umfasst, auf die wir unser Geschäftsmodell ausgerichtet haben, nämlich (i) OTC-Medikamente und (ii) apothekenübliche BPC-Produkte sowie auch (iii) verschreibungspflichtige Medikamente, ist in den letzten Jahren beständig gewachsen. Im Jahr 2015 belief sich das Gesamtvolumen des Pharmamarktes in Kontinentaleuropa auf ca. €184 Mrd. (inklusive nicht apothekenübliche BPC-Produkte im Gesamtvolumen von €31 Mrd. und exklusive Mehrwertsteuer), wobei sich der Markt für verschreibungspflichtige Medikamente auf €120 Mrd. belief (Quelle: SEMPORA Studie Juni 2016). Im Jahr 2015 belief sich in Kontinentaleuropa das Marktvolumen für OTC-Medikamente auf ca. €14 Mrd., während der Markt für apothekenübliche BPC-Produkte ein Volumen von ca. €19 Mrd. hatte (Quelle: SEMPORA Studie Juni 2016). Für OTC-Medikamente und apothekenübliche BPC-Produkte wird für den Zeitraum von 2015 bis 2020 eine durchschnittliche Wachstumsrate von 3,6% erwartet (Quelle: SEMPORA Studie Juni 2016).Die Online-Durchdringung des Pharmamarkts ist immer noch sehr gering verglichen mit anderen Produktkategorien, wie etwa Medien (35,9%), Haushaltsgeräten und Elektronik (19,6%) oder Bekleidung (13,8%) (Quelle: Euromonitor). Dies ist insbesondere auf regulatorische Beschränkungen zurückzuführen, die für den Versand von Medikamenten außerhalb von Apotheken-Räumlichkeiten gelten. Der Anteil im Internet erworbener Arzneimittel am Gesamtumsatz in Kontinentaleuropa (mit Ausnahme von Deutschland) betrug 2015 durchschnittlich etwa nur 2% (Quelle: SEMPORA Studie Juni 2016).

Regulatorische Rahmenbedingungen

Unser Geschäft ist sowohl im Hinblick auf die medizinischen und pharmazeutischen Aspekte der von uns gelieferten Produkte, als auch aufgrund ihres Vertriebs im elektronischen Geschäftsverkehr regulatorischen Beschränkungen unterworfen.

Die EU-Richtlinie zur Schaffung eines Gemeinschaftskodexes für Humanarzneimittel (2001/83/EG) ("**Humanarzneimittelrichtlinie**") gesteht den nationalen Gesetzgebern der EU-Mitgliedsstaaten zu, den Verkauf verschreibungspflichtiger Medikamenten via Dienste der Informationsgesellschaft (also im Versandhandel bzw. über das Internet) zu verbieten. Die Humanarzneimittelrichtlinie sieht aber keine speziellen Beschränkungen für den Versandhandel bzw. Online-Vertrieb von OTC-Medikamenten vor, weder generell noch für den grenzüberschreitenden Handel zwischen Mitgliedsstaaten. Demzufolge ist der grenzüberschreitende Vertrieb von OTC Medikamenten in andere Mitgliedsstaaten gemäß dem nach europäischem Recht geltenden Grundsatz der Warenverkehrsfreiheit dem Grunde nach zulässig. Beispielsweise ist in unserem größten Markt, Deutschland, der Online-Vertrieb von verschreibungspflichtigen Medikamenten erlaubt, sofern inter alia eine ausländische Online-Apotheke entweder eine Erlaubnis zum Online-Verkauf nach Maßgabe des Rechts des EU-Mitgliedsstaates, in dem sie ihre Betriebsstätte hat, besitzt, und ihr Herkunftsland auf die so genannte Länderliste von EU-Mitgliedstaaten, die einen vergleichbaren Sicherheitsstandard wie Deutschland vorweisen können (Länderliste), aufgenommen wurde, oder sofern sie eine Erlaubnis nach Maßgabe des deutschen Apothekengesetzes besitzt. Die Niederlande sind auf der Länderliste gelistet, wobei die zusätzliche Bedingung erfüllt sein muss, dass die Online-Apotheke in den Niederlanden zugleich eine Stationäre-Apotheke betreibt.

B.4 a Wichtigste jüngste Trends, die sich auf den Emittenten und die Branche, in der er tätig ist beziehen

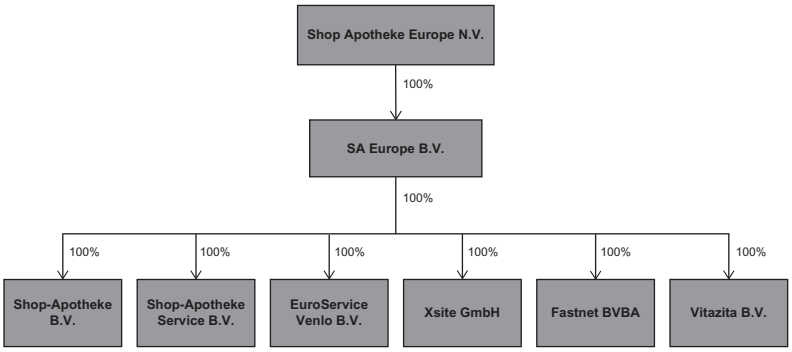
Wir sind der Ansicht, dass die untenstehenden Faktoren in den letzten Jahren erheblich zu der Entwicklung des Marktes, in dem wir tätig sind, beigetragen haben und hierzu weiter beitragen werden:

- *Demografischer Wandel*: Die europäische Bevölkerung ist in den letzten Jahrzehnten gealtert und es wird erwartet, dass sich der Trend in der Zukunft fortsetzen wird, hauptsächlich aufgrund geringerer Fruchtbarkeitsraten und der fortschreitenden Alterung der älteren Bevölkerung an sich.

- *Wachsendes Gesundheitsbewusstsein und Trend zur Selbstmedikation*: Höhere Bildungslevel verbunden mit einem wachsenden Interesse an der eigenen Gesundheit führen zu einer wachsenden Notwendigkeit, sich an Entscheidungen über die eigene Gesundheitsfürsorge unmittelbar zu beteiligen. Ferner erfordert der demografische Wandel hin zu einer alternden Gesellschaft Änderungen in der Gesundheitspolitik. Dies schließt mit ein, dem Einzelnen eine Möglichkeit zu geben, in größerem Umfang Verantwortung für die eigenen Gesundheitsbedürfnisse zu übernehmen, was wiederum bedeutet, die Fähigkeit zur Selbstpflege zu steigern.
- *Das Wettbewerbsumfeld*: Der Pharmamarkt in Kontinentaleuropa ist stark fragmentiert.
- *Ein Trend zum elektronischen Geschäftsverkehr*: Das Wachstum des Online-Marktes für OTC-Medikamente und apothekenübliche BPC-Produkte wird positiv beeinflusst durch die fortschreitende Verlagerung vom traditionellen Ladengeschäft zum elektronischen Geschäftsverkehr.
- *Steigende Mobilgerätedurchdringung des Pharmamarktes*: Die steigende Online-Durchdringung des Pharmamarktes wird zusätzlich gestärkt durch die zunehmende Nutzung von mobilen Geräten wie Smartphones und Tablets, die es dem Kunden erlauben, überall komfortabel und zu jeder Tageszeit einzukaufen.
- *Regulatorisches Umfeld:* Das regulatorische Umfeld, in dem wir tätig sind, entwickelte sich beständig in Richtung einer Deregulierung.

B.5 Beschreibung der Gruppe und der Stellung des Emittenten in der Gruppe

Der Emittent ist die Muttergesellschaft der Gruppe. Das folgende Schaubild enthält eine Übersicht über die Gruppe zum Datum dieses Prospekts:



B.6 Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital des Emittenten oder Stimmrechte haben

Die folgende Tabelle enthält Informationen bezüglich der wirtschaftlichen Eigentümerschaft jedes Anteilseigners oder Gruppe verbundener Anteilseigner (wie in C.3 definiert), die 3% oder mehr aller ausgegebenen und im Umlauf befindlichen Aktien zum Datum dieses Prospekts halten.

	Unmittelbar vor dem Angebot	
Direkte Aktionäre	**Anzahl der Aktien**	**Prozent**
MK Beleggingsmaatschappij Venlo B.V.(1)	1.353.405	24,61%
Dr. Hess Verwaltungsgesellschaft mbH(2)	570.655	10,38%
Christoph Laubmann	541.540	9,85%
Jan Pyttel	325.435	5,92%
Michael Köhler(3)(1)	280.000	5,09%
Dr. Ulrich Wandel(3)	203.770	3,71%
Theresa Holler(3)	199.635	3,63%
Vivus Beteiligungen GmbH(4)	196.075	3,57%
Stephan Weber(3)	195.635	3,56%
Frank Köhler	189.575	3,45%
Marc Fischer(3)	189.385	3,44%
Jens Kuhn	165.430	3,01%
Sonstige Aktionäre(5)	1.087.910	19,78%
Total	**5.498.450**	**100,00%**

(1) MK Beleggingsmaatschappij Venlo B.V. ist eine Gesellschaft, die zu 55,9% vom Mitglied des Vorstands, Michael Köhler gehalten wird, dem insgesamt 18,85% der Aktien direkt oder indirekt durch die MK Belegingsmaatschappij Venlo B.V. zugerechnet werden können.

(2) Beherrschender Gesellschafter der Dr. Hess Verwaltungsgesellschaft mbH ist Dr. Robert Hess, der 100% der Anteile hält.
(3) Vorstandsmitglied.
(4) Beherrschender Gesellschafter der Vivus Beteiligungen GmbH ist Dr. Frank Steinhoff, der 100% der Anteile hält.
(5) Zum Datum dieses Prospekts und vor der IPO-Kapitalerhöhung (wie unter C.3 definiert) hält keiner der in dieser Tabelle unter "Sonstige Aktionäre" genannten Aktionäre persönlich 3% oder mehr aller ausgegebenen und im Umlauf befindlichen Aktien.

	Stimmrechte	Jede Aktie gewährt in der Hauptversammlung der Gesellschaft eine Stimme. Es bestehen keine Beschränkungen der Stimmrechte.
	Unmittelbare oder mittelbare Beherrschung des Emittenten und Art der Beherrschung.	Nicht einschlägig (keine Beherrschung).
B.7	**Ausgewählte wesentliche historische Finanzinformationen**	Die Finanzinformationen, die in den folgenden Tabellen enthalten sind, stammen aus den geprüften kombinierten Jahresabschluss für die zum 31. Dezember 2015, 31. Dezember 2014 und 31. Dezember 2013 endenden Geschäftsjahre ("**Jahresabschluss**") und dem ungeprüften verkürzten Konzernzwischenabschluss für den zum 30. Juni 2016 endenden Sechs-Monats-Zeitraums einschließlich des ungeprüften verkürzten kombinierten Zwischenabschlusses des zum 30. Juni 2015 endenden Sechs-Monats-Zeitraums ("**Zwischenabschluss**"), sowie unserem internen Berichterstattungssystem. Der Jahresabschluss wurde gemäß den International Financial Reporting Standards ("**IFRS**"), wie sie in der EU anzuwenden sind, erstellt. Der Zwischenabschluss wurde gemäß den IFRS für Zwischenberichterstattung (IAS 34) erstellt. Der Jahresabschluss ist der erste Abschluss, der gemäß IFRS erstellt wurde und wir haben IFRS 1 angewandt, um diesen Abschluss zu erstellen (Erstmalige Anwendung der International Financial Reporting Standards). Die Abschlüsse enthalten keine Anpassungen zur Überleitung auf IFRS, da zuvor noch keine Abschlüsse erstellt wurden. Die Schätzungen, die von uns im Rahmen der erstmaligen Erstellung der IFRS-Abschlüsse gemacht wurden, berücksichtigen die Fakten und Umstände, die vorlagen, als die Schätzungen vorgenommen wurden. Dementsprechend stimmen die von uns im Zuge der Aufstellung dieser Abschlüsse vorgenommenen Schätzungen mit den historischen Finanzinformationen aus den Abschlüssen der EHS Europe Health Services B.V., von der unser Geschäft im Zuge von einer Reihe von rechtlichen Abspaltungen und Vermögensübertragungen, die im September 2015 abgeschlossen wurden und zu der Formatierung unserer Gruppe geführt haben (die "**Reorganisation**") abgespalten wurde, überein. Vgl. Anhangangabe 3 unseres Jahresabschlusses. Die Finanzinformationen bezüglich der Geschäftsaktivitäten der Gruppe sind in den einzelnen juristischen Personen, aus denen die Gruppe besteht, abgebildet. Der Jahresabschluss und der Zwischenabschluss wurden bis zum 29. September 2015 aus den Buchführungsunterlagen der EHS Europe Health Services B.V. entnommen, sowie ab dem 30. September 2015 aus den Buchführungsunterlagen der Shop Apotheke Europe B.V. entnommen und geben die Zahlungsströme, Umsätze, Aufwendungen, Vermögensgegenstände und Schulden dieser jeweiligen juristischen Personen wieder. Da die Gruppe bis zu ihrer Gründung am 30. September 2015 nicht als eigenständiges Unternehmen operierte, könnten unsere Jahresabschlüsse möglicherweise nicht aussagekräftig hinsichtlich der zukünftigen Leistungsfähigkeit der Gruppe sein und geben nicht notwendigerweise wieder, wie die kombinierte Vermögens-, Finanz- und Ertragslage gewesen wäre, wenn die Gruppe als eigenständige rechtliche Einheit neben der EHS Europe Health Services B.V. während der dargestellten Zeiträume existiert hätte. Für die Aufstellung der Jahresabschlüsse wurde eine Reihe von Annahmen getroffen. Siehe Anhangangabe 2 zu unseren Jahresabschlüssen. In den folgenden Tabellen werden Finanzinformationen als "geprüft" gekennzeichnet, was bedeutet, dass diese aus dem oben genannten Jahresabschluss stammen, der geprüft wurde, und nicht dass die einzelnen Beträge geprüft sind. Die Kennzeichnung "nicht geprüft" kennzeichnet in den folgenden Tabellen Finanzinformationen, die nicht direkt aus dem oben genannten Jahresabschluss stammen, sondern entweder aus unserem Zwischenabschluss oder aus unserem internen Berichterstattungssystem stammen oder auf Grundlage dieser Informationen

errechnet wurden. Dieser Abschnitt enthält auch bestimmte Kennzahlen, die nicht konform sind mit den Allgemeinen Anerkannten Rechnungslegungsstandards (*Generally Accepted Accounting Principles – GAAP*) ("**Nicht-GAAP-Kennzahlen**"), die von unserem Management verwendet werden, um die Leistung der Gruppe zu beobachten. Soweit diese Nicht-GAAP-Kennzahlen nicht im Jahresabschluss enthalten sind, sind sie in den jeweiligen Tabellen als "ungeprüft" gekennzeichnet. Soweit Nicht-GAAP-Kennzahlen in den Jahresabschlüssen enthalten sind, sind sie als "geprüft" gekennzeichnet.

Deloitte Accountants B.V., Flight Forum 1, 5657 DA Eindhoven, Niederlande hat den Jahresabschluss für die zum 31. Dezember 2015, 31. Dezember 2014 und 31. Dezember 2013 endenden Geschäftsjähre geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen. Der im Namen von Deloitte Accountants B.V. zeichnende Wirtschaftsprüfer ist ein Mitglied des königlich Niederländischen Instituts der Wirtschaftsprüfer (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*). Der Jahresabschluss nebst dem Bestätigungsvermerk sind in diesem Prospekt, ab der Seite F-1 enthalten.

Die in den nachfolgenden Tabellen aufgeführten Finanzinformationen stellen eine Auswahl der Finanzinformationen dar, die, sofern nicht anders gekennzeichnet, in unserem Jahresabschluss und Zwischenabschluss, enthalten sind und sollten im Zusammenhang mit unserem Jahresabschluss und dem dazugehörigen Bestätigungsvermerk, sowie unserem Zwischenabschluss, gelesen werden die in diesem Prospekt, ab der Seite F-1 wiedergegeben sind.

Ausgewählte Finanzinformationen aus der Gewinn- und Verlustrechnung

	Sechs-Monats-Zeitraum zum 30. Juni		zum 31. Dezember endende Geschäftsjahr		
	2016	**2015**	**2015**	**2014**	**2013**
	(ungeprüft)		**(in Tsd. €)**	**(geprüft)**	
Umsatzerlöse	**82.161**	**60.529**	**125.578**	**84.671**	**55.292**
Umsatzkosten	−65.294	−47.828	−99.841	−66.636	−42.545
Bruttoergebnis	**16.867**	**12.701**	**25.737**	**18.035**	**12.747**
Sonstige Erträge	1.098	440	1.316	928	673
Vertriebskosten	−19.514	−13.948	−29.143	−19.523	−12.448
Allgemeine Verwaltungsaufwendungen	−3.361	−2.338	−6.729	−3.488	−2.850
Betriebsergebnis	**−4.910**	**−3.145**	**−8.819**	**−4.048**	**−1.878**
Finanzerträge	–	394	593	–	–
Finanzaufwendungen	−1.310	−1.157	−2.275	−826	−839
Nettofinanzergebnis	−1.310	−763	−1.682	−826	−839
Ergebnis vor Steuern	**−6.220**	**−3.907**	**−10.501**	**−4.874**	**−2,717**
Ertragsteuern	−4	−24	−47	−161	−113
Periodenergebnis	**−6.224**	**−3.931**	**−10.548**	**−5.035**	**−2,831**
Zurechenbar zu:					
Inhaber der Gesellschaft	−6.224	−3.931	−10.548	−5.035	−2.831
Gewinn je Aktie:					
			(in €)		
Unverwässert und verwässert	−6.22	−3.93	−10.55	−5.04	−2.83

Ausgewählte Finanzinformationen aus der Bilanz

	Zum 30. Juni	Zum 31. Dezember		
	2016	2015	2014	2013
	(ungeprüft)		(geprüft)	
		(in Tsd. €)		
Aktiva				
Anlagevermögen:				
Sachanlagen	2.392	2.417	1.773	1.872
Immaterielle Vermögensgegenstände	13.892	13.616	12.384	11.643
Summe Anlagevermögen	16.284	16.033	14.157	13.515
Umlaufvermögen:				
Vorräte	10.304	10.412	4.592	2.942
Bereits bestellte Ware	4.356	5.653	5.531	5.405
Forderungen aus Lieferung und Leistung und sonstige Forderungen	6.150	4.100	2.940	2.612
Sonstiges Umlaufvermögen	1.990	3.046	1.992	1.155
Zahlungsmittel und Zahlungsmitteläquivalente	10.458	3.529	297	92
Summe Umlaufvermögen	33.258	26.739	15.352	12.206
Summe Aktiva	**49.542**	**42.772**	**29.509**	**25.721**
Passiva				
Eigenkapital und Rücklagen:				
Geschäftseigenkapital[(1)]	–	–	20.056	18.080
Eigenkapital	6.240	2.459	–	–
Summe Eigenkapital und Rücklagen	6.240	2.459	20.056	18.080
Langfristige Verbindlichkeiten:				
Gesellschafterdarlehen	19.715	19.002	–	–
Latente Steuern	2.568	2.564	563	447
Sonstige Verbindlichkeiten	3.000	3.000	–	–
Summe langfristige Verbindlichkeiten	25.283	24.566	563	447
Kurzfristige Verbindlichkeiten:				
Verbindlichkeiten aus Lieferung und Leistung und sonstige Verbindlichkeiten	12.952	8.638	7.625	6.122
Verbindlichkeiten gegenüber verbundenen Parteien	1.419	3.202	–	–
Sonstige Verbindlichkeiten	3.648	3.906	1.265	1.072
Summe kurzfristige Verbindlichkeiten	18.019	15.747	8.890	7.194
Summe Passiva	**49.542**	**42.772**	**29.509**	**25.721**

(1) Da die verschiedenen juristischen Personen, aus denen die Gruppe besteht, vor der Gründung der Gruppe nicht durch ein einzelnes Rechtssubjekt gehalten wurden, wird in den Bilanzen vom 31. Dezember 2014 und 31. Dezember 2013 Geschäftseigenkapital anstelle von Eigenkapital ausgewiesen. Geschäftseigenkapital bildet das kumulative Nettoinvestment der EHS Europe Health Services B.V. in die Gruppe bis zum 29. September 2015 ab. Die Auswirkungen der Transaktionen zwischen der Gruppe und der EHS Europe Health Services B.V., welche in der Vergangenheit nicht in bar erfüllt wurden, sind ebenfalls im Geschäftseigenkapital abgebildet.

Ausgewählte Finanzinformationen aus der Kapitalflussrechnung

	Sechs-Monats-Zeitraum zum 30. Juni		zum 31. Dezember endende Geschäftsjahre		
	2016	2015	2015	2014	2013
	(ungeprüft)		(in Tsd. €)	(geprüft)	
Cash Flow aus operativer Geschäftstätigkeit					
Betriebsergebnis	−4.910	−3.145	−8.819	−4.048	−1.878
Bereinigt um:					
Abschreibungen auf das Anlagevermögen	1.489	964	2.166	1.656	1.126
Um Abschreibungen bereinigtes operatives Ergebnis	−3.421	−2.180	−6.653	−2.392	−752
Veränderungen des Nettoumlaufvermögens:					
(Zunahme)/Abnahme der Forderungen aus Lieferung und Leistungen und der sonstigen Forderungen	−994	657	−2.213	−1.165	−643
(Zunahme)/Abnahme der Vorräte	108	−1.647	−5.820	−1.650	50
(Zunahme)/Abnahme der bereits bestellten Ware	1.297	−176	−121	−126	−91
Zunahme/(Abnahme) der Rückstellungen	–	3	−95	−46	334
Zunahme/(Abnahme) der Verbindlichkeiten aus Lieferung und Leistungen und der sonstigen Verbindlichkeiten	4.056	−736	2.921	1.696	−3.140
Zunahme/(Abnahme) der Verbindlichkeiten gegenüber Verbundenen Parteien	−1.784	–	3.202	–	–
Veränderungen des Nettoumlaufvermögens, gesamt	2.683	−1.900	−2.126	−1.291	−3.490
Cash Flow aus operativer Geschäftstätigkeit	−738	−4.080	−8.779	−3.683	−4.242
Netto Cash Flow (verwendet)/ generiert aus operativer Geschäftstätigkeit	**−738**	**−4.080**	**−8.779**	**−3.683**	**−4.242**
Cash Flow aus Investitionstätigkeit					
Investitionen in das Sachanlagevermögen	−376	−759	−1.313	−477	−1.002
Investitionen in immaterielle Vermögensgegenstände	−1.364	−987	−2.737	−1.820	−3.539
Investitionen in Verbindung mit Akquisitionen	–	–	–	–	−864
Netto Cash Flow (verwendet)/ generiert aus Investitionstätigkeit	**−1.740**	**−1.746**	**−4.050**	**−2.297**	**−5.405**
Cash Flow aus Finanzierungstätigkeit					
Gezahlte Zinsen	−597	−497	−950	−826	−839
Unternehmensfinanzierung	–	–	–	7.011	10.578
Zusätzliche Finanzierung durch nahestehende Personen	–	6.365	14.011	–	–
Einlagen durch nahestehende Personen	–	–	3.000	–	–
Kapitalerhöhung	10.005	–	–	–	–
Netto Cash Flow (verwendet)/ generiert aus Finanzierungstätigkeit	**9.408**	**5.868**	**16.061**	**6.185**	**9.739**
Änderung des Finanzmittelbestandes	**6.929**	**43**	**3.232**	**205**	**92**
Zahlungsmittel und Zahlungsmitteläquivalente zu Beginn des Jahres	3.529	297	297	92	–
Zahlungsmittel und Zahlungsmitteläquivalente zum Ende des Jahres	10.458	340	3.529	297	92

Wesentliche Änderung der Finanzlage und des Betriebsergebnisses des Emittenten in dem oder nach dem von den historischen Finanzinformationen abgedeckten Zeitraums

Ertragslage

Die folgenden wesentlichen Änderungen in der Ertragslage der Gesellschaft sind in den Sechs-Monats-Zeiträumen zum 30. Juni 2016 und 30. Juni 2015 und in den zum 31. Dezember 2015, zum 31. Dezember 2014 und zum 31. Dezember 2013 endenden Geschäftsjahren aufgetreten:

Sechs-Monats-Zeiträume zum 30. Juni 2016 und 2015

Unsere Umsatzerlöse betrugen in dem zum 30. Juni 2016 endenden Sechs-Monats-Zeitraum € 82.161 Tausend, was einem Anstieg von € 21.632 Tausend oder 35,7 % gegenüber € 60.529 Tausend für den zum 30. Juni 2015 endenden Sechs-Monats-Zeitraum entspricht. Der Anstieg ist im Wesentlichen auf ein profitables Umsatzwachstum in unserem deutschen Kernmarkt sowie ein starkes internationales Umsatzwachstum zurückzuführen.

Unser Geschäftsergebnis für den zum 30 Juni 2016 endenden Sechs-Monats-Zeitraum entspricht einem Nettoverlust von € 6.224 Tausend, was einem Anstieg von € 2.293 Tausend oder 58,3 % im Vergleich zu dem Nettoverlust von € 3.931 für den zum 30. Juni 2015 endenden Sechs-Monats-Zeitraum entspricht. Der Anstieg ist im Wesentlichen auf höhere Vertriebskosten, die wiederum aus dem verstärkten Absatzwachstum im internationalen Bereich resultierten, sowie auf Fernsehkampagnen in Deutschland und Österreich zurückzuführen.

Geschäftsjahre, die zum 31. Dezember 2015 und zum 31. Dezember 2014 endeten

Unsere Umsatzerlöse betrugen in dem zum 31. Dezember 2015 endenden Geschäftsjahr € 125.578 Tausend, was einem Anstieg von € 40.907 Tausend oder 48,3 % gegenüber € 84.671 Tausend für das zum 31. Dezember 2014 endenden Geschäftsjahr entspricht. Der Anstieg ist im Wesentlichen auf ein starkes Umsatzwachstum in Deutschland und Österreich zurückzuführen, welches auf die Einführung einer kompetitiveren Preisgestaltung zurückzuführen ist, sowie aufgrund unseres erweiterten Produktangebots und einem erhöhten Anteil von wiederkehrenden Bestellungen.

Unser Geschäftsergebnis für das zum 31. Dezember 2015 endenden Geschäftsjahr resultierte in einem Nettoverlust von € 10.548 Tausend, was einem Anstieg von € 5.513 Tausend oder 109,5 % im Vergleich zu € 5.035 für das zum 31. Dezember 2014 endenden Geschäftsjahr entspricht. Der Anstieg ist im Wesentlichen auf Kosten für die Akquise von Neukunden, um unser internationales Umsatzwachstum zu fördern, sowie auf Einmalaufwendungen im Zusammenhang mit der Reorganisation und dem Angebot (wie unter E.3 definiert) zurückzuführen.

Geschäftsjahre, die zum 31. Dezember 2014 und zum 31. Dezember 2013 endeten

Unsere Umsatzerlöse betrugen in dem zum 31. Dezember 2014 endenden Geschäftsjahr € 84.671 Tausend, was einem Anstieg von € 29.379 Tausend oder 53.1% gegenüber € 55.292 Tausend in dem zum 31. Dezember 2013 endenden Geschäftsjahr entspricht. Der Anstieg ist im Wesentlichen auf einen wesentlichen Anstieg der Umsatzerlöse in Deutschland und einen Anstieg der Umsatzerlöse in Österreich, wo wir unser Produktangebot erhöht haben, zurückzuführen.

Unser Geschäftsergebnis für das zum 31 Dezember 2014 endenden Geschäftsjahr resultierte in einem Nettoverlust von € 5.035 Tausend, was einem Anstieg von € 2.204 Tausend oder 77,9% im Vergleich zu einem Nettoverlust von € 2.831 Tausend für das zum 31. Dezember 2013 endenden Geschäftsjahr entspricht, was im Wesentlichen auf gestiegene Marketingausgaben, die durch den Anstieg an Verkäufen in dieser Periode sowie durch Ausgaben für TV-Werbung und gestiegene IT-Kosten. Gemeinkosten und expansionsbedingte Anlagenkosten verursacht wurden, zurückzuführen ist.

Segmentinformationen

Die nachfolgende Tabelle enthält bestimmte Informationen per Geschäftssegment für die zum 30. Juni 2016 und zum 30. Juni 2015 endenden Sechs-Monats-Zeiträume sowie für die zum 31. Dezember 2015, zum 31. Dezember 2014 und zum 31. Dezember 2013 endenden Geschäftsjahre.

	Sechs-Monats-Zeitraum zum 30. Juni		zum 31. Dezember endende Geschäftsjahre		
	2016	2015	2015	2014	2013
	(ungeprüft)		(in Tsd. €)	(geprüft)	
Umsatzerlöse					
Deutschland[1]	70.174	56.604	115.660	80.968	54.278
international[2]	11.152	2.909	8.425	2.180	893
Dienstleistungen Deutschland[3]	1.976	1.468	3.398	2.198	121
Eliminierungen[4]	−1.141	−452	−1.905	−675	–
Summe Umsatzerlöse	**82.161**	**60.529**	**125.578**	**84.671**	**55.292**
Geschäftssegment-EBITDA (abzüglich Verwaltungsaufwand)[5]					
Deutschland	1.340	25	841	462	1.902
international	−2.099	−547	−2.269	−217	−52
Dienstleistungen Deutschland	474	544	1.194	594	−42
Kombiniertes Geschäftssegment-EBITDA (abzüglich Verwaltungsaufwand)[6]	**−284**	**22**	**−234**	**839**	**1.808**

(1) Deutschland beinhaltet hauptsächlich OTC-Medikamente und apothekenübliche BPC-Produkte, die an einzelne Kunden auf dem deutschen Markt verkauft werden.

(2) International beinhaltet nur OTC-Medikamente und apothekenübliche BPC-Produkte, die an einzelne Kunden auf dem österreichischen, französischen und belgischen Markt verkauft wurden.

(3) Dienstleistungen Deutschland beinhaltet Webshop-Dienstleistungen der Xsite GmbH, die hauptsächlich an deutsche Kunden erbracht werden.

(4) Eliminierungen bezieht sich auf konzerninterne Verkäufe der Xsite GmbH innerhalb Deutschlands.

(5) Wir definieren "Geschäftssegment-EBITDA" als Geschäftssegment-EBIT vor Abschreibungen und Verwaltungsaufwand. "Verwaltungsaufwand" bezieht sich auf Gemeinkosten, die in Zusammenhang mit der IT, dem Finanzwesen und dem Management anfallen und Abschreibungen nicht berücksichtigt. Siehe unseren Jahresabschluss und den Zwischenabschluss sowie insbesondere die Anhangangaben 6 und 10 zu unserem Jahresabschluss. Das Geschäftssegment-EBITDA ist kein IFRS-Begriff und nimmt nicht für sich in Anspruch, eine Alternative zu den Daten aus unserer Gewinn- und Verlustrechnung zu sein, die nach IFRS erstellt wurde. Da keine einheitliche Definition von Kombiniertem Geschäftssegment-EBITDA existiert, ist die Kennzahl Kombiniertes Geschäftssegment-EBITDA anderer Gesellschaften nicht zwangsläufig mit der Kennzahl Kombiniertes Geschäftssegment-EBITDA, wie oben dargestellt, vergleichbar.

(6) Wir definieren "Kombiniertes Geschäftssegment-EBITDA" als gesamtes Geschäftssegment EBITDA für unsere operativen Segmente. Es gibt keine einheitliche Definition von "Kombiniertem Geschäftssegment-EBITDA. Dadurch ist "Kombiniertes Geschäftssegment-EBITDA" das von anderen Gesellschaften gezeigt wird, nicht notwendig vergleichbar mit dem oben gezeigten "Kombiniertes Geschäftssegment-EBITDA".

Leistungskennzahlen

Wir überprüfen die nachfolgenden Leistungskennzahlen regelmäßig, um unser Geschäft zu bewerten, unsere Leistung zu messen, Trends zu identifizieren und strategische Entscheidungen zu treffen.

Leistungskennzahl[1]	Sechs-Monats-Zeitraum zum 30. Juni		zum 31. Dezember endende Geschäftsjahre	
	2016	2015	2015	2014
			(ungeprüft)	
Seitenbesuche[2] (Tsd.)	17.516	12.316	25.496	19.016
Mobilgeräte-Besuche[3] (Tsd.)	7.209	4.210	8.947	5.564
Anteil Mobilgeräte-Besuche[4] (%)	41.2	34.2	35.1	29.3
Anzahl der Bestellungen[5] (Tsd.)	1.841	1.350	2.801	1.945
Anteil Nachbestellungen[6] (%)	74.1	71.3	72.9	67.9
Rücklaufquote[7] (%)	0.7	0.7	0.7	0.8
Aktive Kunden[8] (Tsd.)	1.472	1.120	1.267	968

Leistungskennzahl[1]	30 Jun 2016	31 Mär 2016	31 Dez 2015	30 Sep 2015	30 Jun 2015	31 Mär 2015	31 Dez 2014	30 Sep 2014	30 Jun 2014	31 Mär 2014
Seiten- besuche[2] (Tsd.)	9.086	8.430	7.080	6.101	6.037	6.279	4.886	4.530	4.639	4.962
Mobilgeräte- Besuche[3] (Tsd.)	3.920	3.289	2.726	2.011	2.001	2.209	1.514	1.309	1.374	1.367
Anteil Mobilgeräte-Besuche[4] (%)	43.1	39,0	38,5	33,0	33,1	35,2	31,0	28,9	29,6	27,6
Anzahl Bestellungen[5] (Tsd.)	923	918	775	677	668	682	545	477	440	482
Anteil Nach- bestellungen[6] (%)	73,5	74,7	74,5	74,4	71,5	71,1	71,2	69,4	68,6	62,1
Rücklaufquote[7] (%)	0,7	0,7	0,7	0,7	0,7	0,6	0,7	0,8	0,9	0,9
Aktive Kunden[8] (Tsd.)	1.472	1.361	1.267	1.181	1.120	1.033	968	907	838	778

(1) Die Daten wurden dem internen Berichtswesen der Gesellschaft entnommen und sind ungeprüft.

(2) In Übereinstimmung mit der Standard-Definition der ECONDA Solution for Unique Site Visits definieren wir "**Seitenbesuche**" als Interaktion eines Besuchers mit unserer Webseite. Ein Besuch gilt als beendet, wenn der Besucher die Browser-Instanz verlässt oder mehr als 30 Minuten inaktiv ist.

(3) Wir definieren "**Mobilgeräte-Besuche**" als Seitenbesuche, die von einem Tablett, von einem Smartphone oder von einem anderen Nicht-Desktop-Computer wie beispielsweise von einem Smart-TV aus getätigt werden.

(4) Wir definieren "**Anteil Mobilgeräte-Besuche**" als der prozentuale Anteil der Mobilgeräte-Besuche an allen Seitenbesuchen.

(5) Wir definieren "**Anzahl Bestellungen**" als die Anzahl der Kundenbestellungen, die mindestens ein Produkt beinhalten, das während des Messzeitraums bestellt wurde.

(6) Wie definieren "**Anteil Nachbestellungen**" als der prozentuale Anteil an den während des Messzeitraums abgerechneten Gesamtbestellungen, die keine erstmaligen Bestellungen sind.

(7) Wir definieren "**Rücklaufquote**" als der prozentuale Anteil der abgerechneten Bestellungen, die eine Rückgabe oder eine Reklamation umfassen, an der Gesamtzahl der abgerechneten Bestellungen in einem bestimmten Zeitraum.

(8) Wir definieren "**Aktive Kunden**" als einzelne Kunden, die in den vergangenen 12 Monaten mindestens eine Bestellung abgegeben haben.

Nicht-GAAP-Kennzahlen

In diesem Prospekt verwenden wir bestimmte Nicht-GAAP-Kennzahlen, die von unserem Management als finanzielle Kennzahlen verwendet werden, um die Leistung der Gruppe zu beobachten oder die das Management als nützlich für den Anleger erachtet. Diese Kennzahlen sind nicht nach IFRS anerkannt und sollten aus diesem Grund nicht als Alternative zu den anwendbaren GAAP-Kennzahlen gesehen werden. Keine von diesen Nicht-GAAP-Kennzahlen wurde geprüft, mit Ausnahme des Segment-EBITDA, welches Teil der Segment-Informationen aus den Jahresabschlüssen ist.

Wir haben diese Nicht-GAAP-Kennzahlen und weitere Informationen zur Verfügung gestellt, da wir glauben, dass sie Anlegern zusätzliche Informationen bieten, um die betriebliche Leistungsfähigkeit unserer Geschäftsaktivitäten zu bewerten. Unsere Art der Verwendung dieser Nicht-GAAP-Kennzahlen kann von der Verwendung anderer Unternehmen unseres Industriezweigs abweichen. Die von uns verwendeten Kennzahlen sollten nicht als eine Alternative zu Umsatz, Ertragslage, Periodenergebnis oder zu einer anderen nach IFRS abgeleitete Leistungskennzahl gesehen werden. Diese sollten auch nicht als Alternative zum Mittelabfluss/ Mittelzufluss aus Geschäftstätigkeit als Maß für Liquidität gesehen werden.

Die Nicht-GAAP-Kennzahlen sind nur beschränkt als Analysewerkzeuge einsetzbar und sollten nicht für sich oder als Ersatz für eine Analyse unserer Ergebnisse unter Anwendung der IFRS betrachtet werden. Sie können Beträge nicht berücksichtigen

oder berücksichtigen, die jeweils in der Berechnung der nach IFRS nächst vergleichbaren GAAP-Kennzahlen berücksichtigt oder nicht berücksichtigt werden. Ihre Zweckmäßigkeit ist daher nachfolgend beschriebenen Einschränkungen unterworfen. Die Nicht-GAAP-Kennzahlen sollten zusammen mit unserem jeweils gemäß IFRS erstellten Jahresabschluss, unserem Zwischenabschluss, unserem kombinierten Zwischenabschluss und Jahresabschluss sowie den dazugehörigen Anhängen betrachtet werden. Die folgende Analyse enthält Definitionen für Nicht-GAAP-Kennzahlen, Informationen bezüglich der Zweckmäßigkeit von Nicht-GAAP-Kennzahlen und dort, wo es angebracht ist, eine Überleitung von Nicht-GAAP-Kennzahlen in ihre nächst vergleichbaren GAAP-Kennzahlen.

Wir definieren "**EBIT**" (*earnings before interest and taxes*) als unser auf einen Zeitraum bezogenes Ergebnis unter Nichtberücksichtigung des Finanzergebnisses (d.h. Finanzertrag abzüglich Finanzaufwendungen) und der Ertragssteuer. Wir definieren "**EBITDA**" (*earnings before interests, taxes, depreciation and amortization*) als EBIT unter Nichtberücksichtigung von Abschreibungen. Wir definieren "**Geschäftssegment-EBITDA**" (*segment EBITDA*) als EBIT für jedes Geschäftssegment vor Abschreibungen und Verwaltungsaufwand. Wir definieren "**Kombiniertes Geschäftssegment-EBITDA**" (combined segment EBITDA) als das gesamte Segment-EBITDA unserer Geschäftssegmente. Wir definieren "**bereinigtes EBITDA**" (*adjusted EBITDA*) als EBITDA unter Nichtberücksichtigung bestimmter nicht wiederkehrender Posten, die im Zusammenhang mit der Reorganisation und dem Angebot zusammenhängen.

Wir legen EBIT, EBITDA, bereinigtes EBITDA und Segment-EBITDA als ergänzende Nicht-GAAP-Kennzahlen offen, da wir glauben, dass es sich bei ihnen um bedeutende Kennzahlen hinsichtlich der Bewertung Leistung unserer Geschäftstätigkeit im Zeitverlauf handelt. Wir gehen davon aus, dass diese Kennzahlen von Analysten, Ratingagenturen und Anlegern weitgehend verwendet werden, um unsere Leistung zu beurteilen.

Die nachfolgende Tabelle enthält eine Überleitung unserer Periodenergebnisse in EBIT, EBITDA, bereinigtem EBITDA und kombiniertem Geschäftssegment-EBITDA für die zum 30. Juni 2016 und 30. Juni 2015 endenden Sechs-Monats-Zeiträume sowie für die zum 31. Dezember 2015, 31. Dezember 2014 und 31. Dezember 2013 endenden Geschäftsjahre.

	Sechs-Monats-Zeitraum zum 30. Juni		**zum 31. Dezember endende Geschäftsjahre**		
	2016	**2015**	**2015**	**2014**	**2013**
	(ungeprüft)		**(in Tsd. €)**	**(geprüft)**	
Kombiniertes Geschäftssegment-EBITDA (abzüglich Verwaltungsaufwand)[1]	**−284**	**22**	**−234**	**839**	**1.808**
Verwaltungsaufwand[2]	−3.137	−2.202	−6.419	−3.232	−2.560
EBITDA[3]	**−3.421**	**−2.180**	**−6.653**	**−2.392**	**−752**
Bereinigungen (ungeprüft)[4]	214	148	1.339	–	–
Bereinigtes EBITDA (ungeprüft)	**−3.207**	**−2.032**	**−5.254**	**−2.392**	**−752**
Abschreibungen	−1.489	−964	−2.166	−1.656	−1.126
Betriebsergebnis (EBIT)[5]	**−4.910**	**−3.145**	**−8.819**	**−4.048**	**−1.878**
Finanzierungskosten:					
Finanzerträge	–	394	593	–	–
Finanzaufwendungen	−1.310	−1.157	−2.275	−826	−839
Nettofinanzergebnis	−1.310	−763	−1.682	−826	−839
Ertragsteuern	−4	−24	−47	−161	−113
Periodenergebnis	**−6.224**	**−3.931**	**−10.548**	**−5.035**	**−2.831**

1) Wir definieren "Kombiniertes Geschäftssegment-EBITDA" als das gesamte Geschäftssegment-EBITDA für unsere Geschäftssegmente. Das Geschäftssegment-EBITDA ist kein IFRS-Begriff und nimmt nicht für sich in Anspruch, eine Alternative zu den Daten aus unserer kombinierten Gewinn- und Verlustrechnung zu sein, die nach IFRS erstellt wurde. Da keine einheitliche Definition von Geschäftssegment-EBITDA existiert, ist die Kennzahl Geschäftssegment-EBITDA anderer Gesellschaften nicht zwangsläufig mit der Kennzahl Geschäftssegment-EBITDA, wie oben dar-gestellt, vergleichbar.

2) "Verwaltungsaufwand" bezieht sich auf Gemeinkosten, die in Zusammenhang mit der IT, dem Finanzwesen und dem Management anfallen und Abschreibungen nicht berücksichtigt. Siehe unsere Jahresabschluss- und Zwischenabschluss sowie insbesondere die Anhänge 6 und 10 zu unseren Jahresabschlussberichten.
(3) EBITDA ist definiert als EBIT vor Abschreibungen. EBITDA ist kein IFRS-Begriff und nimmt nicht für sich in Anspruch, eine Alternative zu den Daten aus unserer Gewinn- und Verlustrechnung zu sein, die nach IFRS erstellt wurde. Da keine einheitliche Definition von EBITDA existiert, ist die Kennzahl EBITDA anderer Gesellschaften nicht zwangsläufig mit der Kennzahl EBITDA, wie oben dargestellt, vergleichbar.
(4) "Bereinigungen" in 2015 umfassen nicht wiederkehrende Aufwendungen im Zusammenhang mit der Reorganisation und dem Angebot.
(5) EBIT ist definiert als Ergebnis für die Periode vor Ertragssteuern und Finanzergebnis. EBIT ist keine IFRS-Kennzahl und nimmt nicht für sich in Anspruch, eine Alternative zu den Informationen aus unserer Gewinn- und Verlustrechnung zu sein, die nach IFRS erstellt wurde. Da keine einheitliche Definition von EBIT existiert, ist die Kennzahl EBIT anderer Gesellschaften nicht zwangsläufig mit der Kennzahl EBIT, wie oben dargestellt, vergleichbar.

Aktuelle Entwicklungen

Die Gesamtentwicklung der ersten acht Monate des Jahres 2016 spiegelt eine Verschiebung hin zu ertragsorientiertem Wachstum in unserem deutschen Kernmarkt wider und korrespondiert mit den Erwartungen des Managements: Unser Ertrag für den Sechs-Monats-Zeitraum, der am 30.06.2016 endete, lag bei 82.161€, verglichen mit 60.529€ in den ersten sechs Monaten des Jahres 2015. Im zweiten Quartal 2016 hat Deutschland nach ertragsanteiliger Verteilung der Verwaltungskosten ein positives EBITDA erreicht. Da die Eingliederung des Farmaline Geschäfts in unsere Gruppe erst kürzlich vor Veröffentlichung des Prospekts durchgeführt wurde, können wir noch keine Stellungnahme zu den verwirklichten positiven Auswirkungen, die wir durch die Farmaline Übernahme erwarten, abgeben, wir gehen jedoch davon aus, dass diese unsere Wettbewerbsposition signifikant verbessern wird.

B.8	**Ausgewählte wesentliche Pro-forma Finanzinformationen**	Entfällt. Die Gesellschaft hat keine Pro-forma-Finanzinformationen erstellt.
B.9	**Gewinnprognosen oder Schätzungen**	Entfällt. Die Gesellschaft hat keine Gewinnprognosen oder -schätzungen abgegeben.
B.10	**Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen**	Entfällt. Die Bestätigungsvermerke für die in diesem Prospekt enthaltenen historischen Finanzinformationen wurden jeweils uneingeschränkt erteilt.
B.11	**Nichtausreichen des Geschäftskapitals des Emittenten zur Erfüllung bestehender Anforderungen**	Entfällt. Das uns zur Verfügung stehende Geschäftskapital ist nach Auffassung der Gruppe für ihre derzeitig bestehenden Anforderungen ausreichend, nämlich mindestens für die nächsten zwölf Monate ab Datum dieses Prospekts.
Abschnitt C - Wertpapiere		
C.1	**Art- und Gattung der angebotenen und/oder zum Handel zugelassenen Wertpapiere**	Auf den Inhaber lautende Stammaktien, jeweils mit einem Nennwert von €0,02 und mit voller Gewinnberechtigung ab dem 1. Januar 2016.
	Wertpapierkennung	International Securities Identification Number (ISIN): NL0012044747. Wertpapierkennnummer (WKN): A2AR94. Börsenkürzel: SAE.
C.2	**Währung**	Euro.
C.3	**Zahl der ausgegebenen und voll eingezahlten Aktien**	Zum Datum dieses Prospekts beträgt das Grundkapital der Gesellschaft €109.969, eingeteilt in 5.498.450 auf den Inhaber lautende Stammaktien, jeweils mit einem Nennwert von €0,02. Alle zum Datum dieses Prospekts ausgegebenen Aktien sind voll eingezahlt und alle Aktien, die vor Handelsbeginn ausgegeben werden, werden voll eingezahlt sein. In Zusammenhang mit und für die Zwecke dieses Angebots ist zu erwarten, dass die Gesellschaft bis zu 3.571.428 Neue Aktien ausgeben wird. Am 28. September 2016 hat der Vorstand der Gesellschaft (der "**Vorstand**") mit vorheriger Genehmigung des

		Aufsichtsrats beschlossen, eine solche Zahl an Neuen Aktien auszugeben, die notwendig ist um das Angebot abzuschließen hat und die Bezugsrechte, die den gegenwärtigen Aktionären möglicherweise zustehen, auszuschließen (die "**IPO-Kapitalerhöhung**"), ausgeben wird. Es wird erwartet, dass die IPO Kapitalerhöhung am 11. Oktober 2016 wirksam werden wird. Mit Wirksamwerden der Kapitalerhöhung wird sich das ausgegebene und im Umlauf befindliche Grundkapital auf bis zu €181.397,56 belaufen und in bis zu 9.069.878 auf den Inhaber lautende Stammaktien, jeweils mit einem Nennwert von €0,02 eingeteilt sein.
	Nennwert	Zum Datum dieses Prospekts repräsentiert jede Aktie einen anteiligen Betrag von €0,02 am Grundkapital der Gesellschaft.
C.4	**Mit den Wertpapieren verbundene Rechte**	Jede Aktie gewährt in der Hauptversammlung der Gesellschaft (die "**Hauptversammlung**") eine Stimme. Beschränkungen des Stimmrechts bestehen nicht, mit Ausnahme eines Stimmrechtsausschlusses für die Aktien, die die Gesellschaft selbst hält oder eine ihrer etwaigen Tochtergesellschaften hält. Die Aktien sind ab dem 1. Januar 2016 voll gewinnanteilberechtigt. Jeder Aktionär verfügt über ein verhältnismäßiges Bezugsrecht entsprechend dem Gesamtnennwert seiner Aktien im Zeitpunkt der Ausgabe Neuer Aktien. Von diesem Bezugsrecht ausgenommen sind die Ausgabe Neuer Aktien: (i) gegen Sacheinlagen (eine andere Kapitaleinlage als eine Bareinlage), (ii) an Arbeitnehmer der Gesellschaft oder jedes andere Mitglied der Gruppe, und (iii) an Personen, die ein in der Vergangenheit eingeräumtes Bezugsrecht ausüben. Diese Bezugsrechte gelten auch für den Fall, dass Zeichnungsrechte ausgegeben werden. Mit Genehmigung des Aufsichtsrats der Gesellschaft ist der Vorstand berechtigt, die Bezugsrechte der Aktionäre zu beschränken oder auszuschließen, sofern, und in dem Umfang, in dem der Vorstand hierzu von der Hauptversammlung ermächtigt wurde, und nur falls der Vorstand zu diesem Zeitpunkt auch ermächtigt ist, Aktien auszugeben. Am 28. September 2016 hat die Hauptversammlung den Vorstand, mit der vorherigen Zustimmung des Aufsichtsrats, für den Zeitraum von 18 Monaten beginnend am 28. September 2016, als für die Ausgabe von Neuen Aktien oder die Gewährung von Zeichnungsrechten für Neue Aktien zuständiges Organ festgelegt. In ihrem Beschluss hat die Hauptversammlung beschlossen, die Kompetenz des Vorstands im Hinblick auf die Ausgabe von Aktien and die Gewährung von Zeichnungsrechten für Aktien auf ein Maximum von bis zu 65% des ausgegebenen und in Umlauf befindlichen Grundkapitals zu beschränken.
C.5	**Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere**	Die angebotenen Aktien (wie im Folgenden definiert), die nach Maßgabe dieses Angebots angeboten werden, werden frei übertragbar sein. Allerdings kann das Angebot der angebotenen Aktien gegenüber Personen, die in bestimmten Ländern wohnhaft oder Staatsangehörige bestimmter Länder sind, durch die Gesetze des jeweiligen Landes beeinträchtigt werden.
C.6	**Antrag auf Zulassung der Wertpapiere zum Handel an einem regulierten Markt und Nennung aller regulierten Märkte, an denen die Wertpapiere gehandelt werden bzw. werden sollen**	Die Gesellschaft wird die Zulassung der Aktien zum Handel auf dem regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) am oder um den 29. September 2016 beantragen. Der Zulassungsbeschluss für die Aktien wird voraussichtlich am 12. Oktober 2016 erteilt. Der Handel mit den Aktien an der Frankfurter Wertpapierbörse wird voraussichtlich am 13. Oktober 2016 beginnen.
C.7	**Dividendenpolitik**	Die Gesellschaft beabsichtigt derzeit, alle verfügbaren und künftigen Gewinne zur Unterstützung ihres Geschäftsbetriebs und zur Finanzierung des Wachstums und der Entwicklung des Geschäftsbetriebs der Gruppe einzubehalten und beabsichtigt nicht, in absehbarer Zukunft Bardividenden auszuschütten. Es kann nicht zugesichert werden, dass es in irgendeinem Jahr zur Zahlung von Dividenden kommen wird. Etwaige Dividendenzahlungen sowie deren Höhe und Zeitpunkt werden von verschiedenen Faktoren abhängen, etwa den künftigen Einnahmen, Erträgen, der finanziellen Situation, den gesamtwirtschaftlichen Rahmenbedingungen und Zukunftsperspektiven sowie weiteren Faktoren, die der Vorstand, vorbehaltlich der vorherigen Zustimmung des Aufsichtsrats, für relevant erachtet, sowie von weiteren gesetzlichen und regulatorischen Anforderungen, auf

welche die Gesellschaft größtenteils keinen Einfluss hat. Es kann keine Zusicherung abgegeben werden, dass die Ertragslage der Gruppe die Wahrung der Dividendenpolitik oder eine Erhöhung der Ausschüttungsquote ermöglichen wird; insbesondere könnte die Fähigkeit der Gesellschaft, Dividenden zu zahlen, beeinträchtigt sein, sofern sich eines der in diesem Prospekt beschriebenen Risiken verwirklicht. Die Gesellschaft ist eine Holdinggesellschaft und ihre Fähigkeit Einkommen zu generieren und Dividenden auszuschütten hängt davon ab, ob ihre Tochtergesellschaften in der Lage sind, Dividenden anzukündigen und auszuzahlen oder der Gesellschaft Kapital bereitzustellen. Im Übrigen ist die Auszahlung von Dividenden Beschränkungen des niederländischen Rechts bzgl. der Ausschüttung von Dividenden unterworfen. Darüber hinaus kann sich die Dividendenpolitik der Gesellschaft, die der Vorstand, vorbehaltlich vorheriger Zustimmung durch den Aufsichtsrat, von Zeit zu Zeit überarbeitet, zukünftig ändern.

Abschnitt D - Risiken

D.1 Zentrale Risiken, die dem Emittenten oder seiner Branche eigen sind

Risiken im Zusammenhang mit unserer Geschäftstätigkeit

- Sollten wir nicht in der Lage sein, unser Wachstum effektiv zu gestalten, könnte sich dies nachteilig auf unsere Geschäftstätigkeit, Finanz- und Ertragslage auswirken.
- Wir sind von unseren Werbepartnern abhängig und es besteht das Risiko, dass diese Partner ihre Richtlinien betreffend die Veröffentlichung von Apotheken-Werbung auf ihren Plattformen verändern oder ihre Richtlinien nicht im Hinblick auf geänderte Zertifizierungen anpassen, was sich auf unsere Fähigkeit Kunden zu werben nachteilig auswirken wird.
- Seit unserer Gründung haben wir erhebliche betriebsbedingte Verluste erlitten und es gibt keine Garantie dafür, dass wir erfolgreich wachsen, erfolgreich unser Geschäft betreiben und in Zukunft Profite erreichen werden.
- Unser kürzlich erfolgter Einstieg in den jeweiligen niederländischen, italienischen und spanischen Markt, sowie unser Plan, unsere Geschäftstätigkeit auf neue Märkte in Kontinentaleuropa auszuweiten, wird uns einer Vielzahl unterschiedlicher lokalrechtlicher, regulatorischer, steuerlicher und kultureller Standards aussetzen, die wir möglicherweise nicht erfüllen oder einhalten werden können.
- Wir haben eine kurze Unternehmensgeschichte und sind in fragmentierten, für uns neuen, geografischen Märkten, tätig, was es schwierig macht, unsere Zukunftsperspektiven abzuschätzen.
- Wir sind möglicherweise nicht dazu in der Lage, ein effizientes System interner Kontrollen unserer Rechnungslegung zu implementieren und/oder aufrechtzuerhalten. Unsere internen Berichterstattungs- und/oder Risikomanagement-Verfahren reichen möglicherweise nicht aus, um den Bedürfnissen unseres wachsenden Unternehmens gerecht zu werden.
- Jeder Fehler einer Apotheke bei der Abfüllung oder Verpackung von Medikamenten oder anderen Produkten, die wir verkaufen, könnte uns möglicherweise der Haftung aussetzen und negative Publizitätseffekte nach sich ziehen.
- Informationen, die von unseren Apothekern oder auf unserer Webseite zur Verfügung gestellt werden, könnten uns möglicherweise der Haftung aussetzen und negative Publizitätseffekte nach sich ziehen.
- Jede öffentlich bekanntgemachte Unzufriedenheit mit unseren Produkten, Dienstleistungen oder Angeboten, Beschwerden in sozialen Medien, kritische Berichterstattung in den Medien oder negative Lobbyarbeit könnten unseren Ruf, sowie unsere Marke schädigen.
- Sollten wir nicht dazu in der Lage sein, unseren Kunden ein attraktives Online-Einkaufserlebnis anzubieten, oder ihre Erwartungen zu erfüllen, könnte dies unser Wachstum beschränken und wir könnten daran gehindert sein, Profitabilität zu erlangen oder beizubehalten.
- Die Nutzung von Smartphones, Tablet-Computern und anderen Mobilgeräten steigt stetig und wenn wir nicht dazu in der Lage sind, uns diesen Veränderungen erfolgreich anzupassen, könnte sich dies nachteilig auf die Akzeptanz unseres Online-Angebots durch unsere Kunden auswirken.

- Wir sind von einer begrenzten Anzahl von Lieferanten von OTC-Medikamenten und apothekenüblichen BPC-Produkten abhängig. Es besteht das Risiko, dass unsere Lieferanten den Verkauf an uns zu finanziell tragbaren Preisen einstellen, oder uns nicht mit Produkten beliefern, die unseren Bedingungen entsprechen, oder gegen geltende Gesetze oder Vorschriften verstoßen.
- Hinsichtlich unserer Marketingaktivitäten setzen wir auf Email, Telefon und andere Messaging-Dienste. Jegliche Einschränkung betreffend den Versand von Emails oder Nachrichten, oder auftretende Zustellungsverspätungen, könnten sich negativ auf die positive Kundenwahrnehmung unseres Angebotes und auf unseren guten Ruf auswirken.
- Jede Veränderung der Algorithmen oder Servicebedingungen von Suchmaschinen könnte unsere Webseite entweder aus den Suchergebnissen ausschließen, oder ihr in den Suchergebnissen ein niedrigeres Ranking zuweisen und/oder die Erhöhung der Marketingkosten erfordern.
- Sollten wir nicht dazu in der Lage sein, unseren Geschäftsbetrieb einem höheren Automatisierungsgrad zuzuführen, könnte die Entwicklung unseres Lagersystems beeinträchtigt werden.
- Im Hinblick auf die Distribution unserer Produkte an unsere Kunden und in Bezug auf unsere eigene Belieferung mit bestimmten Produkten durch Lieferanten und Hersteller sind wir in hohem Maße von dritten Logistikdienstleistern abhängig; unsere Distributionskosten könnten von Veränderungen der Benzinpreise oder anderer Faktoren, auf die wir keinen Einfluss haben, beeinflusst werden, wobei wir möglicherweise Preiserhöhungen nicht an unsere Kunden weitergeben könnten.
- Wir sind Zahlungsrisiken ausgesetzt.
- Wir sind auf die Zahlungsabwicklung durch Dritte angewiesen und falls diese Dritten ihre Dienstleistungen nicht ordnungsgemäß erbringen oder falls sie ihre Geschäftsbeziehungen zu uns beenden, könnten unsere Kosten steigen und unsere Geschäftstätigkeit, sowie unser Geschäftsergebnis könnten beeinträchtigt werden.
- Sollten wir nicht dazu in der Lage sein, unsere Internet- und Mobilgeräte-Infrastruktur sowie andere Technologien zu bedienen, aufrechtzuerhalten, zu integrieren und zu skalieren, könnte dies einen negativen Effekt auf unsere Geschäftstätigkeit haben.
- Wir sind dem Risiko von Sicherheitslücken und der unautorisierten Nutzung einer oder mehrerer unserer Websites, Datenbanken, Online-Sicherheitssysteme oder elektronischen Logistiksysteme ausgesetzt.
- Der unzureichende Schutz vertraulicher Informationen könnte unsere Marktposition sowie unseren Ruf erheblich schädigen und uns der Haftung nach Maßgabe des Datenschutzgesetzes aussetzen.
- Die Mitglieder unseres Führungsteams haben keine Erfahrung mit der Leitung oder der Rechnungslegung eines börsennotierten Unternehmens. Darüber hinaus könnten Compliance-Anforderungen es erfordern, der operativen Unternehmensführung Ressourcen zu entziehen.

Risiken im Zusammenhang mit dem Erwerb des Farmaline Geschäfts

- Der Erwerb des Farmaline Geschäfts ist mit rechtlichen Risiken verbunden.
- Es kann sein, dass das Geschäft der von uns erworbenen Farmaline hinter den Erwartungen zurückbleibt und daher die Kosten des Erwerbs nicht rechtfertigt. Wir könnten die strategischen Ziele, die wir mit dem Erwerb von Farmaline verfolgen, verfehlen, oder sie nur zum Teil, unter höheren Kosten und/oder zu einem späteren Zeitpunkt als ursprünglich vorhergesehen erreichen.
- Die von uns nach dem Erwerb des Farmaline Geschäfts verfolgte Zwei-Marken-Strategie könnte unsere Bruttomarge pro Produkt negativ beeinflussen.

Risiken im Zusammenhang mit dem regulatorischen Umfeld

- In den Rechtsordnungen, in denen wir tätig sind, sind wir einer Vielzahl von Regulierungen unterworfen, einschließlich aber nicht beschränkt auf

Verbraucherschutzgesetze, Vorschriften betreffend den elektronischen Geschäftsverkehr, Datenschutzgesetze, Online-Apotheken und Wettbewerbsgesetze. Durch zukünftige Regulierung könnte unsere Geschäftstätigkeit zusätzlichen Anforderungen und anderen Verpflichtungen unterstellt werden.

- Wenn eine Aufsichtsbehörde geltend macht, dass wir unerlaubterweise ärztliche Tätigkeiten ausgeübt haben oder, dass unser Geschäftskonzept gegen anwendbare länderspezifische Arzneimittelgesetze verstößt, könnten wir erheblichen Haftungsverbindlichkeiten ausgesetzt werden und in der Folge unser pharmazeutisches Angebot beschränken müssen.
- Wir verkaufen unsere Waren in mehrere kontinentaleuropäische Länder und sind in diesen Ländern rechtlichen und regulatorischen Risiken ausgesetzt.
- Sollten wir nicht dazu in der Lage sein, unsere aktuellen Domain-Namen sowie zukünftige Domain-Namen unseres Online-Shops zu erwerben, zu nutzen oder zu behalten, könnte dies einen erheblichen Schaden für unser Geschäft, unsere Finanzlage und unsere Ertragslage zur Folge haben.
- Für uns ungünstige Gerichtsentscheidungen oder Vergleiche in Rechtsstreitigkeiten könnten uns finanziell schädigen und unsere Fähigkeit, unser Geschäft zu betreiben, beschränken.
- Unsere Kontroll- und Vorsorgemechanismen, welche die konzernweite Einhaltung gesetzlicher Vorgaben sicherstellen sollen, könnten sich als unzureichend erweisen, um uns angemessen vor allen rechtlichen und finanziellen Risiken zu schützen.

Mit der Reorganisation verbundene Risiken

- Wir haben eine kurze Unternehmensgeschichte in der gegenwärtigen Unternehmensstruktur. Aufgrund der Reorganisation sind die Teile von den historischen Finanzinformationen, die in diesem Prospekt dargestellt werden, komplex und basieren auf einer Vielzahl von Schätzungen und Annahmen. Diese spiegeln unsere Geschäftstätigkeit, finanzielle Situation sowie unsere Ergebnisse möglicherweise nicht so wieder, als ob unser Unternehmen in seiner gegenwärtigen Form seit dem 1. Januar 2013 bestanden hätte, und haben möglicherweise keine Aussagekraft in Bezug auf unsere zukünftigen Geschäftsergebnisse.

D.2 Zentrale Risiken, die den Wertpapieren eigen sind

Risiken bezogen auf unsere Aktien und auf das Angebot

- Nach dem Angebot werden alle Mitglieder unseres Vorstands, sowie eine große Zahl unserer zum Datum des Prospekts existierenden Aktionäre (die "**Existierenden Aktionäre**") zugleich Anteilseigner der Europa Apotheek Gruppe sein, die eine unserer Wettbewerber ist und ihre Interessen könnten mit unseren Interessen und den Interessen unserer anderen Aktionäre oder Investoren im Konflikt stehen.
- Unsere Fähigkeit, Dividenden zu zahlen, hängt u.a. von unserer finanziellen Situation und unserer Ertragslage ab.
- Der Preis unserer Aktien könnte signifikant schwanken und Investoren könnten ihr gesamtes oder Teile ihres Investments verlieren.
- Künftige Angebote von Schuldverschreibungen und Aktien könnten den Marktpreis der Aktien negativ beeinflussen und zukünftige Kapitalisierungsmaßnahmen könnten die Beteiligungen unserer Aktionäre erheblich verwässern.
- Das Angebot könnte nicht stattfinden.
- Die Einhaltung der gesetzlichen Vorschriften, welche an Aktiengesellschaften gestellt werden, wird unsere administrativen Anforderungen erhöhen, höhere Kosten verursachen und erheblich die Aufmerksamkeit des Managements fordern.

Abschnitt E - Angebot

E.1 Gesamtnettoerlöse

Die Gesellschaft wird im Zusammenhang mit dem Angebot den Erlös erhalten, der sich aus dem Verkauf der Neuen Aktien ergibt. In dem Umfang, in dem die Greenshoe-Option (wie unter E.3 definiert) ausgeübt wurde, werden die Greenshoe-Aktionäre (wie unter E.3 definiert) den Angebotspreis (wie unter E.3 definiert) für jede ihrer Aktien, für die die Greenshoe-Option ausgeübt wurde, erhalten.

		Die Höhe der Erlöse aus dem Angebot und die Kosten im Zusammenhang mit dem Angebot sind von dem endgültigen Angebotspreis, der sich auch auf die Festlegung der an die Konsortialbanken (wie weiter unten definiert) zahlbaren Provisionen und Gebühren auswirkt, sowie von der Zahl der Aktien, die platziert werden, abhängig. Joh. Berenberg, Gossler & Co. KG ("**Berenberg**"), Citigroup Global Markets Limited ("**Citi**") and COMMERZBANK Aktiengesellschaft ("**COMMERZBANK**" und zusammen mit Berenberg und Citi, die "**Konsortialbanken**") handeln im Rahmen des Angebots als Konsortialbanken. Die Gesellschaft plant einen Gesamtbruttoerlös in Höhe von circa €100 Millionen aus dem Verkauf der Neuen Aktien im Rahmen des Angebots zu erzielen. Im Hinblick auf das Angebot der Neuen Aktien und die Börsennotierung der Aktien an der Frankfurter Wertpapierbörse werden sich die Kosten der Gesellschaft voraussichtlich auf bis zu etwa €5,2 Millionen, einschließlich Provisionen für die Konsortialbanken in Höhe von etwa €2,5 Millionen und Erfolgsvergütung in Höhe von bis zu €1,5 Millionen, belaufen und der Gesamtnettoerlös der Gesellschaft aus dem Verkauf der Neuen Aktien, also der Bruttoerlös abzüglich der Kosten der Gesellschaft und der an die Konsortialbanken zu zahlenden Provisionen und Gebühren, wird voraussichtlich etwa €94,8 Millionen betragen. Falls der endgültige Angebotspreis zum Mittelwert oder am oberen Ende der Preisspanne festgesetzt wird, kann die Anzahl der zu platzierenden Neuen Aktien signifikant kleiner sein als am unteren Ende der Preisspanne. Um Gesamtbruttoerlöse von voraussichtlich €100 Millionen zu erzielen, müssten am unteren Ende der Preisspanne 3.571.428 Neue Aktien platziert werden, während zum Mittelwert der Preisspanne 3.174.603 Neue Aktien und am oberen Ende der Preisspanne 2.857.142 Neue Aktien platziert werden müssten. Die Entscheidung über die Anzahl der zu platzierenden Neuen Aktien wird am 11. Oktober 2016 vom Vorstand der Gesellschaft getroffen.
	Geschätzte Gesamtkosten der Emission und der Zulassung, einschließlich Schätzung der dem Investor vom Emittent in Rechnung gestellten Auslagen	Die Gesellschaft schätzt, dass sich die Gesamtausgaben der Gesellschaft im Zusammenhang mit dem Angebot und der Börsennotierung der Aktien an der Frankfurter Wertpapierbörse auf voraussichtlich €5,2 Millionen, einschließlich der Provisionen für die Konsortialbanken von voraussichtlich bis zu €2,5 Millionen und Erfolgsvergütung in Höhe von bis zu €1,5 Millionen belaufen.
E.2a	**Gründe für das Angebot**	Die Gesellschaft beabsichtigt die Zulassung der Aktien zum Handel am regulierten Markt der Frankfurter Wertpapierbörse und die gleichzeitige Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) zu erhalten, um sich einen besseren Zugang zu den Kapitalmärkten zu verschaffen.
	Zweckbestimmung der Erlöse, geschätzte Nettoerlöse	Wir beabsichtigen, etwa €80 Millionen von den Erlösen aus dem Angebot zu ungefähr gleichen Teilen (i) zur Erhöhung unseres Betriebskapitals (Working Capital) durch die Finanzierung von beispielsweise zusätzlichem Inventar, (ii) zur Investition in die zusätzliche Automatisierung unserer Abläufe sowie IT und (iii) zur vollständigen Rückführung von Gesellschafterdarlehen zu verwenden. Den Rest werden wir verwenden, um entsprechend unserer Strategie unsere Marktführerschaft zu festigen und die Marktdurchdringung von neuen Märkten voranzutreiben.
E.3	**Angebotskonditionen**	Der Prospekt bezieht sich auf das Angebot und den Verkauf (das "**Angebot**") von bis zu 4.107.142 Aktien, bestehend aus: • bis zu 3.571.428 neu im Rahmen der IPO-Kapitalerhöhung von der Gesellschaft auszugebende Aktien (die "**Neuen Aktien**"); und • bis zu 535.714 Aktien aus dem Aktienbestand von MK Beleggingsmaatschappij Venlo B.V., Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Vivus Beteiligungen GmbH, Stephan Weber, Frank Köhler, Marc Fischer und Jens Kuhn (die "**Greenshoe-Aktionäre**") im Zusammenhang mit einer möglichen Mehrzuteilung (die "**Mehrzuteilungsaktien**" und, zusammen mit den Neuen Aktien, die "**Angebotsaktien**")

	Das Angebot besteht aus (i) einem öffentlichen Angebot an institutionelle Anleger und Privatanleger in der Bundesrepublik Deutschland ("**Deutschland**") und (ii) einer Privatplatzierung an bestimmte institutionelle Investoren in verschiedenen anderen Jurisdiktionen außerhalb von Deutschland. In den Vereinigten Staaten von Amerika (die "**Vereinigten Staaten**") werden die Aktien der Gesellschaft nur qualifizierten institutionellen Käufern *(Qualified Institutional Buyers* - "**QIBs**"), wie sie in Rule 144A ("**Rule 144A**") des US-amerikanischen Securities Act von 1933 in der jeweils geltenden Fassung (der "**Securities Act**") definiert sind, im Vertrauen auf Rule 144A oder eine andere Ausnahme von dem Registrierungserfordernis des Securities Act angeboten und verkauft. Außerhalb der Vereinigten Staaten werden die Angebotsaktien nur im Rahmen von Offshore-Transaktionen nach Maßgabe der Regulation S ("**Regulation S**") unter dem Securities Act angeboten und verkauft.
Angebotszeitraum	Der Zeitraum, in dem Anleger ihre Kaufangebote für die Angebotsaktien abgeben können, beginnt voraussichtlich am 29. September 2016 und endet voraussichtlich am 11. Oktober 2016 (der „**Angebotszeitraum**"). Am letzten Tag des Angebotszeitraums können Kaufangebote (i) von Privatanlegern bis 12:00 Uhr (Mitteleuropäische Sommerzeit) („**MESZ**") bzw. (ii) von institutionellen Anlegern bis 14:00 Uhr (MESZ) abgegeben werden.
Preisspanne und Angebotspreis	Die Preisspanne, innerhalb derer Kaufangebote abgegeben werden können, liegt zwischen €28.00 und €35.00 je Angebotsaktie. Der Angebotspreis (der „**Angebotspreis**") und die endgültige Anzahl der im Rahmen des Angebots zu platzierenden Angebotsaktien werden gemeinsam von der Gesellschaft und den Konsortialbanken festgelegt. Der Preis wird auf Grundlage der von Anlegern abgegebenen Kaufangebote, die in einem im Rahmen eines Bookbuilding-Verfahrens erstellten Orderbuchs gesammelt werden, festgesetzt. Der Angebotspreis und die endgültige Anzahl der im Rahmen des Angebots zu platzierenden Angebotsaktien (d.h. das Ergebnis des Angebots) werden voraussichtlich am 11. Oktober 2016 festgesetzt. Nach der Festsetzung des Angebotspreises werden die Angebotsaktien auf Basis der vorliegenden Kaufangebote den Investoren zugeteilt. Der Angebotspreis und die endgültige Anzahl der im Rahmen des Angebots platzierten Angebotsaktien (d.h. die Ergebnisse des Angebots) werden voraussichtlich am 11. Oktober 2016 in einer Ad-hoc-Mitteilung über ein elektronisches Informationssystem und auf der Website der Gesellschaft (www.shop-apotheke-europe.com) veröffentlicht.
Änderungen der Angebotskonditionen	Die Gesellschaft behält sich das Recht vor, gemeinsam mit den Konsortialführern, die Gesamtzahl der Angebotsaktien herabzusetzen oder zu erhöhen, die untere und/oder obere Grenze der Preisspanne zu senken oder zu erhöhen und/oder den Angebotszeitraum zu verlängern oder zu verkürzen. Sofern die Angebotskonditionen geändert werden, wird die Änderung mittels elektronischer Medien auf der Website der Gesellschaft (www.shop-apotheke-europe.com) bekanntgegeben und falls notwendig auch als Ad-hoc-Mitteilung und/oder als Nachtrag zu diesem Prospekt veröffentlicht werden. In dem Übernahmevertrag zwischen der Gesellschaft, den Greenshoe-Aktionären und den Konsortialbanken vom 28. September 2016 (der "**Übernahmevertrag**") haben sich die Konsortialbanken das Recht vorbehalten, das Angebot unter bestimmten Voraussetzungen zu beenden. Das Angebot kann auch noch nach Handelsbeginn und bis zur Lieferung der Angebotsaktien gegen Zahlung des Angebotspreises und der üblichen Effektenprovision beendet werden. Falls der Übernahmevertrag beendet wird, wird das Angebot nicht stattfinden. Alle bereits erfolgten Zuteilungen an Investoren werden annulliert. In einem solchen Fall besteht kein Anspruch auf Lieferung. Ansprüche bezüglich einer bereits ausgezahlten Effektenprovision und bezüglich der Kosten, die Investoren im Zusammenhang mit der Zeichnung entstanden sind, bestimmen sich ausschließlich anhand des Rechtsverhältnisses zwischen dem Investor und dem Institut, gegenüber dem der Investor seinen Zeichnungsauftrag abgegeben hat.
Lieferung und Zahlung	Die Lieferung der Angebotsaktien erfolgt voraussichtlich am 14. Oktober 2016 gegen Zahlung des Angebotspreises. Die Angebotsaktien sind und werden durch eine oder mehrere Globalurkunden verkörpert, welche im Depot von der Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Deutschland ("**Clearstream**") für und im Interesse der Parteien aufbewahrt werden die ein Recht an den Angebotsaktien haben, welche durch solche Globalurkunden vertreten werden.

	Stabilisierungsmaßnahmen, Mehrzuteilung und Greenshoe Option	Im Zusammenhang mit der Platzierung der Angebotsaktien fungiert Berenberg, auf Rechnung der Konsortialbanken, als Stabilisierungsmanager (der „**Stabilisierungsmanager**“) und kann als solcher in Übereinstimmung mit den rechtlichen Bestimmungen Mehrzuteilungen vornehmen und Stabilisierungsmaßnahmen ergreifen, um den Marktpreis der Aktien zu stützen und dadurch einem etwaigen Verkaufsdruck entgegenzuwirken. Der Stabilisierungsmanager ist nicht verpflichtet, Stabilisierungsmaßnahmen zu ergreifen. Daher kann auch keine Gewähr dafür übernommen werden, dass Stabilisierungsmaßnahmen ergriffen werden. Soweit Stabilisierungsmaßnahmen ergriffen werden, können diese jederzeit ohne Vorankündigung eingestellt werden. Derartige Stabilisierungsmaßnahmen können ab dem Zeitpunkt der Aufnahme der Börsennotierung der Aktien am regulierten Markt der Frankfurter Wertpapierbörse ergriffen werden und müssen spätestens am dreißigsten Kalendertag nach diesem Zeitpunkt beendet sein (der „**Stabilisierungszeitraum‘**‘). Diese Maßnahmen könnten dazu führen, dass der Börsenkurs der Aktien höher ist, als er es ohne diese Maßnahmen wäre. Darüber hinaus kann sich vorübergehend ein Börsenkurs auf einem Niveau ergeben, das nicht von Dauer ist. Bei möglichen Stabilisierungsmaßnahmen können Investoren als Teil des Angebots zusätzlich zu den Neuen Aktien bis zu 535.714 Mehrzuteilungsaktien (im Umfang von höchstens 15% der Neuen Aktien) zugeteilt werden (die „**Mehrzuteilung**”). Die Mehrzuteilungsaktien werden dem Stabilisierungsmanager für Rechnung der Konsortialbanken in Form eines Wertpapierdarlehens zur Verfügung gestellt. Die Greenshoe-Aktionäre haben den Konsortialbanken eine Option zum Erwerb von bis zu 535.714 Mehrzuteilungsaktien aus ihrem Aktienbestand zum Angebotspreis abzüglich der an die Konsortialbanken zu zahlenden Provisionen und Gebühren (die „**Greenshoe-Option**”) eingeräumt, um etwaige Mehrzuteilungen zu bedienen (alle Mehrzuteilungsaktien, die aufgrund der Ausübung der Greenshoe-Option gekauft wurden, die „**Greenshoe-Aktien**“). Die Greenshoe-Option wird am oder um den 12. November 2016 (30 Tage nach dem ersten Handelstag der Aktien auf der Frankfurter Wertpapierbörse) enden. Der Stabilisierungsmanager hat das Recht, die Greenshoe-Option bis dem Umfang der ursprünglichen Mehrzuteilungen auszuüben. Dabei ist die Anzahl der Aktien, für welche die Greenshoe-Option ausgeübt wird, um die Anzahl derjenigen Aktien zu reduzieren, die von dem Stabilisierungsmanager am Datum der Ausübung der Greenshoe-Option gehalten werden und von ihm im Zusammenhang mit Stabilisierungsmaßnahmen erworben wurden. Nach Ende des Stabilisierungszeitraums wird innerhalb einer Woche in verschiedenen Medien mit Verbreitung im gesamten EWR bekannt gemacht, ob Stabilisierungsmaßnahmen ergriffen wurden, wann die Kursstabilisierung begonnen und beendet wurde sowie innerhalb welcher Kursspanne die Stabilisierungsmaßnahmen erfolgten. Letzteres wird für jeden Termin, zu dem Kursstabilisierungsmaßnahmen ergriffen wurden, bekannt gegeben. Die Ausübung der Greenshoe-Option, der Zeitpunkt ihrer Ausübung sowie die Anzahl der Greenshoe-Aktien werden unverzüglich in derselben Weise bekannt gemacht.
E.4	**Wesentliche Interessen an der Emission/dem Angebot, einschließlich kollidierender Interessen**	Die Konsortialbanken handeln bei dem Angebot im Auftrag der Gesellschaft und koordinieren die Strukturierung und Durchführung des Angebots. Zudem ist Berenberg beauftragt, als Designated Sponsor für die Aktien zu fungieren und Bankhaus Neelmeyer AG wurde als Zahlstelle bestellt. Bei erfolgreicher Durchführung des Angebots erhalten die Konsortialbanken eine Provision. Aufgrund dieser vertraglichen Beziehung haben die Konsortialbanken ein finanzielles Interesse am Erfolg des Angebots. Zudem kann im Zusammenhang mit dem Angebot jede der Konsortialbanken bzw. jedes ihrer verbundenen Unternehmen als Anleger für eigene Rechnung Aktien im Rahmen des Angebots erwerben und solche Aktien oder damit verbundene Anlagen in dieser Eigenschaft für eigene Rechnung halten, kaufen oder verkaufen sowie solche Aktien oder damit verbundene Anlagen auch außerhalb des Angebots anbieten oder verkaufen. Zudem können bestimmte Konsortialbanken oder ihre verbundenen Unternehmen Finanzierungsvereinbarungen (einschließlich Swaps oder Differenzkontrakten) mit Anlegern abschließen, in deren Zusammenhang solche Konsortialbanken (oder ihre verbundenen Unternehmen) von Zeit zu Zeit Aktien der Gesellschaft oder anderes Beteiligungskapital erwerben, halten oder veräußern können. Keine der Konsortialbanken beabsichtigt, solche Anlagen oder

		Transaktionen in einem weiteren Umfang offenzulegen als demjenigen, zu dem sie aufgrund gesetzlicher oder aufsichtsrechtlicher Vorschriften verpflichtet ist, bzw. in einem weiteren Umfang als sie in diesem Prospekt offengelegt sind. Einige der Konsortialbanken oder ihre verbundenen Unternehmen unterhalten derzeit geschäftliche Beziehungen (einschließlich Darlehensgeschäften) zu unserer Gruppe oder erbringen im Rahmen des gewöhnlichen Geschäftsbetriebs Leistungen für unsere Gruppe oder können in Zukunft weiterhin solche Beziehungen unterhalten oder Leistungen erbringen. Die Greenshoe-Aktionäre werden die Erlöse aus den im Rahmen des Angebots verkauften Greenshoe-Aktien erhalten. Unter der Annahme einer vollständigen Platzierung aller Greenshoe-Aktien und nach Abzug der Kosten der Greenshoe-Aktionäre und der an die Konsortialbanken zu zahlenden Provisionen und Gebühren, würden die Erlöse der Greenshoe-Aktionäre aus dem Angebot etwa €14,5 Millionen, oder 13,3% der Gesamtnettoerlöse, betragen.
E.5	**Name der Person/des Unternehmens, die/das das Wertpapier zum Verkauf anbietet**	Die Neuen Aktien werden von der Gesellschaft verkauft. Die Greenshoe-Aktien, soweit solche verkauft werden, werden von den Greenshoe-Aktionären (namentlich von MK Beleggingsmaatschappij Venlo B.V., Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Vivus Beteiligungen GmbH, Stephan Weber, Frank Köhler, Marc Fischer und Jens Kuhn) verkauft. Die Neuen Aktien und die Mehrzuteilungs-Aktien werden von den Konsortialbanken jeweils im Namen der Gesellschaft oder im Namen der Greenshoe-Aktionäre angeboten.
	Lock-up Vereinbarungen, beteiligte Parteien und Lock-up Frist	Dr. Björn Söder, Mitglied des Aufsichtsrats, der zum Datum des Prospekts 0,54% der bestehenden und im Umlauf befindlichen Aktien der Gesellschaft besitzt, und jeder unserer Altaktionäre, der zum Datum des Prospekts 1,0% oder mehr der bestehenden und im Umlauf befindlichen Aktien der Gesellschaft besitzt (namentlich Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Vivus Beteiligungen GmbH, Frank Köhler, Jens Kuhn, Martin Frei, Thomas Frei, VVGS Beleggingsmaatschappij Venlo B.V., Leen Ponet, Lode Fastré, Toivo GmbH, Dr. Markus Rall und Gabriela Kuhn) und kein Management-Aktionär (wie unten definiert) ist (zusammen die "**Wichtigen Aktionäre**") mit den Konsortialführern, im Namen der Konsortialbanken, vereinbart, für einen Zeitraum beginnend mit dem Tag des Übernahmevertrags und endend sechs Monate nach dem ersten Handelstag an der Frankfurter Wertpapierbörse weder direkt noch indirekt, ohne die vorherige schriftliche Zustimmung der Konsortialführer, in deren freien Ermessen es steht, diese Zustimmung zu erteilen oder zurück zu halten: (a) Aktien und andere Wertpapiere der Gesellschaft zu verkaufen, zu übertragen oder auf eine andere Weise über diese zu verfügen; dies gilt auch für jede Transaktion, die aus wirtschaftlicher Sicht einer Verfügung entspricht, wie zum Beispiel die Ausgabe von Wandlungs- oder Optionsrechten in Bezug auf Aktien der Gesellschaft; (b) der Ankündigung, Durchführung oder Realisierung einer Kapitalerhöhung oder einer direkten oder indirekten Platzierung von Aktien der Gesellschaft zuzustimmen oder zu veranlassen; (c) der Hauptversammlung eine Kapitalerhöhung zum Beschluss vorzulegen oder für eine solche abzustimmen; (d) der Ankündigung, Durchführung oder Realisierung der Ausgabe von Finanzinstrumenten, die Wandlungs- oder Optionsrechte in Bezug auf Aktien der Gesellschaft gewähren, zuzustimmen oder zu veranlassen; oder (e) eine Transaktion abzuschließen, oder eine Maßnahme zu ergreifen, die aus wirtschaftlicher Sicht den vorstehenden Maßnahmen ähnelt. Das vorstehend Gesagte gilt nicht für unmittelbar vor dem Angebot getätigte Übertragungen auf mit dem Wichtigen Aktionär verbundene Unternehmen sowie auf sonstige Aktionäre der Gesellschaft, unter der Voraussetzung, dass der oder die Erwerber, in jedem Fall, mit den Konsortialführern vereinbaren, derselben Lock-up Vereinbarung unterworfen zu sein. Die Konsortialführer können gemeinschaftlich die oben genannten Lock-up Vereinbarungen nach freiem Ermessen teilweise oder im Ganzen abbedingen. Die Konsortialführer haben mit den einzelnen Wichtigen Aktionären vereinbart, dass ihre jeweiligen oben dargelegten Lock-up Vereinbarungen erlöschen, wenn das Angebot nicht bis zum 31. März 2017 abgeschlossen und abgerechnet ist. Wichtige Aktionäre sind: Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Vivus Beteiligungen GmbH, Frank Köhler, Jens Kuhn, Martin Frei, Thomas Frei, VVGS Beleggingsmaatschappij Venlo B.V., Leen Ponet, Lode Fastré, Toivo GmbH, Dr. Markus Rall, Gabriela Kuhn und Dr. Björn Söder.

Des Weiteren hat jeder der MK Beleggingsmaatschappij Venlo B.V., Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Stephan Weber und Marc Fischer (die "**Management-Aktionäre**") mit den Konsortialführern, im Namen der Konsortialbanken, vereinbart, für einen Zeitraum beginnend mit dem Tag des Übernahmevertrags und endend zwölf Monate nach dem ersten Handelstag an der Frankfurter Wertpapierbörse weder direkt noch indirekt, ohne die vorherige schriftliche Zustimmung der Konsortialführer, in deren freien Ermessen es steht diese Zustimmung zu erteilen oder zurück zu halten:

(a) Aktien und andere Wertpapiere der Gesellschaft zu verkaufen, zu übertragen oder auf eine andere Weise über diese zu verfügen; dies gilt auch für jede Transaktion, die aus wirtschaftlicher Sicht einer Verfügung entspricht, wie zum Beispiel die Ausgabe von Wandlungs- oder Optionsrechten in Bezug auf Aktien der Gesellschaft;

(b) der Ankündigung, Durchführung oder Realisierung einer Kapitalerhöhung oder einer direkten oder indirekten Platzierung von Aktien der Gesellschaft zuzustimmen oder zu veranlassen;

(c) der Hauptversammlung eine Kapitalerhöhung zum Beschluss vorzulegen oder für eine solche abzustimmen;

(d) der Ankündigung, Durchführung oder Realisierung der Ausgabe von Finanzinstrumenten, die Wandlungs- oder Optionsrechte in Bezug auf Aktien der Gesellschaft gewähren, zuzustimmen oder zu veranlassen; oder

(e) eine Transaktion abzuschließen, oder eine Maßnahme zu ergreifen, die aus wirtschaftlicher Sicht den vorstehenden Maßnahmen ähnelt.

Das vorstehend Gesagte gilt nicht für unmittelbar vor dem Angebot getätigte Übertragungen auf mit dem Management Aktionär verbundene Unternehmen sowie auf sonstige Aktionäre der Gesellschaft, unter der Voraussetzung, dass der oder die Erwerber, in jedem Fall, mit den Konsortialführern vereinbaren, derselben Lock-up Vereinbarung unterworfen zu sein. Die Konsortialführer können gemeinschaftlich die oben genannten Lock-up Vereinbarungen nach freiem Ermessen teilweise oder im Ganzen abbedingen.

Die Konsortialführer haben mit dem Management-Aktionär vereinbart, dass die jeweiligen wie oben dargelegten Lock-up Vereinbarungen erlöschen, wenn das Angebot nicht bis zum 31. März 2017 abgeschlossen und abgerechnet ist.

Laut Übernahmevertrag hat sich die Gesellschaft gegenüber jeder Konsortialbank verpflichtet innerhalb eines Zeitraums von sechs Monaten nach dem ersten Handelstag der Aktien der Gesellschaft am regulierten Markt (Prime Standard) der Frankfurter Wertpapierbörse,

(a) keine Kapitalerhöhung anzukündigen oder zu bewirken;

(b) der Hauptversammlung keine Kapitalerhöhung vorzuschlagen; und

(c) keine Emission von Finanzinsturmenten, die Wandlungs- oder Optionsrechte in Bezug auf Aktien der Gesellschaft gewähren, oder Transaktionen gleicher wirtschaftlicher Wirkung, anzukündigen, zu bewirken oder vorzuschlagen,

ohne die vorherige schriftliche Zustimmung der Konsortialführer, in deren freien Ermessen es steht diese Zustimmung zu erteilen oder zurück zu halten.

Das vorstehend Gesagte gilt nicht für zukünftige Mitarbeiteraktienprogramme und Aktienoptionsprogramme.

Eine Gruppe von 20 Altaktionären, die keine Wichtigen Aktionäre oder Management-Aktionäre sind und jeweils weniger als 1% der vor dem Angebot bestehenden Aktien halten, sind nicht an Lock-up-Vereinbarungen gebunden. Bei einem Angebotspreis am unteren Ende der Preisspanne wird diese Gruppe insgesamt 4,8% der bestehenden Aktien nach der IPO-Kapitalerhöhung halten. Bei einem Angebotspreis am oberen Ende der Preisspanne wird sie 5,2% halten. Alle Mitglieder des Aufsichtsrats mit Ausnahme von Jérôme Cochet, der keine Aktien besitzt, haben eine Lock-up Vereinbarung abgeschlossen.

E.6 Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung

Der Nettobuchwert des Eigenkapitals der Gesellschaft (Gesamtvermögen abzüglich der Gesamtverbindlichkeiten), belief sich zum 30. Juni 2016 auf € 6.240 Tausend. Das entspricht € 1,17 pro Aktie (berechnet auf Grundlage von 5.333.500 Aktien (1.066.700 Aktien vor dem Aktiensplit) bestehend unmittelbar vor Abschluss der Farmaline Akquisition.

Unter der Annahme, dass ein Gesamtbruttoerlös von €100 Millionen aus dem Verkauf der Neuen Aktien erzielt wird, werden im Rahmen des Angebots 3.571.428,

		3.174.603 oder 2.857.142 Neue Aktien jeweils am unteren Ende (€28,00), zum Mittelwert (€31,50) oder am oberen Ende (€35,00) der Preisspanne verkauft. Unter der Annahme, dass das Angebot bereits zum 30. Juni 2016 in allen Aspekten vollständig realisiert worden wäre, hätte sich der bereinigte Nettobuchwert des Eigenkapitals (Gesamtvermögen abzüglich Gesamtverbindlichkeiten) auf €101,0 Millionen zum 30. Juni 2016 belaufen, was ungefähr €11,35 pro Aktie entspräche (berechnet auf Grundlage von 8.904.928 bestehenden Aktien und dem Verkauf der Neuen Aktien am unteren Ende der Preisspanne). Daraus ergäbe sich eine unmittelbare Verwässerung von etwa €16,65 (59,5%) pro Aktie, für Investoren der angebotenen Aktien bei einem Angebotspreis am unterem Ende der Preisspanne. Entsprechend läge dieser Wert bei einem Angebotspreis zum Mittelwert und am oberen Ende der Preisspanne bei jeweils etwa €19,62 (62,3%) pro Aktie und etwa €22,66 (64,8%) pro Aktie. Unter der Annahme, dass die Altaktionäre im Rahmen des Angebots der Neuen Aktien nicht zeichnen und die IPO-Kapitalerhöhung in vollem Umfang durchgeführt wird, werden Altaktionäre eine Wertsteigerung von €10,18 (869,8%) pro Aktie erfahren (berechnet auf Grundlage eines Angebotspreises am unteren Ende der Preisspanne). Entsprechend käme es zu einer Verwässerung ihres Aktienbesitzes von €10,71 (915,1%) pro Aktie bei einem Angebotspreis zum Mittelwert der Preisspanne und von €11,17 (954,4%) pro Aktie bei einem Angebotspreis am oberen Ende Preisspanne. Die Gesellschaft hat keine Anhaltspunkte dafür, dass Altaktionäre während des Angebots Neue Aktien erwerben werden. Unter der Annahme, dass 3.571.428, 3.174.603 oder 2.857.142 Neue Aktien während des Angebots verkauft werden (jeweils entsprechend dem unteren Ende (€28,00), dem Mittelwert (€31,50) oder dem oberen Ende der Preispanne (€35,00)) und dass die Greenshoe-Option nicht ausgeübt wird, werden die gesamten Stimmrechte unserer Wichtigen Aktionäre sowie unserer Management-Aktionäre (alle Aktionäre, die Mitglieder des Vorstands oder des Aufsichtsrats sind und 1,0% oder mehr von unseren Aktien halten) von 92,14% im Zeitpunkt dieses Prospektes zu 55,86%, 58,41% oder 60,63% verwässert werden. Falls die Greenshoe-Option voll ausgeübt wird, werden die gesamten Stimmrechte unserer Wichtigen Aktionäre sowie unserer Management-Aktionäre zu 49,95%, 52,92% oder 55,50% verwässert werden. Siehe auch.
E.7	**Schätzung der Ausgaben, die dem Anleger vom Emittenten in Rechnung gestellt werden.**	Entfällt. Anlegern werden von der Gesellschaft oder den Konsortialbanken keine Ausgaben in Rechnung gestellt. Anleger haben die üblichen Transaktions- und Bearbeitungsgebühren ihres kontoführenden Finanzinstituts zu tragen.

3. RISK FACTORS

*An investment in the Shares of Shop Apotheke Europe N.V. (the "**Company**" or the "**Issuer**" and, together with its consolidated subsidiaries "**we**", "**us**", "**our**" or "**our Group**"), is subject to a number of risks. Prospective investors should read the entire prospectus (the "**Prospectus**") and carefully consider the following risks together with all the other information contained in this Prospectus prior to making any investment decision regarding the Shares. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations. The market price of the Shares could fall if any or all of these risks were to materialize, in which case prospective investors could lose all or part of their investment.*

Prospective investors should carefully consider whether an investment in the Shares is suitable for them in light of the risks described below, the other information in this Prospectus and their personal circumstances.

The order in which the following risks are presented is not an indication of the likelihood of these risks actually materializing, or their likely significance or degree, or the scope of any potential harm to our business, financial condition, or results of operations that might result.

3.1 Risks Related to Our Business

We have incurred significant operating losses since our inception, and there is no guarantee that we will be able to successfully grow and operate our business and achieve profitability in the future.

The Group incurred a net loss of €10,548 thousand in the year ended 31 December 2015, of €5,035 thousand in the year ended 31 December 2014, of €2,831 thousand in the year ended 31 December 2013 and of €6,224 thousand in the six-month period ended 30 June 2016. There is no assurance that our Group will ever become profitable. Our net loss for the periods presented in this Prospectus largely is attributable to costs associated with marketing and investments relating to the expansion of our business. Our strategy to maintain and enhance the positive awareness of our existing brands and domain names required significant financial resources to cover marketing expenses in the past and will continue to require such resources in the future. Furthermore the strategy to grow our operations, to enhance the online penetration of the Continental European markets in which we are currently active and to expand our business into a new Continental European country, may require significant investments and may also prove more expensive than we currently anticipate.

If we are unable to successfully generate increased revenue through our brand-building or geographic expansion, we may not be able to cover our operating costs or required capital expenditures. Accordingly, there can be no assurance that we will be able to achieve profitability over time. In addition, our costs, in particular, costs of sales, selling and distribution expenses, which include, among other things, marketing expenses, as well as our administrative expenses, could increase for a number of reasons. For example, it may be the case that, due to additional and stricter regulatory requirements, we could be forced to increase the number of employees which would lead to an increase of personnel expenses.

Many of the factors driving our cost base are beyond our control and we may not be able to recover any increased costs by raising the prices charged to our customers. Should our costs increase, we would have to accept lower margins to remain competitive or increase prices, both of which would adversely affect our plan to become profitable, which would in turn have a material adverse effect on our business, financial condition and results of operations.

We may not be able to maintain or grow our revenues or our business.

We have experienced significant growth of our revenues in the past, with revenues increasing from €55,292 thousand for the year ended 31 December 2013 to €125,578 thousand for the year ended 31 December 2015, corresponding to a compounded annual growth rate ("**CAGR**") of approximately 50.7% from 2013 to 2015. We have made and are continuing to make substantial investments to expand our business in Continental Europe and to improve further customer experience and our logistics, fulfillment and distribution infrastructure. However, there can be no assurance that these efforts will be sufficient to grow our revenues or the number of our active customers in the aggregate or in relation to the costs we incur. If our revenue growth slows or if our revenues decline, this could have a material adverse effect on our business, financial condition and results of operations. (We define "**Continental Europe**" as Germany, France, Italy, Spain, Poland, Romania, the Netherlands, Belgium, Portugal, the Czech Republic, Hungary, Sweden, Bulgaria, Denmark, Slovakia, Norway and Austria.)

Our future success depends on the continued growth of e-commerce for non-prescription, over-the-counter medications ("OTC Medications") and beauty and personal care products that are otherwise almost preferentially distributed through pharmacies, which we refer to as "Pharmacy-Related BPC Products".

Our strategy depends on the continued development and growth of e-commerce in Continental Europe, specifically for OTC Medications and Pharmacy-Related BPC Products. In 2015, the Continental European market for OTC Medications amounted to approximately €14 billion, while the market for Pharmacy-Related BPC Products amounted to approximately €19 billion. (source: SEMPORA Study June 2016). We believe that such growth will be supported by increasingly greater acceptance of e-commerce by consumers. However, if consumers' acceptance of e-commerce in general, or of e-commerce for OTC Medications and Pharmacy-Related BPC Products in particular, decreases, or does not longer increase as strongly as it has, or if e-commerce for OTC Medications and Pharmacy-Related BPC Products does not develop as expected, our revenues could be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to manage our growth effectively, this could have a material adverse effect on our business, financial condition and results of operations.

The rapid growth of our business has placed, and any future growth is expected to continue to place, significant demands on our management and our operational and financial infrastructure. As our operations grow further and become more international, we will need to continue to add personnel to manage growth in new markets, in particular in our online-marketing and IT team and finance department, and to improve and upgrade our systems and infrastructure to deal with the greater scale and complexity of operations, in particular our logistics, fulfillment and distribution infrastructure. Such expansion will require us to commit substantial management, operational and other resources in advance of any increase in the size of the business, with no assurance that our revenues or profits will increase accordingly.

Continued growth could, in particular, impair our ability to develop and improve our operational, financial and management controls, to maintain reliable service levels for our customers and to attract, train, motivate and retain our employees. In addition, continued growth could lead to the result that our business and IT systems and our logistics, fulfillment and distribution infrastructure are unable to accommodate the number of customers or orders. Any failure to manage effectively the increasing size and complexity of our business resulting from future growth could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on our advertising partners, and there is a risk that these partners will change their policy regarding publishing pharmacy-related advertisements on their platforms or will not adapt their policies to changes in certification, which would impair our ability to attract customers.

A significant part of our marketing and advertising activities are conducted via online advertising platforms, such as Google AdWords. In the past, Google stipulated country-specific rules regarding the possibility to use their platform for advertising pharmaceutical products or pharmacies. It cannot be excluded that Google or other advertising platforms will in the future increase similar restrictions which could limit our ability to launch marketing activities related to us, our websites or our product offering in the countries in which we are already active or in the countries into which we plan to expand in the future. Furthermore, it cannot be excluded that Google or other advertising platforms do not adapt their terms and conditions for advertisement to ongoing factual changes in certification of online pharmacies in a timely fashion or even fail to do so. In that case, we would not be able to use these advertising platforms in compliance with the terms and conditions and may be prohibited from using them in future and no assurance can be given, that we could find new advertising platforms or develop other forms of advertising at the same costs and/or with the same reach. This could impair our ability to attract customers through these advertising channels and would have a material adverse effect on our business, financial condition and results of operations.

Any changes to search engines' algorithms or terms of services could exclude our websites from search results, rank them lower in search results and/or require raising marketing expenses.

We rely to a large extent on search engine advertising ("**SEA**") and search engine optimization ("**SEO**") to market our products. SEA is a form of internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages through optimization and advertising, whereas SEO describes the process of affecting the visibility of a website or a web page in a search engine's search results. Any changes to search engines' algorithms or terms of services could exclude our websites from, rank them lower in search results and/or raise marketing expenses dramatically, which would have a material adverse effect on our business, financial condition and results of operations.

Negative developments in general economic conditions and/or economic deterioration, especially in Germany, could adversely impact consumer spending for some or all of our product categories with a consequent decline in revenue.

Our performance depends and will depend on general economic conditions in the markets globally or in one or more of the principle markets in which we currently operate or which we intend to enter. Some of these markets have shown significant economic disparities and volatility in recent years – as was especially noticeable during the European financial and debt crisis, in particular in the second half of 2008 and 2009. For example, several European countries were until recently, or continue to be, in recession (including Cyprus, Greece, Ireland, Italy, Portugal and Spain). These countries could experience further recessions, and the economies of countries with stable or growing economies, such as Germany, could contract, potentially substantially, in the future. Several European economies have recently experienced a decrease in the general level of prices for goods and services. There is a risk of deflation affecting the European markets which may lead to a reduction of investment levels in the affected economies, increased unemployment and thereby to an aggravation of recessionary tendencies. In addition, due to the continuing economic disparities between the countries forming the Eurozone, there remains the risk of a possible breakup or restructuring of the Eurozone, which, if it were to occur, could further destabilize and adversely affect both the global economy and the European economies in which we operate or which we intend to enter.

Negative economic developments often have a disproportionately negative impact on consumer confidence and discretionary consumer spending and could therefore also have adverse effects on the demand for some or all of our product categories, particularly our Pharmacy-Related BPC Products. Consumers may reduce their spending or keep it at a low level in the future due to persistent uncertainty relating to the Euro debt crisis – particularly in Greece – and in the context of geopolitical uncertainty, including the tensions between Russia and Western nations as a result of the ongoing conflict situation regarding Ukraine, the political and economic turmoil caused by the ongoing refugee crisis and the upcoming negotiations regarding an exit of Great Britain from the European Union.

Furthermore, there is a number of uncertainties in connection with the future of the United Kingdom of Great Britain and Northern Ireland ("**UK**") and its relationship with the European Union after the UK's vote to leave the European Union in the referendum held on 23 June 2016. The negotiation of the UK's exit terms is likely to take a number of years. As long as the terms and timing of the UK's exit from the European Union are not cleared, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of the Company.

In the year ended 31 December 2015, we generated 94.8% of our total revenue in Germany, our most important market. Unfavorable conditions in Germany and a decline in the demand for our products in Germany would therefore have a particularly significant negative impact on our revenue, growth and profitability. Moreover, as long as we generate most of our revenue in Germany, we may be unable to compensate for any decline in demand in Germany by focusing on growth in other Continental European markets.

If any of these macroeconomic risks would materialize, this could have a material adverse effect on our business, financial condition and results of operations.

Our recent market entry in the Netherlands, Italy and Spain, as well as our plan to expand our business into new markets in Continental Europe, will expose us to a variety of different local legal, regulatory, tax and cultural standards which we might fail to address or comply with.

Our business is currently largely concentrated in Germany and, to a lesser extent, on Austria, France and Belgium. With our acquisition of the online business of the Belgian pharmacy Farmaline N.V. (the "**Farmaline Business**") (the "**Farmaline Acquisition**"), we have recently entered new markets like Italy and Spain. With the entry in these new markets, which we are not yet familiar with and as we are considering to grow our business by expanding our offering into another market in Continental Europe in the future, we will become increasingly exposed to risks associated with the broader geographical footprint of our business. The penetration of these new markets and our expansion plans will require management attention and resources and may be unsuccessful. Furthermore, we may incur an increase in marketing costs and overall costs in order to popularize and enhance a positive awareness of our brands and domain names. We have limited experience in selling our products outside of our current markets and conforming to other countries' local cultures, standards, laws, regulations and policies. In addition, the products we offer may not appeal to customers in new markets which we intend to enter in the same manner as in our current markets, if at all. We may also need to alter our business practices in ways with which we have limited or no experience or which are less profitable or expose us to additional risks. When we enter new Continental European markets we will have to compete with local pharmacies which may have

better understanding of the relevant local market than we do. Moreover, it may be necessary to establish a physical presence in these markets, such as logistics and customer service facilities, which would require us to make substantial investments before we can operate profitably in such markets. We have no experience in establishing such facilities outside of Germany, France or the Netherlands.

The increased geographical footprint of our business operations will expose us to risks related to:

- the need to adapt the means by which we target customers in each of the local markets in which we will operate, including by offering country- and language-specific websites;
- compliance with local customer preferences, which may require us to adapt our product offering as well as the means by which we market our products and may require us to make changes in our logistics, fulfillment and distribution infrastructure, payment options and customer care/counseling practices;
- differences in the means by which customers purchase, pay for and return items, as well as differences in return rates and managing customer relations;
- difficulties in meeting our customers' expectations in terms of a timely delivery of the ordered products due to the need to create new distribution channels and establish good and reliable relationships to new logistics partners operating in the new markets;
- differing legal and regulatory requirements, including those relating to pharmacies, consumer protection, privacy and data protection laws, labor, intellectual property, tax and trade law and other trade restrictions;
- unexpected changes in legal, regulatory, political or economic conditions in the countries from which we source or into which we sell our products; and
- to the extent we expand our operations to countries that have not adopted the Euro, fluctuations in foreign exchange rates against the Euro.

Our failure to manage any of these risks adequately could have a material adverse effect on our business, financial condition and results of operations.

We have a limited operating history and operate in fragmented and for us new geographical markets, making it difficult to evaluate our future prospects.

The online pharmacy market in which we operate is relatively new and did not exist even a few years ago, which makes it, due to limited experience difficult for us to assess the risks and opportunities it holds. As a result, we are subject to the risks and uncertainties experienced by early-stage companies in evolving markets. In particular, due to the novelty of our services and of the market segment in which we operate, we do not know whether we can continue to grow demand for our products and services, or whether such demand is sustainable over the long term. In addition, our limited operating history and experience with such market increases the risk that we make operational decisions that prove detrimental to our prospects.

Furthermore, the online pharmacy market comprises different fragmented local country markets within Europe. One of the principal reasons for such fragmentation relates to differing regulatory regimes affecting pharmacies, set by the respective member states of the European Union. Our recent market entry in new market environments through the Farmaline Acquisition and our planned market entry in other Continental European markets is and will be associated with risks due to our unfamiliarity with the particularities of such markets, see also "*15. Regulatory and Legal Environment - 15.1 Regulatory Framework for Mail-order Trade of Medicinal Products*".

Because we are a relatively new company and have limited experience in some of the local markets in which we operate, we may not be experienced enough to efficiently address all the risks to our business. If we are unsuccessful in addressing any of these risks and uncertainties, our business may fail, which would have a material adverse effect on our business, financial condition and results of operations.

We are subject to intense competition that presents a constant threat to the success of our business.

We expect competition in the e-commerce market generally, and with online pharmacies and companies offering health and BPC products in particular, to continue to increase in the future, as consumers are shifting away from traditional shops toward e-commerce. The online penetration of the pharmacy market is growing due to, among other things, an increasing use of and shift toward mobile devices (tablets and smartphones). We currently compete with and expect to increasingly compete with:

- pure-play online pharmacies with a focus on OTC Medications and Pharmacy-Related BPC Products with business models similar to ours, such as apo-discounter.de, apo-rot.de, apotal.de, eu-versandapotheke.com, Medpex.com or Newpharma and Zwitserse Apotheek;

- international online pharmacies such as CVS/Caremark and Walgreens Boots Alliance, both located in the United States and additionally Boots in the UK, who could commence offering shipments to Europe;
- classic mail-order pharmacies with a focus on prescription medications, like DocMorris, which may shift their focus and include and/or enhance the offering of OTC Medications and Pharmacy-Related BPC Products in their product portfolio;
- traditional pharmacies, having a local, physical presence, which we refer to as "**Brick-and-Mortar Pharmacies**", opening or developing a separate online-shop for their products as a new additional sales opportunity;
- traditional drugstore chains, supermarkets, para-pharmacies and perfumeries such as Douglas, Rossmann, dm-drogerie markt, Müller, REWE, EDEKA, Lidl and Aldi which primarily conduct offline sales, but also operate or may begin to operate e-commerce platforms; and
- a range of e-commerce players and online marketplaces that sell, among various other products, some or many of the products we offer, such as Amazon, Google Apps Marketplace and eBay.

There is also a risk that the suppliers of the OTC Medications we offer, begin or increase direct sales to consumers through proprietary e-commerce channels. In this event, we could experience additional competitive pressure, and may also find it difficult to compete with suppliers whose product supply costs are lower and who are able to sell products at lower prices while maintaining higher-margins than we can. There is also generally the risk that one of our competitors starts to decrease the prices for OTC Medications or other Pharmacy-Related BPC Products and other competitors react to such behavior by also decreasing prices, which may lead to a general decline in prices. In order to compete in our market environment we may be forced to react to such developments by decreasing the prices ourselves which would negatively impair our profit margin.

Many of our current and potential future competitors, in particular Brick-and-Mortar Pharmacies have or may have longer operating histories, larger customer bases, greater online traffic or better economies of scale than we do. New market entrants may appear and some of our existing smaller competitors may be acquired by, receive investment from, or enter into strategic relationships with, well-established and well-financed companies or investors that are able to enhance their competitive positions.

We currently operate in a fragmented Continental European market with high market entry barriers for new competitors. One of the principal reasons for such fragmentation relates to differing regulatory regimes affecting pharmacies, set by the respective member states of the European Union. The removal of these barriers in countries in which we currently operate or the markets into which we plan to expand our business may lead to an increase of competition. In certain Continental European countries, like for example Germany, France or Austria, a third-party ownership of pharmacies, i.e., an ownership of pharmacies by any person other than a pharmacist, for example by a legal entity, is prohibited by law. If such countries were to remove such ban, as publicly discussed from time to time, pharmacists could change the legal structures of their pharmacies and may benefit from the advantages of a legal entity which include, among other things, a better access to external capital.

Any failure to successfully compete against current or future competitors could negatively affect our ability to attract and retain customers, which could, in turn, have a material adverse effect on our business, financial condition and results of operations.

We may not be able to establish and/or maintain an efficient system of internal controls over financial reporting, and our internal reporting and/or risk management procedures may not be adequate to meet the needs of our growing business.

The Group was created pursuant to a series of legal demergers and asset transfers (the "**Reorganization**") completed in September 2015 (but with accounting effect from 1 January 2015 in respect of the legal demergers), pursuant to which the business of the Group was demerged from the business of EHS Europe Health Services B.V. (together with its direct and indirect subsidiaries, the "**Europa Apotheek Group**") focusing on prescription medications ("Rx") but, to a lesser extent, also offering OTC Medications, Pharmacy-Related BPC Products and certain cosmetics online (the "**Europa Apotheek Business**"). As part of the Reorganization, we were required to establish new internal control, reporting and risk management structures. We may, however, fail to implement such structures or may be unable to implement them in time. Consequently, we may be unable to detect and react to risks arising in the course of our business. In addition, any failure to establish or maintain an effective system of internal controls over financial reporting could limit our ability to report our financial results accurately and in a timely manner or to detect and prevent fraud.

The occurrence of any of the risks described above could have a material adverse effect on our business, financial condition and results of operations.

Our ability to raise capital in the future could be limited.

In the future, we might determine to raise additional capital through public or private financing or other arrangements or need to raise additional capital to cover losses. This could be in particular the case if we were to acquire new companies through M&A activities. Such financing might not be available on acceptable terms, or at all. Factors, that could increase the difficulty of obtaining financing, include, but are not necessarily limited to, a deterioration in general economic conditions globally or in the markets in which we operate, higher interest rates, a deterioration in our financial results or condition, insufficient competition among banks or other potential sources of financing, and insufficient demand for securities in the debt or equity capital markets. Any inability to raise capital as needed could harm our business, prevent us from realizing business opportunities, prevent us from growing our business or responding to competitive pressures, and could, thus, have a material adverse effect on our business, financial condition and results of operations.

Any pharmacy errors with respect to the filling or packaging of medications and other products that we sell may expose us to liability and result in negative publicity.

We may incur liability resulting from pharmacy errors relating to prescriptions, dosage and other aspects of the medications dispensing process. Such pharmacy errors may happen for example when we supply the wrong quantity or wrong dosage of an ordered product, a defective product or fail to send the respective ordered products at all to our customers, whether or not as a result of a fault on our part, in relation to medications but also in relation to personal care products.

Due to the fact that we distribute medications directly to consumers, we are often the most visible participant in the medications distribution chain to our customers and therefore may have more exposure to liability claims than our suppliers and the producers of our products. We may be subject to product liability claims, damage claims relating to personal injuries or even death caused by defective products and other claims by our customers, which may expose us to financial and reputational risks. In case of product liability we may, in turn, not achieve holding ourselves harmless against our suppliers.

Pharmacy errors by us or our competitors may produce significant adverse publicity for us, either directly or indirectly, through negative publicity for the entire online pharmacy industry. The amount of negative publicity that we or the online pharmacy industry receive as a result of pharmacy errors could be much higher than the negative publicity received by traditional pharmacies making similar mistakes. We cannot ensure that our pharmacists or our prescription processing will be able to operate without error. We believe customer acceptance of our online shopping experience is based in large part on consumer trust, and negative publicity could erode such trust, or prevent it from growing. This could result in an immediate reduction in the amount of orders we receive.

Although the online sale of prescription medications in Germany constitutes only a minor part of our business contributing with 2% to our total revenues in the financial year 2015, pharmacy errors or other issues arising in connection with such medications may produce significant adverse publicity for our business as a whole and, therefore, negatively impact our OTC Medications business.

If any of the aforementioned risks materializes, this could have a material adverse effect on our business, financial condition and results of operations.

Information provided by our pharmacists or on our websites may result in liability or negative publicity.

In the event that our websites or our pharmacists provide erroneous or misleading information to our customers, we may incur liability or be subject to negative publicity that could have an adverse impact on our business. Our pharmacists are required by law to offer pharmaceutical counseling, without additional cost, to our customers about medications, including dosage, administration, common side effects and other information deemed significant by the pharmacists. Our pharmacists may have a duty to warn customers against potential adverse effects of a prescription drug and against adverse interactions between medications ordered if the warning could reduce or eliminate such effects. This counseling is provided, among other means, through our website, which, among other things, includes videos, by telephone and email and through inserts included with the medications that we sell. Any of these means of communication may increase the risk of miscommunication because the customer is not personally present or may not have been provided with all relevant information.

In addition, we may incur liability for information that we provide on our websites to the extent that it contains any inaccuracies. For instance, we post product and health-related information on our websites. All this

creates the potential for claims to be made against us for negligence, personal injury, wrongful death, product liability, malpractice, and breach of privacy laws or other causes of action. In addition our reputation could be harmed, to the extent that the content of our websites is perceived as recommending high-price products or promoting one product over another leading to the impression of our customers that we only focus on profit margins and not on their well-being.

Because online pharmacies are at an early stage of development in most countries in Continental Europe, the amount of negative publicity that we or the online pharmacy industry receive could be much higher than the negative publicity received by traditional pharmacies in similar circumstances.

Our failure to manage any of these risks adequately could have a material adverse effect on our business, financial condition and results of operations.

Any publicly announced dissatisfaction with our products, services or offering or complaints in social media or critical media coverage or negative lobbying could damage our reputation and our brand.

A large part of our customer base is internet-affine and also the target audience of social media websites, such as Facebook (where we hold a presence), blogs or micro-blogging providers, such as Twitter, or customer complaint websites. Any dissatisfaction with our products, services or offering may lead to complaints in the internet which are available to the public. Due to the general viral potential of spreading bad news over the internet, we are not in control of such complaints and may not adequately react to such complaints. Furthermore, critical media coverage relating to our offering or our business may have a negative impact on our ability to attract and retain customers. In addition, we could be subject to substantial negative publicity if we are sued on any grounds in relation to our products and services, which could hurt our brand and prevent us from attracting and retaining customers.

Furthermore, we are subject to lobby campaigns launched by pharmacist associations. Such campaigns, for example launched in Austria are targeted explicitly against online shipments of falsified medicines but implicitly they stoke fears against online or mail-order pharmacies in general. If such campaigns are successful, our reputation and our business model may be negatively impaired.

Any of these risks could have substantial impact on our reputation and could have a material adverse effect on our business, financial condition and results of operations.

Dissatisfaction with our customer service could prevent us from retaining customers.

A satisfied and loyal customer base is crucial to our continued growth as we strive to cross-sell various product categories to new and existing customers. Effective and responsive customer service is required to ensure that customer complaints are dealt with in a timely manner and to each customer's satisfaction. Because we do not have the direct face-to-face interaction with our customers which is afforded through offline retail, the way we interact with customers is of paramount importance to maintain continuous customer relationships. For instance, we respond to customer requests and inquiries through telephone, email, facsimile, post and social media channels, such as Facebook. In the future, we may rely on other platforms and devices, such as webchat. Any actual or perceived failure or unsatisfactory response or consultation by our customer service could negatively affect customer satisfaction and loyalty. Our inability to retain customers due to a lack of satisfactory customer service could have a material adverse effect on our business, financial condition and results of operations.

We have limited experience in acquiring companies and may not be able to execute our acquisition strategy effectively or successfully integrate acquired businesses.

We have grown primarily organically since we were founded, with the exception of the acquisition of Xsite GmbH in 2013. Most recently, however, as of 14 September 2016 we acquired the Farmaline Business. See also "*-3.2 Risks Related to the Acquisition of the Farmaline Business*". Furthermore, as part of our business strategy to further expand our offering across Continental Europe, we expect to engage in opportunistic acquisitions of other companies, businesses or assets. Acquisitions involve numerous risks, any of which could adversely affect our business, including but not limited to:

- unanticipated difficulties associated with higher than expected costs in integrating the technologies, operations, existing contracts and personnel of acquired businesses;
- difficulties associated with higher than expected costs in integrating and coordinating sales and marketing functions and other administrative functions;

- difficulties associated with higher than expected costs in integrating financial, technological, management and risk management standards, processes, controls and policies; inability to handle any increases in the volume of orders resulting from the acquisition;
- difficulties in supporting and transitioning customers or suppliers of an acquired company and/or businesses;
- diversion of financial and management resources from existing operations or alternative acquisition opportunities;
- difficulties in managing the increased scope, geographic diversity and complexity of operations;
- failure to realize the anticipated cost-savings, sales increases and benefits of a transaction in the anticipated timeframe or at all;
- failure to identify in advance all of the issues associated with an acquisition, including those related to intellectual property, regulatory compliance, accounting practices, pending and imminent litigation or employee or customer issues;
- liability for activities of the acquired company before the acquisition, including intellectual property, infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- risk of entering new markets in which we have limited or no experience;
- potential loss of key employees, customers and suppliers from either our current business or an acquired company's business;
- inability to generate sufficient revenues to offset acquisition costs;
- additional costs and/or equity dilution associated with funding the acquisition or potential earn-out agreements;
- non-cash impairment charges or other accounting charges relating to acquired assets;
- risks associated with increased indebtedness; and
- potential write-offs or impairment charges relating to acquired businesses.

In addition, we may be unable to find suitable targets for acquisitions of other companies or businesses to facilitate our future external growth. Any acquisition may also be subject to merger clearance by the relevant authorities which may deny approval or make the acquisition subject to certain conditions increasing the cost of or reducing the benefits of such acquisition.

The occurrence of any of the factors above could have a material adverse effect on our business, financial condition and results of operations.

We might decide to pursue new business opportunities, develop new websites or offer new products, sales formats or services, which could prove not to be cost-efficient or otherwise may be unsuccessful.

In the future, we may decide to pursue new business opportunities by expanding our current product offering, launching new product categories, marketing our products via new websites or other service or in different sales formats. There can be no guarantee that any such endeavor will succeed. Any such initiative that is not favorably received by customers or suppliers could damage our reputation and brand, and any such initiative would likely require significant additional expenses and divert management and other resources, which could in turn negatively affect our results of operations, particularly if our customers' reactions are negative. If we launch but fail to generate satisfactory returns from any such initiative, it could have a material adverse effect on our business, financial condition and results of operations.

The inability to acquire, use or maintain the current domain names for our online shops as well as future domain names for our online shops could substantially harm our business, financial condition and results of operations.

We are the registrant of the word and figurative trademark shop-apotheke.com, shop-apotheke.at, shop-pharmacie.fr, shop-pharmacie.be/shop-apotheek.be in Germany, Austria, France and Belgium, respectively, and have also registered internet domain names similar to our shop-apotheke.com website in certain other jurisdictions, including those we intend to target for future expansion in Continental Europe. Furthermore, in connection with the Farmaline Acquisition, we acquired, among others the word and figurative trademarks as

well as the internet domain names connected to Farmaline (including farmaline.be, farmaline.nl, it-farmaline.it, es-farmaline.es - while the Vitzia shops operate on vitazita.com for the several countries with declination such as be.vitazita.com and nl.vitazita.com) together with similar registered internet domain names in certain other jurisdictions. Domain names are generally regulated by internet regulatory bodies and are also subject to trademark laws and other related laws of each country. However, we have not obtained trademark protection for all domain names we have registered internationally. If we do not obtain trademark protection for such domain names we may not be able to establish online pharmacies under these domain names or incur significant additional expenses in the event that a third party registers a corresponding trademark first or another intellectual property right for such domain names. Furthermore, we cannot exclude that third persons use domain names and/or trademarks which sound similar to ours which could lead to confusions by existing or prospective customer. If we do not have or cannot obtain or maintain on reasonable terms the ability to use our current trademarks or other trademarks that we may need in the future in a particular country, or to use or register our domain name or new domain names that we may require, we could be forced either to incur significant additional expenses to market our products within that country, including the development of a new brand and the creation of new promotional materials and packaging, or to elect not to sell products in that country.

Furthermore, regulations governing domain names and laws protecting marks and similar proprietary rights could change in ways that block or interfere with our ability to use relevant domains or our current brand. In addition, we might not be able to prevent third parties from registering, using or retaining domain names that interfere with our customer communication or infringe or otherwise decrease the value of our marks, domain names and other proprietary rights. Regulatory bodies may establish additional generic or country-code top-level domains or may allow modifications of the requirements for registering, holding or using domain names. As a result, we might not be able to register, use or maintain the domain names that utilize the words "shop" and "apotheke" or "pharmacy" in all of the countries in which we currently conduct business or intend to conduct business in the future.

The occurrence of any of such risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Our business depends on our ability to maintain and further enhance positive awareness of our existing brands and domain names and to establish or acquire and raise awareness of new brands and domain names as we enter new geographic markets, which may only be accomplished at high marketing costs.

The success of our business depends on our ability to further enhance positive awareness of our existing shop-apotheke.com, shop-apotheke.at, shop-pharmacie.fr and shop-pharmacie.be domain names and brands associated with our domain names as e-commerce destinations for our customers. We believe that the strength of our brands has contributed to the growth in sales of our OTC Medications and Pharmacy-Related BPC Products at relatively low marketing costs in Germany.

The positive awareness of our existing brands and domain names is also driven by our marketing activities. For example, we have launched several television campaigns in Germany and Austria to strengthen our respective brands. In order to maintain and enhance positive awareness of our existing brands and domain names we may be forced to increase our marketing spending or bind more capabilities of our management in this regard.

As we expand into new countries in Continental Europe, we intend to establish and raise awareness of new brands and domain names that are tailored to the respective languages and markets of such countries. This will affect our overall marketing and customer acquisition costs. We may also determine to pursue acquisitions in such new geographical markets to be able to use established brands and domain names or where we believe that acquisitions will help us to grow faster than would otherwise be the case. In particular, as of 14 September 2016 we acquired certain brands and domain names connected with the Farmaline Business. There can be no assurance that we will be successful in establishing or acquiring sufficiently attractive brands and domain names in our new target markets in order to grow our business and our related investments may not result in a profitable business.

Countries in which we are already active or the countries into which we plan to expand our operations may impose legal restrictions on advertisement of medications, pharmaceutical products or pharmacies at all, such as a ban on television advertisement. To the extent that we seek to expand our business into such countries, we may find it difficult to establish and increase the positive awareness of our brands and domain names or may only be able to do so at a relatively high cost.

Furthermore, we are dependent on our advertising partners, like Google, which may restrict possibilities to place advertisements on their websites. All these factors may limit our ability to increase market awareness of our brands and domain names.

Furthermore, our brands may be adversely affected if our public image or reputation is impaired by negative publicity. Customer complaints or negative publicity relating to our websites, products and sales

processes (including our pharmaceutical counseling services, the accuracy of our order processing, delivery times for our products and product return processes), the working conditions of our employees (or the employees of our subcontractors or suppliers), and the way in which we handle and protect customer data and provide customer support, could have a significant negative impact on our reputation and on the positive awareness of our brands.

If we are unable to establish, maintain or further enhance our brand image, which is associated with our domain names, if our brand image is adversely affected by negative publicity or if our brand image is not accepted by customers, this could have a material adverse effect on our business, financial condition and results of operations.

Failure to provide our customers with an attractive online shopping experience or to meet their expectations could limit our growth and prevent us from achieving or maintaining profitability.

We believe that one of the foundations of our success as an online pharmacy is our ability to provide our customers with a highly attractive and convenient online shopping experience. We do this by providing a wide range of products and brands demanded by our customers on a convenient platform, along with attractive prices, supported by attractive payment and delivery options meeting local market expectations. Furthermore, the online shopping experience is supported by our pharmaceutical counseling. If any aspect of our online shopping experience is not viewed favorably by our customers, or does not meet their expectations, e.g., regarding a timely delivery of our products, we may be unable to win new customers, may lose existing customers or may be faced with reduced volumes of purchases on our websites or an increase of the return rate of the ordered products, any of which would have a material adverse effect on our business, financial condition and results of operations.

The healthcare content, interactive tools and other features that we provide to our customers require the commitment of substantial resources. If we fail to provide content and other features that consumers demand, we will not be able to attract or retain customers, which would result in slower revenue growth and higher marketing costs.

As part of our customer offering, we provide, among other things, pharmaceutical advice videos, automated medication interaction checks, detailed product information, pharmaceutical counseling, personalized product recommendations and customized user content. These additional services are restricted by laws on pharmaceutical advertising. Such restrictions prevent us for example from using recommendations by scientists or persons active in the healthcare sector who could, due to their prominence, encourage the consumption of a certain medication or from publishing statements suggesting that the non-use of a medication could affect health or its use could improve health. If we fail to develop attractive content and interactive tools, we may not be able to attract or retain customers which would have a material adverse effect on our business, financial condition and results of operations or we may be forced to increase our marketing activities to attract and maintain customers, which would be accompanied by an increase of marketing costs, which could also have a material adverse effect on our business, financial condition and results of operations.

We are dependent on the successful provision of professionally created healthcare content, interactive tools and other features that consumers demand, which requires the commitment of substantial resources, including financial assets and time on the part of our management, which could have a material adverse effect on our business, financial condition and results of operations.

Use of smartphones, tablets and other mobile devices by our customers is rapidly evolving and failure to successfully adapt to these changes could have an adverse effect on the reception of our online product offering by our customers.

Purchases by our customers using mobile devices, such as tablets, have increased significantly over the past two years, and we expect this trend to continue. In 2016, we have launched an iOS-based app and an Android-based app for our webshop in Germany, which we believe will facilitate additional sales from mobile devices. However, there can be no assurance that the percentage of mobile visits will continue to increase.

As new mobile devices, like the Apple Watch, platforms and applications are released, it is difficult to predict the issues we could encounter in developing mobile-optimized websites that operate on such devices and platforms, and we might need to allocate significant resources and investments to create, support and maintain such mobile websites. There is also no assurance that we will experience the same conversion rates and shopping basket size from visitors browsing our mobile websites as from those browsing our desktop websites.

We also depend on the interoperability of our websites with popular mobile operating systems that we do not control, such as iOS and Android. Changes in such systems that degrade the functionality of our websites or give preferential treatment to competing websites could adversely affect our mobile offering. If our customers

have difficulties accessing and using our websites on their tablets and other mobile devices, or if our customers choose not to use our mobile offerings because they prefer other mobile solutions not supported by us, our customer and revenues growth, if any, could be limited, which could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on a limited number of suppliers of OTC Medications and Pharmacy-Related BPC Products and there is a risk that our suppliers could discontinue selling to us on financially viable terms, fail to supply us with products that meet our requirements, or fail to comply with applicable laws or regulations.

We do not have long-term or exclusive contracts with our suppliers, and substantially all of our suppliers sell their products to us by granting payment targets, including early payment discounts. Therefore, establishing and maintaining strong relationships with suppliers is an important aspect of us being able to offer an attractive shopping experience to our customers and to grow our business. If our key suppliers cease doing business with us, stop supplying products to us on favorable terms, reduce the number of products they are selling to us or significantly change to our disadvantage the terms on which they supply their products, our ability to meet the demands of our customers could be adversely affected, which could have a negative impact on our revenues and results of operations. In the year ended 31 December 2015, approximately 80% of our total purchase volume was attributable to five suppliers (of a total of approximately 280 active suppliers (excluding suppliers of our Farmaline Business)). A loss of one or more of our suppliers or the loss of popular product brands from our suppliers would likely result in the loss of existing or potential customers and material decrease in revenues. Furthermore, the pharmaceutical industry has been subject to an overall decrease in the number of suppliers in recent years due to a consolidation process and pharmaceutical suppliers have sought to reduce the number of retailers that they contract with. If these behaviors continue, we may be forced to procure our products from other wholesalers who cannot supply products to us on terms as favorable as the terms on which we currently obtain our products. This could have a negative impact on our gross margins and, consequently, our results of operations.

In Germany, new legislation sanctioning corruption in the health care sector has recently entered into force. We cannot exclude that in connection with this legislation our suppliers may take a more cautious approach regarding the granting of discounts and rebates and that, consequently, we cannot benefit at the same level from our procurement margins as we did in the past.

Growth of the overall OTC Medications and Pharmacy-Related BPC Products market may also be a challenge for our suppliers. As a result of potential shortages of certain products due to increased market demands, our suppliers may not be able to respond or process our orders in a timely fashion, in the ordered quantity or at all. As a consequence, we, in turn, may be unable to sell products in the quantities sought by our customers, which could lead to customer dissatisfaction and, ultimately, the loss of customers. This could have a material adverse effect on our business, financial condition and results of operations.

We could also become the subject of legal or regulatory actions if our suppliers provide us with, and we sell, products that do not comply with applicable laws or regulations, including laws and regulations relating to the admission of certain products by the regulators for resale. If our suppliers do not observe these regulations, we will be unable to sell the relevant products. If we fail to detect deficiencies in the products supplied to us before such products are shipped to our customers, we may have to recall such products or become subject to product liability claims. In the event of any failure by our suppliers to meet legally required quality standards or quality standards demanded by our customers, we may be unsuccessful in obtaining compensation from the relevant supplier, we could incur additional costs, our brand and reputation may be damaged by negative publicity due to such deficiencies, we or our management may face administrative fines or criminal charges and we may lose current or potential customers. The occurrence of any of such risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Many of our suppliers rely on credit insurance to protect their receivables, and any changes to, or withdrawals of, such credit insurance might lead suppliers to seek to reduce their credit exposure to us.

We believe that many of our third-party suppliers have traditionally taken out credit insurance to protect their receivables against the risk of bad debt, insolvency or protracted default of their buyers, including us. Availability of credit insurance is of particular importance to our suppliers. Credit levels available to us from our suppliers remain dependent on the general economic environment and our financial position. If there is a significant decrease in the availability of credit insurance to our suppliers, or if an increase in credit levels is administered too slowly or such insurance is withdrawn in its entirety, and if such suppliers are unwilling or unable to take credit risk themselves or find alternative credit sources, they might choose to reduce their credit exposure to us, including seeking to change their credit terms or refusing to further contract with us. Any such

actions could have a material adverse effect on our cash position, lead to an increase in our indebtedness or have a negative impact on our product offering and, thus, on revenue, which could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to manage our inventory levels efficiently and shifting customer preferences may result in overstocking or under-stocking of products and we may be obliged to dispose expired unsold products, thus incurring additional costs.

We must maintain sufficient inventory levels to operate our business through our online webshops shop-apotheke.com, shop-apotheke.at, shop-pharmacie.fr and shop-pharmacie.be successfully. However, many of our products have limited shelf lives and we seek to avoid accumulation of excess inventory while at the same time seeking to minimize out-of-stock levels and maintain in-stock levels across all product categories. If we do not accurately anticipate the time it will take to obtain new inventory or sell existing inventory, our inventory levels will not be appropriate and this may result in a loss of sales, a loss of customers who are unsatisfied with our delivery times or increased costs of maintaining inventory. Furthermore, we may incur additional costs for the disposal of expired products which typically need to be disposed in accordance with applicable special waste regulations.

In addition, some of our products must be stored in a temperature-controlled environment. For example, due to regulatory requirements and their perishability, certain products must be stored between 2°C and 8°C. If our cooling systems malfunction, for whatever reason, and our products are not kept within this range, the efficacy of the products may be compromised and the products may decay and become unfit for sale, which would lead to a loss of all relevant stock and further supply costs. Additionally, due to regulatory reasons expired products can only be disposed in certain ways like waste combustion. A proper disposal through specialized firms is accompanied by additional costs.

The occurrence of any of these factors may have a material adverse effect on our business, financial condition and results of operations.

We face the risk of inventory theft and diversion, which could result in increased operating costs.

Many of our products are valuable, and their small size and packaging render them particularly susceptible to theft and diversion in the course of fulfillment and distribution. If the security measures we use at our distribution center and during the distribution process do not prevent significant inventory theft and diversion, our gross profit margins and results of operations may be harmed.

Any of these developments, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

We rely on email, telephone and other messaging services in our marketing efforts, and restrictions on sending emails or messages, or delays in their delivery could negatively impair our customers' positive reception of our offering and our reputation.

We rely upon email, telephone and other external and proprietary messaging services to promote our sites and products. We circulate emails, newsletters and alerts to inform customers of products available for purchase on our websites, and we believe these emails help generate a substantial portion of our revenues. If we are unable to deliver emails or other messages to our customers, if such messages are delayed or if customers increasingly elect not to open them, our revenues and profitability could be adversely affected. In addition, we rely on a third-party service provider to deliver emails and delays or errors in the delivery of such emails or other messaging could occur and are largely beyond our control. Changes in how webmail apps organize and prioritize emails could reduce the number of customers opening our emails. For example, Google Inc.'s Gmail service introduced a new feature that organizes incoming emails into categories (for example, primary, social and promotions). Such categorization or similar inbox organizational features could result in our messages being labeled as "spam" or given lower priority in our customers' accounts, which could reduce the likelihood of customers opening or responding positively to them. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or other messages, as well as legal or regulatory changes limiting our right to send such messages or imposing additional requirements on us in connection with them, could impair our ability to communicate with our customers using emails or other messages. Our use of email and other messaging services could also result in legal claims against us, which could increase our expenses and potentially expose us to additional liability.

We also rely on social networking and messaging services to communicate with our customers. Changes to the terms and conditions of these services could limit our promotional capabilities, and there could be a decline in the use of such social networking services by customers and potential customers.

The occurrence of these factors may have a material adverse effect on our business, financial condition and results of operations.

We may fail to operate and manage our logistics center efficiently or to expand our logistics capacity successfully as our business grows.

The adequate operation, management and expansion of our logistics, fulfillment and distribution infrastructure are key to our business and growth. Any inability to operate and optimize our logistics, fulfillment and distribution infrastructure successfully and efficiently, in particular as our business continues to grow, could result in excess or insufficient logistical capacity, increased costs or harm our business in other ways.

Our Venlo logistics center handles inventory, processes customer orders, arranges the distribution of our products and handles returns. These processes are complex and depend on sophisticated know-how and our IT systems. Any failure or interruption, partial or complete, of these systems, for example as a result of software malfunctions, fire, natural disasters, acts of terrorism, vandalism or sabotage, could impact our ability to timely deliver our customers' purchases and harm our reputation. If we continue to add fulfillment capabilities, add new businesses or product categories with different logistical requirements or change the mix of products that we sell, our logistics, fulfillment and distribution infrastructure will become increasingly complex and operating it will become even more challenging.

As we expand into new markets in Continental Europe, we might have to establish additional logistics centers in other countries, which may require significant financial investment and management time and attention. We might encounter operational difficulties which could result in distribution delays and customer dissatisfaction or cause our costs associated with logistics, fulfillment and distribution to increase. Any failure to address such challenges successfully, in a cost-efficient and timely manner, could severely disrupt our business and harm our reputation.

Delivery times of our products can vary due to several factors such as the location and characteristics of products ordered, inventory levels, the number of items in a customer's shopping basket, the country in which a customer is located, the number of overall current orders, the number of available personnel, as well as the occurrence of strikes or other service interruptions by our third-party logistics providers or by another entity that affects our logistics providers. There can be no assurance that customers will not expect or demand faster delivery times than we can provide in the future. If we are unable to meet customer expectations or demands in respect of delivery times or convenience, or if our competitors are able to deliver the same or equivalent products faster or more conveniently, we could lose current or potential customers, our brand and reputation could suffer, and we could experience shortfalls in revenues. In addition, there is also a risk that our current logistics, fulfillment and distribution infrastructure will prove insufficient to accomplish our continued growth. For instance, we may be unable to locate suitable facilities on commercially acceptable terms in accordance with any future expansion plans, and there is no assurance that we will be able to recruit qualified managerial and operational personnel to support such expansion plans. In such cases, we could experience difficulties fulfilling orders in a timely manner or our customers could experience delays in receiving their purchases, which could harm our reputation and our relationship with our customers. We might also need to increase our capital expenditures more than anticipated.

The occurrence of any of these risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to manage the transition of our operations to greater automation, the evolution of our warehousing system could be impaired.

Our warehousing system in our logistics center is currently fully computerized, but not yet fully automated. Our warehouse is equipped with computers, scanners and other electronic devices that enable us to manage and track our inventories on a real-time basis. However, certain logistical processes continue to rely on human input, and may be more efficiently operated by the introduction of automation. Part of our strategy involves the introduction of new systems to enhance the level of automation in our warehousing system, where justified from a cost perspective. For example, we currently use hand scanners operated by individuals for picking products in our storage system and packing them for shipment to our customers. In the future, this process may be replaced by a fully automated process. Any failure to increase the level of automation in accordance with our strategy may impair the evolution of our warehousing system, which could affect our ability to operate our facilities at a lower cost level, which may have a material adverse effect on our business, financial condition and results of operations.

We highly depend on third-party logistics providers for the distribution of our products to our customers and for delivery to us of certain products from our suppliers and manufacturers; our distribution costs may be affected by changes in the price for fuel, as well as other factors beyond our control, and we may not be able to pass on price increases to our customers.

We highly depend on the services of third-party logistics providers for the distribution of our products to our customers and for delivery to us of certain products from our suppliers and manufacturers from which we purchase products on a wholesale basis. We currently ship our products with Hermes and DHL directly from our logistics center to our customers in Germany. With respect to Austria, France and Belgium, we first ship the products with a variety of logistic partners from our logistics center to central collection points and then to the customers with Austrian Post in Austria, Mondial Relay and ColiPoste in France and Mondial Relay and bpost in Belgium. We are highly dependent on these third party logistics providers for efficient and cost-effective delivery of our products. The risks associated with our dependence on these providers include:

- strikes or other service interruptions by our logistics providers or by other entities that affect our logistics providers;
- spoilage of medications that require special handling, such as cooling; and
- delivery errors by our logistics providers, resulting in delays or lost or stolen products.

We may find it difficult to replace the logistics providers on whose services we currently rely due to a lack of alternative offerings at comparable price and/or service quality. In addition, as we enter new markets, we likely will have to contract with other logistics partners and there can be no assurance that their service quality and the prices that they charge will be satisfactory to us or to our customers. In the event any of the foregoing risks occur and we are unable to transition effectively and efficiently to a new provider, we could incur increased costs or experience a material disruption in our operations.

Our logistics and distribution costs depend on a variety of factors including, but not limited to, capacity utilization rates at our logistics providers and fuel costs. As a result, our costs can vary materially in the short-term and can increase significantly. Our shipping costs are typically impacted by fuel prices, as our logistics providers attempt to pass along these increases to us. Although we may attempt to pass on cost increases to our customers by increasing the prices of our products as part of our regular price reviews, we may not be able to do so. Since we currently provide free shipping if the shopping basket of the customer exceeds a certain value, our ability to pass on increased shipping costs is limited. Any price increases could adversely affect our sales and/or reduce our profitability. During periods of declining fuel prices, where our shipping costs may not be reduced or be reduced in line with fuel prices, customer demand may also require that we sell our products at lower prices or may restrict our ability to increase prices, thereby negatively impacting our margins. Volatility of our logistics costs and our limited ability to pass them on to customers may adversely affect our business, financial condition and results of operations.

We are subject to payment-related risks.

We accept payments using a variety of methods, including credit card, PayPal, invoice, electronic cash, "Sofortüberweisung" (a German third-party assisted electronic money transfer) and Carte Bleue, a French major debit card payment system. As we offer new payment options to customers, we may be subject to additional regulations, compliance requirements and various types of fraud or cyber-attacks. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. We are also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard and rules governing electronic funds transfers, which could change or be reinterpreted in a way that makes it difficult or impossible for us to comply. If we fail to comply with these rules or requirements of any provider of a payment method we offer, among other things, we may be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, our ability to accept credit and debit card payments from customers or facilitate other types of online payments.

We also may incur losses from fraud, which could be significant. While we have implemented a fraud detection system based on machine learning tools, any failure to avoid or limit losses from fraudulent transactions could damage our reputation and result in increased legal expenses and fees. For example, we may incur losses from claims that a customer did not authorize the purchase, from erroneous transmissions, from customers who have closed bank accounts or have insufficient funds available to them to satisfy payments when authorizing us to debit their account, and from non-payment of invoices. In addition to the direct costs of such losses, if they are related to credit card transactions and become excessive, they could potentially result in us losing the right to accept credit cards for payment. In addition, under current credit card practices, we are liable for fraudulent credit card transactions because we do not obtain a cardholder's signature for payments effected

through our websites. We do not currently carry insurance against this risk. To date, we have experienced minimal losses from fraud, but we continue to face the risk of significant losses from credit card fraud and other types of fraud. Our failure to adequately control fraudulent transactions could damage our reputation and brand and result in litigation or regulatory action, causing an increase in legal expenses and fees.

The occurrence of any of these risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

We rely on third parties to provide payment processing and if these third parties do not perform adequately or terminate their relationships with us, our costs may increase and our business and results of operations could be harmed.

Our success depends upon our relationships with third-party payment processors, such as PayPal. We rely on third-party payment processors and encryption and authentication technology licensed from third parties that is designed to effect secure transmission of personal information provided by our customers. If any of our payment processors, does not perform adequately, terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we may have difficulties finding an alternative provider on similar terms and in an acceptable timeframe, our costs may increase and our business and results of operations could be harmed.

The occurrence of any of these risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Any failure to operate, maintain, integrate and scale our internet and mobile infrastructure and our other technology may have a negative impact on our operations.

As an online pharmacy, we are dependent on the smooth functioning of our IT systems, in particular our internet, mobile infrastructure, enterprise resource planning ("**ERP**"), customer relationship management ("**CRM**") and accounting systems, which are all critical to our business, for example, for the processing of orders and payments, as well as supporting and assistance of customer calls. These systems are inherently subject to various operating risks. Our reputation and ability to acquire, retain and serve our customers is dependent upon the reliable performance of our websites and the underlying network infrastructure. As our customer base and the amount of information shared on our websites continue to grow, we will require an increasing amount of network capacity and computing power. In addition, we need to maintain reliable internet and mobile networks with the necessary speed and stability, data capacity and security, as well as develop algorithms which ensure the accuracy of our operations and the timely development of complementary products, in order to provide reliable internet and mobile access and services.

We have spent and expect to continue to spend substantial funds on data centers, equipment and related network infrastructure to handle the traffic on our websites and implemented systems and to assure the quality of all IT-supported processes. However, the risk that our IT systems are unable to handle the full scope of our business now or as we grow or are improperly implemented or adapted for our operations cannot be ruled out. In addition, the operation of these systems is expensive and complex and could result in operational failures. For example, any defects or insufficiencies in our algorithms on which our IT systems are based may lead to major mistakes in value-added tax ("**VAT**") control, payment control and price updates.

In the event that our customer base or the amount of traffic on our websites grows more quickly than we anticipate, we may be required to incur significant additional costs to enhance the underlying network and IT infrastructure. Inadequate performance of our IT systems, whether due to system failures, denial-of-service attacks (attempts of which we experience regularly), computer viruses, physical or electronic break-ins, undetected errors, design faults or other unexpected events or causes, could affect the security or availability of our websites and apps, prevent customers from accessing our websites and apps and result in limited capacity, reduced demand, processing delays and loss of customers.

Although we have set up our front-end systems in two independent data centers operated by third-party providers to ensure redundant capacity, any disruption to our IT systems due to software malfunctions, fire, natural disasters, acts of terrorism, vandalism or sabotage, actions of such third-party providers or any other unanticipated causes, which cannot be ruled out, would result in interruptions in the availability of our systems. While we have disaster recovery arrangements in place, they have not been tested during actual disasters or similar events and may not effectively permit us to continue to run our business in the event of any the occurrence of any of these or other events. To date, we have not experienced these types of events, but we cannot provide any assurances that they will not occur in the future.

The occurrence of any of these risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

A failure to adopt and apply technological advances in a timely manner could limit our growth and prevent us from achieving or maintaining profitability.

The e-commerce sector is characterized by rapid technological development, and new advances in technology, such as the current smartwatch trend, can increase competitive pressure. Our success depends on our ability to improve our current technological platform in a timely manner in order to remain competitive. Any failure to adopt and apply new technological advances in a timely manner could decrease the attractiveness of our websites to customers and thus limit our growth or even lead to declining revenues. Any such failure could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to the risk of security breaches and unauthorized use of one or more of our websites, databases, online security systems or computerized logistics management systems.

We operate websites and other data systems through which we collect, maintain, transfer and store information about our customers, suppliers and others, including personal information, as well as other confidential and proprietary information. We also employ third-party service providers that store, process and transfer proprietary, personal and confidential information on our behalf. We rely on encryption and authentication technology licensed from third parties in an effort to securely transfer confidential and sensitive information. Although we constantly monitor and update the security settings of our websites to protect the security, integrity and confidentiality of the information we collect, store or transmit, we have recorded attempts to break into our systems and we and our service providers might not have the resources or technical sophistication to anticipate or continue to prevent all types of attacks and techniques used to obtain unauthorized access to our systems. Therefore, we cannot guarantee that inadvertent or unauthorized use or disclosure will not occur, or that third parties will not gain unauthorized access to this information despite our efforts. If third parties were able to penetrate our network security or otherwise misappropriate our users' personal information, such as medicinal or health condition information, we could be subject to liability, including lawsuits. This would be costly, divert the attention of our management and cause significant harm to our reputation. Advances in computer capabilities, new technological discoveries or other developments could increase the frequency or likelihood of security breaches. In addition, security breaches can also occur by other means, as well, including through intentional or inadvertent breaches of our systems by our employees or by persons with whom we have commercial relationships. Any compromise or breach of our security measures, or those of our third-party service providers, could violate applicable privacy, data security and other laws, and cause significant legal and financial risks, adverse publicity and a loss of confidence in our security measures. Should security breaches derive from intentional or inadvertent acting of our employees, e.g. by publishing customer data, we may need to sanction these employees in order to make an example and prevent future internal security breaches, or to comply with demands of regulators or their authorities to sanction the causers which may lead to additional legal, financial and reputational risks as those employees might challenge our sanction measures before court. We also may need to devote significant resources to protect against security breaches, to address problems caused by breaches or to restore our websites, databases, online security systems or computerized logistics management systems and recover data stored therein in case of any security breach, diverting resources from the growth and expansion of our business.

The occurrence of any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations.

Ineffective protection of confidential information might materially weaken our market position and reputation and may expose us to liability under data protection law.

Our key employees and officers have access to sensitive confidential information relating to our business, such as information relating to strategic developments, business case planning and core technology. We have implemented various measures to protect such confidential data. However, in the event that competitors, third parties or the general public gain access to such confidential information in spite of our protective measures, be it on purpose or by accident, our competitive advantage and market position could be materially weakened and we could be subject to liability under Dutch data protection law and/or German data protection law.

Most of our activities involve the receipt or use of protected health information concerning individuals. We also use aggregated data from which personal details have been removed, such as number of site visits, with respect to certain firms for research and analysis purposes to manufacturers of OTC Medications and Pharmacy-Related BPC Products.

Moreover, future regulations and legislation that severely restrict or prohibit our use of patient identifiable or other information could limit our ability to use information critical to the operation of our

business. Many of these risks may not be covered by insurance fully or at all. If we violate a patient's privacy or are found to have violated any statute or regulation with regard to confidentiality or dissemination or use of protected health information, we could be liable for significant damages, fines or penalties, suffer severe reputational harm and use of such information could be restricted by regulators or other authorities, each of which could have a material adverse effect on our business, financial condition and results of operations.

Product recalls, product liability claims and claims for consultation mistakes could harm our reputation and business.

There is a risk that the goods we sell cause injury or even death to our customers, or damage the property of our customers. The sale of defective products might result in product recalls, product liability claims and/or administrative fines or criminal charges against us or our management. Even if an event causing a product recall proves to be without merit or if a product liability claim against us is unsuccessful, the negative publicity surrounding any assertion that products sold by us caused injury or damage or an allegation that the goods sold by us were defective, could adversely affect both our reputation with existing and potential new customers and our corporate and brand image.

When selling OTC Medications, the pharmacist is primarily responsible and liable for the customer's/patient's safety. Although many OTC Medications (for example, Diclofenac, Paracetamol, Aspirin or Ibuprofen) and dietary supplements are regarded as relatively safe, some of these medications may nonetheless have adverse effects on our customers/patients, particularly if used incorrectly. Therefore, appropriate consultation with, and advice to, customers is required. In case the relevant product causes damage to a customer or in the event the improper advice is given, we may be subject to litigation and/or criminal charges. Even if without merit, and ultimately unsuccessful, any claim brought against us in these circumstances could result in negative publicity and could adversely affect both our reputation with existing and potential new customers and our corporate and brand image.

The occurrence of any of the foregoing risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to operational and accident risks which may not be fully covered by our insurance.

We are exposed to risks due to external factors beyond our control, including, but not limited to, accidents, vandalism, natural hazards, acts of terrorism, damage and loss caused by fire, power failures or other events, that could potentially lead to the interruption of our business operations, personal injuries, damage to third-party property or the environment. For example, our logistics centers involve specific risks such as fire, individuals falling from height, objects falling from storage shelves and while being transported and traffic accidents, any of which could result in damage to equipment, damage to the property of third parties and personal injury or death. Accidents or other incidents that occur at our logistics centers or involve our personnel or operations could result in claims for damages against us and could damage our reputation.

We may incur liability resulting from pharmacy errors when we supply the wrong quantity of an ordered product, a defective product or fail to send the respective ordered products at all to our customers whether or not as a result of a fault on our part, in relation to prescription medications but also in relation to personal care products. Although we carry general liability, product liability and professional liability insurance, our insurance may not cover potential claims of this type or may not be adequate to protect us from all liability that may be imposed.

Although we insure ourselves against such losses to a level and at a cost we deem appropriate, our liability insurance policy is subject to exclusions and limitations, and we cannot guarantee that all material events of damage or loss will be fully or adequately covered by this insurance policy. Further, there is no guarantee that we will be able to maintain general liability, product liability and professional liability insurance in the future on acceptable terms or with adequate coverage against potential liabilities. As a result, the amount of any costs, including fines or damages that we might incur in such circumstances, could substantially exceed any insurance we have to cover such losses. In addition, our insurance providers could become insolvent.

The occurrence of any of these events could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Inability to forecast our business accurately could prevent us from properly planning expenses and process capacity.

We base our current and future expense levels on our forecasts of our business and estimates of future revenues. Such future revenues and results of operations are difficult to forecast because they generally depend

on the volume, timing and type of orders we receive, all of which are uncertain, particularly as we expand into new markets. Increasing seasonal variations in our inventories, working capital requirements and cash flows, among other things, could also increase the difficulty of our financial forecasting and could adversely affect our ability to predict financial results accurately. A substantial portion of our expenses is fixed and the necessity to purchase merchandise taking into account lead times, and as a result, we may be unable to adjust our spending in a timely manner to compensate for any unexpected shortfall in revenues.

In the event that such risks materialize, this could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to accurately assess our operating performance through certain key performance indicators, our ability to determine and implement appropriate business strategies may be impaired.

We assess our operating performance using a set of key performance indicators, which include the number of site visits, the number of mobile visits, the share of mobile site visits, the number of orders, the share of repeat orders, the return rate and the number of active customers. Capturing accurate data is subject to various limitations, also given our limited operating history, and there is no assurance that our data collection technologies and tools are always accurate. Such data can also not be audited by an independent auditor. Furthermore, because financial reporting frameworks lack standardized definitions of key performance indicators, the key performance indicators we use may not be comparable to those of our competitors. There is no guarantee that the information we have collected thus far is accurate or reliable. As a result, the key performance indicators that we use may not reflect our actual operating or financial performance and are not reliable indicators of our current or future revenues or profitability. Potential investors should therefore not rely on these indicators as a basis for their investment in our Shares.

The management of our business and the development of our growth strategy depend on accurate measurement of the numbers of and trends in our number of site visits, number of mobile visits, share of mobile site visits, number of orders, share of repeat orders, return rate and the number of active customers. If our measurements of these key performance indicators are incomplete or inaccurate, our business and strategic decisions may be suboptimal or wrong. Furthermore, if a significant understatement or overstatement of our active customers were to occur, the market might perceive us to have inadequate systems and lose confidence in the accuracy and reliability of the information we report.

The occurrence of any of these risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

We depend on key management and may be unable to attract, train, motivate and retain suitably qualified personnel and to maintain good relationships with our workforce.

Our future success is significantly dependent upon the continued service of our members of the managing board, and in particular on our CEO Michael Köhler, having 25 years' experience in the pharmaceutical industry and in mail-order and online pharmacy business, our founders Stephan Weber and Marc Fischer who have been key to the development of our Company and our Chief Operating Officer ("**COO**") and Chief pharmacist, Theresa Holler, who looks back on a 15 years' experience in the mail-order and online pharmacy business. If we lose the services of any member of the managing board, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth.

The competence and commitment of our management and employees are important factors for our successful development and management of opportunities and risks. Therefore, our success is largely dependent on our ability to attract, train, motivate and retain highly qualified individuals in particular online specialists, IT programmers, data scientists and specialists as well as pharmaceutical experts. A lack of qualified and motivated personnel could impair our development and growth, increase our costs and harm our reputation. We face competition for qualified personnel, for example those in IT and marketing positions as well as qualified pharmacists. Any loss of qualified personnel, high employee turnover or persistent difficulties in filling job vacancies with suitable applicants could have a material adverse effect on our ability to compete effectively in our business and considerable expertise could be lost by us or access thereto gained by our competitors. In addition, to attract or retain qualified personnel, we might have to offer more competitive compensation packages and other benefits which could lead to higher personnel costs.

Any failure to attract, train, motivate or retain skilled personnel at reasonable costs could result in a material adverse effect on our business, financial condition and results of operations.

Any increase of the minimum wage or an increase of the general wage level in the Netherlands, Germany or France will have a negative impact on our revenue. Although our employees are currently not

subject to any collective bargaining agreement, there can be no assurance that labor disputes, work stoppages, strikes or similar actions will not occur in the future which might urge us to adopt or negotiate a collective bargaining agreement. Any material disagreements between the Group and its employees could disrupt our operations, lead to a loss in revenue and customers and increase our operating costs. In addition, there is no guarantee that collective bargaining would be possible on terms that are satisfactory to us. If our fulfillment operations are affected over a longer period of time by labor disputes or if we were forced to enter into a collective bargaining agreement at unfavorable terms, this could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to adjust the number of our workforce for our operations which could have an adverse effect on our operations.

Changes in legal and regulatory requirements could adversely affect our ability to adjust the number of our workforce to the actual needs for our business. For example, a law could impose significant restrictions on the possibility of lay-offs, the use of leased workers for temporary work or impose additional qualifications on pharmacy personnel. Should such restrictions enter into force, we might need to reduce our workforce as necessary to operate our business on a cost efficient basis.

Any of these developments, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Our management team has no experience in managing a public company and publicly traded company reporting and compliance requirements could divert resources from the day-to-day management of our business.

Our management team has no experience in managing a publicly-traded company and complying with the increasingly complex laws pertaining to public companies. Our management team might not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under applicable laws and regulations. These new obligations will require substantial attention from our management and could divert their attention away from the day-to-day management of our business.

As a public company, we will be subject to additional reporting requirements, compliance and governance. Compliance with these rules and regulations will increase our legal and financial compliance costs and may make some activities more difficult and time-consuming. As a result, management's attention may be diverted from other business concerns and we may be required to hire additional employees or engage outside consultants to comply with these requirements, which would increase our costs and expenses.

Any of these developments, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

3.2 Risks Related to the Acquisition of the Farmaline Business

The acquisition of the Farmaline Business is subject to legal risks.

As of 14 September 2016 we acquired the Farmaline Business by way of the acquisition of all relevant assets and agreements relating to the online business and all shares in Fastnet BVBA, a private limited liability company incorporated under the laws of Belgium, together with certain assets held by other companies of Farmaline and held by the shareholders of Farmaline.

Acquisitions of this type regularly involve significant investment risks, see "*–3.1 Risks Related to Our Business - We have limited experience in acquiring companies and may not be able to execute our acquisition strategy effectively or successfully integrate acquired businesses*.", including but not limited to the assumption of tax liabilities and legal claims such as third party liability claims or claims relating to potential illegal activity by the acquired company. We may not have discovered all legal and commercial risks related to the acquisition in our due diligence exercise or may not have been able effectively to protect ourselves against such risks through contractual indemnities, representations and warranties, or otherwise. In addition, acquired intellectual property rights, domains or trademarks or other acquired or licensed assets may not be legally valid or may be less valuable than initially thought, and we may be unable to use them as planned or at all. Furthermore, we may not succeed in retaining, maintaining and integrating the key employees and suppliers of the Farmaline Business.

The occurrence of any of the factors above could have a material adverse effect on our business, financial condition and results of operations.

The Farmaline Business may not perform in line with expectations and, therefore, not justify the expense related to the acquisition, and we may fail to achieve the strategic goals pursued by the Farmaline Acquisition or may only be able to do so to a limited extent, at higher costs and/or a later point in time than originally anticipated.

As at the closing of the Farmaline Acquisition on 14 September 2016, we have acquired the Farmaline Business. The acquired business may not be as profitable as expected and not perform in line with expectations and, therefore, not justify the expense related to the acquisition. For example, we may experience difficulties in fully integrating the acquired business and realizing expected costs and revenue synergies. In particular, no assurance can be given, that Farmaline's current customers continue ordering with Shop Apotheke.

If all or parts of the risks related to the acquisition of the Farmaline Business were to realize, we may not achieve the strategic goals pursued by it or may be able to do so only to a limited extent, or at higher costs, including higher expense of valuable management time, and/or may not be able to achieve the pursued goals later than originally anticipated.

The occurrence of any of the factors above could have a material adverse effect on our business, financial condition and results of operations.

The two brand strategy pursued after the Farmaline Acquisition could adversely affect our product gross margin

As part of our acquisition of the Farmaline Business, we operate two brands in Belgium and certain other markets, "Farmaline" and "Vitazita". Vitazita is the brand used for the Group's price-conscious customers and is typically accessed via price comparison websites. It provides products at relatively more favorable prices, but offers lower service levels, in the markets in which Farmaline is positioned as the primary brand. If a significant number of our customers were to discontinue ordering from our Farmaline shops and instead order from our Vitazita shops, our product gross margin could be adversely affected, which in turn could have a material adverse effect on our business, financial condition and results of operations.

3.3 Risks Related to Regulation

If a regulatory body alleges that we have engaged in the unauthorized practice of medicine or that our business proposition violates applicable country-specific pharmacy laws, we may be subject to significant liabilities and may need to restrict our pharmaceutical offering in the future.

The practice of medicine requires licensing under applicable laws and regulations in all markets in which we operate. It is not our intent to practice medicine and we have structured our websites and our business to avoid a violation of medical licensing requirements and in compliance with country-specific pharmacy laws. However, as we enter new markets in Continental Europe, a regulatory authority could allege that a portion of our business (such as handling, storage, transportation, medication interaction checks and counseling) violates applicable laws and regulations. An allegation that we practice medicine and thereby violate country-specific laws governing medical practice or pharmacy laws could result in significant liabilities and we would not be in a position to offer certain services such as, among others, giving pharmaceutical advice by way of videos on our website to our customers in the future. Further, any liability based on an allegation that we engaged in the unlawful practice of medicine may be excluded from coverage under the terms of our general liability insurance policy. Any of these risks could have a material adverse effect on our business, financial condition and results of operations.

If one or more of our pharmacy licenses is withdrawn, we may not be able to ship our products into markets into which we currently deliver our products.

We currently hold a pharmacy license that allows us to ship into all member states of the European Union. If we fail to comply with relevant Dutch and other applicable European pharmacy laws, our pharmacy license would be withdrawn and we would not be allowed to continue our current business and our reputation would be significantly harmed. Government regulation of the health care and pharmacy industries exposes us to risks that we may be fined or exposed to civil or criminal liability, receive negative publicity or be prevented from shipping products into one or more states which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to a variety of regulations in the jurisdictions in which we operate, including but not limited to consumer protection laws, regulations governing e-commerce, online pharmacies and competition laws, and future regulations might impose additional requirements and other obligations on our business.

Laws and regulations applicable to e-commerce as well as laws and regulations of broader application that apply to our business (in particular competition law), and to public companies generally, are evolving at a rapid pace and can differ, or be subject to differing interpretation, from jurisdiction to jurisdiction. We cannot guarantee that our practices have complied or will comply fully with all applicable laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation and a loss of revenue, and any legal or enforcement action brought against us as a result of actual or alleged non-compliance could further damage our reputation and result in substantially increased legal expenses. In addition, various legislative and regulatory bodies, or self-regulatory organizations in the jurisdictions in which we operate now or in the future may extend the scope of current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding issues such as privacy, data protection, consumer protection or online pharmacies. Changes in laws or regulations applicable to us could cause us to incur substantial costs or require us to change our business practices, and could compromise our ability to pursue our growth strategy effectively. Any compliance failure may also give rise to civil liability, administrative orders (including injunctive relief, and, in a worst case order to stop operations), fines or even criminal charges.

In particular, new laws could be adopted that prescribe a certain pharmacist to customer ratio which would require us to increase the number of pharmacists employed by us. There is no guarantee that we will be able to attract enough qualified personnel to fully comply with such ratio or to comply with such ratio on time. Until we are fully compliant with such ratio we may be restricted in our ability to operate or grow our business or may be subject to fines. Furthermore, certain OTC Medications could in the future be subject to regulations that currently apply to prescription medications. This may impair our ability to sell such products in certain of the countries in which we operate. It may also reduce our profit margin since we are currently restricted in our ability to fix prices for prescription medications. There is also the possibility that certain restrictions are imposed on products suitable for e-commerce which will have an impact on the composition of our assortment. Furthermore, countries in which we are already active but also the countries into which we plan to expand our operations may impose legal restrictions on advertisement of medications or pharmacies, such as a ban on television advertisement. Also, the categorization of a product as an OTC Medication or prescription medication is subject to different national regulations which may be subject to changes and could, in turn, have an impact on our product assortment offered in the respective country. In turn, it may be possible that the sale of OTC Medications will be deregulated. As a consequence, traditional drugstore chains, supermarkets and para-pharmacies may include OTC Medications in their product offering which will expose us to increased competition, see also "- *We are subject to intense competition that presents a constant threat to the success of our business*".

The occurrence of any of such risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Data protection laws are complex and rapidly changing and could impose material restrcitions or additional requirements on our business.

Recently, the EU legislator has updated the current EU data protection regime by passing the Regulation of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data ("**General Data Protection Regulation"**). This directly applicable EU regulation will repeal Directive 95/46/EC of the European Parliament and of the Council ("**EU Data Protection Directive**") and will therefore replace to a very large extent respective national EU member state data protection laws. The General Data Protection Regulation becomes effective on 25 May 2018 after the expiry of a two-year transition period. It stipulates severe consequences for non-compliance with its provisions. For instance, the maximum fines for compliance failures may range to up to 4% of the total worldwide group turnover of the preceding financial year or up to €20 million whichever is higher. Besides, the General Data Protection Regulation stipulates strict requirements regarding the processing of special categories of personal data, such as data concerning health.

At present, a variety of local and international laws and regulations govern the processing, i.e. the collection, retention, sharing and other use of personal data as well as the security of personal or other customer data. These laws and regulations are constantly changing. In particular, the specific protection rules for processing personal data concerning health and the specific rules for the transfer of such health data between the pharmacy and the health insurance company have to be observed.

Data protection is a particularly sensitive and politically charged issue in Europe, and any actual or alleged failure by us to comply with applicable laws or regulations could have a significant adverse effect on our

reputation and attractiveness to existing and potential customers. Under the upcoming General Data Protection Regulation, adverse consequences of data protection violations may result in substantial fines, various other enforcement actions as well as damage claims for alleged or proven privacy violations and class action claims. Local and international governmental authorities further continue to evaluate the privacy implications inherent in the use of cookies and other methods of online tracking for behavioral advertising and other purposes. Certain governments have enacted or are considering measures that could significantly restrict the ability of companies to engage in these activities, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools. Additionally, some providers of consumer monitoring services or software and web browsers have implemented, or have announced plans to implement, means to make it easier for internet users to prevent the use of cookies or to block other tracking technologies. If widely adopted, such developments could result in a significant reduction in the effectiveness of the use of cookies and other methods of online tracking. New laws, regulations, or developments in industry practice or customer behavior might result in the loss of, or substantial reduction in, our ability to use such practices to effectively market our merchandise, or might adversely affect our ability to acquire new customers on cost-effective terms.

The occurrence of any of such risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

We sell our merchandise in several Continental European countries and face legal and regulatory risks in the countries into which we sell.

We currently sell our offering of OTC Medications and Pharmacy-Related BPC Products to customers in certain Continental European countries (Germany, Austria, France, Belgium, the Netherlands, Spain and Italy) and prescription medications to our German customers due to German regulatory reasons obligating every pharmacy to offer prescription and OTC Medications. As a result, we are currently subject to, will become increasingly become subject to, given our expansion plans, a wide range of laws and regulations, including but not limited to laws and regulations concerning offering and distribution of medications, consumer and data protection, product safety and pharmacovigilance, competition, unfair trading, anti-corruption, advertising, employment, customs, libel, personal privacy, environmental protection, laws imposing sales and other taxes, and other laws and regulations that are directly or indirectly related to our business operations in each of these jurisdictions. Additional laws or regulations or unexpected changes in the regulatory requirements in any of the countries in which we operate might increase our cost of doing business, decrease demand for our products and services, restrict our flexibility or prevent us from doing business at all in any such country. If we violate or are alleged to have violated applicable, or fail to adapt to amended, laws or regulations, we could become subject to significant fines, legal fees and related costs, reputational damage and other potential costs or liabilities. In Continental European countries where no mail-order and online sales of medications has yet been established, we may face legal or regulatory proceedings when starting our operations. Other areas of exposure may be created by the implementation of the General Data Protection Regulation as of 25 May 2018 as well as by stricter interpretation of current data protection laws. In particular, the new data protection regime effected by this EU regulation may result in civil or regulatory proceedings as well as in reputational or other damages. The occurrence of any of these events, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

We use standardized sales, purchase and supply agreements as well as standardized terms and conditions, which increase the potential that all contract terms used therein, may be invalid or unenforceable if any clause is held to be invalid or void.

We maintain legal relationships with a large number of people and organizations, primarily customers, suppliers and manufacturers. In this context, we also use standardized documents, standard-form contracts and standardized terms and conditions. If such documents, contracts or terms and conditions are held to contain provisions which are disadvantageous to us, or if clauses in such documents or contracts are declared invalid and thus displaced by statutory provisions which are unfavorable to us, a large number of standardized documents, contracts or terms and conditions could be affected. Additionally, standardized terms in Germany and most other countries must comply with the laws on general terms and conditions, which means they are subject to rigid fairness review by the courts regarding their content and the way they, or legal concepts described therein, are presented to the other contractual party by the person using them. The standard is even stricter if they are used *vis-à-vis* consumers. As a general rule, standardized terms are invalid if they are not transparent, clearly worded, or if they are unbalanced or discriminate against the other party inappropriately. Due to the frequent changes to the legal framework, particularly with regard to court decisions relating to general terms and conditions, it is impossible to be fully protected from risks relating to the use of such standardized contractual terms. Even if

documents, contracts and terms and conditions are prepared with legal advice, it is impossible to exclude these risks now or in the future, as the changes may continue to occur in the legal framework, particularly via case law. There is also the risk that standard agreements drafted in accordance with Dutch law may not comply with laws outside of the Netherlands where the customer resides.

This could have a material adverse effect on our business, financial condition and results of operations.

We might be unable to adequately protect our intellectual property rights.

We believe our customer data, copyrights, trade secrets, proprietary technology and similar intellectual property are critical to our success, and we rely on trademark, copyright and trade secret protection, agreements and other methods with our employees and others to protect our proprietary rights. In addition, we have developed, and we anticipate that we will continue to develop, a number of programs, processes and other know-how on a proprietary basis (but partly based on open source codes) that are of key importance to the successful functioning of our business. We might not be able to obtain effective intellectual property protection in every country in which we are active or in which such protection is relevant, and our efforts to protect our intellectual property could require the expenditure of significant financial, managerial and operational resources. Any of our intellectual property rights could be challenged or invalidated through administrative processes or litigation, and we cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights.

We might be required to spend significant resources to monitor and protect our intellectual property rights. We may not be able to discover or determine the extent of any infringement, misappropriation or other violation of our intellectual property rights and other proprietary rights. We may initiate claims or litigation against others for infringement, misappropriation or violation of our intellectual property rights or proprietary rights or to establish the validity of such rights. Despite our efforts, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights and other proprietary rights. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel.

The occurrence of any of such risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Third parties might accuse us of infringing their intellectual property rights.

The e-commerce industry is characterized by vigorous protection and pursuit of intellectual property rights. We might be subject to litigation and disputes related to our intellectual property rights and technology in the future, as well as disputes related to intellectual property and product offerings of third-party suppliers featured by us. The costs of defending against such actions can be high, and there is no guarantee that such defenses will be successful. In addition, as our business expands and the number of competitors in our market increases, infringement claims against us could increase in number and significance.

Legal claims regarding intellectual property rights are subject to inherent uncertainties due to the often times complex issues involved, and we cannot be certain that we will be successful in defending ourselves against such claims. Many potential litigants have the ability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. If successful, a claimant could secure a judgment against us for substantial damages or prevent us from conducting our business as we have historically done so or may desire to do so in the future. We could also be required to seek additional licenses or pay royalties for the use of the intellectual property we need to conduct our business, which might not be available on commercially acceptable terms or at all. Alternatively, we may be forced to develop non-infringing technology or intellectual property on a proprietary basis, which could be expensive and/or unsuccessful.

The occurrence of any of the above risks could have a material adverse effect on our business, financial condition and results of operations.

The use of open source software could increase our risk that hackers could gain unauthorized access to our systems and we could be subject to litigation if third parties challenge our rights to use such software on an exclusive basis.

Some of our software and systems contain or operate based on open source software, which may pose certain risks to our software and solutions. Although we do not intend to use or modify open source software without holding the necessary licenses, we could, however, face claims from third parties alleging the infringement of their intellectual property rights, or demanding the release or license of the open source software

or derivative works developed by us using such software (which could include our proprietary source code) or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation, require us to purchase a license, publicly release the affected portions of our source code, limit the licensing of our technologies or cease offering the implicated solutions. In addition, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide contractual protections with respect to the software. Also, the licensors are not obliged to maintain their software or provide any support. There is a certain risk that the authors of the open source software cease updating and attending to the software. Engineering the software updates by ourselves could be expensive and time-consuming. The use of open source software can also present additional security risks because the initial source code for open source software is publicly available, which could make it easier for hackers and other third parties to determine how to breach our websites and systems that rely on open source software.

The occurrence of any of such risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

We might be subject to fines and follow-on claims for damages in relation to alleged or actual anti-competitive behavior.

We might become the subject of investigations by competition authorities and might be exposed to fines imposed by such authorities and follow-on claims for damages raised against us by third parties. The amount of any such fines and follow-on claims for damages could be substantial. Although we are not aware of any non-compliance by us with competition laws future investigations could reveal such actual or potential non-compliance. In addition, alleged or actual anti-competitive behavior might seriously disrupt business relationships with business partners.

The occurrence of any of these risks relating to our alleged or actual anti-competitive behavior, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Adverse judgments or settlements resulting from legal proceedings could expose us to monetary damages and limit our ability to operate our business.

We are or may become involved from time to time in private actions, investigations and various other legal proceedings by employees, suppliers, competitors, government agencies or others. As at the date of this Prospectus we are currently subject to a first instance civil law proceeding in France. The plaintiffs, competitors of Shop Apotheke (L'union des Groupements de Pharmaciens d'Officine (UDGPO), L'Association Francaise des Pharmacies en Ligne (AFPEL), Mr. Daniel Buchinger with the pharmacie du centre, La Société Pharmacie du Bizet and La Société Pharmacie de Lescombes accuse us of pursuing business in France which is allegedly not compliant with French law. In particular, we are accused of not having obtained a prior authorization of the French authorities about our online medications selling activity in France in accordance with French law, and to organize our online operations without taking into consideration some specific French legal requirements. Additionally, the plaintiffs accuse us of having sent information materials to potential consumers in France allegedly promoting our services and products. The plaintiffs also accuse us of undue offering of price reductions related to medications on our French website. Lastly, we are accused of unfair competition toward French competitors represented by the plaintiffs. If the plaintiffs were to be successful, we could be restricted in pursuing certain advertisement and sales measures but we could also be obliged to take into consideration some or all of the French law requirements regarding the online activity of pharmacists and could as a result be restricted in doing business in France. Our potential violation of the respective French laws would be published, which would lead to costs of up to €15 thousand. Additionally, we would be required to pay €30 thousand to each of the plaintiffs for the alleged unfair competition, plus the legal costs. We could face additional penalties if we were not complying to such court decision. The results of any such litigation, investigations and other legal proceedings are inherently unpredictable. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation, damage our reputation, require significant amounts of management time and divert significant resources. If any of these legal proceedings were to be determined adversely to us, or if we were to enter into a settlement arrangement, we could be exposed to monetary damages or limits on our ability to operate our business, which could have a material adverse effect on our business, financial condition and results of operations.

Our control and prevention mechanisms to ensure group-wide compliance with certain legislative requirements might not be sufficient to adequately protect us from all legal or financial risks.

We have established a management system for governance, risk and compliance, which includes standards of conduct, corruption prevention, information and data protection, prevention of unlawful

discrimination, and protection of company property and know-how to protect us against legal and financial risks. There is a risk that our system and the related management resources might not be sufficient to prevent all unauthorized practices, legal infringements, corruption and fraud, in particular in purchasing practices, or other adverse consequences of non-compliance within our organization or by or on behalf of our employees.

Any failure in compliance could harm our reputation and have a material adverse effect on our business, financial condition and results of operations.

Changes in tax treaties, laws, rules or interpretations or an adverse outcome of tax audits could have a material adverse effect on us.

The tax laws and regulations in the Netherlands, Germany and other jurisdictions in which we may operate as well as applicable double taxation treaties may be subject to change, and there may be changes in interpretation and enforcement of such tax laws or regulations, including with respect to applicable transfer pricing rules regarding intercompany loans and intragroup services, and the value-added tax treatment of supplies of goods and services. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified in an adverse manner, or if new tax laws or regulations are introduced by the competent authorities with or without retrospective effect. These or any future tax audit (since we are a relatively young company, we have not been subject to tax audits in the past) may require us to pay additional taxes plus accrued interest and penalties. In addition, tax authorities in the Netherlands, Germany and other relevant jurisdictions may periodically examine us and our subsidiaries. Tax audits could typically include a review of interest deductibility, transfer pricing arrangements, and the amount of depreciation or write-downs of assets for tax purposes. Tax audits for periods not yet reviewed, may consequently lead to higher tax assessments.

Any additional taxes or other sums that become due could have a material adverse effect on our business, financial condition and results of operations.

Any mistake in monitoring and controlling the VAT shown on our invoices may lead to financial risks and fines.

We conduct our business in a number of different countries and are required to apply different VAT rates depending on the country from which orders are placed. Our IT systems are designed to calculate applicable VAT for each order automatically. To ensure that VAT is properly assessed, individuals from our IT team and accounting department constantly check whether VAT is correctly calculated by our IT systems. Prior to implementing any update to the VAT calculation function of our IT systems or introducing a new release to our VAT control system, an official approval process is applied. However, any mistake made by, or malfunction or failure of, the VAT calculation function of our IT systems or any failure by us in monitoring these systems may expose us to payment obligations vis-à-vis the tax authorities, as well as to repayment claims from our customers and fines.

The occurrence of these events could have a material adverse effect on our business, financial condition and results of operations.

3.4 Risks Related to the Reorganization

We may be responsible for liabilities of the companies from which our business has been demerged; we may assume liability in relation to the transfer of assets.

The current structure of our Group is the result of the Reorganization completed in September 2015 (but with accounting effect from 1 January 2015 in respect of the legal demergers, which have been described in more detail below), pursuant to which the business of the Group was demerged from the Europa Apotheek Business of the Europa Apotheek Group.

Pursuant to the Dutch Civil Code (*Burgerlijk Wetboek*, the "**DCC**"), the companies of our Group that have been incorporated by way of a demerger, in particular, the Company, SA Europe B.V., Shop-Apotheke B.V. and Shop-Apotheke Service B.V., may be jointly and severally liable, for liabilities of the companies within the Europa Apotheek Group from which they demerged (collectively, the "**Demerging Companies**") that came into existence before the relevant legal demerger occurred for a period between three and twenty years depending on the type of liability. The Group will not have recourse to any third party for payment of such obligations, but only to the relevant Demerging Company.

Furthermore, there is a risk that companies of our Group have assumed unknown or unintended liabilities in relation to assets transferred to them from a company within the Europa Apotheek Group in the course of the Reorganization. There can be no assurance that we would be able to pay or settle any such liabilities if and when they fall due or that such liabilities would be covered by insurances taken out by our Group.

If any of the aforementioned risks would materialize, this could have a material adverse effect on our business, financial condition and results of operations.

We have a limited operating history in our current corporate structure. Due to the Reorganization, parts of the historical financial information presented in this Prospectus are complex and are based on a number of estimates and assumptions. They may not reflect our business, financial position or results as if the Group had existed in its current form since 1 January 2013 and may not be indicative of future results.

Upon completion of the Reorganization in September 2015, a legal group of companies within the meaning of IAS 27 was created with respect to which the Company is the parent. As a result of the Reorganization, we have a limited operating history in our current legal form and there is limited availability of historical financial information to evaluate the performance of our business on a fully consolidated basis. The audited combined financial statements of the Company as of and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 (the "**Annual Financial Statements**") have been included in this Prospectus to present the effects of the Reorganization. Due to our corporate history, the financial information presented in this Prospectus is more complex as compared to prospectuses of other issuers.

As the Group has only operated as a stand-alone group since 30 September 2015, our Annual Financial Statements may not be fully indicative of our future performance and may not reflect what our results of operation, financial position or cash flows would have been had the Group operated separately from EHS Europe Health Services B.V. during the periods presented.

In addition, our Annual Financial Statements are based on a series of assumptions and estimates that affect the recognition and amount of assets, liabilities, income and expenses. In such cases, our actual results may differ from our assumptions or estimates. Our results of operation set out in the Annual Financial Statements may not be indicative of the amounts of future results.

We may incur increased costs and expenses as a consequence of the separation of our business from the Europa Apotheek Business.

There is the risk that following the Reorganization pursuant to which we demerged our business from the Europa Apotheek Business, we may incur increased costs and expenses as we operate as a stand-alone business. We have limited experience operating as a stand-alone business and although we believe we have made suitable arrangements, it is possible that we may incur unforeseen costs and expenses or that anticipated costs and expenses are greater than we have budgeted. Prior to the Reorganization, the Group's business was an integrated part of the Europa Apotheek Business. As part of the Europa Apotheek Group, we were able to take advantage of economies of scale in terms of costs, employees and relationships with suppliers. As a stand-alone group, we might be unable to enter into contracts with historical existing suppliers on similarly favorable terms, due to a decline in purchasing scale or other reasons and hence we may incur higher costs than prior to the Reorganization.

Any increase in costs and expenses resulting from the separation of our business could therefore have a material adverse effect on our business, financial condition and results of operations.

Our obligations under the agreements entered into with companies of the Europa Apotheek Group may require us to commit resources in a way that could have a material adverse effect on our business, financial condition and results of operations.

With effect from 1 October 2015, our subsidiary, EuroService Venlo B.V., entered into a wholesale agent agreement with Europa Apotheek Venlo B.V. (the "**Wholesale Agent Agreement**"), pursuant which, EuroService Venlo B.V., which holds a Dutch pharmaceutical wholesaler license, serves as exclusive wholesale agent for Europa Apotheek Venlo B.V., ordering medications based on purchase orders supplied by Europa Apotheek Venlo B.V. and processing customers' orders. At the same time, our subsidiary, Shop-Apotheke Service B.V., entered into four service agreements with companies in the Europa Apotheek Group pursuant to which Shop-Apotheke Service B.V. provides the following services, IT pharmaceutical services, marketing services, (including maintenance of webshops, product pictures, market researches, database analyses mailings and other services) and finance, accounting and internal control services (collectively, the "**Service Agreements**").

The Wholesale Agent Agreement and the Service Agreements were negotiated at arms' length, however, there is a risk that our obligations under the Service Agreements could bind our management resources and require us to commit Group resources. Furthermore, we are dependent on the companies of the Europa Apotheek Group duly fulfilling their obligations under the Wholesale Agent Agreement and the Service

Agreements on which we have no influence. If the companies of the companies of the Europa Apotheek Group breach their obligations under these agreements, we could not balance our cost base with revenue and would incur higher inventory costs which could have a material adverse effect on our business, financial condition and results of operations.

3.5 Risks Related to the Shares and the Offering

Following the Offering, all members of our Managing Board as well as a large number of our existing shareholders as of the date of this Prospectus (the "Existing Shareholders") are at the same time shareholders of the Europa Apotheek Group, which is a competitor to us, and their interests may conflict with our interests and those of our other shareholders or other investors.

As of the date of this Prospectus, prior to completion of the Offering, Europa Apotheek Group and the Company have substantially the same shareholders. This includes all members of our Managing Board. These persons will continue to be substantial shareholders of the Company after the Offering.

The Shop Apotheke Group and the Europa Apotheek Group are both active in the sale of OTC Medications and Pharmacy-Related BPC Products and prescription medications in Germany and compete with each other. A delimitation agreement (the "**Delimitation Agreement**") was entered into between Shop Apotheke Europe N.V. and EHS Europe Health Services B.V. on 26 September 2016. The Delimitation Agreement was entered into in the context of the Offering to protect the interests of shareholders that acquire Offer Shares in the Offering for a period of two years commencing on the date on which the Offer Shares are allocated in the Offering, which is expected to be on or about 11 October 2016. The Delimitation Agreement obliges Europa Apotheek Group to refrain from any activity in the focus- and non-focus markets of the Shop Apotheke Group (defined as online OTC Medications and Pharmacy-Related BPC Products, as well as online sale of prescription medications) exceeding the scope of its previous activities in its own focus and non-focus markets (defined as offline mail order business for prescription drugs (mainly chronic diseases) and offline sales of OTC Medications and Pharmacy-Related BPC Products) that could have a direct or indirect material adverse impact on the business prospects of the Shop Apotheke Group in its focus and non-focus markets.

There is, however, a risk that the Delimitation Agreement may not restrict Europa Apotheek Group's ability to become active in the focus- and non-focus markets of the Shop Apotheke Group or protect the interests of the future shareholders of Shop Apotheke effectively. As a consequence, it cannot be excluded that the Company's Managing Board, while pursuing the interests of the Shop Apotheke Group, will be exposed to a conflict of interests and at the same time business opportunities for the Europa Apotheek Group may be reduced due to a limited market opportunity. Furthermore, the Company's rights under the Delimitation Agreement exist only for as long as the Delimitation Agreement is outstanding and enforceable. By its terms, the Delimitation Agreement can be terminated by the Company upon six months' notice at its sole discretion and cannot be renewed or extended after expiry of its two year term. Prior to this time, the Delimitation Agreement could be terminated by mutual agreement between the parties. If the Delimitation Agreement is terminated by the Company or by mutual agreement of the parties, or if the Delimitation Agreement were found to be unenforceable, the rights of the Company under the agreement will terminate. In all of the aforementioned cases, the restrictions under the Delimitation Agreement to protect new shareholders of Shop Apotheke would no longer apply.

Additionally, the interests of our existing shareholders that are also shareholders of the Europa Apotheek Group may differ from our interests and the interests of our shareholders. This may be relevant in particular in relation to resolutions of the Company's general meeting of shareholders that require a certain majority of the votes cast or certain minimum amount of share capital represented to pass, which includes capital increases to finance acquisitions, investments or for other purposes. There can be no assurance that Shareholders of Europa Apotheek Group do not vote against resolutions that we believe are beneficial to Shop Apotheke Group or allow us to compete against the Europa Apotheek Group. This potential influence of shareholders of the Europa Apotheek Group may conflict with the interests of the other shareholders and may adversely affect our business opportunities.

If any of the above-mentioned conflicts of interest materializes and restricts our business opportunities, this could have a material adverse effect on our business, financial condition and results of operations.

Our Shares have not previously been publicly traded, and there is no guarantee that an active and liquid market for the Shares will develop.

Prior to the Offering, there has been no public trading market for the Shares. The offer price (the **"Offer Price"**) for the Shares is being determined by way of a bookbuilding process. There is no guarantee that this Offer Price will correspond to the price at which the Shares will be traded on the Frankfurt Stock Exchange after

the Offering or that, following the Offering, an active trading in the Shares will develop or be maintained on the Frankfurt Stock Exchange. The failure to develop or maintain an active trading may affect the liquidity of the Shares and we cannot assure that the market price of the Shares will not decline below the Offer Price. Consequently, investors may not be in a position to sell their Shares in the Company quickly or at or above the Offer Price.

Our ability to pay dividends depends, among other things, on our financial condition and results of operations.

Although we do not intend to pay dividends in the foreseeable future, our general ability to pay dividends will depend upon, among other things, our results of operations, financing and investment requirements, as well as the availability of distributable profit. Certain reserves must be established by law and have to be deducted when calculating the distributable profit. In addition, any potential future debt financing arrangements may contain covenants which impose restrictions on our business and on our ability to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict our ability to pay dividends.

The price of our Shares could fluctuate significantly, and investors could lose all or part of their investment.

Following the Offering, the Share price will be affected primarily by the supply and demand for the Shares and could fluctuate significantly in response to numerous factors, many of which are beyond our control, including, but not limited to, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on our Company, changes in trading volumes in the Shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception in our Company or our industry, changes in the statutory framework in which we operate and other factors, and can therefore be subject to substantial fluctuations. In addition, general market conditions and fluctuations of share prices and trading volumes generally could lead to pricing pressures on the Shares, even though there may not be a reason for this based on our business performance or earnings outlook. In particular, public perception of the Company as an internet, e-commerce or technology company could result in the Share price moving in line with the prices of other shares in companies of this nature, which have traditionally tended to be more volatile than the share prices of companies operating in other industries. If the price Share or the trading volume of the Shares decline as a result of the realization of any or all of these events, investors could lose part or all of their investment in the Shares.

Future offerings of debt or equity securities by us could adversely affect the market price of the Shares, and future capitalization measures could substantially dilute the interests of our shareholders.

We may require additional capital in the future to finance our business operations and growth. We may seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities after the expiration, or earlier waiver by the Joint Global Coordinators, of the lock-up agreement that we have agreed with the Underwriters. An issuance of additional equity securities or securities containing a right to convert into equity, such as convertible debentures and option debentures, could potentially reduce the market price of the Shares and would dilute the economic and voting rights of our shareholders if made without granting subscription rights to our shareholders. Because the timing and nature of any future offering would depend on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued Shares, as well as the exercise of stock options by our employees in the context of possible future stock option programs or the issuance of the Shares to employees in the context of possible future employee stock participation programs, could lead to a dilution of the economic and voting rights of our shareholders. Our shareholders thus bear the risk that such future offerings could reduce the market price of the Shares and/or dilute their shareholdings.

The Offering may not take place.

The underwriting agreement entered into by the Company, MK Beleggingsmaatschappij Venlo B.V., Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Vivus Beteiligungen GmbH, Stephan Weber, Frank Köhler, Marc Fischer and Jens Kuhn (together, the "**Greenshoe Shareholders**") and the Underwriters (the "**Underwriting Agreement**") on 28 September 2016 will provide that the obligations of the Underwriters are subject to various conditions, including, among other things, the conclusion of a pricing agreement, and also provides that the Underwriters may terminate the Underwriting Agreement under certain circumstances. In the event of a non-occurrence of conditions or a termination of the Underwriting Agreement, the Offering will not take place. Claims for securities

commissions already paid and other costs incurred by investors in connection with their subscription are solely subject to the legal relationship between the respective investor and the institution where the purchase order was placed. Allotments to shareholders already affected will be void. In such a case, investors have no claim to receive Shares of the Company. Short sellers bear the risk of not being able to meet their share delivery obligations.

Future sales of the Shares by our Significant Shareholders and other Existing Shareholders could depress the price of the Shares.

Although (i) Dr. Björn Söder, member of the Supervisory Board, who owns 0.54% of our outstanding share capital as of the date of this Prospectus, and each of our Existing Shareholders that owns 1.0% or more of our outstanding share capital as of the date of this Prospectus and is not a Management Shareholder (as defined below) (together, the "**Significant Shareholders**"), (ii) each of MK Beleggingsmaatschappij Venlo B.V., Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Stephan Weber and Marc Fischer (the "**Management Shareholders**") and (iii) the Company have agreed to certain limitations on their ability to transfer their Shares in the lock-up agreements in the Underwriting Agreement for up to six months (in the case of the Significant Shareholders and the Company) and for up to twelve months (in the case of the Management Shareholders) after the first day of trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), (a) sales of a substantial number of Shares in the public market following the completion of the Offering by Existing Shareholders that are not Significant Shareholders at any time or, (b) sales of a substantial number of Shares in the public market following the expiration, or earlier waiver by the Joint Global Coordinators (who may waive the lock-up agreements in their absolute discretion at any time), of the lock-up agreements by Significant Shareholders, the Company or Management Shareholders, as the case may be, or (c) or the perception in the markets that such sales might occur, could depress the market price of the Shares and could impair our ability to raise capital through the sale of additional equity securities.

Compliance with the laws and regulations affecting public companies will increase our administrative requirements, resulting in higher costs and requiring significant management attention.

After the Offering, we will be subject to the legal requirements for companies listed on a public German stock exchange and in particular on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). These requirements include periodic financial reporting and other public disclosure of information (including those required by the stock exchange listing authorities), regular calls with securities and industry analysts, and other required disclosures. There is no guarantee that our accounting, controlling, legal or other corporate administrative functions will be capable of responding to these new requirements without experiencing difficulties or inefficiencies that will cause us to incur significant additional expenditures and/or exposure to legal, regulatory or civil costs or penalties. Furthermore, the preparation, convening and conducting of general meetings and our regular communications with shareholders and potential investors will entail substantially greater expense. Our management will need to devote time to these additional requirements that it could otherwise devote to other aspects of managing our operations. These additional requirements could also result in substantially increased time commitments and costs for the accounting, controlling and legal departments and our other administrative functions. Any inability of our administrative functions to handle the additional demands placed on us by becoming a publicly listed company as well as any financial or other costs resulting therefrom, could have a material adverse effect on our business, financial condition and results of operations.

An investment in the Shares by an investor whose principal currency is not Euro may be affected by exchange rate fluctuations.

The Shares are, and any dividends to be paid in respect of the Shares will be, denominated in Euro. An investment in the Shares by an investor whose principal currency is not Euro exposes the investor to foreign currency exchange rate risk. Any depreciation of the Euro in relation to an investor's principal currency will reduce the value of the investment in the Shares or any dividends in relation to such currency.

4. GENERAL INFORMATION

4.1 Responsibility Statement

This prospectus is made available by Shop Apotheke Europe N.V., Venlo, the Netherlands (the "**Company**" or the "**Issuer**", and, together with its consolidated subsidiaries, the "**Group**", "**we**", "**us**", "**our**" or "**our Group**"). The Company accepts responsibility for the information contained in this Prospectus. The Company declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this prospectus (the **"Prospectus"**) is in accordance with the facts and contains no omission likely to affect its import.

If any claims are asserted before a court of law based on the information contained in the Prospectus, the investor appearing as plaintiff may have to bear the costs of translating the Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the "**EEA**").

The information in this Prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in this Prospectus that may affect an assessment of the Offer Shares (as defined below) and that occurs or comes to light following the approval of the Prospectus, but before the completion of the public offering or admission of the securities to trading, whichever is later. These updates must be disclosed in a Prospectus supplement pursuant to Section 5:23 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht* – the *"***DFSA***"*).

4.2 Purpose of this Prospectus

This Prospectus relates to the offer and sale (the "**Offering**") of up to 4,107,142 ordinary bearer shares in the share capital of the Company, each with a nominal value of €0.02 (the "**Shares**") consisting of:

- up to 3,571,428 Shares to be issued by the Company pursuant to the Offering Capital Increase (the "**New Shares**"); and
- up to 535,714 Shares currently held by MK Beleggingsmaatschappij Venlo B.V., Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Vivus Beteiligungen GmbH, Stephan Weber, Frank Köhler, Marc Fischer and Jens Kuhn (the "**Greenshoe Shareholders**") in connection with a potential over-allotment (the "**Over-allotment Shares**" and, together with the New Shares, the "**Offer Shares**").

For purposes of admission to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange, this Prospectus relates to:

- 5,498,450 Shares existing prior to the Offering Capital Increase; and
- up to 3,571,428 New Shares (issued pursuant to the Offering Capital Increase).

The Offering consists of (i) a public Offering to institutional and retail investors in the Federal Republic of Germany ("**Germany**") and (ii) a private placement to certain institutional investors in various other jurisdictions outside Germany. In the United States of America (the "**United States**"), the Offer Shares will be offered and sold only to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"), in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act. Outside the United States, the Offer Shares will be offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**"). See *"21. Underwriting—21.5 Selling Restrictions"*.

4.3 Forward-looking Statements

The Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of the Prospectus. This applies, in particular, to statements in the Prospectus containing information on our future earnings capacity, plans and expectations regarding our business growth and profitability, and the general economic conditions to which we are exposed. Statements made using words such as "predicts", "forecasts", "plans", "endeavors" or "expects" may be an indication of forward-looking statements.

The forward-looking statements in the Prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or

non-occurrence of which could cause the Company's actual results, including the financial condition and profitability of our Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in the Prospectus, particularly in Section *3 "Risk Factors"*, Section *11 "Management's Discussion and Analysis of Financial Condition and Results of Operations"*, Section *12 "Markets and Competition"*, Section *13 "Business"* and Section *25 "Recent Developments and Outlook"*, and wherever information is contained in the Prospectus regarding our intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in the Prospectus will not occur. In addition, the forward-looking estimates and forecasts reproduced in the Prospectus from third-party reports could prove to be inaccurate (for more information on the third-party sources used in this Prospectus, see "*—4.4 Sources of Market Data*"). Actual results, performance or events may differ materially from those in such statements due to, among other reasons:

- changes in laws and regulations to which the Company is subject;
- changes in general economic conditions in the markets in which the Group operates, including changes in the unemployment rate, the level of consumer prices, wage levels etc.;
- the further development of European online market for OTC Medications, prescription medications and Pharmacy-Related BPC Products, in particular the levels of acceptance of internet retailing;
- user behavior on mobile devices and our ability to attract mobile internet traffic and convert such traffic into purchases of our goods;
- our ability to offer our customers an attractive online purchasing experience;
- demographic changes and changes in customer behavior, in particular the markets in which we operate or intend to operate;
- changes affecting interest rate levels;
- changes in the competitive environment and in the competition level;
- changes affecting currency exchange rates;
- the occurrence of accidents, natural disasters, fire, environmental damage or systemic delivery failures;
- inability to attract and retain qualified personnel;
- strikes;
- political changes;
- various risks related to the Reorganization (as defined below) and
- risks relating to the Offering.

Moreover, it should be noted that neither the Company nor any of the Underwriters assumes any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

See "*3. Risk Factors*" for a further description of some of the factors that could influence the Company's forward-looking statements.

4.4 Sources of Market Data

To the extent not otherwise indicated, the information contained in the Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which the Group operates are based on the Company's and the Underwriters' assessments. These assessments, in turn, are based in part on internal observations of the market and on various market studies.

The following sources were used in the preparation of the Prospectus:

- Apotheken Umschau, 2012 ("**Apotheken Umschau 2012**");
- Chip.de, 30 April 2015, "Stiftung Warentest: Online-Apotheken im Preis-Check", http://praxistipps.chip.de/stiftung-warentest-online-apotheken-im-preis-check_30584, site accessed on: 22 July 2016 ("**chip.de 2015**");

- Criteo, 2015, "Ecommerce Industry Outlook 2015" ("**Criteo 2015**");
- Deloitte Touche Tohmatsu Limited, 2014, "2015 Global life sciences outlook - Adapting in an era of transformation" ("**Global Life Sciences Outlook**");
- Ecommerce Europe, May 2013, "Europe B2C Ecommerce Report 2013" ("**Ecommerce Report 2013**");
- Euromonitor International, internet penetration, http://www.portal.euromonitor.com/portal, site accessed on: 22 July 2016 ("**Euromonitor**");
- Euromonitor International, mean age of population, http://www.euromonitor.com/medialibrary/PDF/DemographicTransformationWorldwide.pdf site accessed on: 22 September 2016 ("**Euromonitor Mean Age**");
- Eurostat, "Internet-Zugangsdichte – Haushalte", http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=de&pcode=tin00134&plugin=1, site accessed on: 22 July 2016 ("**Eurostat Internet-Zugangsdichte**");
- Eurostat, Real GDP growth rate, http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00115&plugin=1, site accessed on: 22 July 2016 ("**Eurostat Real GDP Growth Rate**");
- Eurostat, Population structure and aging, http://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing, site accessed on: 22 July 2016 ("**Eurostat Population Structure and Aging**");
- Eurostat, 2014, "Digital infrastructure and internet usage in Germany (2004-2013)", ("**Eurostat Digital Infrastructure and Internet Usage**");
- Federal Agency for Medicines and Health Products, http://www.fagg-afmps.be/en/human_use/medicines/medicines/distribution_delivery/pharmacy_public/website_pharmacyLstPharmacies/, site accessed on: 9 October 2015 ("**FAMHP 2015**")
- Frans Willekens, Max Planck Institute for Demographic Research, March 2014, "Demographic transitions in Europe and the world" ("**Max Planck Institute**");
- GfK, 2015, "Ein Markt – Zwei Vertriebskanäle" ("**GfK**");
- Ifo Institute, 17 June 2015, "Ifo Economic Forecast 2015: German Economy on the Upturn" ("**Ifo Institute**");
- IMS Health, June 2015, "Apothekenversandhandel und digitale Apothekenwelt – Trends von heute, die Realität von morgen" ("**IMS Health"**);
- The Internet Society, "Global Internet Report 2014" ("**Internet Society**");
- Pharmazeutische Zeitung, 2015, "OTC-Market: Positive Signale" ("**Pharmazeutische Zeitung 2015**");
- SEMPORA Management Consultants, April 2015, Apothekenmarktstudie 2015, ("**SEMPORA Study April 2015**");
- SEMPORA Research, October 2015, "European Pharmacy Market", comprising of an Extrapolation – Market potential Non-Rx as well as country factsheets for Austria, Belgium, Bulgaria, Czech Republic, Denmark, France, Hungary, Italy, Netherlands, Romania, Slovakia, Spain, Sweden, The United Kingdom, Norway, Poland, Portugal, ("**SEMPORA Study October 2015**");
- SEMPORA Research, June 2016, "European Pharmacy Market", comprising of an Extrapolation – Market potential Non-Rx ("**SEMPORA Study June 2016**");
- Statista, 2015, "Digital Market Outlook", https://de.statista.com/outlook, site accessed on: 2 November 2015 ("**Statista Digital Market Outlook**");
- Stiftung Warentest, ("**Stiftung Warentest 2014**");
- The World Bank, "World Data Bank", http://databank.worldbank.org/data/reports.aspx?source=2&country=DEU &series=&period, site accessed on: 7 November 2015 ("**World Bank**").

It should be noted in particular that reference has been made in the Prospectus to information concerning markets and market trends. Such information was obtained from the above-mentioned market studies,

publicly available research and reports, internet articles, press clippings and statistics. The Company has accurately reproduced such information and, as far as it is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Prospective investors should note that the Company's own estimates and statements of opinion and belief are not always based on studies of third parties.

4.5 Documents Available for Inspection

Subject to applicable laws and any selling and transfer restrictions (see "*21. Underwriting—0 Selling Restrictions*"), the following documents (or copies thereof) may be obtained free of charge from the Company's website (www.shop-apotheke-europe.com) for the period during which the Prospectus is valid:

- this Prospectus, including any supplement to this Prospectus;
- the Company's articles of association (the "**Articles of Association**") (in Dutch and an unofficial English translation);
- the Company's audited combined financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") as of and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 (the "**Annual Financial Statements**"); and
- the Company's unaudited condensed interim consolidated financial statements prepared in accordance with IFRS for interim financial reporting (IAS 34) as of and for the six-month periods ended 30 June 2016 and 30 June 2015 (the "**Interim Financial Statements**").

In addition, copies of the above documents will be available free of charge at the Company's offices at Dirk Hartogweg 14, 5928 LV Venlo, the Netherlands, during normal business hours from the date of this Prospectus until at least the Settlement Date (as defined below).

The Company's future consolidated annual and interim financial statements will be available from the Company on its website and from the paying agent designated in this Prospectus (see "*5. The Offering - 5.12 Designated Sponsor, Paying Agent, Settlement Agent*").

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of and are not incorporated by reference into this Prospectus.

4.6 Currency Presentation and Presentation of Figures

In this Prospectus, "**Euro**", "**EUR**" and "**€**" refer to the single European currency adopted by certain participating member states of the European Union, including the Netherlands and Germany.

All of the financial data presented in this Prospectus are shown Euro (€), except as otherwise stated. Certain financial data (including percentages) in this Prospectus have been rounded according to established commercial standards, whereas aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in the tables in this Prospectus may not correspond in all cases to the corresponding rounded amounts contained in the tables in this Prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables. Financial information presented which is preceded by a minus sign ("-") denotes the negative of such number presented. With respect to financial data set out in this Prospectus, a dash ("—") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but is or has been rounded to zero. Our historical results are not necessarily indicative of the results that should be expected in the future.

Where financial data in the following tables is labeled "audited", this means that it has been derived from the Annual Financial Statements mentioned above, which are subject to audit, and not that the individual amounts have been audited. The label "unaudited" is used in this Prospectus to indicate financial data that has not been derived from the Annual Financial Statements, but rather was taken from either our Interim Financial Statements or our internal reporting system, or has been calculated based on such information. This Prospectus also includes certain measures not defined by IFRS or the ("**non-GAAP measures**") used as key figures by our management to monitor the performance of the Group. If such non-GAAP measures are not included in the Annual Financial Statements, they are labeled in the respective tables "unaudited". On the other hand, if such non-GAAP measures are included in the Annual Financial Statements, they are labeled "audited".

4.7 Presentation of Financial Information

4.7.1 Application of IFRS

The financial information contained in this Prospectus is taken or derived from our Annual Financial Statements, our Interim Financial Statements and our internal reporting system. The Annual Financial Statements have been prepared in accordance with IFRS. The Interim Financial Statements have been prepared in accordance with IFRS for interim financial reporting (IAS 34).

The Annual Financial Statements and the Interim Financial Statements are the first accounts of the Company that have been prepared in accordance with IFRS and we have applied IFRS 1 – First Time Adoption of International Financial Reporting Standards in preparing these financial statements. Since we have not previously prepared financial statements, the financial statements do not include any IFRS 1 first-time adoption reconciliations. Estimates made by us in preparing our first financial statements reflect the facts and circumstances that existed at the time such estimates were made. Accordingly, the estimates we have made to prepare these financial statements are consistent with those made in the financial statements of EHS Europe Health Services B.V., from which our business was demerged pursuant to the Reorganization. See "*10. Selected Financial Information*" and note 3 to our Annual Financial Statements contained elsewhere in this Prospectus. Also see "*17. General Information on the Company and the Group—17.5 Incorporation of the Group Structure and Reorganization*".

4.7.2 Non-GAAP Measures

In this Prospectus we present certain non-GAAP measures used by our management as financial measures to monitor the performance of the Group or which management regards as being useful for investors. These figures are not recognized measures under IFRS and should, for this reason, not be considered as an alternative to the applicable GAAP measures. None of these non-GAAP measures have been subject to audit, except for the segment EBITDA included in the segment information of the Annual Financial Statements.

We have provided these non-GAAP measures and other information because we believe they provide investors with additional information to measure the operating performance of our business activities. Our use of non-GAAP measures may vary from the use of other companies in our industry. The measures we use should not be considered as an alternative to revenue, results of operations, result for the period or any other performance measure derived in accordance with IFRS. Nor should these measures be considered as an alternative to net cash (used in)/generated by operating activities as measure of liquidity.

The non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under IFRS. They may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable GAAP measures in accordance with IFRS. Their usefulness is therefore subject to limitations, which are described below. The non-GAAP measures should be considered in conjunction with our Annual Financial Statements and our Interim Financial Statements, interim combined financial statements and annual financial statements, respectively, prepared in accordance with IFRS and the respective notes thereto. The following discussion provides definitions of non-GAAP measures, provides information regarding the usefulness of non-GAAP measures and, where appropriate, a reconciliation of non-GAAP measures to their most directly comparable GAAP measures. See also "*11. Management's Discussion and Analysis of Financial Condition and Results of Operations*".

5. THE OFFERING

5.1 Subject Matter of the Offering

This Prospectus relates to the Offering of up to 4,107,142 Offer Shares consisting of:

- up to 3,571,428 New Shares to be issued by the Company pursuant to the Offering Capital Increase; and
- up to 535,714 Over-allotment Shares currently held by the Greenshoe Shareholders.

On 28 September 2016, the Company's general meeting (the "**General Meeting**") resolved to designate the managing board of the Company (the "**Managing Board**"), with the prior approval of the supervisory board of the Company (the "**Supervisory Board**"), for a period of 18 months following such date as the competent body to issue the New Shares, to determine the Offer Price of each New Share and the number of New Shares to be issued and to exclude and/or limit pre-emptive rights relating thereto.

On 28 September 2016, the Managing Board, with prior approval of the Supervisory Board, resolved to list the Shares on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and to issue such number of New Shares as necessary to complete the Offering and to exclude the pre-emptive rights to which the current Shareholders may be entitled in connection with the issuance of these Shares. See "*—5.4.1 Current and Future Share Capital; Form of the Shares*" for further details.

The rights of the holders of the Offer Shares will rank *pari passu* with each other and all other Shares with respect to voting rights and distribution entitlements.

The Offering consists of (i) a public Offering to institutional and retail investors in the Federal Republic of Germany ("**Germany**") and (ii) a private placement to certain institutional investors in various other jurisdictions outside Germany. In the United States of America (the "**United States**"), the Offer Shares will be offered and sold only to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"), in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act. Outside the United States, the Offer Shares will be offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**").

The share capital of the Company represented by the Offer Shares that are the subject of the Offering will total up to €82,143. Thus, Offer Shares representing up to approximately 74.7% of the share capital of the Company will be offered in the Offering upon the issuance of all New Shares (or up to approximately 65.0% of the share capital of the Company excluding the Over-allotment Shares).

As of the date of this Prospectus, all outstanding and issued Shares in the Company are held by our Existing Shareholders (as defined in "*16.1 Shareholder Information—Current Shareholders*"). Following completion of the Offering and (i) assuming placement of the New Shares at the mid-point of the Price Range and full exercise of the Greenshoe Option, our Existing Shareholders will continue to hold approximately 57.9% of the Company's share capital; and (ii) assuming placement of the New Shares at the high end of the Price Range and no exercise of the Greenshoe Option, our Existing Shareholders will continue to hold approximately 65.8% of the Company's share capital. The Company will receive only the proceeds of the Offering resulting from the sale of the New Shares, in each case after deduction of fees and commissions payable by the Company. The Company will not receive any proceeds from the sale of the Greenshoe Shares (as defined below) by the Greenshoe Shareholders.

The Underwriters are acting in the following capacities: Berenberg and Citi are acting as the Joint Global Coordinators and Joint Bookrunners, and Berenberg, Citi, COMMERZBANK are acting as Joint Bookrunners.

5.2 Price Range, Offer Period, Offer Price and Allotment

The Price Range set for the Offering (the "**Price Range**") within which purchase orders may be placed is €28.00 to €35.00 per Offer Share.

The period, during which investors may submit purchase orders for the Offer Shares is expected to begin on 29 September 2016 and is expected to end on 11 October 2016 (the "**Offer Period**"). On the last day of the Offer Period, offers to purchase may be submitted (i) until 12:00 noon (Central European Time) ("**CEST**") by prospective Retail Investors (private investors (natural persons) in the Federal Republic of Germany with a depository account in Germany ("**Retail Investors**", and each a "**Retail Investor**") and (ii) until 14:00 (CEST)

by prospective institutional investors. Retail Investors may submit purchase orders under the Offering in Germany with COMMERZBANK's subsidiary, comdirect bank Aktiengesellschaft or COMMERZBANK's retail branches. Retail Investors are entitled to cancel or amend their purchase orders at any time prior to the end of the Offer Period (if applicable as accelerated or extended).

The Company reserves the right, together with the Joint Global Coordinators to reduce or increase the number of Offer Shares, to reduce or increase the upper/lower limits of the Price Range and/or to extend or shorten the Offer Period. The Company and the Joint Global Coordinators may increase the total number of Offer Shares up to a maximum of the total number of Shares for which the application for admission to the regulated market of the Frankfurt Stock Exchange is filed in accordance with this Prospectus or any supplement published. To the extent that the terms of the Offering are changed, such change will be announced through electronic media, on the Company's website (www.shop-apotheke-europe.com) and published, if required by the Market Abuse Regulation and/or the DFSA, as an *ad hoc* announcement and/or as a supplement to this prospectus.

The offer price (the "**Offer Price**") and the final number of Offer Shares to be placed in the Offering will be set jointly by the Company and the Underwriters. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during a bookbuilding process. These orders will be evaluated according to the prices offered and the investment horizons of the respective investors. This method of setting the number of Shares that will be placed at the Offer Price is, in principle, aimed at minimizing dilution of the Existing Shareholders. Consideration will also be given to whether the Offer Price and the number of Shares to be placed allow for the reasonable expectation that the Share price will demonstrate steady performance in the secondary market given the demand for the Shares as reflected in the order book. Attention will be paid not only to the prices offered by investors and the number of investors placing orders for Shares at a particular price, but also to the composition of the group of shareholders in the Company that would result at a given price, and expected investor behavior. The Company and the Greenshoe Shareholders will not charge any expenses and taxes related to the Offering to investors.

The Company aims to achieve total gross proceeds of approximately €100 million from the sale of the New Shares in the Offering. The costs of the Company related to the offering of the New Shares and the listing of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) are expected to total up to approximately €5.2 million, including Underwriters' commissions of €2.5 million and a discretionary fee of up to €1.5 million. Under the above assumptions, the net proceeds to the Company from the sale of the New Shares, i.e., the gross proceeds less the costs of the Company and the Underwriters' commissions and fees are expected to amount to approximately €94.8 million.

If the final Offer Price is set at the mid-point or the high end of the Price Range, the number of New Shares to be placed may be significantly lower than at the low end of the Price Range. To achieve total gross proceeds of approximately €100 million, 3,571,428 New Shares would need to be placed at the low point of the Price Range, while 3,174,603 New Shares would need to be placed at the mid-point of the Price Range and 2,857,142 New Shares would need to be placed at the high end of the Price Range.

The decision on the number of New Shares to be placed will be made by the Management Board on 11 October 2016. The decision will be made on the basis of then envisaged minimum Offer Price depending on the progress of the bookbuilding process.

The Offer Price and the final number of Offer Shares placed in the Offering (i.e., the result of the Offering) are expected to be set on or about 11 October 2016. After the Offer Price has been set, the Offer Shares will be allotted to investors on the basis of the offers to purchase then available. The Offer Price and the final number of Offer Shares (that is, the result of the Offering) are expected to be published on or about 11 October 2016 by means of an *ad hoc* release on an electronic information dissemination system and on the Company's website. Investors who have placed orders to purchase Offer Shares with one of the Underwriters can obtain information from that Underwriter about the Offer Price and the number of Offer Shares allotted to them on the business day following the setting of the Offer Price. As commencement of trading (*Aufnahme des Handels*) of the Shares on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to take place on or about 13 October 2016, investors may not have obtained information about the number of Offer Shares allotted to them at the time of commencement of trading. Book-entry delivery of the allotted Offer Shares against payment of the Offer Price is expected to take place on or about 14 October 2016. Should the placement volume prove insufficient to satisfy all orders placed at the Offer Price, the Underwriters reserve the right to reject orders, or to accept them in part only. Allotments to investors who submitted purchase orders for the Offer Shares will be made on a systematic basis and full discretion will be exercised as to whether or not and how to allocate the Offer Shares for which purchase orders have been submitted.

There is no minimum or maximum number of Offer Shares for which prospective investors may place purchase orders. Investors may not be allocated all of the Offer Shares for which they have placed purchase orders. Any monies received in respect of purchase orders which are not accepted in whole or in part will be returned to the

investors without interest and at the investors' risk, i.e. the risk that the monies returned to the investors are not credited to the investors' accounts upon payment by the respective bank and the risk that monies paid to the respective bank for the purchase order will not be returned, e.g. upon insolvency of such bank. Payment will be made via transfer of the monies received in respect of purchase orders which are not accepted in whole or in part to the reference accounts of the investors' custody accounts through which the investors have placed their purchase orders.

5.3 Expected Timetable for the Offering

The following is the expected timetable of the Offering, which may be extended or shortened:

28 September 2016	Approval of this Prospectus by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**").
	Notification of the approved Prospectus to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – BaFin).
	Publication of the approved Prospectus on the Company's website (www.shop-apotheke-europe.com)
29 September 2016	Commencement of the Offer Period
	Application for admission of the Shares to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard)
11 October 2016	Close of the Offer Period (i) 12:00 noon (CEST) for private investors and (ii) 14:00 (CEST) for institutional investors
	Determination of the Offer Price and final number of Shares allocated
	Publication of the results of the Offering in the form of an *ad hoc* release on an electronic information dissemination system and on the Company's website (www.shop-apotheke-europe.com)
	Offering Capital Increase (as defined below) to become effective
12 October 2016	Admission decision to be issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
13 October 2016	Commencement of trading in the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
	Start of Stabilization Period
14 October 2016	Book-entry delivery of the Offer Shares against payment of the Offer Price (settlement and closing) (the "**Settlement Date**")
on or about 12 November 2016	Expiration of the Stabilization Period

5.4 General and Specific Information Concerning the Shares

5.4.1 Current and Future Share Capital; Form of the Shares

As of the date of this Prospectus, the issued share capital of the Company amounts to €109,969 and is divided into 5,498,450 ordinary bearer shares with a nominal value of €0.02 each.

In connection with and for the purposes of the Offering, it is expected that the Company will issue up to 3,571,428 New Shares. On 28 September 2016, the Managing Board, with prior approval of the Supervisory Board, resolved to issue such number of New Shares as necessary to complete the Offering and to exclude the pre-emptive rights to which the current Shareholders may be entitled in connection with the issuance of the New Shares (the "**Offering Capital Increase**"). It is expected that the Offering Capital Increase will become effective on 11 October 2016. Upon the Offering Capital Increase becoming effective, the Company's issued and outstanding share capital will amount to up to €181,397.56 and be divided into up to 9,069,878 Shares with a nominal value of €0.02 each.

All Shares issued as of the date of this Prospectus are, and all Shares that will be issued prior to the commencement of trading, will be fully paid up.

5.4.2 Certification of the Shares

As of the date of this Prospectus, all of the Shares are ordinary bearer shares in the share capital of the Company with a nominal value of €0.02 each. The Shares are and will be represented by one or more global share certificates (the "**Global Share Certificates**"), which will be held in custody with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream**") for safe-keeping for and on behalf of the parties entitled to the Shares represented by the Global Share Certificates. Clearstream will be irrevocably assigned with the administration of the Global Share Certificates. The holders of the Shares hold interests in these securities in accordance with the respective rules and procedures of Clearstream.

5.4.3 Voting Rights

Each Share in the Company confers the right on the holder to cast one vote at a General Meeting. See "*18. Description of the Company's Share Capital and Corporate Governance—18.6 General Meeting*" for further details. All Shareholders have the same voting rights. The Managing Board resolved to exclude the pre-emptive rights to which the current Shareholders may be entitled in connection with the issuance of these Shares.

5.4.4 Dividend and Liquidation Rights

The New Shares upon issue will rank, and the Over-allotment Shares will, rank *pari passu* in all respects with all other then-outstanding Shares. The Offer Shares will be eligible for any dividends from 1 January 2016. In the event of the Company's dissolution and the liquidation of its business, the balance of the Company's remaining equity after payment of debts and liquidation costs will be distributed to the Company's shareholders in proportion to the nominal amount of the Offer Shares held by each of them.

5.4.5 Delivery and Settlement

The delivery of the Offer Shares against payment of the Offer Price is expected to take place on or about 14 October 2016. The Offer Shares will be made available to the shareholders as co-ownership interests in the Global Share Certificate. The Offer Shares purchased in the Offering will be credited to a securities deposit account maintained by a German bank with Clearstream, for the account of such shareholder.

Under certain conditions, the Joint Bookrunners, on behalf of the Underwriters, may terminate the Underwriting Agreement, even after commencement of trading (*Aufnahme des Handels*) of the Shares on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the settlement of the Offering may not take place on the Settlement Date or at all if such conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See also "*21. Underwriting*".

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) will be annulled. Any dealings in Offer Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Greenshoe Shareholders, the Underwriters, the settlement agent and paying agent (each as defined in "*5.12 Designated Sponsor, Paying Agent, Settlement Agent*") nor Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) accepts any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Offer Shares on Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (see "*3. Risk Factors– 3.5 Risks Related to the Shares and the Offering").*

5.5 ISIN/WKN/Ticker Symbol

International Securities Identification Number (ISIN)	NL0012044747.
German Securities Code (*Wertpapierkennnummer*, WKN)	A2AR94.
Trading Symbol	SAE.

5.6 Transferability of the Shares, Lock-up

The Shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. Except for the restrictions set forth in Section *"—5.10 Lock-up Agreement, Limitations on Disposal*" and Section *"21 Underwriting"*, there are no prohibitions on disposals or restrictions with respect to the transferability of the Shares.

5.7 Existing Shareholders and Greenshoe Shareholders

As of the date of this Prospectus, all outstanding and issued Shares are held by our Existing Shareholders. The Greenshoe Shareholders plan to sell a portion of their Shares in the Offering.

Until the Offering is completed, the Existing Shareholders will hold 100% of our outstanding share capital. It is expected that our Existing Shareholders will continue to hold approximately 54.7% of the Company's issued and outstanding share capital upon completion of the Offering (assuming the placement of all Offer Shares at the low end of the Price Range and full exercise of the Greenshoe Option). For further details on the ownership structure of the Company, see "*16. Shareholder Information*".

5.8 Allotment Criteria

The allotment of the Offer Shares to retail investors and institutional investors will be decided by the Company after consultation with the Underwriters on a full discretion basis. The decision ultimately rests with the Company. Allotments will be made on the basis of the quality of the individual investors and individual orders and other important allotment criteria to be determined by the Company after consultation with the Underwriters. The allocation to Retail Investors will be compatible with the "Principles for the Allotment of Share Issues to Private Investors" (*Grundsätze für die Zuteilung von Aktienemissionen an Privatanleger*) issued on 7 June 2000 by the German Commission of Stock Exchange Experts published by the Stock Exchange Expert Committee (*Börsensachverständigenkommission*) of the German Federal Ministry of Finance (*Bundesministerium der Finanzen*). "Qualified investors" (*qualifizierte Anleger*) pursuant to the German Securities Prospectus Act (*Wertpapierprospektgesetz*) as well as "professional clients" (*professionelle Kunden*) and "suitable counterparties" (*geeignete Gegenparteien*) under the German Securities Prospectus Act (*Wertpapierprospektgesetz*) are not viewed as "private investors" within the meaning of the allocation rules. The details of the allotment procedure will be stipulated after expiration of the Offer Period and published in accordance with the allotment principles.

5.9 Stabilization Measures, Over-allotment and Greenshoe Option

In connection with the placement of the Offer Shares and to the extent permitted by Article 5 (4) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse in conjunction with the regulatory technical standards issued, Berenberg or persons acting on its behalf, acting as stabilization manager for the account of the Underwriters (the "**Stabilization Manager**") and may, as Stabilization Manager, make over-allotments and take stabilization measures to support the market price of the Shares and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, no assurance can be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date the Shares are listed on the regulated market on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than the thirtieth calendar day after such day (the "**Stabilization Period**").

These measures may result in the market price of the Shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the New Shares, be allocated up to 535,714 Over-allotment Shares (not to exceed 15% of the New Shares) as part of the Offering (the "**Over-allotment**"). The Over-allotment Shares will be provided to the Stabilization Manager, for the account of the Underwriters, in the form of a securities loan. The Greenshoe Shareholders have granted the Underwriters an option (the "**Greenshoe Option**") to acquire up to 535,714 Over-allotment Shares (any such Over-allotment Shares purchased upon exercise of the Greenshoe Option, the "**Greenshoe Shares**") to cover a potential over-allotment at the Offer Price, less the Underwriters' commissions. The Greenshoe Option will terminate on or about 12 November 2016 (30 calendar days after the first day of trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The Stabilization Manager is entitled to exercise the Greenshoe Option to the extent an Over-allotment was initially made, for the number of Greenshoe Shares subject to the Over-allotment, less the number of Shares held by the Stabilization Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilization Manager in the context of stabilization measures.

Once the Stabilization Period has ended, an announcement will be made within one week in various media outlets distributed across the EEA as to whether stabilization measures were taken, when price stabilization started and finished, and the Price Range within which the stabilization measures were taken; the

latter will be made known for each occasion on which price stabilization measures were taken. The exercise of the Greenshoe Option, the timing of its exercise and the number of Greenshoe Shares will also be announced promptly in the same manner.

5.10 Lock-up Agreement, Limitations on Disposal

Dr. Björn Söder, member of the Supervisory Board, who owns 0.54% of our outstanding share capital as of the date of this Prospectus, and each of our Existing Shareholders that owns 1.0% or more of our outstanding share capital as of the date of this Prospectus, (namely Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Vivus Beteiligungen GmbH, Frank Köhler, Jens Kuhn, Martin Frei, Thomas Frei, VVGS Beleggingsmaatschappij Venlo B.V., Leen Ponet, Lode Fastré, Toivo GmbH, Dr. Markus Rall and Gabriela Kuhn) that is not a Management Shareholder (as defined below) (together, the "**Significant Shareholders**") has agreed with the Joint Global Coordinators, acting on behalf of the Underwriters, that for the period from the date of the Underwriting Agreement until the date which falls six months after the first day of trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), not to, directly or indirectly, without the prior written consent of the Joint Global Coordinators, who are under no obligation to grant such consent,

(a) market, transfer or otherwise dispose of Shares or other securities of the Company; this also applies to any transaction economically equivalent to a disposal in economic terms, for example the issue of options or conversion rights on shares of the Company;

(b) cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company;

(c) propose, directly or indirectly, any increase in the share capital of the Company to any shareholders' meeting for resolution, or vote in favor of such a proposed increase;

(d) cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments provided with options and warrants convertible into shares of the Company; or

(e) enter into a transaction or perform any action economically similar to those described above.

The foregoing shall not apply to transfers to affiliates of such Significant Shareholder and any other shareholders of the Company immediately prior to the Offering, provided in each case that such transferee(s) agree(s) towards the Joint Global Coordinators to be bound by the same lock-up undertaking. The Joint Global Coordinators may jointly waive the above lock-up undertakings in full or in part in their absolute discretion.

The Joint Global Coordinators have agreed with each such Significant Shareholders that their respective lock-up undertakings as set forth above will lapse if the Offering has not closed and been settled by 31 March 2017.

In addition, each of MK Beleggingsmaatschappij Venlo B.V., Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Stephan Weber and Marc Fischer (the "**Management Shareholders**") has agreed with the Joint Global Coordinators, acting on behalf of the Underwriters, that, for the period from the date of the Underwriting Agreement until the date which falls twelve months after the first day of trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), not to, directly or indirectly, without the prior written consent of the Joint Global Coordinators, who are under no obligation to grant such consent,

(a) market, transfer or otherwise dispose of Shares or other securities of the Company; this also applies to any transaction economically equivalent to a disposal in economic terms, for example the issue of options or conversion rights on shares of the Company;

(b) cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of shares of the Company;

(c) propose, directly or indirectly, any increase in the share capital of the Company to any shareholders' meeting for resolution, or vote in favor of such a proposed increase;

(d) cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments provided with options and warrants convertible into shares of the Company; or

(e) enter into a transaction or perform any action economically similar to those described above.

The foregoing shall not apply to transfers to affiliates of the Management Shareholder and any other shareholders of the Company immediately prior to the Offering, provided in each case that such transferee(s) agree(s) towards the Joint Global Coordinators to be bound by the same lock-up undertaking.

The Joint Global Coordinators may jointly waive the above lock-up undertakings in full or in part in their absolute discretion.

The Joint Global Coordinators have agreed with Management Shareholder that his or her respective lock-up undertakings as set forth above will lapse if the Offering has not closed and been settled by 31 March 2017.

Pursuant to the Underwriting Agreement the Company agreed with each Underwriter that until the end of a period of six months following the first day of trading of the Shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange the Company undertakes

(a) not to announce or effect an increase of its share capital;

(b) not to propose to its general meeting an increase of its share capital; and

(c) not to announce, effect or propose the issue of securities with conversion or option rights on shares of the Company or economically similar transactions,

without the prior written consent of the Joint Global Coordinators, who may grant or withhold such consent in their absolute discretion.

The foregoing does not apply to any future employee share purchase and share option schemes.

A group of 20 Existing Shareholders, who are neither Significant Shareholders nor members of the Managing Board, and individually hold less than 1.0% of the Company's share capital before the completion of the Offering are not parties to the lock-up agreements. This group will represent in aggregate 4.8% of the issued share capital after the Offering Capital Increase assuming an Offer Price at the low end of the Price Range and 5.2% assuming an Offer Price at the high end of the Price Range. All members of the Supervisory Board have entered into lock-up agreements other than Jérôme Cochet who does not own any Shares.

5.11 Admission to the Frankfurt Stock Exchange and Commencement of Trading

The Company will apply for admission of the Shares to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on or about 29 September 2016. The listing approval for the Shares is expected to be granted on 12 October 2016. Trading in the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to commence on 13 October 2016.

5.12 Designated Sponsor, Paying Agent, Settlement Agent

Berenberg has agreed to assume the function of a designated sponsor of the Shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) for a period of at least two years. Pursuant to the designated sponsor agreement expected to be concluded by and between the designated sponsor and the Company, the designated sponsor will, among other things, place limited buy and sell orders for the Shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Shares. Berenberg is entitled to delegate duties under the designated sponsor agreement to authorized third parties.

Berenberg will act as settlement agent. Bankhaus Neelmeyer AG has been appointed paying agent at which any and all measures required with respect to the Shares, such as the distribution of dividends to the shareholders, may be effected free of charge to shareholders.

Baader Bank AG has been appointed as specialist for trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

5.13 Interests of Parties Participating in the Offering

The Underwriters act for the Company on the Offering and coordinate the structuring and execution of the Offering. In addition, Berenberg has been appointed to act as designated sponsor for the Shares. Upon successful implementation of the Offering, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the success of the Offering.

Furthermore, in connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for their own account, may acquire Shares in the Offering and in that capacity

may retain, purchase or sell for its own account such Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Offering. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares in the Company. None of the Underwriters intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so or as disclosed in this Prospectus.

Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with our Group (including lending activities) or may perform services for our Group in the ordinary course of business.

The Greenshoe Shareholders will receive the proceeds of the Greenshoe Shares sold in the Offering, if any. Assuming full placement of all of the Greenshoe Shares, and after deduction of the costs of the Greenshoe Shareholders and the Underwriters' commissions, the net proceeds to the Greenshoe Shareholders from the Offering would amount to approximately €14.5 million (see "*6. Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing—6.1 Proceeds of the Offering and Costs of the Offering and Listing*").

6. Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing

6.1 Proceeds of the Offering and Costs of the Offering and Listing

The Company will receive the proceeds resulting from the sale of the New Shares in the Offering after deduction of the costs of the Company and the Underwriters' commissions. The Greenshoe Shareholders will receive the proceeds of the Greenshoe Shares sold in the Offering, if any after deduction of the costs of the Greenshoe Shareholders and the Underwriters' commissions.

The Company estimates that the net proceeds to the Company will amount to approximately €94.8 million (after deduction of the costs of the Company and the Underwriters' commissions and fees of approximately €5.2 million) and the net proceeds to the Greenshoe Shareholders (after deduction of the costs of the Greenshoe Shareholders and the Underwriters' commissions) would amount to approximately €14.5 million.

The Company expects to incur total costs related to the Offering and the listing of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) of up to approximately €5.2 million, including Underwriters commissions of approximately €2.5 million and a discretionary fee of up to €1.5 million.

6.2 Reasons for the Offering and Listing and Use of Proceeds

We intend to cause the Shares being admitted to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) to achieve better access to the capital markets.

With the Offering, the Greenshoe Shareholders intend to partially divest their stakes in the Company and will receive any proceeds from the sale of the Over-Allotment Shares to the extent the Greenshoe Option is exercised (in each case after deduction of costs and commissions to be borne by the Greenshoe Shareholders).

We intend to use approximately €80 million of the proceeds of the Offering in roughly equal amount (i) to increase our working capital by financing, e.g. additional inventory, (ii) to invest in additional automation of our operations as well as IT and (iii) to repay the Shareholder Loans (as defined in "*20. Certain Relationships and Related-party Transactions - 20.2 Relationships with Certain Shareholders*") in full. The remaining portion of the proceeds will be used to strengthen leadership and intensify our efforts to penetrate new markets in accordance with our strategy. See "*13. Business—13.3 Our Strategy*".

Although we strongly intend to use the proceeds as described above, our actual use of these proceeds may differ depending on market developments, unexpected significant events or other factors. In any case, the Company will critically review the possible uses of proceeds on a regular basis and, where appropriate, adjust such uses to the occurrence of any particular developments or events.

7. DIVIDEND POLICY

7.1 General

The Company may only make distributions to the shareholders insofar as the Company's equity exceeds the aggregate of the nominal value of the paid in and called up share capital plus the reserves required to be maintained by Dutch law or by the Articles of Association.

Profit is distributed after the adoption of the Company's annual accounts from which it appears that distribution of such profit is admissible. The Managing Board, subject to the prior approval of the Supervisory Board, may decide to make allocations to reserves and therefore decides how much of the profit will be allocated to reserves. The profits remaining shall be at the free disposal of the General Meeting. For more information see "*18. Description of the Company's Share Capital and Corporate Governance—18.5 Dividends and other distributions*".

7.2 Dividend Policy

The Company currently intends to retain all available funds and future earnings to support operations and to finance the growth and development of the business of the Group and does not intend to pay dividends in the foreseeable future.

There can be no assurances that in any given year a dividend will be paid. The payment of dividends, if any, and the amounts and timing thereof will depend on a number of factors, including future revenue, profits, financial conditions, general economic and business conditions and prospects and such other factors as the Managing Board, subject to the prior approval of the Supervisory Board, may deem relevant as well as other legal and regulatory requirements, many of which are beyond the control of the Company. There can be no assurances that the Group's performance will facilitate adherence to the dividend policy or any increase in the pay-out ratio and, in particular, the Company's ability to pay dividends may be impaired if any of the risks described in this Prospectus were to occur. The Company is a holding company and its ability to generate income and pay dividends is dependent on the ability of its subsidiaries to declare and pay dividends or lend funds to the Company. In addition, the Company's ability to pay dividends is subject to restrictions on the distribution of dividends under Dutch law. See "*3. Risk Factors*". Furthermore, the Company's dividend policy is also subject to change as the Managing Board, subject to the prior approval of the Supervisory Board, will revise the Company's dividend policy from time to time.

7.3 Profit Ranking of the Shares

All of the Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equally and will be eligible for any profit or other payment that may be declared on the Shares.

7.4 Manner and Time of Dividend Payments

It is intended that the payment of dividends in cash, if declared, will be made in Euro. However, the Company may also declare dividends in kind by issuing new Shares. Any dividends that are paid to shareholders through and in accordance with the rules of the clearing system of Clearstream, will be automatically credited to the relevant shareholders' accounts without the need for the shareholders to present documentation proving their ownership of the Shares.

7.5 Taxation

Dividend payments on the Shares are generally subject to withholding tax in the Netherlands. See "*22. Taxation*".

8. Capitalization and Indebtedness, Statement on Working Capital

The following tables show the Company's consolidated capitalization and indebtedness as well as the net financial indebtedness (i) derived from the Company's Interim Consolidated Financial Statements and the Company's internal accounting records prior to the implementation of the Offering and the Offering Capital Increase and (ii) as adjusted to reflect the Offering and the Offering Capital Increase and use of proceeds upon completion of the Offering (assuming gross issue proceeds of €100 million). The data presented in the "Adjustments" columns have been prepared to show the effect of (i) the Farmaline Acquisition and (ii) the receipt by the Company of the net proceeds of the Offering, after deduction of the costs of the Company and Underwriters' commissions and fees. The "As adjusted" column has been prepared on the basis that the Farmaline Acquisition had occurred and the Company had received the net proceeds of the Offering, after deduction of the costs of the Company and Underwriters' commissions and fees as of 30 June 2016. Investors should read these tables in conjunction with "*6. Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing*". *"10 Selected Financial Information"* and *"11 Management's Discussion and Analysis of Financial Condition and Results of Operations"* and our Interim Financial Statements.

8.1 Capitalization

Capitalization (in € thousand)[1]	Actual as of 30 June 2016	Adjustment to show the effect of the Farmaline Acquisition	Adjustment to show the effect of receipt of the net proceeds of the Offering	As adjusted to reflect the Farmaline Acquisition and receipt of the net proceeds of the Offering as of 30 June 2016
			(unaudited)	
Total current debt[2]	18,019	–	–	18,019
of which: guaranteed	–	–	–	–
of which: secured	–	–	–	–
of which: unguaranteed / unsecured	18,019	–	–	18,019
Total non-current debt (excluding current portion of long-term debt)[3][4]	22,715	–	− 19,715	3,000
of which: guaranteed	–	–	–	–
of which: secured	–	–	–	–
of which: unguaranteed / unsecured	22,715	–	− 19,715	3,000
Shareholder's equity	6,240	4,619	94,800	105,659
Share capital[5]	100	3	71	175
Legal reserves	–	–	–	–
Other reserves[5]	6,140	4,615	94,729	105,484
Total capitalization	46,974	4,619	75,085	126,678

(1) It is assumed that (i) all New Shares were fully placed at the low end of the Price Range and (ii) that the maximum number of New Shares is placed and generate net proceeds of €94.8 million. It is further assumed that the proceeds are held as term deposits with banks or are invested in other current assets until they are used as described under *"6. Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing*". In addition it has been assumed that the 66,700 Shares (333,500 Shares after the 1:5 share split) for which the Company received €10,005 thousand in June 2016 were issued and outstanding as at 30 June 2016, although such Shares were actually issued in September 2016. See *"18.4—Share Capital"*.

(2) "Current debt" corresponds the items (i) trade and other payables, (ii) amounts due to related parties and (iii) other liabilities (current) in our statement of financial position.

(3) "Non-current debt" corresponds the items (i) "loans from related parties (Shareholder Loans) and (ii) other liabilities (non-current) in our statement of financial position.

(4) The Group intends to pay the nominal amount (€26,853 thousand, including accumulated interest) of the non-current debt (comprising the Shareholders Loans) (excluding the €3 million deposit) with a portion of the proceeds of the Offering. See "*20 Certain Relationships and Related-party Transactions—20.2 Relationships with Certain Shareholders"*. As described in *"10.10 Liquidity and Capital Resources—11.10.4 Outstanding Liabilities" and "20.2 Relationships with Certain Shareholders—20.2.1 Shareholder Loans*", payment of the Shareholder Loans will result in a loss on our statement of profit and loss in the period, of €5,354 thousand. This is equal to the difference between the nominal amount (€26,853 thousand, including accumulated interest) as at 30 June 2016 and the sum of the carrying value of the Shareholder Loans of €19,715 thousand and related deferred tax liability of €1,784 thousand.

(5) As part of our acquisition (the "**Farmaline Acquisition**") of the online business of the Belgian pharmacy Farmaline N.V., the Company issued 32,990 Shares to the owners of Farmaline on 14 September 2016 and will pay €2,150 thousand in cash, of which €1,650 thousand was paid on 14 September 2016. The remaining €500 thousand will be paid in October 2016. Due to the issuance of 32,990 Shares, the Company's share capital increased to €103 thousand (an increase of €3 thousand due to the nominal value of €0.10 per share) and its other reserves increased to €4,615.3 thousand. These values are based on preliminary accounting under IFRS 3 Business Combinations and will be finalized once the fair value accounting under IFRS 3 Business Combinations is completed.

8.2 Net financial Indebtedness

Net financial indebtedness (in € thousand)[1]	Actual as of 30 June 2016	Adjustment to show the effect of the Farmaline Acquisition	Adjustment to show the effect of receipt of the net proceeds of the Offering	As adjusted to reflect the Farmaline Acquisition and receipt of the net proceeds of the Offering as of 30 June 2016
			(unaudited)	
A. Cash[2]	10,458	−1,650	67,947	76,755
B. Cash equivalent	–	–	–	–
C. Trading securities	–	–	–	–
D. Liquidity (A)+(B)+(C)	**10,458**	**−1,650**	67,947	**76,755**
E. **Current financial receivables**	–	–	–	–
F. Current bank debt	–	–	–	–
G. Current portion of non current debt	–	–	–	–
H. Other current financial debt	1,419	–	–	1,419
I. Current financial debt (F)+(G)+(H)	**1,419**	**–**	**–**	**1,419**
J. Net Current financial indebtedness[3] (I)-(E)-(D)	**−9,039**	**1,650**	**−67,947**	**−75,336**
K. Non-current bank loans	–	–	–	–
L. Bonds issued	–	–	–	–
M. Other non-current loans	22,715	–	−19,715	3,000
N. Non-current financial indebtedness (K)+(L)+(M)	**22,715**	**–**	**−19,715**	**3,000**
O. Net financial indebtedness (J)+(N)	**13,676**	**1,650**	**−87,662**	**−72,336**

(1) It is assumed that (i) all New Shares were fully placed at the low end of the Price Range and (ii) that the maximum number of New Shares is placed and generate net proceeds of €94.8 million. It is further assumed that the proceeds are held as term deposits with banks or are invested in other current assets until they are used as described under "*6. Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing*".

(2) As part of the Farmaline Acquisition the Company issued 32,990 Shares to the owners of Farmaline on 14 September 2016 and paid €1,650 thousand in cash on 14 September 2016. The remaining €500 thousand will be repaid in October 2016.

(3) The Group intends to pay the nominal amount (€26,853 thousand, including accumulated interest) of the non-current debt (comprising the Shareholders Loans) (excluding the €3 million deposit) with a portion of the proceeds of the Offering. See "*20 Certain Relationships and Related-party Transactions—20.2 Relationships with Certain Shareholders"*. As described in "*10.10 Liquidity and Capital Resources – 11.10.4 Outstanding Liabilities" and "20.2 Relationships with Certain Shareholders – 20.2.1 Shareholder Loans*", payment of the Shareholder Loans will result in a loss on our statement of profit and loss in the period of €5,354 thousand. This is equal to the difference between the nominal amount of (€26,853 thousand, including accumulated interest) as at 30 June 2016 and the sum of the carrying value of the Shareholder Loans of €19,715 thousand and related deferred tax liability of €1,784 thousand.

8.3 Financial Commitments and Contingent Liabilities

Our indirect and contingent indebtedness amounted to €4,588 thousand as of 30 June 2016 on an unaudited basis for future rental and lease obligations, see "*11. Management's Discussion and Analysis of Financial Condition and Results of Operations – 11.10.5 Contractual Obligations*". We have no non-recognized contingent liabilities.

8.4 Statement on Working Capital

Our working capital is, in the Group's opinion, sufficient for the Group's present requirements, namely, for at least the next twelve months following the date of this Prospectus.

8.5 No Significant Change

The Farmaline Acquisition has had a significant impact on the inventory (approximately €2.0 million) and equity of the group (approximately €4.6 million). Other than this, there have been no significant changes in the Group's financial or trading position between 30 June 2016, and the date of the Prospectus. For information on current trading and management's view on full-year trends, see *"25. Recent Developments and Outlook - 25.1 Recent Developments"*.

9. DILUTION

The net book value of the Company (total assets less total liabilities) amounted to €6,240 thousand as of 30 June 2016. This represents €1.17 per Share calculated on the basis of 5,333,500 Shares (1,066,700 Shares prior to the 1:5 share split) outstanding immediately prior to completion of the Farmaline Acquisition.

On the assumption that gross proceeds of €100 million are generated by the sale of the New Shares, 3,571,428, 3,174,603 or 2,857,142 New Shares will be sold in the Offering at the low end (€28.00), the mid-point (€31.50) or the high end (€35.00) of the Price Range, respectively. See "*6. Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing—6.1 Proceeds of the Offering and Costs of the Offering and Listing*". On the assumption that the Offering had been fully implemented by 30 June 2016, the adjusted net book value of the Company (total assets less total liabilities) as of 30 June 2016 would have been €101.0 million, representing approximately €11.35 per Share (calculated on the basis of 8,904,928 Shares outstanding at the low end of the Price Range). That would correspond to a direct dilution of approximately €16.65 (59.5%) per Share for investors acquiring the Offered Shares at the low end of the Price Range. At the mid-point and high end of the Price Range, the corresponding figures would be approximately €19.62 (62.3%) per Share and approximately €22.66 (64.8%) per Share, respectively. Under the assumption that the Existing Shareholders do not acquire New Shares in the Offering and the Offering Capital Increase is fully implemented, Existing Shareholders would experience an accretion in value of €10.18 (869.8%) per Share based on an Offer Price at the low end of the Price Range. At the mid-point and high end of the Price Range, the corresponding figures would be approximately €10.71 (915.1%) per Share and approximately €11.71 (954.4%), respectively.

The table below illustrates by which amount the low end, mid-point and high end of the Price Range per Share exceeds the net book value per Share (all data unaudited). For purposes of the presentation below, it has been assumed that the 66,700 Shares (333,500 Shares after the 1:5 share split) for which the Company received €10,005 thousand in June 2016 were issued and outstanding as at 30 June 2016, although such Shares were actually issued in September 2016. See "*18.4—Share Capital*".

	Low End	Midpoint (unaudited)	High End
Offer Price (€)	28.00	31.50	35.00
Outstanding shares of the Company after completion of the Offering	8,904,928	8,508,103	8,190,642
Net book value attributable to shareholders of the Company per Share (based on 5,333,500 outstanding Shares as of 30 June 2016) (€)	1.17	1.17	1.17
Net book value attributable to shareholders of the Company per Share as of 30 June 2016 and following the Offering (€)	11.35	11.88	12.34
Amount by which the price per Share exceeds the net book value per Share (€)	16.65	19.62	22.66
Percentage by which the price per Share exceeds the net book value per Share (%)	147%	165%	184%

The Company has no indication that Existing Shareholders will acquire New Share in the Offering. On the assumption that 3,571,428, 3,174,603, or 2,857,142 New Shares will be sold in the Offering (corresponding to the low end (€28.00), the mid-point (€31.50) or the high end (€35.00) of the Price Range, respectively) and that the Greenshoe Option is not exercised, the aggregate voting rights of our Significant Shareholders and our Management Shareholders (that is, all shareholders that are on our Managing Board or Supervisory Board or who otherwise own 1.0% or more of our Shares) will be diluted from 92.14% as of the date of this Prospectus to 55.86%, 58.41%, or 60.63%. If the Greenshoe Option is exercised in full, the aggregate voting rights of our Significant Shareholders and our Management Shareholders will be diluted to 49.95%, 52.92%, 55.50%. See "*16.1—Existing Shareholders; Greenshoe Shareholders*".

10. SELECTED FINANCIAL INFORMATION

The financial information contained in the following tables is taken or derived from our audited combined financial statements as of and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 ("**Annual Financial Statements**") and our unaudited condensed interim consolidated financial statements as of and for the six-month period ended 30 June 2016 including the unaudited condensed interim consolidated financial statements as of and for the six-month period ended 30 June 2015 ("**Interim Financial Statements**") and our internal reporting system. The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The Interim Financial Statements have been prepared in accordance with IFRS for interim financial reporting (IAS 34).

The Annual Financial Statements are the first accounts that have been prepared in accordance with IFRS and we have applied IFRS 1 – First Time Adoption of International Financial Reporting Standards in preparing these financial statements. Since we have not previously prepared financial statements, the financial statements do not include any IFRS 1 first-time adoption reconciliations. Estimates made by us in preparing our first IFRS financial statements reflect the facts and circumstances that existed at the time such estimates were made. Accordingly, the estimates we have made to prepare these financial statements are consistent with those made in the historical reporting of financial information as included in the financial statements of EHS Europe Health Services B.V., from which our business was demerged pursuant to the Reorganization. See note 3 to our Annual Financial Statements. Also see "*17 General Information on the Company and the Group—17.5 Incorporation of the Group Structure and Reorganization*".

The financial information with respect to the business activities of the Group is reflected in the individual legal entities that comprise the Group. The Annual Financial Statements and the Interim Financial Statements have been derived from the accounting records of EHS Europe Health Services B.V. until 29 September 2015, and from the accounting records of Shop Apotheke Europe B.V. from 30 September 2015 onward and reflect the cash flows, revenue, expenses, assets and liabilities of these individual legal entities.

As the Group did not operate as a stand-alone entity before its incorporation on 30 September 2015, our Annual Financial Statements may not be indicative of the Group's future performance and do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Group operated as a separate entity apart from EHS Europe Health Services B.V. during the periods presented. A number of assumptions have been made for the preparation of our Annual Financial Statements as explained in the notes to our Annual Financial Statements. See Note 2 to our Annual Financial Statements.

Where financial data in the following tables is labeled "audited", this means that it has been derived from the Annual Financial Statements mentioned above, which are subject to audit, and not that the individual amounts have been audited. The label "unaudited" is used in the following tables to indicate financial data that has not been taken directly from the Annual Financial Statements mentioned above, but rather was taken from either our Interim Financial Statements or our internal reporting system, or has been calculated based on such information. This section also includes certain non-GAAP measures used as key figures by our management to monitor the performance of the Group. If such non-GAAP measures are not included in the Annual Financial Statements, they are labeled in the respective tables "unaudited". On the other hand, if such non-GAAP measures are included in the Annual Financial Statements, they are labeled "audited". See "*4.7.2—Non-GAAP Measures"*.

Deloitte Accountants B.V., Flight Forum 1, 5657 DA Eindhoven, The Netherlands, has audited the Annual Financial Statements for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 and issued an unqualified auditor's report thereon. The auditor who signs on behalf of Deloitte Accountants B.V. is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*). The Annual Financial Statements and the auditor's reports thereon, as well as our Interim Financial Statements are included in this Prospectus starting on page F-1.

The financial information shown in the tables below represents a selection of the financial information contained in our Annual Financial Statements and our Interim Financial Statements, unless otherwise noted, and should be read in conjunction with the Annual Financial Statements and the auditor's reports thereon, as well as the our Interim Financial Statements, which are included in this Prospectus starting on page F-1, as well as *"11 Management's Discussion and Analysis of Financial Condition and Results of Operations"*.

10.1 Selected Financial Information from the Statements of Profit and Loss

The following table shows selected financial information from our statements of profit and loss set forth in our Annual Financial Statements and our Interim Financial Statements for the periods presented.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(€, thousands)	(audited)	
Revenue	**82,161**	**60,529**	**125,578**	**84,671**	**55,292**
Costs of sales	−65,294	−47,828	−99,841	−66,636	−42,545
Gross profit	**16,867**	**12,701**	**25,737**	**18,035**	**12,747**
Other income	1,098	440	1,316	928	673
Selling and distribution	−19,514	−13,948	−29,143	−19,523	−12,448
Administrative expense	−3,361	−2,338	−6,729	−3,488	−2,850
Result of operations	**−4,910**	**−3,145**	**−8,819**	**−4,048**	**−1,878**
Finance income	–	394	593	–	–
Finance expense	− 1,310	− 1,157	− 2,275	− 826	− 839
Net finance costs	−1,310	−763	−1,682	−826	−839
Result before tax	**−6,220**	**−3,907**	**−10,501**	**−4,874**	**−2,717**
Income tax expenses	−4	−24	−47	−161	−113
Result for the period	**−6,224**	**−3,931**	**−10,548**	**−5,035**	**−2,831**
Attributable to:					
Owners of the Company	**−6,224**	**−3,931**	**−10,548**	**−5,035**	**−2,831**
			(in €)		
Earnings per Share:					
Basic and diluted earnings per Share	−6.22	−3.93	−10.55	−5.04	−2.83

10.2 Selected Financial Information from the Statements of Financial Position

The following table shows selected financial information from our statements of financial position set forth in our Annual Financial Statements and our Interim Financial Statements for the periods presented.

	As of 30 June	As of 31 December		
	2016	2015	2014	2013
	(unaudited)	(audited)		
	(€, thousands)			
Assets				
Non-current assets:				
Property, plant and equipment	2,392	2,417	1,773	1,872
Intangible assets	13,892	13,616	12,384	11,643
Total non-current assets	16,284	16,033	14,157	13,515
Current assets:				
Inventories	10,304	10,412	4,592	2,942
Pre-ordered stock	4,356	5,653	5,531	5,405
Trade and other receivables	6,150	4,100	2,940	2,612
Other current assets	1,990	3,046	1,992	1,155
Cash and cash equivalents	10,458	3,529	297	92
Total current assets	33,258	26,739	15,352	12,206
Total assets	**49,542**	**42,772**	**29,509**	**25,721**
Equity and liabilities				
Capital and reserves:				
Business equity[(1)]	–	–	20,056	18,080
Equity	6,240	2,459	–	–
Total capital and reserves	6,240	2,459	20,056	18,080
Non-current liabilities:				
Shareholder Loans	19,715	19,002	–	–
Deferred tax liability	2,568	2,564	563	447
Other liabilities	3,000	3,000	–	–
Total non-current liabilities	25,283	24,566	563	447
Current liabilities:				
Trade and other payables	12,952	8,638	7,625	6,122
Amounts due to related parties	1,419	3,202	–	–
Other liabilities	3,648	3,906	1,265	1,072
Total current liabilities	18,019	15,747	8,890	7,194
Total equity and liabilities	**49,542**	**42,772**	**29,509**	**25,721**

(1) Because the separate legal entities that comprise the Group were not held by a single legal entity prior to the incorporation of the legal structure, business equity is shown in lieu of shareholders' equity in the statement of financial position as of 31 December 2014 and 31 December 2013. Business equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through 29 September 2015. The impact of transactions between the Group and EHS Europe Health Services B.V. that were not historically settled in cash is also included in business equity.

10.3 Selected Financial Information from the Statements of Cash Flows

The following table shows selected financial information from our statements of cash flows set forth in our Annual Financial Statements and our Interim Financial Statements for the periods presented.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)			(audited)	
			(€, thousands)		
Cash flow from operating activities					
Operating result	−4,910	−3,145	−8,819	−4,048	−1,878
Adjustments for:					
Depreciation and amortization of non-current assets	1,489	964	2,166	1,656	1,126
Operating result adjusted for depreciation and amortization	−3,421	−2,180	−6,653	−2,392	−752
Movements in working capital:					
(Increase)/decrease in trade and other receivables	−994	657	−2,213	−1,165	−643
(Increase)/decrease in inventory	108	−1,647	−5,820	−1,650	50
(Increase)/decrease in pre-ordered stock	1,297	−176	−121	−126	−91
Increase/(decrease) in provisions	–	3	−95	−46	334
Increase/(decrease) in trade and other payables	4,056	−736	2,921	1,696	−3,140
Increase/(decrease) in amounts due to related parties	−1,784	–	3,202	–	–
Total movements in working capital	2,683	−1,900	−2,126	−1,291	−3,490
Cash generated from operations	−738	−4,080	−8,779	−3,683	−4,242
Net cash (used in)/generated by operating activities	**−738**	**−4,080**	**−8,779**	**−3,683**	**−4,242**
Cash flow from investing activities					
Investment for property, plant and equipment	−376	−759	−1,313	−477	−1,002
Investment for intangible assets	−1,364	−987	−2,737	−1,820	−3,539
Investment for acquisitions	–	–	–	–	−864
Net cash (used in)/generated by investing activities	**−1,740**	**−1,746**	**−4,050**	**−2,297**	**−5,405**
Cash flow from financing activities					
Interest paid	−597	−497	−950	−826	−839
Business financing	–	–	–	7,011	10,578
Additional financing from related parties	–	6,365	14,011	–	–
Deposits from related parties	–	–	3,000	–	–
Capital increase	10,005	–	–	–	–
Net cash (used in)/generated by financing activities	**9,408**	**5,868**	**16,061**	**6,185**	**9,739**
Net increase/(decrease) in cash and cash equivalents	**6,929**	**43**	**3,232**	**205**	**92**
Cash and cash equivalents at the beginning of the year	3,529	297	297	92	–
Cash and cash equivalents at the end of the year	10,458	340	3,529	297	92

10.4 Selected Operating Segment Data

Discussion of Segments

For management purposes, our operating segments are reported in a manner consistent with the internal reporting provided to our statutory directors, who are responsible for allocating resources and assessing performance of the operating segments, and make strategic decisions. For management purposes, our Group is organized into the following geographic business units:

- **Germany**: principally non-prescription, non-prescription, over-the-counter medications ("**OTC Medications**") and beauty and personal care products that are otherwise almost exclusively distributed through pharmacies, which we refer to as "**Pharmacy-Related BPC Products**", sold to individual customers located in the German market;
- **International**: only OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the Austrian, French and Belgian markets; and
- **Germany Services**: webshop services of Xsite GmbH delivered principally to German customers.

The Group's assets and liabilities are not disclosed by segment as they are not included in the segment information used by the statutory directors. See notes 2 and 6 to our Annual Financial Statements.

The following table shows certain data by operating segment for the six-month periods ended 30 June 2016 and 30 June 2015, as well as for the years ended 31 December 2015, 31 December 2014 and 31 December 2013.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(audited)		
	(€, thousands)				
Revenue					
Germany[1]	70,174	56,604	115,660	80,968	54,278
International[2]	11,152	2,909	8,425	2,180	893
Germany Services[3]	1,976	1,468	3,398	2,198	121
Eliminations[4]	−1,141	−452	−1,905	−675	–
Total revenue	**82,161**	**60,529**	**125,578**	**84,671**	**55,292**
Segment EBITDA (excluding administrative expense)[5]					
Germany	1,340	25	841	462	1,902
International	−2,099	−547	−2,269	−217	−52
Germany Services	474	544	1,194	594	−42
Combined segment EBITDA (excluding administrative expense)[6]	**−284**	**22**	**−234**	**839**	**1,808**

(1) Germany includes principally OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the German market.

(2) International includes only OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the Austrian, French and Belgian markets.

(3) Germany Services includes the webshop services of Xsite GmbH delivered principally to German customers.

(4) Eliminations relates to German intercompany sales by Xsite GmbH.

(5) We define "segment EBITDA" as EBIT for each segment before depreciation and amortization expenses and administrative expense. "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization. See our Annual Financial Statements and our Interim Financial Statements and, in particular, notes 6 and 10 to our Annual Financial Statements. See also "*11. Management's Discussion and Analysis of Financial Condition and Results of Operations – 11.5.1 EBIT, EBITDA, Adjusted EBITDA, Segment EBITDA and Combined Segment EBITDA Contractual Obligations*". Segment EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of segment EBITDA, which means that segment EBITDA shown by other companies may not necessarily be comparable with segment EBITDA presented above.

(6) We define "combined segment EBITDA" as the total segment EBITDA for our operating segments. There is no uniform definition of combined segment EBITDA, which means that combined segment EBITDA shown by other companies may not necessarily be comparable with combined segment EBITDA presented above.

The following tables show a reconciliation of our result for the period EBIT, EBITDA and segment EBITDA by operating segment on a consolidated basis for the six-month period ended 30 June 2016 and on a combined basis for the six-month period ended 30 June 2015 and the years ended 31 December 2015, 31 December 2014 and 31 December 2013.

Six-month period ended 30 June 2016	Germany[1]	International[2]	Germany Services[3]	Eliminations	Consolidated
			(unaudited)		
			(€, thousands, except as otherwise indicated)		
Revenue	**70,174**	**11,152**	**1,976**	**−1,141**	**82,161**
Cost of sales	−55,783	−9,255	−256	–	−65,294
Gross profit	14,391	1,897	1,720	−1,141	16,867
Gross profit as a percent of revenue (%)	**20.5%**	**17.0%**	**87.1%**		**20.5%**
Other income	937	147	13	–	1,098
Selling and distribution[4]	−13,988	−4,143	−1,259	1,141	−18,249
Segment EBITDA[5]	**1,340**	**−2,099**	**474**		**−284**
Administrative expense[6]					−3,137
EBITDA[7]					**−3,421**
Depreciation[8]					−1,489
EBIT[9]					**−4,910**
Finance income					–
Finance expense					−1,310
Net finance cost					−1,310
Result before tax					**−6,220**

Six-month period ended 30 June 2015	Germany[1]	International[2]	Germany Services[3]	Eliminations	Combined
			(unaudited)		
			(€, thousands, except as otherwise indicated)		
Revenue	**56,604**	**2,909**	**1,468**	**−452**	**60,529**
Cost of sales	−45,328	−2,417	−83	7	−47,828
Gross Profit	11,276	492	1,385	−452	12,701
Gross profit as a percent of revenue (%)	**19.9%**	**16.9%**	**94,3%**		**21.0%**
Other income	412	21	8		440
Selling and distribution[4]	−11,663	−1,060	−849	452	−13,119
Segment EBITDA[5]	**25**	**−547**	**544**	**–**	**22**
Administrative expense[6]					−2,202
EBITDA[7]					**−2,180**
Depreciation[8]					−964
EBIT[9]					**−3,145**
Finance income					394
Finance expense					−1,157
Net finance cost					−763
Result before tax					**−3,908**

Year ended 31 December 2015	Germany[1]	International[2]	Germany Services[3]	Eliminations	Combined
	(audited, except as otherwise indicated) (€, thousands, except as otherwise indicated)				
Revenue	**115,660**	**8,425**	**3,398**	**−1,905**	**125,578**
Cost of sales	−92,383	−7,163	−295	–	−99,841
Gross Profit	**23,277**	**1,262**	**3,103**	**−1,905**	**25,737**
Gross profit as a percent of revenue (%)	20.1%	15.0%	91.3%		20.5%
Other income	1,194	95	27	–	1,316
Selling and distribution[4]	−23,630	−3,626	−1,936	1,905	−27,287
Segment EBITDA[5]	**841**	**−2,269**	**1,194**	**–**	**−234**
Administrative expense[6]					−6,419
EBITDA[7]					**−6,653**
Adjustments (unaudited)[8]					1,399
Adjusted EBITDA (unaudited)					**−5,254**
Depreciation[9]					−2,166
EBIT[10]					**−8,819**
Finance income					593
Finance expense					−2,275
Net finance cost					−1,682
Result before tax					**−10,501**

Year ended 31 December 2014	Germany[1]	International[2]	Germany Services[3]	Eliminations	Combined
	(audited, except as otherwise indicated) (€, thousands, except as otherwise indicated)				
Revenue	**80,968**	**2,180**	**2,198**	**−675**	**84,671**
Cost of sales	−64,759	−1,703	−174	–	−66,636
Gross Profit	**16,209**	**477**	**2,024**	**−675**	**18,035**
Gross profit as a percent of revenue (%)	20.0%	21.9%	92.1%		21.3%
Other income	873	23	32		928
Selling and distribution[4]	−16,620	−717	−1,462	675	−18,124
Segment EBITDA[5]	**462**	**−217**	**594**	**–**	**839**
Administrative expense[6]					−3,232
EBITDA[7]					**−2,392**
Adjustments (unaudited)[8]					–
Adjusted EBITDA (unaudited)					**−2,392**
Depreciation[9]					−1,656
EBIT[10]					**−4,048**
Finance income					–
Finance expense					−826
Net finance cost					−826
Result before tax					**−4,874**

Year ended 31 December 2013	Germany	International	Germany Services	Eliminations	Combined
	(audited, except as otherwise indicated) (€, thousands, except as otherwise indicated)				
Revenue	**54,278**	**893**	**121**	**–**	**55,292**
Cost of sales	−41,898	−640	−7	–	−42,545
Gross Profit	**12,380**	**253**	**114**	**–**	**12,747**
Gross profit as a percent of revenue (%)	22.8%	28.4%	94.0%		23.1%
Other income	658	11	4		673
Selling and distribution[4]	−11,136	−316	−160	–	−11,612
Segment EBITDA[5]	**1,902**	**−52**	**−42**	**–**	**1,808**
Administrative expense[6]					−2,560
EBITDA[7]					**−752**
Adjustments (unaudited)[8]					–
Adjusted EBITDA (unaudited)					**−752**
Depreciation					−1,126
EBIT[9]					**−1,878**
Finance income					–
Finance expense					−839
Net finance cost					−839
Result before tax					**−2,717**

(1) Germany includes principally OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the German market.

(2) International includes only OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the Austrian, French and Belgian markets.

(3) Germany Services includes the webshop services of Xsite GmbH delivered principally to German customers.

(4) Selling and distribution shown in our segment reporting excludes depreciation.

(5) We define "segment EBITDA" as EBIT for each segment before depreciation and amortization expenses and administrative expense. There is no uniform definition of segment EBITDA, which means that segment EBITDA shown by other companies may not necessarily be comparable with segment EBITDA presented above.

(6) "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization. See our Annual Financial Statements and our Interim Financial Statements and, in particular, notes 6 and 10 to our Annual Financial Statements.

(7) EBITDA represents EBIT before depreciation and amortization expenses. EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBITDA, which means that EBITDA shown by other companies may not necessarily be comparable EBITDA presented above.

(8) "Adjustments" in 2015 comprise one-off costs related to the Reorganization and the Offering. See "*10 Selected Financial Information*" and "*17 General Information on the Company and the Group—17.5 Incorporation of the Group Structure and Reorganization*".

(9) EBIT represents our result for the period before income tax expenses and net finance costs. EBIT is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBIT, which means that EBIT shown by other companies may not necessarily be comparable with EBIT presented above.

10.5 Selected Other Financial Data

10.5.1 EBIT, EBITDA, Adjusted EBITDA, Segment EBITDA and Combined Segment EBITDA

We define "**EBIT**" (earnings before interest and taxes) as our result for the period before financial result (i.e., finance income plus finance expense) and income tax expenses. We define "**EBITDA**" as EBIT before depreciation and amortization expenses. We define "**segment EBITDA**" as EBIT for each segment before depreciation and amortization expenses and administrative expense. We define "**combined segment EBITDA**" as the total segment EBITDA for our respective segments. See "*11. Management's Discussion and Analysis of Financial Condition and Results of Operations - 11.8 Discussion of Segments*" below. We define "**adjusted EBITDA**" as EBITDA before certain one-off costs related to the Reorganization and the Offering.

We disclose EBIT, EBITDA, adjusted EBITDA, segment EBITDA and combined segment EBITDA as supplemental non-GAAP measures, as we believe they are meaningful measures to evaluate the performance of our business activities over time. We understand that these measures are broadly used by analysts, rating agencies and investors in assessing our performance.

The following table shows a reconciliation of our result for the period to EBIT, EBITDA, adjusted EBITDA and combined segment EBITDA for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 and the six-month periods ended 30 June 2016 and 30 June 2015.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(audited, except as otherwise indicated)		
			(€, thousands)		
Combined segment EBITDA (excluding administrative expense)[1]	**−284**	**22**	**−234**	**839**	**1,808**
Administrative expense[2]	−3,137	−2,202	−6,419	−3,232	−2,560
EBITDA[3]	**−3,421**	**−2,180**	**−6,653**	**−2,392**	**−752**
Adjustments (unaudited)[4]	214	148	1,399	–	–
Adjusted EBITDA (unaudited)	**−3,207**	**−2,032**	**−5,254**	**−2,392**	**−752**
Depreciation and amortization	−1,489	−964	−2,166	−1,656	−1,126
Result from operations (EBIT)[5]	**−4,910**	**−3,145**	**−8,819**	**−4,048**	**−1,878**
Finance costs:					
Finance income	–	394	593	–	–
Finance expense	−1,310	−1,157	−2,275	−826	−839
Net finance costs	−1,310	−763	−1,682	−826	−839
Income tax expenses	−4	−24	−47	−161	−113
Result for the period	**−6,224**	**−3,931**	**−10,548**	**−5,035**	**−2,831**

(1) We define "combined segment EBITDA" as total segment EBITDA for our respective segments. We define "segment EBITDA" as EBIT for each segment before depreciation and amortization expenses and administrative expense. The calculation of combined segment EBITDA is set forth in "*11. Management's Discussion and Analysis of Financial Condition and Results of Operations - 11.8 Discussion of Segments*" below. Combined segment EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our combined statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of combined segment EBITDA, which means that combined segment EBITDA shown by other companies may not necessarily be comparable with combined segment EBITDA presented above.

(2) "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization. See our Annual Financial Statements and our Interim Financial Statements and, in particular, notes 6 and 10 to our Annual Financial Statements.

(3) EBITDA represents EBIT before depreciation and amortization expenses. EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBITDA, which means that EBITDA shown by other companies may not necessarily be comparable EBITDA presented above.

(4) "Adjustments" in 2015 comprise one-off costs related to the Reorganization and the Offering. See "*10 Selected Financial Information*" and "*17 General Information on the Company and the Group—17.5 Incorporation of the Group Structure and Reorganization.*

(5) EBIT represents our result for the period before income tax expenses and net finance costs. EBIT is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBIT, which means that EBIT shown by other companies may not necessarily be comparable with EBIT presented above.

10.5.2 Non-GAAP Measures

In this Prospectus we present certain non-GAAP measures used by our management as financial measures to monitor the performance of the Group or which management regards as being useful for investors. These figures are not recognized measures under IFRS and should, for this reason, not be considered as an alternative to the applicable GAAP measures.

We have provided these non-GAAP measures and other information because we believe they provide investors with additional information to measure the operating performance of our business activities. Our use of non-GAAP measures may vary from the use of other companies in our industry. The non-GAAP measures we use should not be considered as an alternative to revenue, results of operations, results for the period or any other performance measure derived in accordance with IFRS. Nor should these measures be considered as an alternative to net cash used in/generated by operating activities as measure of liquidity.

The non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under IFRS. They may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable GAAP measures in accordance with IFRS. Their usefulness is therefore subject to limitations. The non-GAAP measures should be

considered in conjunction with our Annual Financial Statements and Interim Financial Statements, respectively, prepared in accordance with IFRS and the respective notes thereto. The following discussion provides definitions of non-GAAP measures, information regarding the usefulness of non-GAAP measures and, where appropriate, a reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

10.5.3 Key Performance Indicators

We regularly review the following key performance indicators to evaluate our business, measure our performance, identify trends and make strategic decisions.

	For the six-month period ended 30 June		For the year ended 31 December	
Key performance indicator[1]	**2016**	**2015**	**2015**	**2014**
			(unaudited)	
Site Visits[2] (thousands)	17,516	12,316	25,496	19,016
Thereof Mobile Visits[3] (thousands)	7,209	4,210	8,947	5,564
Share of Mobile Visits[4] (%)	41.2	34.2	35.1	29.3
Number of Orders[5] (thousands)	1,841	1,350	2,801	1,945
Share of Repeat Orders[6] (%)	74.1	71.3	72.9	67.9
Return Rate[7] (%)	0.7	0.7	0.7	0.8
Active Customers[8] (thousands)	1,472	1,120	1,267	968

	For the three months ended									
Key performance indicator[1]	**30 Jun 2016**	**31 Mar 2016**	**31 Dec 2015**	**30 Sep 2015**	**30 Jun 2015**	**31 Mar 2015**	**31 Dec 2014**	**30 Sep 2014**	**30 Jun 2014**	**31 Mar 2014**
					(unaudited)					
Site Visits[2] (thousands)	9,086	8,430	7,080	6,101	6,037	6,279	4,886	4,530	4,639	4,962
Mobile Visits[3] (thousands)	3,920	3,289	2,726	2,011	2,001	2,209	1,514	1,309	1,374	1,367
Share of Mobile Visits[4] (%)	43.1	39.0	38.5	33.0	33.1	35.2	31.0	28.9	29.6	27.6
Number of Orders[5] (thousands)	923	918	775	677	668	682	545	477	440	482
Share of Repeat Orders[6] (%)	73.5	74.7	74.5	74.4	71.5	71.1	71.2	69.4	68.6	62.1
Return Rate[7] (%)	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.8	0.9	0.9
Active Customers[8] (thousands)	1,472	1,361	1,267	1,181	1,120	1,033	968	907	838	778

(1) All data have been derived from the Company's internal reporting systems and are unaudited.

(2) In accordance with the standard definition of the ECONDA Solution for Unique Site Visits we define "**Site Visits**" as an interaction of a visitor on our website. A visit is considered terminated when the visitor leaves the browser instance or has not interacted with the page for more than 30 minutes.

(3) We define "**Mobile Visits**" as Site Visits originating from tablets and smartphones as well as other non-desktop computer based means of visiting our sites, such as smart TVs.

(4) We define "**Share of Mobile Visits**" as the Mobile Visit as a percentage of Site Visits.

(5) We define "**Number of Orders**" as the number of customer orders containing at least one product, placed during the measurement period.

(6) We define "**Share of Repeat Orders**" as the percentage of total orders billed during the measurement period that are not the initial order bill to the customer.

(7) We define "**Return Rate**" as the percentage of billed orders that incorporated a return or reclamation of total billed orders in a given time period.

(8) We define "**Active Customers**" as unique customers who have placed at least one order in the 12 preceding months.

11. Management's Discussion and Analysis of Financial Condition and Results of Operations

*Investors should read the following management's discussion and analysis of business, financial condition and results of operations of our Group together with the additional financial information contained elsewhere in this prospectus, in particular Section 3 "Risk Factors", Section 4.7 "General Information—Presentation of Financial Information", Section 10 "Selected Financial Information", Section 13 "Business", our audited combined financial statements as of and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 ("**Annual Financial Statements**") and our unaudited condensed interim consolidated financial statements as of and for the six-month period ended 30 June 2016 including the unaudited condensed interim consolidated financial statements as of and for the six-month period ended 30 June 2015 ("**Interim Financial Statements**"), including the related notes, contained in this Prospectus.*

The financial information contained in this Section is taken or derived from our Annual Financial Statements, our Interim Financial Statements and our internal reporting system. The Annual Financial Statements have been prepared in accordance with IFRS. The Interim Financial Statements have been prepared in accordance with IFRS for interim financial reporting (IAS 34). The Annual Financial Statements and the Interim Financial Statements are the first accounts that have been prepared in accordance with IFRS and we have applied IFRS 1 – First Time Adoption of International Financial Reporting Standards in preparing these financial statements. Since we have not previously prepared financial statements, the financial statements do not include any IFRS 1 first-time adoption reconciliations.

The financial information with respect to the business activities of the Group is reflected in the individual legal entities that comprise the Group. The Annual Financial Statements and the Interim Financial Statements have been derived from the accounting records of EHS Europe Health Services B.V. until 29 September 2015, and from the accounting records of Shop Apotheke Europe B.V. from 30 September 2015 onward and reflect the cash flows, revenue, expenses, assets and liabilities of these individual legal entities.

As the Group did not operate as a stand-alone entity before its incorporation on 30 September 2015, a number of assumptions and estimates were made in the preparation of our Annual Financial Statements and our Interim Financial Statements that affect the recognition and amount of cash flows, revenue, expenses, assets and liabilities. In such cases, the actual results may differ from our assumptions or estimates.

Where financial data in the following tables is labeled "audited", this means that it has been derived from the Annual Financial Statements mentioned above, which are subject to audit, and not that the individual amounts have been audited. The label "unaudited" is used in the following tables to indicate financial data that has not been derived from the Annual Financial Statements mentioned above, but rather was taken from either our Interim Financial Statements or our internal reporting system, or has been calculated based on such information. This section also includes certain non-GAAP Measures used as key figures by our management to monitor the performance of the Group. If such non-GAAP Measures are not included in the Annual Financial Statements, they are labeled in the respective tables "unaudited". On the other hand, if such non-GAAP measures are included in the Annual Financial Statements, they are labeled "audited".

11.1 Overview

We are a pure-play online pharmacy with a business focused on non-prescription, over-the-counter medications ("**OTC Medications**") and beauty and personal care products that are otherwise almost exclusively distributed through pharmacies, which we refer to as "**Pharmacy-Related BPC Products**". We are currently the leading pure-play online pharmacy in Germany (source: SEMPORA Study October 2015) – one of the largest OTC Medications and Pharmacy-Related BPC markets in Continental Europe (source: SEMPORA Study June 2016). Our vision is to create the leading online pharmacy brand focused on OTC Medications and Pharmacy-Related BPC Products in Continental Europe, where currently no established pan-European offline or online brand exists. (We define "**Continental Europe**" as Germany, France, Italy, Spain, Poland, Romania, the Netherlands, Belgium, Portugal, the Czech Republic, Hungary, Sweden, Bulgaria, Denmark, Slovakia, Norway and Austria.)

Since our founding in 2001, with the launch of the shop-apotheke.com website as the online platform of a Cologne-based pharmacy, we have continually expanded our business. In 2010, we took the strategic decision to move our operations from Cologne to Venlo, the Netherlands, in order to take advantage of the more advanced Dutch regulatory regime concerning the ownership of pharmacies by legal persons and better access to external markets (see "15 *Regulatory and Legal Environment—15.1 Regulatory Framework for Mail-order Trade of Medicinal Products—15.1.2 The Netherlands*") for our expansion into new Continental European markets.

Over the last several years, we have extended our geographic reach within Continental Europe by launching our Austrian website, shop-apotheke.at (April 2012), our French website, shop-pharmacie.fr (March 2015), and our Belgian website, shop-pharmacie.be (July 2015). With effect as of 14 September 2016, we acquired the online business of the Belgian pharmacy Farmaline N.V. (the "**Farmaline Business**"). With the integration of the Farmaline Business into our Group, we have expanded our business in one step to a number of European markets previously targeted by us, including the Netherlands, Spain and Italy, and have further enhanced our competitive position in Belgium and France. Through the acquisition of this already existing business, we have significantly accelerated our Continental European roll out.

Our annual revenue increased from €55,292 thousand in the year ended 31 December 2013, to €84,671 thousand in the year ended 31 December 2014 and to €125,578 thousand in the year ended 31 December 2015. In the six-month period ended 30 June 2016 our revenue amounted to €82,161 thousand (excluding the Farmaline Business).

In the six-month period ended 30 June 2016, approximately 85.4% of our revenue was derived from sales of products to customers located in Germany, approximately 13.6% of our revenue was derived from sales of products to customers located in Austria, France and Belgium and approximately 1.0% of our revenue was derived from sales of services, principally to German customers.

Our revenue growth is primarily driven by the expansion of our online sales of OTC Medications and Pharmacy-Related BPC Products in Germany and the markets into which we have recently expanded, Austria, France and Belgium.

11.2 Basis of Presentation

11.2.1 Reorganization and Financial Statements

In September 2015, the business of the Group, including SA Europe B.V., and its wholly-owned subsidiaries, Shop-Apotheke B.V., Shop-Apotheke Service B.V., EuroService Venlo B.V. and Xsite GmbH, was separated from the Europa Apotheek Business of the Europa Apotheek Group pursuant to the Reorganization, with economic effect as of 1 January 2015. See *"17.5 Incorporation of the Group Structure and Reorganization"*.

The Company has prepared the Annual Financial Statements as of and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 consisting of financial statements of Shop Apotheke Europe B.V. (the predecessor to Shop Apotheke Europe N.V.) and its subsidiaries, SA Europe B.V., Shop-Apotheke B.V., Shop-Apotheke Service B.V. and Xsite GmbH. In addition, the Company has prepared the Interim Financial Statements as of and for the six-month period ended 30 June 2016 and 30 June 2015. The Annual Financial Statements and the Interim Financial Statements have been derived from the accounting records of EHS Europe Health Services B.V. until 29 September 2015, and from the accounting records of Shop Apotheke Europe B.V. from 30 September 2015 onward and reflect the cash flows, revenue, expenses, assets and liabilities of these individual legal entities.

As the Group did not operate as a stand-alone entity before its incorporation on 30 September 2015, our Annual Financial Statements may not be indicative of the Group's future performance and do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Group operated as a separate entity apart from EHS Europe Health Services B.V. during the periods presented. A number of assumptions have been made for the preparation of our Annual Financial Statements as explained in the notes to our Annual Financial Statements. See Note 2 to our Annual Financial Statements.

11.2.2 Segment Information

We operate three segments for purposes of external reporting within the meaning of IFRS 8: our Germany segment (which includes principally OTC Medications and Pharmacy-Related BPC Products sold to customers located in the German market), our International segment (which includes only OTC Medications and Pharmacy-Related BPC Products sold to customers located in the Austrian, French and Belgian markets) and Germany Services segment (which includes the webshop services of Xsite GmbH delivered principally to German customers). See *"11.8 Discussion of Segments"* below and notes 2 and 6 to our Annual Financial Statements.

11.3 Key Performance Indicators

We regularly review the following key performance indicators to evaluate our business, measure our performance, identify trends and make strategic decisions.

Key performance indicator[1]	For the six-month period ended 30 June		For the year ended 31 December	
	2016	2015	2015	2014
			(unaudited)	
Site Visits[2] (thousands)	17,516	12,316	25,496	19,016
Mobile Visits[3] (thousands)	7,209	4,210	8,947	5,564
Share of Mobile Visits[4] (%)	41.2	34.2	35.1	29.3
Number of Orders[5] (thousands)	1,841	1,350	2,801	1,945
Share of Repeat Orders[6] (%)	74.1	71.3	72.9	67.9
Return Rate[7] (%)	0.7	0.7	0.7	0.8
Active Customers[8] (thousands)	1,472	1,120	1,267	968

Key performance indicator[1]	For the three months ended									
	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014	31 Mar 2014
	(unaudited)									
Site Visits[2] (thousands)	9,086	8,430	7,080	6,101	6,037	6,279	4,886	4,530	4,639	4,962
Mobile Visits[3] (thousands)	3,920	3,289	2,726	2,011	2,001	2,209	1,514	1,309	1,374	1,367
Share of Mobile Visits[4] (%)	43.1	39.0	38.5	33.0	33.1	35.2	31.0	28.9	29.6	27.6
Number of Orders[5] (thousands)	923	918	775	677	668	682	545	477	440	482
Share of Repeat Orders[6] (%)	73.5	74.7	74.5	74.4	71.5	71.1	71.2	69.4	68.6	62.1
Return Rate[7] (%)	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.8	0.9	0.9
Active Customers[8] (thousands)	1,472	1,361	1,267	1,181	1,120	1,033	968	907	838	778

(1) All data have been derived from the Company's internal reporting systems and are unaudited.

(2) In accordance with the standard definition of the ECONDA Solution for Unique Site Visits we define "**Site Visits**" as an interaction of a visitor on our website. A visit is considered terminated when the visitor leaves the browser instance or has not interacted with the page for more than 30 minutes.

(3) We define "**Mobile Visits**" as Site Visits originating from tablets and smartphones as well as other non-desktop computer based means of visiting our sites, such as smart TVs.

(4) We define "**Share of Mobile Visits**" as the Mobile Visit as a percentage of Site Visits.

(5) We define "**Number of Orders**" as the number of customer orders containing at least one product, placed during the measurement period.

(6) We define "**Share of Repeat Orders**" as the percentage of total orders billed during the measurement period that are not the initial order bill to the customer.

(7) We define "**Return Rate**" as the percentage of billed orders that incorporated a return or reclamation of total billed orders in a given time period.

(8) We define "**Active Customers**" as unique customers who have placed at least one order in the 12 preceding months.

11.3.1 Site Visits

Site Visits, which we believe are a good indication of our overall reach and a measure of the success of our marketing efforts and the popularity of our online shops, have increased steadily over the past two years, from 19,016 thousand in the year ended 31 December 2014 to 25,496 thousand in the year ended 31 December 2015. Site Visits increased to 17,516 thousand in the six-month period ended 30 June 2016 from 12,316 thousand in the six-month period ended 30 June 2015. These developments were primarily supported by our branding campaigns, including TV campaigns, internet marketing, such as search engine advertising ("**SEA**"), search engine optimization ("**SEO**") and flyer campaigns. See *"13 Business—13.8 Our Operating Platform—13.8.1 Creation and expansion of our customer base"*.

11.3.2 Mobile Visits and Share of Mobile Visits

Facilitating customers' interaction with our websites via mobile devices is an important part of our value proposition to our customers. Mobile Visits have increased steadily over the past two years, from 5,564 thousand in the year ended 31 December 2014 to 8,947 thousand in the year ended 31 December 2015. Mobile Visits have increased to 7,209 thousand in the six-month period ended 30 June 2016 from 4,210 thousand in the six-month period ended 30 June 2015. These positive developments were supported by the increased number of mobile devices in circulation, customers' increased willingness to make purchases from these devices and our success in optimizing the "front-end" design and functionality of our website for mobile devices. The launch of our app for our webshop in May 2016 also added to the increase in mobile visits.

Share of Mobile Visits has increased steadily over the past two years, from 29.3% in the year ended 31 December 2014 to 35.1% in the year ended 31 December 2015. Share of Mobile Visits has increased to 41.2% in the six-month period ended 30 June 2016 from 34.2% in the six-month period ended 30 June 2015. We believe that increased Share of Mobile Visits is an indication of our success in optimizing our front-end website design for mobile devices and the launch of our new mobile app as part of our strategy of transitioning away from a desk-top only environment.

11.3.3 Number of Orders

The growth of our business is directly related to the Number of Orders, which has increased steadily over the past two years, from 1,945 thousand in the year ended 31 December 2014 to 2,801 thousand in the year ended 31 December 2015. Number of Orders has increased to 1,841 thousand in the six-month period ended 30 June 2016 from 1,350 thousand in the six-month period ended 30 June 2015. These positive developments were primarily supported by our overall marketing efforts, our ability to facilitate customers' Mobile Visits by optimizing our "front-end" website design and functionality and our targeted, personalized campaigns based on our customer relationship management ("**CRM**") system.

11.3.4 Share of Repeat Orders

Share of Repeat Orders, which we believe is a good indication of our ability to retain our customers and their loyalty to our websites, has increased steadily over the past two years, from 67.9% in the year ended 31 December 2014 to 72.9% in the year ended 31 December 2015. Share of Repeat Orders has increased to 74.1% in the six-month period ended 30 June 2016 from 71.3% in the six-month period ended 30 June 2015. These positive developments were supported by a variety of factors, including our ability to manage our customers through our CRM system, which has been substantially enhanced in the periods presented.

11.3.5 Number of Active Customers

The number of Active Customers, which we believe is a good indication of our ability to attract and retain new customers, has increased steadily over the past two years, from 968 thousand as at 31 December 2014 to 1,267 thousand as at 31 December 2015. The number of Active Customers has increased to 1,472 thousand as at 30 June 2016 from 1,120 thousand as at 30 June 2015. These positive developments were supported by a variety of factors, including the overall attractiveness of our product offering and CRM-based campaigns such as personalized mailings of discounts and giveaways.

11.4 Factors Affecting our Results of Operations

The following factors have contributed significantly to the development of our business and results of operations during the periods under review and are reasonably likely to have a material effect on our business and results of operations in the future.

11.4.1 Shift toward e-commerce

The Group's performance has been positively influenced by a shift from customers using traditional pharmacies, having a local, physical presence, which we refer to as "**Brick-and-Mortar Pharmacies**", to purchasing OTC Medications and Pharmacy-Related BPC Products online. In 2015, the Continental European market for OTC Medications amounted to approximately €14 billion, while the market for Pharmacy-Related BPC Products amounted to approximately €19 billion (source: SEMPORA Study June 2016). It is expected that the OTC Medications and Pharmacy-Related BPC market will grow at a CAGR of 3.57% in the period 2015 to 2020 (source: SEMPORA Study June 2016).

We believe that potential for further growth in the market is supported by the level of online sales penetration in the Continental European market for OTC Medications and Pharmacy-Related BPC Products, which is still significantly lower than in other product categories such as media products, appliances and electronics, and apparel. We further believe that the expected shift toward online purchasing in the OTC Medications and Pharmacy-Related BPC Products market is supported by the relative convenience that online shopping offers compared to offline retailing: customers are able to order merchandise any time and from any location; customers typically have access to a significantly wider selection of the most current assortment of products and benefit from high levels of availability. We also believe that improvements in logistics, which have increased the speed and ease by which products ordered online are delivered, and the adoption of more convenient and cheaper payment methods, such as PayPal, have supported the development of the e-commerce markets. In addition, we believe that many of our customers value the saving in time and convenience provided by shopping online. Our ability to take advantage of the shift to online purchasing of OTC Medications and

Pharmacy-Related BPC Products will depend on our ability to offer an attractive platform and product offering to our customers, which we believe is superior to the offer of Brick-and-Mortar Pharmacies. We also believe that growth in Pharmacy-Related BPC Products sales will be supported by features of our webshops that allow customers to see prior customers' reviews and product ratings.

11.4.2 Revenue Drivers: Site Visits, Share of Mobile Visits and Customer Conversion

The number of Site Visits (including those via mobile and non-desktop devices, such as tablets, smartphones and smart TVs) is a critical factor that affects our revenue and financial results, since the number of Site Visits is an indicator of our potential customer base. The number of Site Visits depends on many factors, including our penetration rates in specific markets, our ability to expand into new markets, our overall brand awareness and the effectiveness of our marketing efforts. We believe mobile usage will contribute significantly to acquiring and maintaining our Active Customers and increasing our share of customer spending by providing mobile device users with a convenient and inspirational interaction with our product offering. Our continual development of our IT systems, in particular our internet, mobile infrastructure, enterprise resource planning ("**ERP**"), CRM and accounting systems, contributes to the number of Site Visits and mobile usage. We believe that new and faster technological means to access our sites will increase our potential customer base and increase the conversion rate of Site Visits into orders.

Once we have attracted potential new customers to our sites, our goal is to convert them into Active Customers and to encourage Repeat Orders. Facilitating the conversion of Site Visits into orders by new customers and increasing the Share of Repeat Orders by our Active Customers is critical to our revenue and financial results. We believe increased customer loyalty will lead to repeat purchasing frequency which will ultimately result in larger orders and lower marketing costs as a percentage of revenue.

11.4.3 Strong Value Proposition

We believe that our strong value proposition, which is based on our highly attractive prices, superior product selection, convenient shopping experience, as well as outstanding customer counseling and pharmaceutical safety, has supported and will continue to support revenue growth.

We offer customers highly attractive prices for OTC Medications and pharmacy related BPC products, which are on average 15% lower than prices of Brick-and-Mortar Pharmacies. (source: Stiftung Warentest, 2014) and discounts of up to 50% on selected products. Our ability to offer these prices is supported by our lean and streamlined cost structure, as well as significant economies of scale in procurement and logistics we can exploit due to our size and number of customers.

We offer a large selection of approximately 100,000 OTC Medications, Pharmacy-Related BPC Products and prescription medications. Unlike most Brick-and-Mortar Pharmacies, we are not constrained by limited shelf space at retail premises and have the ability to stock a substantially greater product range in our warehouse facilities. We aim to offer our customers the widest range of OTC Medications and Pharmacy-Related BPC Products available in the countries in which we operate, and typically stock low-sales volume products that Brick-and-Mortar Pharmacies would find difficult to stock.

We provide our customers a convenient shopping experience available anytime and on a wide range of devices, including smartphones and tablets. Our website is optimized to maximize speed and convenience of selecting and purchasing the products, allowing customers to choose from a variety of payment and delivery methods.

We believe we offer our customer superior product information, consultation and pharmaceutical safety. Our customers can access comprehensive product information, including detailed product description, downloadable package inserts and instructional videos, at any time through our website, with emergency customer services available seven days a week over the phone. Pharmaceutical safety for every order is ensured via automated pharmaceutical interaction and contraindication, as well as food intolerance checks based on the order history of the customers and other available data. Packages we ship include personalized letters to the customer containing relevant instructions and alerting the customer to any of the counter-indications where applicable.

11.4.4 Marketing

We believe that marketing is central to our growth strategy. We have incurred and will continue to incur significant expenses in marketing through a broad range of channels to increase our overall brand recognition, to bring new customers to our websites and to increase revenue from existing customers and to enhance brand awareness. Marketing costs include expenses related to TV campaigns, internet marketing, such as SEA and

SEO, and flyer campaigns. As we continue to grow, we believe that our overall marketing expense will grow in absolute terms, but marketing as a proportion of our revenue will decrease as our Share of Repeat Orders increases.

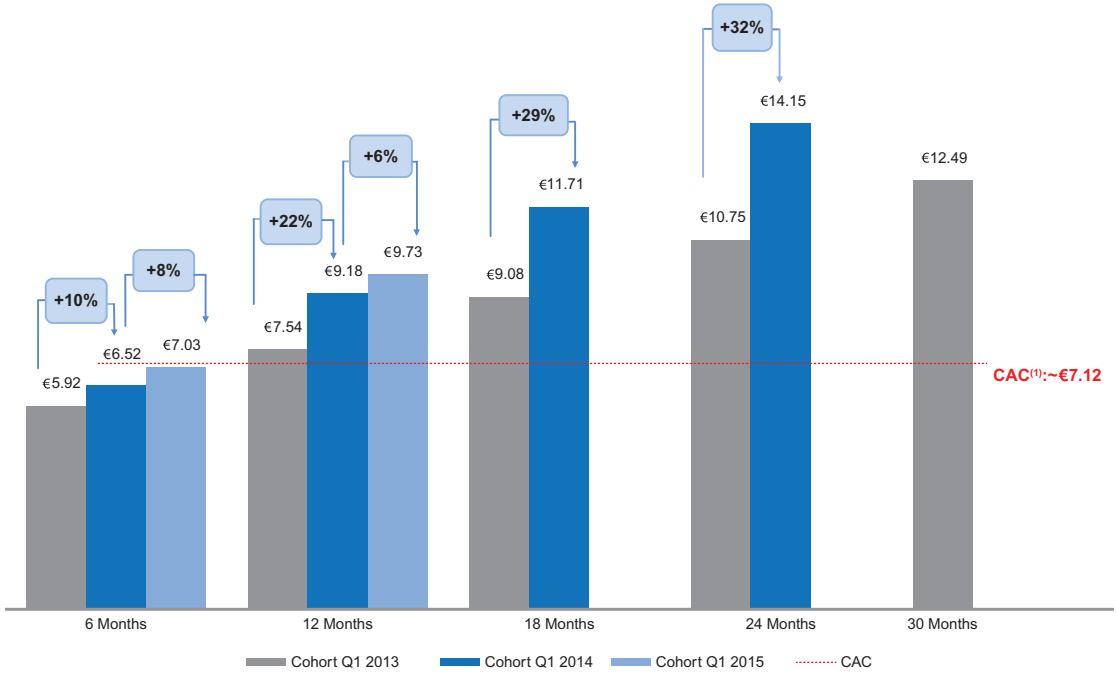
We allocate our marketing resources and determine our marketing budget by using analyses focused on the cumulated profit contribution (gross profit less fulfillment costs) attributable to customers over a certain time period. To measure the effectiveness of our marketing spend, we look at "customer acquisition costs" and "customer lifetime value".

- customer acquisition costs ("**CAC**") is defined as total marketing costs during a specific period divided by the number of new customers acquired during the same period, excluding costs relating to operation of our CRM system and brand awareness. CAC is calculated at a high level of detail for each marketing activity.
- customer lifetime value ("**CLV**") is defined as gross profit less operating expenses attributable to a particular customer cohort (the members of which were all acquired during a specific period of time) since the acquisition of such customers. CLV is calculated at a high level of detail for each marketing activity.

We measure how profitably we acquire new customers by comparing the CLV of a particular customer cohort with the CAC attributable to such cohort.

To illustrate the customer acquisition economics in a specific case study, we extracted the CLV generated from our customers that we acquired in Germany and the total marketing expenses we incurred to acquire those new customers. The CLV figures presented below were prepared on the basis of product margin, which is defined as net revenue minus cost of goods sold and operational costs, which are defined as average personnel cost covering the process from purchasing to packing and customer service in 2015 in order to make the CLVs comparable across all cohorts. While there might be differences in cohorts across countries and specifics in months of a calendar year, as well as across different years, we chose these three cohorts to illustrate broader cohort performance as we believe each of them is broadly representative of a typical cohort and together they provide an appropriate amount of historical data to illustrate the development of CLV over a period of up to 30 months.

The following chart shows the evolution of CLV over the periods presented for three cohorts of customers on our German website (all data unaudited). The figure at the top of each bar reflects CLV for the relevant cohort in the relevant period. The figure in the box above grouped bars reflects the increase in percentage terms between cohorts in the relevant period. All figures shown in the chart are calculated based on customer net sales and 2015 actual costs to make cohorts comparable; in 2015 CAC was €7.12.



(1) 2015 CAC. Excludes branding budget and CRM.

The CLV of our Q1 2014 cohort was 10% greater than that of our Q1 2013 cohort after six months. The CLV of our Q1 2015 cohort was 8% greater than that of our Q1 2014 cohort after six months.

Our Q1 2015 cohort reached the break-even point within six months. Our Q1 2014 cohort reached the break-even point after six months. Our Q1 2013 cohort reached the break-even point within 12 months.

11.4.5 Supplier Relationships

Our ability to manage our relationships with our suppliers impacts our cost of sales and consequently our results of operations. We have developed strong relationships with the vast majority of our manufacturers and wholesaler suppliers. We believe that our reach and focus on OTC Medications and pharmacy related BPC, and our ability to use data analytics to assist our suppliers in understanding the online pharmacy market by offering insights into customer behavior make us an attractive partner. We collaborate closely with our suppliers and have entered into long-term strategic partnerships with them. We were the most highly rated online pharmacy from a supplier's perspective and were ranked first in terms of "best overall service/performance" and "end customer marketing provider" in Germany in 2016 by SEMPORA. We believe that our strong supplier relationships permit us to negotiate favorable supplier terms and enhance our ability to leverage our supplier relationships and manage inventory more effectively.

11.4.6 Operational Efficiencies

We believe that the quality of our fulfillment operations and our ability to anticipate and satisfy our customers' needs and expectations are critical to improving our revenue and profitability. We focus on cost efficiency and customer satisfaction as the two cornerstones of our overall fulfillment strategy. Our logistics, fulfillment and distribution infrastructure in Venlo supports our centralized taking and handling of orders, warehouse logistics and distribution operations and creates economies of scale. We have undertaken a number of measures to increase fulfillment efficiency and achieved reductions in related costs over the last several years, including investments in picking and packing systems and the introduction of our ERP system. We are also continuing to improve our payment processes by implementing standardized procedures and improved risk controls, further contributing to improved fulfillment efficiency. Over the past few years we have made substantial investments in our logistics, fulfillment and distribution infrastructure as well as in our ERP and CRM systems. For instance, we invested in a semi-automated packaging line in 2013 and in continual improvements and updates since then. We believe that the investments that we have made have had a significant positive influence on our sales and distribution and consequently our results of operations.

11.4.7 International Growth

We believe that growth in revenue outside of Germany has been and will continue to be an important driver for the overall growth of our business. In the years ended 31 December 2013, 2014 and 2015, revenue attributed to sales of our international segment accounted for €893 thousand, €2,180 thousand and €8,425 thousand, respectively, or approximately 1.6%, 2.6% and 6.7% of our total revenue. In the years ended 31 December 2013, 2014 and 2015, the number of Site Visits on our international segment websites increased from 630 thousand for the year ended 31 December 2013 to 4,638 thousand as for the year ended 31 December 2015, while the number of active customers in our international segment increased from 13 thousand for the year ended 31 December 2013 to 106 thousand as for the year ended 31 December 2015.

In 2016, we acquired the Farmaline Business by which we believe will improve our competitive position in Continental Europe significantly. See *"14 Acquisition of the Farmaline Business—14.2 Rationale behind the Acquisition of the Farmaline Business"*.

11.5 Non-GAAP Measures

In this Prospectus we present certain non-GAAP measures used by our management as financial measures to monitor the performance of the Group or which management regards as being useful for investors. These figures are not recognized measures under IFRS and should, for this reason, not be considered as an alternative to the applicable GAAP measures. Except as otherwise stated, these non-GAAP measures have not been audited by our auditor, Deloitte Accountants B.V.

We have provided these non-GAAP measures and other information because we believe they provide investors with additional information to measure the operating performance of our business activities. Our use of non-GAAP measures may vary from the use of other companies in our industry. The non-GAAP measures we use should not be considered as an alternative to revenue, results of operations, results for the period or any other performance measure derived in accordance with IFRS. Nor should these measures be considered as an alternative to net cash used in/generated by operating activities as measure of liquidity.

The non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under IFRS. They may exclude or include amounts that are

included or excluded, as applicable, in the calculation of the most directly comparable GAAP measures in accordance with IFRS. Their usefulness is therefore subject to limitations. The non-GAAP measures should be considered in conjunction with our Annual Financial Statements and Interim Financial Statements, respectively, prepared in accordance with IFRS and the respective notes thereto. The following discussion provides definitions of non-GAAP measures, information regarding the usefulness of non-GAAP measures and, where appropriate, a reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

11.5.1 EBIT, EBITDA, Adjusted EBITDA, Segment EBITDA and Combined Segment EBITDA

We define "**EBIT**" (earnings before interest and taxes) as our result for the period before financial result (i.e., finance income plus finance expense) and income tax expenses. We define "**EBITDA**" as EBIT before depreciation and amortization expenses. We define "**segment EBITDA**" as EBIT for each segment before depreciation and amortization expenses and administrative expense. We define "**combined segment EBITDA**" as the total segment EBITDA for our operating segments. See "*11. Management's Discussion and Analysis of Financial Condition and Results of Operations - 11.8 Discussion of Segments*" below. We define "**adjusted EBITDA**" as EBITDA before certain one-off costs related to the Reorganization and the Offering.

We disclose EBIT, EBITDA, adjusted EBITDA, segment EBITDA and combined segment EBITDA as supplemental non-GAAP measures, as we believe they are meaningful measures to evaluate the performance of our business activities over time. We understand that these measures are broadly used by analysts, rating agencies and investors in assessing our performance.

The following table shows a reconciliation of our result for the period to EBIT, EBITDA, adjusted EBITDA and combined segment EBITDA for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 and the six-month periods ended 30 June 2016 and 30 June 2015.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(audited, except as otherwise indicated)		
			(€, thousands)		
Combined segment EBITDA (excluding administrative expense)(1)	**−284**	**22**	**−234**	**839**	**1,808**
Administrative expense(2)	−3,137	−2,202	−6,419	−3,232	−2,560
EBITDA(3)	**−3,421**	**−2,180**	**−6,653**	**−2,392**	**−752**
Adjustments (unaudited)(4)	214	148	1,399	–	–
Adjusted EBITDA (unaudited)	**−3,207**	**−2,032**	**−5,254**	**−2,392**	**−752**
Depreciation and amortization	−1,489	−964	−2,166	−1,656	−1,126
Result from operations (EBIT)(5)	**−4,910**	**−3,145**	**−8,819**	**−4,048**	**−1,878**
Finance costs:					
Finance income	0	394	593	–	–
Finance expense	−1,310	−1,157	−2,275	−826	−839
Net finance costs	−1,310	−763	−1,682	−826	−839
Income tax expenses	−4	−24	−47	−161	−113
Result for the period	**−6,224**	**−3,931**	**−10,548**	**−5,035**	**−2,831**

(1) We define "combined segment EBITDA" as the total segment EBITDA for our respective segments. We define "segment EBITDA" as EBIT for each segment before depreciation and amortization expenses and administrative expense. The calculation of combined segment EBITDA is set forth in "*11.8 Management's Discussion and Analysis of Financial Condition and Results of Operations—Discussion of Segments*" below. Combined segment EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our combined statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of combined segment EBITDA, which means that combined segment EBITDA shown by other companies may not necessarily be comparable with combined segment EBITDA presented above.

(2) "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization. See our Annual Financial Statements and our Interim Financial Statements and, in particular, notes 6 and 10 to our Annual Financial Statements.

(3) EBITDA represents EBIT before depreciation and amortization expenses. EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBITDA, which means that EBITDA shown by other companies may not necessarily be comparable EBITDA presented above.

(4) "Adjustments" in 2015 comprise one-off costs related to the Reorganization and the Offering. See "*10 Selected Financial Information*" and "*17 General Information on the Company and the Group—17.5 Incorporation of the Group Structure and Reorganization.*

(5) EBIT represents our result for the period before income tax expenses and net finance costs. EBIT is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBIT, which means that EBIT shown by other companies may not necessarily be comparable with EBIT presented above.

11.5.2 Net Working Capital

We define net working capital as the sum of (i) inventories plus (ii) pre-ordered stock plus (iii) trade and other receivables plus (iv) other current assets less (v) trade and other payables less (vi) other liabilities.

11.6 Components of our Results of Operations

11.6.1 Revenue

Our revenue predominantly derives from online sales of OTC Medications and Pharmacy-Related BPC Products. Revenue and other operating income are recognized in accordance with the provisions of IAS 18 when the goods or services are shipped provided that it is likely that economic benefits will flow to the Group and the amount can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Upon the sale of products to customers, the date on which the goods are delivered at the indicated place of destination is the date on which economic title to the products passes to the customer. In this case, the transfer of economic title is attached to the transfer of legal title. Revenue is recorded net of sales deductions related to vouchers provided to customers as part of our marketing efforts. For more information on how we account for revenue and receivables, see note 4.3 to our Annual Financial Statements.

11.6.2 Cost of Sales

Cost of sales mainly consists of cost of goods sold, inventory obsolescence provisions and contributions by our suppliers for product promotions and discounts. Inventory obsolescence provisions reflect write-downs of inventories to their net realizable value to allow for risks from slow-moving goods, items past their use-by date or reduced salability of goods. For more information on how we account for cost of sales, see notes 4.4 and 7 to our Annual Financial Statements.

11.6.3 Other Income

Other income relates to income from services provided to the Europa Apotheek Group net of related expenses. See *"20 Certain Relationships and Related-party Transactions"* and note 8 to our Annual Financial Statements.

11.6.4 Selling and Distribution

Selling and distribution includes (i) selling and distribution, which include marketing expenses, distribution costs, operations expenses and marketing personnel expenses, (ii) selling and distribution-related employee benefit expenses including wages and salaries, social security charges, pension and retirement expenses and other employee expenses and (iii) selling and distribution-related depreciation and amortization expenses relating to our warehouse assets. Marketing expenses include the development and production of advertising materials and the communication of these materials through various forms of media, which are expensed on the publishing date of the campaign. The cost allocated for these functions is included in selling and distribution in the relevant statement of profit and loss for the periods presented. For more information, see note 9 to our Annual Financial Statements.

11.6.5 Administrative Expense

Administrative expense includes (i) administrative expenses excluding personnel and depreciation, including IT-related costs, operations overhead costs and office expenses, (ii) administrative-related employee benefit expenses, including wages and salaries, social security charges, pension and retirement expenses and other employee expenses primarily related to management, finance, HR and IT functions and (iii) administrative-related depreciation and amortization expenses, including depreciation of property, plant and equipment and amortization of intangible assets relating to our ERP system. For more information, see note 10 to our Annual Financial Statements.

During the periods presented, the Group functioned as part of the larger group of companies controlled by EHS Europe Health Services B.V., and accordingly, EHS Europe Health Services B.V. performed certain corporate overhead functions for the Group. These functions include, but are not limited to, executive oversight, legal, finance, human resources, financial reporting and tax planning. The costs of such services have been

allocated to the Group based on the most relevant allocation method to the service provided. Management believes that such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Group been operating as a separate entity apart from EHS Europe Health Services B.V. The cost allocated for these functions is included in "administrative expense" in the relevant statements of profit and loss for the periods presented.

11.6.6 Finance Income

We show for the first time finance income for the year ended 31 December 2015, reflecting interest on our current account with the Europa Apotheek Group.

11.6.7 Finance Expense

Finance expense represents interest expense on the Shareholder Loans (for the year ended 31 December 2015 only) and a portion of service fees we incur to credit card and payment service companies such as PayPal and BillPay, reflecting the implied finance function of these services. The remaining part of such service fees is allocated to selling and distribution. For more information, see note 11 to our Annual Financial Statements.

11.6.8 Income Tax Expenses

Income tax expenses is comprised of current and deferred income tax. These taxes include trade and corporate income tax in Germany and the other countries in which we operate, and German solidarity surcharge taxes. Current income tax includes taxes paid or payable in the respective countries in which we operate. Deferred income tax includes taxes relating to deferred tax assets and liabilities on temporary tax differences. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Our income tax expenses includes deferred taxes relating principally to goodwill attributable to the 2010 acquisition of our shop-apotheke.com business and in 2015 the Shareholder Loans. For more information, see notes 4.9 and 12 to Annual Financial Statements.

11.7 Results of Operations

The following table provides selected financial information from our Annual Financial Statements and our Interim Financial Statements for the periods presented.

	For the six–month period ended 30 March		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(€, thousands)	(audited)	
Revenue	**82,161**	**60,529**	**125,578**	**84,671**	**55,292**
Costs of sales	−65,294	−47,828	−99,841	−66,636	−42,545
Gross profit	**16,867**	**12,701**	**25,737**	**18,035**	**12,747**
Other income	1,098	440	1,316	928	673
Selling and distribution	−19,514	−13,948	−29,143	−19,523	−12,448
Administrative expense	−3,361	−2,338	−6,729	−3,488	−2,850
Result of operations	**−4,910**	**−3,145**	**−8,819**	**−4,048**	**−1,878**
Finance costs:					
Finance income	0	394	593	–	–
Finance expense	−1,310	−1,157	−2,275	−826	−839
Net finance costs	−1,310	−763	−1,682	−826	−839
Result before tax	**−6,220**	**−3,907**	**−10,501**	**−4,874**	**−2,717**
Income tax expenses	−4	−24	−47	−161	−113
Result for the period	**−6,224**	**−3,931**	**−10,548**	**−5,035**	**−2,831**
Attributable to:					
Owners of the Company	−6,224	−3,931	−10,548	−5,035	−2,831
			(in €)		
Earnings per Share:					
Basic and diluted	−6.22	−3.93	−10.55	−5.04	−2.83

11.7.1 Comparison of six-month periods ended 30 June 2016 and 30 June 2015

Revenue

Our revenue for the six-month period ended 30 June 2016 was €82,161 thousand, a €21,632 thousand, or 35.7%, increase compared to €60,529 thousand for the six-month period ended 30 June 2015. The increase was principally the result of profitable sales growth in our German core market and strong international sales growth.

Cost of sales

Our cost of sales for the six-month period ended 30 June 2016 was €65,294 thousand, a €17,466 thousand, or 36.5%, increase compared to €47,828 thousand for the six-month period ended 30 June 2015. The increase was in line with increased sales. Cost of sales accounted for 79.5% of revenue in the six-month period ended 30 June 2016, compared to 79.0% in the six-month period ended 30 June 2015. The increase in cost of sales as a percentage of revenue was due mainly to international sales growth.

Other income

Our other income for the six-month period ended 30 June 2016 was €1,098 thousand, a €658 thousand, or 149.5%, increase compared to €440 thousand for the six-month period ended 30 June 2015. The increase was principally attributable to income under the Wholesale Agent Agreement and the Service Agreements.

Selling and distribution

Selling and distribution for the six-month period ended 30 June 2016 was €19,514 thousand, a €5,566 thousand, or 39.9%, increase compared to €13,948 thousand for the six-month period ended 30 June 2015. The increase was in line with our increased sales and marketing expenses for international expansion. Our selling and distribution accounted for 23.8% of revenue in the six-month period ended 30 June 2016, compared to 23.0% in the six-month period ended 30 June 2015.

Administrative expense

Our administrative expense for the six-month period ended 30 June 2016 was €3,361 thousand, a €1,023 thousand, or 43.8%, increase compared to €2,338 thousand for the six-month period ended 30 June 2015. The increase was principally the result of building up our organization to cover international expansion. Administrative expense accounted for 4.1% of revenue in the six-month period ended 30 June 2016, compared to 3.9% in the six-month period ended 30 June 2015.

Finance income

Our finance income for the six-month period ended 30 June 2016 was €0 thousand, a €394 thousand, or 100%, decrease compared to €394 thousand for the six-month period ended 30 June 2015. The decrease was principally the result of settling the current account with the Europa Apotheek Group as of 30 September 2015.

Finance expense

Our finance expense for the six-month period ended 30 June 2016 was €1,310 thousand, a €153 thousand, or 13.2%, increase compared to €1,157 thousand for the six-month period ended 30 June 2015. The increase was principally the result of increased sales and related financing.

Income tax expenses

Our income tax expenses for the six-month period ended 30 June 2016 was €4 thousand, a €20 thousand, or 83.3%, decrease compared to €24 thousand for the six-month period ended 30 June 2015. The decrease was principally the result of deferred taxes related to the Shareholder Loans.

Result for the period

Our result for the six-month period ended 30 June 2016 was a net loss of €6,224 thousand, a €2,293 thousand, or 58.3%, increase compared to a net loss of €3,931 thousand for the six-month period ended 30 June 2015. The increase was principally the result of higher selling and distribution costs due to strong international sales growth and TV advertising campaigns in Germany and Austria.

11.7.2 Comparison of years ended 31 December 2015 and 31 December 2014

Revenue

Our revenue for the year ended 31 December 2015 was €125,578 thousand, a €40,907 thousand, or 48.3%, increase, compared to €84,671 thousand for the year ended 31 December 2014. The increase was principally the result of strong sales growth in Germany and Austria, resulting from the introduction of more competitive pricing, our increased product offering, an increased Share of Repeat orders.

Cost of sales

Our cost of sales for the year ended 31 December 2015 was €99,841 thousand, a €33,205 thousand, or 49.8%, increase, compared to €66,636 thousand for the year ended 31 December 2014. The increase was principally the result of higher volumes of goods sold. Cost of sales accounted for 79.5% of revenue in the year ended 31 December 2015, compared to 78.7% in the year ended 31 December 2014. The slight increase in cost of sales on a percentage of revenue was due mainly to our decision to use competitive pricing to build market share in particular in international markets.

Other income

Our other income for the year ended 31 December 2015 was €1,316 thousand, a €388 thousand, or 41.8%, increase, compared to €928 thousand for the year ended 31 December 2014. The increase is attributable to services provided to the Europa Apotheek Group under the Wholesale Agent Agreement and the Service Agreements. See "*20 Certain Relationships and Related-party Transactions—20.1 Relationships with the Europa Apotheek Group—20.1.1 Wholesale Agreement*".

Selling and distribution

Selling and distribution for the year ended 31 December 2015 was €29,143 thousand, a €9,620 thousand, or 49.3%, increase, compared to €19,523 thousand for the year ended 31 December 2014. The change reflects higher distribution costs, operations expenses and marketing personnel expenses related to the increase in sales in the period, as well as an increase in marketing expenses related principally to TV advertising, in Germany and Austria. Our selling and distribution accounted for 23.2% of revenue in the year ended 31 December 2015, compared to 23.1% in the year ended 31 December 2014.

Administrative expense

Our administrative expense for the year ended 31 December 2015 was €6,729 thousand, a €3,241 thousand, or 92.9%, increase, compared to €3,488 thousand for the year ended 31 December 2014. The increase reflects one-off costs related to the Reorganization and the Offering in the amount of €1,399 thousand in 2015, as well as costs related to the build out of our international organization and roll-out and strengthening of IT functions. Administrative expense accounted for 5.4% of revenue in the year ended 31 December 2015, compared to 4.1% in the year ended 31 December 2014.

Finance income

Our finance income for the year ended 31 December 2015 was €593 thousand compared to €0 thousand for the year ended 31 December 2014, reflecting interest on our current account with the Europa Apotheek Group implemented in 2015. See "*20 Certain Relationships and Related-party Transactions—20.1 Relationships with the Europa Apotheek Group—20.1.1 Wholesale Agreement*".

Finance expense

Our finance expense for the year ended 31 December 2015 was €2,275 thousand, a €1,449 thousand, or 175.4%, increase, compared to €826 thousand for the year ended 31 December 2014. The increase was principally the result of (i) a larger number of sales completed via credit card and payment service companies such as PayPal and BillPay and (ii) interest expense on the Shareholder Loans implemented in 2015 in connection with the Reorganization, the latter being expected to end when the Shareholder Loans are repaid with proceeds of the Offering. See "*20 Certain Relationships and Related-party Transactions—20.2 Relationships with Certain Shareholders*".

Income tax expenses

Our income tax expenses for the year ended 31 December 2015, which relates to deferred tax in relation to goodwill, were €47 thousand, a €114 thousand, or 70.8%, decrease, compared to €161 thousand for the year

ended 31 December 2014. The decrease is mainly due to the fact that the Shareholder Loans previously included in business equity are shown as their own balance sheet position and therefore the related deferred tax liability has been reduced through the profit and loss account instead of equity in 2015.

Result for the year

Our result for the year ended 31 December 2015 was a net loss of €10,548 thousand, a €5,513 thousand, or 109.5%, increase, compared to a net loss of €5,035 thousand for the year ended 31 December 2014, reflecting costs associated with acquiring new customers and one-off costs related to the Reorganization and the Offering.

11.7.3 ***Comparison of years ended 31 December 2014 and 31 December 2013***

Revenue

Our revenue for the year ended 31 December 2014 was €84,671 thousand, a €29,379 thousand, or 53.1%, increase compared to €55,292 thousand for the year ended 31 December 2013. The increase was principally result of a substantial increase in sales in Germany and an increase in sales in Austria, where we increased our product range.

Cost of sales

Our cost of sales for the year ended 31 December 2014 was €66,636 thousand, a €24,091 thousand, or 56.6%, increase, compared to €42,545 thousand for the year ended 31 December 2013. The increase was principally the result of an increase in cost of goods sold, reflecting higher volumes of goods sold. Cost of sales accounted for 78.7% of revenue in the year ended 31 December 2014, compared to 76.9% in the year ended 31 December 2013, reflecting in part and our decision to introduce competitive pricing in 2014 to build market share in 2014.

Other income

Our other income for the year ended 31 December 2014 was €928 thousand, a €255 thousand, or 37.9%, increase, compared to €673 thousand for the year ended 31 December 2013. The increase was due to increased services as a result of the introduction of improved IT and warehousing systems, in particular the ERP system, which were implemented in the third quarter of 2016.

Selling and distribution

Selling and distribution for the year ended 31 December 2014 was €19,523 thousand, a €7,075 thousand, or 56.8%, increase, compared to €12,448 thousand for the year ended 31 December 2013. The change reflects distribution costs, operations expenses and marketing personnel expenses, as well as an increase in marketing expenses related principally to brand building. Our selling and distribution accounted for 23.1% of revenue in the year ended 31 December 2014, compared to 22.5% in the year ended 31 December 2013.

Administrative expense

Our administrative expense for the year ended 31 December 2014 was €3,488 thousand, a €638 thousand, or 22.4%, increase compared to €2,850 thousand for the year ended 31 December 2013. The increase was principally due to increased IT-related costs, and to a lesser extent, operations overhead costs and facility expenses to prepare for future expansion. Administrative expense accounted for 4.1% of revenue in the year ended 31 December 2014, compared to 5.2% in the year ended 31 December 2013, due primarily to cost efficiencies supported by the introduction of the ERP system in late 2013, which were fully reflected in 2014.

Finance expense

Our finance expense for the year ended 31 December 2014 was €826 thousand, a €13 thousand, or 1.5%, decrease compared to €839 thousand for the year ended 31 December 2013. Notwithstanding an increase in sales in 2014, our finance expense decreased over the period, reflecting the increased proportion of sales completed via credit card in 2014 on terms that are more favorable to us.

Income tax expenses

Our income tax expenses for the year ended 31 December 2014, which relates to deferred taxes in relation to goodwill in conjunction with taxable profits of Xsite GmbH, were €161 thousand, a €48 thousand, or 42.5%, increase compared to €113 thousand for the year ended 31 December 2013. The increase relates mainly to the taxable profit of Xsite GmbH in 2014.

Result for the year

Our result for the year ended 31 December 2014 was a net loss of €5,035 thousand, a €2,204 thousand, or 77.9%, increase compared to a net loss of €2,831 thousand for the year ended 31 December 2013, mainly reflecting increased marketing expenses related to higher sales in the period and an increase in marketing expenses related principally to TV advertising and increased IT-related costs, operations overhead costs and facility expenses to prepare for future expansion, as well as the other factors mentioned above.

11.8 Discussion of Segments

For management purposes, our operating segments are reported in a manner consistent with the internal reporting provided to our statutory directors, who are responsible for allocating resources and assessing performance of the operating segments, and make strategic decisions. For management purposes, our Group is organized into the following geographic business units:

- **Germany**: principally OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the German market;
- **International**: only OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the Austrian, French and Belgian markets; and
- **Germany Services**: webshop services of Xsite GmbH delivered principally to German customers.

The Group's assets and liabilities are not disclosed by segment as they are not included in the segment information used by the statutory directors. See notes 2 and 6 to our Annual Financial Statements.

The following table shows certain data by operating segment for the six-month periods ended 30 June 2016 and 30 June 2015, as well as for the years ended 31 December 2015, 31 December 2014 and 31 December 2013.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(€, thousands)	(audited)	
Revenue					
Germany[1]	70,174	56,604	115,660	80,968	54,278
International[2]	11,152	2,909	8,425	2,180	893
Germany Services[3]	1,976	1,468	3,398	2,198	121
Eliminations[4]	−1,141	−452	−1,905	−675	–
Total revenue	**82,161**	**60,529**	**125,578**	**84,671**	**55,292**
Segment EBITDA (excluding administrative expense)[5]					
Germany	1,340	25	841	462	1,902
International	−2,099	−547	−2,269	−217	−52
Germany Services	474	544	1,194	594	−42
Combined segment EBITDA (excluding administrative expense)[6]	**−284**	**22**	**−234**	**839**	**1,808**

(1) Germany includes principally OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the German market.

(2) International includes only OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the Austrian, French and Belgian markets.

(3) Germany Services includes the webshop services of Xsite GmbH delivered principally to German customers.

(4) Eliminations relates to German intercompany sales by Xsite GmbH.

(5) We define "segment EBITDA" as EBIT for each segment before depreciation and amortization expenses and administrative expense. "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization. See our Annual Financial Statements and our Interim Financial Statements and, in particular, notes 6 and 10 to our Annual Financial Statements. Segment EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of segment EBITDA, which means that segment EBITDA shown by other companies may not necessarily be comparable with segment EBITDA presented above.

(6) We define "combined segment EBITDA" as the total segment EBITDA for our operating segments. There is no uniform definition of combined segment EBITDA, which means that combined segment EBITDA shown by other companies may not necessarily be comparable with combined segment EBITDA presented above.

The following tables show a reconciliation of our result for the period EBIT, EBITDA and segment EBITDA by operating segment on a consolidated basis for the six-month period ended 30 June 2016 and on a combined basis for the six-month period ended 30 June 2015 and the years ended 31 December 2015, 31 December 2014 and 31 December 2013.

Six-month period ended 30 June 2016	Germany[1]	International[2]	Germany Services[3]	Eliminations	Consolidated
		(audited, except as otherwise indicated) (€, thousands, except as otherwise indicated)			
Revenue	**70,174**	**11,152**	**1,976**	**−1,141**	**82,161**
Cost of sales	−55,783	−9,255	−256	–	−65,294
Gross Profit	14,391	1,897	1,720	−1,141	16,867
Gross profit as a percent of revenue (%)	**20.5%**	**17.0%**	**87.1%**		**20.5%**
Other income	937	147	13	–	1,098
Selling and distribution[4]	−13,988	−4,143	−1,259	1,141	−18,249
Segment EBITDA[5]	**1,340**	**−2,099**	**474**		**−284**
Administrative expense[6]					−3,137
EBITDA[7]					**−3,421**
Depreciation					−1,489
EBIT[9]					**−4,910**
Finance income					–
Finance expense					−1,310
Net finance cost					−1,310
Result before tax			**–**		**−6,220**

Six-month period ended 30 June 2015	Germany[1]	International[2]	Germany Services[3]	Eliminations	Combined
		(unaudited) (€, thousands, except as otherwise indicated)			
Revenue	**56,604**	**2,909**	**1,468**	**−452**	**60,529**
Cost of sales	−45,328	−2,417	−83	–	−47,828
Gross Profit	11,276	492	1,385	−452	12,701
Gross profit as a percent of revenue (%)	**19.9%**	**16.9%**	**94,3%**		**21.0%**
Other income	412	21	8		440
Selling and distribution[4]	−11,663	−1,060	−849	452	−13,119
Segment EBITDA[5]	**25**	**−547**	**544**	**–**	**22**
Administrative expense[6]					−2,202
EBITDA[7]					**−2,180**
Depreciation					−964
EBIT[9]					**−3,145**
Finance income					394
Finance expense					−1,157
Net finance cost					−763
Result before tax					**−3,908**

Year ended 31 December 2015	Germany[1]	International[2]	Germany Services[3]	Eliminations	Combined
	(audited, except as otherwise indicated) (€, thousands, except as otherwise indicated)				
Revenue	**115,660**	**8,425**	**3,398**	**−1,905**	**125,578**
Cost of sales	−92,383	−7,163	−295	–	−99,841
Gross Profit	**23,277**	**1,262**	**3,103**	**−1,905**	**25,737**
Gross profit as a percent of revenue (%)	20.1%	15.0%	91.3%		20.5%
Other income	1,194	95	27	–	1,316
Selling and distribution[4]	−23,630	−3,626	−1,936	1,905	−27,287
Segment EBITDA[5]	**841**	**−2,269**	**1,194**	**–**	**−234**
Administrative expense[6]					−6,419
EBITDA[7]					**−6,653**
Adjustments (unaudited)[8]					1,399
Adjusted EBITDA (unaudited)					**−5,254**
Depreciation					−2,166
EBIT[9]					**−8,819**
Finance income					593
Finance expense					−2,275
Net finance cost					−1,682
Result before tax					**−10,501**

Year ended 31 December 2014	Germany[1]	International[2]	Germany Services[3]	Eliminations	Combined
	(audited, except as otherwise indicated) (€, thousands, except as otherwise indicated)				
Revenue	80,968	2,180	2,198	−675	**84,671**
Cost of sales	−64,759	−1,703	−174	–	−66,636
Gross Profit	**16,209**	**477**	**2,024**	**−675**	**18,035**
Gross profit as a percent of revenue (%)	20.0%	21.9%	92.1%		21.3%
Other income	873	23	32		928
Selling and distribution[4]	−16,620	−717	−1,462	675	−18,124
Segment EBITDA[5]	**462**	**−217**	**594**	**–**	**839**
Administrative expense[6]					−3,232
EBITDA (unaudited)[7]					**−2,392**
Adjustments (unaudited)[8]					–
Adjusted EBITDA					**−2,392**
Depreciation					−1,656
EBIT[9]					**−4,048**
Finance income					–
Finance expense					−826
Net finance cost					−826
Result before tax					**−4,874**

Year ended 31 December 2013	Germany[1]	International[2]	Germany Services[3]	Eliminations	Combined
	(audited, except as otherwise indicated) (€, thousands, except as otherwise indicated)				
Revenue	**54,278**	**893**	**121**	**–**	**55,292**
Cost of sales	−41,898	−640	−7	–	−42,545
Gross Profit	**12,380**	**253**	**114**	**–**	**12,747**
Gross profit as a percent of revenue (%)	22.8%	28.4%	94.0%		23.1%
Other income	658	11	4		673
Selling and distribution[4]	−11,136	−316	−160	–	−11,612
Segment EBITDA[5]	**1,902**	**−52**	**−42**	**–**	**1,808**
Administrative expense[6]					−2,560
EBITDA[7]					**−752**
Adjustments (unaudited)[8]					–
Adjusted EBITDA (unaudited)					**−752**
Depreciation					−1,126
EBIT[9]					**−1,878**
Finance income					–
Finance expense					−839
Net finance cost					−839
Result before tax					**−2,717**

(1) Germany includes principally OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the German market.

(2) International includes only OTC Medications and Pharmacy-Related BPC Products sold to individual customers located in the Austrian, French and Belgian markets.

(3) Germany Services includes the webshop services of Xsite GmbH delivered principally to German customers.

(4) Selling and distribution shown in our segment reporting excludes depreciation.

(5) We define "segment EBITDA" as EBIT for each segment before depreciation and amortization expenses and administrative expense. Segment EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of segment EBITDA, which means that segment EBITDA shown by other companies may not necessarily be comparable with segment EBITDA presented above.

(6) "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization. See our Annual Financial Statements and our Interim Financial Statements and, in particular, notes 6 and 10 to our Annual Financial Statements.

(7) EBITDA represents EBIT before depreciation and amortization expenses. EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBITDA, which means that EBITDA shown by other companies may not necessarily be comparable EBITDA presented above.

(8) "Adjustments" in 2015 comprise one-off costs related to the Reorganization and the Offering. See "*10 Selected Financial Information*" and "*17 General Information on the Company and the Group—17.5 Incorporation of the Group Structure and Reorganization*".

(9) EBIT represents our result for the period before income tax expenses and net finance costs. EBIT is not a recognized term under IFRS and does not purport to be an alternative to data from our statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBIT, which means that EBIT shown by other companies may not necessarily be comparable with EBIT presented above.

11.8.1 Segment Revenue

Germany

The increase in revenue related to our Germany segment of €13,570 thousand to €70,174 thousand for during the six-month period ended 30 June 2016, compared to €56,604 thousand for the six-month period ended 30 June 2015, was primarily due to strong sales growth in our German core market.

The increase in revenue related to our Germany segment of €34,692 thousand, to €115,660 thousand for the year ended 31 December 2015, compared to €80,968 thousand for the year ended 31 December 2014, primarily reflected sales growth from a growing customer base.

The increase in revenue related to our Germany segment of €26,690 thousand, to €80,968 thousand for the year ended 31 December 2014, compared to €54,278 thousand for the year ended 31 December 2013, also primarily reflected sales growth from a growing customer base.

International

The increase in revenue related to our International segment of €8,243 thousand, to €11,152 thousand for during the six-month period ended 30 June 2016, compared to €2,909 thousand for the six-month period ended 30 June 2015, was primarily due to high sales growth both in Austria and France.

The increase in revenue related to our International segment of €6,245 thousand, to €8,425 thousand for the year ended 31 December 2015, compared to €2,180 thousand for the year ended 31 December 2014, was primarily reflecting strong sales growth in the Austrian market as well as the start of our French webshop.

The increase in revenue related to our International segment of €1,287 thousand, to €2,180 thousand for the year ended 31 December 2014, compared to €893 thousand for the year ended 31 December 2013, was primarily reflecting strong sales growth in the Austrian market.

Germany Services

The increase in revenue related to our Germany Services segment of €508 thousand, to €1,976 thousand during the six-month period ended 30 June 2016, compared to €1,468 thousand for the six-month period ended 30 June 2015, was primarily due to the expanded scope of webshop services provided to existing and new customers.

The increase in revenue related to our Germany Services segment of €1,200 thousand, to €3,398 thousand for the year ended 31 December 2015, compared to €2,198 thousand for the year ended 31 December 2014, was primarily the further growth of our Germany Services business, including new third-party contracts in 2015.

The increase in revenue related to our Germany Services segment of €2,077 thousand, to €2,198 thousand for the year ended 31 December 2014, compared to €121 thousand for the year ended 31 December 2013, was primarily the growth of our Germany Services business that was acquired in December 2013, including new third-party contracts in 2014.

11.8.2 Segment EBITDA

Germany

The increase in segment EBITDA related to our Germany segment of €1,315 thousand, to €1,340 thousand for during the six-month period ended 30 June 2016, compared to €25 thousand for the six-month period ended 30 June 2015, was primarily due to more profitable sales growth relating to increased other income attributable to the Wholesale Agent Agreement.

The increase in segment EBITDA related to our Germany segment of €379 thousand, to €841 thousand for the year ended 31 December 2015, compared to €462 thousand for the year ended 31 December 2014, was primarily due to a slightly increased gross profit in percent of revenue as well as increased other income related to the wholesale agreement with Europa Apotheek Venlo B.V.

The decrease in segment EBITDA related to our Germany segment of €1,440 thousand, to €462 thousand for the year ended 31 December 2014, compared to €1,902 thousand for the year ended 31 December 2013, was primarily due to a lower gross profit in percent of revenue, reflecting more aggressive pricing to support our strong sales growth in 2014.

International

The decrease in segment EBITDA related to our International segment of €1,552 thousand, to €-2,099 thousand for during the six-month period ended 30 June 2016, compared to €-547 thousand for the six-month period ended 30 June 2015, was primarily due to higher selling and distribution costs reflecting marketing expense to support new customer acquisition for the high sales growth in Austria and France.

The decrease in segment EBITDA related to our International segment of €2,052 thousand, to €-2,269 thousand for the year ended 31 December 2015, compared to €-217 thousand for the year ended 31 December 2014, primarily related to the start of our webshop and market entry in France, as well as increased selling and distribution costs related to higher marketing expense for the expansion of our sales in Austria.

The decrease in segment EBITDA related to our International segment of €165 thousand, to €-217 thousand for the year ended 31 December 2014, compared to €-52 thousand for the year ended 31 December 2013, primarily reflected increased selling and distribution related to the development of our business in Austria.

Germany Services

The decrease in segment EBITDA related to our Germany Services segment of €70 thousand, to €474 thousand for during the six-month period ended 30 June 2016, compared to €544 thousand for the six-month period ended 30 June 2015, was primarily due to increased internal costs relating to the development of new tools and services.

The increase in segment EBITDA related to our Germany Services segment of €599 thousand, to €1,193 thousand for the year ended 31 December 2015, compared to €594 thousand for the year ended 31 December 2014, was primarily due to increased revenue generated by our Xsite GmbH business including third parties. The increase in segment EBITDA related to our Germany Services segment of €636 thousand, to €594 thousand for the year ended 31 December 2014, compared to €-42 thousand for the year ended 31 December 2013, primarily reflected increased revenue generated by our Xsite GmbH business since its acquisition in December 2013.

11.9 Selected items from the Statements of Financial Position

The following table shows selected financial information from our statements of financial position set forth in our Annual Financial Statements and our Interim Financial Statements for the periods presented. See "*10.2 Selected Financial Information from the Statements of Financial Position*" above.

	As of 30 June	As of 31 December		
	2016	2015	2014	2013
	(unaudited)	(audited)		
	(€, thousands)			
Assets				
Non-current assets:				
Total non-current assets	16,284	16,033	14,157	13,515
Current assets:				
Total current assets	33,258	26,739	15,352	12,206
Total assets	**49,542**	**42,772**	**29,509**	**25,721**
Equity and liabilities				
Capital and reserves:				
Business equity[(1)]	–	–	20,056	18,080
Equity	6,240	2,459	–	–
Non-current liabilities:				
Total non-current liabilities	25,283	24,566	563	447
Current liabilities:				
Total current liabilities	18,019	15,747	8,890	7,194
Total equity and liabilities	**49,542**	**42,772**	**29,509**	**25,721**

(1) Because the separate legal entities that comprise the Group were not held by a single legal entity prior to the incorporation of the legal structure, business equity is shown in lieu of shareholders' equity in the statement of financial position as of 31 December 2014 and 31 December 2013. Business equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through 29 September 2015. The impact of transactions between the Group and EHS Europe Health Services B.V. that were not historically settled in cash is also included in business equity.

11.9.1 Non-current Assets

As of 30 June 2016, our non-current assets represented 32.9% of our total assets and primarily included intangible assets in the amount of €13,892 thousand, which consist of ERP and webshop software and goodwill, representing 28.0% of our total assets.

As of 31 December 2015, our non-current assets represented 37.5% of our total assets and primarily included intangible assets in the amount of €13,616 thousand, which represented 31.8% of our total assets. The increase of non-current assets of €1,876 thousand compared to 31 December 2014 resulted from investment in process optimization and our ERP system as well as our warehouse and IT infrastructure mostly related to the reorganization.

As of 31 December 2014, our non-current assets represented 48.0% of our total assets and primarily included intangible assets in the amount of €12,384 thousand, which represented 42.0% of our total assets. Non-current assets increased by €642 thousand from 31 December 2013 to 31 December 2014 primarily due to the optimization of our ERP system that was implemented in 2013.

As of 31 December 2013, our non-current assets represented 52.5% of our total assets and primarily included intangible assets in the amount of €11,643 thousand, which represented 45.3% of our total assets and consisted of ERP and webshop software and goodwill.

11.9.2 Current Assets

As of 30 June 2016, our current assets represented 67.1% of our total assets and primarily included cash and cash equivalents in the amount of €10,458 thousand, which represented 21.1% of our total assets, inventories in the amount of €10,304 thousand, which represented 20.8% of our total assets and trade and other receivables in the amount of €6,150 thousand, which represented 12.4% of our total assets. The substantial increase in cash and cash equivalents compared to 31 December 2015 was due to the capital increase of €10,005 thousand which took place in June 2016.

As of 31 December 2015, our current assets represented 62.5% of our total assets and primarily included inventories in the amount of €10,412 thousand, which represented 24.3% of our total assets and pre-ordered stock in the amount of €5,653 thousand, which represented 13.2% of our total assets. The substantial increase in inventories compared to 31 December 2014 was due to strong sales growth in Germany and Austria as well as the start and build-up of our business in France.

As of 31 December 2014, our current assets represented 52.0% of our total assets and primarily included pre-ordered stock in the amount of €5,531 thousand, which represented 18.7% of our total assets and inventories in the amount of €4,592 thousand, which represented 15.6% of our total assets. The increase in inventories compared to 31 December 2013 was related to strong sales in the winter season 2014/ 2015.

As of 31 December 2013, our current assets represented 47.5% of our total assets and primarily included pre-ordered stock in the amount of €5,405 thousand, which represented 21.0% of our total assets, inventories in the amount of €2,942 thousand, which represented 11.4% of our total assets and trade and other receivables in the amount of €2,612 thousand, which represented 10.2% of our total assets.

11.9.3 Equity

As of 30 June 2016, our equity amounted to €6,240 thousand, reflecting shareholders' equity, an increase of €3,781 thousand compared to 31 December 2015, which is the result of a loss of €6,224 thousand in the first six months 2016 offset by a capital increase of the Existing Shareholders of €10,005 thousand. As of 31 December 2015, our equity amounted to €2,459 thousand, compared to €20,056 thousand business equity as of 31 December 2014, reflecting the Group's operating loss in 2015 as well as a share premium repayment by Shop Apotheke B.V. to EHSC B.V., which was prior to the Reorganization the shareholder of Shop Apotheke B.V., in order to settle carve-out related balances prior to the Company's incorporation on 30 September 2015.

Since the separate legal entities that comprise the Group were not held by a single legal entity prior to the incorporation of the legal structure on 30 September 2015, business equity is shown in lieu of equity in the statement of financial position as of 31 December 2014 and 31 December 2013. Business equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through 29 September 2015. As of 31 December 2014, our business equity amounted to €20,056 thousand. As of 31 December 2013, our business equity amounted to €18,080 thousand.

11.9.4 Non-current Liabilities

As of 30 June 2016, our non-current liabilities represented 58.4% of our total liabilities and primarily included the Shareholder Loans in the amount of €19,715 thousand, which represented 45.5% of our total liabilities.

As of 31 December 2015, our non-current liabilities represented 60.9% of our total liabilities and primarily the Shareholder Loans in the amount of €19,002 thousand represented 47.1% of our total liabilities. We have funded our historical cash requirements primarily from equity investments by our shareholders and the Shareholder Loans, which are reflected for the first time as of 31 December 2015 (previously included in business equity representing the cumulative net investment by EHS Europe Health Services B.V. through 29 September 2015). See "*20. Certain Relationships and Related-party Transactions*". Other liabilities comprise the long-term deposit of €3,000 thousand provided by Europa Apotheek Venlo B.V. to cover economic risks related to purchasing provided by the Group under the Wholesale Agent Agreement, which took effect on 1 October 2015.

As of 31 December 2014, our non-current liabilities represented 6.0% of our total liabilities and primarily deferred tax liabilities in the amount of €563 thousand.

As of 31 December 2013, our non-current liabilities represented 5.9% of our total liabilities and primarily included deferred tax liabilities in the amount of €447 thousand, which represented 5.9% of our total liabilities.

11.9.5 Current Liabilities

As of 30 June 2016, our current liabilities represented 41.6% of our total liabilities and primarily included trade and other payables in the amount of €12,952 thousand, which represented 29.9% of our total liabilities. The substantial increase in trade and other payables compared to 31 December 2015 was due to the fact that for a number of direct suppliers trade payables are usually settled prior to year-end closing whereas during the year, such trade payables are usually settled at the beginning of the following month.

As of 31 December 2015, our current liabilities represented 39.1% of our total liabilities and primarily included trade and other payables in the amount of €8,638 thousand, which represented 21.4% of our total liabilities and other liabilities in the amount of €3,906 thousand, which represented 9.7% of our total liabilities. Amounts due to related parties, which is shown for the first time as of 31 December 2015, reflects pre-payments from Europa Apotheek for pre-ordered stocks exceeding the long-term deposit as well as for purchasing and picking services provided by EuroService B.V.

As of 31 December 2014, our current liabilities represented 94.0% of our total liabilities and primarily included trade and other payables in the amount of €7,625 thousand, which represented 80.7% of our total liabilities.

As of 31 December 2013, our current liabilities represented 94.1% of our total liabilities and primarily included trade and other payables in the amount of €6,122 thousand, which represented 80.1% of our total liabilities.

11.10 Liquidity and Capital Resources

Our primary uses of cash include funding our working capital, acquiring and maintaining property, plant and equipment and certain intangible assets such as our ERP system that runs our business operations, and operating and finance expenses. We have funded our recent cash requirements primarily from equity investment by our shareholders and the Shareholder Loans. See *"20 Certain Relationships and Related-party Transactions"*. As of 30 June 2016 and 31 December 2015, we had €10,458 thousand and €3,529 thousand, respectively, of cash and cash equivalents.

Because the separate legal entities that comprise the Group were not held by a single legal entity prior to the Reorganization, business equity is shown in lieu of shareholders' equity in the statement of financial position as of 31 December 2013 and 31 December 2014. Business equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through 31 December 2013 and 31 December 2014, respectively. The impact of transactions between the Group and EHS Europe Health Services B.V. that were not historically settled in cash is also included in business equity.

Pursuant to the Wholesale Agent Agreement, which took effect on 1 October 2015, Europa Apotheek Venlo B.V. paid to us €3,000 thousand as a deposit for purchasing services to be provided under that agreement.

In June 2016 a cash inflow of €10,005 thousand was paid by certain shareholders of the Company in consideration for which additional shares were issued in September 2016.

11.10.1 Cash Flows

The following table sets forth selected statements of cash flow for the periods presented.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(audited)		
	(€, thousands)				
Net cash [used in]/generated by operating activities	−738	−4,080	−8,779	−3,683	−4,242
Net cash [used in]/generated by investing activities	−1,740	−1,746	−4,050	−2,297	−5,405
Net cash [used in]/generated by financing activities	9,408	5,868	16,061	6,185	9,739
Net increase/(decrease) in cash and cash equivalents	**6,929**	**43**	**3,232**	**205**	**92**

Net cash used in/generated by operating activities

Net cash used in/generated by operating activities consists of our operating result, adjusted for depreciation and amortization of non-current assets, changes in trade and other receivables, inventory, pre-ordered stock, provisions and trade and other payables.

The following table sets forth net cash used in/generated by operating activities for the periods presented.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(€, thousands)	(audited)	
Cash flow used in/generated by operating activities					
Operating result	−4,910	−3,145	−8,819	−4,048	−1,878
Adjustments for:					
Depreciation and amortization of non-current assets	1,489	964	2,166	1,656	1,126
Operating result adjusted for depreciation and amortization	−3,421	−2,180	−6,653	−2,392	−752
Movements in working capital:					
(Increase)/decrease in trade and other receivables	−994	657	−2,213	−1,165	−643
(Increase)/decrease in inventory	108	−1,647	−5,820	−1,650	50
(Increase)/decrease in pre-ordered stock	1,297	−176	−121	−126	−91
Increase/(decrease) in provisions	−	3	−95	−46	334
Increase/(decrease) in trade and other payables	4,056	−736	2,921	1,696	−3,140
Increase/(decrease) in amounts due to related parties	−1,784	–	3,202	–	–
Total movements in working capital	2,683	−1,900	−2,126	−1,291	−3,490
Cash generated from operations	−738	−4,080	−8,779	−3,683	−4,242
Interest received	–	–	–	–	–
Net cash used in/generated by operating activities	**−738**	**−4,080**	**−8,779**	**−3,683**	**−4,242**

The change of €3,342 thousand of net cash generated by operating activities, to €-738 thousand cash used in operating activities for the six-month period ended 30 June 2016, compared to €-4,080 thousand cash used in operating activities for the six-month period ended 30 June 2015, reflects efficient inventory and trade payables management.

The change in net cash used in operating activities of €5,096 thousand, to €8,779 thousand of cash used for the year ended 31 December 2015, compared to €3,683 thousand of cash used for the year ended 31 December 2014, was primarily due to a substantial increase to €5,820 thousand of cash used in operating activities as working capital related to inventory in 2015, compared to €1,650 thousand of cash used in 2014, reflecting the increase in purchasing activity to meet supplier rebate goals and in anticipation of seasonal demand, and an increase to €2,213 thousand of cash used in operating activities as working capital related to trade and other receivables in 2015, compared to €1,165 thousand of cash used in 2014, reflecting the effects of sales growth, partially offset by an increase to €2,921 thousand of cash generated in operating activities as working capital related to trade and other payables, compared to €1,696 thousand of cash generated in 2014, reflecting increasing payables to our wholesale supplier linked to increased inventories and an increase to €95 thousand of cash generated in operating activities as working capital related to provisions, compared to €46 thousand of cash used in 2014, reflecting deferred taxes related to the Xsite GmbH acquisition. See "*20 Certain Relationships and Related-party Transactions—20.2 Relationships with Certain Shareholder*s".

The decrease in net cash used in operating activities of €559 thousand, to €3,683 thousand for the year ended 31 December 2014, compared to €4,242 thousand for the year ended 31 December 2013, was primarily due to a substantial increase in net cash used in operating activities in 2014 reflecting increased marketing expenses related principally to TV advertising and increased IT-related cost, operations overhead cost and facility expenses to prepare for future expansion, a decrease of €1,650 thousand in working capital related to inventory in 2014, compared to an increase of €50 thousand in 2013, reflecting more efficient processes after the introduction of the new ERP system, an increase of €1,696 thousand in working capital related to trade and other payables in 2014, compared to a decrease of €3,140 thousand in 2013, reflecting the one-time effect of the earn-out payable related to the 2010 acquisition of shop-apotheke.com from Medco in 2012, and an increase in cash from depreciation and amortization of non-current assets, related to further investment in our operations.

Net cash used in/generated by investing activities

The following table sets forth net cash used in/generated by investing activities for the periods presented.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)			(audited)	
	(€, thousands)				
Cash flow used in/generated by investing activities					
Investment for property, plant and equipment	−376	−759	−1,313	−477	−1,002
Investment for intangible assets	−1,364	−987	−2,737	−1,820	−3,539
Investment for acquisitions	–	–	–	–	−864
Net cash used in/generated by investing activities	**−1,740**	**−1,746**	**−4,050**	**−2,297**	**−5,405**

Net cash used in/generated by investing activities consists of investment for property, plant and equipment, investment for intangible assets, relating to our ERP system that runs our business operations, and investment for acquisitions to support the expansion of our infrastructure and workforce. As our business grows, we expect our capital expenditures and our investing activities to continue to increase principally in relation to the intended investments in our logistics, fulfillment and distribution infrastructure, for instance, the introduction of highly automated warehouse functions.

The decrease in net cash used in investing activities of €6 thousand, to €1,740 thousand for during the six-month period ended 30 June 2016, compared to €1,746 thousand for the six-month period ended 30 June 2015, primarily reflects lower investment in property, plant and equipment. In June 2016 a cash inflow of €10,005 thousand was paid by certain shareholders of the Company in consideration for which additional Shares were issued in September 2016.

The increase in net cash used in investing activities of €1,753 thousand, to €4,050 thousand for the year ended 31 December 2015, compared to €2,297 thousand for the year ended 31 December 2014, was primarily due to a substantial increase in investment for property, plant and equipment for ongoing process optimization and IT infrastructure related to the Reorganization as well as investment in intangible assets that reflect the preparation of our ERP system to efficiently serve Shop Apotheke Europe B.V. after the carve-out from EHS Europe Health Services B.V.

The decrease in net cash used in investing activities of €3,108 thousand, to €2,297 thousand for the year ended 31 December 2014, compared to €5,405 thousand for the year ended 31 December 2013, was primarily due to a significant decrease in investment for intangible and tangible assets as we had implemented our new ERP system and semi-automated packaging line in 2013 and the fact that the acquisition of Xsite GmbH took place in 2013 but no further acquisition followed in 2014.

In the period ended 30 June 2016, our capital expenditures primarily focused on the development and implementation of our website and related tools serving all international markets, with all related investments being made at our Venlo site.

Projects in progress are the Farmaline Acquisition and transfer of the Farmaline Business to our central warehouse in Venlo with resulting capital expenditure in warehouse organization, ERP system and webshops to efficiently serve both our existing and, in the future, new international markets. All related investments are made in Venlo and are funded internally.

We plan major investments in increased operations capacity and process automation in the years 2017 through to 2019 at our Venlo site but have not committed any capital expenditures on that yet. These projects are planned to start after the successful offering, which shall provide the necessary funding internally.

Net cash used in/generated by financing activities

The following table sets forth net cash used in/generated by financing activities for the periods presented.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)			(audited)	
			(€, thousands)		
Cash flow used in/generated by financing activities					
Interest paid	−597	−497	−950	−826	−839
Business financing	–	–	–	7,011	10,578
Additional financing from related parties	–	6,365	14,011	–	–
Deposit from related parties	–	–	3,000	–	–
Capital increase	10,005	–	–	–	–
Net cash used in/generated by financing activities	**9,408**	**5,868**	**16,061**	**6,185**	**9,739**

Net cash used in/generated by financing activities consists of interest paid in relation to the financing of accounts receivable, business financing and financing from related parties mainly to cover operating losses and cash payments.

The increase in net cash used in financing activities of €3,540 thousand, to €9,408 thousand for the six-month period ended 30 June 2016, compared to €5,868 thousand for the six-month period ended 30 June 2015, was primarily due to the capital increase completed in June 2016.

The increase in net cash generated by financing activities of €9,876 thousand, to €16,061 thousand for the year ended 31 December 2015, compared to €6,185 thousand for the year ended 31 December 2014, was primarily due to a substantial increase in business financing, reflecting funding for EuroService Venlo B.V. to equip it with cash needed to purchase goods as required under Wholesale Agent Agreement, as well as funding to cover operating losses of Shop-Apotheke before its incorporation. In order to efficiently manage and settle balances related to the carve-out from EHS Europe Health Services B.V. before the incorporation of Shop Apotheke Europe B.V., Shop Apotheke B.V. made a share premium repayment of €7,650 thousand to EHSC B.V. and Shop Apotheke Service B.V. made a dividend payment of €330 thousand to EHSC B.V. in September 2015. See "*20. Certain Relationships and Related-party Transactions - 20.1 Relationships with the Europa Apotheek Group - 20.1.1 Wholesale Agent Agreement.*"

The decrease in net cash generated by financing activities of €3,554 thousand, to €6,185 thousand for the year ended 31 December 2014, compared to €9,739 thousand for the year ended 31 December 2013, was primarily due to lower investments and trade payables financing.

11.10.2 Net Working Capital

We define net working capital as the sum of (i) inventories plus (ii) pre-ordered stock plus (iii) trade and other receivables plus (iv) other current assets less (v) trade and other payables less (vi) other liabilities.

The following table shows the methodology that we use to calculate the Group's net working capital as of 30 June 2016 and 30 June 2015, and as of 31 December 2015, 31 December 2014 and 31 December 2013.

	As of 30 June	As of 31 December		
	2016	2015	2014	2013
	(un-audited)	(audited, except as otherwise indicated)		
		(€, thousands)		
Inventories	10,304	10,412	4,592	2,942
Pre-ordered stock	4,356	5,653	5,531	5,405
Trade and other receivables	6,150	4,100	2,940	2,612
Trade and other payables[1]	−12,952	−8,638	−7,625	−6,122
Other current assets	1,990	3,046	1,992	1,155
Amounts due to related parties	−1,419	−3,202	–	–
Other liabilities	−3,648	−3,906	−1,265	−1,072
Net working capital	**4,781**	**7,465**	**6,165**	**4,920**
Revenue[2]	**82,161**	**125,578**	**84,671**	**55,292**
Net working capital as percentage of revenue (unaudited)	5.8%	5.9%	7.3%	8.9%

(1) Relates to mainly our current account with the Europa Apotheek Group.

(2) For the year or six-month period then ended.

Inventories consist of stock of our OTC Medications and Pharmacy-Related BPC Products and, to a lesser extent, prescription products. Our inventories decreased from €10,412 thousand as of 31 December 2015 to €10,304 thousand as of 30 June 2016 despite international sales growth, reflecting efficient inventory control. Our inventories increased substantially from €4,592 thousand as of 31 December 2014 to €10,412 thousand as of 31 December 2015, reflecting the continued expansion of our international over-the-counter ("**OTC**") business, which due to arrangements with our suppliers requires us to hold larger inventories. Our inventories increased substantially, from €2,942 thousand as of 31 December 2013 to €4,592 thousand as of 31 December 2014, reflecting the expansion of our international OTC business, which arrangements with our suppliers requires us to hold larger inventories due to longer lead times that are needed to transport products from international suppliers to our central warehouse and shipping site in Venlo.

Pre-ordered stock consists of stock ordered on behalf of Europa Apotheek Venlo B.V. and stored in the Group´s warehouse until transferred to Europa Apotheek Venlo B.V. according to their customer orders. Pre-ordered stock decreased from €5,653 thousand as of 31 December 2015 to €4,356 thousand as of 30 June 2016, reflecting efficient inventory control. Pre-ordered stock increased modestly, from €5,531 thousand as of 31 December 2014 to €5,653 thousand as of 31 December 2015, and from €5,405 thousand as of 31 December 2013, to €5,531 thousand as of 31 December 2014, reflecting the business of Europa Apotheek Venlo B.V.

Trade and other receivables consist of payments due from customers for our products and services, net of allowance for doubtful debts. Trade and other receivables increased from €4,100 thousand as of 31 December 2015 to €6,150 thousand as of 30 June 2016 in line with sales growth. Trade and other receivables increased from €2,940 thousand as of 31 December 2014 to €4,100 thousand as of 31 December 2015; Trade and other receivables increased from €2,612 thousand as of 31 December 2013 to €2,940 thousand as of 31 December 2014 in each case reflecting sales growth in particular in the German market.

Trade and other payables comprises accounts payable to suppliers and service providers. Trade and other payables increased from €8,638 thousand as of 31 December 2015 to €12,952 thousand as of 30 June 2016, reflecting the fact payment terms with suppliers are more stringent around year-end. Trade and other payables increased from €7,625 thousand as of 31 December 2014 to €8,638 thousand as of 31 December 2015, reflecting increased inventory as of 31 December 2015. Trade and other payables increased from €6,122 thousand as of 31 December 2013 to €7,625 thousand as of 31 December 2014, also reflecting increased inventory.

Amounts due to related parties comprises all liabilities to the EHS Europe Health Services B.V. group of companies related to current account balances under the Wholesale Agent Agreement and the Service Agreements. Amounts due to related parties decreased from €3,202 thousand as of 31 December 2015 to €1,419 thousand as of 30 June 2016, reflecting financing of pre-ordered stock. No amounts due to related parties were recorded as of 31 December 2014 or 31 December 2013 due to the fact that they were part of business equity. Amounts due to related parties of €3,202 thousand as of 31 December 2015 reflects financing of preordered stock in addition to the deposit under the Wholesale Agent Agreement. See "*20 Certain Relationships and Related-party Transactions—20.1 Relationships with the Europa Apotheek Group—20.1.1 Wholesale Agreement*".

Other liabilities comprises in particular VAT and wage tax. VAT results from sales to customers as well as VAT on products and services provided to Europa Apotheek Venlo B.V. Other liabilities decreased from €3,906 thousand as of 31 December 2015 to €3,648 thousand as of 30 June 2016, reflecting a shift to monthly VAT declarations in 2016. Other liabilities increased substantially from €1,265 thousand as of 31 December 2014 to €3,906 thousand as of 31 December 2015, reflecting a need to charge value added tax on all invoices related to the Service Agreements and the Wholesale Agent Agreement. Other liabilities increased from €1,072 thousand as of 31 December 2013 to €1,265 thousand as of 31 December 2014, reflecting increased VAT liabilities related to sales growth.

11.10.3 Capital Expenditure

Capital expenditures consist principally of investment capital expenditure and replacement capital expenditure. The following table presents investment capital expenditure as well as its constituents for the periods presented.

	For the six-month period ended 30 June		For the year ended 31 December		
	2016	2015	2015	2014	2013
	(unaudited)		(audited, except as otherwise indicated)		
	(€, thousands)				
Investment for property, plant and equipment	−376	−759	−1,313	−477	−1,002
Investment for intangible assets	−1,364	−987	−2,737	−1,820	−4,403
Investment capital expenditures (unaudited)	−1,740	−1,746	−4,050	−2,297	−5,405
Revenue[1]	82,161	60,529	125,578	84,671	55,292
Capital expenditure as a percentage of revenue (unaudited)	−2.1%	−2.9%	3.2%	2.7%	9.8%

(1)For the year or six-month period then ended.

In the six-month period ended 30 June 2016, our investment capital expenditures amounted to €1,740 thousand (or 2.1% of revenue) reflecting primarily the development and implementation of our state-of-the-art website and related tools serving our international markets, with all related investments being made at our Venlo site.

In the six-month period ended 30 June 2015 investment capital expenditures amounted to €1,746 thousand (or 2.9% of revenue), reflecting primarily investments in the warehouse equipment and processes along with related ERP development.

In the year ended 31 December 2015, our investment capital expenditures amounted to €4,050 thousand (or 3.2% of revenue) primarily reflecting ongoing investment in more efficient processes, such as ongoing ERP investments and website development and IT investment relating to the Reorganization.

In the year ended 31 December 2014, our investment capital expenditures amounted to €2,297 thousand (or 2.7% of revenue) primarily reflecting investments in our ERP system, including related programming and investments in our website.

In the year ended 31 December 2013, our investment capital expenditures amounted to €5,405 thousand (or 9.8% of revenue) primarily reflecting investments in our ERP system.

We expect that further capital expenditures will be incurred in relation to further investment in automation of our operations. See *"6 Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing— 6.1 Reasons for the Offering and Listing and Use of Proceeds"*.

Principal investments in progress and principal future investments

For the remainder of the current financial year, investments of up to €2,500 thousand have already been approved. Investments relate primarily to the acquisition of the Farmaline Business and the subsequent transfer of its logistics operations to our central warehouse in Venlo with resulting capital expenditure in warehouse organization costs, ERP system and webshop enhancements to serve both our existing and new international markets efficiently. All related investments are funded internally.

We plan major investments in increased operations capacity and process automation in the years 2017 through to 2019, but have not committed any capital as of the date of this Prospectus. These projects are planned to commence after completion of the Offering, a portion of the proceeds of which will be used to finance the projects. See "*6.1 Proceeds of the Offering and Costs of the Offering and Listing"* above.

11.10.4 Outstanding Liabilities

As of 30 June 2016, we had outstanding liabilities under (i) the Shareholder Loans in the nominal amount of €26,853 thousand, including accumulated interest, reflected in our statement of financial position as €19,715 thousand (in accordance with IFRS, the loan is reported based on fair value at inception (with amortized cost subsequently), discounting the loan at 7.5%) and (ii) deferred tax liability of €2,568 thousand. We intend to use a portion of the proceeds of the Offering to repay the Shareholder Loans. As a result of such repayment, the difference in the nominal amount of the Shareholder Loans (€26,853 thousand, including accumulated interest, as at 30 June 2016) and the carrying value of the Shareholder Loans on our statement of financial position (€19,715 thousand as at 30 June 2016) will be reflected as a loss on our statement of profit and loss in the period in which the repayment occurs of €5,354 thousand after reflecting the related deferred tax liability of €1,784 thousand. See note 24 to our Annual Financial Statements. See "*20 Certain Relationships and Related-party Transactions—20.2 Relationships with Certain Shareholder*s".

11.10.5 Contractual Obligations

The following table sets forth the Company's significant contractual obligations and commitments as of 31 December 2015.

	As of 31 December 2015			
	Less than 1 year	1-5 years	More than 5 years	Total
	(€, thousands)			
Operating lease obligations	1,007	3,532	–	4,539
Other lease obligations	19	30	–	49
Total	**1,026**	**3,562**	**–**	**4,588**

Our contractual obligations for lease of property as of 30 June 2016 entered into with third parties amount to €4,036 thousand. Of this amount, €1,007 thousand is due within one year, €3,029 thousand is due between one and five years and none is due after five years. Our contractual obligations for other lease agreements amount to €39 thousand. Of this amount, €19 thousand is due within one year, €20 thousand is due between one and five years and €0 thousand is due after five years. See the Interim Financial Statements.

11.10.6 Off-balance Sheet Arrangements

During the periods presented, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

11.11 Quantitative and Qualitative Disclosures about Market Risk

Due to our business activities, we are exposed to the following financial risks.

11.11.1 Interest Rate Risk

Interest rate risk includes the influence of positive and negative changes to interest rates on the profit, equity, or cash flow in the current or a future reporting period. Interest rate risks from financial instruments can arise within the Group mainly in connection with financial liabilities. A change in the market risk at reporting date by 100 basis points (1.00%), would have an effect of €0 thousand in 2015 on the Group profit or equity since the Shareholder Loans have a long-term fixed interest rate.

11.11.2 Credit Risk

Credit risk is the risk of a loss being incurred because a counterparty is unable or unwilling to meet its obligations. The Group is exposed to credit risk; this is the risk of non-payment by customers for services provided.

Receivables which are past due, but for which no provision has been recognized, are without exception trade receivables from normal sales. For allowance for doubtful debts see note 17 of the Annual Financial Statements.

The other receivables and the prepayments and accrued income do not contain any accounts older than one year.

11.11.3 Liquidity Risk

Liquidity risk is the risk that the Group is unable to obtain the financial resources required to meet its financial obligations on time. In this connection, the Group regularly assesses the expected cash flows over a period of several years. These cash flows include operating cash flows, dividends and share premium repayment, interest payments, replacement capital expenditure and the effects of a change in the Group's creditworthiness. The aim is to have sufficient funds available at all times to provide the required liquidity.

The Group's liquidity needs are affected by many factors, some of which are based on the normal on-going operations of the business, and others that relate to the uncertainties of the global economy and the industry. In 2015 the Group was refinanced upon the incorporation as described in *"17.5 Incorporation of the Group Structure and Reorganization"*. As a result the Group obtained long-term loans from certain shareholders in conjunction with a cash transfer from EHS Europe Health Services B.V. In June 2016 the Group increased its share capital by €10,005 thousand to further support its sales growth and internationalization strategy. See "*20 Certain Relationships and Related-party Transactions—20.1 Relationships with the Europa Apotheek Group—20.1.1 Wholesale Agreement*".

11.11.4 Currency Risk

The Group's sales are only denominated in euros. The cost of raw materials and consumables used and other expenses are almost entirely denominated in euros and only to a very limited extent in other currencies. Therefore, foreign currency exchange risk is considered to be limited.

11.11.5 Capital Management

The Group manages its business equity to ensure it will be able to continue as a going concern while maximizing the return to its shareholders. The Group's overall growth strategy remained unchanged in the years 2013, 2014 and 2015.

The Group is not subject to any externally imposed capital requirements.

11.12 Critical Accounting Policies

In the application of the accounting policies, which are described in note 4 to our Annual Financial Statements, the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The weighted average cost of capital used, for example, for goodwill impairment calculations has been determined based on published peer benchmarking.

11.12.1 Corporate Allocations

The Annual Financial Statements include allocations for certain expenses historically maintained by EHS Europe Health Services B.V. Such items have been allocated to the Group and included in the Annual Financial Statements based on the most relevant allocation method, primarily relative percentage of revenue, number of orders or personnel cost. Management believes that this basis for the allocation of expenses is reasonable.

11.12.2 Revenue

In 2015 the Group entered into the Wholesale Agent Agreement with Europa Apotheek Venlo B.V. This Wholesale Agent Agreement arranges that the economic risks of ordered OTC Medications and Pharmacy-Related BPC Products are covered by Europa Apotheek Venlo B.V. resulting that revenue and cost of sales are presented on a net basis by the Group with legal title remaining at the Group prior to shipment of the products. The deposit placed with the Group can be used by the Group to cover for the economic risks of the products. This agreement was applied retrospectively for the Annual Financial Statements (covering the period from 1 January 2013 through 29 September 2015).

In the statements of profit and loss, both revenue and cost of goods were directly allocated to the Group based on ordered products (and related recognized revenue) as received on the shop-apotheke website (due to specific customer tracking).

11.12.3 Evaluation of Non-Current Assets for Impairment

Non-current assets include other intangible assets and property, plant and equipment.

Impairment reviews were prepared by comparing the carrying value of the cash-generating unit concerned to that cash generating unit's recoverable amount, being the higher of the value in use and fair value less costs to sell. Value in use is a valuation derived from the discounted future cash flows of the cash-generating units. The most important estimates in determining the present value of cash flows are growth rates used to calculate revenue growth and the discount rate in order to determine present value.

Growth rates are based on past performance, external market growth assumptions, and forecast market conditions by our management using a combination of our business plans and growth assumptions for the next years. A weighted average cost of capital ("**WACC**") benchmarked discount rate for respective analyses of recoverability was used of 12.4%. Estimates are reviewed at least annually as of the date of each impairment test

and believed to be appropriate. However, changes in these estimates could change the outcomes of the impairment reviews and therefore affect future financial results, the effects of which would be recognized in the statement of profit and loss as operating profit.

During 2013, 2014 and 2015, the Group did not identify any impairment indicators nor record any impairment charges in other intangible assets or property, plant and equipment.

11.12.4 Capitalization of 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 for the ERP system that runs our business operations.

11.12.5 Accounts Receivable

Almost all accounts receivable are derived from sales to customers. In order to monitor potential credit losses, the Group performs on-going credit evaluations of its customers' financial condition. Respective allowances for credit losses on accounts receivable are maintained based upon management's assessment of the expected collectability of all accounts receivable. The respective allowances for credit losses on accounts receivable are reviewed periodically to assess the adequacy of these allowances. In making this assessment, the Group takes into consideration any circumstances of which it is aware regarding a customer's inability to meet its financial obligations; and its judgments as to potential prevailing economic conditions in the industry and their potential impact on its customers.

12. MARKETS AND COMPETITION

12.1 Macroeconomic development

The overall economic development in Germany and Europe is generally positive. In the period 2012 to 2015, the annual gross domestic product (**"GDP"**) growth rate increased from 0.4% to 1.7% in Germany and from -0.5% to 2.0% in the European Union (source: Eurostat Real GDP Growth Rate; World Bank). With a forecasted GDP growth rate of 1.8% for the year 2016 , Germany's GDP growth rate is expected to remain higher than the forecasted average GDP growth rate of 1.5% in the Eurozone for the year 2016 (source: Ifo Institute). Private consumption remains the main growth driver, as the favorable labor market situation and rising wages result in higher demand of private households (source: Ifo Institute).

12.2 Overview of our markets

12.2.1 Overview of the overall pharmacy market in Continental Europe

Development of the pharmacy market

The Continental European pharmacy market, which includes which includes the product categories on which we focus, namely (i) OTC Medications and (ii) Pharmacy-elated BPC Products, as well as (iii) prescription medications, has been steadily growing over the past years., has been steadily growing over the past years. In 2015, the total addressable pharmacy market in Continental Europe amounted to approximately €184 billion (including Non-Pharmacy-Related BPC Products in the amount of €31 billion and excluding VAT), whereas the market for prescription medications amounted to €120 billion (source: SEMPORA Study June 2016). It is expected that the overall Continental European pharmacy market will grow along with Continental European GDP over the upcoming four years (source: SEMPORA Study June 2016). (We define "**Continental Europe**" as Germany, France, Italy, Spain, Poland, Romania, the Netherlands, Belgium, Portugal, the Czech Republic, Hungary, Sweden, Bulgaria, Denmark, Slovakia, Norway and Austria.)

We focus on online sales of OTC Medications and Pharmacy-Related BPC Products, because in our opinion these segments offer flexible pricing and are structurally growing, supported by the trends of demographic ageing and self-medication.

In 2015, the Continental European market for OTC Medications amounted to approximately €14 billion, while the market for Pharmacy-Related BPC Products amounted to approximately €19 billion (source: SEMPORA Study June 2016). It is expected that the OTC Medications and Pharmacy-Related BPC market will grow at a CAGR of 3.6% in the period 2016 to 2020 and will reach €39.4 billion by the end of 2020 (source: SEMPORA Study June 2016).

Major trends affecting the pharmacy market

Major trends increasing demand for OTC Medications and Pharmacy-Related BPC Products include:

Aging demographics

The European population has been aging over the last several decades and this trend is expected to continue in the future, mainly due to consistently low fertility rates and the progressive ageing of the older population itself (source: Eurostat Population Structure and Aging). Life expectancy increased by two years in each decade over the past 50 years in Europe (source: Max Planck Institute). In the period from 2004 to 2014, the share of the population aged 65 years and above in the European Union increased by around two percentage points, while the share of the population aged less than 15 years decreased by 1 percentage point (source: Eurostat Population Structure and Aging). In 2014, around two-thirds of the European population was aged between 15 and 64, while the share of people aged 65 years and older was about 16%, which is twice the world average (source: Max Planck Institute). It is projected that the group of people aged less than 15 years in the EU will slightly decrease over the next decades, while the group of people aged 15-64 years will shift with 4.5 percentage points toward the group of people aged 65-79 years over the next 25 years (source: Eurostat Population Structure and Aging). The group of people aged 80 years and older in the EU will increase from a share of 5% in 2014 to 9% until 2040 (source: Eurostat Population Structure and Aging).

The mean age of the population in Europe is expected to rise from 39.9 to 42.5 years between 2015 and 2030 compared to an increase from 43.7 to 46.0 in Germany (source: Euromonitor Mean Age). An aging population is expected to increase needs for medical care and to raise demand for pharmaceutical products (source: Global Life Sciences Outlook). Especially in the market for OTC Medications, about 30% of the revenues are generated by people older than 65 years (source: Pharmazeutische Zeitung 2015).

Increasing health awareness and trend toward self-medication

Higher educational levels combined with growing individual interest in personal health, lead to a growing necessity for direct participation in health care decisions. Furthermore, the demographic transition toward a more elderly population requires changes in health policy, including giving individuals a possibility to assume greater responsibility for their health care needs, which in turn means increasing their capacity for self-care (source: IMS Health). An analysis of the correlation of visits on the Wikipedia website for "cold" with the OTC Medication dispense of chest ointments and inhalers shows a correlation coefficient of almost one, proving a strong relationship between seeking information on potential medications and buying these afterwards without consulting a doctor (source: IMS Health). Consequently, a trend toward self-medication can be observed and is expected to continue, which in turn is likely to result in an increase of sales of OTC Medications.

Competitive environment in the pharmacy market

The pharmacy market in Continental Europe is highly fragmented. In addition, there are restrictions on the external ownership of pharmacies in several countries (see also "*15. Regulatory and Legal Environment – 15.1 Regulatory Framework for Mail-order Trade of Medicinal Products"*). Pharmacy chains are also not permitted in most of the countries, including Germany, Italy, Spain, and France. Hence, around 95% of the 131,000 pharmacies existing in Continental Europe in 2015 were independently owned (source: SEMPORA Study June 2016). The Continental European pharmacy market is further characterized by differing languages, customer buying preferences, country-specific brand offerings and customer expectations in relation to pharmaceutical counseling (source: SEMPORA Study October 2015). In our opinion, no brand or player of scale has emerged in the Continental European market yet as a result of all these factors.

12.2.2 Overview of the online pharmacy market

Development of the online pharmacy market

The online penetration in the market for OTC Medications and Pharmacy-Related BPC Products is still very low compared to other product categories, such as media products (35.9%), appliances and electronics (19.6%) or apparel (13.8%) (source: Euromonitor). This is due, in particular, to regulatory restrictions on the shipping of medications from outside the premises of a pharmacy (see also "*15. Regulatory and Legal Environment – 15.1 Regulatory Framework for Mail-order Trade of Medicinal Products*"). The average online penetration across Continental Europe (excluding Germany) is estimated at 2% in 2015 (source: SEMPORA Study June 2016). Expressed in absolute figures, in 2015, the online OTC Medications and Pharmacy-Related BPC Products market had a volume of around €529 million in Continental Europe, excluding Germany (source: SEMPORA Study June 2016). The development stage of the online market for OTC Medications and Pharmacy-Related BPC Products in the majority of the countries in Continental Europe is defined as 'entry', with an online share of less than 2%, whereas some markets, including Austria are regarded as ´developing`, with an online share of 4 - 5% (source: SEMPORA Study June 2016). Only Germany has a mature online market for OTC Medications and Pharmacy-Related BPC Products, with an online share of around 13.5% and a volume of €855 million in 2015 (source: SEMPORA Study June 2016). In 2015, revenue generated in Germany through online purchases of OTC Medications amounted to approximately €503 million and revenue generated through online purchases of Pharmacy-Related BPC Products amounted to approximately €352 million (source: SEMPORA Study June 2016). Overall, the cumulated online market volume for OTC pharmaceuticals and Pharmacy-Related BPC Products in Continental Europe amounted to about €1.384 billion in 2015 and is expected to reach 3.480 billion by the end of 2020 (CAGR 2015-2020: 20.2%) (source: SEMPORA Study June 2016). The average online penetration across Continental Europe (excluding Germany) is forecasted to grow from 2.0% in 2015 to 6.0% in 2020 (source: SEMPORA Study June 2016).

Growth drivers in the online pharmacy market

Structural growth drivers in the online OTC Medications and Pharmacy-Related BPC market include in particular:

Trend toward e-commerce consumption

The growth of the online market for OTC Medications and Pharmacy-Related BPC Products is positively influenced by the ongoing general shift away from traditional local shops toward e-commerce. While the overall pharmacy market remains fairly stable, we believe that we will benefit from a continued shift toward online shopping. We believe that the online channel is highly suitable for selling OTC Medications and Pharmacy-Related BPC Products. OTC Medications and Pharmacy-Related BPC Products are typically

non-perishable and are purchased with high frequency. This offers an opportunity for the online penetration to increase over time. Moreover, the ability to order products at any time and at any location together with the wide range of products, high levels of product availability and home delivery service provide additional advantages compared to shopping in Brick-and-Mortar Pharmacies. Furthermore, due to their small size and low return rates, OTC Medications and Pharmacy-Related BPC Products are ideally suited for mail order.

The development of the e-commerce market depends on the number of people having access to the internet and on the continued inclination of customers to buy online as well as on the rates at which they move from stationary to online shopping. The share of people having access to the internet is on average relatively high in Continental Europe, with the highest percentage in the Netherlands (95%) and the lowest in Portugal and Italy (65% and 69%, respectively) in 2015 (source: SEMPORA Study October 2015). Average internet access and usage in the Eurozone increased from around 50% in 2005 to over 80% in 2015 (source: Eurostat Internet-Zugangsdichte). Further increase is expected in the upcoming years (source: Internet Society).

The share of internet users in Continental Europe purchasing online varies largely. Regions with the highest share of online purchasers include Scandinavia, France, and Germany (share of around 70% to 80%), while the lowest share of online purchasers exists in the Eastern European countries, with countries like Czech Republic and Bulgaria having e-commerce penetration rates as low as 43% and 12%, respectively (source: SEMPORA Study October 2015). The share of internet users purchasing online strongly increased in Continental Europe in the past and is expected to further increase in the future and drive up e-commerce revenues at a CAGR of 9.5% from €163.9 billion to €257.8 billion between 2015 and 2020 (source: Eurostat Digital Infrastructure and Internet Usage; Statista Digital Market Outlook). Between 2009 and 2012 the turnover of European B2C ecommerce, including goods and services, grew at a CAGR of over 19% (source: Ecommerce Report 2013).

Germany can be seen as an indicator of the expected development of the online and mobile penetration of the market for OTC Medications and Pharmacy-Related BPC Products. Whereas in 2015 Continental European online pharmacy markets experienced an online penetration of around 2% on average, the German online pharmacy market reached about 13.5% (source: SEMPORA Study June 2016). Another indication of an expected fast increase in the online penetration of the pharmacy market is the evolution of online sales of other product categories like appliances and electronics or apparel in Europe, which in 2015 already reached penetration rates of 19.6% and 13.8%, respectively (source: Euromonitor).

The biggest group purchasing OTC Medications online in Germany are people aged between 50 and 59 (23.6%), followed by the age groups 70+ and 40 to 49, with a share of 21.5% and 21%, respectively in the year 2014 (source: GfK).

Increasing mobile penetration of the pharmacy market

The increasing online penetration of the pharmacy market is further strengthened by the rapidly growing use of mobile devices, such as smartphones or tablets, which allow customers to conveniently shop anywhere and at any time of the day. In 2014, Norway had the highest mobile penetration rate in Continental Europe (68%), while Romania had the lowest rate (28%) (source: SEMPORA Study October 2015). Western European countries had an average mobile penetration rate of around 40% in 2014, with Germany at 40%, Spain at 55%, the Netherlands at 52%, Italy at 41%, and France at 42% (source: SEMPORA Study October 2015). The share of mobile purchases in relation to total online purchases has shifted toward mobile commerce within the last two years, from around 23% in the first half of 2014 to expected 40% in the second half of 2015 in developed markets like Germany or France (source: Criteo 2015).

Competitive environment in the online pharmacy market

The e-commerce channel allows pharmacies to offer a broader range of products compared to Brick-and-Mortar Pharmacies as they are not limited by physical shelf storage space. Our country-specific websites provide access to a total of approximately 100,000 products, which we believe is substantially in excess of the range of products offered in most Brick-and-Mortar Pharmacies which have approximately 10,000 prescription medications, OTC Medications and Pharmacy-Related BPC Products on average stock at any given time (source: Apotheken Umschau 2012).

We believe that the following factors are key to successfully operate in the online pharmacy market:

- offering products at attractive prices in order to attract and retain customers;
- brand and domain awareness to attract new customers;
- strong e-commerce capabilities including a scalable IT platform, optimized and efficient logistics center, lasting customer care as well as fulfillment capabilities; and

- diversity of the product offering and availability of stock in order to meet consumer demand in a timely fashion.

Our competitors in the OTC Medications market generally include other online pharmacies focused on the sale of OTC Medications, online pharmacies focused on the sale of prescription pharmaceuticals, Brick-and-Mortar Pharmacies and general e-commerce players, such as Amazon, which offer market place functions for local pharmacies. Brick-and-Mortar Pharmacies lack e-commerce capabilities and are not predominantly focused on the sale of OTC Medications. In addition, the restrictions on the external ownership of pharmacies in several Continental European countries (see also: "*15. Regulatory and Legal Environment – 15.1 Regulatory Framework for Mail-order Trade of Medicinal Products*") limit the access of Brick-and-Mortar Pharmacies to direct external funding and their expansion potential. The latter is also true for online pharmacies focused on the sale of OTC Medications. Online pharmacies predominantly focused on the sale of prescription pharmaceuticals, on the other hand, offer only a limited number of OTC Medications, while general e-commerce players, which also offer only a limited number of OTC Medications, lack pharmacy license and pharmaceutical expertise. In the Pharmacy-Related BPC market, our competitors generally include drugstores, supermarkets and para-pharmacies.

12.2.3 Overview of our current markets

Our main market is Germany, where we run the website shop-apotheke.com, and sell OTC and BPC products in equal shares and gross margins, but we are also active in Austria, where we launched our Austrian website, shop-apotheke.at, in April 2012, France, where we launched our French website, shop-pharmacie.fr, in March 2015 and Belgium, where we launched our Belgian website, shop-pharmacie.be, in July 2015. With the acquisition of the Farmaline Business, we have expanded our business in one step to a number of European markets previously targeted by us, including the Netherlands, Spain and Italy, and have further enhanced our competitive position in Belgium and France (see also "*14. Acquisition of the Farmaline Business*"). The share of Pharmacy-Related BPC Products in the 'International' segment, including Farmaline, is currently approximately 80%; in the future it is expected to decrease to 60% in line with the overall market, whose current size is approximately €19 billion, compared to €14 billion for OTC Medications (source SEMPORA Study June 2016). Following the acquisition, our active markets represent 76% of the total Continental European market for OTC Medications and Pharmacy-Related BPC Products. As part of our strategy, we intend to further penetrate these already existing markets and to further expand our business into new markets in Continental Europe. We believe that all of these markets exhibit similar demand characteristics compared to the German market and that limited online penetration in these markets may create significant opportunities for us to lever our competence and experience in the online sales of OTC Medications and Pharmacy-Related BPC Products.

The Continental European market is highly fragmented, which we believe gives us the opportunity to accelerate penetration by replicating our business model. Furthermore, the online penetration in these markets is still low, but is expected to grow (source: SEMPORA Study October 2015).

The following table shows an overview of our current markets (Germany, Austria, France, Belgium, the Netherlands, Italy and Spain) in 2015.

	Our current markets						
	Germany	Austria	France	Belgium	Netherlands	Italy	Spain
Total pharmacy turnover in €m (2015)	37.252	3.351	32.744	5.025	5.632	21.509	17.173
Avg. % of OTC and p-r BPC (2015)	17%	28%	17%	30%	17%	25%	25%
Market volume OTC and p-r BPC (€m) (2015)	6.333	950	5.650	1.517	960	5.339	4.276
Online penetration OTC and p-r BPC (2015)	13.5%	5.1%	1.5%	1.9%	1.9%	1.0%	1.7%
Regulatory framework							
Distance selling allowed	✓	✓	✓	✓	✓	✓	✓
External ownership allowed	x	x	x	✓	✓	x	x
Pharmacy chains exist (share)	x	x	x	✓ (2%)	✓ (25%)	x	x

Source: SEMPORA Study October 2015 as partly updated in June 2016.

12.3 Our current markets

12.3.1 The pharmacy market in Germany

Market size

The German pharmacies generated revenues of €37.2 billion excluding VAT in 2015. (source: SEMPORA Study June 2016). The average revenue of a German pharmacy amounted to €2 million per year in 2014, whereas 61% of the pharmacies had revenues below the average (source: SEMPORA Study October 2015). In 2015, the average revenue of a German pharmacy remained at the same level.

The number of pharmacies in Germany decreased from 21,570 in 2007 to 20,441 in 2014 (source: IMS Health). The number of new openings of pharmacies in Germany declined by more than a half, from 370 in 2007 to 163 in 2014 (source: IMS Health). Closures of pharmacies increased from 351 in 2007 to 384 in 2014 (source: IMS Health). In 2014, the number of pharmacy closures exceeds more than twofold the number of new openings (source: IMS Health).

On the other hand, the number of pharmacies with mail-order licenses has been steadily increasing, from 1,215 in 2004 to 2,966 in 2014 (source: IMS Health). However, only about 5% of the pharmacies with mail-order licenses are indeed active in the mail-order business and 90% of online revenues are generated by only 30 - 40 mail-order pharmacies (source: IMS Health).

Germany is currently the largest OTC Medications and Pharmacy-Related BPC market in Continental Europe, with total OTC Medications and Pharmacy-Related BPC spending of approximately €6.3 billion in 2015 as compared to €5.3 billion in 2012 (CAGR 2012-2015: +6%) (source: SEMPORA Study October 2015 and June 2016). In 2015, OTC Medications made up 10% of the total pharmacy turnover, whereas Pharmacy-Related BPC Products accounted for 7% (source: SEMPORA Study June 2016). In the future the German market for OTC Medications and Pharmacy-Related BPC Products is forecasted to further grow from €6.8 billion in 2016 to €9 billion in 2020 (CAGR 2016-2020: +7%) (source: SEMPORA Study June 2016).

Online penetration

The German market for OTC Medications and Pharmacy-Related BPC Products is characterized by a relatively high online penetration, which in 2015 amounted to around 13.5% (compared to 11% in 2012) and thus was ten times higher than in other Continental European markets (source: SEMPORA Study October 2015 and June 2016). Revenues of German pharmacies from online sales of OTC Medications and Pharmacy-Related BPC Products have been constantly growing in the last several years. The relative share of revenues generated with OTC Medications and Pharmacy-Related BPC Products ordered at online shops of German pharmacies increased from 11% in 2012 to 13.5% in 2015. (source: SEMPORA Study October 2015 and June 2016).

The size of the German online OTC Medications and Pharmacy-Related BPC market has considerably increased from €584 million in 2012 to €855 million in 2015 (CAGR 2012-2015: +13.5%) (source: SEMPORA Study October 2015 and June 2016). The market is expected to further grow from €1.020 billion in 2016 to €1.716 billion in 2020 (CAGR 2016-2020: +11%) (source: SEMPORA Study June 2016).

Competitive environment

Our competitors in the German market include Brick-and-Mortar Pharmacies. Other competitors include classic mail-order pharmacies like Doc Morris, which mainly focuses on the sale of prescription ("**Rx**") pharmaceuticals. Other competitors are online pharmacies that also concentrate on OTC Medications, and general e-commerce players (e.g., Amazon competing through its market place function). According to www.alexa.com ("**Alexa**"), which is in our opinion the most prominent website operated by a company affiliated with amazon.com providing commercial web traffic data and analytics in Europe, we are currently the leading player in the German online pharmacy market in terms of traffic. In the Pharmacy-Related BPC market, the Company competes with drugstores and supermarkets (e.g., Douglas, dm).

12.3.2 The pharmacy market in France

Market size

The French pharmacy market generated an aggregated turnover of approximately €32.7 billion excluding VAT in 2015 (source: SEMPORA Study June 2016). The number of pharmacies has considerably decreased from 22,514 in 2007 to 21,915 in 2014 (source: SEMPORA Study October 2015). Around 92% of

French pharmacies are members of wholesale-based co-operations (source: SEMPORA Study October 2015). The average annual turnover per pharmacy in France amounted to around €1.9 million in 2015 (source: SEMPORA Study June 2016). Since third party ownership of pharmacies is not permitted in France there were no pharmacy chains as at the end of 2015 (source: SEMPORA Study October 2015). However, pharmacists can own more than one pharmacy (source: SEMPORA Study October 2015). Parapharmacies, which only sell Pharmacy-Related BPC Products, are often part of a pharmacy and typically use a consistent brand image (source: SEMPORA Study October 2015).

In 2015, the French market for OTC Medications and Pharmacy-Related BPC Products amounted to €5.7 billion as compared to €6.6 billion in 2012 (CAGR 2012-2015: -5.3%) (source: SEMPORA Study October 2015 and June 2016). In 2015, OTC Medications represented only around 7% of the total pharmacy turnover in France (source: SEMPORA Study June 2016), but had a profit margin of 44%, compared to 23% for Rx pharmaceuticals (source: SEMPORA Study October 2015). Pharmacy-Related BPC Products accounted for 10% of the total pharmacy turnover (source: SEMPORA Study June 2016). In the future the French market for OTC Medications and Pharmacy-Related BPC Products is forecasted to grow from €5.8 billion in 2016 to €6.2 billion in 2020 (CAGR 2016-2020: +1.7%) (source: SEMPORA Study June 2016).

Online penetration

French are among the sophisticated internet users in Europe: 82% have internet access (compared to 86% in Germany) and 77% are online shoppers (source: SEMPORA Study October 2015). The average annual e-commerce spending per online shopper amounted to €775 in 2014 (compared to €786 in Germany) (source: SEMPORA Study October 2015).

Since 2013, distance selling of OTC Medications is permitted in France, but the online pharmacy market remains underdeveloped (source: SEMPORA Study October 2015). The online pharmacy market in France made up 1.5% of the French market for OTC Medications and Pharmacy-Related BPC Products in 2015 as compared to 0.5% in 2012 (source: SEMPORA Study October 2015 and June 2016) and largely consists of online operations of local pharmacies (source: SEMPORA Study October 2015). In 2014, there were 169 online pharmacies registered in France, in most cases representing the online operations of the local Brick-and-Mortar Pharmacies (source: SEMPORA Study October 2015). In 2013, only 4% of French consumers claimed to have bought medications online (source: SEMPORA Study October 2015).

The size of the French online market for OTC Medications and Pharmacy-Related BPC Products has considerably increased from €33 million in 2012 to €85 million in 2015 (CAGR 2012-2015: +37%) (source: SEMPORA Study October 2015 and June 2016). The market is expected to further grow from €115 million in 2016 to €374 million in 2020 (CAGR 2016-2020: +34%) (source: SEMPORA Study June 2016).

Competitive environment

The competition in the French online pharmacy market is comparatively low, since distance selling is permitted for only two years. According to Alexa, we are currently the leading player in the French online pharmacy market in terms of traffic. In the Pharmacy-Related BPC market, the Company competes with drugstores and supermarkets.

12.3.3 The pharmacy market in Belgium

Market size

The Belgian pharmacy market is, with an aggregated turnover of approximately €5.0 billion excluding VAT in 2015, ranked number seven among European pharmacy markets (source: SEMPORA Study June 2016). As of July 2015, there were 5,017 pharmacies in Belgium – the number of pharmacies has gradually decreased from 5,220 since 2005 (source: SEMPORA Study October 2015). The average annual turnover of Belgian pharmacies amounted to €1.1 million in 2015, thus being 45% lower than the average annual turnover of German pharmacies (€2.0 million) (source: SEMPORA Study June 2016). The Belgian distribution system for medicines is monopolized by pharmacies selling medicines outside pharmacies is prohibited (source: SEMPORA Study October 2015). There is no limitation on the number of pharmacies owned by a person or a company (source: SEMPORA Study October 2015). However, until 2019 there is a moratorium on new pharmacy openings due to a high number of pharmacies per capita (source: SEMPORA Study October 2015). As of 2013, 12% of the Belgian pharmacies were members of virtual pharmacy chains, i.e. voluntary chains which allow pharmacists to be a member of a group of pharmacies for procurement, marketing and services whilst remaining independent, 2% of the pharmacies belonged to the pharmacy chain Lloyds and the vast majority of pharmacies were independent (source: SEMPORA Study October 2015).

The Belgian market for OTC Medications and Pharmacy-Related BPC Products amounted to €1.5 billion in 2015 as compared to €1.8 billion in 2012 (CAGR 2012-2015: -5.9%) (source: SEMPORA Study October 2015 and June 2016). In 2015, OTC Medications made up 11% of the total pharmacy turnover, whereas Pharmacy-Related BPC Products accounted for 19% (source: SEMPORA Study June 2016).

Online penetration

Belgians are among the highly sophisticated internet users in Europe: 83% have internet access (compared to 86% in Germany) and 55% are online shoppers (source: SEMPORA Study October 2015). The average annual e-commerce spending per online shopper in Belgium amounted to €1,490 in 2014 (compared to €786 in Germany) (source: SEMPORA Study October 2015). Distance selling of OTC Medications is allowed since 2009 (source: SEMPORA Study October 2015).

Yet, the online pharmacy channel remains underdeveloped, accounting for only 1.9% of the total turnover of the Belgian market for OTC Medications and Pharmacy-Related BPC Products (compared to 1.2% in 2012) (source: SEMPORA Study October 2015 and June 2016). In October 2015, 344 websites offering for sale medicines and medical devices were notified to the Belgian Federal Agency for Medicines and Health Products (source: FAMHP 2015).

The size of the Belgian online market for OTC Medications and Pharmacy-Related BPC Products has considerably increased from €21 million in 2012 to €29 million in 2015 (CAGR 2012-2015: +11%) (source: SEMPORA Study October 2015 and June 2016). The market is expected to further grow from €35 million in 2016 to €81 million in 2020 (CAGR 2016-2020: +23%) (source: SEMPORA Study June 2016).

Competitive environment

Our competitors in the Belgian online pharmacy market include Newpharma and Zwitserse Apotheek. Newpharma is an online pharmacy which operates in Belgium, France and Luxembourg and offers more than 30.000 products and 750 brands. Zwitserse Apotheek is an internationally oriented online pharmacy with websites in French, Dutch, German, and English (source: SEMPORA Study October 2015).

"Pure-play" internet pharmacies play a limited role in the Belgian market and neither Lloyds nor any of the major cooperatives offer integrated e-commerce sales via their websites (source: SEMPORA Study October 2015). In the Pharmacy-Related BPC market, the Company competes with drugstores and supermarkets.

12.3.4 The pharmacy market in Austria

Market size

The Austrian pharmacy market ranked, with an aggregated turnover of approximately €3.4 billion excluding VAT in 2015, number eleven among European pharmacy markets (source: SEMPORA Study June 2016). As of July 2015 there were 1,303 pharmacies in Austria (source: SEMPORA Study October 2015). The average annual turnover per pharmacy amounted to around €2.7 million in 2015, thus being 35% higher than the average annual turnover of German pharmacies (€2.0 million) (source: SEMPORA Study June 2016).

With a turnover of €950 million in 2015 as compared to €730 million in 2012, the Austrian market for OTC Medications and Pharmacy-Related BPC Products has shown a positive development over the last several years (CAGR 2012-2015: 9%) (source: SEMPORA Study October 2015 and June 2016). In 2015, OTC Medications made up 18% of the total pharmacy turnover, whereas Pharmacy-Related BPC Products accounted for 10% (source: SEMPORA Study June 2016). In the future the Austrian market for OTC Medications and Pharmacy-Related BPC Products is forecasted to grow from €988 million in 2016 to €1.2 billion in 2020 (CAGR 2016-2020: +5%) (source: SEMPORA Study June 2016).

In Austria, around 81% of the inhabitants have access to the internet, whereas 60% of these purchase online (source: SEMPORA Study October 2015).

Online penetration

Online selling of OTC Medications by a pharmacist has been permitted in Austria since 2015 (source: SEMPORA Study October 2015). The online pharmacy sector in Austria is fragmented and largely consists of online operations of local pharmacies (source: SEMPORA Study October 2015). In 2014, already 30% of Austrian consumers claimed to have bought medicines at mail-order pharmacies (source: SEMPORA Study October 2015). The online pharmacy market in Austria made up 5.1% of the Austrian market for OTC Medications and Pharmacy-Related BPC Products in 2015 as compared to 3.7% in 2012 (source: SEMPORA Study October 2015 and June 2016).

The size of the Austrian online market for OTC Medications and Pharmacy-Related BPC Products has considerably increased from €27 million in 2012 to €48 million in 2015 (CAGR 2012-2015: +21%) (source: SEMPORA Study October 2015 and June 2016). The market is expected to further grow from €53 million in 2016 to €127 million in 2020 (CAGR 2016-2020: +24%) (source: SEMPORA Study June 2016).

Competitive environment

Our competitors in the Austrian pharmacy market include local Brick-and-Mortar Pharmacies, apo-rot as well as Zur Rose Group (source: SEMPORA Study October 2015). According to Alexa we are currently the leading player in the Austrian online pharmacy market in terms of traffic. In the Pharmacy-Related BPC market, the Company competes with drugstores and supermarkets.

12.3.5 The pharmacy market in the Netherlands

Market size

The Dutch pharmacy market is, with an aggregated turnover of approximately €5.6 billion excluding VAT in 2015, ranked number six among European countries (source: SEMPORA Study June 2016). In July 2015, 1,981 pharmacies were operated in the Netherlands (source: SEMPORA Study October 2015). Over the period from 2003 to 2013, the number of pharmacies in the Netherlands expanded by 19%, from 1,697 pharmacies in 2003 to 2,020 pharmacies in 2013 (source: SEMPORA Study October 2015). The average annual turnover per pharmacy in the Netherlands amounted to €3 million in 2015, thus being 50% higher than the average annual turnover of German pharmacies (€2 million) (source: SEMPORA Study June 2016). As there is no limitation on the number of pharmacies owned by a person or company, approximately 467 or 23.5% of total pharmacies in the Netherlands are owned by pharmacy chains (source: SEMPORA Study October 2015). Independently-owned pharmacies accounted for around 51% of the pharmacies in 2013, whereas the remaining 49% were almost equally split between virtual pharmacy chains (i.e. voluntary chains which allow pharmacists to be a member of a group of pharmacies for procurement, marketing and services whilst remaining independent) and the pharmacy chains (source: SEMPORA Study October 2015).

The turnover of the total Dutch market for OTC Medications and Pharmacy-Related BPC Products amounted to €960 million in 2015 as compared to €910 million in 2012 (CAGR 2012-2015: +1.8%) (source: SEMPORA Study October 2015 and June 2016). In 2015, OTC Medications made up 2% of the total pharmacy turnover, whereas Pharmacy-Related BPC Products accounted for 15% (source: SEMPORA Study June 2016). In the future the Dutch market for OTC Medications and Pharmacy-Related BPC Products is forecasted to further grow from €980 million in 2016 to €1.0 billion in 2020 (CAGR 2016-2020: +0.5%) (source: SEMPORA Study June 2016).

Online penetration

Dutch are among the most sophisticated internet users in Europe: 95% have internet access (compared to 86% in Germany) and 69% are online shoppers (source: SEMPORA Study October 2015). An average annual e-commerce spending per online shopper in the Netherlands amounted to €631 per capita in 2014 (source: SEMPORA Study October 2015). Distance selling of medications is permitted in the Netherlands since 2007 and the online pharmacy channel is already established (source: SEMPORA Study October 2015). In general, companies selling OTC Medications on the internet are not obliged to operate from a pharmacy, but OTC Medications must be presented separately from other products on the internet (source: SEMPORA Study October 2015).

The online pharmacy market in the Netherlands made up 1.9% of the Dutch market for OTC Medications and Pharmacy-Related BPC Products in 2015 as compared to 1.3% in 2012 (source: SEMPORA Study October 2015 and June 2016).

The size of the Dutch online market for OTC Medications and Pharmacy-Related BPC Products has considerably increased from €12 million in 2012 to €18 million in 2015 (CAGR 2012-2015: +14%) (source: SEMPORA Study October 2015 and June 2016). The market is expected to further grow from €20 million in 2016 to €48 million in 2020 (CAGR 2016-2020: +24%) (source: SEMPORA Study June 2016).

Competitive environment

A number of 'pure-play' mail order pharmacies, including DocMorris, operate out of the Netherlands and target the German market (source: SEMPORA Study October 2015).

Other competitors in the Dutch market include Efarma (operating in Germany and the Netherlands), Medicijnen.net, and Nationale-apotheek (source: SEMPORA Study October 2015). In the Pharmacy-Related BPC market, the Company competes with drugstores and supermarkets.

12.3.6 The pharmacy market in Spain

Market size

The Spanish pharmacy market is ranked number four among European countries, with an aggregated turnover of approximately €17.2 billion excluding VAT in 2015 (source: SEMPORA Study June 2016). As of July 2015, 21,458 pharmacies were operated in Spain (source: SEMPORA Study October 2015). Since only pharmacists are allowed to own a pharmacy, all pharmacies in Spain are privately owned and there are no pharmacy chains (source: SEMPORA Study October 2015). The average annual turnover per pharmacy in Spain amounted to €0.8 million in 2015, corresponding to less than half of the average annual turnover of German pharmacies (€2 million) (source: SEMPORA Study June 2016). Although pharmacy cooperatives exist, only 2.6% of the Spanish pharmacies participate in pharmacy cooperatives (source: SEMPORA Study October 2015).

With a turnover volume of €4.3 billion in 2015 compared to €3.5 billion in 2012, the Spanish OTC Medications and Pharmacy-Related BPC market has shown a positive development over the last several years (CAGR 2012-2015: +6%) (source: SEMPORA Study October 2015 and June 2016). OTC Medications represented 9% of the total pharmacy turnover in 2015, whereas Pharmacy-Related BPC Products accounted for 16% (source: SEMPORA Study June 2016). In the future the Spanish market for OTC Medications and Pharmacy-Related BPC Products is forecasted to further grow from €4.4 billion in 2016 to €4.7 billion in 2020 (CAGR 2016-2020: +1.7%) (source: SEMPORA Study June 2016).

Online penetration

The Spanish are among the least sophisticated internet users in Europe: only 70% of the Spanish population have internet access (compared to 86% in Germany) and 43% are online shoppers (source: SEMPORA Study October 2015). An average annual e-commerce spending per online shopper in Spain amounted to €309 in 2014 (compared to €786 in Germany) (source: SEMPORA Study October 2015). Distance selling of OTC Medications is permitted in Spain since 2006, however, the online pharmacy market remains underdeveloped, since pharmacists are reluctant to sell online (source: SEMPORA Study October 2015). In fact, the online pharmacy market is dominated by para-pharmacies run by pharmacists as an extension to their stationary business (source: SEMPORA Study October 2015). Parapharmacies offer discounted toiletries, hygiene products, baby needs, nutrition and unlicensed herbal and homeopathic remedies – but no OTC Medications (source: SEMPORA Study October 2015). About a quarter of approximately 21,500 pharmacies have websites and between 7% and 8% have invested in e-commerce offerings (source: SEMPORA Study October 2015). Pharmacies offering OTC Medications online are difficult to find (source: SEMPORA Study October 2015). An average annual turnover of an e-commerce para-pharmacy website amounted to about €50,000 in 2014 (source: SEMPORA Study October 2015).

The online pharmacy market in Spain made up 1.7% of the Spanish market for OTC Medications and Pharmacy-Related BPC Products in 2015 as compared to 0.5% in 2012 (source: SEMPORA Study October 2015 and June 2016).The size of the Spanish online market for OTC Medications and Pharmacy-Related BPC Products has considerably increased from €18 million in 2012 to €73 million in 2015 (CAGR 2012-2015: +59%) (source: SEMPORA Study October 2015 and June 2016). The market is expected to further grow from €87 million in 2016 to €236 million in 2020 (CAGR 2016-2020: +28%) (source: SEMPORA Study June 2016).

Competitive environment

There are no 'pure-play' online pharmacies in Spain (source: SEMPORA Study October 2015). Our competitors in the Spanish pharmacy market include Farmagoing (owned by wholesale group Hefame), FarmaciaenCasa, Farmacia internacional and MiFarma (source: SEMPORA Study October 2015). In the Pharmacy-Related BPC market, the Company competes with drugstores and supermarkets.

12.3.7 The pharmacy market in Italy

Market size

The Italian pharmacy market is the third largest pharmacy market in Europe with an aggregated turnover of approximately €21.5 billion excluding VAT in 2015 (source: SEMPORA Study June 2016). There were 18,102 pharmacies in Italy in 2015 (source: SEMPORA Study October 2015). Since pharmacy chains and third party ownership are not allowed in Italy and pharmacists are only allowed to own up to four pharmacies, around 91% of the Italian pharmacies are run as independently-owned pharmacies (source: SEMPORA Study October 2015). As multiple ownership and third party ownership are not permitted in Italy, the development of wholly owned pharmacy chains was stopped at an early stage (source: SEMPORA Study October 2015). Around 7% of pharmacies in Italy are members of pharmacy networks (source: SEMPORA Study October 2015). With

approximately 800 pharmacies, Alphega, operated by Walgreens Boots Alliance, is currently the major pharmacy network in Italy (source: SEMPORA Study October 2015). 91% of all pharmacies in Italy are run independently and around 9% are operated by municipal chains (source: SEMPORA Study October 2015). The average annual turnover per pharmacy amounted to around €1.3 million in 2015 (source: SEMPORA Study June 2016).

With a turnover of €5.3 billion in 2015 compared to €5.2 billion in 2012, the Italian OTC Medications and Pharmacy-Related BPC market showed a slightly positive development over the last several years (CAGR2012-2015: +0.6%) (source: SEMPORA Study October 2015 and June 2016). OTC Medications represented 7% of the total pharmacy turnover in 2015, whereas Pharmacy-Related BPC Products accounted for 18% (source: SEMPORA Study June 2016). Going forward, the Italian market for OTC Medications and Pharmacy-Related BPC Products is expected to further grow from €5.4 billion in 2016 to €5.9 billion in 2020 (CAGR 2016-2020: +2.2%) (source: SEMPORA Study June 2016).

Online penetration

Italians are among the least sophisticated internet users in Europe: 69% of the Italian population have internet access (compared to 86% in Germany) and 29% are online shoppers (source: SEMPORA Study October 2015). The average annual e-commerce spending per online shopper in Italy amounted to €186 in 2014 (compared to €786 in Germany) (source: SEMPORA Study October 2015). Although distance selling of OTC Medications by a pharmacist is permitted in Italy since early 2014, the online pharmacy market is almost non-existent and is one of the most underdeveloped in Europe, as until July 2015 there were no websites selling OTC Medications (source: SEMPORA Study October 2015). Most Italian websites only sell Pharmacy-Related BPC Products (source: SEMPORA Study October 2015).

The online pharmacy market in Italy made up 1.0% of the Italian market for OTC Medications and Pharmacy-Related BPC Products in 2015 as compared to 0.5% in 2012 (source: SEMPORA Study October 2015 and June 2016).The size of the Italian online market for OTC Medications and Pharmacy-Related BPC Products has considerably increased from €26 million in 2012 to €53 million in 2015 (CAGR 2012-2015: +27%) (source: SEMPORA Study October 2015 and June 2016). The market is expected to further grow from €82 million in 2016 to €265 million in 2020 (CAGR 2016-2020: +34%) (source: SEMPORA Study June 2016).

Competitive environment

Our competitors in the Italian online pharmacy market are Postesalute, TopFarmacia, Clickfarma and efarma (source: SEMPORA Study October 2015). In the Pharmacy-Related BPC market, the Company competes with drugstores and supermarkets.

13. BUSINESS

13.1 Overview of Our Business

We are a pure-play online pharmacy with a business focused on non-prescription, over-the-counter medications ("**OTC Medications**") and beauty and personal care products that are otherwise almost exclusively distributed through pharmacies, which we refer to as "**Pharmacy-Related BPC Products**". We are currently the leading pure-play online pharmacy in Germany (source: SEMPORA Study October 2015) – one of the largest OTC Medications and Pharmacy-Related BPC Products markets in Continental Europe (source: SEMPORA Study June 2016). Our vision is to create the leading online pharmacy brand focused on OTC Medications and Pharmacy-Related BPC Products in Continental Europe, where currently no established pan-European offline or online brand exists. (We define "**Continental Europe**" as Germany, France, Italy, Spain, Poland, Romania, the Netherlands, Belgium, Portugal, the Czech Republic, Hungary, Sweden, Bulgaria, Denmark, Slovakia, Norway and Austria.)

Since our founding in 2001, with the launch of the shop-apotheke.com website as the online platform of a Cologne-based pharmacy, we have continually expanded our business. In 2010, we took the strategic decision to move our operations from Cologne to Venlo, the Netherlands, in order to take advantage of the more advanced Dutch regulatory regime concerning the ownership of pharmacies by legal persons and better access to external markets (see "*15. Regulatory and Legal Environment—15.1 Regulatory Framework for Mail-order Trade of Medicinal Products—15.1.2 The Netherlands*") for our expansion into new Continental European markets.

Over the last several years, we have extended our geographic reach within Continental Europe by launching our Austrian website, shop-apotheke.at (April 2012), our French website, shop-pharmacie.fr (March 2015), and our Belgian website, shop-pharmacie.be (July 2015). With effect as of 14 September 2016, we acquired the online business of the Belgian pharmacy Farmaline N.V. (the "**Farmaline Business**"). With the integration of the Farmaline Business into our Group, we have expanded our business in one step to a number of European markets previously targeted by us, including the Netherlands, Spain and Italy, and have further enhanced our competitive position in Belgium and France. Through the acquisition of this already existing business, we have significantly accelerated our Continental European roll out[1].

Our annual revenues increased from €55.3 million in the year ended 31 December 2013, to €84.7 million in the year ended 31 December 2014 and to €125.6 million in the year ended 31 December 2015. In the six-month period ended 30 June 2016 our revenues amounted to €82.2 million (excluding the Farmaline Business).

In the six-month period ended 30 June 2016, approximately 85.4% of our revenues were derived from sales of products to customers located in Germany, while approximately 13.6% of our revenues were derived from sales of products to customers located in Austria, France and Belgium.

Our country-specific websites provide access to a total of approximately 100,000 products, which we believe is substantially in excess of the range of products offered in most traditional pharmacies, having a local, physical presence, which we refer to as "**Brick-and-Mortar Pharmacies**" and which have approximately 10,000 prescription medications, OTC Medications and Pharmacy-Related BPC Products on average stock at any given time (source: Apotheken Umschau 2012). Prices for OTC Medications and Pharmacy-Related BPC Products are on average 15% (source: Stiftung Warentest, 2014)[2] and with regard to selected products even up to 46% lower than the prices of Brick-and-Mortar Pharmacies (source: chip.de, 2015). Our country-specific online shops, which we continually strive to optimize, provide a personalized, user-friendly and convenient shopping experience, available 24/7 from any location and most common devices. We further support our customers' shopping experience by providing ancillary services such as pharmaceutical advice videos, instruction videos, automated medication interaction checks and personalized product recommendations. This allows our customers to make informed decisions about the products they purchase.

We have strong relationships with most of the leading OTC Medications and Pharmacy-Related BPC Products manufacturers and suppliers. This allows us to make attractive offers to our customers, grow additional sources of income (for instance, by placing brand-specific advertising on our websites). It also facilitates the negotiations of favorable supply terms, which result in cost advantages in relation to our competitors.

Across the markets in which we operate, our business is supported by our strong technological capabilities as well as our centralized logistics, fulfillment and distribution infrastructure. We have built a

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1 The effects of the Farmaline Acquisition are not included in the historical financial information included in "*23. Financial Information*" in this Prospectus.

2 Representative OTC product basket includes 3 products tested in Germany; shipping costs excluded due to free-shipping above certain threshold by most mail order pharmacies.

proprietary IT platform that we believe to be robust, secure and highly scalable and which has been designed to support the continued growth envisaged by our strategy. Our IT platform allows us to leverage customer information derived from analytic tools to personalize our offering and pharmaceutical services. Our logistics, fulfillment and distribution infrastructure in Venlo supports our centralized taking and handling of orders, warehouse logistics and distribution operations and is built for making use of economies of scale.

13.2 Our Key Competitive Strengths

The still very low online penetration of the Continental European market for OTC Medications and Pharmacy-Related BPC Products as well as the absence of leading online and offline brands in this market and the increasing demand for pharmaceutical products represent a unique opportunity for our business to gain traction on our existing platform created over the past 15 years. On this basis we have built the following competitive strengths:

13.2.1 We are focused on a large addressable market which is rapidly shifting online.

We are focused on the market for OTC Medications and Pharmacy-Related BPC Products in Continental Europe. This market is estimated to have a volume of approximately €33 billion as of 2015 (source: SEMPORA Study June 2016), and has historically demonstrated stable growth (source: SEMPORA Study October 2015). We believe that this market will continue to grow in the future, supported by important structural trends such as the demographic shift toward an aging population in Continental Europe, the growing health awareness and the increasing trend toward self-medication (see: "*12. Markets and Competition-12.2 Overview of our markets - 12.2.1 Overview of the overall pharmacy market in Continental Europe*") .

The OTC Medications and Pharmacy-Related BPC Products market in Continental Europe (excluding Germany) is generally characterized by a very low online sales penetration (meaning the share of online sales in the total OTC Medications and Pharmacy-Related BPC Products market), which in our opinion leaves substantial room for growth. The average online penetration across Continental Europe (excluding Germany) is estimated at 2% in 2015 (source: SEMPORA Study June 2016). This is significantly lower compared to the online sales penetration levels in other e-commerce verticals such as media products (35.9%), appliances and electronics (19.6%), toys and games (15.1%), apparel (13.8%), pet care (11.7%) and furniture (4.6%) (source: Euromonitor). It is also significantly lower than the level of online sales penetration achieved in the German OTC Medications and Pharmacy-Related BPC Products market (13.5% as of 2015), the market, which we believe we have been driving and shaping since 2004 and which is expected to double its volume by 2020 (source: SEMPORA Study June 2016). We believe that the evolution of online sales in other e-commerce verticals can be seen as an indicator of the expected development of the online penetration of the Continental European market for OTC Medications and Pharmacy-Related BPC Products. In addition, we believe that the evolution of online sales in Germany indicates that the OTC Medications and Pharmacy-Related BPC Products market is already positively influenced by the ongoing general shift toward e-commerce and is ripe for a digital disruption. The average online penetration in the Continental European market for OTC Medications and Pharmacy-Related BPC Products (excluding Germany) is forecasted to grow from 2.7% in 2016 to 6.0% in 2020 (source: SEMPORA Study June 2016).

We further expect the growth of online sales in the OTC Medications and Pharmacy-Related BPC Products market to be supported by the fact that OTC Medications and Pharmacy-Related BPC Products are well suited to online retail due to their small package sizes, reduced storage requirements, very low return rates and relatively high parcel value. Other factors making the online pharmacy market attractive are, in our view, the longer customer lifetime compared to other verticals and the high customer engagement. In 2015, approximately 67% of our customers were aged between 30 and 59 years, whereas 23% were aged over 60 years and 10% were aged less than 30 years. Moreover, in 2015 we have achieved a conversion rate (meaning the number of total orders over site visits) of 11%, which is more than twice as high as the reported average conversion rate of e-commerce peers, such as Boohoo (4.0%), Zalando (3.3%) and Asos (2.7%).[2]

We consider the Continental European market for OTC Medications and Pharmacy-Related BPC Products to be highly fragmented, with no incumbent pan-European leader yet. This is, in our view, largely due to a number of local regulations in some markets in Continental Europe, such as Germany, France, Italy and Spain, prohibiting the formation of pharmacy chains as well as the external ownership of pharmacies, which in turn impedes access to external capital and prevents them from making the investments required for online expansion. We believe this represents a very attractive opportunity for us to take leadership in markets for OTC Medications and Pharmacy-Related BPC Products in Continental Europe.

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[2] Based on financial information published by such companies on their respective websites.

13.2.2 We have a very strong value proposition for our customers.

We believe our superior customer value proposition is based on our highly attractive prices, superior product selection, convenient shopping experience, as well as outstanding customer counseling and pharmaceutical safety.

We offer customers highly attractive prices for OTC Medications and Pharmacy-Related BPC Products, which are on average 15% (source: Stiftung Warentest 2014) and with regard to selected products even up to 46% lower than the prices of Brick-and-Mortar Pharmacies (source: chip.de, 2015). In terms of absolute figures, according to Stiftung Warentest 2014, in 2013 the average value of a comparable basket of OTC Medications in Germany amounted to €72 at Brick-and-Mortar Pharmacies as compared to €62 at online pharmacies (shipping costs excluded as most online pharmacies offer free shipping above a certain threshold). Our ability to offer attractive prices is supported by our lean and streamlined cost structure as well as by the significant economies of scale in procurement and logistics which we can exploit due to our size of business and number of customers.

We offer in total a large selection of approximately 100,000 different OTC Medications, Pharmacy-Related BPC Products and prescription medications. Unlike most Brick-and-Mortar Pharmacies, which have on average stock approximately 10,000 prescription medications, OTC Medications and Pharmacy-Related BPC Products at any given time (source: Apotheken Umschau 2012), we are not constrained by limited shelf space at retail premises and have the ability to stock a substantially greater product range in our warehouse facilities. We aim to offer our customers the widest range of OTC Medications and Pharmacy-Related BPC Products available in the countries in which we operate, and typically stock low-sales volume products that Brick-and-Mortar Pharmacies would find inefficient to stock.

We offer our customers a convenient shopping experience available anytime and on most common devices, including smartphones (apps) and tablets. Our websites and mobile applications are optimized to maximize speed and convenience during the process of selecting and purchasing the required products, with customers able to choose from a variety of payment and delivery methods. In addition, we have direct relationships with approximately 280 active suppliers and wholesalers (excluding suppliers of our Farmaline Business), which enables us to offer our customers the comfort of not having to wait for availability or having to go twice to the pharmacy, if a product is not on stock there.

We believe we offer our customers not only the convenience and privacy of online shopping but also superior product information, consultation and pharmaceutical safety. Our customers can access behavior-based personalized product recommendations and comprehensive product information, including detailed product description, downloadable package inserts and more than 700 instructional videos available at any time through our website, with multilingual emergency customer services available seven days a week over the phone. Pharmaceutical safety for every order is ensured via standardized medical checks developed by our pharmaceutical experts as well as via automated pharmaceutical interaction and contraindication checks and food intolerance checks based on the order history of the customers and other available data. Our parcels containing OTC Medications include a personalized letter (out of a continuously increasing bank of currently more than 5,000 letters developed by our pharmaceutical team) to the customer, containing relevant instructions and alerting the customer to any of the counter-indications detected by our automated customer-indication checks.

We believe that the outstanding value we provide to our customers is illustrated by our website, shop-apotheke.com, being ranked "excellent" and receiving an exceptional overall rating of 4.87 points out of 5.00 possible points[3] from Trusted Shops, as of 30 June 2016. In the last several years, we have won a number of awards. Most notably, in 2015 we were awarded with the German Online Shop Award (*Deutscher Online-Handels-Preis*) in the category "Online Pharmacy".

13.2.3 We are a clear market leader in the German OTC Medications and Pharmacy-Related BPC Products market, and are well-positioned to capture leadership in Continental Europe.

We are – according to SEMPORA - currently the leading pure-play online pharmacy in Germany (one of the largest OTC Medications and Pharmacy-Related BPC Product markets in Continental Europe (source: SEMPORA Study June 2016) which we believe we have been driving and shaping since 2004) that is focused on OTC Medications and Pharmacy-Related BPC Products. In particular, we have achieved leading positions in terms of revenue (source: SEMPORA Study October 2015) and reputation with suppliers (source: SEMPORA Study June 2016). We further believe that we are a clear opinion leader in this market, leading the development of the market and driving best practices.

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[3] Based on more than 75.000 customer reviews.

By replicating our business model in other Continental European Countries, we intend to become the market leader in Continental Europe. By launching our Austrian website, shop-apotheke.at in April 2012, our French website, shop-pharmacie.fr in March 2015, and our Belgian website, shop-pharmacie.be in July 2015, we have successfully proven our ability to enter new markets through organic growth. As proven by our success following the enhancement of our marketing activities in Austria, we are also able to achieve very strong results in a short period of time. As compared to Germany where it took ten years to achieve market leadership (source: SEMPORA Study April 2015), according to Alexa in Austria we were able to become market leader in terms of traffic just within two years after starting an active marketing support for our online shop in 2014. Alexa is, in our opinion, the most prominent company providing commercial web traffic data and analytics in Europe. With respect to our recent market entry in France, we have estimated that based on the actual revenue realized in June 2016, our June 2016 run-rate[4] revenue growth is expected to amount to approximately 500% compared to our revenue for the year ended 31 December 2015. While we are just at the beginning of our international expansion, we are already the largest online pharmacy by traffic focused on OTC Medications and Pharmacy-Related BPC Products in Germany, Austria and France (source: Alexa).

Most recently, with the acquisition of the Farmaline Business in September 2016, we have expanded our business in one step into the Netherlands, Spain and Italy and have substantially increased our presence in Belgium and France. Following the acquisition, our active markets represent 76% of the total Continental European market for OTC Medications and Pharmacy-Related BPC Products (see: *"12. Markets and Competition - 12.2 Overview of our markets* and *12. Markets and Competition - 12.3 Our current markets*"). In addition, through the acquisition of this already existing business, we have significantly accelerated our Continental European roll out, since we are now able to benefit from the established local supplier network, the local expertise and the valuable international rollout experience of the management team of the newly acquired Farmaline Business.

We believe that the operating platform we have built over the years, as well as the unique "online pharmacy" know-how we have accumulated, will strongly support the penetration of our current markets as well as our expansion in the future. Our location in Venlo is very well suited for international expansion, both from a geographical and a regulatory perspective (see: "*15. Regulatory and Legal Environment - 15.1 Regulatory Framework for Mail-order Trade of Medicinal Products - 15.1.2 The Netherlands*"). Further, as we penetrate international markets, we can leverage many of our centralized resources like logistics, supplier network and technology platform, hence limiting the incremental costs of expansion.

13.2.4 We have achieved excellence in all areas of our operations.

Our operating platform and respective high market entry barriers have been built up over the past 15 years which we believe would be very difficult to replicate. We believe we have achieved excellence in four crucial areas: (i) sourcing, (ii) logistics, (iii) marketing and customer relationship management ("**CRM**"), and (iv) technology.

Over the past fifteen years, we have built a wide network of around 280 active suppliers (excluding suppliers of our Farmaline Business) that we regularly work with, including major international manufacturers of OTC Medications and Pharmacy-Related BPC Products as well as all leading German wholesalers. These relationships allow us to offer our customers a broad selection of products as well as to rapidly rollout a localized product assortment when we expand internationally. As an important and sizeable partner for our suppliers, we are further able to negotiate favorable pricing terms with them. To foster our relationships with key suppliers we offer them a number of additional services, including the opportunity to promote their brands in "brand shops" on our respective websites and to launch brand-specific advertising campaigns.

Our 18,000 sqm centralized logistics and distribution center in Venlo is key for our growth strategy. It is based on a highly efficient semi-automated logistics infrastructure customized for online pharmacy operations, with further upside from full automation (see "*- 13.3 Our Strategy - 13.3.3 Continue to invest in our logistics, fulfillment and distribution infrastructure and our front-end platform*" and "*6. Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing - 6.2 Reasons for the Offering and Listing and Use of Proceeds*"). Venlo is well-placed, in terms of geography, transport infrastructure and regulatory environment, to support our business in the Netherlands, Germany, Austria, France, Belgium, Italy and Spain. Further, our warehouse has sufficient logistical capacity to allow us to integrate the Farmaline Business and grow our Continental European presence.

Effective and cost-efficient marketing is critical for our success, and we strive to maximize the return on investment ("**ROI**") on our marketing investments on a regular basis. Our direct marketing decisions are

[4] Extrapolation for the entire year 2016, based on the actual revenue realized in June 2016.

data-driven and based on our proprietary customer segmentation model that allows us to allocate marketing spend to the customer segments with the highest ROI. In addition to our direct marketing effort, we have consistently invested in our brand, including via a number of TV campaigns in Germany over the last three years as well as via our first TV campaign in Austria in 2016, as a result of which the number of repeat orders has been consistently growing and reached 73.5% in the in the six-month period ended 30 June 2016 (compared to 71.5% in the six-month period ended 30 June 2015).

Our Microsoft-based technology platform is modular and highly scalable, however, at the same time it provides the required level of customization to ensure it fully supports all our enterprise resource planning ("**ERP**"), data analysis and management reporting needs. Through our technology platform, we have implemented the required pharmaceutical safety features, such as our automated pharmaceutical interaction and contraindication checks. Our front-end platform has been developed by our wholly-owned subsidiary Xsite GmbH (specialist in front-end website development), and we believe it to be "best-in-class" due to, in particular, the products descriptions and instructional videos presented on the website, the availability of online consultation materials and the general mobile optimization of our website as well as its availability through our iOS- and the Android-based apps. In addition, we have a team of more than 45 dedicated in-house full time IT professionals.

13.2.5 We have an attractive financial profile evidenced by relevant key performance indicators.

Over the past three years, we have realized very strong organic top-line growth and have significantly outperformed e-commerce peers. Our revenue for the year ended 31 December 2014 was €84,671 thousand, a €29,379 thousand, or 53.1%, increase compared to €55,292 thousand for the year ended 31 December 2013. For the year ended 31 December 2015 our revenue was €125,578 thousand, a €40,907 thousand, or 48.3%, increase, compared to €84,671 thousand for the year ended 31 December 2014. According to our estimations, in the period between 2013 and 2015 the median revenue growth rate of e-commerce peers amounted to approximately 26.1%.[5]

In addition, over the past three years, we were able to increase the effectiveness of our marketing activities. During this period, the customer lifetime value ("**CLV**") of all German customer cohorts has exceeded the respective customer acquisition costs ("**CAC**") already in the first six to twelve months. Our German Q1 2013 cohort and our German Q1 2014 cohort have reached the break-even point within twelve months, whereas our German Q1 2015 cohort almost reached the break-even point within the first six months. Moreover, the CLV of our German Q1 2014 cohort was 10% greater than that of our German Q1 2013 cohort after six months, 22% greater after twelve months, 29% greater after 18 months and 32% greater after 24 months. The CLV of our German Q1 2015 cohort was 8% greater than that of our German Q1 2014 cohort after six months and 6% greater after 12 months (see also: "*11. Management's Discussion and Analysis of Financial Condition and Results of Operations - 11.4 Factors Affecting our Results of Operations - 11.4.4 Marketing*").

The share of repeat orders, which we believe is a good indicator of our ability to retain our customers, has also increased steadily over the past three years. In the first half of 2016, approximately 74.1% of all orders placed in Germany were repeat orders, compared to 67% repeat orders in the first quarter of 2013. Repeat orders enable us to generate incremental sales with lower effective marketing costs, which results in lower overall marketing costs as a percentage of total revenues. We strive to further increase the share of existing customers in the future, hence driving decline in blended cost per order.

13.2.6 We have a founder-led management team with in-depth know-how of the pharmacy and online pharmacy business and a proven track record of successfully growing our business.

Our management team has been working together for more than five years and is led by Michael Köhler, a visionary entrepreneur, who combines ten years' experience in the pharmaceutical industry and 15 years' experience in the mail-order and online pharmacy business with a broad M&A expertise. The team further comprises the founders of our business Stephan Weber and Marc Fischer as well as Dr. Ulrich Wandel and Theresa Holler, all of whom are also shareholders of the company. All of the members of the management team have a plethora of relevant industry knowledge and expertise, strong track record both with and outside our Company and are fully committed to our success. The engagement of Michael Köhler, who is at the same time one of our major shareholders, demonstrates and emphasizes his belief in our future success and his will to further shape our future. Stephan Weber, who studied pharmaceutical sciences, is our Chief Marketing & Sales Officer ("CMO") and co-founded the business with the launch of the shop-apotheke.com in 2001. Dr. Ulrich Wandel, our Chief Financial Officer ("CFO"), worked with leading life science companies for more than 20 years and joined us in 2011. Theresa Holler, our chief pharmacist and Chief Operating Officer (COO), has an

[5] E-commerce peers include: Boohoo, AO, Zalando, Asos, Cnova, Ocado and Yoox and Company estimate is based on financial information published by such companies on their respective websites.

experience in mail-order pharmacies and joined us in 2002. Marc Fischer, who studied information technology and business administration, is our Chief Technology Officer ("CTO") and worked for more than 20 years in the IT business.

13.3 Our Strategy

13.3.1 Further cementing market leadership in footprint countries such as Germany and Austria

According to Alexa, as of 30 June 2016 we are the most visited and the highest ranked online pharmacy focused on OTC Medications and Pharmacy-Related BPC Products in Continental Europe and we believe also the fastest growing one in Germany and in Continental Europe overall. We expect our strong growth trajectory to continue, resulting in us continuing to capture market share from the highly fragmented markets within our existing footprint. We will continue to consider opportunistic mergers and acquisitions opportunities in situations where we are able to expand our market share quickly and efficiently at an attractive valuation, as we did with the acquisition of the Farmaline Business.

13.3.2 Further penetration of our existing markets in Continental Europe and further expansion into new markets

We believe we are well positioned to further penetrate the current markets in which we operate, in particular, the French and the Belgium markets for OTC Medications and Pharmacy-Related BPC Products which, in our view, provide the most attractive market opportunities, and to continue to expand our business into new markets in Continental Europe.

With the acquisition of the Farmaline Business (which complements perfectly our existing operations and is fully in line with our expansion strategy) we have most recently expanded our business in one step into further core Continental European markets, such as the Netherlands, Spain and Italy. Subsequent to our market entry, we strive to make use of the aggregated expertise of the combined platforms to further penetrate these markets.

We evaluate target markets based on, among other things, the size of the addressable market, levels of online penetration, the applicable regulatory environment and the level of competition. Based on these criteria, we are currently evaluating attractive entry markets for our Group. We believe that our logistics, sales, and distribution infrastructure in Venlo has sufficient capacity to support this planned expansion strategy without major investments.

13.3.3 Continue to invest in our logistics, fulfillment and distribution infrastructure and our front-end platform

Over the past three years, we have made substantial investments in our logistics, fulfillment and distribution infrastructure. Currently, fulfillment functions in our warehouse in Venlo are conducted on a semi-automated basis: while certain steps are automated, certain picking and packaging functions are conducted by our employees. In the future, we intend to make further investments in our logistics, fulfillment and distribution infrastructure to support additional automation, which we believe will further enhance the accuracy and efficiency of our fulfillment processes, reduce our cost of sales and improve our gross margins. In addition, we plan to continue to improve the functionality of our front-end platform, in order to enhance the shopping experience of our customers across all devices and to offer innovative, digital pharmaceutical services which facilitate self-medication.

13.3.4 Developing new revenue streams

Apart from the continuing strong growth in our core business focused on OTC Medications and Pharmacy-Related BPC Products, we consider the following to be further important growth avenues for us:

- We strive to expand our product offering with respect to Pharmacy-Related BPC Products as well as with respect to non-Pharmacy-Related BPC Products, such as contact lenses or nutrition, which can also be bought in drug stores, perfumeries or supermarkets. The market for non-Pharmacy-Related BPC Products in Continental Europe represents an attractive addressable market with a volume of €31 billion in 2015 (source: SEMPORA Study June 2016) and would be highly complementary to our existing product range. Further, we believe expanding into this market would render our Group the online shopping destination of choice for all healthcare and personal care needs, which we believe would enhance the loyalty of our customers.

- Due to the highly fragmented nature of the pharmacy market and the absence of pharmacy chains of considerable size in Continental Europe, we have an attractive opportunity to become the advertising platform of choice for the largest OTC Medications and Pharmacy-Related BPC Products' brands. We are already collaborating with our suppliers of OTC Medications and Pharmacy-Related BPC Products in this area as our "brand shops" are used to promote certain brands. However, we believe there is a significant opportunity to expand this revenue stream over time and, thus, also to become even more attractive to our end customers.
- We could further add new revenue streams by selling anonymized shopping data to the pharmaceutical and beauty industries. Due to the highly fragmented nature of the pharmacy market and the absence of dominant pharmacy chains in Continental Europe, the availability of such data is currently very limited.
- So far, we offer only branded products. However, we intend to expand our product offering with respect to private-label Pharmacy-Related BPC Products. The first launch of a private-label product is planned for the third quarter of 2016.

13.4 History and Key Milestones

Our business was launched by our current deputy CEO and CMO, Stephan Weber, and our current CTO, Marc Fischer, in 2001 as the online platform offering Pharmacy-Related BPC Products of a Cologne-based pharmacy. Since our founding, we have continuously expanded our business. In 2004, the German legislator eliminated the prohibition of the mail-order of prescription medications. Following such decision, we introduced OTC Medications in our product offering for the first time in 2004.

In 2010, Medco Health Solutions Inc. ("**Medco**") acquired our shop-apotheke.com business through its wholly-owned subsidiary, Europa Apotheek Venlo B.V., allowing us to combine our pharmacy platform, order processing operations, warehouse logistics and distribution center in premises in Venlo to support the future expansion of our sales and business. After the acquisition by Medco in 2010, the shop-apotheke.com business formed an integrated part of the business of EHS Europe Health Services B.V. (together with its direct and indirect subsidiaries, the "**Europa Apotheek Group**").

Following the acquisition of Medco by Express Scripts in April 2012, the decision was taken to divest certain assets of Medco, including Europa Apotheek Venlo B.V. In this context, the management of Europa Apotheek Venlo B.V., comprising our current management team, one member of the management team of Europa Apotheek Venlo B.V. and several investors, agreed to acquire the business of Europa Apotheek Venlo B.V. through a management buyout that was completed in December 2012.

In 2012 and 2013, we began to invest significantly in our online platform to build a base for growth in Continental Europe. We launched our Austrian online pharmacy website, shop-apotheke.at, in April 2012. As part of our strategy, we also established a new sales and marketing office in Cologne, acquired our Düsseldorf-based web technology company, Xsite GmbH and invested in a new ERP system.

In 2014 and 2015, we made additional investments to facilitate expansion within Continental Europe. We hired a fully dedicated sales representative to support our Austrian website, we established a new sales and marketing office in Paris and we launched our first TV marketing campaigns in Germany to build brand awareness. We also launched our French website, shop-pharmacie.fr, in March 2015 and our Belgian website, shop-pharmacie.be, in July 2015.

The current structure of our Group is the result of a series of asset transfers and legal demergers (the "**Reorganization**") completed in September 2015 (but with accounting effect from 1 January 2015 in respect of the legal demergers), pursuant to which the business of the Group was separated from the business of the Europa Apotheek Group.

In early 2016, we launched our first TV marketing campaign in Austria in order to expand our brand awareness. In addition, we re-launched our German shop-apotheke.com website.

Following the acquisition of the Farmaline Business in September 2016, we have most recently expanded our business in one step a number of European markets previously targeted by us, including the Netherlands, Italy and Spain, and have further enhanced our competitive position in Belgium and France, see "*14. Acquisition of the Farmaline Business*".

13.5 Our Geographical Presence and Market Positions

13.5.1 Germany

Germany is one of the largest markets for OTC Medications and Pharmacy-Related BPC Products in Continental Europe, with a total spending of approximately €6.3 billion in 2015 (source: SEMPORA Study June 2016). Additionally, the German market is characterized by a relatively high online penetration rate of around 13.5%. (source: SEMPORA Study June 2016)

In Germany, we are currently the leading pure-play online pharmacy focused on OTC Medications and Pharmacy-Related BPC Products and have achieved leadership positions in terms of revenue (source SEMPORA Study October 2015), brand awareness (source SEMPORA Study June 2016) and reputation with suppliers (source SEMPORA Study April 2015).

In the year ended 31 December 2015, we generated revenues of approximately €115,660 thousand in Germany, our most important market, representing approximately 92% of our total revenue (including eliminations) with OTC Medications and Pharmacy-Related BPC Products, which is an increase of approximately 42.8% compared to the year ended 31 December 2014. Since 2013, our revenues in Germany increased from €54,278 thousand in the year ended 31 December 2013 to €80,968 thousand in the year ended 31 December 2014, representing an increase of approximately 49.2%.

Approximately 2,6 million orders from our German customers were placed on our website shop-apotheke.com in the year ended 31 December 2015 compared to 1,9 million orders from our German customers in the year ended 31 December 2014, an increase of approximately 36,8%. Approximately 1,6 million orders from our German customers were placed on our website in the six-month period ended 30 June 2016. The share of repeat orders, which we define as the percentage of total orders billed during the measurement period that are not the initial order bill to the customer ("**Share of Repeat Orders**"), from our German customers placed on our German website amounted to 74.3% in the year ended 31 December in 2015, compared to 68.4% in the year ended 31 December 2014, an increase of approximately 5.9 percentage points. The average Share of Repeat Orders from our German customers placed on our websites in the six-month period ended 30 June 2016 was 76.6%. We had approximately 1,2 million active German customers, which we define as unique customers who have placed at least one order in the respective past twelve months preceding the stated period of time as at 31 December 2015 compared to approximately 0,9 million active German customers as at 31 December 2014, an increase of approximately 33.3%. In the six-month period ended 30 June 2016, we had approximately 1,3 million German active customers. Our market position in Germany has also positive effects on our financial profile, where our segment EBITDA related to our Germany segment of €379 thousand increased to €841 thousand for the year ended 31 December 2015 from €462 thousand for the year ended 31 December 2014.

13.5.2 International Markets

In 2012 and 2013, we began to invest significantly in our online platform to build the base for our growth in Continental Europe. Additionally to our German website, we initially launched in April 2012 our Austrian website, shop-apotheke.at. In March 2015, we launched our French website, shop-pharmacie.fr and most recently, in July 2015 our Belgian website, shop-pharmacie.be. In 2016, we launched the first TV advertisement in Austria to further strengthen our brand.

Since our market entry in Austria, we have become the leading online pharmacy in terms of revenues in Austria (source: SEMPORA Study October 2015).

In the six-month period ended 30 June 2016 our international revenues (excluding revenues stemming from our Farmaline business) which include besides Austria also France and Belgium, increased to €11.2 million compared to €2.9 million in the six-month period ended 30 June 2015. In the year ended 31 December 2015, we generated revenues of approximately €8,425 thousand on an international level. Since 2013 our revenues from our International OTC segment increased from €893 thousand in the year ended 31 December 2013, to €2,180 thousand in the year ended 31 December 2014 and to €8,425 thousand in the year ended 31 December 2015, which was primary attributable to our presence in Austria.

Most recently in September 2016, we acquired Farmaline, one of the leading online pharmacies in Belgium, having sales of in total €10,453 thousand in the six month period ended 30 June 2016 (which is, however, in the historical financial information included in "*23. Financial Information*" in this Prospectus).

13.6 Our Offering to Customers

13.6.1 Our Value Proposition to Customers

We have become an online pharmacy destination of choice, with approximately 1,472 thousand Active Customers as of 30 June 2016. We are, according to Alexa the most visited online pharmacy in Germany and belong to the 200 most visited German websites which we attribute to:

- *Convenient shopping experience*. We provide a convenient shopping experience that is available at any time, without regard to location of the customer and on a wide variety of devices (including PCs, tablets and other mobile devices), including free, fast shipping of many orders, an easy return policy and free customer support;
- *Personalized pharmaceutical care*. The combination of our technology and medication know-how allows us to provide customers with an attractive, personalized, pharmaceutical care offering, including medication advice videos, customized dosage labels, instruction videos, automated medication interaction checks, detailed product information, pharmaceutical counseling and personalized product recommendations, special brand shops and personalized website filter options;
- *Broad selection*. We offer a large selection of approximately 100,000 different OTC Medications, Pharmacy-Related BPC Products and prescription medications. Unlike most physical pharmacy shops which have approximately 10,000 prescription medications, OTC Medications and Pharmacy-Related BPC Products available at any given time (source: Apotheken Umschau 2012) we are not constrained by limited shelf space; and
- *Attractive pricing*. Our prices, are according to Stiftung Warentest 2014 approximately 15% lower than the prices of Brick-and-Mortar Pharmacies and we additionally offer a 50% discount on selected products. Furthermore, our online pricing comparison tool allows us to promptly react to price developments in the market, which helps us to ensure a competitive and attractive pricing of our products.

13.6.2 Our Product Offering

We offer a total of approximately 100,000 products and primarily target the health manager of the family, aged 30 to 59. Through our online shops, we aim to offer our customers in all markets in which we operate one of the broadest and most diverse selections of OTC Medications and Pharmacy-Related BPC Products available online. Besides such products, our product offering also includes prescription medications, nutrition, medicinal devices, homeopathic products, contact lenses and other pharmacy-related products and pet health products.

We view our offering of well-regarded brands as attractive to our customers who are seeking a convenient one-stop shopping option for OTC Medications and Pharmacy-Related BPC Products.

OTC Medications

The following table shows the top 5 selling categories in terms of quantities of OTC Medications offered by us in Germany:

Category	Brand (e.g.)
Rhinological products	Nasic, Olynth, Otriven, Ratiopharm Nasenspray
Analgesics	Aspirin, Grippostad, Neuralgin, Thomapyrin
Cough and cold medications	ACC Akut, Gelomyrtol, Mucosolvan, Prospan
Homeopathics	DHU, Meditonsin, Osanit, Traumeel
Antiphlogistic and antirheumatic products	Dolormin, Ibubeta, Nurofen, Voltaren

In Austria, France and Belgium we offer a broad range of OTC Medications and in Germany we offer all prescription-free OTC Medications that are available on the market.

Pharmacy-Related BPC Products.

The following table shows the top 5 selling categories in terms of quantities of Pharmacy-Related BPC Products offered by us in Germany:

Category	Brand (e.g.)
Medical body care products	Eucerin, Linola, Roche Posay, Vichy
Nutritional supplements	Femibion, Orthomol, Priorin, Verla
Dental and oral care	Aronal, Biorepair, Elmex, Meridol
Dietetics	Almased, Aptamil, Keltican, Yokebe
Medical and technical equipment	Braun, Ohropax, Panasonic, Thermacare

Apart from the categories and products listed above, our product offering includes most of the Pharmacy-Related BPC Products available on the market

Prescription Medications

In Germany, we offer all prescription medications, to the extent that such medications have the permission to be placed on the German market and are available.

13.7 Our Value Proposition to and Relationships with Suppliers

13.7.1 Our Value Proposition to Suppliers

We have developed strong relationships with the vast majority of our suppliers, which are either direct manufacturers or wholesalers of the products which we consider to be relevant to our targeted customer base. We were from a supplier's perspective the most highly rated online pharmacy and were ranked first in terms of "best overall service/performance" and "end customer marketing provider" in Germany in 2015 by SEMPORA, which we attribute to:

- *Reach.* We have significant reach in the markets in which we are active and provide access to a broad retail customer base, with 1,472 thousand Active Customers and over 17,516 thousand site visits in the six-month period ended 30 June 2016;
- *Brand promotion for OTC Medications and Pharmacy-Related BPC Products.* Our online-shop is an attractive platform for pharmaceutical suppliers who desire to enhance the image of their brands and designed to promote brand-awareness, which supports the development of our suppliers' brands and facilitates online sales;
- *Access to anonymized data analytics.* We actively assist our suppliers in understanding the online pharmacy market by offering insights into customer behavior through providing statistical analyses on an anonymized basis from our data analytics; and
- *Long-term partnerships.* We collaborate closely with suppliers of OTC Medications and Pharmacy-Related BPC Products and enter into long-term strategic partnerships which provide our partners the possibility to launch advertising campaigns in our online-shops, to influence the way in which their products are presented (brand shops) as well as give them insights on customers behavior.

13.7.2 Our Relationships with Suppliers

Our suppliers include major manufacturers of OTC Medications and Pharmacy-Related BPC Products as well as all leading German wholesalers, giving us access to major pharmaceutical or personal care brands, such as Aspirin or Vichy. In Germany, Austria, France and Belgium we work with around 280 active suppliers (excluding suppliers of our Farmaline Business). We believe that the close and active relationships that we have with our suppliers, as well as our leading market position, allow us to negotiate favorable supply terms, which result in cost advantages as compared to our competitors.

13.8 Our Operating Platform

13.8.1 Creation and expansion of our customer base

We acquire new customers through a diverse set of paid and unpaid marketing channels, affiliate channels and partners, customer referrals, direct navigation, key word search campaigns and social media, engaging with customers across multiple channels and devices, including mobile and app. We believe that, in particular, our websites shop-apotheke.com and shop-apotheke.at generate traffic in our German-speaking markets as a significant amount of traffic on our websites has been generated from search engines where prospective customers have searched for a market place for OTC Medications or Pharmacy-Related BPC

Products or for health related issues in the internet. Core to our business model is that we acquire customers once, and then drive engagement and repeat purchases from those customers over a long period of time by leveraging our data base. For example, approximately 76.6% of orders in our German market during the six-month period ended 30 June 2016 were Repeat Orders.

Almost all of our marketing activities are executed in-house, and we view performance marketing as one of our core competences. Performance marketing comprises search engine advertising ("**SEA**") and search engine optimization ("**SEO**") as well as affiliate marketing. SEA is a form of internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages through optimization and advertising, whereas SEO describes the process of affecting the visibility of a website or a web page in a search engine's search results. We focus on showing highly relevant advertisements and landing pages to the right target group. We see SEA as the most efficient form of marketing for our websites and have dedicated significant resources to achieve excellent quality scores and high rankings on relevant search terms. In addition to SEA, we attract customers through affiliate marketing, price comparison engines and retargeting on relevant websites and flyers in parcels that reach our target group.

We further grow and strengthen the awareness of our brand via television campaigns and YouTube campaigns as well as flyer campaigns in parcels of other online e-commerce companies. In each year since 2013, we launched a new television commercial in Germany focusing on the introduction and presentation of the broad selection of products and brands available in our online shops and the attractive price offering and since 2016 in Austria. Further, our latest spot in 2015 also stressed the pharmaceutical counseling provided. Since May 2014, we operate our own YouTube channel which comprises certain playlists on different healthcare topics. In more than 700 self-produced videos, which are available on our website anytime, we introduce certain products to our customers and provide guidance on the correct application of our products.

To create a personalized shopping experience for our customers, we leverage our data capabilities (see "*— 13.8.5 Technology*") for tailoring ancillary services to the respective customer based on certain criteria. Our CRM defines certain target groups by adding different attributes derived from our customer data analysis model (see "*— 13.8.5 Technology*"), such as the customer group, gender, age or order pattern. This classification allows us to initiate personalized CRM campaigns tailored to the different customer groups in which we promote various sales actions, like discounts and giveaways. Such campaigns are executed via email or postal mailing and on our website. We also measure the effectiveness of our television advertising in several dimensions: consumers that visit our shop-apotheke.com website during a TV spot are tagged, allowing us to analyze the quantity and quality of consumers attracted by television spots.

13.8.2 Customer Care

We regard customer care as fundamental to our business as it provides the most direct feedback from our customers and gives us a sense for overall customer sentiment and satisfaction. We offer all our customers free customer support by telephone, email, post and social media channels and invest in training and coaching of our customer care representatives.

We place particular emphasis on localizing our customer service by offering our customer service in German for our German and Austrian customers and in French for our customers located in France and Belgium. We operate our customer service center in Venlo, servicing customers of shop-apotheke.com, shop-apotheke.at, shop-pharmacie.fr and shop-pharmacie.be. Our staff handles approximately 25,000 customer inquiries per month. In particular for non-pharmaceutical inquiries, we collaborate with an external call center for our shop-apotheke.com customers.

Furthermore, based on our customer data model, our system decides, depending on certain parameters, which information regarding the product or its application is provided to the customer in which way and at which point in time, in order to ensure the convenient application by the customer.

We use Trusted Shops to increase the trust of our customers in our online shops. Trusted Shops offers a (so called) "trustbadge" for online shops. It is the leading quality seal in Europe providing for buyer protection for consumers. Our webshop shop-apotheke.com was marked "excellent" and received an exceptional overall rating of 4.87 points out of 5.00 possible points from Trusted Shops, as of 30 June 2016.

We determine customer loyalty using net promoter score ("**NPS**"), which is a customer loyalty metric, measuring the loyalty that exists between a provider and a consumer based on the evaluation of customer responses to the question: "How likely is it that you would recommend our company to a friend or colleague?". NPS can be as low as −100 (everybody is a detractor) or as high as +100 (everybody is a promoter). An NPS that is positive is considered good, whereas an NPS of +50 is considered excellent. Since the introduction of such measurements in August 2015, shop-apotheke.com achieved on average an overall NPS of approximately +60.

13.8.3 Returns

Due to consumer protection reasons, customers have a legal right to return an order. However, returns have been a small part of our business. They occur for instance in the event that our customers have ordered wrong products or simply dislike the products purchased. In that case, we offer customers free and convenient returns, which we believe complete our customer proposition from a marketing perspective. However, certain medications are not suitable for returns and are therefore excluded. Our return policies provide for a 14 days return period. Our return rate in the six-month period ended 30 June 2016 amounted to approximately 0.7%, which we believe is very low compared with return rates for other e-commerce product segments which focus on more customized products, like fashion. We constantly aim at making our return process more efficient to further reduce cost of returns. Returned prescription and OTC Medications need to be disposed for regulatory reasons.

13.8.4 Content Creation

Our dedicated in-house content creation team seeks with assistance of our pharmacists to achieve high quality product presentation for our websites with short lead times and in a cost-efficient manner. At our headquarters in Venlo, the Netherlands, a team of content professionals seeks to ensure that new products are advertised online quickly. The content production process includes three-dimensional imaging and videos for most OTC Medications and Pharmacy-Related BPC Products, including related web design, as well as describing different products. Another key feature of our online content is the translation of pharmaceutical expert language texts and the results of our medication interaction checks into layman terms for our customers.

Website product content can be created entirely in-house or on the basis of content provided by our suppliers, which includes in particular content regarding our product offering as well as package inserts. By focusing on image optimization and detailed description, our team ensures exceptional customer experience.

In addition, we implemented a customer product review feature in our online pharmacies. Customers can share their views and experiences with products that they purchased in our online pharmacies, which allows us to monitor shifting customer demands and swiftly respond to changing customer preferences.

13.8.5 Technology

We constantly strive to use technology as a tool to improve the customer experience in our online-shops and overall customer satisfaction, including supporting the increase in traffic from mobile devices such as tablets and smartphones. Over time, we have built a proprietary and modular Microsoft-based technology platform which is tailored to our specific needs and which we believe to be robust, secure, highly scalable and geared for future growth.

While for the six-month period ended 30 June 2016 our IT systems handled on average more than 300,000 orders per month (excluding orders placed in our Farmaline Business), our IT infrastructure is designed (and regularly tested) to accommodate significantly higher volumes of traffic, customers and orders, and can be used in the course of the intended expansion of our business into other Continental European countries. Our IT systems are customized to our specific needs and facilitate efficient supply chain management, sourcing, customer relations, enterprise resource planning, risk management, control, finance and customer-facing e-business functionalities. In addition, our IT systems are monitored 24/7 and have had an uptime of more than 99.7% for more than two consecutive years.

Our front-end platform has been developed by our wholly-owned subsidiary, Xsite GmbH, which is a webshop provider with more than 20 years of experience. Xsite GmbH basically runs our online shop and provides a broad range of IT services to us, including consulting, implementation, operation and maintenance services, upgrades, software development as well as the provision of hardware and security systems. A fully-owned online shop provider allows us to stay independent from third-party providers. Furthermore, we believe our tailor-made e-commerce shop system to be “best-in-class” due to, in particular, the cross sell and web analytics functions, the content and newsletter personalization, the social media and application video integration as well as the country specific front-ends and the optimized templates and apps.

Our modular, scalable and customized Microsoft-based ERP system (MS Dynamics AX) is another key success factor for our business. It offers highly individualized modules as well as highly digitalized and automated order work flow.

For purposes of creating a personalized shopping experience, we maintain sophisticated tools for gathering large amounts of data regarding the browsing and shopping behavior patterns of our customers. We use our business intelligence as basis for our marketing campaigns as well as to improve our operations and to optimize our marketing costs. In addition, our business intelligence capabilities and customer data analysis model allow us to tailor our offering and ancillary services to the needs of our customers. In particular, we are able to

track, among other things, the order frequency of a specific customer as well as the type of his or her orders. Based on this data our system decides what product information should be provided to this customer, in which way and at which point in time, in order to ensure a convenient shopping experience.

Our business intelligence infrastructure further allows all departments to track the key performance indicators relevant to them in real time and enables the preparation of standardized reports across all countries.

13.8.6 Venlo Logistics Center and Logistics

In our logistics center in Venlo, the Netherlands, we store our inventory, process customer orders, arrange distribution and handle returns. In 2010, we relocated our logistic center to Venlo. The Venlo site comprises approximately 18,000 sqm and includes a large warehouse with the capacity of approximately 32,000 parcels per day as at the date of this Prospectus. We believe that Venlo is well located geographically to support our current and future operations including the expansion of our business into certain Continental European countries. Our semi-automated warehouse logistics and tablet-supported picking provide us with required capability of servicing the markets we already operate in and, we believe, the markets into which we intend to expand. Our central operations in Venlo allow us to benefit from future economies of scale as we plan to further automate our operations in order to significantly reduce the cost per processed order. Furthermore, the Netherlands provide for one of the most developed and stable legal environments for online pharmacies in Europe. Additionally, due to Venlo's location in the Netherlands, close to the border to Germany, the delivery distances to our customers are optimized.

Our logistics processes inside our logistics center encompass fulfillment activities (inbound logistics, storage, outbound logistics, including product picking, packing, and final checking as well as return handling) and distribution activities (transportation and shipping services).

Our supply chain management is mainly based on two concepts: internal, statistical sales predictions and high purchasing frequency. We developed our replenishment tool as a part of our ERP system in order to facilitate reliable predictions. This tool takes into account the following aspects per stock-keeping unit: daily sales in the last four weeks, type of product (*e.g.*, fast or slow moving item), average replenishment time and confidence level of a supplier. In addition, our purchase department includes the marketing plans in their decisions. With a daily purchasing proposal per supplier by our fully automated replenishment tool we are able to reduce the needed stock coverage of each stock keeping unit. This process results in a target stock quantity that enables us to fulfill customer requests and minimize the working capital at the same time.

The handling of orders in our Venlo logistics center will increase due to additional orders placed in our Farmaline Business and the expansion of our business in the medium to long term. However, the overall capacities of our logistics center are, based on our current planning, fully sufficient to cover these increase and to further allow us pursuing our planned expansion strategy another Continental European countries over the medium to long term.

13.8.7 Distribution

Through a combination of our internal logistics operations and the use of trusted third-party logistics providers, we deliver our products to our customers at attractive and competitive delivery times for our customers. We outsource customer delivery since it is more efficient to rely on external providers such as Hermes and DHL in Germany for last mile distribution. Products purchased at shop-apotheke.com and shop-apotheke.at are shipped to destinations within Germany and Austria, respectively, without charge (provided that the shopping basket is in excess of €19) and are typically delivered within one to two business days in Germany and within two to three business days in Austria. Products purchased on shop-pharmacie.fr are generally shipped to destinations within France without charge (provided that the shopping basket is in excess of €39) and are typically delivered within three to four business days. Products purchased on shop-pharmacie.be are shipped to Belgian customers free of charge (provided that the shopping basket is in excess of €39) and are typically delivered within one to three days. In all other countries, we deliver our products via our partner DPD at similar terms.

Parcels for our German customers are directly collected by our logistics partners Hermes and DHL at our premises in Venlo and then are directly shipped to their destinations in Germany. Our customers can choose their preferred logistics partner, either DHL or Hermes, themselves. With respect to all other countries, we partner mostly with large, well-known and trusted local shipping companies, such as Austrian Post in Austria, Mondial Relay and ColiPoste in France and Mondial Relay and bpost in Belgium. We regularly review the shipping contracts for all of our markets, to achieve competitive prices, improve cost efficiency and increase customer satisfaction.

13.8.8 Payments

As our customers' preferences of payment methods differ, particularly from country to country, we offer a variety of payment methods to meet specific customer preferences depending on the customer's creditworthiness which is assessed by our customer data. Currently the following payment methods are available on our websites:

- Credit cards (Visa and MasterCard);
- PayPal;
- Invoice (shop-apotheke.com and shop-apotheke.at only) which includes delivery against subsequent payment based on an invoice;
- Electronic cash (shop-apotheke.com only) which is a debit card system of the German banks secured by PIN codes;
- "*Sofortüberweisung*", a German online direct payment method on the basis of tried and tested online banking (shop-apotheke.com only);
- Carte Bleue (shop-pharmacie.fr only), a French major debit card payment system;
- BillPay (shop-apotheke.at only), in which case invoices and claims are factored to BillPay against payment;
- SEPA direct debit, a direct bank debit system (shop-apotheke.com only); and
- against prepayment (shop-apotheke.com only).

For customer convenience, we offer with respect to our Farmaline business seven additional payment methods which are commonly used in the countries in which Farmaline is active, such as ING Home'Pay, KBC online, iDeal and Klarna.

Except for the option of payments against invoice, we offer our customers all payment options free of charge. We believe that offering the preferred payment method to a customer helps us optimize customer satisfaction and significantly improves "conversion" (the proportion of customers who complete the checkout process in order to pay for a product on a website).

During the decision making process for each order we use external scoring information as well as our proprietary risk management system to detect fraud. We use an external real time solvency check, based on the data available to our service provider which classifies the customers during the check-out in different scoring levels. As we take on credit risk associated with certain payment methods (especially invoices), we have developed proprietary risk management systems that enable us to reduce our exposure to fraud by way of analyzing the customer's internal identification number as well as his zip code. Both, our innovative data-based fraud prevention system as well as our external check run in parallel to the check-out process and determine in real time what payment methods should be offered for a specific order also taking into account the content of the shopping cart. On the basis of our analysis there are in general four potential results: no restrictions in relation to the order, imposing restrictions regarding payment methods, conducting a manual anti-fraud check after the order is placed or rejecting the placement of the order. A dedicated fraud prevention team seeks to continuously improve our anti-fraud detection system. As a result, the current fraud rate is negligible.

13.9 Employees

As a result of the Reorganization, the labor agreements of our employees have been transferred to companies of our group with legal effect only as of 1 October 2015. As of 1 October 2015, 245 employment relationships (converted to full-time equivalents) were transferred to our Group. For the year ended 31 December 2015, we employed on the average 251 employees (converted to full-time equivalents).

As of 30 June 2016, we employed 310 full-time employees and the following table shows their actual number per functional division (by headcount, excluding temporary workers) as of that date:

Function	Total number	The Netherlands	Germany	France
Commercial	25	3	18	4
Technology	51	12	39	0
Operations	201	201	0	0
Accounting / HR	33	28	5	0

Between 30 June 2016 and the date of this Prospectus, there have been no material changes in the number of employees.

13.9.1 Human resources

Our staff's skills and qualifications form the basis of all services that we provide. The personnel service, recruitment, personnel support and development functions are performed by our human resources department. We attach great importance to recruiting highly competent employees and providing them with the training to enhance their skills and qualifications, including participation in relevant training programs.

13.10 Real Property

Our corporate headquarters are located at Dirk Hartogweg 14, 5928 LV Venlo, the Netherlands and are subleased through two sublease agreements from Europa Apotheek Venlo B.V. (see "*—13.12 Material Contracts*").

Further, we lease the facilities for our sales and marketing offices in Cologne, Germany by way of a sublease agreement with Europa Apotheek Service Venlo B.V., and in Paris, France as well as for Xsite GmbH, our web technology company in Düsseldorf, Germany.

We currently do not own any real property. The following table provides an overview of the material real property leased by our Group companies as of 30 June 2016:

Location	Approximate Size (in sqm)	Term of Lease/ sublease	Primary Use	Used by
Offices				
Dirk Hartogweg 14, 5928 LV Venlo, Netherlands	18,000	12/2020	Offices/ Warehouse	Shop Apotheke Europe N.V.; SA Europe B.V.; Shop Apotheke B.V.; Shop Apotheke Service B.V. Euro Service B.V.
Aachener Str. 524-528, 50933 Cologne, Germany	800	04/2018	Offices	Shop Apotheke Service B.V.
28, Rue du Chemin Vert, 75011 Paris, France	50	07/2017	Offices	Shop Apotheke Service B.V.
Schiessstraße 44-76, Düsseldorf, Germany	800	07/2020	Offices	Xsite GmbH

13.11 Intellectual Property

We hold three word and figurative community trademarks for the signs "Shop-apotheke" (CTM 009024688), "A Shop-apotheke.com" (CTM 009024696) and "shop-apotheke.com" (CTM 013298302 and CTM 013298591). For acquired intellectual property in the course of the Farmaline Business, see "*14. Acquisition of the Farmaline Business"*. Our Group also owns a number of internet domains (both country-code and generic) which relate to our trademark shop-apotheke.com (e.g., shop-apotheke.com, shop-apotheke.at, shop-pharmacie.fr and shop-pharmacie.be).

13.12 Material Contracts

The following section provides a summary of agreements to which one or more of the Group companies is a party and which we consider to be material to our Group. The terms used in the respective agreements and in the descriptions of those agreements do not necessarily have the same meaning as similar terms that may be used in our financial statements included in this Prospectus (see *"23. Financial Information"*), including terms that have a certain meaning under IFRS.

13.12.1 Acquisition of the Farmaline Business

On 10 August 2016, Shop Apotheke Europe BV and certain other companies of the Shop Apotheke Group as purchasers (the "**FL Purchasers**") entered into a share and asset purchase agreement (the "**Farmaline Purchase Agreement**") with Mrs. Leen Ponet, Mr. Lode Fastré, Farmaline N.V. (all located in Tongeren, Belgium) and Online Services SARL, Troisvierges, Luxembourg as sellers (the "**FL Sellers**") by which all relevant assets and agreements relating to the Farmaline Business were sold and transferred to the FL Purchasers. The acquisition was completed on 14 September 2016.

The acquired assets and agreements relating to the Farmaline Business, which were transferred from the FL Sellers to the FL Purchasers, comprise, among other things, the domains farmaline.be and vitazita.be, trademarks relating to Farmaline and Vitazita, intellectual property rights, logos and other symbols related to the Farmaline Business, Farmaline's customer data base, certain tangible assets such as IT hardware, all inventory

which existed at the closing of the transaction (e.g. pharmaceutical products, OTC products and packaging materials), warehouse equipment, all books and records, data, manuals, customer surveys, data banks, analysis or organizational documents relating to the Farmaline Business and agreements such as the employment agreements of the employees of the Farmaline Business, software and IT agreements, license agreements, marketing and advertising agreement, supply agreements, logistic agreements, agreements on cashless payment transactions, service agreements and cooperation agreements. As part of the Farmaline Purchase Agreement, SA Europe B.V. also acquired all shares of Fastnet BVBA, a Belgian limited liability company with registered office at Industrieweg 10, 3700 Tongeren. Fastnet BVBA was previously owned by Mrs. Leen Ponet and Mr. Lode Fastré.

Certain assets, such as the outstanding shares in Fastgoed BVBA, which owns a warehouse which was leased by Fastnet BVBA and Farmaline N.V. where para-pharmaceutical products for Farmaline N.V. were stored, the shares in an inactive former subsidiary of Fastnet BVBA (now owned by Online Services SARL), the business related to the brand Labo'Life, the business with customers in the USA and the operation of stationary pharmacies were excluded from the Farmaline Purchase Agreement. Furthermore, cash, trade receivables and liabilities of the Farmaline N.V. were not transferred to the FL Purchasers. As part of the acquisition of the Farmaline Business, Fastgoed BVBA and Fastnet BVBA entered into a new lease agreement relating to the warehouse owned by Fastgoed BVBA, in order to secure a delivery point for suppliers in Belgium by 30 June 2017, which is the minimum fixed term of the agreement with monthly rental payments of €5,500.

As consideration for the acquisition of the Farmaline Business, the FL Purchasers will pay €2,150 thousand in cash, of which €1,650 thousand was paid on 14 September 2016. As additional consideration, Mrs. Ponet and Mr. Fastré received 32,990 shares in the Company in total on 14 September 2016 (representing in total 3% of the existing share capital of Shop Apotheke Europe B.V. as at the date of the Farmaline Purchase Agreement) and became shareholders of our Company. The purchase price contains an earn-out component the amount of which will be paid in cash and depends on the fulfillment of certain business targets. A future amount of €500,000 shall be paid by the FL Purchasers to FL Sellers after the successful completion of the transfer of the Farmaline Business' order fulfillment operations to our business premises in Venlo. Further earn-out payments depend on the achievement of the certain defined targets of the Farmaline Business as continued by FL Purchasers after the closing of the acquisition (the "**Future Farmaline Business**") in the fiscal years 2016 through (and including) 2018 (each an "**Earn-Out Period**"). An earn-out will be earned if more than 60% of the defined targets are reached. If the Future Farmaline Business achieves 100% of the defined targets for the relevant Earn-Out Period, an earn-out payment in the amount of €1,100,000 is earned and shall be payable to the FL Sellers for such Earn-Out Period.

As part of the acquisition of the Farmaline Business and in order to contribute to the success and the prosperity of the future Farmaline Business, Mrs. Ponet and Mr. Fastré agreed to work for us for a minimum period of three years until 31 December 2019. Mrs. Ponet and Mr. Fastré therefore entered (through the companies Online Services SARL and Fastgoed BVBA) into corresponding consulting agreements with SA Europe B.V. These consulting agreements provide for a term of three years and a total flat fee of €15,000 per month for both of them.

For a detailed description of the Farmaline Business, see "*14. Acquisition of the Farmaline Business*".

13.12.2 Rental Agreement for our Headquarters at Venlo

We rent our warehouse and offices at our headquarters at Dirk Hartogweg 14, 5928 LV Venlo, the Netherlands from Europa Apotheek Venlo B.V. through two sublease agreements, both entered into on 10 October 2015 by our indirect subsidiaries, Shop-Apotheke Service B.V. and EuroService Venlo B.V. The monthly rent amounts to €25,600 and €40,800, respectively, including all ancillary costs, and is subject to adjustments under the main lease contract. The subleases are entered into for a period of five years, starting on 1 October 2015 and the existence and duration of the sublease agreements is linked to the main lease agreement between Europa Apotheek Venlo B.V. and ProLogis Netherlands XIII S.à r.l. which currently lasts until 2020. The sublease agreements may be extended prior to the expiry of the main lease agreement by mutual consent.

13.13 Legal Proceedings

As at the date of this Prospectus we are currently subject to a first instance civil law proceeding in France. The plaintiffs, competitors of Shop Apotheke (L'union des Groupements de Pharmaciens d'Officine (UDGPO), L'Association Francaise des Pharmacies en Ligne (AFPEL), Mr. Daniel Buchinger, La Société Pharmacie du Bizet and La Société Pharmacie de Lescombes) accuse us of pursuing business in France which is allegedly not compliant with French law. In particular, we are accused of not having obtained a prior authorization of the French authorities required by French law in respect of our online medications selling activity in France (through our website shop-pharmacie.fr), and of not complying with some specific French

legal requirements in organizing our online operations. Additionally, the plaintiffs accuse us of having sent information materials to potential consumers in France allegedly promoting our services and products in breach of French law. The plaintiffs also accuse us of the undue offering of price reductions related to medications on our French website and of unfair competition toward French competitors (represented by the plaintiffs). Finally, we are accused of using Google AdWord key words in detriment of one of the plaintiffs. If the plaintiffs were to be successful, we could be restricted in pursuing certain advertisement and sales measures in France. In addition, we could be obliged to take into consideration some or all of the French law requirements regarding the online activity of pharmacists and could as a result be restricted in doing business in France. Our violation of the respective French laws, if concluded by the competent court, would be published. Additionally, we would be required to pay €30 thousand damages to the plaintiffs for the alleged unfair competition, plus an amount that the plaintiffs have not yet determined for the economic damage allegedly caused by the alleged unfair competition as well as the plaintiffs' legal costs. We could face additional penalties if we were not complying with such court decision. See also "*3. Risk Factors - 3.3 Risks Related to Regulation - Adverse judgments or settlements resulting from legal proceedings could expose us to monetary damages and limit our ability to operate our business*."

Apart from that, neither the Company nor any of its Group companies is currently, or has been in the past twelve months, a party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

13.14 Insurance

Our insurance coverage includes, among other things, business interruption insurance, business liability insurance, merchandise insurance, and directors and officers ("**D&O**") insurance. The D&O insurance covers financial losses that may arise in the course of the exercise of the corporate duties of the insured persons. As required under applicable law, each member of our Managing Board remains personally responsible, in the event they are adjudged to have personal liability, for 10% of the total amount of such liability, up to an amount that equals one point five times such member's total annual fixed remuneration from our Group.

We believe, according to our current knowledge that our insurance coverage, including the maximum coverage amounts and terms and conditions of the policies, are standard for our industry and appropriate. We cannot, however, guarantee that we will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

14. ACQUISITION OF THE FARMALINE BUSINESS

As of 14 September 2016, Shop Apotheke Europe BV and certain other companies of the Shop Apotheke Group completed the Farmaline Acquisition by which we aim to improve our competitive position in Continental Europe significantly., See *"13. Business – 13.12 Material Contracts – 13.12.1 Acquisition of the Farmaline Business*". With the integration of the Farmaline Business into our Group, we have expanded our business in one step to a number of European markets previously targeted by us, including the Netherlands, Italy and Spain, and have further enhanced our competitive position in Belgium, Austria and France.

14.1 Business Activities of Farmaline

The Farmaline Business was founded in 2008. After its integration into our Group it is still led by its founders Mrs. Leen Ponet and Mr. Lode Fastré. The Farmaline Business comprises the online pharmacy business of the Belgian pharmacy Farmaline N.V. operating under the brands "Farmaline" and "Vitazita". Farmaline is one of the leading online pharmacies in Belgium and offers a broad selection of OTC Medications and Pharmacy-Related BPC Products through different country-specific webshops primarily to customers located in Belgium, the Netherlands, Italy, Spain, France, Germany, Austria and other EU Countries which we believe both on a product and geographical basis complements our business very well. In all of these countries, Farmaline has established in addition a second brand, called "Vitazita" to offer a selection of top-selling Pharmacy-Related BPC Products to price-conscious customers at attractive prices.

The overall product and services offering of Farmaline includes as key features a broad range of contact options a responsive and fast website as well as a high-quality customer service in six different languages.

The following charts show selected key financial and performance indicators relating to the Farmaline Business, prior to its acquisition by us:

Key financial indicators	Farmaline Business For the six-month period ended 30 June 2016	Farmaline Business For the year ended 31 December 2015 (unaudited)	Farmaline Business For the year ended 31 December 2014
Revenue	€10,453,240	€18,437,303	€13,199,960
Gross Margin	33.0%	34.5%	33.2%
EBITDA[1]	€ 369,402	€ 291,877	€ −7,304

(1) We define EBITDA as EBIT before depreciation and amortization expenses. EBITDA is not a recognized term under IFRS and does not purport to be an alternative to data from our combined statement of profit and loss prepared in accordance with IFRS. There is no uniform definition of EBITDA, which means that EBITDA shown by other companies may not necessarily be comparable to the EBITDA presented above.

Key performance indicators	Farmaline Business For the six-month period ended 30 June 2016	Farmaline Business For the year ended 31 December 2015 (unaudited)	Farmaline Business For the year ended 31 December 2014
Site Visits[1]	6,724,850	11,761,344	9,453,228

(1) We define "**Site Visits**" in relation to Farmaline as the total number of sessions within the given period. A session describes the duration a single visitor is actively using the website or mobile application. All usage data (page impressions, events, E-commerce etc.) is associated with a single session.

14.2 Rationale behind the Acquisition of the Farmaline Business

We believe that Farmaline is very well matched in terms of strategy and geographical footprint to our business for the following key reasons:

- By the acquisition of the Farmaline Business, we have entered and expanded our business in one step to a number of European markets, including the Netherlands, Italy and Spain, that we had previously identified as key future target markets and have broadened our presence in Belgium and France which substantially accelerates our international market expansion.
- Farmaline's online pharmacy business is compatible to our business.
- Our combined business will benefit from the significant experience of Mrs. Leen Ponet and Mr. Lode Fastré, who founded and have led the Farmaline Business since its formation in 2008 and

have been responsible for its successful roll out in many European countries. Mrs. Leen Ponet and Mr. Lode Fastré have committed to join our team until at least 31 December 2019 in order to contribute to the success of the combined business and its internationalization strategy.

14.3 Additional Strategy with respect to the Farmaline Business

Taking the current market position of Shop Apotheke and Farmaline in the different Continental European markets as a starting point, we intend to use the combined experience and resources to enhance the penetration of these markets as well as our market position. We deem this an important step in the fulfillment of our vision to create the leading online pharmacy brand focused on OTC Medications and Pharmacy-Related BPC Products in Continental Europe.

By integrating Farmaline's multi-lingual customer service into our existing business, we are in a position to offer our customers pharmaceutical counseling over the phone and via email and live chat in six different languages. In addition, we expect to increase economies of scale in our logistics center and to benefit from the existing local supplier network of Farmaline.

As to the Farmaline Business, we intend to broaden the Farmaline's product offering by its integration in our procurement structure in Venlo and to leverage our highly experienced marketing and sales resources with respect to the brand development of "Farmaline".

Going forward, we also intend to implement a two brand strategy in all European markets where Shop Apotheke and Farmaline are both active: The first brand, which would be either "Shop Apotheke" (in all markets in which we have been active prior to the acquisition of the Farmaline Business) or "Farmaline" (in all markets which we have newly entered with the acquisition of the Farmaline Business), would be presented as an online pharmacy, targeting customers with high service levels and with a broad range of OTC Medications and Pharmacy-Related BPC Products in the mid-Price Range and high-quality segment. We intend to rebrand the Farmaline Business by applying our Shop Apotheke corporate identity to the Farmaline logo.

The second brand "Vitazita" will continue to target price-conscious customers primarily through price comparison websites, offering lower service levels in those markets in which Farmaline is positioned as the primary brand, e.g., in Belgium. The inclusion of "Vitazita" allows us to approach the full customer spectrum ranging from price sensitive customers focusing on price-comparison to more service-oriented customers focused on mid- and high-end products.

At the date of the Prospectus, we have successfully relocated and integrated Farmaline's order fulfillment operations into our Venlo-based logistics center. The logistics integration went as planned and was completed at the time of the closing of the Farmaline Acquisition on 14 September 2016 and our operations and logistics are fully integrated in Venlo. The integration of Farmaline's IT systems in our IT systems is expected to be completed post-closing by the end of 2016.

15. REGULATORY AND LEGAL ENVIRONMENT

We are subject to the laws and regulations applicable to our business activities in the countries in which we operate. In addition to national laws and regulations, our business activities are affected by EU legislation. EU regulations *(EU-Verordnungen)* apply directly in all member states of the European Union (the "**EU Member States**"). As a result, our business is subject to these rules in all EU Member States. In contrast, EU directives *(EU-Richtlinien)* need to be implemented into national law, to become legally binding. Hence, regarding standards contained in EU directives that are applicable to our business, national implementing rules can differ slightly from one EU Member State to another. To the extent governed by EU regulations or national laws that are based on EU directives, the regulatory environment in most EU Member States and the member states of the European Economic Area ("**EEA**") is similar to the regulatory framework in Germany.

The regulatory requirements applicable to our business activities are subject to change, as new requirements are continuously adopted at the national, European and international level. If we fail to comply with any of these laws and regulations, we may be subject to civil liability, administrative orders, fines, or even criminal sanctions.

Basically, our business is regulated both with respect to the medicinal and pharmaceutical aspect of the products we deliver and to the e-commerce aspect. The following provides a brief overview of the main important regulations that are applicable to our business operations.

15.1 Regulatory Framework for Mail-order Trade of Medicinal Products

15.1.1 European Framework

To remove disparities between legal provisions of the EU Member States relating to the production, distribution and use of medications, and the consequences that such provisions may have on the European market, several EU directives were implemented with the aim of harmonizing national provisions relating to the production, distribution and use of medications. The directives and the framework that they introduce are also intended to safeguard public health across the EU. In relation to medications distributed by mail after receipt of an order on an online platform, the European regulatory framework distinguishes between prescription-only and OTC Medications.

The EU Directive on the Community Code Relating to Medicinal Products for Human Use (2001/83/EC) ("**Medicinal Products Directive**"), recognizes national legislation of the EU Member States to prohibit sales of prescription-only medications to the public by means of information society services (so-called sale at a distance to the public, i.e., sales that are made via mail-order or online sales). However, the Medicinal Products Directive does not — beneath the restrictions set forth in its Article 85c — stipulate any additional restrictions on mail-order sales of OTC Medications and, as a consequence, such sales are in principle permitted under European law based on the principle of the freedom of movement of goods.

In 2003, the European Court of Justice ("**ECJ**") in case: C-322/01 held that there is no legal basis for an absolute prohibition on mail-order sales of OTC Medications, and that it is within the powers of the relevant EU Member States to determine whether or not to permit sales of prescription-only medications through online pharmacies if justified on one of the grounds enumerated in Art. 36 of the Treaty on the Functioning of the European Union ("**TFEU**").

In 2009, the ECJ (in cases: C-171/07, C-172/07 and C-531/06) ruled that EU Member States could, in order to protect public health, require pharmacies to be owned and operated exclusively by pharmacists.

With effect from 1 July 2015, the EU Commission introduced a common logo for online pharmacies, which reflects compliance with certain technical requirements, to ensure the authenticity of medicines sold online (Implementing Regulation 699/2014 under the Falsified Medicinal Products Directive 2011/62/EU) and which is duly displayed on all of our websites. Use of the common logo indicates that an online pharmacy is authorized to conduct mail-order sales of medications under the national law of the country in which the pharmacy is based.

In general, advertisements related to online or mail-order sales of OTC Medications must comply with rules regarding pharmaceutical advertising set forth in the Medicinal Products Directive as well as the rules of the Unfair Commercial Practices Directive (Directive 2005/29/EC of 11 May 2005).

With regard to medicinal products for veterinary use, the EU Directive on the Community code relating to veterinary medicinal products (2001/82/EC) generally enables the Member States to take all measures necessary. However, the European Commission has initiated a legislature process with the Proposal for a regulation of the European Parliament and of the Council on veterinary medicinal products of 10 September

2014. The proposal provides a detailed regulation on retail of veterinary medicinal products at a distance. The European Parliament has adopted its position to the proposal on 10 March 2016 permitting the online sale of veterinary medicinal products except of antimicrobials. The Council that has an equal vote in that procedure has not adopted its position so far.

The European market of medical devices is still regulated by the Directive of 14 June 1993 concerning medical devices (93/42/EEC). In general, Member States shall not create any obstacle to the placing on the market or the putting into service within their territory of devices bearing the CE marking as the European wide regulative instrument. There are no specific rules for distance sales of medical devices in this Directive. However, the actual draft of the Proposal for a Regulation of the European Parliament and of the Council on medical devices (2012/0266 (COD)) contains specific rules concerning distance sales, among other things, allowing a Member State to require a provider of information society services as defined in Article 1(2) of Directive 98/34/EC to cease its activity, on grounds of protection of public health. These rules will probably not be applicable before 2018.

Although many directives and regulations exist on EU level, our business activities are not entirely regulated by EU legislation, and there is, to some extent, room for national rules which may differ among the relevant EU Member States and, therefore, may cause additional costs and expenses.

15.1.2 The Netherlands

Since the 1990s, the Netherlands allow mail order trade with both OTC medicinal products and prescription-only medicinal products.

The pharmacist who is in charge of the management of a Netherlands-based pharmacy, the *gevestigde apotheker*, has to be registered in the register of established pharmacists (*Apotheekregister van gevestigd apothekers* – "**Apotheekregister**") held by the Dutch Healthcare Inspectorate ("**IGZ**"). Only those pharmacists who have been registered as a pharmacist in the so-called "BIG-register" can apply for registration in the Apotheekregister. This BIG-register is held by the Minister of Health, Welfare and Sports ("**MoH**"). The registration of a pharmacist in the Apotheekregister will be refused if his/her registration in the BIG-register has been suspended or if the pharmacist is already included in the register for another pharmacy. If the registration is granted, not only the name of the *gevestigde apotheker* but also the pharmacy's address (i.e., the address of the legal entity that conducts the pharmacy business) is included in the Apotheekregister. The Netherlands have not imposed any restrictions as to the ownership of pharmacies by legal entities and, therefore, legal entities can operate pharmacies in the Netherlands provided that they employ a pharmacist who is registered as *gevestigde apotheker* in the Apotheekregister.

Netherlands-based pharmacies and pharmacists are subject to supervision by the Dutch competent authorities, in particular the IGZ and the MoH. This supervision covers all procedures and operations carried out in the course of operating the pharmacy and selling medicinal products, including the sale of medicinal products by mail order or the Internet and advertising.

Pharmacists are allowed to supply all types of medicinal products, including prescription-only medications (to the extent a marketing authorization has been issued by the competent authorities in accordance with Medicinal Products Directive or Regulation (EC) No. 726/2004) and OTC Medications.

The pharmacy or the legal entity that conducts the pharmacy business is considered a health care provider within the meaning of the Quality Complaints and Disputes Healthcare Act (*Wet kwaliteit, klachten en geschillen zorg*). Under this act care providers are obliged to provide good care, which norm has been further explained in multiple industry guidelines. These guidelines, among other things, cover obligations in the field of medical treatment contracts, pharmaceutical care- and services provision, evaluation and aftercare, policy and organization, the pharmacy team, research and development, location and facilities, goods and services of third parties and documentation. Other important aspects are medication assessment (*medicatiebeoordeling*), medication monitoring (*medicatiebewaking*) and medication assistance (*medicatiebegeleiding*).

In addition to the requirements described above, pharmacies must comply with many other rules and regulations in relation to operating a pharmacy as for instance laid down in the Medical Treatment Contracts Act (*Wet op de geneeskundige behandelingsovereenkomst*), the Medicines Act (*Geneesmiddelenwet*), the Medicines Act Decree (*Besluit Geneesmiddelenwet*) and the Medicines Act Regulations (*Regeling Geneesmiddelenwet*). In addition, depending on the types of products the pharmacy sells it must also comply with product-related rules as well as advertising rules.

Before the commencement of any online sales of medicinal products, the person/entity offering such sales must notify the MoH in order to get listed on the website https://www.aanbieders-medicijnen.nl/ and must use the obligatory common logo on its website.

Netherlands-based pharmacies must comply with Dutch legal requirements concerning the provision of pharmaceutical care, in particular concerning the compliance with the duty to provide good care (the country of origin principle). However, if a Netherlands-based pharmacy offers its services and ships prescription-only medications cross-border to patients in another country within the European Economic Area, the IGZ in practice allows the application of the country of destination principle for certain aspects of such pharmaceutical care.

Furthermore, twice a year the MoH sets maximum prices for prescription-only medicines in accordance with the Medicines Prices Act (*Wet geneesmiddelenprijzen*; "**WGP**"). The maximum price is based on an average list price of comparable medications in Belgium, Germany, France and the United Kingdom. The WGP does not apply to OTC Medications. Consequently, prices of OTC Medications can be freely determined by pharmacies and margins are not fixed.

15.1.3 Germany

Since 2004, the German Pharmaceuticals Act (*Arzneimittelgesetz*) and the German Pharmacy Act (*Apothekengesetz*) allow mail-order sales (*Versandhandel*), i.e., including online sales, of both prescription-only and OTC Medications, subject to receipt of specific regulatory permissions. Unlike the relevant EU directives, the German Pharmacy Act does not distinguish between mail-order sales of prescription-only medications and OTC Medications. The online sale of pharmacy only medicinal products for veterinary use is only allowed when explicitly admitted: Most importantly, online sale is allowed for medicated feeding stuffs and for medications to be exclusively administered to non-food-producing animals and for non-prescription medications to many pet animals.

Pharmacies based in Germany can sell medications via mail-order only if they operate a Brick-and-Mortar Pharmacy. Such a pharmacy can be operated by a pharmacist only (i.e., not by a legal entity), who needs to hold a license for this purpose (the so-called *Fremdbesitzverbot*). For online sales, a specific regulatory permission is required in addition to the license to operate a physical retail pharmacy. The permission is granted by the respective competent regulatory authority upon request, subject to the operating pharmacist providing written assurance that she/he will comply with certain requirements, for instance relating to quality assurance and shipment.

Under the German Pharmacy Act (*Apothekengesetz*) and Ordinance on the operation of pharmacies (*Apothekenbetriebsordnung*) it is required that any online order pharmacy supplies all prescription-only and OTC Medications, to the extent that such medications may be lawfully ordered in Germany and are available in the German market.

Online pharmacies located in the EU/EEA can sell medications cross-border via online sales to customers located in Germany without having a physical establishment in Germany and, consequently, without holding a German license to operate a physical pharmacy. However, a German license may be required if pharmaceutically relevant activities (such as the pharmaceutical advice to customers via a call center) are carried out in Germany.

Online pharmacies located in the EU/EEA must comply with a number of regulatory requirements. Such pharmacies must either have the permission to sell medications via online sales pursuant to the laws of the EU Member State in which they are based or hold a permit pursuant to the German Pharmacy Act. If a pharmacy holds a permit under the laws of another EU Member State, that EU Member State must have established safety standards for mail-order sales of medications comparable to the standards that apply in Germany. The German Federal Ministry of Health (*Bundesgesundheitsministerium*) compiles a so-called list of countries (*Länderliste*) of those EU Member States that have established comparable safety standards, which is published and periodically updated in the Official Gazette of the Federal Republic of Germany (*Bundesanzeiger*). Online sales of medications into Germany are currently (as announced on 5 July 2011 in the Official Gazette) explicitly approved for pharmacies in the following countries:

- Iceland (excluding medicinal products for veterinary use);
- The Netherlands, if the pharmacy operates at the same time a physical local retail pharmacy in the Netherlands, like Shop Apotheke Europe N.V. (excluding medicinal products for veterinary use);
- Sweden, only for prescription medications (excluding medicinal products for veterinary use);
- Czech Republic, only for OTC Medications (including medicinal products for human use and for veterinary use); and
- the United Kingdom (including medicinal products for human use and for veterinary use).

However, pharmacies in other EU Member States, even if located in a Member State not listed in the list of countries (*Länderliste*), may be legally permitted to ship medicinal products to consumers located in Germany, as well. It has not yet been comprehensively clarified by the courts to which extent the list of countries is final. However, a pharmacy located in a Member State not included in the list may in this case sell medications to German customers if the relevant pharmacy has warranted that it will apply safety standards for online sales of medications comparable to the German standards and holds a German permit for online sales of medications. It may also be considered to be sufficient if the pharmacy is able to prove that the respective Member State has implemented safety standards for online sales of medications comparable to the standards that apply in Germany. The Netherlands are not listed in the list of countries with regard to the category of medicinal products for veterinary use. By request of a competent German authority, a Dutch pharmacy selling this category of products to Germany has to prove that the Netherlands has implemented safety standards for online sales of medications comparable to the standards that apply in Germany.

Only (human or veterinary) medications specifically authorized or registered in Germany (or EU-wide) and medications exempt from such authorization and registration procedures may be shipped to customers in Germany.

Medications must be shipped also cross-border in accordance with various requirements, including the following:

- the implementation of a quality management system in accordance with the German Pharmacy Act;
- shipping within two days after receipt of an order;
- second attempt delivery free of charge;
- the implementation of a tracking system for all shipments;
- cargo insurance; and
- the establishment of a system for adverse event reporting.

In Germany, the price for prescription-only medications is specifically regulated under the German Drug Price Ordinance (*Arzneimittelpreisverordnung*), with the effect that the final price for customers is the same for each product in every German pharmacy. This is achieved by regulating the margins of wholesale distributors and pharmacies. All surcharges, payments and discounts charged to or paid by pharmacies and wholesalers are fixed or set within a narrow price band. The German Drug Price Ordinance does not apply to OTC Medications. Consequently, prices of OTC Medications can be freely determined by pharmacies and margins are not fixed.

In October 2012 the German Pharmaceuticals Act has been amended and now stipulates that price fixing applies to medications sold by online pharmacies located in another EU Member State to German end consumers. In 2014, the German Federal Supreme Court (*Bundesgerichtshof*) confirmed that the German Drug Price Ordinance also applies to foreign online pharmacies that send prescription medications to customers in Germany. This decision is based on a decision dated 22 August 2012 in which the German Joint Senate of the Supreme Federal Courts (*Gemeinsamer Senat der obersten Gerichtshöfe des Bundes*) held the view that such price-fixing is justified for the protection of public health under Section 36 of the Treaty on the Functioning of the European Union (TFEU). In 2013, the European Commission raised concerns on the compatibility of the German mandatory price rules for non-German online pharmacies on the basis that such rules would restrict substantially the market access of imported prescription-only medications and would eliminate a substantial competitive benefit for non-German online pharmacies and initiated preparations for infringement proceedings against Germany. Furthermore, in March 2015, a German court (OLG Düsseldorf) raised doubts as to whether the application of the German mandatory price regime to mail-order pharmacies based outside of Germany is compatible with European law and has referred questions on the compatibility to the ECJ. Both the decision of the ECJ and the result of the proceedings of the European Commission are currently pending and the potential outcome of these proceedings cannot be assessed at the date of this Prospectus. The advocate general has proposed in his opinion to the ECJ to answer the German Court that Articles 34 and 36 TFEU preclude a system of fixed prices, laid down by national law, applicable to prescription-only medicinal products such as the German one (delivered on 2 June 2016 in the case C-148/15). The advocate general resumes that the German Drug Price Ordinance is not applicable outside Germany to Dutch Pharmacies. The ECJ, which often follows the opinions of the advocate general, will decide on 19 October 2016.

The means and manner of advertising medications in Germany, irrespective whether undertaken outside or within Germany (or, for instance, on a website), need to comply with the requirements of the German Advertising of Healthcare Products Act (*Heilmittelwerbegesetz*) and the German Act on Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb*).

15.1.4 Austria

The Austrian Medicines Act (*Arzneimittelgesetz)* permits online trade only with human OTC Medications. Thus, online trade with prescription-only medications and veterinary medication is not permissible at all in Austria.

The Medicines Act and the Act relating to the Importation of Medicinal Products (*Arzneiwareneinfuhrgesetz 2010*) ("**Medicines Importation Act**") permit the cross-border shipment of OTC Medications by an online pharmacy located in another EU Member State if such pharmacy can sell medications via mail order or online sales under its respective national law. Furthermore, the Medicines Importation Act stipulates that OTC Medications sold online must be used by the customer for own purposes (*persönlicher Bedarf*) and restricts the quantity on the internet sale of OTC Medications sold online, to three packages of the same product per order. If one customer orders more than three products of the same kind, the pharmacy is required to investigate why a higher number of the same product is needed and whether a higher number of products would be appropriate in the individual case.

Further the online sale of OTC Medications is subject to the following requirements:

- it relates to human medication;
- the OTC Medication is approved in Austria and in the state of origin;
- the OTC Medication is available in Austria and in the state of origin as an OTC Medication;
- not more than three packages of the same OTC Medication may be delivered to one customer per order, unless the pharmacy has clarified with the customer why a higher amount is needed and considers it justified that a higher amount will be delivered;
- a trace and track system is implemented; and
- a transportation insurance exists.

With respect to transportation, the shipped medications must be delivered to the respective customer personally, in accordance with the following requirements:

- the labeling of the goods and on the used packaging material must not be lost during the transport;
- the outer packing material shall not contain an indication that medication is delivered;
- the goods are not allowed be to contaminated by other products or packaging material or any other material coming into contact with the goods;
- sufficient measures must be taken with respect to a potential damage, theft, or the leaking of such medications;
- the medications are not allowed to be in an unreasonable way exposed to heat, cold, high humidity or any other "negative influence" on the medications;
- the medications must be protected from weather influence;
- the medications are not allowed to be delivered to third parties other than the addressee of such medications, except the customer has appointed a third person to take over the goods, provided that this third person is already named in the order;
- any medications being returned must be destroyed.

Furthermore, the online pharmacy is obliged to provide any and all information being required by Directive 2011/83/EU on Consumer Rights to its customers in German language.

In Austria, the pharmacy price for OTC Medications is regulated by the Price Act (*Preisgesetz)* according to which the price shall not exceed the EU average price because this is considered to be an economically justified price. Most online pharmacies set their prices in accordance with the prices listed in the official pharmacy price list (*Warenverzeichnis*), issued by the Austrian Pharmacy Publishing House or below. For OTC Medications these are maximum prices which are not allowed to be exceeded. Strictly speaking, the price rules do not apply to foreign companies, except where the product price is reimbursed by the health insurance fund. In practice, all online pharmacies sell their products below the prices listed in the *Warenvereichnis*.

Austria prohibits the ownership of a pharmacy by any other person than a pharmacist, e.g., a legal entity, but legal entities can to a certain percentage be shareholders in such a pharmacy. The pharmacist must in any case hold 25% of the shares and must be able to substantially influence the conduct of the business. A further

condition is that over a time period of 10 years the pharmacist must increase his/her shareholding to 51%. As a result, in case of new pharmacies or when an established pharmacy is taken over by a new pharmacist, there is the possibility that a legal entity can become a shareholder.

OTC Medications can be advertised to consumers except for those products being reimbursed by health insurance funds. Certain restrictions apply concerning the permissible content of such OTC advertisement. As the online sale of prescription-only products is prohibited, any advertisement encouraging consumers to purchase prescription-only products via the internet is consequently also prohibited by the Medicines Act.

15.1.5 France

The online sale of medications for human use to the public is allowed in France since 2 January 2013. The French governmental Act of 19 December 2012 and its enforcement Decree of 31 December 2012 allow the online sale of:

- OTC Medications as to which marketing authorization has been granted in France; and
- OTC Medications (non-prescription medications).

Online pharmacies based in another EU Member State may ship the OTC Medications mentioned above into France.

Generally, EU foreign online pharmacies must have a permission to ship medications to customers in France in accordance with the laws of their home EU Member States. In virtue of the applicable EU Law, foreign online pharmacies must notify the competent authority of the Member State in which they are established of at least the following: (i) name or corporate name and permanent address of the place of activity from where those medications are distributed; (ii) the starting date of the activity of offering medications on the internet and (iii) the web address used for that purpose and all relevant information necessary to identify that website.

Besides, the website shall include some compulsory information (i.e. the contact of the national competent authority for medications, etc.) and the EU common logo.

Furthermore, local law regulates the conditions of shipment of the medications ordered from online pharmacies. French law contains provisions with respect to the shipment conditions of the ordered medication:

- the shipment must be made in a sealed package (that is to say an opaque package closed in a way that allows the recipient to be absolutely sure that the package has not been opened by a third person);
- the package must bear the name and the address of the customer; and
- the medication must be shipped to the customer's address and delivered directly to the customer; it cannot be stored by a third person.

The price for OTC Medications is subject to regulation if the product is reimbursed by health insurances, in which case, a maximum price is fixed. French law does not specify whether such a maximum price also applies to online foreign pharmacies. The pending decision by the ECJ and the result of the proceedings of the European Commission, regarding the application of German price fixing regime to foreign mail-order pharmacies and its compatibility with European law (see "*—15.1.3 Germany*"), will have an impact on this issue. In France, the pharmacy price for OTC Medications not reimbursed by health insurances can be freely determined by the pharmacists.

In France, advertising in relation to medications that can be reimbursed by health insurances and in relation to prescription medications is prohibited. Advertising of other medications requires the approval of the French Agency for the Safety of Health Products (*Agence nationale de sécurité du médicament et des produits de santé*), but, due to uncertainties with respect to the interpretation of the law (due to unclear drafting and no court decisions), it is not certain whether this requirement of prior approval is applicable only to the manufacturers or also to pharmacists. The advertising of medications shall include compulsory statements, such as the name of the medication, information necessary for correct use, an express legible invitation to read carefully the instructions, etc. On the other hand, some mentions are strictly forbidden (for instance, any mention that would give the impression that a medical consultation is unnecessary, that suggests that the medication is foodstuff, cosmetic or other consumer product, etc.).

In addition, French Law contains specific rules limiting the possibility of engaging in advertising for a pharmacy (i.e. the advertising shall comply with professional dignity, etc.). On 6 September 2016, the French *Ordre National des Pharmaciens* (official professional association of the Pharmacists in France) communicated to the French Health Ministry proposals aiming at modifying those regulatory provisions. Consequently, the regulatory framework may be modified soon.

The French government has also prepared two new regulatory decrees concerning online pharmacies, which provide specific requirements regarding, among other things, the content of the website of the online pharmacy, the ordering process, shipping, the storage of personal data and marketing activities. At the beginning of August 2016, the French government notified those two draft regulatory decrees to the European Commission pursuant to Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015, laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services. Pursuant to this notification procedure, the French government may not adopt the two decrees during a three month standstill period which will expire on 7 November 2016. During the standstill period, the European Commission and other EU countries can examine the draft regulations and comment on it. Any comment must be considered by the French government, which could extend the standstill period by several months. As at the date of this Prospectus, these decrees will not be adopted before the 8 November 2016.

In France, the pharmacy may be owned only by one or more pharmacists.

15.1.6 Belgium

The Belgian regulatory regime governing online trade of medications is very similar to the respective regulatory regime in France, to which description we refer (see "*—15.1.5 France*"), unless provided otherwise in this section. In Belgium, the online sale of OTC Medications to the public is allowed already since 21 January 2009 whereas the online sale of prescription medications is prohibited.

With respect to cross-border shipment conditions for online pharmacies located in another EU Member State, the Belgian rules stipulate that:

- the medication must be shipped under the responsibility of the pharmacist;
- the packaging must be prepared in, and the shipment made from, the brick-and-mortar pharmacy;
- the pharmacist must ensure that the medication is shipped in accordance with the pharmaceutical officinal good practices;
- the shipment must be made in a sealed package;
- the package must bear the name and the address of the customer; and
- medications have to be shipped within two days after receipt of the order.

Any advertising of medications has to be notified to the competent Belgian authority (Federal Agency for Medicines and Health Products). The advertising of medications shall include compulsory mentions (the name of the medication, the information necessary for correct use, an express legible invitation to read carefully the instructions, etc.). On the opposite, some mentions are strictly forbidden (i.e. a mention which would give the impression that a medical consultation is unnecessary; mention which would suggest that the medication is foodstuff, cosmetic or other consumer product, etc.).

Besides, Belgian Law contains specific rules limiting the possibility to make advertising for a pharmacy (i.e. the advertising shall comply with professional dignity, etc.).

In Belgium, there are no restrictions as to the ownership of a pharmacy by a non-pharmacist or a legal entity. However, a moratorium is in effect until 2019 which restricts the opening of new pharmacies due to the relatively high number of pharmacies per capita.

15.1.7 Spain

Online pharmacies located in other EU Member States are generally allowed to sell OTC Medications cross border to Spanish patients in accordance with the European rules (see, "*—15.1.1 European Framework*"). However, the online trade with prescription medications is forbidden. For the purposes of selling OTC Medications, foreign online pharmacies need to be licensed in their home country but do not require an additional license in Spain. OTC Medications shipped to Spanish customers in Spain must (i) have a Spanish market authorization and (ii) be packaged and labeled in Spanish. In the event of a re-labeling, only a person licensed as manufacturer is allowed to effect such re-labeling.

Spanish pharmacies can sell medicinal products online or via mail-order but only if they operate at the same time a brick-and-mortar pharmacy. Such brick-and-mortar pharmacy can be operated by a pharmacist only (i.e., not by a legal entity), who needs to hold a license. Third party ownership and pharmacy chains are not allowed in Spain. For online sales, no additional specific permission is required but the Brick-and-Mortar Pharmacies must make prior notice to the regional authorities of its domicile.

The supply of OTC Medications to the customer in Spain must comply with certain quality and safety standards to prevent that the supplied product does not suffer any alterations. In the event that the product is delivered by a third party which will take care of the transport (carrier), the pharmacy and the carrier must enter into an agreement whereby the responsibilities of each of the parties are specified and an obligation to comply with the relevant personal data protection requirements is implemented.

As for the dispensing, the pharmacy website must request certain information from the customer to verify that the customer will make a good use of the product and the pharmacists must provide the relevant information that he/she considers being useful to the customer. The website of the online pharmacy or its offering must provide for a possibility to interact between the pharmacist and the customer by way of which they may exchange information regarding the product.

In Spain, prices for OTC Medications are freely determinable meaning that the pharmacist may buy the product from his supplier at a free price and that the pharmacy may also resell it at a free price but is, however, restricted in promoting discounts which shall not exceed 10% of the original price.

15.1.8 Italy

Italy has not introduced specific regulations regarding the cross-border online trade by online pharmacies located in other EU Member States. As a consequence, the general principles of the European legal framework (see "*—15.1.1 European Framework*") apply and foreign online pharmacies intending to sell their products cross-border in Italy do not need to obtain an additional Italian authorization.

The only statutory requirement that foreign online pharmacies must mandatorily abide by is that only non-prescription medications may be sold online to customers in Italy. Recent guidelines issued by the MoH - Circular Note dated 26 January 2016 and Circular Note 10 May 2016 – indicate that the regulatory authority interprets the online business as a complementary business of the physical retail business operated by "brick and mortar" pharmacies. Italian Brick-and-Mortar Pharmacies or para-pharmacy intending to commence an online business, must obtain a separate authorization by the regional authority where the pharmacy/para-pharmacy is located. Once the authorization is granted by the competent regional authority, the pharmacy/para-pharmacy must request permission to use the common logo (see "*—15.1.1 European Framework*") from the Ministry of Health (*Ministero della Salute*).

In Italy, only pharmacists are allowed to own and operate pharmacies, either as individuals who need to comply with certain eligibility requirements, partnerships of pharmacists or limited liability cooperative companies between pharmacists. Pharmacist partnerships or limited liability cooperative companies shall have, as exclusive purpose of their activities, the management of the respective pharmacy and their members shall be pharmacists with respective qualifications and are subject to further restrictions. Currently, a pharmacy (i.e., a pharmacist, partnership of pharmacists or limited liability cooperative companies between pharmacists) is restricted to own only up to four Brick-and-Mortar Pharmacies located in the province where the pharmacy has its registered office. However, there is currently a draft bill in the legislative process, that, if passed, would (i) remove the aforementioned restriction and (ii) permit, corporations to own pharmacies.

Recent Guidelines issued by the MoH have provided guidance on certain practical aspects of an online pharmacy:

- it is confirmed that prices for non-prescription medications can be freely determined by the pharmacy and discounts are allowed while other forms of promotional practices, such as fidelity cards, are strictly forbidden. However, the price applied online must be exactly the same price applied in a Brick-and-Mortar Pharmacy;
- pharmacies cannot outsource the storage and shipping activities to third parties, let alone wholesalers. It is essential that the pharmacist running the online business materially handles the products since the pharmacist has some mandatory responsibilities which cannot be delegated: in particular, the MoH mentions inspection of the quality of the package (integrity, absence of evident defects, correct storage conditions) and verification that the products shipped are in fact those ordered;
- The online business can only be operated through the authorized website: different tools such as marketplace, app for smartphone or tablets or intermediary website are strictly forbidden.

It is strictly forbidden to display the logo on the website pages related to non-medicinal products.

15.2 Data Protection and Cybersecurity

Data protection law regulates the legal framework for collecting and otherwise processing personal data. For example, data protection law stipulates under what circumstances and in what manner personal data may be processed. It further governs the rights of the data subject as well as organizational measures such as appointment of a data protection officer and technical measures such as implementing data encryption. Data protection laws further specify consequences of privacy right infringement, including administrative fines, disgorgement of profits, cease and insist injunctions or civil liability in case of data protection violations.

At present, data protection is governed by both European and national legislation. At an EU level, it is currently regulated by Directive 95/46/EC of the European Parliament and of the Council ("**EU Data Protection Directive**") and – specifically with respect to electronic communication – by Directive 2002/58/EC of the European Parliament and of the Council ("**Directive on Privacy and Electronic Communications**").

Most of our Group companies are established in the Netherlands and particularly all our servers are situated there. As a consequence, Dutch data protection law is applicable for most of the data processing conducted by us. In the Netherlands, data protection is governed by the Dutch "**Data Protection Act**" (*Wet bescherming persoonsgegevens*), which includes a general obligation for data controllers to notify the Data Protection Authority of data security breaches, and authorizes the Dutch Data Protection Authority (*Autoriteit Persoonsgegevens*) to, among other things, impose direct fines for violations of the Dutch Data Protection Act. As personal data of our clients is also processed by us in Germany (for instance by Xsite GmbH in Düsseldorf) German data protection law can be applicable, too. German data protection law is mainly governed by the German "**Federal Data Protection Act**" (*Bundesdatenschutzgesetz*) and the German "**Telemedia Act**" (*Telemediengesetz*) which also include rules regarding the notification of Data Protection Authorities in case of data security breaches or imposing fines.

For our online platform especially regulations concerning the use of web analysis are relevant. Web analysis technologies (e.g. processing of cookies or tracking records like e.g. Google Analytics) process personal data in order to enable the operator of a website to personalize its offers and marketing to better match the customer's interests. Most web analysis tools anonymized collected data, but the use of such tools is nonetheless regulated by data privacy laws. For example, the use of cookies is regulated by the Directive on Privacy and Electronic Communications that provides for an opt-in regime pursuant to which the use of cookies requires an informed consent of the website user. Currently, the Directive is being reviewed by the European Commission in order to ensure consistency with the General Data Protection Regulation.

Furthermore, we collect and otherwise process personal health data as justified by applicable data privacy law provisions, in particular based on data subject consent to our privacy policy. We ensure high standards of data security by applying various different security measures, e.g. SSL encryption. Personal health data are only used on a strictly purpose-related basis. These data are only transferred within the European Union and in accordance with data processing agreements. With regard to prescription data, German law does not permit submitting prescriptions in electronic form yet. Therefore, prescriptions are sent via mail to us and are then scanned by us. The scanned digital versions of the prescriptions and the access for the competent employees to these data is limited to the extent necessary in order to adequately process these prescriptions. Furthermore, we take different organizational measures that allow access only to a limited number of employees. There are defined rules assigning access rights only to a limited number of employees.

The EU Data Protection Directive will be repealed with effect from 25 May 2018 and replaced by the Regulation (EU) 2016/679 of the European Parliament and of the Council ("**General Data Protection Regulation**") since an EU regulation supersedes congruent national data privacy laws as it will be binding in its entirety and be directly applicable in each EU Member State. However, national data privacy laws remain in force to the extent their scope of application is not regulated by the General Data Protection Regulation. The General Data Protection Regulation was adopted by the European Parliament on 14 April 2016 and published in the Official Journal of the European Union on 4 May 2016. It is primarily intended to harmonize data protection law in the EU, to improve data protection enforcement and to strengthen the internal market. Nevertheless, it contains a number of so called opening clauses that will allow EU Member States to create specific national laws relating to individual data processing activities or requirements, such as the protection of employee data, for instance. The General Data Protection Regulation will significantly change the current data protection laws. It particularly stipulates strict requirements regarding the processing of special categories of personal data, such as data concerning health, on transparency rules and on the duties to prepare documentation and to furnish proof of compliance with the requirements of the General Data Protection Regulation. Besides, it brings along fines of up to 4% of the total worldwide group turnover of the preceding financial year or up to €20 million (whichever is higher), considerable civil claims for immaterial damages (i.e. for infringements of privacy rights), rules for data protection class actions and a general burden of proof for companies.

15.3 Consumer Protection

Online retailers who offer their goods and services to consumers must comply with consumer protection laws. The following directives regulate the consumer protection in the EU:

- the Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts ("**Unfair Terms in Consumer Contracts Directive**");
- the Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects of the sale of consumer goods and associated guarantees ("**Directive on Consumer Sales and Guarantees**");
- the Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the internal market ("**Directive on Electronic Commerce**");
- the Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector ("**Directive on Privacy and Electronic Communications**");
- the Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market ("**Unfair Commercial Practices Directive**");
- the Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights (the "**Directive on Consumer Rights**") which replaced the Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts with effect as of 13 June 2014.

The aforementioned EU directives on consumer protection and the national laws that implement these directives impose extensive duties and responsibilities on online retailers. For example online purchases are distance contracts which are subject to specific consumer protection. Pursuant to the Directive on Consumer Rights, with effect from 13 June 2014, consumers have the (informal) statutory right to withdraw from a distance contract within 14 days after receipt of goods (or within a period of twelve months and 14 days after receipt of goods if the consumer has not been properly informed about its statutory right of withdrawal).

Online retailers must also comply with formalized and extensive information requirements (e.g., they have to provide their customers with detailed information about the products, the price and the payment details, their return policy and the customers' withdrawal right). Failure to comply with these information requirements may give rise to civil liability, administrative orders (including injunctive relief) or fines and may in some cases result in an extension of warranty periods or even in the invalidity of the affected customer contracts. Online retailers have to implement these requirements in the design and structure of their online shops, in their ordering and payment process and in their delivery systems.

Apart from the special pharmaceutical advertising rules (see, *-15.1 Regulatory Framework for Mail-order Trade of Medicinal Products*), advertising is additionally regulated: an advertisement must not be misleading, constitute an unreasonable nuisance or make use of harassment, coercion or undue influence.

Due to changes in legislation, online retailers have to adapt their shop design on an on-going basis. For example, as a result of the Directive on Consumer Rights, under German law the online retailer has to implement a "button solution" pursuant to which a binding purchase can only be completed by clicking on a button that is explicitly labeled "buy now" (or similar) and which can be found in the immediate proximity of a summary of certain key information relating to the purchase. Failure to comply with these information requirements may give rise to civil liability, administrative orders (including injunctive relief) or fines and may in some cases result in an extension of warranty periods or even in the invalidity of the affected customer contracts.

Furthermore, in December 2015, the European Commission proposed a directive on contracts for online and other distance sales of goods (online sale of goods directive). This would partly replace the existing Directive on Consumer Sales and Guarantees with regard to distance sales (both online and offline). If adopted, such directive would fully harmonize and increase the level of consumer protection in most EU Member States (except for two Member States where the level would remain the same). The implementation of the directive is expected to have a beneficial impact on the business of online retailers operating in several Member States which would largely not have to adapt their contract terms to the individual Member States' national laws.

15.4 Product safety and product liability

We are subject to certain national and international requirements on product safety. For example, under the Directive 2001/95/EC of 3 December 2001, as last amended by Regulation No. 596/2009/EC of 18 June 2009, on general product safety (the "**Directive on Product Safety**") manufacturers must put on the market products which comply with the general safety requirement. In addition, they must provide consumers with the necessary information in order to assess a product's inherent threat, particularly when this is not directly obvious and they must take the necessary measures to avoid such threats (e.g., withdraw products from the market, inform customers, recall products which have already been supplied to customers, etc.). In this context it is important to mention that under the Directive on Product Safety – just like under most other European and/or national legislation on product safety – an importer (i.e., in most cases also a retailer) of a product that was produced in a country outside of the EEA qualifies as the manufacturer of the product. According to the Directive on Product Safety, distributors are obliged to supply products that comply with the general safety requirement, to monitor the safety of products on the market and to provide the necessary documents ensuring that the products can be traced. If the manufacturers or the distributors discover that a product is dangerous, they must notify the competent authorities and, if necessary, cooperate with them. A draft regulation intended to replace Directive 2001/95/EC and imposing additional obligations on manufacturers (e.g., regarding documentation) and closing gaps in market surveillance is discussed within the European legislative process. Since the current draft of the regulation provides for an exclusion of medical products for human and veterinary from its scope of application, it is expected not to have any impact on the sale of OTC Medications.

For example, in Germany, our biggest market we are subject to the German Product Safety Act (*Gesetz über die Bereitstellung von Produkten auf dem Markt* (*Produktsicherheitsgesetz – ProdSG*)) and the regulations and ordinances by which Directive on Product Safety and various specific product-related European Directives have been implemented. Pursuant to the German Product Safety Act, a product may be introduced to the market, if the intended or foreseeable use is not hazardous to safety or health of persons or other legally protected interests. If a manufacturer of a consumer product knows or, based on information available to him or his experience, should know that this consumer product poses a risk to the security or health of persons, he must notify the competent authorities and, if necessary, cooperate with them. Under certain circumstances, the product may have to be recalled. Unsafe products may be listed in an EU-wide publicly accessible database. Moreover, violation of the requirements of European and/or national law may be sanctioned with a fine and in severe cases with a criminal sanction.

Moreover, we are subject to legislation on product liability in the jurisdictions in which we sell products. In addition to general civil law rules like the tort law, most jurisdictions established rules on product liability according to which the manufacturer of a product can be held liable for any damages or losses this product causes due to any defects. In many countries, this liability is given in relation to any person suffering damage or loss or any property damage because of the defective product, regardless whether there is a contractual relationship between the manufacturer and this person and irrespective of negligence or fault. In particular all EU Member States were required to implement rules on product liability claims following the EU Directive 85/374/ECC of 25 July 1985, as amended by Directive 1999/34/EC of 10 May 1999, on product liability claims (the "**Product Liability Directive**"). Under the Product Liability Directive, which generally applies to all movables marketed in the EEA, the producer (including the manufacturer and the importer into the EEA and, if neither manufacturer nor importer can be identified, the retailer) is liable for damage caused by a defective product irrespective of fault. It covers injury caused by death or personal injuries and, in case the damage is above €500, damage to an item of property intended for private use or consumption. The liability is generally unlimited, but the Member States are allowed to establish a limit under national laws high enough to ensure that the consumers are adequately protected and not ranging below €70 million. The Member States may grant additional rights to injured parties.

16. SHAREHOLDER INFORMATION

16.1 Existing Shareholders; Greenshoe Shareholders

The following table sets forth the legal name of each shareholder that directly or indirectly holds an interest of more than 3% in the Company's share capital as of the date of this Prospectus (assuming placement of the New Shares at the low end of the Price Range and full exercise of the Greenshoe option). Each of these shareholders has granted the Underwriters a Greenshoe Option and is referred to in this Prospectus as a "**Greenshoe Shareholder**":

	Immediately prior to the Offering		On or shortly after the Settlement			
			(No Exercise of Greenshoe)		(Full Exercise of Greenshoe)	
Existing Shareholders	**Number of Shares**	**Percent**	**Total**	**%**	**Total**	**%**
MK Beleggingsmaatschappij Venlo B.V.[1][2]	1,353,405	24.61%	1,353,405	14.92%	1,189,016	13.11%
Dr. Hess Verwaltungsgesellschaft mbH[1][3]	570,655	10.38%	570,655	6.29%	501,342	5.53%
Christoph Laubmann[1]	541,540	9.85%	541,540	5.97%	475,763	5.25%
Jan Pyttel[1]	325,435	5.92%	325,435	3.59%	285,907	3.15%
Michael Köhler[1][2][4]	280,000	5.09%	280,000	3.09%	245,991	2.71%
Dr. Ulrich Wandel[1][4]	203,770	3.71%	203,770	2.25%	179,020	1.97%
Theresa Holler[1][4]	199,635	3.63%	199,635	2.20%	175,387	1.93%
Vivus Beteiligungen GmbH[1][5]	196,075	3.57%	196,075	2.16%	172,259	1.90%
Stephan Weber[1][4]	195,635	3.56%	195,635	2.16%	171,873	1.89%
Frank Köhler[1]	189,575	3.45%	189,575	2.09%	166,549	1.84%
Marc Fischer[1][4]	189,385	3.44%	189,385	2.09%	166,382	1.83%
Jens Kuhn[1]	165,430	3.01%	165,430	1.82%	145,337	1.60%
Other shareholders[6]	1,087,910	19.78%	1,087,910	11.99%	1,087,910	11.99%
Total	**5,498,450**	**100.00%**	**5,498,450**	**60.62%**	**4,962,736**	**54.72%**

(1) Indicates a Greenshoe Shareholder. The registered address of MK Beleggingsmaatschappij Venlo B.V. is Mgr. Zwijsenstraat 2, 5914 AJ Venlo, the Netherlands. The registered address of Dr. Hess Verwaltungsgesellschaft mbH is Panoramaweg 5a, 41334 Nettetal, Germany. The registered address of Vivus Beteiligungen GmbH is An der Alster 67, 20099 Hamburg, Germany.

(2) MK Beleggingsmaatschappij Venlo B.V. is a company of which 55.9% is held by our member of the Managing Board, Michael Köhler. In aggregate, 18.85% of the Shares can be attributed to Mr. Köhler directly and through MK Beleggingsmaatschappij Venlo B.V.

(3) Controlling shareholder with a shareholding of 100% in Dr. Hess Verwaltungsgesellschaft mbH is Dr. Robert Hess.

(4) Member of our Managing Board.

(5) Controlling shareholder with a shareholding of 100% in Vivus Beteiligungen GmbH is Dr. Frank Steinhoff.

(6) As of the date of the Prospectus prior to the Offering Capital Increase, none of the shareholders summarized in this table under "Other shareholders" individually holds 3% or more in the share capital of the Company.

17. General Information on the Company and the Group

17.1 Incorporation and Conversion

The Company was incorporated as a result of a demerger by a notarial deed as Shop Apotheke Europe B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law, with effect as of 30 September 2015. After the demerger became effective, the Company was subsequently converted into a public company with limited liability (*naamloze vennootschap*) on 23 September 2016 and the Articles of Association were amended pursuant to a notarial deed of conversion and amendment in accordance with a resolution of the General Meeting (the "**Conversion**").

17.2 Commercial Name and Registered Office

Following the Conversion, the legal and commercial name of the Company became Shop Apotheke Europe N.V.

The Company has its corporate seat (*statutaire zetel*) in Venlo, the Netherlands, and its registered business address at Dirk Hartogweg 14, 5928 LV Venlo, the Netherlands. It is registered with the trade register of the Chamber of Commerce (*Kamer van Koophandel*) (the "**Trade Register**") under number 63986981.

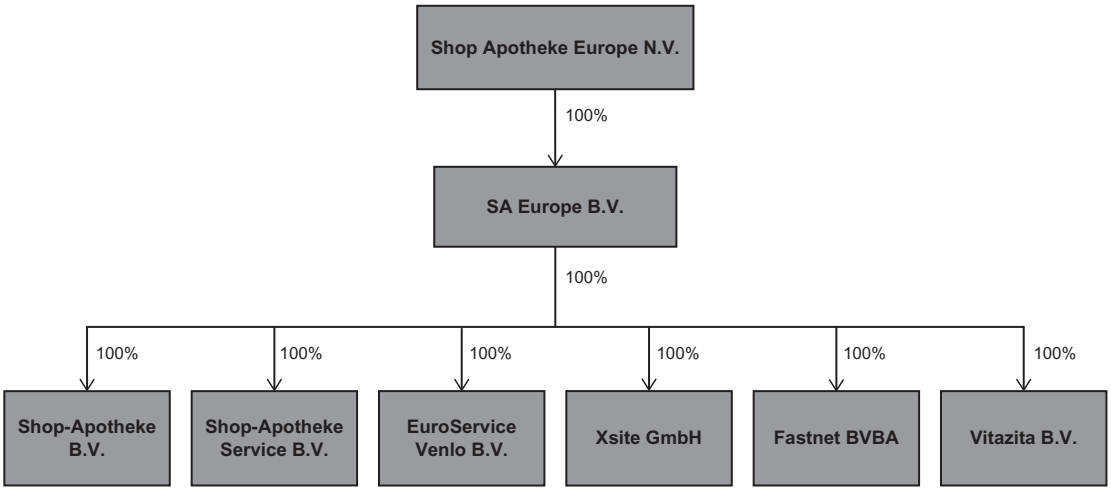
17.3 Fiscal Year

The fiscal year of the Company coincides with the calendar year.

17.4 Current Group Structure

The Company is the parent company of our Group. The Company exercises certain management functions for the Group, including strategy, mergers and acquisitions and integration, risk management, Group accounting and controlling, treasury, legal, taxation, investor relations, Group marketing and public relations. The operation of the business of our Group is conducted exclusively by our respective direct and indirect operating subsidiaries.

The following chart shows the structure of our Group including its direct and indirect subsidiaries as at the date of this Prospectus:



17.5 Incorporation of the Group Structure and Reorganization

Initially, following the acquisition of the shop-apotheke.com business by Medco through its wholly-owned subsidiary Europa Apotheek Venlo B.V. in 2010, the shop-apotheke.com business formed an integrated part of the Europa Apotheek Group. The current structure of our Group (see, "- *17.4 Current Group Structure*" above) is the result of a series of asset transfers and legal demergers (the "**Reorganization**") completed in September 2015 (but with economic effect from 1 January 2015), pursuant to which the business of the Group was separated from the business of the Europa Apotheek Group, which focuses on prescription (Rx) medications but, to a lesser extent, also offers OTC Medications, Pharmacy-Related BPC Products and certain cosmetics online (the "**Europa Apotheek Business**").

In order to complete the Reorganization, Shop Apotheke Europe B.V. was converted (*omgezet*) into Shop Apotheke Europe N.V. The conversion became legally effective upon the execution of the notarial deed of conversion and amendment of the Articles of Association on 23 September 2016.

17.6 Significant Subsidiaries

The following table provides an overview of the Company's significant subsidiaries directly or indirectly held by the Company as of the date of this Prospectus. The figures presented are unaudited and extracted from internal IFRS reporting.

	Field of activity	Interest held by the Company[1]	Issued capital
SA Europe B.V.	Holding	100%[2]	100,000[2]
Shop-Apotheke B.V.	Pharmacy	100%[2][4]	100,000[2]
Shop-Apotheke Service B.V.	Service Company	100%[2][4]	100,000[2]
EuroService Venlo B.V.	Pharmaceutical wholesaler	100%[2][4]	100,000[2]
Xsite GmbH	Webtechnology services	100%[2][4]	408,098[2]
Fastnet BVBA	Retail in cosmetics	100%[4][5]	41,490[5]
Vitazita BV	Parapharmacy	100%[4][5]	25,000[5]

(1) Equal to voting power.
(2) As of 30 June 2016.
(3) As of 31 December 2015.
(4) Indirectly held.
(5) As of 14 September 2016.

17.7 Auditors

The General Meeting has appointed Deloitte Accountants B.V. as the auditor to audit the Company's annual accounts.

18. DESCRIPTION OF THE COMPANY'S SHARE CAPITAL AND CORPORATE GOVERNANCE

18.1 General

The Company is a public company with limited liability (*naamloze vennootschap*) under the laws of the Netherlands. As part of the Reorganization, the Company was incorporated in the Netherlands as a result of a demerger by a notarial deed as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law taking effect on 30 September 2015. On 23 September 2016, the Company was converted to a public company with limited liability (*naamloze vennootschap*) and the Articles of Association were amended pursuant to a notarial deed of conversion and amendment in accordance with a resolution of the General Meeting. Following the Conversion, the legal and commercial name of the Company became "Shop Apotheke Europe N.V.".

The Company's corporate seat (*statutaire zetel*) is in Venlo, the Netherlands, and its registered business address at Dirk Hartogweg 14, 5928 LV Venlo, the Netherlands. The Company is registered with the Trade Register under number 63986981, and its telephone number is + 31 77 8 50 5900.

The Shares are subject to, and have been created under, the laws of the Netherlands.

18.2 Summary of Key Provisions of the Articles of Association

Set out below is an overview of the Company's share capital, a brief summary of certain provisions of the Articles of Association as well as a description of the Company's compliance with the Dutch Corporate Governance Code (the "**Code**") and certain significant provisions of Dutch corporate law.

This summary does not purport to give a complete overview and should be read in conjunction with the Articles of Association, together with relevant provisions of applicable Dutch law, and does not constitute legal advice regarding these matters and should not be considered as such.

18.3 Corporate Objects

Pursuant to article 3 of the Articles of Association, the Company's corporate objects are:

- to participate in, to conduct the management of and to finance other companies and business enterprises, of any nature whatsoever;
- to acquire, conduct the management of, administer, hold, operate, encumber and dispose of operating assets and other assets;
- to take up loans and to grant loans and to enter into any kind of financial transactions, including but not limited to issue bonds, promissory notes or other securities;
- to trade currencies, securities and assets and to enter in to any kind of derivative and hedging transactions;
- to grant guarantees and to bind the Company and encumber the assets of the Company as security for obligations of group companies and third parties;
- to render services and give other support to legal persons and group companies;
- to develop and trade patent, trademarks, licenses, know-how and other industrial property rights;
- to perform any and all activity of industrial, financial or commercial nature; and
- to perform any and all activities which are incidental to or which may be conducive to any of the foregoing.

18.4 Share Capital

In June 2016 cash in the amount of €10,005 thousand was paid by certain shareholders of the Company in consideration for which 66,700 ordinary shares were issued in September 2016, pursuant to which the share capital was increased from €100,000 to €106,670.

Furthermore, as part of the Farmaline Acquisition (as defined in "*14. Acquisition of the Farmaline Business*"), the Company issued 32,990 ordinary shares in the Company in total (representing in total 3% of the existing share capital of Shop Apotheke Europe B.V. at the time of the Farmaline Acquisition was agreed) to Mrs. Ponet and Mr. Fastré and as a consequence, Mrs. Leen Ponet and Mr. Lode Fastré became shareholders of our Company. Pursuant to this share issue, the Company's share capital was increased from €106,670 to €109,969.

The Articles of Association provide for an authorized share capital of the Company equal to €500,000, divided into 25,000,000 Shares with a nominal value of €0.02 each. In the deed of amendment of the Articles of Association dated 23 September 2016, each share was split into five Shares with a nominal value of €0.02 each. Pursuant to this share split, the Company's share capital was increased from 1,099,690 shares with a nominal value of €0.10 each to 5,498,450 Shares with a nominal value of €0.02 each. Please see "16. *Shareholder Information — 16.1 Current Shareholders*" for a table setting forth the shareholders that directly or indirectly hold and interest in the Company's share capital as of the date of this Prospectus.

As of the date of this Prospectus, no Shares are held by the Company. All issued Shares are fully paid up and are subject to, and have been created under, the laws of the Netherlands.

For the number of issued and outstanding Shares upon completion of the Offering, see "*5. The Offering — 5.4 General and Specific Information Concerning the Shares — 5.4.1 Current and Future Share Capital; Form of the Shares*".

18.4.1 Form and Trading of Shares

All Shares are in bearer form (*aandelen aan toonder*). The Shares are and will be represented by one or more global share certificates (the "**Global Share Certificates**"), which will be held in custody with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream**") for safe-keeping for and on behalf of the parties entitled to the Shares represented by the Global Share Certificates. Clearstream will be irrevocably assigned with the administration of the Global Share Certificates. The holders of the Shares hold interests in these securities in accordance with the respective rules and procedures of Clearstream.

18.4.2 Issue of Shares and Granting of Rights to Subscribe for Shares

Under the Articles of Association, new Shares, or rights to subscribe for new Shares, may only be issued or granted pursuant to a resolution of the General Meeting upon a proposal of the Managing Board, which proposal is subject to the prior approval of the Supervisory Board.

The Articles of Association provide that the General Meeting may delegate the authority to issue Shares, or grant rights to subscribe for Shares, to the Managing Board, which resolution is subject to the prior approval of the Supervisory Board. Pursuant to Dutch law, the period of delegation may not exceed five years. Such authority may be renewed by a resolution of the General Meeting for a subsequent period of up to five years, respectively. If not otherwise determined in the resolution, such authority is irrevocable. In the resolution authorizing the Managing Board, the price and further terms of issue must be determined.

On 28 September 2016, the General Meeting resolved to designate the Managing Board, with the prior approval of the Supervisory Board, as the competent body to issue or grant rights to subscribe for Shares for a period of 18 months with effect as of 28 September 2016. In its resolution, the General Meeting has resolved to restrict the competency of the Managing Board as regards the issue of Shares and the granting of rights to subscribe for Shares up to a maximum of 65% of the total issued and outstanding share capital of the Company at the time of the issue and/or grant.

See "*22 Taxation*" for a discussion of certain aspects of taxation of the issuance of the Shares.

18.4.3 Pre-emptive Rights

Under Dutch law and the Articles of Association, each shareholder has a pre-emptive right in proportion to the aggregate nominal value of its shareholding upon the issue of new Shares (or the granting of rights to subscribe for Shares). Exceptions to this pre-emptive right include the issue of new Shares (or the granting of rights to subscribe for Shares): (i) against payment in kind (contribution other than in cash), (ii) to employees of the Company or another member of its Group and (iii) to persons exercising a previously-granted right to subscribe for Shares.

Upon a proposal of the Managing Board, subject to the prior approval of the Supervisory Board, the General Meeting may resolve to limit or exclude the pre-emptive rights. The respective resolution requires a majority of at least two-thirds of the votes cast, if less than half of the Company's issued share capital is represented at the General Meeting. The General Meeting may, subject to the prior approval of the Supervisory Board, also designate the Managing Board to resolve on the limitation or exclusion of the pre-emptive rights. Pursuant to Dutch law, this designation may be granted to the Managing Board for a specified period of time not exceeding five years and only if the Managing Board has also been designated or is simultaneously designated the authority to resolve to issue new Shares.

On 28 September 2016, the General Meeting of the Company has resolved to designate the Managing Board, with the prior approval of the Supervisory Board, as the competent body to limit or exclude the pre-emptive rights upon the issuance of Shares for a period of 18 months with effect as of 28 September 2016.

18.4.4 Acquisition of Shares in the Company's Capital

The Company may acquire its own fully paid up Shares at any time for no consideration (*om niet*). The Company may acquire fully paid up Shares in its share capital against consideration (*anders dan om niet*), subject to authorization of the General Meeting and approval of the Supervisory Board and due observance of certain provisions of Dutch law and the Articles of Association and if (i) its shareholders' equity less the payment required to make the acquisition, does not fall below the sum of the aggregate of the nominal value of the paid in and called up share capital plus the reserves required to be maintained by Dutch law or by the Articles of Association, (ii) the Company and its subsidiaries would thereafter not hold Shares or hold a pledge over the Shares with an aggregate nominal value exceeding 50% of the Company's issued share capital and (iii) the Managing Board has been authorized thereto by the General Meeting.

The acquisition of Shares by the Company against consideration (*anders dan om niet*) further requires authorization by the General Meeting. Such authorization may be granted for a period not exceeding 18 months and shall specify the number of Shares, the manner in which Shares may be acquired and the Price Range within which Shares may be acquired. The authorization is not required for the acquisition of Shares for employees of the Company or another member of its Group under a scheme applicable to such employees as long as such Shares are quoted on the official list of a stock exchange.

On 28 September 2016, the General Meeting has resolved to designate the Managing Board, with the prior approval of the Supervisory Board, as the competent body to issue and/or grant rights to subscribe for the Shares, for a period of 18 months with effect as of 28 September 2016. In its resolution, the General Meeting has resolved to restrict the competency of the Managing Board as regards the issue of Shares and the granting of rights to subscribe for Shares up to a maximum of 65% of the total issued and outstanding share capital of the Company at the time of the issue and/or grant.

No voting rights may be exercised in respect of any Share owned by the Company or its subsidiary companies.

See "*22. Taxation*" for a discussion of certain aspects of taxation of a reduction of the share capital.

18.4.5 Reduction of share capital

Under the Articles of Association, upon a proposal from the Managing Board, subject to the prior approval by the Supervisory Board, the General Meeting may resolve to reduce the Company's issued and outstanding share capital by (i) cancelling the Shares, or (ii) amending the Articles of Association to reduce the nominal value of the Shares. Under Dutch law, the resolution to reduce the issued share capital of the Company must specifically state the Shares concerned and lay down rules for the implementation of the resolution. The resolution to cancel Shares may only concern Shares which are held by the Company and must be made *pro rata* on all Shares concerned. This *pro rata* requirement may be waived if all Shareholders concerned so agree. A resolution to reduce the Company's share capital requires a majority of at least two-thirds of the votes cast, if less than half of the issued share capital is present or represented at the General Meeting.

18.4.6 Transfer of Shares

There are no restrictions on the transferability of the Shares under the Articles of Association.

All Shares are in bearer form (*aandelen aan toonder*). The Shares are and will be represented by one or more Global Share Certificates, which will be held in custody with Clearstream for safe-keeping for and on behalf of the parties entitled to the Shares represented by the Global Share Certificates. Clearstream will be irrevocably assigned with the administration of the Global Share Certificates.

18.5 Dividends and Other Distributions

The Company may only make distributions to the shareholders and other persons entitled to the distributable profits to the extent that its shareholders' equity (*eigen vermogen*) exceeds the aggregate of the issued capital and the reserves that should be maintained according to Dutch law.

The Company may, pursuant to a resolution of the General Meeting, only make a distribution of dividends to the shareholders after the adoption of the statutory annual accounts demonstrating that such distribution is legally permitted. The Managing Board is permitted however, subject to certain requirements and subject to prior approval of the Supervisory Board, to declare interim dividends. The Managing Board, subject to the prior approval of the Supervisory Board, may resolve to reserve the profits or a part of the profits.

Each of the Shares entitles its holder to equal ranking rights to dividends and other distributions.

Claims to dividends and other distributions not made within five years from the date that such dividends or distributions became payable will lapse and any such amounts will be considered to have been forfeited to the Company.

See "*22. Taxation*" for a discussion of certain aspects of taxation of dividends on the Shares.

18.6 General Meeting

18.6.1 Annual General Meeting and Voting Rights

An annual General Meeting must be held within six months from the end of the preceding fiscal year of the Company. The purpose of the annual General Meeting is to discuss, among other things, the annual report, the adoption of the annual accounts, allocation of profits (including the proposal to distribute dividends), release of members of the Managing Board and members of the Supervisory Board from liability for their management and supervision, respectively, and other proposals brought up for discussion by the Managing Board or the Supervisory Board.

18.6.2 General Meeting and Place of Meetings

Other General Meetings will be held if requested by the Managing Board or the Supervisory Board or by the written request (stating the exact subjects to be discussed) of one or more shareholders representing in aggregate at least 10% of the issued share capital of the Company (taking into account the relevant provisions of Dutch law and the Articles of Association). General Meetings will be held (i) in the municipality where the Company has its corporate seat (i.e. Venlo), or (ii) in Amsterdam or Haarlemmermeer (Schiphol), the Netherlands, at the discretion of the person convening the meeting.

18.6.3 Convocation Notice and Agenda

General Meetings can be convened by the Managing Board or the Supervisory Board by a notice, specifying the subjects to be discussed, the place and the time of the meeting and the admission and participation procedure, issued at least 42 days before the date of the meeting.

All convocations, announcements, notifications and communications to shareholders have to be made in accordance with the relevant provisions of Dutch law and the convocation and other notices may also occur by means of sending an electronically transmitted legible and reproducible message to the address of those shareholders who have consented to this method of convocation.

Shareholders individually or jointly representing at least 3% of the issued share capital have the right to request the Company to place items on the agenda of the General Meeting. Requests must be made in writing, substantiated or including a proposal for a resolution, and received by the Company at least 60 days before the day of the meeting.

18.6.4 Admission and Registration

Each shareholder entitled to vote, and each usufructuary to whom the right to vote on the Shares accrues, shall be authorized to attend the General Meeting, to address the General Meeting and to exercise his or her voting rights. The Managing Board shall set a registration date on the 28th day prior to the date of the General Meeting so as to establish which shareholders are entitled to attend and vote in the General Meeting. Only holders of the Shares at such registration date are entitled to attend and vote in the General Meeting, regardless of who would have been entitled to attend the General Meeting if no registration date would apply. The convocation notice for the meeting shall state the registration date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights.

Those entitled to attend a General Meeting may be represented at a General Meeting by a proxy authorized in writing. Managing Directors and Supervisory Directors may attend a General Meeting. In these General Meetings, they have an advisory role.

18.6.5 Voting Rights

Each Share confers the right on the holder to cast one vote at a General Meeting. Shareholders may vote by proxy. Resolutions are passed by a simple majority of the votes cast, unless Dutch law or the Articles of Association prescribe a larger majority (such as a resolution to reduce the issued share capital or a resolution to restrict or exclude pre-emptive rights, which requires at least two-thirds of the votes cast, in a meeting if less than half of the issued share capital is present or represented).

18.7 Amendment of the Articles of Association

The General Meeting may resolve to amend the Articles of Association, upon a proposal of the Managing Board, which requires the prior approval of the Supervisory Board. A resolution by the General Meeting to amend the Articles of Association requires a simple majority of the votes cast.

A resolution of the General Meeting to amend the Articles of Association which has not been taken upon a proposal of the Managing Board and with the prior approval of the Supervisory Board, shall require a two-thirds majority of the votes cast representing more than 50% of the issued share capital.

18.8 Dutch Corporate Governance Code

The Code, which was first published on 9 December 2003, contains both principles and best practice provisions that regulate relations between the managing board, the supervisory board, the shareholders (i.e. the general meeting) and audit and financial reporting.

All companies whose registered offices are in the Netherlands and whose shares are listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere, are required under Dutch law to disclose in their annual reports whether or not they apply the provisions of the Code and, in the event that they do not apply a certain provision, to explain the reasons why.

In December 2008, the Code was amended on the recommendation of the Dutch Corporate Governance Code Monitoring Committee, following three years of monitoring compliance and application. The amended Dutch Corporate Governance Code came into force on 1 January 2009.

The Code applies to the Company and the Company acknowledges the importance of good corporate governance. The Company has reviewed the Code and supports the best practice provisions thereof. Therefore, except as noted below or in the case of any future deviation, subject to explanation thereof at the relevant time, the Company intends to comply with the relevant best practice provisions of the Code.

The Company acknowledges the importance of good corporate governance and agrees with the principles of the Code and has taken and will take further steps it considers appropriate to implement the Code.

Departures from the Best Practice Provisions of the Code

While the Company endorses the principles and best practice provisions of the Code, the Company will or may not comply with the following best practice provision of the Code:

- The Company will not be in compliance with best practice provision II.2.9 that requires that personal loans may not be granted to the Management Board unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the Supervisory Board.

18.9 Annual Accounts

The Company must publish its annual accounts within four months after the end of each financial year and its half-yearly reports within three months after the end of the first six months of each financial year. Although there is no longer an obligation under Dutch law to publish interim management statements or quarterly financial statements, the Company still intends, on a voluntary basis, to prepare and publish selected financial information for investor relation purposes. Within five calendar days after adoption of the Company's annual accounts, the Company must submit its adopted annual accounts to the AFM.

The fiscal year of the Company coincides with the calendar year. The Managing Board prepares the Company's annual accounts, which must include a management report, and makes these available for inspection at the Company's business address. All Managing Directors and Supervisory Directors sign the annual accounts and if a member does not so sign, the reason for this must be stated.

At the annual General Meeting, the General Meeting may adopt the annual accounts. In such annual General Meeting the discharge of liability of the Managing Directors in respect of their management and the Supervisory Directors in respect of their supervision thereon during the relevant fiscal year, insofar as this appears from the annual accounts, shall also be discussed and resolved upon. The annual accounts, the management report and the independent auditor's report are made generally available at the office of the Company to the shareholders for review, and published on our website, as from the day of the notice convening the annual General Meeting.

18.10 Dissolution and Liquidation

The General Meeting may resolve to dissolve the Company. In the event of dissolution, the Company's business will be liquidated in accordance with Dutch law and the Articles of Association and the liquidation shall be arranged by members of the Managing Board under supervision of the Supervisory Board. During liquidation, the provisions of the Articles of Association will remain in force as far as possible.

The balance of the Company's remaining equity after payment of debts and liquidation costs will be distributed to the shareholders in proportion to the nominal amount of the Shares held by each of them.

After completion of the liquidation, the books, papers and other data material of the Company shall be kept for the term as stipulated by Dutch law by the person designated for this purpose by the liquidators.

18.11 Obligations of Shareholders to Make a Public Offer and Squeeze-out Proceedings

Holders of the Shares may be subject to notification obligations under the DFSA. Shareholders are advised to consult with their own legal advisers to determine whether the disclosure obligations apply to them.

18.11.1 Public Offer

Pursuant to Section 5:70 of the DFSA, and in accordance with the European Directive 2004/25/EC (the "**Takeover Directive**"), any (legal) person who, alone or acting in concert with others, directly or indirectly obtains control of a Dutch public company with limited liability whose shares or depositary receipts for shares are listed on a regulated market is required to make a public offer for all shares and/or depositary receipts for shares of that Dutch company. Such control is deemed present if such person is able to exercise, alone or acting in concert with others, at least 30% of the voting rights in the general meeting of shareholders of that Dutch company. It is not allowed to make a public offer, whether or not obliged or voluntarily, for the shares of that Dutch company unless an offer memorandum which has been approved by the AFM has been published.

As the Shares are expected to be admitted to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Dutch public takeover rules contained in the DFSA and the related Decree on Public Offers (*Besluit openbare biedingen Wft*) will only apply in relation to certain matters, including those as further set out in Section 5:70 of the DFSA with respect to acquiring predominant control, Section 2 of the Decree on Public Offers (*Besluit openbare biedingen Wft*) with respect to information that must be provided to the Company's shareholders and employees as well as in relation to certain corporate law matters, including the convening of a shareholders meeting in the event of a public offer and Sections 2:92a and 2:359c of the Dutch Civil Code with respect to initiating squeeze-out proceedings.

The German Takeover Act (*Wertpapiererwerbs- und Übernahmegsetz, WpÜG*) will apply to the matters relating to the offer consideration, the bid procedure, the contents of the offer document and the procedure of the bid. The German Regulation on the Applicability of the Takeover Code (*WpÜG-Anwendbarkeitsverordnung*) specifies the applicable provisions in more detail.

18.11.2 Squeeze-out

Pursuant to Section 2:92a of the Dutch Civil Code (*Burgerlijk Wetboek*, the "**DCC**") a shareholder who, for his/her own account, holds at least 95% of the issued share capital of the Company may institute proceedings against the other shareholders jointly for the transfer of their Shares to him/her. The proceedings are held before the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*, the "**Enterprise Chamber**") and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for the squeeze-out in relation to all minority shareholders and will determine the price to be paid for the Shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the Shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the Shares must give written notice of the date and place of payment and the price to the holders of the Shares to be acquired whose addresses are known to him or her. Unless the addresses of all of them are known to him or her, he or she must also publish the same in a Dutch daily newspaper with a national circulation.

In addition, pursuant to Section 2:359c of the DCC, the offeror under a public offer is also entitled to start a squeeze-out procedure if, following the public offer, the offeror holds at least 95% of the issued share capital of the Company and representing 95% of the total voting rights. The claim of a takeover squeeze-out must be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the public offer. The Enterprise Chamber may grant the claim for a takeover squeeze-out in relation to all minority

shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

Article 2:359d of the DCC entitles those minority shareholders that have not previously tendered their shares under a public offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. In regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. This claim must also be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the public offer.

18.12 Obligations of Shareholders, Members of the Managing Board and the Supervisory Board to Disclose Holdings

18.12.1 Shareholders

Shareholders may be subject to notification obligations under the DFSA. Pursuant to Section 5.3 of the DFSA, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or voting rights in the Company must immediately give notice to the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**") of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, any person whose capital interest and/or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the Company's outstanding share capital or in the votes that can be cast on the Shares, as notified to the AFM by the Company, should notify the AFM no later than on the fourth trading day after the AFM has published the Company's notification of the change in Company's outstanding share capital or in the votes that can be cast on the Shares. Furthermore, any person whose capital interest or voting rights reaches, exceeds or falls below one of the abovementioned thresholds due to a change in the composition of his/her capital interest or voting rights as a result of (i) exercising any option or other right to acquire shares or exchanging shares in depositary receipts for shares and/or (ii) exercising any right to acquire voting rights, should notify the AFM no later than the fourth trading day after the date on which that person became aware, or should have become aware, of reaching, exceeding or falling below the abovementioned thresholds.

Each person holding an interest in the Company's share capital or voting rights of 3% or more at the time of admission of the Shares to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) must immediately notify the AFM.

For the purpose of calculating the percentage of capital interest and/or voting rights, the following interests must, among others, be taken into account: (i) shares and/or voting rights directly held (or acquired or disposed of) by any person, (ii) shares and/or voting rights held (or acquired or disposed of) by such person's controlled entities, (iii) voting rights held (or acquired or disposed of) by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement, (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment and (v) shares and/or voting rights which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares and/or the attached voting rights.

Special rules apply to the attribution of shares and/or voting rights which are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of shares can also be subject to notification obligations, if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the shares and/or voting rights.

Furthermore, when calculating the percentage of capital interest, a person is also considered to be in possession of shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the shares or any distributions associated therewith and which does not entitle such person to acquire any shares, (ii) such person may be obliged to purchase shares on the basis of an option, or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding a share.

Under the DFSA, the Company is required to file a report with the AFM promptly after the date of listing the Shares setting out our issued and outstanding share capital and voting rights. Thereafter, we are

required to notify the AFM promptly of any change of 1% or more in our issued and outstanding share capital or voting rights since the previous notification. The AFM must be notified of other changes in the Company's issued and outstanding share capital or voting rights within eight days after the end of the quarter in which the change occurred. The AFM will publish all the Company's notifications of our issued and outstanding share capital and voting rights in a public register.

18.12.2 Short Positions

Each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company must report it to the AFM. Each subsequent increase of this position by 0.1% above 0.2% will also have to be reported. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. There is also an obligation to notify the AFM of gross short positions. The notification thresholds are the same as the ones that apply in respect of the notification of actual or potential capital interests and/or voting rights, as described above.

18.12.3 Members of the Managing Board and the Supervisory Board

Pursuant to the DFSA, any member of the Managing Board (each a "**Managing Director**") and Supervisory Board (each a "**Supervisory Director**") must notify the AFM by means of a standard form of all Shares and voting rights in the Company held by him/her at the time of admission of the Shares to listing on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and thereafter of any change in his/her holding of shares and voting rights in the Company. For further details see "*— 18.13 Market Abuse Regime*".

18.12.4 Non-compliance

Non-compliance with the notification obligations under the DFSA could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with some of the notification obligations under the DFSA may lead to civil sanctions, including suspension of the voting rights relating to the Shares held by the offender for a period of not more than three years, voiding of a resolution adopted by the General Meeting in certain circumstances and ordering the person violating the disclosure obligations to refrain, during a period of up to five years, from acquiring the Shares and/or voting rights in the Shares.

18.12.5 Public registry

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the DFSA on its website (www.afm.nl). Third parties can request to be notified automatically by email of changes to the public register in relation to a particular company's shares or a particular notifying party.

18.13 Market Abuse Regime

Market Abuse Regulation (Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the "**MAR**") provides for specific rules on market abuse, such as the prohibition on insider dealing, unlawful disclosure of inside information, tipping and market manipulation. The MAR is supplemented by the Market Abuse Directive (Directive (EU) No. 2014/57 of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (together with the MAR the "**EU Market Abuse Rules**")). The EU Market Abuse Rules apply as of 3 July 2016. The EU Market Abuse Rules have been implemented in the DFSA and various other Dutch laws. The Company is subject to the EU Market Abuse Rules, and non-compliance with these rules may lead to criminal sanctions, administrative (financial) sanctions, fines or other sanctions or measures.

If the Company has inside information directly concerning the Company, it is required, as a general rule, to disclose immediately such information to the public. Inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not yet been made public and publication of which could significantly affect the market price of the issuer's securities. Under the MAR, the Company is permitted, on its own responsibility, to delay disclosure of inside information if certain conditions are satisfied. If the Company delays disclosure of inside information, it must notify the AFM that disclosure was delayed promptly after the delayed inside information has been publicly disclosed. The Company must provide the AFM with a written explanation justifying the delay only if the AFM requests this. The Company must

without delay publish the inside information on its website and keep it available on the website for at least five years. In addition, the Company must issue a press release which contains a statement identifying that the information in the announcement is inside information.

The MAR may restrict the Company's ability to buy back Shares. In certain circumstances, the Company's investors can also be subject to the EU Market Abuse Rules. Pursuant to the MAR members of the Management Board or of the Supervisory Board, or any other senior executive of the Company who has regular access to inside information relating directly or indirectly to the Company and has the power to take managerial decisions affecting the future developments and business prospects of the Company (the "**PDMRs**") must notify the AFM of all transactions conducted for their own account relating to the Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto.

In addition, persons closely associated with a PDMR must also notify the AFM of any transactions conducted for their own account relating to the Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto. The foregoing obligation applies to the following categories of persons: (i) the spouse or a partner considered to be equivalent to a spouse in accordance with national law, (ii) a dependent child in accordance with national law, (iii) other relatives who have shared the same household for at least one year on the date of the transaction concerned and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a PDMR or a person closely associated with a PDMR or which is set up for the benefit of a PDMR or a person closely associated with a PDMR or the economic interests of which are substantially equivalent of a PDMR or a person closely associated with a PDMR.

PDMRs and persons closely associated with a PDMR must make the notifications on managers' transactions to the AFM promptly and no later than three business days after the date of the transaction. Notifications on managers' transactions are only required to be made on any subsequent transaction once a total amount of €5,000 has been reached within one calendar year. The AFM will publish the notified transaction in a register.

The Company will maintain a list of persons working for the Company who could have access to inside information in accordance with the MAR and will regularly update such insider list. The Company will take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information. The Company will adopt an internal code of conduct relating to the possession of insider information and on managers' transactions. The Company's internal code of conduct will be available on Company's website.

18.14 Transparency Directive

On admission of the Shares to listing on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company will be a public company with limited liability (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands. The Netherlands is the home member state of the Company for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU, the "**Transparency Directive**") as a consequence of which the Company will be subject to certain on-going transparency and disclosure obligations under the DFSA and the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*, the "**FRSA**").

18.15 Dutch Financial Reporting Supervision Act

The FRSA applies to financial years starting from 1 January 2006. On the basis of the FRSA, the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat (*statutaire zetel*) is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange. Pursuant to the FRSA, the AFM has with regard to the Company's annual accounts and half-yearly reports an independent right to (i) request an explanation from the Company regarding its application of the applicable financial reporting standards and (ii) recommend to the Company making available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request that the Enterprise Chamber orders the Company to (i) provide an explanation of the way it has applied the applicable financial reporting standards to the Company's financial reports, or (ii) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

19. MANAGING BOARD, SUPERVISORY BOARD AND EMPLOYEES

This Section summarizes certain information concerning the managing board (*raad van bestuur*) of the Company (the "**Managing Board**") and the supervisory board (*raad van commissarissen*) of the Company (the "**Supervisory Board**"). Among other things, it briefly summarizes, but does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association (as defined below), the Managing Board Rules (as defined below) and the Supervisory Board Rules (as defined below), in conjunction with the relevant provisions under Dutch corporate law.

19.1 Management structure

The Company has a two-tier board structure consisting of the Managing Board and the Supervisory Board. The Managing Board is the statutory executive body and is responsible for the day-to-day management of the Company, which includes, among other things, formulating the Company's strategies and policies and setting and achieving the Company's objectives. The Supervisory Board supervises and advises the Managing Board.

At the date of this Prospectus, the provisions in the DCC that are referred to as the 'large company regime' (*structuurregime*) do not apply to the Company.

19.2 Managing Board

19.2.1 Powers, Responsibilities and Function

The Managing Board is responsible for the management of the Company's operations, as well as the operations of the Group, subject to the supervision of the Supervisory Board. The Managing Board's responsibilities include, among other things, the day-to-day management of the Company's operations.

The Managing Board may perform all acts necessary or useful for achieving the Company's objectives, with the exception of those acts that are prohibited by law or by the Articles of Association. In performing its duties, the Managing Board is required to be guided by the interests of the Company and the Group, taking into consideration the interests of the Company's stakeholders (which include but are not limited to its customers, its employees and the shareholders) as well as the corporate social responsibility issues that are relevant to the business. The Managing Board is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board and/or the General Meeting for prior approval, as more fully described below (see "*-19.2.4 Board Meetings and Decision Making*"). The absence of such approval, however, does not affect the authority of the Managing Board or its members to represent the Company.

Subject to certain statutory exceptions, the Managing Board as a whole is authorized to represent the Company. Additionally, any two members of the Managing Board are jointly authorized to represent the Company. Subject to the approval of the Supervisory Board, the Managing Directors may determine which duties in particular will concern each Managing Director. Pursuant to the Articles of Association, the Managing Board is authorized to appoint authorized representatives (*procuratiehouders*) who are authorized to represent the Company within the limits of the specific delegated powers provided to them in the authorization.

19.2.2 Managing Board Rules

Pursuant to the Articles of Association, the Managing Board has adopted a set of rules of procedure that regulate internal matters concerning its functioning and internal organization (the "**Managing Board Rules**"). The Managing Board Rules may be amended from time to time by resolution of the Managing Board and are subject to the prior approval of the Supervisory Board. The Managing Board Rules will also be available on the Company's website.

Certain resolutions of the Managing Board identified in the Articles of Association and the Managing Board Rules and the Supervisory Board Rules (as defined below) require the approval of the Supervisory Board. Furthermore, the Managing Board requires the approval of the General Meeting for resolutions having an important impact on the identity or nature of the Company or its business. See "*-19.2.4 Board Meetings and Decision Making*".

19.2.3 Composition, Appointment, Dismissal and Suspension

The Articles of Association provide that the Supervisory Board determines the number of Managing Directors. As of the date of this Prospectus, the Managing Board consists of five members, Michael Köhler (CEO), Stephan Weber (CMO and Deputy CEO), Dr. Ulrich Wandel (CFO), Theresa Holler (COO) and Marc Fischer (CTO).

The General Meeting appoints the Managing Directors. When a Managing Director is to be appointed, the Supervisory Board shall make a non-binding nomination. The nomination must be included in the notice of the General Meeting at which the appointment will be considered. If no nomination has been made, this must be stated in the notice.

In the event the Supervisory Board has made a nomination, the resolution of the General Meeting to appoint the nominee shall be adopted by an absolute majority of the votes cast. If the Supervisory Board has not made a nomination, a resolution of the General Meeting to appoint a person as Managing Director shall require an absolute majority of the votes cast representing more than one-third of the issued share capital.

The General Meeting may at any time suspend and dismiss a member of the Managing Board. The Supervisory Board may at all times suspend a Managing Director. The General Meeting may only adopt a resolution to suspend or dismiss a Managing Director by absolute majority of the votes cast representing at least one-third of the issued share capital. Such majority does not apply if the dismissal or suspension has been proposed by the Supervisory Board.If either the General Meeting or the Supervisory Board has suspended a Managing Director, the General Meeting is required within three months after the suspension has taken effect to resolve either to dismiss such member, or to terminate or continue the suspension, failing which the suspension shall cease. A resolution to continue the suspension may be adopted only once and in such event the suspension may be continued for a maximum period of three months commencing on the day that the General Meeting has adopted the resolution to continue the suspension. If the General Meeting has not decided to terminate or to continue the suspension within the required period, the suspension shall cease.

A Managing Director shall be appointed for a maximum period of four years. The Supervisory Board may adopt a rotation schedule for the Managing Directors. A retiring Managing Director can be re-appointed immediately for a term of not more than four years at a time.

19.2.4 Board Meetings and Decision Making

Pursuant to the Articles of Association, the Managing Board can adopt resolutions with an absolute majority of votes cast. In the event of a tie vote, the decision shall be referred to the Supervisory Board. Resolutions can also be adopted in writing without holding a meeting by conference call or video conference, provided all Managing Directors entitled to vote have expressed themselves in writing or through electronic means of communication.

Pursuant to the Dutch Civil Code and the Articles of Association, resolutions of the Managing Board in respect of an important impact on the identity or nature of the Company or its business are subject to the approval of the General Meeting, which in any event include:

- the transfer of the Company's business or substantially all of its business to a third party;
- the entry into or termination of a long-term cooperation by the Company or any of its subsidiaries with another legal entity or as general partner with full liability in a limited partnership or general partnership, if such cooperation or the termination thereof is of far-reaching significance to the Company; and
- the acquisition or disposal by the Company or by any of its subsidiaries of a participation in the capital of another company, the value of which equals at least 33% of the sum of the assets shown in the Company's, including its subsidiaries', consolidated balance sheet with explanatory notes thereto according to the most recently adopted consolidated annual accounts of the Company.

Resolutions of the Managing Board identified in the Supervisory Board Rules (as defined below) or notified to the Managing Board by the Supervisory Board from time to time on the basis of the relevant provisions in the Articles of Association, require the prior approval of the Supervisory Board. See below, "*—19.3 Supervisory Board"* and *"—19.3.5 Board Meetings and Decision Making*" for a description of the Supervisory Board's decision-making process.

The lack of approval referred to in the two paragraphs above does not affect the authority of the Managing Board or the Managing Directors to represent the Company.

19.2.5 Managing Directors

At the date of this Prospectus, the Managing Board is composed of the following five Managing Directors:

Name	Date of birth	First appointed	Appointed until	Position	Other memberships in administrative, management or supervisory bodies or as partners in partnerships in the previous five years
Michael Köhler ……	28 Dec. 1962	2016	general meeting 2019	Chief Executive Officer (CEO)	• Managing director of Koehler Invest N.V. • Managing director of MK Beleggingsmaatschappij B.V. • Managing director of EHS Europe Health Services B.V. (2012-2016) • Managing director of EHSC B.V. (former GHK Beleggingsmaatschappij B.V.) (2001-2016) • Managing director of Europa Apotheek Venlo B.V. (2001-2016) • Managing director of Europa Apotheek Service Venlo B.V. (2007-2016)
Stephan Weber ……	20 Jan. 1979	2016	general meeting 2019	Chief Marketing & Sales Officer (CMO) and Deputy Chief Executive Officer	• Managing director of swinvest GmbH • CMO of EHS Europe Health Services B.V. (2012-2015)
Dr. Ulrich Wandel…	12 Dec. 1964	2016	general meeting 2019	Chief Financial Officer (CFO)	• Managing director of WANDEL Consultants GmbH • Managing director of NutriDiagnostic GmbH & Co. KG • Trustee of the Dr. Wandel Foundation • CFO of EHS Europe Health Services B.V. (2012-2015) • CFO of Medco International B.V. (2011-2013) • CFO of Medco International GmbH (2011-2013) • CFO of EHSC B.V. (formerly GHK Beleggingsmaatschappij B.V.) (2011-2012)
Theresa Holler…….	20 March 1973	2016	general meeting 2019	Chief Operating Officer (COO)	• COO of EHS Europe Health Services B.V. (2012-2015)
Marc Fischer ……	17 Dec. 1975	2016	general meeting 2019	Chief Technical Officer (CTO)	• Managing director of MAFI Invest GmbH • CTO of EHS Europe Health Services B.V. (2012-2015)

The Company's registered business address (Dirk Hartogweg 14, 5928 LV Venlo, the Netherlands, see "*17. General Information on the Company and the Group—17.1 Incorporation and Conversion*") serves as the business address for all members of the Managing Board.

Michael Köhler (our CEO) was born in Pforzheim, Germany, in 1962. He studied commerce and technics at the University of Stuttgart and successfully completed his studies with a diploma in 1992. After his studies, Michael Köhler started his career in the pharmaceutical industry and held various managing positions responsible for controlling, finance and finally for sales within Hoechst AG, Hoechst Marion Roussel and Aventis. In particular, he has been deeply involved in the acquisition of Roussel Uclaf and Marion Merrel Dow and the global restructuring into Hoechst Marion Roussel. From 2001 to 2016, Michael Köhler served as managing director for GHK Beleggingsmaatschappij B.V. and its successor company EHSC B.V. He is one of the founders of Europa Apotheek Venlo B.V. where he also served as managing director from 2001 to 2016. In this capacity, he was responsible for the acquisition, reorganization and integration of shop-apotheke.com in 2010 and of XSite GmbH in 2013. Following the management buy-out in 2012, he served as managing director for EHS Europe Health Services B.V. until 2016.

Stephan Weber (our CMO and deputy CEO) was born in Cologne, Germany, in 1979. Stephan Weber studied pharmacy at the University of Bonn and successfully completed his second state exam in pharmacy in 2005. He is one of the founders of the shop-apotheke.com website and has managed the shop-apotheke.com business from 2001 to 2010 where he was responsible for marketing, sales, business development, finance and logistics. After the acquisition of the shop-apotheke.com business by Europa Apotheek Venlo B.V. in 2010, he continued serving as manager of shop-apotheke.com with overall responsibility for the business unit shop-apotheke.com. Following the management buy-out in 2012, he became Chief Marketing & Sales Officer (CMO) of EHS Europe Health Services B.V.

Dr. Ulrich Wandel (our CFO) was born in Frickenhausen (Württemberg), Germany, in 1964. Ulrich Wandel received a bachelor's degree (BA) in business administration from the University of Stuttgart, a master degree in business administration (MBA) from the University of Oregon, USA, where he also became Fulbright alumnus, and a PhD from the University of Göttingen. After his studies, Ulrich Wandel started his career as consultant for Droege Group, an independent consulting and investment firm located in Düsseldorf, and was an assistant to the board of Fresenius AG, Bad Homburg. Afterwards he worked as head of R&D Controlling for Hoechst AG Pharma and as Chief Financial Officer for Hoechst Marion Roussel S.A., Athens. In 2002, he founded WANDEL Consultants GmbH which worked on projects for Europa Apotheek Venlo B.V. and Medco International B.V. between 2008 and 2012, during which he also worked on the acquisition of the shop-apotheke.com business in 2010 by Europa Apotheek Venlo B.V. From 2011 to 2013 Ulrich Wandel served as Chief Financial Officer (CFO) of Medco International B.V., Medco International GmbH and GHK Beleggingsmaatschappij B.V. and EHS Europe Health Services B.V. In 2012 he participated in the management buy-out of the Europa Apotheek Group.

Theresa Holler (our COO) was born in Osnabrück, Germany, in 1973. Theresa Holler studied pharmacy at the University of Mainz. After her studies she started her career in 2000 at the mail-order pharmacy 0800docmorris where she was part of the management team building up the operational business. In parallel, she earned her Master of Science degree (MSE) in consumer health care at Charité, Berlin. In 2002, Theresa Holler became head of operation of Europa Apotheek Venlo B.V. with increasing responsibility for up to 250 employees (including employees of the shop-apotheke.com business after the acquisition by Medco). Since 2008, Theresa Holler has been registered as gevestigt Apotheker of Europa Apotheek Venlo B.V. Following the management buy-out in 2012, she became Chief Operating Officer (COO) of Europa Apotheek Venlo B.V. and Europa Apotheek Service Venlo B.V.

Marc Fischer (our CTO) was born in Brugg, Switzerland, in 1975. Marc Fischer completed a professional education in electronics at the JB Jost Brugg AG, Switzerland, from 1993 to 1997. Afterwards, he started his career working as an IT-system engineer for Credit Suisse AG in Dübendorf, Switzerland. In 2001 he became IT branch office manager at ALSO iT-Services AG in Dübendorf, Switzerland. In parallel, Marc Fischer studied at the IBZ Schools for Technics, Computer Science and Economy (IBZ Schulen für Technik Informatik Wirtschaft) in Brugg, Switzerland, from 1998 to 2002 and received a diploma in Information Technology (IT) in 2002. He further worked as IT branch office manager for Bechtle IT Systemhaus in Dübendorf, Switzerland, from 2003 to 2004. Marc Fischer is one of the founders of the shop-apotheke.com website and served as manager of shop-apotheke.com from 2003 to 2010. In 2005, Marc Fischer received a diploma in Business Management from the Graduate School of Business Administration in Zürich, Switzerland. After the acquisition of the shop-apotheke.com business by Europa Apotheek Venlo B.V. in 2010, he continued serving as manager of shop-apotheke.com until the management buy-out of EHS Europe Health Services B.V. in 2012. After the management buy-out, he became Chief Technical Officer (CTO) of EHS Europe Health Services B.V.

19.3 Supervisory Board

19.3.1 Powers, Responsibilities and Function

The Supervisory Board supervises the conduct and policy of the Managing Board and the general course of affairs of the Company and the enterprise connected therewith. The Supervisory Board may also, on its own initiative, provide advice to the Managing Board and may request any information from the Managing Board that it deems appropriate. In performing their duties, the Supervisory Directors are required to be guided by the interests of the Company and the enterprise connected therewith and to take into account the relevant interests of all those involved in the Company (including the Company's shareholders), as well as the corporate social responsibility issues that are relevant to the Company's business. The Supervisory Board is responsible for the quality of its own performance. The Supervisory Board may, at the Company's expense, seek advice which it deems desirable for the correct performance of its duties. The Supervisory Directors are generally not authorized to represent the Company in dealing with third parties. The Supervisory Board is collectively responsible for carrying out its duties.

19.3.2 Supervisory Board Rules

Pursuant to the Articles of Association, the Supervisory Board has adopted rules of procedure concerning the division of its duties and its working method, its decision-making process and the relationship with the Managing Board and the General Meeting (the "**Supervisory Board Rules**"). The Supervisory Board Rules may be amended from time to time by resolution of the Supervisory Board to that effect. The Supervisory Board Rules will also be available on the Company's website.

19.3.3 Composition, Appointment, Dismissal and Suspension

The Articles of Association provide that the number of Supervisory Directors will be determined by the General Meeting and will consist of four members. Only natural persons (not legal entities) may be appointed as Supervisory Directors. However, the following persons cannot be appointed as Supervisory Directors: (i) persons employed by the Company or a dependent company (*afhankelijke maatschappij*) of the Company and (ii) Managing Directors and persons employed by an employee organization that is regularly involved in the determination of the employment conditions of the persons referred to under (i).

The General Meeting appoints the Supervisory Directors. When a Supervisory Director is to be appointed, the Supervisory Board shall make a non-binding nomination, which nomination must specify the reasons for the nomination. The nomination must be included in the notice of the General Meeting at which the appointment will be considered. If no nomination has been made, this must be stated in the notice.

In the event the Supervisory Board has made a nomination, the resolution of the General Meeting to appoint the nominee shall be adopted by an absolute majority of the votes cast. If the Supervisory Board has not made a nomination, a resolution of the General Meeting to appoint a person as Supervisory Director shall require an absolute majority of the votes cast representing more than one-third of the issued share capital.

The Supervisory Board has prepared a profile (*profielschets*) of its size and composition, which takes into account the character of the Company's business, its activities and the desired expertise and background of the Supervisory Directors. Each modification of the profile will be discussed with the General Meeting. With each appointment of a Supervisory Director, the profile must be taken into account.

The Supervisory Board appoints a chairperson and a vice-chairperson from among its members, and a secretary whether or not from its members.

The General Meeting may suspend and dismiss a Supervisory Director at all times. A Supervisory Director may be suspended and dismissed by the General Meeting only on the basis of a resolution passed by an absolute majority of the votes cast representing at least one-third of the issued share capital. Such majority does not apply if the dismissal or suspension has been proposed by the Supervisory Board.

If the General Meeting has suspended a Supervisory Director, the General Meeting is required within three months after the suspension has taken effect to resolve either to dismiss such member, or to terminate or continue the suspension, failing which the suspension shall cease. A resolution to continue the suspension may be adopted only once and in such event the suspension may be continued for a maximum period of three months commencing on the day that the General Meeting has adopted the resolution to continue the suspension. If the General Meeting has not decided to terminate or to continue the suspension within the required period, the suspension shall cease.

19.3.4 Term of appointment

Supervisory Directors are in principle appointed for a term of four years and unless such member resigns earlier, his or her appointment shall end on the day after the day of the first annual General Meeting to be held four years after his or her appointment. A Supervisory Director may be reappointed for a term of not more than four years at a time, with due observance of the provision in the previous sentence and the Code. The Supervisory Board retires periodically in accordance with a rotation schedule adopted by the Supervisory Directors.

19.3.5 Board Meetings and Decision Making

Pursuant the Articles of Association, a meeting of the Supervisory Board shall take place whenever a Supervisory Director requests for a meeting. The Managing Directors will attend the meetings of the Supervisory Board, unless the Supervisory Board resolves otherwise. Resolutions of the Supervisory Board must be adopted by an absolute majority of the votes cast.

The Supervisory Board may also adopt resolutions without holding a meeting, provided that all Supervisory Directors entitled to vote have agreed in writing or through electronic means of communication to the proposal concerned.

19.3.6 Supervisory Directors

At the date of this Prospectus, the Supervisory Board is composed of the following four members:

Name	Date of birth	First appointed	Scheduled for re-election	Position	Other memberships in administrative, management or supervisory bodies or as partners in partnerships in the previous five years
Jan Pyttel.....	4. Oct. 1965	2016	general meeting 2019	chairman	• Director of Iberia Industry Capital Group Sarl. • Director of MOGEP Ltd.
Dr. Björn Söder	12. Nov. 1972	2016	general meeting 2019	vice-chairman	• Member of the Supervisory Board of Pflegezeit AG • Managing director of Parklane Capital Beteiligungsberatung GmbH • Managing director of Parklane Capital Verwaltungsgesellschaft mbH • Managing director of Mail Response Services GmbH (2004-2015)
Frank Köhler.....	9. May 1964	2016	general meeting 2019	member	• Managing director of FK Beteiligungs GmbH • Managing director of Aroma Company GmbH
Jérôme Cochet	13 May 1978	2016	general meeting 2019	member	• Managing director of Vinel UG (limited liability) • Managing director of Monte Cevedale UG (limited liability) • Managing director of Zalando Media Solutions GmbH • Managing director of Zalando SAS (2011-2013)

The Company's registered business address (Dirk Hartogweg 14, 5928 LV Venlo, the Netherlands, see "*17. General Information on the Company and the Group—17.1 Incorporation and Conversion*") serves as the business address for all Supervisory Directors.

Jan Pyttel, the chairman of our Supervisory Board, was born in Neuenbürg, Germany, in 1965. Mr. Pyttel graduated from the University of Mannheim in 1991 and holds a degree in business-administration (*Diplom-Kaufmann*). He has worked in mergers and acquisitions with leading investment banks such as UBS, Lazard and Salomon Smith Barney, from 1994 to 1999. Later, he moved to the private equity sector where he was Co-founder of Bavaria Industries Group AG in 2003, a German private equity firm, and served as its board member until 2007. He worked as a private investor and Co-founded Iberia Industry Capital Group SARL, an industrial holding firm focused on acquiring businesses in special situations, where he serves as managing director since 2013. Since 2015, Mr. Pyttel also serves as managing director of MOGEP Ltd. He serves as chairman of the Supervisory Board since the Conversion.

Dr. Björn Söder, the vice-chairman of our Supervisory Board, was born in Hamburg, Germany, in 1972. Dr. Söder started his studies at the Distance Learning University of Hagen while working at merchant bank M.M.Warburg & Co. in Hamburg from 1991 to 1993. He graduated in economics at the University of Würzburg in 1996, where he subsequently received a PhD in economics. He worked for McKinsey & Company with a focus on corporate finance and consumer goods from 1998 to 2000. Prior to becoming vice-chairman of our Supervisory Board, he founded several companies in the online field (e.g. getgo.de, a leading ticket portal in Germany sold to CTS Eventim AG), before he founded his own consulting company Parklane Capital Beteiligungsberatung GmbH, as well as his own investment company, Parklane Capital Verwaltungsgesellschaft mbH, in 2004. Dr. Söder serves as managing director for both companies. Since 2012, he is also member of the supervisory board of Pflegezeit AG. Dr. Söder has been serving as vice-chairman of the Supervisory Board since the Conversion.

Frank Köhler, member of our Supervisory Board, was born in Pforzheim, Germany, in 1964. Mr. Köhler graduated from the University in Stuttgart in 1996 with a degree in technical economics (*techn. Diplom-Kaufmann*). After his studies, he worked in different management positions in merchandising such as Loriot Design GmbH. In 2000, he joint Aroma Company, a distributor of high-end beauty and perfume products. In 2005, he became co-owner and director of the company, renamed Aroma Company Köhler, Frank und Weckesser, Frank GbR. Mr. Köhler expanded this business and founded Aroma Beauty and co-founded Aroma Company GmbH in the following years. Both companies are developers of perfume brands and distributors of high-end beauty and perfume products to leading perfumeries and life-style shops throughout Europe. Mr. Köhler is an expert for branding and marketing in the luxury sector. He has been a member of the Supervisory Board since the establishment of Shop Apotheke Europe N.V. in 2016.

Jérôme Cochet, member of our Supervisory Board, was born in Hannover, Germany, in 1978. Mr. Cochet studied business administration at the University of Bayreuth and at the ESCP-EAP Business School in Paris, Oxford and Berlin and graduated in 2003 with a diploma in business administration (Diplom-Kaufmann), Master of Sience and Diplôme de Grande Ecole. In 2007, he also completed his MBA at the Institut Européen d'Administration des Affaires (INSEAD). He started his career in 2004 as senior corporate auditor at Bombardier, Inc. where he remained until 2006. From 2007 to 2011, he worked for McKinsey & Company, where he served as engagement manager since 2010. In 2011, Mr. Cochet joined Zalando SE, where he first served as country manager France, took the position of chief international officer in 2012 and became senior vice president sales and procurated officer (Prokurist) in 2013. From 2011 to 2013, Mr. Cochet served as managing director for Zalando SAS. He has also been serving as managing director for Zalando Media Solutions GmbH since 2015. Mr. Cochet has been a member of the Supervisory Board since the Conversion.

19.4 Remuneration of the Managing Board

The remuneration of the individual members of the Managing Board has been established in accordance with the Managing Board remuneration policy as adopted. It is expected that the current remuneration policy will be reconsidered after the date of this Prospectus and that a revised policy will be submitted for approval by the General Meeting, on the proposal of the Supervisory Board, in 2017.

The future remuneration policy aims to attract, retain and reward highly qualified executives with the required background, skills and experience. It further aims to align the interests of the Company, its shareholders and its other stakeholders in the medium and long-term to deliver sustainable performance in line with the Company's strategy.

It is expected that the future remuneration policy will contain a revised proposal for the remuneration of the members of the Managing Board which will consist of the following fixed and variable components and will be submitted for approval by the General Meeting in 2017. The structure will be as follows:

- fixed compensation – annual base salary;
- short-term incentive – annual bonus plan which based on the achievement of certain key performance indicators;
- long-term incentive – stock option plan, also based on long-term achievements of certain goals;
- potentially pension allowance and other benefits; and
- potentially severance arrangements.

As of the date of this Prospectus, the Company does not have any incentive plan for remuneration in the form of Shares or rights to subscribe for Shares for members of the Managing Board or employees of the Group in a senior management position within the Group. But it is foreseen to establish such incentive plan in 2017.

Remuneration components

Fixed compensation – annual base salary

The annual base salary of the members of the Managing Board is a fixed compensation and is set by the Supervisory Board taking into account a variety of factors. The base salary will be evaluated periodically taking into account the Company's and individual performance, experience, capability and marketability of the Managing Board as well as general market developments.

Adjustments to variable remuneration

Pursuant to Dutch law, the variable remuneration of members of the Managing Board may be adjusted and members of the Managing Board may be obliged to repay their variable remuneration (or part thereof) to the Company if certain circumstances apply. Pursuant to Dutch law, the Supervisory Board may furthermore adjust the variable remuneration of the members of the Managing Board (to the extent subject to reaching certain targets and the occurring of certain events) to an appropriate level if payment of the variable remuneration were to be unacceptable according to the criteria of reasonableness and fairness.

Remuneration of the Managing Board

The total remuneration received by the members of the Managing Board (in their capacity of members of the managing board of Shop-Apotheke Service B.V.) for the year ended 31 December 2015 amounted to €636,000.

19.5 Supervisory Board Remuneration

The General Meeting shall determine the remuneration of the members of the Supervisory Board. The Supervisory Board will submit a proposal to the General Meeting in respect thereof. The remuneration of the Supervisory Board cannot be dependent on the Company's results.

None of the members of the Supervisory Board may receive Shares or options for Shares as part of their remuneration. None of the members of the Supervisory Board may hold Shares, options for Shares or similar securities other than as a long-term investment.

Remuneration of the Supervisory Board

The chairman of the Supervisory Board will receive an annual retainer of €30,000 and all other members will each receive €20,000 annually for their services as of the date of their appointment. In addition we will fund the insurance premium for the directors and officers ("**D&O**") insurance we have taken out for the members of our Supervisory Board. If members of our Supervisory Board have incurred extraordinary travel expenses when performing their services for the Company, the Company will reimburse such extraordinary travel expenses to them.

Pensions for the Supervisory Board

As of the date of this Prospectus, there are no amounts reserved or accrued by the Company or its subsidiaries to provide pension, benefit, retirement or similar benefits for members of the Supervisory Board.

19.6 Shareholding Information

The number of Shares in the capital of the Company beneficially owned by the Managing Directors and the Supervisory Directors as of the date of this Prospectus is set forth in the table below.

Direct Shareholder	Immediately prior to the Offering Number	Percent
MK Beleggingsmaatschappij Venlo B.V.(1) (2)	1,353,405	24.61%
Jan Pyttel(3)	325,435	5.92%
Michael Köhler(1) (2)	280,000	5.09%
Dr. Ulrich Wandel(2)	203,770	3.71%
Theresa Holler(2)	199,635	3.63%
Stephan Weber(2)	195,635	3.56%
Frank Köhler(3)	189,575	3.45%
Marc Fischer(2)	189,385	3.44%
Dr. Björn Söder(3)	29,505	0.54%
Total	**2,966,345**	**53.95%**

(1) MK Beleggingsmaatschappij Venlo B.V. is a company of which 55.9% are held by our Managing Director, Michael Köhler. In aggregate, 18.85% of the Shares can be attributed to Michael Köhler directly and through MK Beleggingsmaatschappij Venlo B.V.
(2) Managing Director.
(3) Member of our Supervisory Board/held by a member of our Supervisory Board.

None of the current Managing Directors and Supervisory Directors holds any options on Shares, nor did any Managing Director or Supervisory Director hold options on Shares in the year ended 31 December 2014.

19.7 Employment, Service and Severance Agreements

In the course of the Reorganization all service agreements of our Managing Directors were transferred from companies of the Europa Apotheek Group, with which they have been originally been concluded to the Shop Apotheke Group. As a result, the service agreements of Stephan Weber, Marc Fischer and Dr. Ulrich Wandel were transferred to Shop-Apotheke Service B.V. and Theresa Holler's service agreement was transferred to Shop-Apotheke B.V. All agreements were entered into for an indefinite term, subject to statutory termination rules. Each member of the Managing Board is subject to a non-compete obligation during the term of his/her service agreement and a period of one year after the termination of his/her service agreement.

The aggregate annual compensation of the current members of the Managing Board under their existing service agreements amounts to €636,000 per annum including vacation benefits (*vakantietoeslag*) of 8% of the annual salary and fixed monthly payments to cover travel expenses.

The Supervisory Directors do not have an employment, service or severance contract with the Company.

19.8 Board Conflicts of Interest

Under Dutch law, a member of the Managing Board or the Supervisory Board who has a conflict of interest must abstain from participating in the deliberation and the decision-making process with respect to the relevant matter. If any such member was nevertheless involved in the decision-making process, then such decision may be nullified.

Pursuant to the Articles of Association, if all members of the Managing Board have a conflict of interest, the Supervisory Board will have the authority to decide on the matter. If all members of the Supervisory Board have a conflict of interest with the Company, the General Meeting will have the authority to decide on the matter.

A member of the Managing Board or the Supervisory Board who participates in a decision-making process while having a conflicting interest with respect to the relevant matter may under certain circumstances be held personally liable for any damage suffered by the company as a consequence of the decision.

As a general rule, agreements and transactions entered into by a company based on a decision of its board that are adopted with the participation of a board member who had a conflict of interest with respect to the matter cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

19.9 Potential Conflicts of Interest and Other Information

The Company is aware of the fact that all of the members of its Managing Board hold Shares in the Company as well as that three Supervisory Directors, Jan Pyttel, Dr. Björn Söder and Frank Köhler, hold Shares

in the Company. Furthermore, Stephan Weber (CMO) and Marc Fischer (CTO) are brothers-in-law and Michael Köhler (CEO) and Frank Köhler, a Supervisory Director, are brothers.

The different Shareholder Loans, provided by certain of our Managing Directors, Dr. Ulrich Wandel and Theresa Holler as well as by companies held by our Managing Directors Michael Köhler, Stephan Weber and Marc Fischer (see "*20. Certain Relationships and Related-party Transactions - 20.2 Relationships with Certain Shareholders - 20.2.1 Shareholder Loans*") could lead to a conflict of interest, if the Managing Directors would repay the respective loan amounts instead of pursuing business opportunities for Shop Apotheke. This conflict of interest would no longer exist when the Shareholder Loans are paid as intended through the proceeds of the Offering which is the subject of this Prospectus, see *"- 6. Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing - 6.2 Reasons for the Offering and Listing and Use of Proceeds*".

Additionally, all members of our Managing Board are at the same time shareholders of the EHS Europe Health Services B.V., the parent company of the Europa Apotheek Group, which is our competitor since the Shop Apotheke Group and the Europa Apotheek Group are both active in the online sale of OTC Medications and Pharmacy-Related BPC Products as well as prescription medications in Germany. Therefore, our Managing could face a conflict of interests while pursuing the interests of the Shop Apotheke Group; at the same time, business opportunities for the Europa Apotheek Group may be reduced due to a limited market opportunity, see "*3. Risk Factors - 3.5 Risks Related to the Shares and the Offering - Following the Offering, all members of our Managing Board as well as a large number of our Existing Shareholders are at the same time shareholders of the Europa Apotheek Group, which is a competitor to us, and their interests may conflict with our interests and those of our other shareholders or other investors*."

Other than these circumstances, the Company is not aware of any circumstances that may lead to a potential conflict of interest between the personal interests or other duties of members of the Managing Board, personal interests or other duties of the Supervisory Directors, vis-à-vis the Company.

With the exception of the voluntary ongoing liquidation of Mail Response Services GmbH, Hamburg, Germany, in which Dr. Björn Söder is involved as liquidator of Mail Response Services GmbH, none of the Managing Directors or the Supervisory Directors (i) has been convicted of fraudulent offenses, (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation, or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer during the last five years.

The Company is not aware of any arrangement or understanding with controlling shareholders, suppliers, customers or others pursuant to which any Managing Director or Supervisory Director was selected as a member of such management or supervisory bodies of the Company. There are no service agreements between the Company or its subsidiaries, on the one hand, and one or more members of the Supervisory Board on the other hand, that provide for a severance payments or other benefits in the case of termination of the service agreement.

Apart from that, Shop Apotheke Group has entered into a supply agreement with a company ultimately owned by Dr. Robert Hess, who is at the same time our indirect shareholder by owning 100% of the Shares in Dr. Hess Verwaltungsgesellschaft mbH which directly holds 10.38% of the Shares in Shop Apotheke Europe N.V. The agreement was entered into on commercial terms.

19.10 Liability of Members of the Managing Board and the Supervisory Board

Under Dutch law, the Managing Directors and the Supervisory Directors may be liable toward the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages toward the Company and toward third parties for infringement of the Articles of Association or of certain provisions of the DCC. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

19.11 Insurance

The Managing Directors, the Supervisory Directors and certain other officers are insured under a liability insurance provided for by the Company against damages resulting from their conduct when acting in their capacities as directors or officers. See, "*13. Business -13.14 Insurance"*.

19.12 Indemnification

Pursuant to the Articles of Association, and unless and to the extent Dutch law provides otherwise, the following will be reimbursed by the Company to current and former members of the Managing Board and the

Supervisory Board: (i) the reasonable costs of conducting a defense against threatened, pending or completed claims or discovery procedures, whether civil, criminal, investigative or administrative, based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request, (ii) any expenses, damages, amounts paid in settlement or fines payable by them as a result of an act or failure to act as referred to under (i) and (iii) the reasonable costs of appearing in other legal proceedings or investigations in which they are involved as current or former Managing Directors or Supervisory Directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

There shall, however, be no entitlement to reimbursement if and to the extent that: (i) a Dutch court has established in a final and conclusive decision that the act or failure of the persons concerned may be characterized as willful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise, or (ii) the costs or financial loss of the persons concerned are covered by an insurance and the insurer has paid out the costs or financial loss.

19.13 Diversity Policy

Certain gender diversity requirements under Dutch law for management and supervisory boards expired as of 1 January 2016. However, it is expected that these requirements will be extended until 2020. Pursuant to these requirements, certain large Dutch companies must pursue a policy of having at least 30% of the seats on both the managing board and the supervisory board to be held by men and at least 30% of those seats to be held by women, each to the extent these seats are held by natural persons.

The Company currently does not meet the applicable gender diversity targets, but the Company's aim to achieve a well-balanced allocation in the future.

In addition, preparations are being made to implement European legislation requiring listed companies to explain their diversity policy in their annual reporting. This legislation is expected to be applicable to annual reports for financial years beginning on or after 1 January 2017.

20. Certain Relationships and Related-party Transactions

In accordance with IAS 24, transactions with persons or companies which are, among other things, members of the same group as the Company or which are in control of or controlled by the Company must be disclosed, unless they are already included as consolidated companies in our Annual Financial Statements. Control exists if a shareholder owns more than one half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of our management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on our financial and operating policies, including close family members and intermediate entities. This includes the members of the Managing Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Managing Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of voting rights.

Set forth below is a summary of such transactions with related parties for the years ended 31 December 2015, 2014 and 2013 as well as for the current year up to and including the date of this prospectus. Further information, including quantitative amounts, of related party transactions are contained in the notes to our Annual Financial Statements for the years ended 31 December 2015, 2014 and 2013, which are included in the section "23 Financial Information" of this prospectus beginning on page F-18. Business relationships between companies of the Group are not included.

20.1 Relationships with the Europa Apotheek Group

The Company, SA Europe B.V., Shop-Apotheke B.V. and Shop-Apotheke Service B.V. were founded in the course of the Reorganization. Prior to the Reorganization, the business of the Group was an integral part of the business of the Europa Apotheek Group. See "*17. General Information on the Company and the Group—17.5 Incorporation of the Group Structure and Reorganization*". The shareholders of Europa Apotheek Group will retain a shareholding in the Company and will be able to exercise a corresponding influence, and their interests could come into conflict with the interests of other investors. See "*3. Risk Factors—3.4 Risks Related to the Reorganization*".

In connection with the demerger of our Group from EHS Europe Health Services B.V., companies of the Group entered into a number of service and other agreements with companies of the Europa Apotheek Group, see "*3. Risk Factors - 3.5 Risks Related to the Shares and the Offering - Following the Offering, all members of our Managing Board as well as a large number of our Existing Shareholders are at the same time shareholders of the Europa Apotheek Group, which is a competitor to us, and their interests may conflict with our interests and those of our other shareholders or other investors*.".

20.1.1 Wholesale Agent Agreement

With effect from 1 October 2015, EuroService Venlo B.V. entered into a Wholesale Agent agreement with Europa Apotheek Venlo B.V. for a fixed term until 30 September 2020 (the "**Wholesale Agent Agreement**"). After the fixed term, the wholesale agreement remains in force unless it is terminated with six months' written notice by either party. Under the Wholesale Agent Agreement, EuroService Venlo B.V., a licensed Dutch pharmacy which holds a Dutch wholesaler license, serves as an exclusive wholesale agent for Europa Apotheek Venlo B.V., ordering pharmaceutical products based on purchase orders supplied by Europa Apotheek Venlo B.V. and processing customers' orders. The agreement was concluded at arms' length terms. Pursuant to the Wholesale Agent Agreement, Europa Apotheek Venlo B.V. deposited €3 million (interest-free) with EuroService Venlo B.V. to finance the purchasing activities of pre-ordered stock of EuroService Venlo B.V. which needs to be paid back completely when the Wholesale Agent Agreement ends. After the Wholesale Agent Agreement has expired, it is intended that EuroService Venlo B.V. will continue its purchasing activities for the Shop Apotheke Group; the purchasing of products and provision of services to Europa Apotheek B.V. will expire, unless a new agreement has been entered into.

20.1.2 Current Account

Additionally, on 30 September 2015, Shop Apotheke Europe B.V. and EHS Europe Health Services B.V. entered into a current account agreement (the "**Current Account Agreement**") the purpose of which is to facilitate the billing of the different purchasing and picking, IT and marketing services provided by companies of the Shop Apotheke Group to the Europa Apotheek Group (see, "*-20.1.3 Other Service Agreements*") and to provide the respective service providing companies with enough cash for the rendering of such services. The Current Account Agreement is, in particular, used to account (i) for services provided under the different service

agreements and (ii) purchases made in excess of the €3 million deposit which has been provided under the Wholesale Agent Agreement. The purchasing activities of EuroService Venlo B.V. are invoiced on a monthly basis. €5.0 million is the maximum amount that Shop Apotheke can draw under the Current Account Agreement (in addition to the interest-free deposit). For purposes of the Current Account Agreement €4.1 million were paid to EuroService Venlo B.V. as an advance payment to facilitate the start of services and purchases in October 2015. The current account bears an interest rate of 3% p.a. which is calculated on a quarterly basis on the average current account in the respective quarter. If one of the parties wants to counterbalance the current account and requests repayment, it needs to inform the other party about this who then has to pay back the current account balance within 6 months. The Current Account Agreement is entered for an unlimited period and may be terminated by either party according to statutory Dutch law rules.

20.1.3 Other Service Agreements

We have entered into four additional service agreements with companies of the Europa Apotheek Group, as set forth in the table below (collectively, the "**Service Agreements**"). The Service Agreements have a term of two (IT Services Agreement, Marketing Services Agreement, Finance, Accounting and Control Agreement) to five (Pharmaceutical Service Agreement) years commencing on 1 October 2015 and are thereafter automatically extended for subsequent one year periods, unless terminated by either party on three months' notice. Companies of the Shop Apotheke Group provide services to the respective company of the Europa Apotheek Group under the IT Services Agreement, the Marketing Services Agreement, and the Finance, Accounting and Control Agreement and receive services under the Pharmaceutical Services Agreement.

Agreement	Parties	Activity
IT Services Agreement	Shop-Apotheke Service B.V (provider) and Europa Apotheek Service Venlo B.V. (recipient)	IT services, including access to a working ERP System that supports all activities of mail-order business, access to an active webshop, access to any relevant software (e.g. MS Office, databases, SharePoint, email etc.) and an IT infrastructure, including hardware, access to internet, data safety and security Server and any supporting hard- or software-components
Marketing Services Agreement	Shop-Apotheke Service B.V. (provider) and Europa Apotheek Service Venlo B.V. (recipient)	Marketing services, comprising maintenance of webshops, product pictures, market researches, database analyses mailings and other services
Finance, Accounting and Control Agreement	Shop-Apotheke Service B.V. (provider) and Europa Apotheek Service Venlo B.V. (recipient)	Finance, accounting and internal control services as well as access to company specific data for controlling purposes
Pharmaceutical Services Agreement	Europa Apotheek Venlo B.V.(provider) and Shop-Apotheke B.V. (recipient)	Pharmaceutical services, comprising scanning and recognition of all scripts and written orders, access to recommendation and counseling platform, access to a broader pharmaceutical call center, emergency system, access to pharmaceutical laboratory

20.1.4 Sublease Agreements

As part of our demerger from the Europa Apotheek Group, on 19 October 2015, Shop Apotheke Service B.V. and EuroService B.V. entered with effect as of 1 October 2015 into two sublease agreements with Europa Apotheek Venlo B.V. in relation to our headquarters and logistics center located at Dirk Hartogweg 14, 5928 LV

Venlo, the Netherlands. Each sublease has a term of five years and is renewable in accordance with extensions of the primary lease upon mutual consent of the parties. Both subleases end automatically in case the underlying lease has ended. The monthly rent amounts to €25,600 and €40,800, respectively, including all ancillary costs, and is subject to adjustments under the main lease contract' See "*13. Business—13.12 Material Contracts*". With legal effect as of 1 October 2015, Shop-Apotheke Service B.V. entered into a lease agreement with respect to office premises in Cologne with Europa Apotheek Service Venlo B.V. The sublease has a term of five years, and may be extended by mutual consent of the parties provided that the primary lease has also been extended. The monthly rent amounts to €9,100 including all ancillary costs.

20.1.5 Delimitation Agreement

On 26 September 2016, Shop Apotheke Europe N.V. as parent company of the Shop Apotheke Group and EHS Europe Health Services B.V. ("**EHS**") as parent company of the Europa Apotheek Group entered into a delimitation agreement (the "**Delimitation Agreement**") with the purpose to define the future businesses of both groups and to restrict overlap. The Delimitation Agreement defines the online market for OTC Medications and Pharmacy-Related BPC Products with approximately 98% of the revenues in Continental Europe as target focus market for Shop Apotheke, whereas the online sale of prescription medications with approximately 2% is the non-focus market conducted in Germany for regulatory reasons. For Europa Apotheek Group, the sale of prescription medication in Continental Europe is the target focus market with a share of approximately 70% of revenues, whereas the market for OTC Medications and Pharmacy-Related BPC Products is with a share of revenues of 30% the non-focus market. Given the large market opportunity in Continental Europe, the parties acknowledge the focus markets of the respective other party and EHS agrees not to materially change its respective business activities in terms of a material change of the allocations between the respective focus and non-focus markets which shall ensure a limitation of competition from the Shop Apotheke Group. The Delimitation Agreement was entered into in the context of the Offering to protect the interests of shareholders that acquire Offer Shares in the Offering for a period of two years commencing on the date on which the Offer Shares are allocated in the Offering, which is expected to be on or about 11 October 2016. The Delimitation Agreement can be terminated by the Company upon six months' notice and at its sole discretion and cannot be renewed or extended after expiry of its two year term.

20.2 Relationships with Certain Shareholders

20.2.1 Shareholder Loans

In the course of the Reorganization, 33 long term loan agreements with a large number of our shareholders with a total nominal value of €24,580,000 (the "**Shareholder Loans**") have been transferred by way of legal demerger from EHS Europe Health Services B.V. to Shop Apotheke Europe B.V. All agreements, entered into between November 2012 and March 2014 by EHS Europe Health Services B.V. provide for an interest rate of 2.5% p.a. and all loans, including accumulated interest, are due for repayment on 31 December 2022.

All agreements contain a subordination clause according to which they are subordinated debt vis-à-vis all other claims of creditors and provide for a prohibition to dispose over the repayment claims without the debtor's consent. The following table shows the Shareholder Loans in place between the Company and its shareholders as of 30 June 2016:

No.	Original Debtor	Creditor	Loan amount (nominal value in €)	Date of conclusion	Repayment Date
1	EHS European Health Services B.V.	Dr. Hess Verwaltungsgesellschaft mbH (Hess, Hans Robert)	3,000,000	12/03/2012	12/31/2022
2	EHS European Health Services B.V.	Baader, Peter	150,000	12/03/2012	12/31/2022
3	EHS European Health Services B.V.	Dr. Hess Verwaltungsgesellschaft mbH (Hess, Hans Robert)	50,000	03/01/2014	12/31/2022
4	EHS European Health Services B.V.	MAFI Invest GmbH (Fischer, Marc)	50,000	12/03/2012	12/31/2022
5	EHS European Health Services B.V.	MAFI Invest GmbH (Fischer, Marc)	50,000	03/10/2014	12/31/2022

No.	Original Debtor	Creditor	Loan amount (nominal value in €)	Date of conclusion	Repayment Date
6	EHS European Health Services B.V.	MK Beleggingsmaatschappij Venlo B.V. (Michael Köhler)	9.750,000	03/10/2014	12/31/2022
7	EHS European Health Services B.V.	Faller, Viktor	100,000	12/03/2012	12/31/2022
8	EHS European Health Services B.V.	Feltens, Stefan	200,000	12/03/2012	12/31/2022
9	EHS European Health Services B.V.	Frei, Martin	400,000	12/03/2012	12/31/2022
10	EHS European Health Services B.V.	Frei, Thomas	400,000	12/03/2012	12/31/2022
11	EHS European Health Services B.V.	Hess, Hans Bertold	100,000	12/03/2012	12/31/2022
12	EHS European Health Services B.V.	Hess, Hans Ulrich	100,000	12/03/2012	12/31/2022
13	EHS European Health Services B.V.	Holler, Theresa	50,000	12/17/2012	12/31/2022
14	EHS European Health Services B.V.	Holler, Theresa	50,000	03/10/2014	12/31/2022
15	EHS European Health Services B.V.	Köhler, Frank	1,000,000	12/03/2012	12/31/2022
16	EHS European Health Services B.V.	Kuhn, Jens	500,000	12/03/2012	12/31/2022
17	EHS European Health Services B.V.	Kuhn-Temmler, Monika	500,000	12/03/2012	12/31/2022
18	EHS European Health Services B.V.	Kulpe, Jürgen	400,000	12/03/2012	12/31/2022
19	EHS European Health Services B.V.	Laubmann, Christoph	3,000,000	12/03/2012	12/31/2022
20	EHS European Health Services B.V.	Morning Star Analytics Development SA	200,000	12/03/2012	12/31/2022
21	EHS European Health Services B.V.	Parklane Capital Verwaltungsgesellschaft (Söder, Björn)	170,000	12/03/2012	12/31/2022
22	EHS European Health Services B.V.	pewe-ivests GmbH (Weber, Peter)	250,000	12/03/2012	12/31/2022
23	EHS European Health Services B.V.	Pyttel, Jan	2,000,000	12/03/2012	12/31/2022
24	EHS European Health Services B.V.	Rall, Markus	310,000	12/03/2012	12/31/2022
25	EHS European Health Services B.V.	Rope Beteiligungen UG (Stephan Derr)	50,000	12/03/2012	12/31/2022
26	EHS European Health Services B.V.	swinvests GmbH (Weber, Stephan)	50,000	12/03/2012	12/31/2022
27	EHS European Health Services B.V.	swinvests GmbH (Weber, Stephan)	50,000	03/10/2014	12/31/2022
28	EHS European Health Services B.V.	Vivus Beteiligungsgesellschaft GmbH (Frank Steinhoff)	1,000,000	12/03/2012	12/31/2022
29	EHS European Health Services B.V.	VVGS Beleggingsmaat-schappij Venlo B.V. (Klaus Gritschneder)	500,000	12/03/2012	12/31/2022
30	EHS European Health Services B.V.	Wandel, Ulrich	100,000	11/30/2012	12/31/2022
31	EHS European Health Services B.V.	Wandel, Ulrich	50,000	03/10/2014	12/31/2022
Total:			**24,580,000**		

We intend to use a portion of the proceeds of the Offering to pay the Shareholder Loans. As a result of such payment, the difference in the nominal amount of the Shareholder Loans (€26,853 thousand, including accumulated interest, as at 30 June 2016) and the carrying value of the Shareholder Loans on our statement of financial position (€19,715 thousand as at 30 June 2016) will be reflected as a loss on our statement of profit and loss in the period in which the repayment occurs of €5,354 thousand after reflecting the related deferred tax liability of €1,784 thousand.

20.2.2 Consulting Agreement with Mrs. Ponet and Mr. Fastré

As part of the acquisition of the Farmaline Business and in order to ensure the success and the prosperity of the Future Farmaline Business, Mrs. Ponet and Mr. Fastré entered (through their subsidiaries Online Services SARL and Fastgoed BVBA) into corresponding consulting agreements with SA Europe B.V., see "*13. Business - 13.12 Material Contracts - 13.12.1 Acquisition of the Farmaline Business*".

20.3 Relationships with Managing Board and Supervisory Board

For an overview of the compensation and shareholding, as applicable, of the members of the Managing Board and the Supervisory Board, see "*19. Managing Board, Supervisory Board and employees*" "*19.4. Remuneration of the Managing Board" "19.6. Shareholding Information*", as well as the notes to our Annual Financial Statements.

In the course of the Reorganization, two loan agreements between group members of the Europa Apotheek Group as lenders and Managing Board members as borrowers with a total nominal value of €70,000 (the "**Management Loans**") have been transferred to companies of the Shop Apotheke Group, one of which, in the amount of €20,000, was recently been repaid.

Theresa Holler has received a loan in the nominal amount of €50,000 at an interest rate of 2.5% p.a. which is due for repayment on 31 December 2022 under an agreement dated 17 December 2012 from Europa Apotheek Venlo B.V. which has been transferred to Shop Apotheke B.V. in the course of the Reorganization. The Management Loan granted to Theresa Holler has been granted for purposes of enabling her to grant in turn the Shareholder Loan to EHS Europe Health Services B.V. on 17 December 2012 (see "*- 20.2.1 Shareholder Loans"*) and is to be repaid upon and in proportion to repayment of this Shareholder Loan. The Company has the right to set off the claims under these agreements without prior approval by Theresa Holler being required. The Management Loan agreement provides Shop Apotheke B.V. with a premature redemption right.

21. UNDERWRITING

21.1 Subject and Arrangements on Underwriting

The Company, the Greenshoe Shareholders and the Underwriters have entered into an underwriting agreement with respect to the Offering (the "**Underwriting Agreement**") on 28 September 2016.

The Offering consists of up to 3,571,428 New Shares and the Over-allotment Shares. We refer to the Over-allotment Shares together with the New Shares as the "**Offer Shares**". The Offering consists of (i) a public offering to institutional and retail investors in Germany and (ii) a private placement to certain institutional investors in various other jurisdictions outside Germany. In the United States, the Offer Shares will be offered and sold only to persons reasonably believed to be QIBs, in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act. Outside the United States, the Offer Shares will be offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act.

Under the terms of the Underwriting Agreement each Underwriter commits to offer the Offer Shares in the Offering on a best efforts basis and, subject to the signing of the Pricing Agreement, to underwrite such number of Offer Shares as has been allocated to investors who have placed purchase orders in the bookbuilding process. The actual number of Shares to be underwritten by each Underwriter and the Offer Price will be agreed in the Pricing Agreement and depend on the outcome of the book building process. Given that the Company targets gross issue proceeds of €100 million, the final number of Shares that must be placed in the Offering will therefore correlate with the Offer Price achieved in the bookbuilding process, i.e. the Underwriters will subscribe for the number of Shares allocated to investors necessary to reach such gross proceeds on the basis of the Offer Price. The obligations of the Underwriters are subject to certain conditions which are further outlined below:

Underwriter	Maximum number of New Shares to be underwritten	Percentage of underwritten New Shares (in %)	Maximum number of Greenshoe Shares to be underwritten	Percentage of underwritten Greenshoe Shares (in %)
Joh. Berenberg, Gossler & Co. KG Neuer Jungfernstieg 20 20354 Hamburg, Germany Joint Global Coordinator	1,482,143	41.5%	222,321	41.5%
Citigroup Global Markets Limited Citigroup Centre, 33 Canada Square, London, E14 5LB, United Kingdom Joint Global Coordinator	1,482,143	41.5%	222,321	41.5%
COMMERZBANK Aktiengesellschaft Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany Joint Bookrunner	607,142	17.0%	91,072	17.0%
Total	**3,571,428**	**100.0%**	**535,714**	**100.0%**

In the Underwriting Agreement, Berenberg agreed to subscribe partly in its own name and partly in the name of the other Underwriters and for the account of the Underwriters, for the final number of New Shares to be determined in the Pricing Agreement at the nominal value per share of €0.02 on or about 11 October 2016 in order to settle the allocations made with investors. The Underwriters agreed to remit to the Company the Offer Price for the New Shares (less agreed commissions, the nominal value per share of €0.02 already paid to the Company by Berenberg upon subscription and expenses) at the time the New Shares are delivered to investors, which is expected to be on or about 14 October 2016. The Underwriters have further been granted an option (the "**Greenshoe Option**") to acquire up to 535,174 Over-allotment Shares from the holdings of the Greenshoe Shareholders (such Over-allotment Shares with respect to which the Greenshoe Option will have been exercised the "**Greenshoe Shares**"). The Underwriters have agreed to remit the Greenshoe Shareholders the purchase price of the Greenshoe Shares being sold if and to the extent the Greenshoe Option is exercised, in each case less agreed commissions.

Such obligations of the Underwriters are subject to the following material conditions, (i) the conclusion of a Pricing Agreement and thereby the determination of the Offer Price and the exact number of Offer Shares, (ii) the absence of a material adverse event (as defined below), (iii) receipt of customary certificates, legal opinions and letters, and (iv) the making of necessary filings and the receipt of necessary approvals (for example,

admission to trading on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations) in connection with the Offering.

A "**material adverse event**" is defined as any of the following events which, in any such case (a) to (c), in the reasonable judgment of the Joint Global Coordinators would make it impractical or inadvisable to proceed with the Offering or the delivery of the offered shares on the terms and in the manner contemplated in this Prospectus:

(a) The Company or the Group has sustained since the date of the latest audited financial statements included in the Prospectus a loss or interference with respect to its business from fire, explosion, flood or other calamity (whether or not covered by insurance), or from any labour dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus.

(b) Since the latest date for which financial statements are included in the Prospectus, (i) there has been any material change or development reasonably likely to result in a material change to the share capital of the Company; (ii) there has been any material change or development reasonably likely to result in a material change in the long-term debt of the Company or the Group; (iii) there has been any material adverse change, or any development involving a reasonable likely prospective material adverse change, in or affecting the condition, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the Company or the Group or such as would prevent the Company from performing any of its obligations hereunder; or (iv) the Company or the Group has incurred any liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of its business, otherwise in each of case (i), (ii), (iii) and (iv) than as set forth, described or contemplated in the Prospectus.

(c) There has occurred any of the following: (i) a suspension in trading (other than for technical reasons) in securities of the Company or in securities generally on the Frankfurt Stock Exchange *(Frankfurter Wertpapierbörse)*, the London Stock Exchange or the New York Stock Exchange; (ii) a general moratorium on banking activities in Frankfurt, Germany, London, United Kingdom or New York, United States declared by the relevant authorities or a material disruption in commercial banking or securities settlement, payment or clearance services in Europe or the United States; (iii) a material adverse change in national or international financial, political, or economic conditions or currency exchange rates or currency controls which could have a material adverse impact on the financial markets in the Germany, the United Kingdom or the United States; (iv) the outbreak or escalation of hostilities, or the declaration of a national emergency or war which have a material adverse impact on the financial markets in the Germany, the United Kingdom or the United States or (v) the occurrence of any acts of terrorism or any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or currency control which have a material adverse impact on the financial markets in Germany, the United Kingdom or the United States.

The Underwriters have provided and may, from time to time, provide services to companies of the Group and the Greenshoe Shareholders in the ordinary course of business and may extend credit to and have regular business dealings with companies of the Group and the Greenshoe Shareholders in their capacity as financial institutions.

For details of the lock-up agreement of the Company, our Significant Shareholders and our Management Shareholders, please see "*5. The Offering—5.10 Lock-up Agreement, Limitations on Disposal*".

21.2 Commissions

The Underwriters will offer the Offer Shares on behalf of the Company and the Greenshoe Shareholders. The Company (for the New Shares offered from the Offering Capital Increase) and the Greenshoe Shareholders (for the Greenshoe Shares) will, severally and not jointly, *pro rata* to their respective shares in the gross proceeds of the Offering, pay the Underwriters a commission of 2.5% of the aggregate gross proceeds of the Offering, including any proceeds from the Greenshoe Shares (the "**Base Fee**"). In addition, to the extent the Greenshoe Option is exercised, the Underwriters will receive a selling concession equal to 60% of 2.5% of the aggregate gross proceeds of the Greenshoe Shares, such concession to be distributed among the Underwriters in accordance with their respective underwriting quotas as set out in the Underwriting Agreement (the "**Greenshoe Fee**"). In addition, the Company and the Greenshoe Shareholders, may in their absolute discretion, decide to pay an additional fee of up to 1.5% of the gross proceeds of the Offering (including any proceeds relating to an exercise of the Greenshoe Option) (the "**Discretionary Fee**"). The Company and the Greenshoe Shareholders shall decide on the payment of a Discretionary Fee no later than 35 days after the Settlement Date.

The Company and the Greenshoe Shareholders will also agree to reimburse the Underwriters for certain costs and expenses (as agreed to be allocated between them). Commissions and the reimbursement of costs and expenses by the Company represent a major part of the cost of the Company expected in connection with the Offering. See also "6. *Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing*".

The Underwriters may involve selling agents in connection with the Offering and, in this context, may share part of the commission with such selling agents.

21.3 Greenshoe Option and Securities Loan

To cover a potential Over-allotment, the Greenshoe Shareholders will make available up to 535,174 Over-allotment Shares (not to exceed 15% of the New Shares) to the Stabilization Manager, for the account of the Underwriters, in the form of a securities loan (*Wertpapierdarlehen*). The Greenshoe Shareholders have granted the Underwriters the Greenshoe Option to acquire the Greenshoe Shares at the Offer Price, less agreed commissions, in order to satisfy the Underwriters' retransfer obligation under the securities loan. The deadline for exercising the Greenshoe Option will expire on or about 12 November 2016 (30 calendar days after the first day of trading of the Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

21.4 Termination/Indemnification

The Underwriting Agreement will provide that the Underwriters may under certain circumstances terminate the Underwriting Agreement, including after the Shares have been allotted and listed, up to delivery and settlement. Grounds for termination include in particular

- a material adverse event (as defined above) in the economic position or the business of the Company or the Group; and
- an event that has material adverse effects on the financial markets.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated, and investors will have no claim for delivery. Claims with respect to security commissions already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial institution to which the investor submitted its purchase order. Investors who engage in short selling bear the risk of being unable to satisfy their delivery obligations.

The Company and the Greenshoe Shareholders will agree in the Underwriting Agreement to indemnify the Underwriters against certain liabilities, including liabilities under applicable securities laws that may arise in connection with the Offering.

The Company has no discretionary right to terminate the Underwriting Agreement or to prevent the Offering from settling in any other way.

21.5 Selling Restrictions

No public offer is being made and no one has taken any action that would, or is intended to, permit a public offering of the Offer Shares to be made in any country or jurisdiction, other than Germany, where any such action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction. It is the responsibility of any person who receives a copy of this Prospectus to satisfy himself or herself as to full observance of the laws of any relevant territory in respect of any actions he or she may take, including obtaining of any requisite governmental or other consent or the observance of any requisite formalities and the payment of any issue, transfer or other taxes due in such territory.

The Offer Shares are being offered to the public solely in Germany. The Offer Shares have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction of the United States and may not be offered, sold or directly or indirectly delivered to any person in the United States of America, except to such persons whom the Underwriters reasonably believe to be qualified institutional buyers (within the meaning of Rule 144A under the Securities Act) in transactions meeting the requirements of Rule 144A of the Securities Act and may only be offered or sold outside the United States of America in accordance with Regulation S under the Securities Act. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of any Shares may not be made other than the offers ("**Permitted Public Offers**") contemplated in the Prospectus in Germany once the Prospectus has been approved by the competent authority in such Member Sate and published

in accordance with the Prospectus Directive, as implemented in Germany, except that an offer of Shares may be made under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- by the Underwriters to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling under Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the Company, the Greenshoe Shareholders or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For purposes of this section an "**offer to the public**" with respect to the Shares in a Relevant Member State shall mean a communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and "approved" in the case of a Permitted Public Offer in a Relevant Member State other than the Member State in which the prospectus is required to be approved and the approval having been notified to the competent authority in the Member State in which the Permitted Public Offer is to be made in accordance with Article 18 of the Prospectus Directive. For the purposes of this provision, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer and resale to, persons in a Relevant Member State in circumstances which give rise to an offer to the public of any Shares other than their offer or resale to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Shares are only being offered to persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**")), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) in connection with the issue or sale of any Shares may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). Persons who are not Relevant Persons should not take any action on the basis of any such offering. Any investment or investment activity in connection with the offering of the Shares will be available only to Relevant Persons and will be engaged in only with Relevant Persons. The Shares will not be offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the FSMA.

The Underwriters will also undertake to comply with the relevant laws of any and all countries in which they conduct selling and other activities in connection with the Offering. Accordingly, neither this prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

22. TAXATION

22.1 The Netherlands

22.1.1 General

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, redemption and disposal of Shares, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Shares may include an individual or entity who does not have the legal title of these Shares, but to whom nevertheless the Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Shares or the income thereof.

This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of Shares.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

(a) investment institutions (*fiscale beleggingsinstellingen*);

(b) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;

(c) corporate holders of Shares which qualify for the participation exemption (deelnemingsvrijstelling) or would qualify for the participation exemption had the corporate holders of Shares been resident in The Netherlands. Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption if it represents an interest of 5% or more of the nominal paid-up share capital and certain other conditions are met;

(d) holders of Shares holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of Shares of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Company or of 5% or more of the issued capital of a certain class of shares of the Company, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit participating certificates (winstbewijzen) that relate to 5% or more of either the annual profit or the liquidation proceeds of the Company;

(e) persons to whom the Shares and the income from the Shares are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Dutch Gift and Inheritance Tax Act 1956 (Successiewet 1956);

(f) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Shares are attributable to such permanent establishment or permanent representative;

(g) holders of Shares which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Shares or the benefits derived from or realized in respect of these Shares; and

(h) individuals to whom Shares or the income therefrom are attributable to employment activities which are taxed as employment income in The Netherlands.

Where in this section "*22 Taxation—22 The Netherlands*" reference is made to "The Netherlands" or "Dutch", it only refers to the part of the Kingdom of The Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom of the Netherlands.

22.1.2 Withholding Tax

The Company is required to withhold Dutch dividend withholding tax at a rate of 15% in respect of dividends paid on the Shares. Generally, the Netherlands dividend withholding tax will not be borne by the Issuer, but will be withheld for the account of relevant shareholders from the gross dividends paid on the Shares. According to the Dutch Dividend Tax Act 1965 (*Wet op de dividendbelasting 1965*), dividend withholding tax is levied on proceeds from, among other things, shares, which include:

(i.) direct or indirect distributions of profit, regardless of their name or form;

(ii.) liquidation proceeds, proceeds on redemption of the Shares and, as a rule, the consideration for the repurchase of the Shares by the Company in excess of its average paid-in capital recognized for Dutch dividend tax purposes, unless a particular exemption applies;

(iii.) the nominal value of Shares issued to a holder of the Shares or an increase of the nominal value of the Shares, insofar as the (increase in the) nominal value of the Shares is not funded out of the Company's paid-in capital as recognized for Dutch dividend tax purposes; and

(iv.) partial repayments of paid-in capital recognized for Dutch dividend tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), unless the general meeting of the shareholders of the Company has resolved in advance to make such repayment and provided that the nominal value of the Shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association and the paid-in capital is recognized as capital for Dutch dividend tax purposes. The term "**qualifying profits**" includes anticipated profits that have yet to be realized.

Residents of The Netherlands

If a holder of Shares is a resident or deemed to be a resident of The Netherlands for Netherlands corporate or individual income tax purposes, Dutch dividend tax which is withheld with respect to proceeds from the Shares will generally be creditable for Netherlands corporate income tax or Netherlands income tax purposes.

Non-residents of The Netherlands

If a holder of Shares is a resident of a country other than The Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between The Netherlands and that country, and such holder is a resident for the purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of Dutch dividend tax.

A refund of Dutch dividend tax is available to entities resident in another EU member state, Norway, Iceland, or Liechtenstein provided (i) these entities are not subject to corporate income tax there and (ii) these entities would not be subject to Dutch corporate income tax, if these entities would be tax resident in The Netherlands for corporate income tax purposes and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Netherlands dividend tax may be available to entities resident in other countries, under the additional condition that (i) the Shares are considered portfolio investments and (ii) The Netherlands can exchange information with this other country in line with the international standards for the exchange of information. Under the Dutch domestic anti-dividend stripping rules, a recipient of dividends distributed on a Share will not be entitled to an exemption from, reduction, refund, or credit of Dutch dividend tax if the recipient is not considered to be the beneficial owner of such proceeds. The recipient will not be considered the beneficial owner of these proceeds, if, in connection with such proceeds, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely:

(i.) that the proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:

  (a) as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend tax; or

  (b) in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend tax; and

(ii.) that such person or legal entity has, directly or indirectly, retained or acquired an interest in shares, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

22.1.3 Taxes on income and capital gains

Residents of The Netherlands

If a holder of Shares is a resident of The Netherlands or deemed to be a resident of The Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Shares are attributable, income derived from the Shares and gains realized upon the redemption or disposal of the Shares are generally taxable in The Netherlands (in 2016: at a rate of 25%; the first €200,000 of profit are taxed at a rate of 20%).

If an individual is a resident of The Netherlands or deemed to be a resident of The Netherlands for Dutch individual income tax purposes, income derived from the Shares and gains realized upon the redemption, or disposal of the Shares are taxable at the progressive rates (in 2016: at up to a maximum rate of 52%) under the Dutch Income Tax Act 2001, if:

(iii.) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Shares are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Shares are attributable; or

(iv.) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Shares must determine taxable income with regard to the Shares on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realized. This deemed return on income from savings and investments has been fixed at a rate of 4% (in 2016) of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*) (in 2016 this threshold amounts to €24,437 per person per annum). The individual's yield basis is determined annually as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Shares will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30% (in 2016). The fair market value of the Shares will be included in the holder's yield basis.

A law has been enacted, pursuant to which beginning 1 January 2017 the rules concerning the aforementioned taxation on the deemed return from savings and investments will be amended. As a result, the deemed return will no longer be fixed at 4%, but instead a variable return between, as currently proposed, 2.9% and 5.5% (depending on the amount of the individual holder's net investment assets for the year) will be applied. It is intended that after 2017 the rates to be applied to determine the deemed return will be adjusted annually. However, at the request of the Dutch Parliament the Dutch Ministry of Finance will also review, during the course of 2016, whether the taxation can be based on the actual income and/or gains realized in respect of assets (such as, the Shares) instead of on a (variable) deemed return.

Non-residents of The Netherlands

If a person is not a resident of The Netherlands nor is deemed to be a resident of The Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Shares and gains realized upon the redemption or disposal of the Shares, unless:

(v.) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands to which permanent establishment or a permanent representative the Shares are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in The Netherlands and to which enterprise the Shares are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25% (in 2016).

(vi.) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands to which permanent establishment or permanent representative the Shares are attributable, or (2) realizes income or gains with respect to the Shares that qualify as income from miscellaneous activities in The Netherlands which includes activities with respect to

the Shares that exceed regular, active portfolio management, or (3) is other than by way of securities entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands and to which enterprise the Shares are attributable.

Income derived from the Shares as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 52% (in 2016). Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Shares) will be part of the individual's Dutch yield basis.

22.1.4 Gift and inheritance tax

Dutch gift or inheritance taxes will not be levied on the occasion of on the transfer of Shares by way of gift by, or on the death of, a holder of Shares unless:

(vii.) the holder of the Shares is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(viii.) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

22.1.5 Value Added Tax

In general, no Dutch value added tax will arise in respect of payments in consideration for the issuance of the Shares, or in respect of a cash payment made under the Shares or in connection to a transfer of Shares.

22.1.6 Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in The Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of Shares.

22.1.7 Residence

A holder of a Share will not be, or deemed to be, resident in The Netherlands or will not have, or deemed to have, a permanent establishment (*vaste inrichting*) in The Netherlands for Dutch tax purposes, by reason only of acquiring, holding or disposing of a Share.

22.2 Germany

The following section contains a summary of key German taxation principles which generally are or can be relevant to the acquisition, holding or transfer of shares both by a shareholder (an individual, a partnership or corporation) that has a tax domicile in Germany (that is, whose place of residence, habitual abode, registered office or place of management is in Germany) and by a shareholder without a tax domicile in Germany. The summary does not purport to be an exhaustive or complete description of all potential tax aspects that could be relevant for shareholders. The information is based on the tax law in force in Germany as of the date of this Prospectus (and its interpretation by administrative directives and courts) as well as typical provisions of double taxation treaties that Germany has concluded with other countries. Tax legislation and the status of the treaties may change, possibly with retroactive or retrospective effect. Moreover, it cannot be ruled out that the German tax authorities or courts may consider an alternative interpretation of the tax law to be correct that differs from the one described in this section.

This section is no substitute for individual tax advice to a particular shareholder. Shareholders are therefore advised to consult their tax advisers regarding the tax implications of the acquisition, holding or transfer of shares and regarding the procedures to be followed to achieve a possible reimbursement of German withholding tax (*Kapitalertragsteuer*). Only such individual tax advice can adequately take the specific tax-relevant circumstances of individual shareholders into due account.

22.2.1 Taxation of the Shareholders

Income Tax Implications of the Holding, Disposal and Gratuitous Transfer of Shares

Shareholders may be subject to taxation in connection with the holding of shares ("*Taxation of Dividends*"), the disposal of shares ("*Taxation of Capital Gains*") and the gratuitous transfer of shares ("*Inheritance and Gift Tax*").

Taxation of dividends

Withholding Tax

Provided that the shares are kept by a German resident shareholder in custody with a German Dividend Paying Agent (as defined below), the dividends distributed by the Company are subject to a withholding tax (*Kapitalertragsteuer*) at a rate of 25% plus solidarity surcharge of 5.5% thereon (i.e., 26.375% in total plus church tax, if applicable). This, however, will not apply if and to the extent that dividend payments are funded from the capital contributions made to the Company which would form part of the Company's contribution account for tax purposes if it was a German company (*steuerliches Einlagekonto; § 27 Körperschaftsteuergesetz ("**KStG**")*) and if a respective confirmation in terms of § 27 (8) KStG can be provided (which should generally be possible in case of the Issuer as it is a tax resident within the European Union; in this case no withholding tax will be withheld. The assessment basis for the withholding tax is the dividend approved by the general meeting.

The withholding tax is withheld and passed on for the account of the shareholders by the domestic credit or financial services institution (*inländisches Kredit – oder Finanzdienstleistungsinstitut*) (including domestic branches of such foreign enterprises), by the domestic securities trading company (*inländisches Wertpapierhandelsunternehmen*) or the domestic securities trading bank (*inländische Wertpapierhandelsbank*) which keeps or administers the shares and disburses or credits the dividends (hereinafter in all cases, the "**German Dividend Paying Agent**"). The Company does not assume any responsibility for the withholding of taxes at source.

In general, the withholding tax must be withheld regardless of whether and to what extent the dividend is exempt from taxation at the level of the shareholder and whether the shareholder is domiciled in Germany or in a foreign country.

Taxation of Dividends of Shareholders with a Tax Domicile in Germany

Shares Held as Private Assets

Dividends distributed to shareholders being tax residents in Germany and holding shares as private (non-business) assets form part of their taxable capital investment income, which is subject to a special uniform income tax rate of 25% plus solidarity surcharge of 5.5% thereon (i.e., 26.375% in total plus church tax, if applicable). The private investor's income tax liability is in general settled by the withholding tax withheld by the German Dividend Paying Agent (flat-rate withholding tax - *Abgeltungsteuer*). Income-related expenses cannot be deducted from the shareholder's capital investment income (including dividends), except for an annual lump-sum deduction (*Sparer-Pauschbetrag*) of €801 (€1,602 for married couples and for partners in accordance with the registered partnership act (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly). However, the shareholder may request that his/her capital investment income (including dividends) along with his/her other taxable income be subject to progressive income tax rate (instead of the uniform tax rate for capital investment income) if this results in a lower tax burden. In this case the withholding tax will be credited against the progressive income tax and any excess amount will be refunded. In this case as well income-related expenses cannot be deducted from the capital investment income, except for the aforementioned annual lump-sum deduction.

Exceptions from the flat rate withholding tax apply upon application for shareholders who have a (direct or indirect) shareholding of at least 25% in the Company and for shareholders who have a (direct or indirect) shareholding of at least 1% in the Company and work for the Company in a professional capacity.

With regard to church tax on dividends an automatic procedure for deducting church tax applies as of 1 January 2015 unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office.

If the withholding tax or, if applicable, the church tax on dividends is not withheld by a German Dividend Paying Agent, the shareholder is required to declare the dividends gains in his/her income tax return. The income tax and any applicable church tax on the dividends will then be collected by way of assessment.

As an exemption, dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; § 27 KStG*), provided that a respective confirmation in terms of § 27 (8) KStG can be provided, and are paid to shareholders with a tax domicile in Germany whose shares are held as non-business assets, do – contrary to the above – not form part of the shareholder's taxable income. However, these dividend payments are deemed a disposal of shares and a capital gain deriving thereof is in principle taxable if the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five

years preceding the (deemed, as the case may be) disposal directly or indirectly held at least 1% of the share capital of the Company (a "**Qualified Holding**"). A capital gain generally arises if the dividend payment funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; § 27 KStG*) exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in the section "—Taxation of Capital Gains" made with regard to shareholders maintaining a Qualified Holding.

Shares Held as Business Assets

Dividends from shares held as business assets of a shareholder with a tax domicile in Germany are not subject to the flat-rate withholding tax. The taxation depends on whether the shareholder is a corporation, a sole proprietor or a partnership (co-entrepreneurship). The withholding tax (including the solidarity surcharge and church tax, if applicable) withheld and paid by the German Dividend Paying Agent will be credited against the shareholder's income or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) or refunded in the amount of any excess.

Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; § 27 KStG*) and are paid to shareholders with a tax domicile in Germany whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholder. To the extent the dividend payments funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; § 27 KStG*) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in the section "— Taxation of Capital Gains" made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation this is not undisputed).

Corporations

Generally, dividends paid to a corporation with a tax domicile in Germany are subject to corporate income tax (and solidarity surcharge thereon) at a rate of 15.825%. However, the dividends are in general effectively 95% exempt from corporate income tax and the solidarity surcharge if the corporation holds a direct participation of at least 10% in the share capital of such corporation at the beginning of the calendar year. Participations of at least 10% acquired during a calendar year are deemed to have been acquired at the beginning of the calendar year. Participations which a shareholder holds through a partnership (including those that are co-entrepreneurships (*Mitunternehmerschaften*)) are attributable to the shareholder only on a *pro rata* basis at the ratio of the interest share of the shareholder in the assets of relevant partnership. 5% of the dividends are treated as a non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge). However, business expenses actually incurred in direct relation to the dividends may be deducted. If the corporation holds a direct participation of less than 10% in the share capital of such corporation ("**Portfolio Participation**") at the beginning of the calendar year the dividend will be fully subject to corporate income tax as the before mentioned tax exemption will not apply.

Dividends (after deducting business expenses economically related to the dividends) are subject to trade tax in the full amount, unless the requirements of the trade tax participation exemption privilege are fulfilled. This is generally the case if the dividend receiving entity holds a stake of at least 15% in the share capital of the Company at the beginning of the assessment period. In case the requirements of the participation exemption are met, the dividends are not subject to trade tax; however, trade tax is levied on the amount considered to be a non-deductible business expenses (amounting to 5% of the dividend). Trade tax ranges from approximately 7% to 18.2% of the taxable trade profit depending on the municipal trade tax multiplier applied by the relevant municipal authority.

Sole Proprietors

If the shares are held as business assets by a sole proprietor with a tax domicile in Germany, only 60% of the dividends are subject to progressive income tax (plus the solidarity surcharge) at the individual tax rate of the shareholder, so-called partial income method (Teileinkünfteverfahren). Respectively, only 60% of the business expenses incurred in connection with the dividends are tax-deductible. If the shares belong to a domestic permanent establishment in Germany of a business operation of the shareholder, the dividend income (after deduction of business expenses) is not only subject to income tax but is also fully subject to trade tax, unless the prerequisites of the trade tax participation exemption privilege are fulfilled. In this latter case the net amount of dividends, i.e., after deducting directly related expenses, is exempt from trade tax. As a rule, trade tax can be credited against the shareholder's personal income tax, either in full or in part, by means of a lump-sum tax credit method, depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

Partnerships

The income or corporate income tax is not levied at the level of the partnership but at the level of the respective partner. The taxation for every partner depends on whether the partner is a corporation or an individual. If the partner is a corporation, the dividends contained in the profit share of the shareholder will be taxed in accordance with the principles applicable for corporations (see "— *Corporations*" above). If the partner is an individual, the taxation is in line with the principles described for sole proprietors (see "— *Sole Proprietors*" above). Upon application and subject to further conditions, an individual as a partner can have his/her personal income tax rate lowered for earnings not withdrawn from the partnership.

In addition, the dividends are generally subject to trade tax in the full amount at the partnership level if the shares are attributed to a German permanent establishment of the partnership. If a partner of the partnership is an individual, the portion of the trade tax paid by the partnership pertaining to his profit share will generally be credited, either in full or in part, against his/her personal income tax by means of a lump-sum method – depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer. Due to a lack of case law and administrative guidance, it is currently unclear how the rules for the taxation of dividends from Portfolio Participations (see "— *Corporations*" above) might impact the trade tax treatment at the level of the partnership. Shareholders are strongly recommended to consult their tax advisors. Under a literal reading of the law, if the partnership fulfills the prerequisites for the trade tax exemption privilege at the beginning of the relevant assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in the Company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, under a literal reading of the law, also include corporate partners to whom, on a look-through basis, only Portfolio Participations are attributable) should not be subject to trade tax.

Taxation of Dividends of Shareholders without a Tax Domicile in Germany

Shareholders without a tax domicile in Germany, whose shares are attributable to a German permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed, are liable for tax in Germany on their dividend income. In this respect the provisions outlined above for shareholders with a tax domicile in Germany whose shares are held as business assets apply accordingly ("— *Taxation of Dividends of Shareholders with a Tax Domicile in Germany — Shares Held as Business Assets*"). The withholding tax (including the solidarity surcharge) withheld and passed on will be credited against the income or corporate income tax liability or refunded in the amount of any excess.

Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; § 27 KStG*) are generally not taxable in Germany.

Taxation of Capital Gains

Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany

Shares Held as Private Assets

Gains on the disposal of shares held by a shareholder with a tax domicile in Germany as private assets are generally – regardless of the holding period – subject to a uniform tax rate on capital investment income in Germany (25% plus the solidarity surcharge of 5.5% thereon, i.e., 26.375% in total plus any church tax if applicable).

The taxable capital gain is computed as the difference between (a) the proceeds of the disposal and (b) the acquisition costs of the shares and the expenses related directly to the disposal. Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; § 27 KStG*) reduce the original acquisition costs; if dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; § 27 KStG*) exceed the acquisition costs, negative acquisition costs – which can increase a capital gain – can arise in case of shareholders, whose shares are held as non-business assets and do not qualify as Qualified Holding.

Only an annual lump-sum deduction of €801 (€1,602 for married couples and for partners in accordance with the registered partnership act (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) may be deducted from the entire capital investments income. It is generally not possible to deduct income-related

expenses in connection with capital gains, except for the expenses directly related to the disposal which can be deducted when calculating the capital gains. Losses on disposals of shares may only be offset against gains on the disposal of shares.

If the shares are held in custody or administered by a domestic credit institution, domestic financial services institution, domestic securities trading company or a domestic securities trading bank, including domestic branches of foreign credit institutions or financial service institutions, or if such an office executes the disposal of the shares and pays out or credits the capital gains (a "**German Paying Agent**"), the tax on the capital gains will in general be satisfied by the German Paying Agent withholding the withholding tax on investment income in the amount of 26.375% (including the solidarity surcharge) on the capital gain and transferring it to the tax authority for the account of the seller.

However, the shareholder can apply for his/her total capital investment income together with his other taxable income to be subject to progressive income tax rate as opposed to the uniform tax rate on investment income, if this results in a lower tax liability. In this case the withholding tax is credited against the progressive income tax and any resulting excess amount will be refunded; limitations on offsetting losses are applicable. Further, income-related expenses are non-deductible, except for the annual lump-sum deduction. Moreover, the limitations on offsetting losses are also applicable under the income tax assessment.

If the withholding tax or, if applicable, the church tax on capital gains is not withheld by a German Paying Agent, the shareholder is required to declare the capital gains in his/her income tax return. The income tax and any applicable church tax on the capital gains will then be collected by way of assessment.

With regard to church tax on dividends an automatic procedure for deducting church tax applies from 1 January 2015 unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the German Federal tax Office.

If the shareholder making the disposal – or, in case of a sale of shares acquired without consideration, its legal predecessor – held a direct or indirect stake of at least 1% in the Company's share capital at any time in the five years preceding the disposal, the partial income method applies to gains on the disposal of shares, which means that only 60% of the capital gains are subject to tax and only 60% of the losses on the disposal and expenses economically related thereto are tax deductible. Even though withholding tax is withheld by a German Paying Agent in the case of a Qualified Holding, this does not satisfy the tax liability of the shareholder. Consequently, a shareholder must declare his/her capital gains in his/her income tax returns. The withholding tax (including the solidarity surcharge and church tax, if applicable) withheld and paid will be credited against the shareholder's income tax on his/her tax assessment (including the solidarity surcharge and any church tax if applicable) or refunded in the amount of any excess.

Shares Held as Business Assets

Gains on the sale of shares held as business assets of a shareholder with a tax domicile in Germany are not subject to uniform withholding tax. The taxation of the capital gains depends on whether the shareholder is a corporation, a sole proprietor or a partnership (co-entrepreneurship). Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; § 27 KStG*) reduce the original acquisition costs. In case of disposal a higher taxable capital gain can arise herefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

Corporations

If the shareholder is a corporation with a tax domicile in Germany, the gains on the disposal of shares are in general effectively 95% exempt from corporate income tax (including the solidarity surcharge) and trade tax, currently, regardless of the size of the participation and the holding period. 5% of the gains are treated as a non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge) at a tax rate amounting to 15.825% and trade tax (depending on the municipal trade tax multiplier applied by the municipal authority, generally between approximately 7% and 18.2%). As a rule, losses on disposals and other profit reductions in connection with shares (e.g., from a write-down) cannot be deducted as business expenses. Currently, there are no specific rules for the taxation of gains arising from the disposal of Portfolio Participations, but the German legislator contemplates to introduce the full taxation of capital gains realized from a disposal of Portfolio Participations from 2018 onwards.

Sole Proprietors

If the shares are held as business assets by a sole proprietor with a tax domicile in Germany, only 60% of the gains on the disposal of the shares are subject to progressive income tax (plus the solidarity surcharge) at

the individual tax rate of the shareholder, and, if applicable, church tax (partial-income method). Respectively only 60% of the losses in connection with the disposal of the shares are tax deductible. If the shares belong to a German permanent establishment of a business operation of the sole proprietor, 60% of the gains of the disposal of the shares are, in addition, subject to trade tax.

Trade tax can be credited toward the shareholder's personal income tax, either in full or in part, by means of a lump-sum tax credit method – depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

Partnerships

The income or corporate income tax is not levied at the level of the partnership but at the level of the respective partner. The taxation depends on whether the partner is a corporation or an individual. If the partner is a corporation, the gains on the disposal of the shares as contained in the profit share of the partner will be taxed in accordance with the principles applicable for corporations (see "— *Corporations*" above). For capital gains in the profit share of a partner that is an individual, the principles outlined above for sole proprietors apply accordingly (partial-income method, see above under "— *Sole proprietors*"). Upon application and subject to further conditions, an individual as a partner can obtain a reduction of his/her personal income tax rate for earnings not withdrawn from the partnership.

In addition, gains on the disposal of shares are subject to trade tax at the level of the partnership, if the shares are attributed to a domestic permanent establishment of a business operation of the partnership: Generally, at 60% as far as they are attributable to the profit share of an individual as the partner of the partnership, and, currently, at 5% as far as they are attributable to the profit share of a corporation as the partner of the partnership. Losses on disposals and other profit reductions in connection with the shares are currently not considered for the purposes of trade tax if they are attributable to the profit share of a corporation, and are taken into account at 60% in the context of general limitations if they are attributable to the profit share of an individual.

If the partner of the partnership is an individual, the portion of the trade tax paid by the partnership attributable to his/her profit share will generally be credited, either in full or in part, against his/her personal income tax by means of a lump-sum method – depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

Withholding Tax

In case of a German Paying Agent, the gains of the sale of shares held as business assets are in general subject to withholding tax in the same way as shares held as non-business assets by a shareholder (see the section "*—Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany — Shares Held as Non-Business Assets*"). However, the German Paying Agent will not withhold the withholding tax, if (i) the shareholder is a corporation, association of persons or estate with a tax domicile in Germany, or (ii) the shares belong to the domestic business assets of a shareholder, and the shareholder declares so to the German Paying Agent using the designated official form and certain other requirements are met. If withholding tax is nonetheless withheld by a German Paying Agent, the withholding tax (including the solidarity surcharge and church tax, if applicable) withheld and paid will be credited against the income or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) or will be refunded in the amount of any excess.

Taxation of Capital Gains of Shareholders without a Tax Domicile in Germany

Capital gains derived by shareholders with no tax domicile in Germany are only subject to German tax if the shares belong to a domestic permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed.

In the case, the above-mentioned provisions pertaining to shareholders with a tax domicile in Germany whose shares are business assets apply *mutatis mutandis* (see "*— Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany — Shares Held as Business Assets*"). The German Paying Agent can refrain from deducting the withholding tax if the shareholder declares to the German Paying Agent on an official form that the shares form part of domestic business assets and certain other requirements are met.

22.2.2 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

If financial institutions or financial services providers hold or sell shares that are allocable to their trading book pursuant to Section 1a of the German Banking Act (*Gesetz über das Kreditwesen*), they will neither be able to have 60% of their gains exempted from taxation nor be entitled to the effective 95% exemption from corporate income tax plus the solidarity surcharge and any applicable trade tax. Thus, dividend income and

capital gains are fully taxable. The same applies to shares acquired by financial institutions in the meaning of the German Banking Act for the purpose of generating profits from short-term proprietary trading. The preceding sentence applies accordingly for shares held in a permanent establishment in Germany by financial institutions, financial service providers, and finance companies tax resident in another member state of the European Union or in other signatory states of the EEA Agreement. Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the Parent-Subsidiary Directive applies.

22.2.3 Inheritance and Gift Tax

The transfer of shares to another person by way of gift or upon death is generally subject to German inheritance or gift tax if:

(ix.) the place of residence, habitual abode, place of management or registered office of the decedent, the donor, the heir, the donee or another acquirer is, at the time of the asset transfer, in Germany, or such person, as a German national, has not spent more than five continuous years outside of Germany without maintaining a place of residence in Germany, or

(x.) independent of these individual circumstances, the decedent's or donor's shares belonged to business assets for which there had been a permanent establishment in Germany or a permanent representative had been appointed.

The small number of double taxation treaties in respect of inheritance and gift tax which Germany has concluded to date usually provide for German inheritance or gift tax only to be levied in the cases under (i) and, subject to certain restrictions, as stated under (ii) above. Special provisions apply to certain German nationals living outside of Germany and to former German nationals. There is currently a parliamentary discussion in Germany about amendments to the current German Inheritance and Gift Tax Act (*Erbschafts- und Schenkungssteuergesetz*) following a decision by the German Federal Constitutional Court (*Bundesverfassungsgericht*) that certain provisions of this act are unconstitutional.

22.2.4 Other Taxes

No German capital transfer taxes, VAT, stamp duties or similar taxes are currently levied on the purchase or disposal or other forms of transfer of the shares. However, an entrepreneur may opt to subject disposals of shares, which are in principle exempt from VAT, to VAT if the sale is made to another entrepreneur for the entrepreneur's business. Wealth tax is currently not levied in Germany.

The European Commission and certain EU Members States (including Germany) are currently intending to introduce a financial transactions tax ("**FTT**") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Shares.

22.3 Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard ("**CRS**").

As of 3 June 2016, 82 jurisdictions, including The Netherlands, signed the multilateral competent authority agreement, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 40 jurisdictions have committed to a specific and ambitious timetable leading to the first automatic exchanges in 2017 (early adopters). Under CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which include trusts and foundations) with tax residency in another CRS country. CRS includes a requirement to look through passive entities to report on the relevant controlling persons.

As of 1 January 2016, CRS and EU Council Directive 2014/107/EU have been implemented in Dutch law. Prospective holders of Shares are advised to seek their own professional advice in relation to the CRS and EU Council Directive 2014/107/EU.

23. Financial Information

23.1 Unaudited Interim Condensed Consolidated Financial Statements of Shop Apotheke Europe B.V. prepared in accordance with IFRS as of and for the six-month period ended 30 June 2016

Shop Apotheke Europe B.V.

Unaudited Condensed Interim Consolidated Statement of Profit and Loss and other Comprehensive Income for the six months ended 30 June 2016 and Unaudited Condensed Interim Combined Statement of Profit and Loss and other Comprehensive Income for the six months ended 30 June 2015

	Period ended 30.06.2016	Period ended 30.06.2015
	EUR 1,000	EUR 1,000
Revenue	82,161	60,529
Costs of sales	−65,294	−47,828
Gross profit	16,867	12,701
Other income	1,098	440
Selling and Distribution	−19,514	−13,948
Administrative Expense	−3,361	−2,338
Result from operations	**−4,910**	**−3,145**
Finance income	0	394
Finance expense	−1,310	−1,157
Net finance costs	−1,310	−763
Result before tax	**−6,220**	**−3,907**
Income tax expenses	−4	−24
Result for the year	**−6,224**	**−3,931**
Attributable to:		
Owners of the Company	−6,224	−3,931
Earnings per share	EUR	EUR
Basic and diluted earnings per share	−6.22	−3.93

Shop Apotheke Europe B.V.

Unaudited Condensed Interim Consolidated Statement of Financial Position at 30 June 2016 and Unaudited Condensed Interim Consolidated Statement of Financial Position at 31 December 2015

	30.06.2016	31.12.2015
	EUR 1,000	EUR 1,000
Assets		
Non-current assets		
Property, plant and equipment	2,392	2,417
Intangible assets	13,892	13,616
	16,284	16,033
Current assets		
Inventories	10,304	10,412
Pre-ordered stock	4,356	5,653
Trade and other receivables	6,150	4,100
Other current assets	1,990	3,046
Cash and cash equivalents	10,458	3,529
	33,258	26,740
Total assets	**49,542**	**42,772**
Business equity and liabilities		
Capital and reserves		
Equity	6,240	2,459
Non-current liabilities		
Loan from related parties (shareholders)	19,715	19,002
Deferred tax liability	2,568	2,564
Other liabilities	3,000	3,000
	25,283	24,567
Current liabilities		
Trade and other payables	12,952	8,638
Amounts due to related parties	1,419	3,202
Other liabilities	3,648	3,906
	18,019	15,747
Total equity and liabilities	**49,542**	**42,772**

Shop Apotheke Europe B.V.

Unaudited Condensed Interim Statement of Changes in Shareholders' Equity for the period ended 30 June 2016

	Issued and paid-up share	Share premium and other reserves	Undistributed results	Equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Equity as of 1 January 2016	100	12,907	− 10,548	2,459
Result for the period			− 6,224	− 6,224
Capital increase	0	10,005		10,005
Balance as of 30 June 2016	100	22,912	− 16,772	6,240

Unaudited Condensed Interim Statement of Changes in Equity for the period ended 30 June 2015

	Business equity
	EUR 1,000
Business equity as of 1 January 2015	20,056
Result for the period	− 3,931
Additional financing from related parties	6,365
Balance as of 30 June 2015	22,490

Shop Apotheke Europe B.V.

Unaudited Condensed Interim Consolidated Statement of Cash Flows for the six months ended 30 June 2016 and Unaudited Condensed Interim Combined Statement of Cash Flows for the six months ended 30 June 2015

	Period ended 30.06.2016	Period ended 30.06.2015
	EUR 1,000	EUR 1,000
Cash flow from operating activities		
Operating result	−4,910	−3,145
Adjustments for:		
– Depreciation and amortisation of non-current assets	1,489	964
Operating result adjusted for depreciation and amortisation	−3,421	−2,180
– Movements in working capital:		
- (Increase)/decrease in trade and other receivables	−994	657
- (Increase)/decrease in inventory	108	−1,647
- (Increase)/decrease in pre-ordered stock	1,297	−176
- Increase/(decrease) in provisions	0	3
- Increase/(decrease) in trade and other payables	4,056	−736
- Increase/(decrease) in amounts due to related parties	−1,784	0
Working capital movement	2,683	−1,900
Cash generated from operations	−738	−4,080
Interest received	0	0
Net cash (used in)/generated by operating activities	**−738**	**−4,080**
Cash flow from investing activities		
Investment for property, plant and equipment	−376	−759
Investment for intangible assets	−1,364	−987
Investment for acquisitions	0	0
Net cash (used in)/generated by investing activities	**−1,740**	**−1,746**

Shop Apotheke Europe B.V.

Unaudited Condensed Interim Consolidated Statement of Cash Flows for the six months ended 30 June 2016 and Unaudited Condensed Interim Combined Statement of Cash Flows for the six months ended 30 June 2015

	Period ended 30.06.2016	Period ended 30.06.2015
	EUR 1,000	EUR 1,000
Cash flow from financing activities		
Interest paid	−597	−497
Additional financing from related parties	0	6,365
Capital increase	10,005	
Net cash (used in)/generated by financing activities	9,408	5,868
Net increase/(decrease) in cash and cash equivalents	6,929	43
Cash and cash equivalents at the beginning of the year	**3,529**	**297**
Cash and cash equivalents at the end of the year	**10,458**	**340**

General information

Shop Apotheke Europe B.V. is a holding company, having its legal seat in Venlo at the address Dirk Hartogweg 14, NL-5928 LV Venlo.

Shop Apotheke Europe B.V. (or the "Company") is a limited liability company incorporated in The Netherlands on 30 September 2015 and is legally seated in Venlo, The Netherlands. Since incorporation, the Company has the following subsidiaries: SA Europe B.V., Shop-Apotheke B.V., Shop-Apotheke Service B.V., EuroService Venlo B.V. and Xsite GmbH. The mailorder pharmacy business activities (and related activities) are presented on an unaudited condensed interim consolidated basis for the period 1 January 2016 through 30 June 2016 and on an unaudited condensed interim combined basis for the period 1 January 2015 through 30 June 2015 and are referred to as "the Group" or "Shop Apotheke Europe B.V.".

Shop Apotheke Europe B.V. is a mailorder pharmacy business primarily for prescription-free ("over-the-counter" or "OTC") pharmaceuticals, food supplements, beauty and personal care products (BPC). In addition, Xsite provides webshop services for the Group and for third parties.

Until the date of incorporation the activities of the Group were part of EHS Europe Health Services B.V. (and its subsidiaries EHSC B.V., Europa Apotheek Venlo B.V., Europa Apotheek Service Venlo B.V. and Xsite GmbH) with a subsequent carve-out on the date of the incorporation. During the year 2015 the activities of Shop Apotheke Europe B.V. were part of a carve-out from the EHS Europe Health Services B.V. group. The carve-out has the legal form of a legal split. The transaction has been consummated at 30 September 2015.

EHS Europe Health Services B.V. has funded the Group during the period 1 January 2013 through 30 September 2015 including investment and operating loss as well as working capital. This is referred to as "additional financing from related parties". Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and on hand at Xsite GmbH.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financing of the Group took place by owners' funding presented as additional financing from related parties for the period ending 30 June 2015.

These unaudited interim consolidated financial statements are for the purpose of an Initial Public Offering (IPO) on the Frankfurt Stock Exchange and as a result these statements are solely to enable Shop Apotheke Europe B.V. and the parties involved in the IPO to meet the listing requirements.

Besides the financial information of Shop Apotheke Europe B.V. also the financial information of the following 100% subsidiaries are included in these Unaudited Interim Consolidated Financial Statements for the above-mentioned periods:

- SA Europe B.V., Venlo, The Netherlands, with its 100% subsidiaries:
  - Shop-Apotheke B.V., Venlo, The Netherlands
  - Shop-Apotheke Service B.V., Venlo, The Netherlands
  - EuroService Venlo B.V., The Netherlands
  - Xsite GmbH, Düsseldorf, Germany

The carve-out of Shop Apotheke Europe B.V. from EHS Europe Health Services B.V. with effect as of 1 January 2015 included Shop-Apotheke B.V., Shop-Apotheke Service B.V., SA Europe B.V. and Xsite GmbH. EuroService Venlo B.V. was founded on June 26, 2015 and became a 100% subsidiary of SA Europe B.V. subsequent to the date of the incorporation of this entity. The subsidiaries were acquired as part of the carve-out under common control. The carve-out has been accounted for applying the pooling of interest approach as of 1 January 2013.

Combined group - separation

The legal split of Europa Apotheek Venlo B.V. resulted in the incorporation of Shop Apotheke Europe B.V. as of 30 September 2015 including SA Europe B.V. and its wholly owned subsidiaries Shop-Apotheke B.V., Shop-Apotheke Service B.V., EuroService Venlo B.V. and Xsite GmbH.

The subsidiaries were acquired as part of the carve-out under common control. For comparision purposes the financial information for six months period ended 30 June 2015 has been presented on a combined basis.

Upon the incorporation and the legal split, assets and liabilities have been contributed to the company. The net asset value of the contribution is reported as Share Premium.

Combined group – prior to separation

The financial information with respect to the mailorder pharmacy (and Germany Services) activities is reflected in the individual legal entities that comprise the Group. These Condensed Interim Consolidated Financial Statements have been prepared from the accounting records of EHS Europe Health Services B.V. and reflect the cash flows, revenues, expenses, assets, and liabilities of these individual legal entities. Because the separate legal entities that comprise the Group were not held by a single legal entity prior to the incorporation of the legal structure, business equity is shown in lieu of shareholders' equity in the period ended June 2015 statement of financial position. Business equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through 30 September 2015. The impact of transactions between the Group and EHS Europe Health Services B.V. that were not historically settled in cash are also included in business equity.

During the periods presented, the Group functioned as part of the larger group of companies controlled by EHS Europe Health Services B.V., and accordingly, EHS Europe Health Services B.V. performed certain corporate overhead functions for the Group. These functions include, but are not limited to, executive oversight, legal, finance, human resources, internal audit, financial reporting, tax planning and investor relations. The costs of such services have been allocated to the Group based on the most relevant allocation method to the service provided. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Group been operating as a separate entity apart from EHS Europe Health Services B.V. The cost allocated for these functions is included in selling, general and administrative expenses in the Unaudited Interim Combined Statement of Profit and Loss for the periods presented.

As the Group did not operate as a stand-alone entity before its incorporation on 30 September 2015, these Unaudited Condensed Interim Consolidated Financial Statements may not be indicative of the Group's future performance and do not necessarily reflect what its interim unaudited condensed results of operations, financial position and cash flows would have been had the Group operated as a separate entity apart from EHS Europe Health Services B.V. during the period presented through 29 September 2015. A number of assumptions have been made for the preparation of the Interim Unaudited Combined Financial Statements as explained in the notes below.

As for the Unaudited Interim Consolidated Financial Statements, the following allocations were made related to the assets and liabilities (until 30 September 2015) and for revenues and expenses (for the period ended 30 June 2015) of EHS Europe Health Services B.V. specifically to Shop Apotheke Europe B.V. in the course of the carve-out:

Unaudited Condensed Interim Combined Statement of Financial Position as of 30 June 2015

- Property, plant and equipment accounts were specifically allocated by use. All assets related to warehouse operations in The Netherlands were allocated to the Group. Assets related to the prescription ("Rx") business were allocated to Europa Apotheek Venlo B.V. The allocation of the net book value of the assets to the Group were based on specific asset identification. All locations are rented by EHS Europe Health Services B.V. with rental expenses allocated to the Group based on floor area usage (warehouse) or employee expenses (for supporting departments) of the Group as percentage of aggregate employee expenses (office space).

  Goodwill is related to the acquisition of the former Shop Apotheke online pharmacy, Cologne, activities in 2010. As the business activities of the Group were carved-out (as also explained in this note) the related goodwill balance was also allocated to these Unaudited Interim Consolidated resp. Combined Financial Statements. Allocation of the goodwill across multiple cash-generating units is not applicable. As a result the goodwill balance was amortised until 1 January 2013 (Transition Date to IFRS from previous Dutch GAAP) and considered deemed cost under IFRS 1.

- All intangible fixed assets related to the ERP system used to run business operations were assigned to the Group. The allocation of the net book value of the assets to the Group were based on specific asset identification.

- Inventory was allocated to the Group.
- In 2015 the Group entered into a wholesale agent agreement with Europa Apotheek Venlo B.V. This agreement arranges that the economic risks of Rx, OTC and BPC products ordered per request of Europa Apotheek Venlo B.V. are guaranteed by Europa Apotheek Venlo B.V. resulting that revenue and cost of sales are presented on a net basis by the Group with legal title remaining at the Group prior to shipment of the products. This agreement was applied retrospectively for the Unaudited Interim Combined Financial Statements. These products are presented as pre-ordered stock in the Statement of Financial Position (covering the period ended 30 June 2015).
- Accounts receivable were allocated to Shop-Apotheke B.V. on a customer basis, also as the customers are separately tracked for Shop-Apotheke B.V. The customers are assigned to Shop-Apotheke B.V. or Europa Apotheek Venlo B.V. based on requested orders coming from the websites of Shop-Apotheke or Europa Apotheek Venlo. Accounts receivable write-offs were allocated to the Group based on relative sales share of the Group as percentage of EHS Europe Health Services B.V. (including the Group). Since incorporation, all accounts receivable balances are kept completely separately for the Group.
- Rebate accruals for products were allocated based on relative share of cost of goods sold for the Group as percentage of the Europe Health Services B.V. (including the Group) and accounted for completely separately since incorporation of the Company.
- The subsidiary Xsite was completely transferred to the Group on 30 September 2015 with effect as of 1 January 2015.
- Due to additional financing from related parties by EHS Europe Health Services B.V. until incorporation, cash or bank accounts were transferred to the Group only then, and as a result the Group only had cash accounts related to Xsite subsequent to the acquisition in 2013.
- Trade and other payables related to product purchasing were completely allocated to the Group. Trade and other payables related to shared cost of the organization have joint the creditor balances, which were allocated to the Group based on allocation keys (Full Time Equivalent/"FTE") or cost share, reflecting the nature of the related charges.
- Provisions were assigned to the Group depending on their nature or other reasonable methods based on management's business judgement.
- Other liabilities and accrued liabilities, in particular for personnel cost, were allocated based on the cost share of the Group as percentage of aggregate cost of Europe Health Services B.V. (including the Group), as deemed relevant by the nature of the accrued costs.
- Liabilities for wages, wage tax and pensions were allocated based on the cost share of the Group as percentage of aggregate cost of Europe Health Services B.V. (including the Group).
- VAT was allocated based on end-customer revenues and cost of the Group as percentage of aggregate revenues and cost, respectively, of Europe Health Services B.V. (including the Group).

Unaudited Condensed Interim Combined Statement of Profit and Loss and other Comprehensive Income for the six months ended 30 June 2015

- In the Unaudited Interim Combined Income Statements, both revenues and cost of goods were directly allocated to the Group based on ordered products (and related recognized revenue) as received on the shop-apotheke website (due to specific customer tracking).
- In 2015 the Group entered into a wholesale agent agreement with Europa Apotheek Venlo B.V. This agreement arranges that the economic risks of ordered Rx, OTC and BPC products are shared by Europa Apotheek Venlo B.V. resulting that revenue and cost of sales are presented on a net basis by the Group with legal title remaining at the Group prior to shipment of the products. This agreement was applied retrospectively for the Unaudited Interim Consolidated Financial Statements (covering the period through September 2015).
- Salaries, wages and pensions: part of salaries and wages, including pension costs and social security, is dedicated to the Group (mainly direct FTEs in Operations and Sales & Distribution) based on the organizational structure in 2015 and is allocated based on cost centres until 30 June 2015. The

organizational structure is retrospectively applied for the period ended 30 June 2015 as if the Group was already operating in such a way during this period as the Group's management believed these are the most accurate key drivers of these costs.

- Marketing budgets and transaction-based expenses were allocated to Shop Apotheke Europe B.V. based on cost centre accounting.
- Costs that could not be related to Shop Apotheke Europe B.V. directly or by cost centre accounting, e.g. cost for central administration, were allocated based on reasonable allocation keys such as personnel costs, number of orders or revenues.
- Inbound logistics and fulfilment costs were allocated based on a cost per order basis multiplied by the number of orders for the Group.
- Depreciation was calculated according to the assets that were transferred to the Group in the carve-out.

Business Equity 1 January 2015 – 30 September 2015

As indicated, the EHS Europe Health Services B.V. (including the Group) utilized a central approach to cash management and the funding of its operations. In the absence of a contractual obligation to deliver cash or other financial assets in relation to the funding from other businesses and the fact that the balances were not settled with the Group's own equity instruments, all balances with other businesses are presented as business equity in the carve out financial statements 2014.

Equity from 1 October 2015

Since incorporation equity is presented separately while prior to this date business equity (as explained previously) is shown in the Statement of Changes in Equity.

Unaudited Condensed Interim Consolidated Statement of Cash Flows for the six months ended 30 June 2016 and Unaudited Condensed Interim Statement of Cash Flows for the six months ended 30 June 2015

As indicated, the EHS Europe Health Services B.V. (including the Group) utilized a central approach to cash management and funding of its operations until 30 September 2015. The bank accounts were legally attached to the EHS Europe Health Services B.V. group and consequently all cash transactions were received on the EHS Europe Health Services B.V. group's bank accounts resulting in that the Group did not have its own bank accounts. Accordingly no cash or cash equivalent is assigned to the Group on 30 June 2015 except for Xsite´s cash.

Based on the above the cash flow statement presents the cash flows from the operating, investing and other financing activities, whereby financing takes place by the owner's gross funding presented as additional financing from related parties for the period ended 30 June 2015.

Corporate income tax

The activities of the Group are operated by a number of legal entities that also operated other businesses. The Group does not comprise any individual legal entities, but only parts of the operated business of the Europe Health Services B.V. group. Considering that these parts of the business are not individual legal entities, the separate return approach is applied.

In the separate return method of allocation, current and deferred tax expense or benefit for the period is determined for each member of an unaudited interim combined group by applying the requirements of IAS 12 as if that group member was filing a separate tax return. Under the separate return method, the sum of the amounts allocated to the individual group members sometimes may not equal the actual total amount of current and deferred income tax expense, or benefit for the carved-out business. Any difference is considered as a combination adjustment and is recorded through business equity. The current income tax charge is based on the statutory tax rate within the relevant tax jurisdiction and the income tax payable and deferred taxation is recorded as part of business equity.

The losses of the Group, except for Xsite, remained with EHS Europe Health Services B.V. for the years 2013 and 2014, and accordingly were not allocated to the Group, as agreed in the carve-out process. Accordingly any potential corporate income tax risks of the Group, except for Xsite, remained with EHS Europe Health Services B.V. for those years. Retrospectively since 1 January 2015, the Group has been operating as a fiscal unity for corporate tax purposes with profits and losses directly accounted for by the Group.

Furthermore as there is uncertainty that operating losses (so excluding Xsite) may not be realised in the near future, no deferred tax assets have been recognized. Deferred tax positions are only recognized in case taxable profits are made or expected to be made in the foreseeable future or in case deferred tax liabilities are recognized for the same amount.

A deferred tax asset is recognized for the subsidiary Xsite due to expected utilization in the next years.

Basis of preparation

The Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 June 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The Unaudited Financial Statements have been prepared under the historical cost convention.

The Unaudited Interim Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Combined Financial Statements for the year ended 31 December 2015.

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the Unaudited Interim Consolidated Financial Statements are consistent with those followed in the preparation of the Company's annual financial statements for the period ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

Several new standards and amendments apply for the first time in 2016. However, they do not impact the Unaudited Condensed Interim Combined Financial Statements of the Company.

The company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Going concern

Historically, the Group's business has been funded by EHS Europe Health Services B.V. in the past and the periods presented. As of the carve-out date, the Company has obtained a new financing and capitalization balance.

In 2013 through 2015 the Company incurred net losses for €18,414 thousand and used cash in operating activities for €16,704 thousand. Resulting from the new financing and capitalization as of the carve-out date, the working capital position at the end of 2015 is €10,464 thousand positive. In the period ended 30 June 2016 the Company incurred net losses for €6,224 thousand and used cash in operating activities for €-738 thousand. The working capital position at 30 June 2016 is €7,781 thousand positive.

Furthermore the long-term liabilities are past due subsequent to 2019. In order to further support its sales growth and internationalization strategy the Group increased its share capital by €10 million in June 2016 (€10,005 thousand was contributed in cash). The Company also closely assesses its investing activities in 2016 and 2017. Furthermore main part of the other (selling & distribution) cost are marketing cost which can be applied based on management's preferences (amongst others on timing, amounts and nature). As part of the acquisition of Farmaline the Company paid €1,650 thousand in cash in September 2016 and entered into an earn-out agreement for the period 2016 through 2018 for a maximum amount of €3,300 thousand if all of the agreed upon targets are met. Based on the expected results and cash-flows for 2016 and 2017 in conjunction with the €10,005 thousand additional capital injection and the afore-mentioned acquisition of Farmaline management concluded that the going concern is appropriate for preparation of these Unaudited Interim Consolidated Financial Statements.

On the basis of the above, the Unaudited Interim Consolidated Financial Statements have been prepared on a going concern basis.

Segment reporting

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: Mostly 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 the Austrian, French and Belgian markets.
- Germany Services: Webshop services of Xsite delivered mostly to German customers/companies.

Operating segments are 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.

30.06.2016	Germany	International	Germany Services	Eliminations	Unaudited interim consolidated
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	**70,174**	**11,152**	**1,976**	**−1,141**	**82,161**
Cost of sales	−55,783	−9,255	−256	0	−65,294
Gross Profit	**14,391**	**1,897**	**1,720**	**−1,141**	**16,867**
% of revenue	20.5%	17.0%	87.1%		20.5%
Other income	937	147	13	0	1,098
Selling & Distribution	−13,988	−4,143	−1,259	1,141	−18,249
Segment EBITDA	**1,340**	**−2,099**	**474**		**−284**
Administrative expense					−3,137
EBITDA					**−3,421**
Depreciation					−1,489
EBIT					**−4,910**
Finance income					0
Finance expense					−1,310
Net finance cost					−1,310
Result before tax					**−6,220**

30.06.2015	Germany	International	Germany Services	Eliminations	Unaudited interim combined
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	**56,604**	**2,909**	**1,468**	**−452**	**60,529**
Cost of sales	−45,328	−2,417	−83	0	−47,828
Gross Profit	**11,276**	**492**	**1,385**	**−452**	**12,701**
% of revenue	19.9%	16.9%	94.3%		21.0%
Other income	412	21	8		440
Selling & Distribution	−11,663	−1,060	−849	452	−13,119
Segment EBITDA	**25**	**−547**	**544**	**0**	**22**
Administrative expense					−2,202
EBITDA					**−2,180**

30.06.2015	Germany	International	Germany Services	Eliminations	Unaudited interim combined
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Depreciation					−964
EBIT					**−3,145**
Finance income					394
Finance expense					−1,157
Net finance cost					−763
Result before tax					**−3,908**

The administrative expense also contains one-off expenses for the period ended 30.06.2016 of €214 thousand and for the period ended 30.06.2015 of €148 thousand which are related to IPO and restructuring cost.

The Group does not allocate certain costs to the segments. These unallocated items include primarily corporate overhead costs shown as administrative expense in the tables above. The result by segment is shown in the line segment EBITDA including costs directly related to the revenue of the segments (marketing, operations). Segment EBITDA is adjusted for costs that are directly related to the segment revenue. EBITDA means earnings before tax, interest, depreciation and amortization.

All judgements in applying the allocation and aggregation criteria are made by management. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

Seasonality of operations

Management has concluded that 'seasonality' is not considered to have a material effect in accordance with IAS 34. Accordingly no adjustments were considered necessary to reflect the seasonality of operations in the Unaudited Interim Statement of Profit or Loss or Unaudited Interim Statement of Financial Position.

Shareholders's equity and business equity

Prior to the consolidation of the mailorder pharmacy business activities of EHS Europe Health Services group into the Company, the Group's equity represented EHS Europe Health Services B.V.'s investment in the combined entities of the Group, or business Equity. Following the Separation, the Group's equity represents the Company's issued and outstanding share capital, additional paid in capital and reserves.

Prior to Separation—Business Equity

As indicated, the EHS Europe Health Services B.V. (including the Group) utilized a central approach to cash management and the funding of its operations until 30 September 2015. In the absence of a contractual obligation to deliver cash or other financial assets in relation to the funding from other businesses and the fact that the balances were not settled with the Group's own equity instruments, all balances with other businesses are presented as business equity in lieu of shareholders' equity for the period ended 30 June 2015 in these financial statements. Business Equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through that date.

Post Separation—Shareholders' Equity

As described above 1,000,000 shares of the Company were issued to EHS Europe Health Services B.V.'s shareholders in connection with the Separation. Upon the completion of the Separation, the company has been refinanced as follows:

- Share capital: share capital was issued based on the par value of €0.10 per share for the shares issued in connection with the Separation;
- Additional paid in capital: the net asset value of the contribution, is reported as share premium.

The total authorized number of ordinary shares of 1,000,000 as of 31 December 2015 with a par value of €0.10 per ordinary share has been increased to 1,066,700 ordinary shares on the par value of €0.10 each in September 2016. The capital increase was paid in June 2016 and the new 66,700 ordinary shares on the par value of €0.10 each were issued in September 2016. The issued and paid-up share capital of the Company increased in September 2016 to an amount of €106,670 divided into 1,066,700 ordinary shares of €0.10 each (at 30 June 2016 1,000,000 shares were outstanding).The Company obtained long term loans from shareholders due to the legal split in 2015 (€26,521 thousand nominal value). For reference see the related party disclosures.

Intangible and tangible fixed assets

During the interim period 2016 the company spent €668 thousand on developments in the ERP system and €696 thousand on other intangible assets. The company did not dispose of any assets.

Business combinations

No acquisitions or disposals were conducted in 2015 and 2014 apart from the contribution of the assets and liabilities upon incorporation.

Risks and uncertainties

The risks and uncertainties are similar to those included in the 2015 combined financial statements.

Operating lease arrangements and other commitments

The company did not enter into operating lease arrangements and dit not enter into other commitments in the reporting period, except as disclosed below.

Guarantees

Guarantee obligations have been provided by the Group for €34 thousand (Xsite).

Fiscal unity

For the purpose of the value added tax and corporate income tax Shop-Apotheke B.V., Shop-Apotheke Service B.V. and SA Europe B.V. are associated in a fiscal unity and are therefore severally liable for the corporate income tax owed of the entire fiscal unity as of October 2015 (subsequent to this date and not for the prior period). For the purpose of corporate income tax, SA Europe B.V., Shop-Apotheke B.V., Shop-Apotheke Service B.V. and EuroService Venlo B.V. are associated in a fiscal unity and are therefore severally liable for the corporate income tax owed of the entire fiscal unity as of October 2015 (subsequent to this date and not for the prior period).

Rental commitments buildings and other (lease) agreements

The obligations for lease of property as of 30 June 2016 entered into with third parties are €4.036 thousand. Of this amount €1,007 thousand is due within one year, €3,029 thousand is due within one through five years until 30 September 2020 and €0 is due after five years.

Obligations for other lease agreements amount €39 thousand. Of this amount €19 thousand is due within one year, €20 thousand is due within one through five years until 31 August 2018 and €0 thousand is due after five years.

The risk and uncertainties are similar to those included in the Combined Financial Statements 2015, 2014 and 2013 of Shop Apotheke Europe B.V.

Events after the end of the reporting period

In April 2016, the general shareholder meeting of Shop Apotheke Europe B.V. took the decision for a capital increase of €10,005 thousand in cash which was actually contributed in June 2016 (resulting that equity increased by €10,005 thousand in the first six months of 2016). In September 2016 66,700 shares were issued on the par value of €0.10 each related to this capital increase.

In September 2016, the company acquired assets relating to the online business of the Belgian online pharmacy Farmaline N.V. (the acquisition is considered a business combination under IFRS 3) by which the company aims

to improve the competitive position in Continental Europe significantly. After signing the acquisition agreement in August 2016, the acquisition of the Farmaline Business by way of an asset and share deal was completed in September 2016. As part of the acquisition the Company issued 32,990 Shares to the owners of Farmaline and paid €1,650 thousand in cash in September 2016. Furthermore an earn-out agreement was entered into for the period 2016 through 2018 for a maximum amount of €3,300 thousand if all of the agreed upon targets are met.

Related party transactions

Details of transactions between the Group and other related parties are disclosed below.

Transactions with the EHS Europe Health Services group

As of September 2015, the Group was carved out from the EHS Europe Health Services group. As a result of the carve-out the Group will entered into service agreements with the EHS Europe Health Services group, which will provide for the provision of services such as purchasing, warehouse operations, IT and administration performed by the Group for EHS Europe Health Services group. As of 1 October 2016 a €3 million non-current deposit was provided from EHS Europe Health Services group to the Group to facilitate agent product purchases on behalf of EHS Europe Health Services group. The services also included the provision of certain application maintenance, application development and infrastructure maintenance services. The service agreements will provide for a term of up to five years. The Group also has a current account with the EHS Europe Health Services group for a maximum amount of €5 million.

Revenue from other services relates to income from service transactions provided to Europa Apotheek Venlo B.V. is allocated to the segments based on revenue until 30 September 2015 and thereafter based on service agreements (period ended 30 June 2016: €1,084 thousand; period ended 30 June 2015: €433 thousand.

The loan obtained from related parties has the following conditions and parameters:

Annual actual interest: 2.5% (7.5% effective rate according to IFRS)

No redemption scheme prior to the redemption date of the loan in 2022. Interest is accumulated and paid at the time of redemption, which may take place prior to 2022.The loan is subordinated in nature. Lenders may ask for redemption in case of majority change of control.

In accordance with IFRS, the loan is reported based on fair value at inception (with amortised cost subsequently), discounting the loan at 7.5% to value the loan at €19,715 thousand as of 30 June 2016 (nominal value of €26,853 thousand). A deferred tax liability has been recorded for the difference between fair value and nominal value.

The shareholder loans provided by the Board of Directors amount to €7,985 thousand on 30 June 2016.

Loans to the Board of Directors:

	Period ended 30.06.2016	Period ended 31.12.2015
	EUR 1,000	EUR 1,000
Loan (current)	70	70

The Group has provided several of its key management personnel with short-term loans at rates comparable to the average commercial rate of interest.

The loans to key management personnel are unsecured.

The company also has current account balances with the EHS Europe Health Services group for €4,419 thousand as of 30 June 2016.

Signing of the unaudited interim financial statements

Venlo, 19 September 2016

Board of Directors: Marc Fischer, Theresa Holler, Michael Köhler, Dr. Ulrich Wandel, Stephan Weber

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Review report

To: Shareholders of Shop Apotheke Europe B.V.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Shop Apotheke Europe B.V., Venlo, that comprises the condensed interim consolidated statements of financial position as at 30 June 2016, the condensed interim consolidated financial statement of profit or loss and other comprehensive income for the six months ended 30 June 2016, the condensed interim statement of changes in shareholders' equity for the period ended 30 June 2016, the condensed interim consolidated statement of cash flows for the six-month period ended 30 June 2016 and the notes, comprising a summary of the significant accounting policies and other explanatory information. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements for the six-month period ended 30 June 2016, are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

Emphasis of the basis of presentation

Without modifying our opinion, we draw attention to the fact that, as described in the notes to the condensed interim consolidated financial statements, the Mail-order Pharmacy business activities of EHS Europe Health Service B.V. included in the condensed interim consolidated financial statements have not operated as an entity separate from EHS Europe Health Service B.V. for the period through 29 September 2015.

Therefore, these condensed interim consolidated financial statements may not necessarily be indicative of results that would have occurred had the Mail-order Pharmacy business activities of EHS Europe Health Service B.V. operated as a separate stand-alone entity during the period through 29 September 2015 presented or of future results of the combined businesses.

Basis of preparation and restriction on use

Without modifying our conclusion, we draw attention to the notes to the condensed interim consolidated financial statements, which describe the purpose of the condensed interim consolidated financial statements including the basis of preparation. The condensed interim consolidated financial statements are prepared for enclosure in the prospectus in connection with the first admission to listing and trading on Frankfurt Stock Exchange (FWB) in Frankfurt. As a result, the condensed interim consolidated financial statements may not be suitable for any other purpose.

Eindhoven, 19 September 2016

Deloitte Accountants B.V.

Signed on the original: J. Hendriks

23.2 Audited Annual Combined Financial Statements of Shop Apotheke Europe B.V. prepared in accordance with IFRS as of and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013

Shop Apotheke Europe B.V.

Combined Statement of Profit and Loss for the years ended 31 December 2015, 31 December 2014 and 31 December 2013

	Notes	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
		EUR 1,000	EUR 1,000	EUR 1,000
Revenue	6	125,578	84,671	55,292
Costs of sales	7	−99,841	−66,636	−42,545
Gross profit		25,737	18,035	12,747
Other income	8	1,316	928	673
Selling and Distribution	9	−29,143	−19,523	−12,448
Administrative Expense	10	−6,729	−3,488	−2,850
Result from operations		**−8,819**	**−4,048**	**−1,878**
Finance income		593	0	0
Finance expense	11	−2,275	−826	−839
Net finance costs		−1,682	−826	−839
Result before tax		**−10,501**	**−4,874**	**−2,717**
Income tax expenses	12	−47	−161	−113
Result for the year		**−10,548**	**−5,035**	**−2,831**
Attributable to:				
Owners of the Company		−10,548	−5,035	−2,831
Earnings per share	13	EUR	EUR	EUR
Basic and diluted earnings per share		−10.55	−5.04	−2.83

Shop Apotheke Europe B.V.

Combined Statement of other Comprehensive Income for the years ended 31 December 2015, 31 December 2014 and 31 December 2013

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Result for the year	**−10,548**	**−5,035**	**−2,831**
Other comprehensive income/loss	**0**	**0**	**0**
Total comprehensive loss	**−10,548**	**−5,035**	**−2,831**
Attributable to:			
Owners of the Company	−10,548	−5,035	−2,831

Shop Apotheke Europe B.V.

Combined Statement of Financial Position at 31 December 2014 and 31 December 2013 and Consolidated Statement of Financial Position at 31 December 2015

	Notes	31.12.2015	31.12.2014	31.12.2013
		EUR 1,000	EUR 1,000	EUR 1,000
Assets				
Non-current assets				
Property, plant and equipment	14	2,417	1,773	1,872
Intangible assets	15	13,616	12,384	11,643
		16,033	14,157	13,515
Current assets				
Inventories	16	10,412	4,592	2,942
Pre-ordered stock	16	5,653	5,531	5,405
Trade and other receivables	17	4,100	2,940	2,612
Other current assets	18	3,046	1,992	1,155
Cash and cash equivalents	19	3,529	297	92
		26,739	15,352	12,206
Total assets		**42,772**	**29,509**	**25,721**
Business equity and liabilities				
Capital and reserves				
Business Equity	20	–	20,056	18,080
Equity		2,459	–	–
Non-current liabilities				
Loan from related parties (shareholders)	24	19,002	–	–
Deferred tax liability	12	2,564	563	447
Other liabilities	24	3,000		
		24,566	563	447
Current liabilities				
Trade and other payables	21	8,638	7,625	6,122
Amounts due to related parties	24	3,202	0	0
Other liabilities	22	3,906	1,265	1,072
		15,747	8,890	7,194
Total equity and liabilities		**42,772**	**29,509**	**25,721**

Shop Apotheke Europe B.V.

Combined Statement of Changes in Equity for the years ended 31 December 2013 and 31 December 2014

	Business equity	Issued and paid-up share	Share premium	Undistributed results	Equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Business equity as of 1 January 2013	10,333				
Result for the period	−2,831				
Business financing	10,578				
		–	–	–	–
Balance as of 31 December 2013	18,080	0	0	0	0
Business equity as of 1 January 2014	18,080				
Result for the period	−5,035				
Business financing	7,011				
		–	–	–	–
Balance as of 31 December 2014	20,056	0	0	0	0

Shop Apotheke Europe B.V.

Consolidated Statement of Changes in Shareholders' Equity for the period ended 31 December 2015

	Business equity	Issued and paid-up share	Share premium and other reserves	Undistributed results	Equity
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Business equity as of 1 January 2015	20,056				20,056
Result for the period until incorporation				−6,515	−6,515
Incorporation of the entity as of 30 September 2015	−20,056	100	20,887		931
Result for the period after incorporation				−4,033	−4,033
	0	100	20,887	−10,548	10,439
Other comprehensive income for the period, net of income tax					
Result for the period					0
Total comprehensive income for the period	0	0	0	0	0
Share premium repayment			−7,650		−7,650
Dividends			−330		−330
Balance as of 31 December 2015	**0**	**100**	**12,907**	**−10,548**	**2,459**

Shop Apotheke Europe B.V.

Combined Statement of Cash Flows for the years ended 31 December 2015, 31 December 2014 and 31 December 2013

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Cash flow from operating activities			
Operating result	−8,819	−4,048	−1,878
Adjustments for:			
– Depreciation and amortisation of non-current assets	2,166	1,656	1,126
Operating result adjusted for depreciation and amortisation	−6,653	−2,392	−752
– Movements in working capital:			
- (Increase)/decrease in trade and other receivables	−2,213	−1,165	−643
- (Increase)/decrease in inventory	−5,820	−1,650	50
- (Increase)/decrease in pre-ordered stock	−121	−126	−91
- Increase/(decrease) in provisions	−95	−46	334
- Increase/(decrease) in trade and other payables	2,921	1,696	−3,140
- Increase/(decrease) in amounts due to related parties	3,202		
Working capital movement	−2,126	−1,291	−3,490
Cash generated from operations	−8,779	−3,683	−4,242
Interest received	0	0	0
Net cash (used in)/generated by operating activities	**−8,779**	**−3,683**	**−4,242**
Cash flow from investing activities			
Investment for property, plant and equipment	−1,313	−477	−1,002
Investment for intangible assets	−2,737	−1,820	−3,539
Investment for acquisitions	0	0	−864
Net cash (used in)/generated by investing activities	**−4,050**	**−2,297**	**−5,405**

Shop Apotheke Europe B.V.

Combined Statement of Cash Flows for the years ended 31 December 2015, 31 December 2014 and 31 December 2013

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Cash flow from financing activities			
Interest paid	−950	−826	−839
Business financing		7,011	10,578
Additional financing from related parties	14,011		
Deposit from related parties	3,000		
Net cash (used in)/generated by financing activities	**16,061**	**6,185**	**9,739**
Net increase/(decrease) in cash and cash equivalents	3,232	205	92
Cash and cash equivalents at the beginning of the year	**297**	**92**	**0**
Cash and cash equivalents at the end of the year	**3,529**	**297**	**92**

Shop Apotheke Europe B.V.

Notes to the Combined Financial Statements

1. General information

Shop Apotheke Europe B.V. (or the "Company") is a limited liability company incorporated in The Netherlands on 30 September 2015 and is legally seated in Venlo, The Netherlands. Since incorporation, the Company has the following subsidiaries: SA Europe B.V., Shop-Apotheke B.V., Shop-Apotheke Service B.V., EuroService Venlo B.V. and Xsite GmbH. The mailorder pharmacy business activities (and related activities) are presented on a combined basis for the period 1 January 2013 through 29 September 2015 and on a consolidated basis for the period 30 September 2015 through 31 December 2015 and are referred to as "the Group" or "Shop Apotheke Europe B.V.".

Shop Apotheke Europe B.V. is a mailorder pharmacy business primarily for prescription-free ("over-the-counter" or "OTC") pharmaceuticals, food supplements and beauty and personal care products (BPC). In addition, Xsite provides webshop services for the Group and for third parties.

These financial statements consist of the Combined Financial Statements 2013-2015 for Shop Apotheke Europe B.V. with the figures presented on a combined basis for the period 1 January 2013 through 29 September 2015 and presented on a consolidated basis for the period 30 September 2015 through 31 December 2015. Until the date of incorporation the activities of the Group were part of EHS Europe Health Services B.V. (and its subsidiaries EHSC B.V., Europa Apotheek Venlo B.V., Europa Apotheek Service Venlo B.V. and Xsite GmbH) with a subsequent carve-out on the date of the incorporation. During the year 2015 the activities of Shop Apotheke Europe B.V. were part of a carve-out from the EHS Europe Health Services B.V. group. The carve-out has the legal form of a legal split. The transaction has been consummated at 30 September 2015.

The statutory financial statements of Europe Health Services B.V. for the years ended 31 December 2014 and 2013, respectively have been prepared in accordance with Dutch GAAP (Title 9 of Book 2 Dutch Law). The Combined Financial Statements 2015 for Shop Apotheke Europe B.V. comprise the years 2015, 2014 and 2013 (the years cover the period from 1 January through 31 December). These Combined Financial Statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. The application of IFRS in these Combined Financial Statements is the first time adoption of IFRS. Therefore, the 2015, 2014 and 2013 comparative information has also been prepared in accordance with IFRS.

These financial statements are for the purpose of an Initial Public Offering (IPO) on the Frankfurt Stock Exchange and as a result these statements are solely to enable Shop Apotheke Europe B.V. and the parties involved in the IPO to meet the listing requirements.

Besides the financial information of Shop Apotheke Europe B.V. also the financial information of the following 100% subsidiaries are included in these Combined Financial Statements:

- SA Europe B.V., Venlo, The Netherlands, with its 100% subsidiaries:
  - Shop-Apotheke B.V., Venlo, The Netherlands
  - Shop-Apotheke Service B.V., Venlo, The Netherlands
  - EuroService Venlo B.V., The Netherlands
  - Xsite GmbH, Düsseldorf, Germany

The carve-out of Shop Apotheke Europe B.V. from EHS Europe Health Services B.V. with effect as of 1 January 2015 included Shop-Apotheke B.V., Shop-Apotheke Service B.V., SA Europe B.V. and Xsite GmbH. EuroService Venlo B.V. was founded on June 26, 2015 and became a 100% subsidiary of SA Europe B.V. subsequent to the date of the incorporation of this entity. The subsidiaries were acquired as part of the carve-out under common control. The carve-out has been accounted for according to the book value approach and applying the pooling of interest approach as of 1 January 2013.

2. Basis of preparation

Combined group – separation

The legal split of Europa Apotheek Venlo B.V. resulted in the incorporation of Shop Apotheke Europe B.V. as of 30 September 2015 including SA Europe B.V. and its wholly owned subsidiaries Shop-Apotheke B.V., Shop-Apotheke Service B.V., EuroService Venlo B.V. and Xsite GmbH.

The subsidiaries were acquired as part of the carve-out under common control. For comparision purposes the financial information for the years 2013 and 2014 has been presented on a combined basis.

Upon the incorporation and the legal split, assets and liabilities were contributed to the Company. The net asset value of the contribution is reported as Share Premium. From this moment on the results are the actual results of Shop Apotheke Europe B.V. with related cash-flows, income statement and balance sheet movements and positions.

Since 1 October 2015, both wholesale and IT, marketing, finance and administrative services are provided by Shop Apotheke Europe B.V. to its related party EHS Europe Health Services.

Combined group – prior to separation

The financial information with respect to the mailorder pharmacy (and Germany Services) is reflected in the individual legal entities that comprise the Group. These Combined Financial Statements have been prepared from the accounting records of EHS Europe Health Services B.V. and reflect the cash flows, revenues, expenses, assets, and liabilities of these individual legal entities. Because the separate legal entities that comprise the Group were not held by a single legal entity prior to the incorporation of the legal structure, business equity is shown in lieu of shareholders' equity for the years 2013 and 2014 in these Combined Financial Statements. Business equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through that date. The impact of transactions between the Group and EHS Europe Health Services B.V. that were not historically settled in cash are also included in business equity.

During the period from 1 January 2013 to 30 September 2015, the Group functioned as part of the larger group of companies controlled by EHS Europe Health Services B.V., and accordingly, EHS Europe Health Services B.V. performed certain corporate overhead functions for the Group. These functions include, but are not limited to, executive oversight, legal, finance, human resources, internal audit, financial reporting, tax planning and investor relations. The costs of such services have been allocated to the Group based on the most relevant allocation method for the service provided.

Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Group been operating as a separate entity apart from EHS Europe Health Services B.V. The cost allocated for these functions is included in selling, general and administrative expenses in the Combined Income Statements for the historical periods presented.

As the Group did not operate as a stand-alone entity before its incorporation on 30 September 2015, these Combined Financial Statements may not be indicative of the Group's future performance and do not necessarily reflect what its combined results of operations, financial position and cash flows would have been had the Group operated as a separate entity apart from EHS Europe Health Services B.V. during the periods presented. A number of assumptions have been made for the preparation of the Combined Financial Statements as explained in the notes below.

As for the Combined Financial Statements, the following allocations were made related to the assets, liabilities, revenues and expenses of EHS Europe Health Services B.V. specifically to Shop Apotheke Europe B.V. in the course of the carve-out:

Consolidated Statement of Financial Position as of 31 December 2015 and Combined Statement of Financial Position as of 31 December 2014 and 2013 respectively

- Property, plant and equipment accounts were specifically allocated by use. Assets related to warehouse operations in The Netherlands were allocated to the Group. Assets related to the prescription ("Rx") business were allocated to Europa Apotheek Venlo B.V. The allocation of the net book value of the assets to the Group were based on specific asset identification. All locations are rented by EHS Europe Health Services B.V. with rental expenses allocated to the Group based on floor area usage (warehouse) or employee expenses (for supporting departments) of the Group as percentage of aggregate employee expenses (office space).
- Goodwill is related to the acquisition of the former Shop Apotheke online pharmacy, Cologne, activities in 2010. As the business activities of the Group were carved-out (as also explained in this note) the related goodwill balance was also allocated to these Combined Financial Statements. Allocation of the goodwill across multiple cash-generating units is not applicable. As a result the goodwill balance was amortised until 1 January 2013 (Transition Date to IFRS from previous Dutch GAAP) and considered deemed cost under IFRS 1.

- All intangible fixed assets related to the ERP system used to run business operations were assigned to the Group. The allocation of the net book value of the assets to the Group was based on specific asset identification.
- Inventory was allocated to the Group.
- In 2015 the Group entered into a wholesale agent agreement with Europa Apotheek Venlo B.V. This agreement arranges that the economic risks of Rx, OTC and BPC products ordered per request of Europa Apotheek Venlo B.V. are guaranteed by Europa Apotheek Venlo B.V. resulting that revenue and cost of sales are presented on a net basis by the Group with legal title remaining at the Group prior to shipment of the products. This agreement was applied retrospectively for the Combined Financial Statements (covering the years 2013 through September 2015). These products are presented as pre-ordered stock in the Statement of Financial Position.
- Accounts receivable were allocated to Shop-Apotheke B.V. on a customer basis, also as the customers are separately tracked for Shop-Apotheke B.V. The customers were assigned to Shop-Apotheke B.V. or Europa Apotheek Venlo B.V. based on requested orders coming from the websites of Shop-Apotheke or Europa Apotheek Venlo. Accounts receivable write-offs were allocated to the Group based on relative sales share of the Group as percentage of EHS Europe Health Services B.V. (including the Group). Since incorporation, all accounts receivable balances are kept completely separately for the Group.
- Rebate accruals for products were allocated based on relative share of cost of goods sold for the Group as percentage of the Europe Health Services B.V. business (including the Group) and accounted for completely separately since incorporation of the Company.
- The subsidiary EuroService Venlo B.V. was founded on 26 June 2015 and started operations as a wholesale unit for both Shop-Apotheke B.V. and Europa Apotheek Venlo B.V. on 1 October 2015. Services are provided by EuroService Venlo B.V.
- The subsidiary Xsite was completely transferred to the Group on 30 September 2015 with effect as of 1 January 2015.
- Due to business financing by EHS Europe Health Services B.V. until incorporation, cash or bank accounts were transferred to the Group only then, and as a result the Group only had cash accounts related to Xsite subsequent to the acquisition in 2013.
- Trade and other payables related to product purchasing were completely allocated to the Group. Trade and other payables related to shared cost of the organization have joint creditor balances, which were allocated to the Group based on allocation keys (Full Time Equivalent/"FTE") or cost share, reflecting the nature of the related charges.
- Provisions were assigned to the Group depending on their nature or other reasonable methods based on management's business judgement.
- Other liabilities and accrued liabilities, in particular for personnel cost, were allocated based on the cost share of the Group as percentage of aggregate cost of Europe Health Services B.V. (including the Group), as deemed relevant by the nature of the accrued costs.
- Liabilities for wages, wage tax and pensions were allocated based on the cost share of the Group as percentage of aggregate cost of Europe Health Services B.V. (including the Group).
- VAT was allocated based on end-customer revenues and cost of the Group as percentage of aggregate revenues and cost, respectively, of Europe Health Services B.V. (including the Group).

Combined Statement of Profit and Loss for the period 1 January 2015 through 30 September 2015 and the years ended 31 December 2014 and 2013 and Consolidated Statement of Profit and Loss for the period 1 October 2015 through 31 December 2015

- In the Combined Income Statements, both revenues and cost of goods were directly allocated to the Group based on ordered products (and related recognized revenue) as received on the Shop Apotheke Europe B.V. websites (due to specific customer tracking).
- In 2015 the Group entered into a wholesale agent agreement with Europa Apotheek Venlo B.V. This agreement arranges that the economic risks of ordered Rx, OTC and BPC products are shared by Europa

Apotheek Venlo B.V. resulting that revenue and cost of sales are presented on a net basis by the Group with legal title remaining at the Group prior to shipment of the products. This agreement was applied retrospectively for the Combined Financial Statements (covering the years 2013 through September 2015).

- Salaries, wages and pensions: part of salaries and wages, including pension costs and social security, was dedicated to the Group (mainly direct FTEs in Operations and Sales & Distribution) based on the organizational structure in 2015 and was allocated based on cost centres until 30 September 2015. The organizational structure was retrospectively applied for 2013 through 30 September 2015 as if the Group had already been operating in such a way during these years as the Group's management believes these are the most accurate key drivers of these costs.
- Marketing budgets and transaction-based expenses were allocated to Shop Apotheke Europe B.V. based on cost center accounting.
- Costs that could not be related to Shop Apotheke Europe B.V. directly or by cost centre accounting, e.g. cost for central administration, were allocated based on reasonable allocation keys such as personnel costs, number of orders or revenues.
- Inbound logistics and fulfilment costs were allocated based on a cost per order basis multiplied by the number of orders for the Group.
- Depreciation was calculated according to the assets that were transferred to the Group in the carve-out.

Consolidated Statement of Profit and Loss after separation

After the legal split as of 30 September 2015, the profit and loss statement is presented on a consolidated basis.

Business Equity 2013, 2014 and 1 January 2015 – 30 September 2015

As indicated, the EHS Europe Health Services B.V. (including the Group) utilized a central approach to cash management and the funding of its operations. In the absence of a contractual obligation to deliver cash or other financial assets in relation to the funding from other businesses and the fact that the balances were not settled with the Group's own equity instruments, all balances with other businesses are presented as business equity in the carve out financial statements 2013 and 2014.

Equity 2015 from 1 October 2015

Since incorporation equity is presented separately while prior to this date business equity (as explained previously) is shown in the Statement of Changes in Equity.

Combined Statements of Cash Flows

As indicated, the EHS Europe Health Services B.V. (including the Group) utilized a central approach to cash management and funding of its operations until 30 September 2015. The bank accounts were legally attached to the EHS Europe Health Services B.V. group and consequently all cash transactions were received on the EHS Europe Health Services B.V. group's bank accounts resulting in that the Group did not have its own bank accounts prior to incorporation. The share premium repayment and the dividend declared, as included in the 2015 equity movement, were part of the afore-mentioned central approach to cash management and were non-cash items. As a result the share premium repayment and the dividend declared were not presented separately in the cash flow statement. Due to the central approach to cash management no cash or cash equivalent was assigned to the Group, except for Xsite´s cash subsequent to the acquisition in 2013. In September 2015, the subsidiary EuroService Venlo B.V. obtained €7.1 million cash to start operations on 1 October 2015 (which is included in the additional financing from related parties in the statement of cash flow).

Based on the above the cash flow statement presents the cash flows from the operating, investing and other financing activities, whereby financing takes place by the owner's gross funding presented as business financing in 2013 and 2014 and additional funding from related parties until 30 September 2015.

Corporate income tax

The activities of the Group are operated by a number of legal entities that also operated other businesses. In 2013 and 2014, the Group did not comprise any individual legal entities, but only parts of the operated business of the Europe Health Services B.V. group. Considering that these parts of the business were not individual legal entities, the separate return approach was applied.

In the separate return method of allocation, current and deferred tax expense or benefit for the period is determined for each member of a combined group by applying the requirements of IAS 12 as if that group member were filing a separate tax return. Under the separate return method, the sum of the amounts allocated to the individual group members sometimes may not equal the actual total amount of current and deferred income tax expense, or benefit for the carved-out business. In 2013 and 2014, any difference is considered as a combination adjustment and is recorded through business equity. The current income tax charge is based on the statutory tax rate within the relevant tax jurisdiction and the income tax payable and deferred taxation is recorded as part of business equity.

The losses of the Group, except for Xsite, remained with EHS Europe Health Services B.V. for the years 2013 and 2014, and accordingly were not allocated to the Group, as agreed in the carve-out process. Accordingly any potential corporate income tax risks of the Group, except for Xsite, remained with EHS Europe Health Services B.V. for those years. Retrospectively since 1 January 2015, the Group has been operating as a fiscal unity for corporate tax purposes with profits and losses directly accounted for by the Group.

Furthermore as there is uncertainty that operating losses (so excluding Xsite) may not be realised in the near future, no deferred tax assets have been recognized. Deferred tax positions are only recognized in case taxable profits are made or expected to be made in the foreseeable future or in case deferred tax liabilities are recognized for the same amount.

A deferred tax asset is recognized for the subsidiary Xsite due to expected utilization in the next years.

Segment reporting

A business segment in the sense of IFRS 8 is a unit of a business which conducts business activities and produces financial income and expenses, the operating results of which are regularly reviewed by the Company's chief operating decision-makers with regards to decisions on allocating resources to this sector and the assessment of profitability, and for which there exists corresponding financial 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 statutory directors of the Group.

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.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.1. New and revised IFRSs affecting amounts reported and/or disclosures in the Combined Financial Statements

The Group has applied IFRS 1 first-time adoption of international financial reporting standards in preparing these first IFRS Combined Financial Statements and therefore IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective at the end of 2015 have been applied.

Since the Group has not previously prepared financial statements, the Combined Financial Statements do not include any IFRS 1 first-time adoption reconciliations. The Group applied certain optional exemptions and certain mandatory exceptions as applicable for first-time IFRS adopters. Estimates made by the Group in preparing its first IFRS Combined Financial Statements reflect the facts and circumstances which existed at the time such estimates were made. Accordingly, the estimates made by the Group to prepare these Combined Financial Statements are consistent with those made in the historical reporting of financial information as included in EHS Europe Health Services B.V.'s financial statements.

The following optional exemptions of IFRS 1 have been applied:

IFRS 1 provides relief from full retrospective application that would require restatement of all business combinations prior to the Transition Date (1 January 2013). The Group has applied IFRS 3 (revised 2008), Business Combinations ("IFRS 3R"), prospectively from the Transition Date. Therefore, business combinations occurring prior to the Transition Date have not been restated.

Below is a list of new and revised IFRSs that are mandatorily effective for accounting periods that begin on or after 1 January 2015, except as indicated otherwise.

- Amendments to:
  - IAS 19 Defined Benefit Plans: Employee Contributions
  - Annual Improvements to IFRSs 2010-2012 Cycle
  - Annual Improvements to IFRSs 2011-2013 Cycle

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

As the Company does not have defined benefit plans the amendments did not impact the 2015 financial statements.

Amendments to Annual Improvements to IFRSs 2010-2012 Cycle

The Company has applied the amendments to IFRSs 2010-2012 Cycle for the first time in the current year. The amendments to IFRSs 2010-2012 Cycle include amendments to IFRS 8 *Operating Segments* (disclosures about judgements involved in deciding whether or not to aggregate operating segments and when reconciliation of the total of the reportable segments' assets to the entity's assets is required) and IAS 24 *Related Party Disclosures* (disclosures on key management personnel by a management entity) have been applied retrospectively. The amendments to the Cycle also include amendments to IFRS 2 *Share-based Payments* (definition of vesting conditions), IFRS 3 *Business Combinations* (accounting for contingent consideration in a business combination), IFRS 13 *Fair Value Measurement* (short-term receivables and payables) and IAS 16 *Property, Plant and Equipment*; IAS 38 *Intangible Assets* (revaluation method – proportionate restatement of accumulated depreciation or amortization) did not impact the 2015 financial statements.

Amendments to Amendments to Annual Improvements to IFRSs 2011-2013 Cycle

The Company has applied the amendments to IFRSs 2011-2013 Cycle for the first time in the current year. The amendments to IFRSs 201-20123 Cycle include amendments to IFRS 3 *Business Combinations* (scope exceptions for joint ventures), IFRS 13 *Fair Value Measurement* (scope of paragraph 52 portfolio exceptions) and IAS 40 *Investment Property* (clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property) did not impact the 2015 financial statements.

3.2. New and revised IFRSs in issue but not yet effective:

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and/or have not yet been adopted by the European Union:

IFRS 9[1]	Financial Instruments
IFRS 15[2]	Revenue from Contracts with Customers

IFRS 9 *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

The Group anticipates that the application of IFRS 9 in the future is not expected to have a material impact on amounts reported in respect of the financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Group will conduct a detailed review of the potential consequences of the application of IFRS 15 in the future. As a result it is not possible to provide a reasonable estimate of the effect of IFRS 15.

Below is a list of new and revised IFRSs that are not yet endorsed or are endorsed but not yet effective for fiscal year 2015:

- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
- Amendments to IAS 27 Equity Method in Separate Financial Statements
- Amendments to IAS 1 Disclosure Initiative
- Annual Improvements to IFRSs 2012-2014 Cycle
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IAS 7: Disclosure Initiative
- Clarifications to IFRS 15: Revenue from Contracts with Customers

Management is currently assessing the potential impact of these standards.

4. Significant accounting policies

4.1. Statement of Compliance

These Combined Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

For all periods up to and including the years ended 31 December 2014, EHS Europe Health Services B.V., from which the Group was carved-out, prepared its financial statements in accordance with Dutch generally accepted accounting practice (Dutch GAAP).

Going concern

Historically, the Group's business has been funded by EHS Europe Health Services B.V. in the past and the periods presented. As of the carve-out date, the Company has obtained a new financing and capitalization balance.

In 2013 through 2015 the Company incurred net losses for €18,414 thousand and used cash in operating activities for €16,704 thousand. Resulting from the new financing and capitalization as of the carve-out date, the working

capital position at the end of 2015 is €10,464 thousand positive. Furthermore the long-term liabilities are past due subsequent to 2019. In order to further support its sales growth and internationalization strategy the Group increased its share capital by €10,005 thousand in June 2016 (which was actually contributed in cash in June 2016). The Company also closely assesses its investing activities in 2016 and 2017. Furthermore main part of the other (selling & distribution) cost are marketing cost which can be applied based on management's preferences (amongst others on timing, amounts and nature). As part of the acquisition of Farmaline the Company paid €1,650 thousand in cash in September 2016 and entered into an earn-out agreement for the period 2016 through 2018 for a maximum amount of €3,300 thousand if all of the agreed upon targets are met. Based on the expected results and cash-flows for 2016 and 2017 in conjunction with the €10,005 thousand additional capital injection and the afore-mentioned acquisition of Farmaline (see note 28 events after the reporting date for further details) management concluded that the going concern is appropriate for preparation of these Combined Financial Statements.

On the basis of the above, the Combined Financial Statements have been prepared on a going concern basis.

4.2. Basis of preparation

The Combined Financial Statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Combined Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

4.3. Revenue recognition

Revenue and other operating income are recognized in accordance with the provisions of IAS 18 when the goods or services are delivered provided that it is likely that economic benefits will flow to the Group and the amount can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Upon the sale of products to customers, the date on which the goods are delivered at the indicated place of destination is the date on which economic title to the products passes to the customer. In this case, the transfer of economic title is attached to the transfer of legal title. Revenue is recorded net of sales deductions.

In 2015 the Group entered into a wholesale agent agreement with Europa Apotheek Venlo B.V. This agreement arranges that the economic risks of ordered Rx, OTC and BPC products are covered by Europa Apotheek Venlo B.V. resulting that revenue and cost of sales are presented on a net basis by the Group with legal title remaining at the Group prior to shipment of the products. This agreement was applied retrospectively for the Combined Financial Statements (covering the years 2013 through September 2015).

Revenue from other services

Other services are typically recognized based on the services performed.

4.4. Cost of sales

Cost of sales mainly consists of cost of goods sold, inventory obsolescence provisions and contributions by our suppliers for product promotion and discounts'. Allowances on inventories reflect write-downs of inventories to their net realizable value to allow for risks from slow-moving goods, items past their use-by date or reduced saleability of goods.

4.5. Marketing expenses

Marketing expenses, which include the development and production of advertising materials and the communication of this material through various forms of media, are expensed on publishing date of the campaign. Advertising expense is recognised in selling and distribution in the Combined Statement of Profit and Loss.

4.6. Leasing

All leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.7. Foreign currencies

In preparing the Combined Financial Statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

4.8. Retirement benefit costs

The Group maintains two pension plans covering substantially all of our employees.

Pharmacists of the Group participate in the occupational pension plan 'SPOA'. The contribution is fully paid by the participants in the plan. The SPOA pension plan is an average pay pension plan dependent on the collective contribution.

Eligible employees of the Group participate in the multi-employer pension plan (PMA) determined in accordance with the collective bargaining agreements effective for the industry in which the Group operates. The participation of employees is mandatory. The employees (in service before 2013) participate voluntarily in the PMA pension plan. This multi-employer pension plan covers approximately 2,000 companies and approximately 25,000 contributing members. The PMA pension plan is an average pay pension plan and the employer contribution amounts to 17.6% (2013: 19.0%) of the pensionable base.

The SPOA and PMA pension plans monitor risks on a global basis, not by company nor employee, and are subject to regulation by Dutch governmental authorities. By law (the Dutch Pension Act), a pension fund must be monitored against specific criteria, including the coverage ratio of the plan's assets to its obligations. As of 1 January 2015 new pension legislation has been enacted. This legislation results in amongst others, an increase of legally required coverage levels. The coverage percentage is calculated by dividing the funds capital by the total sum of pension liabilities and is based on actual market interest rates.

The coverage ratio of the SPOA pension fund as per 31 December 2015 amounts to 100.4% (31 December 2014: 105.7%, 31 December 2013: 104.3%).

The coverage ratio of the PMA pension fund as per 31 December 2015 amounts to 102.0% (31 December 2014: 107.0%, 31 December 2013: 118.2%).

The Group has no obligation whatsoever to pay off any deficits the pension funds may incur, nor have we any claim to any potential surpluses.

4.9. Taxation

The tax expense for the fiscal year is comprised of current and deferred income tax. Tax expense is recognised in the Combined Income Statements, except to the extent that it relates to items recognised in other comprehensive income or directly in business equity. In this case, the tax is also recognised in other comprehensive income or directly in business equity.

Current income tax

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income.

The Group recognises liabilities for uncertain tax positions when it is more likely than not that an outflow will occur to settle the position. The liabilities are measured based upon management's estimation of the expected settlement of the matter. These liabilities are presented within income taxes payable on the combined balance sheets. These amounts, along with estimates of interest and penalties on tax liabilities are also recorded in income taxes payable, and are included in current tax expense.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Combined Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.10. Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4.11. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see note 3.16.2); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

4.12. Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4.13. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Growth rates used for impairment analysis are assessed by existing customer development and acquisition of new customers based on our customer data model. Furthermore, all variable cost like marketing budgets, delivery cost and operations expenses for impairment analysis are planned performance-based. Non performance based cost like finance, management and facility etc. are planned according to business growth including economies of scale.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash- generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.14. Inventory

Inventory only contains finished goods and is stated at cost. Costs are determined by the average purchase price method and include direct product purchasing rebates. There are limited net realisable value adjustments due to the fact that in general products can be returned to manufacturer or wholesaler prior to expiring.

4.15. Pre-ordered stock

Pre-ordered stock is the stock ordered on behalf of Europa Apotheek Venlo B.V. and stored in the Group´s warehouse until transferred to Europa Apotheek Venlo B.V. according to their customer orders.

In 2015 the Group entered into a wholesale agent agreement with Europa Apotheek Venlo B.V. This agreement arranges that the economic risks of ordered Rx, OTC and BPC products per request of Europa Apotheek Venlo B.V. are covered by Europa Apotheek Venlo B.V. resulting that revenue and cost of sales are presented on a net basis by the Group with legal title remaining at the Group prior to shipment of the products. Legal title transfers to Europa Apotheek Venlo B.V. upon shipment of the goods to the end-customer. This agreement was applied retrospectively for the Combined Financial Statements (covering the years 2013 through September 2015) resulting that this is separately presented as “Pre-ordered stock”, i.e. stock held for Europa Apotheek Venlo B.V.

4.16. Cash and cash equivalents

EHS Europe Health Services B.V. has funded the Group during the period 1 January 2013 through 30 September 2015 including investment and operating loss as well as working capital. This is referred to as “business financing”. Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and on hand at Xsite GmbH.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

4.17. Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method, less allowance for doubtful debts. An allowance for doubtful debts of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of the receivables. Significant financial difficulties of the customer, probability that the customer will enter bankruptcy or financial restructuring and default or delinquency in payments are considered indicators that the accounts receivable are impaired. The allowance recognized is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

4.18. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19. Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

4.20. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.21. Financial assets

Financial assets are classified as "Financial assets at fair value through profit or loss" or "Loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than twelve months after the statement of financial position date. These are classified as non-current assets.

Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated

liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

4.22. Financial liabilities

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as "Other financial liabilities".

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. Critical accounting judgements and key sources of uncertainty

In the application of the accounting policies, which are described in note 4, the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Corporate allocations

The Combined Financial Statements include allocations for certain expenses historically maintained by EHS Europe Health Services B.V. Such items have been allocated to the Group and included in the Combined Financial Statements based on the most relevant allocation method, primarily relative percentage of revenue, number of orders or personnel cost. Management believes that this basis for the allocation of expenses is reasonable.

Revenue

In 2015 the Group entered into a wholesale agent agreement with Europa Apotheek Venlo B.V. This agreement arranges that the economic risks of ordered Rx, OTC and BPC products are covered by Europa Apotheek Venlo B.V. resulting that revenue and cost of sales are presented on a net basis by the Group with legal title remaining at the Group prior to shipment of the products. This agreement was applied retrospectively for the Combined Financial Statements (covering the years 2013 through September 2015).

In the Combined Income Statements, both revenues and cost of goods were directly allocated to the Group based on ordered products (and related recognized revenue) as received on the Shop Apotheke Europe B.V. websites (due to specific customer tracking).

Evaluation of non-current assets for impairment

Non-current assets include other intangible assets and property, plant and equipment.

Impairment reviews were prepared by comparing the carrying value of the cash-generating unit concerned to that cash generating unit's recoverable amount, being the higher of the value in use and fair value less costs to sell. Value in use is a valuation derived from the discounted future cash flows of the cash-generating units. The most important estimates in determining the present value of cash flows are growth rates used to calculate revenue growth and the discount rate in order to determine present value. The Weighted Average Cost of Capital used e.g. for goodwill impairment calculations has been determined based on published peer benchmarking.

Growth rates are based on past performance, external market growth assumptions, and forecast market conditions by our management using a combination of our business plans and growth assumptions for the next years. A benchmarked discount rate for respective analyses of recoverability was used (WACC of 12.4%). Estimates are reviewed at least annually as of the date of each impairment test and believed to be appropriate. However, changes in these estimates could change the outcomes of the impairment reviews and therefore affect future financial results, the effects of which would be recognized in the Combined Income Statement through operating profit.

During 2013, 2014 and 2015, the Group did not identify any impairment indicators nor record any impairment charges in other intangible assets or property, plant and equipment.

Capitalization of 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 for the ERP system that runs our business operations.

Accounts receivable

Almost all accounts receivable are derived from sales to customers including receivables from vendors. In order to monitor potential credit losses, the Group performs ongoing credit evaluations of its customers' financial condition. Respective allowances for credit losses on accounts receivable are maintained based upon management's assessment of the expected collectability of all accounts receivable. The respective allowances for credit losses on accounts receivable are reviewed periodically to assess the adequacy of these allowances. In making this assessment, the Group takes into consideration any circumstances of which it is aware regarding a

customer's inability to meet its financial obligations; and its judgments as to potential prevailing economic conditions in the industry and their potential impact on its customers.

Vendor allowances

The Company has arrangements with suppliers regarding allowances on supplied goods and also obtains compensation for web advertisements on the supplied products. The respective allowances and compensations are reviewed periodically to assess the adequacy of these amounts. In making this assessment the Group takes into consideration any circumstances of which it is aware regarding the Group's ability to meet its targeted purchases and to provide the agreed web advertisements. These periodic reviews and circumstances are used to reflect the best estimates in these Combined Financial Statements.

6. Revenue and 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: Mostly 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 the Austrian, French and Belgian markets.
- Germany Services: Webshop services of Xsite delivered mostly to German customers/companies.

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.

2015	Germany	International	Germany Services	Eliminations	Combined
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	**115,660**	**8,425**	**3,398**	**−1,905**	**125,578**
Cost of sales	−92,383	−7,163	−295	0	−99,841
Gross Profit	**23,277**	**1,262**	**3,103**	**−1,905**	**25,737**
% of revenue	20.1%	15.0%	91.3%		20.5%
Other income	1,194	95	27	0	1,316
Selling & Distribution	−23,630	−3,626	−1,936	1,905	−27,287
Segment EBITDA	**841**	**−2,269**	**1,194**	**0**	**−234**
Administrative expense					−6,419
EBITDA					**−6,653**
Depreciation and amortization					−2,166
EBIT					**−8,819**
Finance income					593
Finance expense					−2,275
Net finance cost					−1,682
Result before tax					**−10,501**

Shop Apotheke Europe B.V.

2014	Germany	International	Germany Services	Eliminations	Combined
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	**80,968**	**2,180**	**2,198**	**−675**	**84,671**
Cost of sales	−64,759	−1,703	−174	0	−66,636
Gross Profit	**16,209**	**477**	**2,024**	**−675**	**18,035**
% of revenue	20.0%	21.9%	92.1%		21.3%
Other income	873	23	32		928
Selling & Distribution	−16,620	−717	−1,462	675	−18,124
Segment EBITDA	**462**	**−217**	**594**	**0**	**839**
Administrative expense					−3,232
EBITDA					**−2,392**
Depreciation and amortization					−1,656
EBIT					**−4,048**
Finance income					0
Finance expense					−826
Net finance cost					−826
Result before tax					**−4,874**

2013	Germany	International	Germany Services	Eliminations	Combined
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Revenue	**54,278**	**893**	**121**	**0**	**55,292**
Cost of sales	−41,898	−640	−7	0	−42,545
Gross Profit	**12,380**	**253**	**114**	**0**	**12,747**
% of revenue	22.8%	28.4%	94.0%		23.1%
Other income	658	11	4		673
Selling & Distribution	−11,136	−316	−160	0	−11,612
Segment EBITDA	**1,902**	**−52**	**−42**	**0**	**1,808**
Administrative expense					−2,560
EBITDA					**−752**
Depreciation and amortization					−1,126
EBIT					**−1,878**
Finance income					0
Finance expense					−839
Net finance cost					−839
Result before tax					**−2,717**

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2.

The Group does not allocate certain costs to the segments. These unallocated items include primarily corporate overhead costs shown as administrative expense in the tables above. The result by segment is shown in the line segment EBITDA including costs directly related to the revenue of the segments (marketing, operations). Segment EBITDA is adjusted for costs that are directly related to the segment revenue. EBITDA means earnings before tax, interest, depreciation and amortization.

All judgements in applying the allocation and aggregation criteria are made by management. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

Revenue from major products and services

The revenue from major products and services is the following:

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Prescription (Rx)	2,614	2,677	3,251
Over-the-counter (OTC) & beauty and personal care (BPC)	121,472	80,470	51,920
Other services	1,492	1,524	121
	125,578	84,671	55,292

The Group's revenue from external customers, based on the location of the entity, and information about its non-current assets (excluding non-current financial assets and deferred income tax assets) based on geographic location of the assets are as follows (all amounts in thousands of Euro):

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Other geographical information	Additions to non-current assets		
Netherlands	3,900	2,289	3,753
Germany	150	8	1,318
	4,050	2,297	5,071
Other geographical information – location of non-current assets	non-current assets		
Netherlands	14,878	12,995	12,211
Germany	1,155	1,162	1,304
	16,033	14,157	13,515

Revenue in the country of domicile (related to shipments from The Netherlands) amounts to €124,086 thousand in 2015 (2014: €83,147 thousand, 2013: €55,171 thousand). No single customer contributed more than 0.5% to the Group's revenue for the years 2013 through 2015.

7. Cost of sales

Below, cost of sales are shown per region:

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Germany	92,383	64,759	41,898
International	7,163	1,703	640
Germany Services	295	174	7
	99,841	66,636	42,545

Cost of sales

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Cost of goods sold	99,164	66,090	42,123
Employee benefit expenses	677	546	422
	99,841	66,636	42,545

The Group operates in two principal geographical areas: Germany and International (which comprises the countries Austria, France and Belgium).

8. Revenue – other services

The revenue from other services relates to income from service transactions provided to Europa Apotheek Venlo B.V. (2015: €1,316 thousand; 2014: €928 thousand; 2013: €673 thousand).

Our core business is to advertise, sell and deliver OTC medications and pharmacy-related BPC products to online customers. We acquire customers once, and then drive engagement and repeat purchases from those customers over a long period of time by leveraging the acquired customer base.

In addition, we provide purchasing, warehousing and picking services to our related party Europa Apotheek Venlo B.V. at defined rates per parcel. They are not related to the Group's core activities, also as the Group is required to perform these services considering the necessary economies of scale for both companies. Accordingly these revenues from other services are presented separately from the revenues from core activities and shown as Other Income.

9. Selling & Distribution

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Selling & distribution without personnel and depreciation	20,887	13,074	8,358
Employee benefit expenses	6,399	5,050	3,254
Depreciation and amortization expenses	1,856	1,399	836
Total selling & distribution*	29,143	19,523	12,448

* Total selling & distribution expense shown in segment reporting excludes depreciation.

The main categories within Selling & Distribution are marketing expenses, distribution cost, operations and marketing personnel expenses.

10. Administrative Expense

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Administrative expenses without personnel and depreciation	4,144	1,923	1,236
Employee benefit expenses	2,275	1,308	1,324
Depreciation and amortization expenses	310	257	290
Total administrative expenses*	6,729	3,488	2,850

* Administrative expense shown in segment reporting excludes depreciation.

The main categories within Administrative expenses are personnel expenses e.g. for management, finance, HR, IT as well as other IT related cost, operations overhead cost and facility expenses.

Employee benefit expenses

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Wages and salaries	7,218	5,186	3,647
Social security charges	1,355	853	483
Pension and retirement expenses	220	204	206
Other expenses employees	558	661	664
	9,351	6,904	5,000

Reconciliation Employee benefit to selling & distribution, administrative expenses and cost of sales

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Selling & distribution	6,399	5,050	3,254
Administrative expenses	2,275	1,308	1,324
Cost of sales	677	546	422
	9,351	6,904	5,000

The average number of employees of the Group during the year converted to full-time equivalents was as follows:

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
Average FTE´s (Full Time Equivalents)	245	182	133

All employees are involved in providing the Group's services relating to its online pharmacy and e-commerce activities.

Retirement benefit plan – defined contribution plan:

The total expense recognised in profit or loss represents contributions payable to the plan by the Group. As of 31 December 2015, contributions of €2 thousand (2014: €90 thousand; 2013: €53 thousand) due in respect of the reporting period had not been paid over to the plan. These amounts were paid subsequent to the end of the reporting period.

Depreciation and amortization expenses

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Depreciation of property, plant and equipment	659	572	595
Amortisation of intangible assets	1,506	1,084	531
	2,165	1,656	1,126

11. Finance expenses

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Other finance expense	2,275	826	839
	2,275	826	839

Finance expense relates to shareholder loan financing (2015 only) and expenses incurred in relation to the accounts receivable financing by online payment methods such as credit card companies and paypal. Part of the fees paid to these companies that relate to the financing (prepayment) element has been reported as other finance expense, the remainder as selling and distribution cost.

12. Income tax expenses

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Result before tax	−10,501	−4,874	−2,717
Non-deductible costs		13	11
Temporary difference fiscal depreciation goodwill and website	−212	−212	−449
Temporary difference shareholder loan	679		
Use of tax loss carry forward Germany	−335	−234	0
Taxable result before tax	−10,369	−5,307	−3,155
Income tax expense:			
Effect of tax during the year Netherlands	2,592	1,327	789
No deferred tax due to uncertainty	−2,560	−1,327	−789
Effect of tax loss carry forward Netherlands	32	0	0
Effect of tax loss carry forward Germany	−101	−70	0
Effect on movement deferred taxes	22	−91	−113
Current tax expense in profit and loss	−47	−161	−113

The Company has carry-forward losses in The Netherlands for an amount of €9,741 thousand at the end of 2015, which are uncertain upon realization. These can be used for the period up to and including 2024. The applicable tax rate for 2015, 2014 and 2013 is the corporate tax rate of 25% payable by corporate entities in The Netherlands on taxable profits and the corporate tax rate of 30% payable by corporate entities in Germany on taxable profits.

Deferred tax balances

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Deferred tax asset in relation to:			
Loss carry-forward minus difference valuation intangible asset	32	7	52
Deferred tax liability in relation to:			
Loss carry-forward minus difference valuation intangible asset	68	0	0
Deferred tax liability in relation to:			
Goodwill	649	563	447
Deferred tax liability in relation to:			
Shareholder loan	1,848	0	0

The deferred tax liability for goodwill relates to the acquisition of the Shop Group in 2010 which was an asset deal under Dutch jurisdiction with an initial (at acquisition) duration of 10 years.

A summary of the movements is given below.

	Deferred tax asset	Deferred tax liability
	EUR 1,000	EUR 1,000
Balance 1 January 2013	0	334
Recognized in profit and loss	0	113
Recognized in business equity	52	0
Balance 31 December 2013	52	447
Balance 1 January 2014	52	447
Recognized in profit and loss	45	116
Balance 31 December 2014	7	563
Balance 1 January 2015	7	563
Recognized in profit and loss		72
Recognized in business equity	−25	1,929
Balance 31 December 2015	32	2,564

13. Earnings per share

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	Euro per share	Euro per share	Euro per share
Basic and diluted earnings			
From continuing operations	−10.55	−5.04	−2.83
From discontinued operations	0.00	0.00	0.00
Total basic and diluted earnings	−10.55	−5.04	−2.83

Basic and diluted earnings per share

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Result for the year attributable to owners of the Company	−10,548	−5,035	−2,831
Earnings used in the calculation of basic and diluted earnings per share	−10,548	−5,035	−2,831
Earnings used in the calculation of basic and diluted earnings per share from continuing operations	−10,548	−5,035	−2,831
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,000,000	1,000,000	1,000,000
Basic and diluted earnings per share			
From continuing operations	−10.55	−5.04	−2.83
From discontinued operations	0.00	0.00	0.00
Total basic and diluted earnings per share	−10.55	−5.04	−2.83

The number of ordinary shares is determined in accordance with the number of shares that existed in June 2016 prior to the issuance of share (in September 2016) due to the capital increase and the Farmaline acquisition (and related increased number of shares) which may differ from the capital structure at the time of the IPO. These numbers of shares are used as if the number of shares were also present in 2013 and 2014 (so before incorporation of the Group). The basic and diluted earnings per share are similar as no dilutive factors are identified.

14. Property, plant and equipment

A summary of the movements of property, plant and equipment is given below.

	Total
	EUR 1,000
Cost	
Balance 1 January 2013	3,679
Additions	1,002
Disposals	0
Balance 31 December 2013	4,681
Additions	477
Disposals	−3
Balance 31 December 2014	5,155
Additions	1,313
Disposals	−296
Balance 31 December 2015	6,172

	Total
	EUR 1,000
Accumulated depreciation and impairment	
Balance 1 January 2013	2,214
Depreciation	595
Disposals	0
Balance 31 December 2013	2,809
Depreciation	576
Disposals	−3
Balance 31 December 2014	3,382
Depreciation	658
Disposals	−285
Balance 31 December 2015	3,755

	Total
	EUR 1,000
Carrying value	
Balance 31 December 2013	1,872
Balance 31 December 2014	1,773
Balance 31 December 2015	2,417

In the calculation of depreciation useful lives of 3 - 10 years are used for operating assets. The operating assets mainly consist of hardware and leasehold improvements.

15. Intangible assets

Intangible assets consist of finite-lived intangible assets, except for goodwill. A summary of the movements of intangible assets is given below.

	Intangible assets ERP	Intangible assets website	Intangible assets goodwill	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Cost				
Balance 1 January 2013	5,083	315	6,442	11,840
Additions	2,798	1,272	334	4,404
Disposals	0	−315	0	−315
Balance 31 December 2013	7,881	1,272	6,777	15,929
Additions	1,820	0	0	1,820
Disposals	0	0	0	0
Balance 31 December 2014	9,700	1,272	6,777	17,749
Additions	2,670	67	0	2,737
Disposals	0	0	0	0
Balance 31 December 2015	12,370	1,340	6,777	20,487

	Intangible assets ERP	Intangible assets website	Intangible assets goodwill	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Accumulated amortisation and impairment				
Balance 1 January 2013	1,884	306	1,879	4,069
Amortisation	509	22	0	531
Disposals	0	−315	0	−315
Balance 31 December 2013	2,393	13	1,879	4,285
Amortisation	952	127	0	1,079
Disposals	0	0	0	0
Balance 31 December 2014	3,345	141	1,879	5,365
Amortisation	1,371	134	0	1,505
Disposals	0	0	0	0
Balance 31 December 2015	4,716	275	1,879	6,870
Carry value				
Balance 31 December 2013	5,487	1,259	4,897	11,643
Balance 31 December 2014	6,355	1,132	4,897	12,384
Balance 31 December 2015	7,654	1,065	4,897	13,616

In the calculation of amortization the following useful lives are used:

- Website: 3 years
- ERP-software: 7 years
- Goodwill: infinite life subject to impairment

Impairment Tests for Goodwill

Goodwill is related to the German OTC and BPC business as the most relevant Shop Apotheke Europe B.V. market. Applying the discounted cash flow approach, growth rates and discount rates are the major assumptions to determine the value in use.

Impairment losses or reversals on impairment losses are not applicable in 2013, 2014 and 2015.

Estimates used to measure recoverable amounts

Revenue growth over the course of the business plan was estimated considering experience from previous years. Basis for the growth rates is the anticipated development of business with existing and new customers. The applied discount rate reflects the market risk of the CGU Germany. The calculation of the appropriate discount rate accounts for factors specific to the Company and its business units. It is based on industry specific Weighted Average Costs of Capital (a pre-tax WACC of 12.4% is applied).

Sensitivity analysis of applied estimates

Management growth expectations, as applied in the business plan for the next five years, assume annual reasonable revenue growth rates, gross margin percentages and marketing expenses until 2020 based on past experiences in conjunction with market studies; beyond that a long term fixed growth rate of 1% (subsequent to 2020) is assumed in the business plan. A scenario analysis was performed, with minimum annual revenue growth rates of 14% (until 2020), stable gross margins, a consistent WACC and relatively decreasing marketing expenses, which would not result in an impairment. Management also performed sensitivity analysis (this analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant) on the individual estimates and assumptions (revenue growth of 5% point lower growth rate, margin decrease in percentage of revenue of 1% point lower, WACC increase of 2% point higher and marketing expenses in percentage of revenue of 2% point higher) resulting in no impairment charge.

16. Inventories

The cost of inventories recognized as an expense during the year in respect of continuing operations was €99,154 thousand (2014: €66,082 thousand, 2013: €42,123 thousand).

The costs of inventories recognized as an expense includes €72 thousand of write-downs of inventory to net realizable value in the year 2015.

No inventories are expected to be recovered after more than twelve months.

17. Trade and other receivables

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Trade receivables	4,258	3,478	3,047
Allowance for doubtful debts	−158	−538	−435
	4,100	2,940	2,612

The average credit period on sales of goods and services is 10 days in 2015 (2014: 11 days; 2013: 14 days). Since all receivables relate to German customers that by law are only obliged to pay after 30 days, no impairment is made for receivables between 11 and 29 days.

No interest is charged on trade receivables. The Group has recognised an allowance for doubtful debt as stated above.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer scoring. Limits and scoring attributed to customers are reviewed periodically; in addition customer orders are checked automatically by defined algorithms to prevent fraud.

Of the trade receivables balance at the end of the year 2015, €57,372 (2014: €46,410) was due from the Group's largest customer. No other customers individually represent more than 2 % of the total balance of trade receivables in total.

There are no trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognized an allowance for doubtful debts.

Age of receivables that are past due but not impaired:

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
30 – 60 days	245	135	149
61 – 90 days	0	0	0
91 – 120 days	0	0	0
121 days and older	0	0	0
	245	135	149
Average age (in days)	45	45	45

Movement in the allowance for doubtful debts:

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Balance beginning of the year	538	435	445
Impairment losses recognised	−128	829	224
Amounts written off as uncollectible	−253	−726	−234
Balance end of the year	158	538	435

Age of impaired receivables:

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
30 – 60 days	0	0	0
61 – 90 days	46	51	36
91 – 120 days	27	60	18
121 days and older	85	426	381
	158	538	435
Average age (in days)	137	162	168

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. With the introduction of the new ERP system in 2013, customers scoring and automatic order checks were introduced.

18. Other current assets

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Prepayments	992	902	407
Other current assets and accrued income	2,054	1,090	748
	3,046	1,992	1,155

19. Cash and cash equivalents

All cash balances are at free disposal of the Group. At the end of 2014 and 2013 the cash balances solely related to its subsidiary Xsite GmbH.

20. Business equity

Share capital

The share capital of the Group (after incorporation as of 30 September 2015) amounts to €100,000 divided into 1,000,000 shares each with a nominal value of €0.10 of which 1,000,000 shares have been issued and fully paid. It has been increased to 1,066,700 in September 2016 by issuance of new shares to existing shareholders.

Shareholders's equity and business equity

Prior to the contribution of the mailorder pharmacy business activities of EHS Europe Health Services group into the Company, the Group's equity represented EHS Europe Health Services B.V.'s investment in the combined entities of the Group, or business equity. Following the Separation, the Group's equity represents the Company's issued and outstanding share capital, additional paid in capital and reserves.

Prior to Separation – Business Equity

As indicated, the EHS Europe Health Services B.V. (including the Group) utilized a central approach to cash management and the funding of its operations. In the absence of a contractual obligation to deliver cash or other financial assets in relation to the funding from other businesses and the fact that the balances were not settled with the Group's own equity instruments, all balances with other businesses were presented as business equity in lieu of shareholders' equity for the years 2013 and 2014. Business equity represents the cumulative net investment by EHS Europe Health Services B.V. in the Group through that date.

Impact of Separation from EHS Europe Health Services B.V. on Equity and amounts due to related parties

There were a number of transactions entered into to consummate the Separation. These resulted in an increase in the equity of €931 thousand and a reduction in amounts due from related parties.

Post Separation – Shareholders' Equity

As described above 1,000,000 shares of the Company were issued to EHS Europe Health Services B.V.'s shareholders in connection with the Separation. Upon the completion of the Separation, the Company has been refinanced as follows:

- Share capital: share capital was issued based on the par value of €0.10 per share for the shares issued in connection with the Separation;
- Additional paid in capital: the net asset value of the contribution, is reported as share premium.

The total authorized number of ordinary shares is 1,000,000 as of 31 December 2015 with a par value of €0.10 per ordinary share. The issued and paid-up share capital of the Company amounted to €100,000 divided into 1,000,000 ordinary shares of €0.10 each as of the date incorporation and has been increased to 1,066,700 ordinary shares of €0.10 each in September 2016 by the issuance of 66,700 new shares.

The Company obtained long term loans from shareholders due to the legal split in 2015 (€26,521 thousand nominal value). For reference see the related party disclosures.

21. Trade and other payables

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Trade payables	8,638	7,625	6,122

The average credit period on purchases is 14 days in 2015 (2014: 14 days; 2013: 12 days). No interest is charged on the trade payables, calculated from Group trade payables and purchases for both the Group and Europa Apotheek Venlo B.V., which is served by a common purchasing service contract. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. Other liabilities

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Employee benefit liabilities	673	348	272
Other accruals and deferred income	3,233	917	800
	3,906	1,265	1,072
Employee benefit liabilities			
Pension liabilities	2	87	52
Other employee benefit liabilities	671	261	220
	673	348	272
Other accruals and deferred income split			
Other tax liabilities	2,850	471	377
Other accruals and deferred income excluding tax	383	446	424
	3,233	917	800
Other tax liabilities			
Value Added Tax	2,505	194	150
Wage tax and social security liabilities	345	277	227
	2,850	471	377

The employee benefit liabilities include the accruals for bonus payments, vacation days and several other accruals.

23. Financial instruments

23.1. Information on risks

The following financial risks can be identified: interest rate risk, credit risk, liquidity risk and currency risk.

This note provides information on these financial risks to which the Group is exposed, the objectives and policy for managing risks arising from financial instruments as well as the management of capital.

Interest rate risk:

The interest rate risk includes the influence of positive and negative changes to interest rates on the profit, equity, or cash flow in the current or a future reporting period. Interest rate risks from financial instruments can arise within the Group mainly in connection with financial liabilities. A change in the market risk at reporting date by 100 BP, would have an effect of circa €0 in 2015 on the Group profit or equity, since the shareholder loan has a long-term fixed interest rate.

Credit risk:

Credit risk is the risk of a loss being incurred because a counterparty is unable or unwilling to meet its obligations. The Group is exposed to credit risk; this is the risk of non-payment by customers for services provided.

Receivables which are past due, but for which no provision has been recognised, are without exception trade receivables from normal sales. For provision for doubtful debts see note 17 of the Combined Financial Statements.

The other receivables and the prepayments and accrued income do not contain any accounts older than one year.

Liquidity risk:

Liquidity risk is the risk that the Group is unable to obtain the financial resources required to meet its financial obligations on time. In this connection, the Group regularly assesses the expected cash flows over a period of several years. These cash flows include operating cash flows, dividends and share premium repayment, interest payments, replacement capital expenditure and the effects of a change in the Group's creditworthiness. The aim is to have sufficient funds available at all times to provide the required liquidity.

The Group's liquidity needs are affected by many factors, some of which are based on the normal ongoing operations of the business, and others that relate to the uncertainties of the global economy and the industry. Although cash requirements fluctuate based on the timing and extent of these factors, the Group believes that cash generated from operations, together with the liquidity provided by existing cash and cash equivalents are sufficient to satisfy the current requirements, including the 2015 capital expenditures. In 2015 the Group was refinanced upon or subsequent to the incorporation. As a result the Group obtained long-term loans from the shareholders in conjunction with a cash transfer from EHS Europe Health Services B.V. In June 2016 the Group has increased its share capital by €10,005 thousand by the issuance of new shares to existing shareholders to further support its sales growth and internationalization strategy.

Currency risk:

The Group's sales are only denominated in euros. The cost of raw materials and consumables used and other expenses are almost completely denominated in euros and to a very limited extent in other currencies. Therefore, foreign currency exchange risk is considered to be limited.

Liquidity and interest risk tables:

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total	Carrying amount
	%	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
31.12.2013								
Non-interest bearing	0	0	0	0	0	0	0	0
Finance lease liability	0	0	0	0	0	0	0	0
Variable interest rate instruments	0	0	0	0	0	0	0	0
Fixed interest rate instruments	0	0	0	0	0	0	0	0
Financial guarantee contracts	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0
31.12.2014								
Non-interest bearing	0	0	0	0	0	0	0	0
Finance lease liability	0	0	0	0	0	0	0	0
Variable interest rate instruments	0	0	0	0	0	0	0	0
Fixed interest rate instruments	0	0	0	0	0	0	0	0
Financial guarantee contracts	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0
31.12.2015								
Non-interest bearing	0	0	0	0	3,000	0	3,000	3,000
Finance lease liability	0	0	0	0	0	0	0	0
Variable interest rate instruments	0	0	0	0	0	0	0	0
Fixed interest rate instruments	7.5	0	0	0	0	31,526	31,526	19,002
Financial guarantee contracts	0	0	0	0	0	0	0	0
		0	0	0	3,000	31,526	34,526	22,002

23.2. Capital management

The Group manages its business equity to ensure it will be able to continue as going concern while maximising the return to its. The Group's overall growth strategy remains unchanged from 2013, 2014 and 2015. The Group is not subject to any externally imposed capital requirements.

23.3. Categories of financial instruments

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Financial liabilities:			
Shareholder loan	19,002	0	0
Deposit	3,000	0	0
	22,002	0	0

23.4. Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities recognised in the Combined Financial Statements approximate their fair values. The fair values are the same as the carrying amounts since all trade and other receivables are due within 30 days and all trade and other payables are paid within 30 days.

	Year ended 31.12.2015		Year ended 31.12.2014		Year ended 31.12.2013	
	EUR 1,000		EUR 1,000		EUR 1,000	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial liabilities:	22,002	21,492	0	0	0	0

23.5. Fair value hierarchy

As of 31.12.2013	Level 1	Level 2	Level 3	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Financial liabilities:		0		0
	0	0	0	0

As of 31.12.2014	Level 1	Level 2	Level 3	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Financial liabilities:		0		0
	0	0	0	0

As of 31.12.2015	Level 1	Level 2	Level 3	Total
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Financial liabilities:				
Shareholder loan			19,002	19,002
Deposit			2,490	2,490
	0	0	21,492	21,492

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties (the latter only applicable for financial assets).

24. Related party transactions

Details of transactions between the Group and other related parties are disclosed below.

24.1. Transactions with the EHS Europe Health Services group

As of 30 September 2015, the Group was carved out from the EHS Europe Health Services group. As a result of the carve-out the Group entered into service agreements with the EHS Europe Health Services group, which will provide for the provision of services such as purchasing, warehouse operations, IT and administration performed by the Group for EHS Europe Health Services group. As of 1 October 2015 a €3 million non-current deposit (five years term at 0% interest) was provided from EHS Europe Health Services group to the Group to facilitate agent product purchases on behalf of EHS Europe Health Services group. The services also included the provision of certain application maintenance, application development and infrastructure maintenance services. The service agreements will provide for a term of up to five years. The Group also has a current account with the EHS Europe Health Services group for a maximum of €5 million

Revenue from other services relates to income from service transactions provided to Europa Apotheek Venlo B.V. is allocated to the segments based on revenue until 30 September 2015 and thereafter based on service agreements (2015: €1,316 thousand; 2014: €928 thousand; 2013: €673 thousand).

MK Beleggingsmaatschappij B.V. is a related party without transactions in the years 2013 to 2015.

Shop Apotheke Group entered into a supply agreement with a company ultimately owned by Dr. Robert Hess, who is at the same time our indirect shareholder by owning 100% of the shares in Dr. Hess Verwaltungsgeschellschaft mbH which indirectly holds 10% of the shares in Shop Apotheke Group.

Stichting Administratiekantoor (STAK) bought a 20% share in EHS Europe Health Services B.V. at the same price as other shareholders and issued 200,000 certificates to individual shareholders (no movements since incorporation) who bought them at the same price. STAK held the shares from 2012 to midst of 2015.

The STAK was dissolved in July 2015 before the carve-out of Shop Apotheke Europe B.V. No fair value was assigned to the certificates as the conditions were similar to the other shareholders, except for a 3 year lock-up period which was terminated upon dissolution in 2015.

Financing of the Group took place by the owner's funding presented as business financing in 2014: €7,011 thousand; 2013: €10,578 thousand.

24.2. Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Short-term benefits	633	410	343
Post-employment benefits	3	2	2
	636	412	345

The remuneration of directors was determined by the shareholders of EHS Europe Health Services B.V. in 2012-2014 and by the shareholders of Shop Apotheke Europe B.V. since incorporation. A supervisory board determining future remuneration schemes will be installed in 2016.

24.3. Loans to key management personnel

The Group has provided several of its key management personnel with short-term loans at rates comparable to the average commercial rate of interest.

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Loans to key management personnel	70	80	80

24.4. Loans from related parties

	Year ended 31.12.2015	Year ended 31.12.2014
	EUR 1,000	EUR 1,000
Loan	19,002	0
Promissory note	0	0
	19,002	0

The loan obtained from related parties has the following conditions and parameters:

Annual actual interest: 2.5% (7.5% effective rate)

No redemption scheme prior to the redemption date of the loan in 2022. Interest is accumulated and paid at the time of redemption, which may take place prior to 2022. The loan is subordinated in nature. Lenders may ask for redemption in case of majority change of control.

In accordance with IFRS, the loan is reported based on fair value at inception (with amortised cost subsequently), discounting the loan at 7.5% to value the loan at €19,002 thousand as of 31 December 2015 (nominal value of €26,521 thousand). A deferred tax liability has been recorded for the difference between fair value and nominal value.

The shareholder loans provided by the Board of Directors amount to €7,886 thousand on 31 December 2015 (which is included in the total amount above).

25. Business combinations

On 13 December 2013, the Group acquired 100% of the shares of Xsite GmbH, an e-commerce platform company. No acquisition-related costs were incurred related to the acquisition. The total purchase consideration

was €1 million, all of which was paid at closing. The acquisition financing was provided by cash from EHS Europe Health Services B.V. In the Combined Financial Statements, the acquisition was posted according to the purchase price allocation method and no goodwill was recorded as the entire purchase price was allocated to Xsite´s website source code for this website which is considered a critical asset to the Group. Due to the tax-loss carry forward of €1,007 thousand a deferred tax asset has been set up. The operations of Xsite and the related financial reporting were fully integrated upon acquisition:

Subsidiary: Xsite GmbH, Düsseldorf, Germany
Share: 100 %

Included in the result for the year 2013 is €-87 thousand attributable to the additional business generated by Xsite. Revenue for 2013 includes €121 thousand for Xsite. Had this business combination been effected as of 1 January 2013 the revenue of the Group would have been €639 thousand higher and the result for the year €567 thousand lower. The directors consider these pro-forma numbers to represent an approximate measure of the performance of the Group on an annualized basis and to provide a reference point for comparison in future period.

26. Operating lease arrangements

Payments recognized as an expense

	Year ended 31.12.2015	Year ended 31.12.2014	Year ended 31.12.2013
	EUR 1,000	EUR 1,000	EUR 1,000
Lease payments	23	36	37
Rental payments	705	548	416
	728	584	453

27. Contingent liabilities

Guarantees

Guarantee obligations have been provided by the Group for €34 thousand (Xsite).

Fiscal unity

For the purpose of value added tax, Shop Apotheke Europe B.V., SA Europe B.V., Shop-Apotheke B.V., Shop-Apotheke Service B.V. and EuroService Venlo B.V. are associated in a fiscal unity and are therefore severally liable for the value added tax owed of the entire fiscal unity as of October 2015 (subsequent to this date and not for the prior period). For the purpose of corporate income tax, SA Europe B.V., Shop-Apotheke B.V., Shop-Apotheke Service B.V. and EuroService Venlo B.V. are associated in a fiscal unity and are therefore severally liable for the corporate income tax owed of the entire fiscal unity as of October 2015 (subsequent to this date and not for the prior period).

Article 403 of the Dutch Civil Code

As of its incorporation on 30 September 2015, Shop Apotheke Europe B.V. is liable for all Dutch group companies (subsequent to this date and not for the prior period), i.e. SA Europe B.V., Shop-Apotheke B.V., Shop-Apotheke Service B.V. and EuroService Venlo B.V. according to Article 403 of the Dutch Civil Code, the according declaration 2015 has been filed with the trade register.

Rental commitments buildings and other (lease) agreements

The obligations for lease of property as of 31 December 2015 entered into with third parties are €4,539 thousand. Of this amount €1,007 thousand is due within one year, €3,532 thousand is due within one through five years on 30 September 2020 and €0 is due after five years.

Obligations for other lease agreements amount €49 thousand. Of this amount €19 is due within one year, €30 thousand is due within one through five years on 31 August 2018 and €0 is due after five years.

Legal cases

As at the date of these financial statements the company is currently subject to a first instance civil law proceeding in France with several accusations obtained. If the plaintiffs were to be successful, the company could be restricted in pursuing certain advertisement and sales measures but the company could also be obliged to take into consideration some or all of the French law requirements regarding the online activity of pharmacists and could as a result be restricted in doing business in France. The potential violation of the respective French laws would be published. Additionally, the company would be required to pay €30,000 to the plaintiffs for the alleged unfair competition, plus the legal costs. The company could face additional penalties if the company was not complying to such court decision. The company is in appeal of the accusations. Considering the current stage of the legal proceeding (with related uncertainties) no provision is recorded and accordingly is disclosed as a contingent liability.

28. Events after the reporting date

In April 2016, the general shareholder meeting of Shop Apotheke Europe B.V. took the decision for a capital increase of €10,005 thousand in cash which was actually contributed in June 2016 (resulting that equity increased by €10,005 thousand in the first six months of 2016). In September 2016 66,700 shares were issued on the par value of €0.10 each related to this capital increase.

In September 2016, the company acquired assets relating to the online business of the Belgian online pharmacy Farmaline N.V. (the acquisition is considered a business combination under IFRS 3) by which the company aims to improve the competitive position in Continental Europe significantly. After signing the acquisition agreement in August 2016, the acquisition of the Farmaline Business by way of an asset and share deal was completed in September 2016. As part of the acquisition the Company issued 32,990 Shares to the owners of Farmaline and paid €1,650 thousand in cash in September 2016. Furthermore an earn-out agreement was entered into for the period 2016 through 2018 for a maximum amount of €3,300 thousand if all of the agreed upon targets are met.

Approval and signing of the Combined Financial Statements

Venlo, 19 September 2016

Directors: Marc Fischer, Theresa Holler, Michael Köhler, Dr. Ulrich Wandel, Stephan Weber

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Independent auditor's report

To: Shareholders of Shop Apotheke Europe B.V.

Report on the combined financial statements

We have audited the accompanying combined financial statements of the years 2015, 2014 and 2013 of Shop Apotheke Europe B.V., Venlo, which comprise the consolidated statement of financial position as at 31 December 2015, the combined statement of financial position at 31 December 2014 and 31 December 2013, the combined statements of profit and loss, other comprehensive income and cash flows for the years ended 31 December 2015, 31 December 2014 and 31 December 2013, the consolidated changes in shareholders' equity for the year ended 31 December 2015, the combined statement of changes in equity for the years ended 31 December 2014 and 31 December 2013 and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the combined financial statements

In our opinion, the combined financial statements give for the purpose of the prospectus a true and fair view of the financial position of Shop Apotheke Europe B.V. as at 31 December 2015, 31 December 2014 and 31 December 2013 and of its result and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of the basis of presentation

Without modifying our opinion, we draw attention to the fact that, as described in note 1 and 2 to the combined financial statements, the Mail-order Pharmacy business activities of EHS Europe Health Services B.V. included in the combined financial statements has not operated as an entity separate from EHS Europe Health Services B.V. before 30 September 2015. Therefore, these combined financial statements may not necessarily be indicative of results that would have occurred had the Mail-order Pharmacy business activities of EHS Europe Health Services B.V. operated as a separate stand-alone entity during the related period (1 January 2013 through 29 September 2015) presented or of future results of the combined businesses.

Basis of preparation and restriction on use

Without modifying our opinion, we draw attention to note 1 and 2 to the combined financials statements, which describes the purpose of the combined financials statements including the basis of preparation. The combined financial statements are prepared for enclosure in the prospectus in connection with the first admission to listing and trading on Frankfurt Stock Exchange (FWB) in Frankfurt. As a result, the combined financial statements may not be suitable for any other purpose. This independent auditor's report is required by the Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that Regulation and for no other purpose.

Eindhoven, 19 September 2016

Deloitte Accountants B.V.

Signed on the original: J. Hendriks

24. List of Definitions

Active Customers	Unique customers who have placed at least one order in the 12 preceding months
Adjusted EBITDA	EBITDA before certain non-recurring items related to the Reorganization and the Offering
Administrative Expense	Corporate overhead costs relating to IT, finance and management and excluding depreciation and amortization
AFM	Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*)
Alexa	*www.alexa.com*; a website operated by a company affiliated with amazon.com providing commercial web traffic data and analytics in Europe
Annual Financial Statements	Audited combined financial statements as of and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 of the Company
Apotheekregister	Dutch register of established pharmacists (*Apotheekregister van gevestigd apothekers)*
Articles of Association	Articles of association (*statuten*) of the Company
BPC	Beauty and personal care
Brick-and-Mortar Pharmacies	Traditional pharmacies, having a local, physical presence
CAC	Customer acquisition costs
CAGR	Compound annual growth rate
CEO	Chief Executive Officer
CEST	Has the meaning ascribed to it in Section E.3
CFO	Chief Financial Officer
Clearstream	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany
CLV	Customer lifetime value
CMO	Chief Marketing and Sales Officer
Code	Dutch Corporate Governance Code
Combined Segment EBITDA	The total segment EBITDA for our operating segments
Communications	Directive 2002/58/EC of the European Parliament and of the Council
Continental Europe	Germany, France, Italy, Spain, Poland, Romania, the Netherlands, Belgium, Portugal, the Czech Republic, Hungary, Sweden, Bulgaria, Denmark, Slovakia, Norway and Austria
Company	Shop Apotheke Europe N.V.
Conversion	Conversion of the Company into a public company with limited liability
COO	Chief Operating Officer
CRM	Customer relationship management
D&O	Directors and officers
CTO	Chief Technology Officer
Data Protection Act	Dutch Data Protection Act (*Wet bescherming persoonsgegevens*)
DCC	Dutch Civil Code (*Burgerlijk Wetboek*)
Delimitation Agreement	Agreement with the purpose to define the future businesses of both groups and to restrict an overlap
DFSA	Dutch Financial Supervision Act (*Wet op het financieel toezicht*)

Directive on Consumer Rights	Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights
Directive on Consumer Sales and	Directive 2002/58/EC of the European Parliament and of the Council
Directive on Electronic Commerce	Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the internal market
Directive on Privacy and Electronic Communications	Directive 2002/58/EC of the European Parliament and of the Council
Directive on Product Safety	Directive 2001/95/EC of 3 December 2001, as last amended by Regulation No. 596/2009/EC of 18 June 2009
Earn-Out Period	Earn-out payments which depend on the achievement of the certain defined targets of the Farmaline Business as continued by FL Purchasers after the closing of the acquisition in the fiscal years 2016 through and including 2018
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization
ECJ	The European Court of Justice
EEA	The European Economic Area
Elements	Requirements made up of disclosures
Enterprise Chamber	The Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*)
ERP	Enterprise resource planning
EU Data Protection Directive	Directive 95/46/EC of the European Parliament and of the Council
EU Market Abuse Rules	MAR and the Market Abuse Directive (Directive (EU) No. 2014/57 of the European Parliament and of the Council of 16 April 2014 on market abuse)
EU Member States	All member states of the European Union
EUR or EURO or €	Single European currency adopted by certain participating member states of the European Union, including the Netherlands and Germany
Europa Apotheek Business	Offering of OTC Medications, Pharmacy-Related BPC Products and certain cosmetics online
Europa Apotheek Group	EHS Europe Health Services B.V. together with its direct and indirect subsidiaries
Existing Shareholders	The shareholders of the Company as of the date of this Prospectus, as set forth in "*16. Shareholder Information — 16.1 Current Shareholders*"
Farmaline Acquisition	Acquisition of all relevant assets and agreements of the online business of the Belgian online pharmacy Farmaline
Farmaline Business	Online business of Farmaline
Farmaline Purchase Agreement	The share and asset purchase agreement entered into on 10 August 2016 by which all relevant assets and agreements relating to the Farmaline were sold and transferred to the FL Purchasers
Farmaline	Belgian online pharmacy Farmaline N.V.
Federal Data Protection Act	German Federal Data Protection Act (*Bundesdatenschutzgesetz*)
FL Purchasers	Shop Apotheke Europe BV and certain other companies of the Shop Apotheke Group who entered into the Farmaline Purchase Agreement as purchasers

FL Sellers	Mrs. Leen Ponet, Mr. Lode Fastré, Farmaline N.V. and Online Services SARL, Troisvierges, Luxembourg
FRSA	Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*)
Future Farmaline Business	Defined targets of the Farmaline Business as continued by FL Purchasers after the closing of the acquisition
GDP	Gross domestic product
General Data Protection Regulation	Regulation of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data
General Meeting	General meeting (*algemene vergadering*) of the Company
Germany	Federal Republic of Germany
Global Share Certificates	The Shares are and will be represented by one or more global share certificates
Greenshoe Option	The option granted by the Greenshoe Shareholders to the Underwriters to acquire up to 535,714 Over-allotment Shares
Greenshoe Shareholders	MK Beleggingsmaatschappij Venlo B.V., Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Vivus Beteiligungen GmbH, Stephan Weber, Frank Köhler, Marc Fischer and Jens Kuhn being the Existing Shareholders that have granted the Underwriters the Greenshoe Option
Greenshoe Shares	Such Over-allotment Shares for which the Greenshoe Option has been exercised
Group or our Group	Shop Apotheke Europe N.V., Venlo, the Netherlands together with its consolidated subsidiaries
Guarantees	Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects of the sale of consumer goods and associated guarantees
IFRS	International Financial Reporting Standards as adopted by the European Union
Interim Financial Statements	Unaudited condensed interim consolidated financial statements as of and for the six-month period ended 30 June 2016 including the unaudited condensed interim consolidated financial statements as of and for the six-month period ended 30 June 2015 of the Company
Issuer	Shop Apotheke Europe N.V.
Joint Bookrunners	Joh. Berenberg, Gossler & Co. KG, Citigroup Global Markets Limited and COMMERZBANK Aktiengesellschaft
Joint Global Coordinators	Joh. Berenberg, Gossler & Co. KG, Citigroup Global Markets Limited
Management Shareholders	MK Beleggingsmaatschappij Venlo B.V., Michael Köhler, Dr. Ulrich Wandel, Theresa Holler, Stephan Weber and Marc Fischer
Managing Board Rules	A set of rules of procedure that regulate internal matters concerning the functioning and internal organization of the Management Board, adopted on 28 September 2016.
Managing Board	Managing board of the Company
Managing Director	Any member of the Managing Board
Market Abuse Regulation or **MAR**	Regulation (EU) No 596/2014 of the European parliament and of the council of 16 April 2014 on market abuse

Medco	Medco Health Solutions Inc.
Medicinal Products Directive	EU Directive on the Community Code Relating to Medicinal Products for Human Use (2001/83/EC)
Medicines Importation Act	Medicines Act and the Act relating to the Importation of Medicinal Products (*Arzneiwareneinfuhrgesetz 2010*)
Mobile visits	Site Visits originating from tablets and smartphones as well as other non-desktop computer based means of visiting our sites, such as smart TVs5
MoH	the Minister of Health, Welfare and Sports
New Shares	Up to 3,571,428 Shares to be issued by the Company pursuant to the Offering Capital Increase
Non-GAAP measures	Measures not defined by IFRS used as key figures by our management to monitor the performance of the Group included in the Prospectus
NPS	Net promoter score, a customer loyalty measurement metric, measuring the loyalty that exists between a provider and a consumer based on the evaluation of customer responses
Number of orders	Number of customer orders containing at least one product, placed during the measurement period
Offer Period	Period during which investors may submit purchase orders for the Offer Shares is expected to begin on 29 September 2016 and is expected to end on 6 October 2016
Offer Price	Price set jointly by the Company, the Greenshoe Shareholders and the Underwriters on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during a bookbuilding process
Offer Shares	New Shares together with the Over-allotment Shares
Offering Capital Increase	Issuance of up to 3,571,428 New Shares as necessary to complete the Offering resolved upon by the Managing Board, with the prior approval of the Supervisory Board, on 28 September 2016
Offering Terms	Offer and sale of Shares consisting of New Shares and Over-allotment Shares
Offering	Offer and sale of the Shares described in the Prospectus
OTC Medications	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
OTC	Over-the-counter
Over-allotment	Allocation of shares to be placed as a stabilization measure
Over-allotment Shares	Up to 535,714 ordinary shares in bearer form with a nominal value of €0.02 from the holdings of the Greenshoe Shareholders to cover a potential Over-allotment
PDMRs	Any senior executive of the Company who has regular access to inside information relating directly or indirectly to the Company and has the power to take managerial decisions affecting the future developments and business prospects of the Company
Personal care	Industry which manufactures consumer products used in personal hygiene and for beautification
Pharmacy-Related BPC Products	Personal care products that are almost exclusively distributed through pharmacies
Price Range	Price range set for the Offering within which purchase orders may be placed

Product Liability Directive	EU Directive 85/374/ECC of 25 July 1985, as amended by Directive 1999/34/EC of 10 May 1999, on product liability claims
Prospectus	This prospectus
QIBs	Qualified institutional buyers
Regulation S	Regulation S under the Securities Act
Reorganization	Series of legal demergers and asset transfers pursuant to which the business of the Group was demerged from the business of EHS Europe Health Services B.V. focusing on prescription medications but, to a lesser extent, also offering OTC Medications, Pharmacy-Related BPC Products and certain cosmetics online
Retail Investor(s)	Private investors (natural persons) with a depository account in Germany
Return Rate	Percentage of billed orders that incorporated a return or reclamation of total billed orders in a given time period.
Rule 144A	Rule 144A der the United States Securities Act of 1933, as amended
SEA	Search engine advertising
Securities Act	United States US Securities Act of 1933, as amended
Segment EBITDA	Defined as EBIT for each segment before depreciation and amortization expenses and administrative expense. "Administrative expense" relates to corporate overhead costs relating to IT, finance and management and excludes depreciation and amortization
SEO	Search engine optimization
Service Agreements	Four service agreements with companies in the Europa Apotheek Group; pursuant to which Shop-Apotheke Service B.V. provides the IT pharmaceutical services, marketing services and finance, accounting and internal control services
Settlement Date	Book-entry delivery of the Offer Shares against payment of the Offer Price (settlement and closing)
Share of Mobile Visits	Mobile visit as a percentage of site visits
Share of Repeat Orders	Percentage of total orders billed during the measurement period that are not the initial order bill to the customer
Shares	ordinary bearer shares in the share capital of the Company, each with a nominal value of €0.02 and full dividend rights as from 1 January 2016
Significant Shareholders	Dr. Björn Söder, member of the Supervisory Board, who owns 0.54% of our outstanding share capital as of the date of this Prospectus, and each of our Existing Shareholders holding more than 1.0% of the Company's share capital (namely Dr. Hess Verwaltungsgesellschaft mbH, Christoph Laubmann, Jan Pyttel, Vivus Beteiligungen GmbH, Frank Köhler, Jens Kuhn, Martin Frei, Thomas Frei, VVGS Beleggingsmaatschappij Venlo B.V., Leen Ponet, Lode Fastré, Toivo GmbH, Dr. Markus Rall and Gabriela Kuhn) as of the date of this Prospectus.
Site Visits	Interaction of a visitor on our website; a visit is considered terminated when the visitor leaves the browser instance or has not interacted with the page for more than 30 minutes
Stabilization Manager	Stabilization manager acting for the account of the Underwriters
Stabilization Period	Thirty calendar days from the date the Shares are listed on the regulated market on the Frankfurt Stock Exchange
Supervisory Board Rules	Supervisory Board may, subject to the Articles of Association, adopt rules of procedure concerning the division of its duties and its working method
Supervisory Board	Company's supervisory board

Supervisory Director	Any member of the Supervisory Board
Telemedia Act	German Telemedia Act (*Telemediengesetz*)
TFEU	Treaty on the Functioning of the European Union
Trade Register	Dutch Trade Register of the Chamber of Commerce (*Kamer van Koophandel*)
Transparency Directive	Directive 2004/109/EC as amended by Directive 2013/50/EU
UK	The United Kingdom of Great Britain and Northern Ireland
Underwriters	Joh. Berenberg, Gossler & Co. KG and Citigroup Global Markets Limited, as Joint Global Coordinators and Joint Bookrunners, and COMMERZBANK Aktiengesellschaft, as Joint Bookrunner
Underwriting Agreement	The underwriting agreement among the Company, the Greenshoe Shareholders and the Underwriters entered into on 28 September 2016
Unfair Commercial Practices Directive	Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market
Unfair Terms in Consumer Contracts Directive	Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts
United States	The United States of America
us	Shop Apotheke Europe N.V., Venlo, the Netherlands together with its consolidated subsidiaries
VAT	Value-added tax
WACC	Weighted average cost of capital
we	Shop Apotheke Europe N.V., Venlo, the Netherlands together with its consolidated subsidiaries
Wholesale Agent Agreement	Agreement which our subsidiary, EuroService Venlo B.V. entered into with Europa Apotheek Venlo B.V. with effect from 1 October 2015
WPG	Medicines Prices Act (*Wet geneesmiddelenprijzen)*
WpPG	German Securities Prospectus Act (*Wertpapierprospektgesetz*)

25. Recent Developments and Outlook

25.1 Recent Developments

25.1.1 Corporate developments

The Company was converted (the "**Conversion**") into a public company with limited liability (*naamloze vennootschap*) on 23 September 2016 and the Articles of Association were amended pursuant to a notarial deed of conversion and amendment in accordance with a resolution of the General Meeting. The conversion became effective on 23 September 2016. In the deed of amendment of the Articles of Association dated 23 September 2016, each share was split into five Shares with a nominal value of €0.02 each. Pursuant to this share split, the Company's share capital was increased from 1,099,690 shares with a nominal value of €0.10 each to 5,498,450 Shares with a nominal value of €0.02 each.

In June 2016, a cash inflow of €10,005 thousand was paid by certain or our shareholders in consideration for additional 66,700 ordinary shares which were issued in September 2016, pursuant to which our share capital was increased from €100,000 to €106,670.

In September 2016, we acquired all relevant assets relating to the online business (the "**Farmaline Business**") of the Belgian online pharmacy Farmaline N.V. ("**Farmaline**"), by which we aim to speed up the penetration of the markets in Continental Europe, thus improving our competitive position significantly. After signing the acquisition agreement on 10 August 2016, the acquisition of the Farmaline Business was completed on 14 September 2016 by way of an asset and share purchase. With the integration of the Farmaline Business into our Group, we have expanded our business in one step to a number of European markets previously targeted by us, including Italy and Spain, and have further enhanced our competitive position in Belgium, Austria and France. Taking the current market position of Shop Apotheke and Farmaline in the different Continental European markets as a starting point, we intend to use the combined experience and resources to enhance the penetration of these markets as well as our market position. We deem this an important step in the fulfillment of our vision to create the leading online pharmacy brand focused on OTC Medications and Pharmacy-Related BPC Products in Continental Europe. The acquisition is paid by cash, earn-out components and Shares of Shop Apotheke Europe N.V., for which purpose we increased our share capital in September by issuing additional 32,990 ordinary shares in the Company in total pursuant to which the share capital of the Company was at that time increased from €106,670 to €109,969.

On 28 September 2016, the General Meeting resolved to designate the Managing Board, with the prior approval of the Supervisory Board, as the competent body to issue or grant rights to subscribe for New Shares, for a period of 18 months with effect as of 28 September 2016. In its resolution, the General Meeting has resolved to restrict the competency of the Managing Board as regards the issue of Shares and the granting of rights to subscribe for Shares up to a maximum of 65% of the total issued and outstanding share capital of the Company at the time of the issue and/or grant.

25.1.2 Business Developments

The overall development of the first eight months of 2016 reflects profitable growth in our core market (by which we mean growth in our German segment EBITDA) and is in line with management's expectations. Our revenue for the six-month period ended 30 June 2016 was €82,161 thousand, compared to €60,529 thousand in the first six months 2015. For the second quarter of 2016, Germany achieved positive EBITDA after allocation of administrative expenses in proportion to generated revenues. Since the integration of the Farmaline Business into our Group has only been accomplished very shortly prior to the publication of this Prospectus, we cannot make any statement as to the realized positive effects expected through the Farmaline Acquisition but expect it to improve our competitive position significantly.

25.2 Outlook

We expect the above-mentioned positive developments regarding revenue and the key performance indicators to continue throughout the full financial year 2016.

On Group level, we expect revenue growth above the growth rates achieved during the first six months 2016 compared to the prior year's period, supported by the acquisition of the Farmaline Business which will be consolidated from 14 September 2016 onwards. We have taken the strategic decision to focus on profitable growth in our core market (by which we mean growth in German segment EBITDA) along with a reallocation of growth resources to our international business. Given the already high market share and online penetration in

Germany, we expect that growth in the medium term in Germany will be primarily driven by further increase of Repeat Orders followed by continuous acquisition of new customers. We expect to grow in our target markets outside Germany substantially faster driven by upside from increased market penetration in Austria, France, Belgium, Italy and Spain in the future.

We aim at an increased gross margin on a Group level in 2016 compared to 2015. Further profitability improvements are planned in the medium term based on a number of measures to raise gross margins. Such measures include: (i) an improved pricing strategy, (ii) a focus on the shift toward higher gross margin products, (iii) increased cross selling, (iv) the introduction of new products with higher gross margin and (v) improving supplier terms supported by increasing scale. Further to the measures targeted at improving the gross margin, we plan to continuously increase marketing efficiency (through (i) the increase of share of Repeat Orders as well as (ii) optimization of the CRM efficiency) and through continuous improvement of operational efficiency (driven by (i) economies of scale and (ii) an increased level of process automation). Taking all this into account, we aim to improve Segment EBITDA margin constantly on a Group level, despite the continuous investments in our international expansion. Administrative expense is expected to continue to decrease in relation to sales as we take advantage of economies of scale.

Furthermore, we target to continuously improve our working capital management in the next years; however, due to our strong focus on international expansion, inventory is expected to build-up. With regard to capital expenditure, we have planned to invest over the next years into (i) our operations and IT infrastructure as well as, (ii) capacity expansion and automation, which shall be funded with parts of the proceeds of the offering (see "*6 Reasons for the Offering and Listing, Proceeds and Costs of the Offering and Listing - 6.2 Reasons for the Offering and Listing and Use of Proceeds*").

The outlook is based on operational data and may be subject to change. A wide range of factors, many of which are outside our control may affect our actual results, including those described under "*3. Risk Factors*", such as general economic conditions, industry-specific factors and competition. We caution that the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as a representation or forecast by us or any other person regarding our results for the financial year ending 31 December 2016 that will be reported in due course in 2017.

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