Semi-annual Report 2020

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Comparison of key figures H1 / Q2 2020 vs. H1 / Q2 2019

		H1 2020	H1 2019	Change	Q2 2020	Q2 2019	Change
Sales	**EUR m**	**862.5**	**726.6**	**+18.7 %**	**422.5**	**363.5**	**+16.3 %**
of which own brands sales of food & litter	%	17 %	15 %	+2pps.	18 %	16 %	+2pps.
Currency-adjusted sales retention rate	%	**95 %**	**92 %**	+3pps.	**95 %**	**92 %**	+3pps.
Gross margin (in % of sales)	%	30.5 %	28.4 %	+2.1pps.	31.6 %	28.7 %	+2.9pps.
EBITDA	**EUR m**	**29.4**	**4.5**	**+556.0**	**21.4**	**2.3**	**+837.4 %**
EBITDA margin (in % of sales)	%	3.4 %	0.6 %	+2.8pps.	5.1 %	0.6 %	+4.5pps.
EBT	EUR m	13.7	– 9.1	+250.8 %	13.1	– 4.7	+381.0 %
Consolidated net profit / loss	EUR m	7.8	– 7.1	+211.0 %	8.4	– 3.5	+337.9 %
Free Cashflow	**EUR m**	**29.6**	**6.9**	**+332.1 %**	**– 10.7**	**– 3.6**	**– 194.7 %**
Number of active repeat customers	**millions**	**4.8**	**4.1**	**+17.1 %**	**4.8**	**4.1**	**+17.1 %**
Number of active customers	**millions**	**8.1**	**7.2**	**+12.5 %**	**8.1**	**7.2**	**+12.5 %**

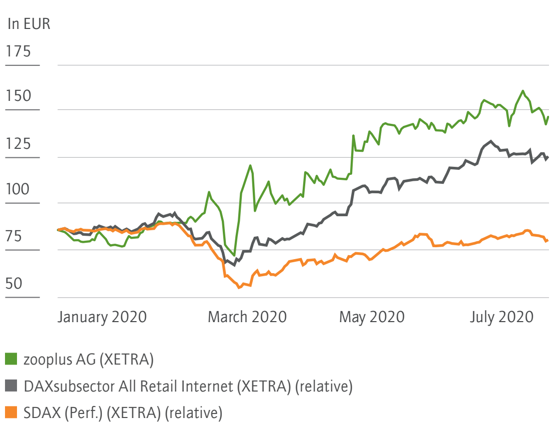
The zooplus AG share

So far, in the course of 2020, the COVID-19 pandemic and the related drastic restrictions in economic development worldwide have led to periods of extremely negative sentiment on the stock market. The German DAX (– 7.1 %), MDAX (– 7.5 %), SDAX (–6.1 %) and TecDAX (– 0.3 %) indices have all lost ground under these conditions as of July 31, 2020. In contrast to this, the DAXsubsector All Retail Internet sector index – the relevant index for zooplus – had risen by 46.2 % as of July 31, 2020 versus its closing level at the end of 2019.

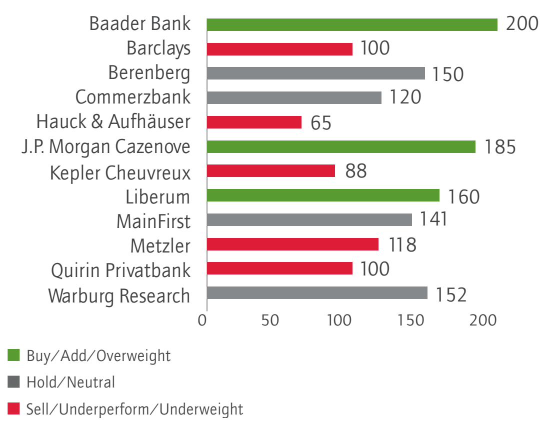
The zooplus share, which is listed in the SDAX, traded sideways at the beginning of the first half of 2020. In early March, the share price was especially volatile as a result of the diverse opinions on the opportunities and risks for e-commerce companies in connection with the COVID-19 pandemic, particularly for basic consumer goods companies. After rising in the first weeks of March, the share price came under pressure following a lukewarm response to the guidance for the 2020 financial year issued on March 25. An overall upward trend in the share price took shape during the second quarter, boosted above all by the updates on the guidance on May 7 and July 14, 2020, based on the very positive business development. On July 31, 2020, the shares closed on Xetra at EUR 146.00, which was 71.0 % higher than the closing price on December 30, 2019.

The market capitalization of zooplus on July 31, 2020 amounted to EUR 1,043.8 m based on 7,149,178 shares outstanding.

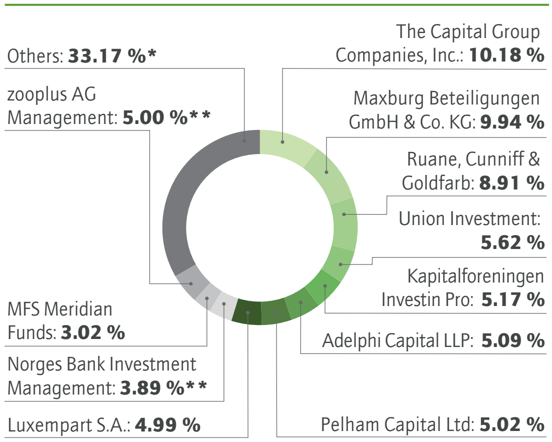
Share price development 01 / 01 - 07 / 31 / 2020



Analyst coverage



Shareholder structure



As of July 29, 2020 Calculation based on a total number of voting rights of 7,149,178
Share ownership according to the published voting rights notifications
*Free float of 90.06 % according to the definition of Deutsche Börse
**including equity instruments

Key data

WKN / ISIN / Ticker symbol	511170 / DE0005111702 / Z01
Share capital in EUR, Dec. 31, 2019	7,146,688.00
Share capital in EUR, July 31, 2020	7,149,178.00
Number of shares, July 31, 2020	7,149,178
Initial listing	May 9, 2008
Initial issue price*	13.00
Xetra closing price, Dec. 30, 2019	85.40
Xetra closing price, July 31, 2020	146.00
Percentage change	+71.0 %
Xetra closing price high for period	160.00
Xetra closing price low for period	71.70

* Taking into account capital increase from company resources in July 2011

zooplus in the first half of 2020

Situation related to COVID-19 pandemic

In the first half of 2020, the spread of the novel coronavirus, which first appeared in Asia at the turn of 2019 / 2020, developed into a pandemic with global implications. In order to contain the spread of the virus, governments around the world introduced protective measures in the first half of the year in the form of restrictions. As the spread began to slow down, some regions responded by relaxing their restrictions, while other regions extended them. The virus regained momentum after initial restrictions were lifted, causing some governments to reintroduce restrictions.

Signs are indicating that pet supplies are becoming one of the most sought-after product groups in online retailing during the COVID-19 pandemic. zooplus AG registered an exceptional level of interest from consumers throughout Europe during the first half-year. With its technology-driven, pan-European logistics network, zooplus was able to meet the above-average demand that emerged early in the pandemic at all times and supply its customers largely without disruption. zooplus is also well positioned overall to benefit from the accelerated shift of customers toward more efficient online channels for pet supplies.

Update on guidance

On May 7, 2020, the Management Board of zooplus AG decided to update the sales and earnings targets for the current financial year, originally communicated on March 25, 2020. Based on the preliminary figures for the second quarter, earnings in the first half-year were well above expectations. As a result of this solid business development, the Management Board decided on July 14, 2020 to update its forecast again for the current financial year by raising it for a second consecutive time.

For more details, please refer to the section entitled "Report on outlook, risks and opportunities " on pages 12 and 13.

Changes in the Management Board and Supervisory Board

Effective January 1, 2020, Andreas Maueröder was appointed to the zooplus AG Management Board and has since been responsible for the areas of Finance, Controlling, Legal, Investor Relations and Internal Auditing.

At the end of the 2020 ordinary Annual General Meeting on June 25, 2020, Henrik Persson, member of the Supervisory Board, resigned from his position on the Supervisory Board and was succeeded by Tjeerd Jegen. At the same time, Christine Cross was elected to the Supervisory Board by the Annual General Meeting. Ms. Cross had previously been appointed to the Supervisory Board on an interim basis by court order at the end of 2019 following the resignation of former Supervisory Board member Karl-Heinz Holland.

Reverse factoring

Since the first half of 2020, zooplus AG has been using reverse factoring as a means to further optimize its working capital. This use of reverse factoring does not result in any changes to the zooplus AG balance sheet.

Interim group management report

Interim group management report as of June 30, 2020

1. Group fundamentals, business activities and strategy

Founded in 1999, zooplus AG can look back on more than 20 years of operation and today is Europe's leading online retailer for pet supplies. Measured by sales, zooplus is now number two in the overall European market, which includes both bricks-and-mortar as well as online sales of pet supplies. The company sells around 8,000 products covering all major pet breeds. The product range includes primarily pet food (dry and wet food, food supplements) and accessories (such as scratching posts, dog baskets and toys) in all price categories. The zooplus AG business model has been successfully implemented in 30 European countries to date, making zooplus AG the only truly pan-European online retailer for pet supplies.

The primary sales channels for pet supplies throughout Europe consist mainly of bricks-and-mortar pet shops, garden centers, DIY stores and traditional supermarkets and discounters. zooplus operates in 30 countries across Europe with country-specific and multi-national online shops. According to the estimates of the zooplus AG management, the total market volume of the pet supplies segment in Europe in 2019 amounted to roughly EUR 30 bn (gross). As of June 2020, the company operated a total of 24 localized online shops under the zooplus store brand. This broad presence makes zooplus the dominant online supplier of pet supplies across Europe, far ahead of smaller local and national competitors. Next to the zooplus store brand, the Group operates in 14 countries under its bitiba shop brand, which is a discount concept with a more limited product range.

Thanks to recurring patterns of demand, especially in the pet food segment, the pet supplies market has very low seasonality. For example, around 87 % of the total demand at zooplus relates to food and litter, which means the Group enjoys stable medium- to long-term demand.

The Group aims to maintain and expand its sales-based market leadership in the European online pet supplies segment and thereby dramatically increase the company's medium and long-term earnings potential. The company believes that both the Internet and Internet retailing in Europe continue to offer excellent growth opportunities. It is therefore important for the Group to position itself and create the necessary structures today to generate significant positive returns by virtue of its critical size and market leadership in the medium- and long-term.

With this in mind, the following goals are at the core of the company's activities:

- continued sales growth in all European markets
- further penetration of existing regional markets
- defending and expanding sales-based market leadership
- expanding the customer base and securing a high level of customer loyalty in all European markets
- further improving the total cost ratio

The overriding priority is to continue generating high growth in order to expand the market position and achieve economies of scale as a basis for ongoing improvements in cost efficiency while maintaining sustainable operating profitability. Management sees this as the most logical strategy for the long-term appreciation of the company's value in the quarters and years to come based on the further growth opportunities for the Group available throughout Europe. Targets are managed and monitored in all areas using key performance indicators that are reviewed regularly and modified over the short- to medium-term when necessary. The company places special importance on clearly communicating its goals to employees and the public.

For a more detailed description of the Group's structure, business activities, strategy, financial and non-financial performance indicators, please refer to the 2019 Annual Report.

2. Business report

A. Economic and sector-specific environment

The persistence of the COVID-19 pandemic in the first half-year has forced governments in many parts of the world to take drastic measures such as contact restrictions and lockdowns, with negative consequences for the economy. According to the current estimates of the International Monetary Fund (IMF), the COVID-19 pandemic is expected to cause an even greater decline in the global economy than previously expected. The IMF has lowered its expectations for the global economy from a decline of 3 % to an expected decline of now 4.9 %. The IMF is even more cautious about the regions particularly affected by the pandemic, which include France, Italy and Spain, and estimates that these economies could contract by up to 13 %.

A risk exists that the effects of the euro debt crisis and exchange rate risks within and outside Europe could have a significant negative impact on Europe's real economy. In addition, the added risk that may arise from the ongoing Brexit negotiations and their outcome is not yet clear. With these, as well as global political stability risks in mind, a continuation of a downturn in the economy cannot be ruled out and may affect zooplus' business in the future. In addition, the impact of protectionist tendencies within the EU and the USA on international trade and, in turn, overall economic growth and consumer purchasing power are not yet foreseeable.

However, in the opinion of the management, a much more important factor affecting the company's business than the macro view above is the development of the industry-specific and online retailing environment of zooplus in individual markets.

The Group is continually monitoring the current developments and restrictions in individual procurement and sales markets. Furthermore, it is still uncertain from a macroeconomic perspective how the spread of the pandemic will affect the trade in consumer goods in the medium and long term in both the bricks-and-mortar and online segments.

B. Business performance of the zooplus Group during the reporting period

During the first half of 2020, sales increased to EUR 862 m, amounting to a year-on-year percentage increase in sales of 19 %. After growing 21 % in the first quarter of 2020 from the above-average demand for essential consumer goods in March, the Group continued its growth path in the second quarter of 2020 and recorded a year-on-year increase of 16 % compared to the second quarter of 2019. The sales retention rate at the end of the first half of 2020 reached 95 % (December 2019: 91 %). Operating profitability, measured by earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 29.4 m in the first half of 2020 (H1 2019: EUR 4.5 m). Given the very solid business development in an operationally challenging environment in the first half-year due to the coronavirus and based on the operational excellence achieved in implementing its strategy, the Management Board expects the development to continue to be positive during the remaining quarters of the financial year. Therefore, the Management Board confirms its guidance released on March 25, 2020 and last updated on July 14, 2020 for year-on-year sales growth of around EUR 240 mand operating profitability, measured by EBITDA, of at least EUR 40 m for the 2020 financial year.

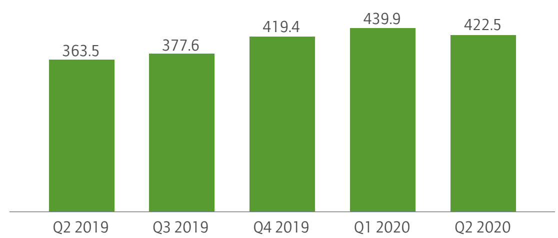
C. Results of operations, net assets and financial position of the Group

a. Results of operations

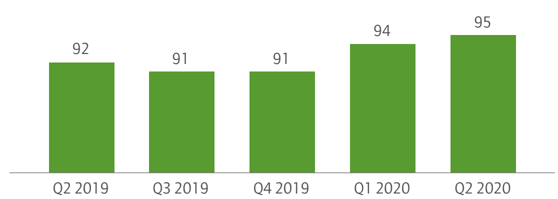
i. Development of sales, other income and own work capitalized

In the first half of 2020, zooplus was able to significantly increase its sales by 19 % compared to the previous year. Sales rose from EUR 727 m in the first half of the prior year to EUR 862 m in the first half of 2020. The development of the overall sales growth was driven primarily by sales to the company's loyal existing customer base. In the first half of 2020, above-average demand in the pet supplies segment had a positive effect on sales, especially as restrictions began to be introduced in individual country markets in response to the COVID-19 pandemic. In addition, the modifications made at the beginning of the year to increase customer loyalty are also contributing to the positive development of sales growth during the first half-year. As a result, sales growth in the first quarter was above average and reached a year-on-year growth rate of 21 %. The company also benefited in the second quarter from continued robust demand in the pet supplies segment and recorded a year-on-year sales growth of 16 %.

Sales (EUR m)



Sales retention rate (%)



Sales of own brand food and litter products continued to grow at a faster rate than total sales, with growth of 32 % in the first half of 2020. The own brand food and litter products' share of total sales amounted to 17 % (H1 2019: 15 %).

Overall, the Group generated around 87 % of its sales in the first half of 2020 from products in the food and litter segment. The remaining 13% are mainly attributable to accessories.

The strong loyalty of existing customers and the success of the customer reactivation measures helped ensure a near record high in the currency-adjusted sales retention rate of 95 % in the first half of 2020. This performance once again underlines the sustainability of the zooplus business model.

zooplus generated other operating income of EUR 2.0 m in the first half of 2020 (H1 2019: EUR 2.8 m) next to other losses of EUR -1.3 m (H1 2019: EUR -0.1 m). Other losses were primarily a result of foreign exchange losses. In addition, zooplus recorded own work capitalized in the amount of EUR 0.8 m (H1 2019: EUR 1.2 m).

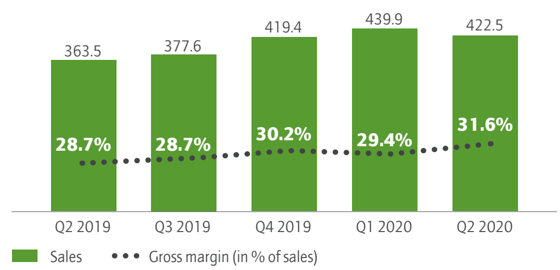
ii. Expense items

The following section provides a brief overview of the development and amount of the company's key expense items. All of the percentages provided in the following section are approximate values and may be subject to slight rounding differences compared with the figures in the consolidated financial statements. Expense items are presented in relation to sales, which is the key performance indicator.

Cost of materials and gross margin

The cost of materials increased in line with sales growth and amounted to EUR 599.7 m in the first half of 2020 (H1 2019: EUR 520.0 m). This development is reflected in a gross margin of 30.5 %. Following the stabilization in the gross margin in the previous financial year, the Group was able to achieve further improvements in the margin during the first two quarters. During the first half of 2020, the gross margin was positively affected by the optimization of the product sales mix as part of the earnings management strategy. This included, for example, a further disproportionately high increase in own brands sales, as well as a stronger focus on profitable sales and customers. As a result, the gross margin in the first half of 2020 increased significantly year-on-year, rising by 2.1 percentage points to 30.5 % compared to 28.4 % for the same period of the previous year.

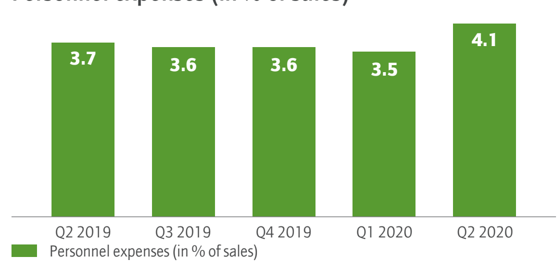
Gross margin (in % of sales)



Personnel expenses

Personnel expenses in the first half of 2020 rose to EUR 32.7 m from EUR 26.8 m in H1 2019. This increase resulted in a slightly higher personnel expense ratio of 3.8 % (as a ratio of sales) compared to 3.7 % in the same period of 2019. This rise was primarily due to additions of personnel in key functional areas. In the first half of 2020, the company employed an average of 735 people (excluding the Management Board; December 31, 2019: 713).

Personnel expenses (in % of sales)

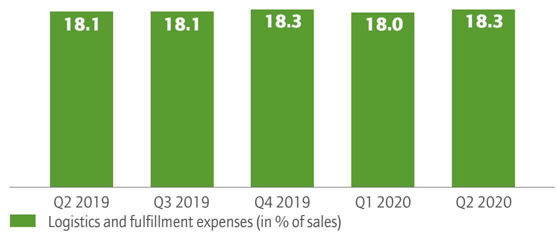


Logistics and fulfillment expenses

The zooplus business model requires the storage, order picking and shipping of sold products to the end customer. Additional expenses arise in areas such as returns processing, warehousing and other logistics and distribution expenses.

In the first half of 2020, logistics and fulfillment expenses reached a level of 18.1 % in relation to sales, compared to 18.4 % in the same period of the prior year. Due to the COVID-19 pandemic, the Group recorded efficiency losses in logistics, mainly driven by the provision of additional capacity in transport and fulfillment and more cost-intensive load distribution within the logistics network. A higher order volume per customer and thus a higher value per box had a positive effect on the logistics cost ratio. This trend continued in the second quarter of 2020, compensating for price increases by parcel service providers and the aforementioned efficiency losses.

Logistics and fulfillment expenses (in % of sales)

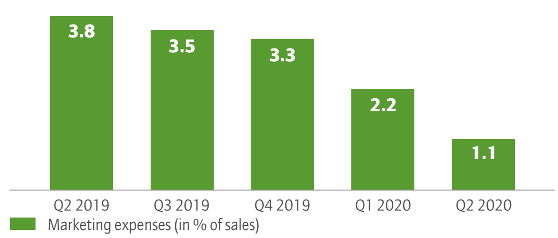


Marketing expenses

Marketing expenses arise mainly from acquiring new customers across all European markets. New customer acquisitions occur primarily in the area of online marketing, where the effectiveness of individual campaigns can be measured continuously, providing an opportunity to adjust any activities accordingly on a regular basis. This is true for the entire spectrum of search engine optimization and marketing via affiliate marketing to other online partners, as well as for online direct marketing.

In the first half of 2020, Marketing expenses as a percentage of sales declined sharply year-on-year by 1.6 percentage points compared to the reference period (H1 2020: 1.7 %; H1 2019: 3.3 %). In the acquisition of new customers, zooplus continued on the quality-oriented course it has been pursuing since the beginning of 2020 and was able to increase sales with new repurchasing customers by 21 % in the first half of the year. The number of new repurchasing customers grew by 14 %, while advertising expenses were clearly focused and, in total, are significantly below the level of the previous year. Thus, zooplus was able to increase its advertising efficiency and at the same time sustainably boost its growth due to improved customer quality. These successes underscore not only the attractiveness of zooplus' offer and product promise, but also the group's sharpened strategy in the development of profitable new customers.

Marketing expenses (in % of sales)



Payment transaction expenses

At 0.8 %, payment transaction expenses as a percentage of sales remained stable in the first half of 2020 (H1 2019: 0.8 % of sales).

Other miscellaneous expenses

Other miscellaneous expenses include expenses incurred primarily in the areas of customer service, office rentals, general administrative costs, technology costs and other expenses incurred in the ordinary course of business. Other miscellaneous expenses as a percentage of sales rose to 2.5 % in the first half of 2020 (H1 2019: 1.9 %).

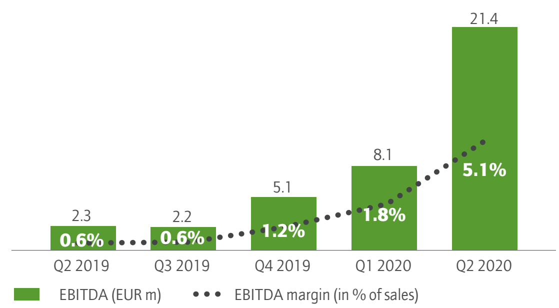
iii. Earnings development

The Group's operating profitability, measured by earnings before interest, taxes, depreciation and amortization (EBITDA), amounted to EUR 29.4 m in the first half-year, which was significantly stronger than in the first half of the prior year (H1 2019: EUR 4.5 m). The main driver of this increase was the significant improvement in gross margin, spurred by better management of the product sales mix, and better cost efficiency in the area of marketing (marketing expenses) in the first half of 2020. In addition, logistics efficiency was maintained at a high level, despite the corona crisis. The increase in operating profitability is also reflected in the increase in the EBITDA margin in the first half of 2020, which improved by 2.8 percentage points year-on-year to 3.4 % (H1 2019: 0.6 % EBITDA margin).

Earnings before taxes (EBT) in the first half of 2020 reached a positive EUR 13.7 m, showing a significant improvement over the same period in the prior-year period (H1 2019: EUR -9.1 m).

Overall, the consolidated net profit / loss in the first half of 2020 reached EUR 7.8 m (H1 2019: EUR –7.1 m). Total comprehensive income amounted to around EUR 9.2 m (H1 2019: EUR –7.0 m) and differed from the consolidated net profit / loss by the amount of the hedge reserve of EUR 1.5 m and currency translation differences of EUR –0.1 m.

EBITDA and EBITDA margin



b. Financial position

The positive cash flow from operating activities totaled EUR 31.7 m in the first half of 2020 compared with EUR 9.2 m in the first half of 2019.

Further improvements in working capital had a beneficial impact on cash flow development.

The negative cash flow from investing activities (EUR –2.0 m in H1 2020 compared to EUR –2.4 m in H1 2019) was influenced by investments in hardware and software components in the form of purchases and investments in internally generated intangible assets, as well as in office and operating equipment.

As a result, free cash flow amounted to EUR 29.6 m in the reporting period (H1 2019: EUR 6.9 m), underscoring the Group's strength in financing itself internally.

Cash flow from financing activities (EUR –11.6 m in H1 2020 compared to EUR –9.9 m in H1 2019) mainly reflects the repayment of lease liabilities of EUR –11.4 m.

As a retail group, zooplus generally experiences considerable volatility in its balance sheet and cash flow items such as inventories, liabilities and VAT. This leads to a considerably higher level of fluctuation of these values over the course of the year than is indicated by the earnings figures presented.

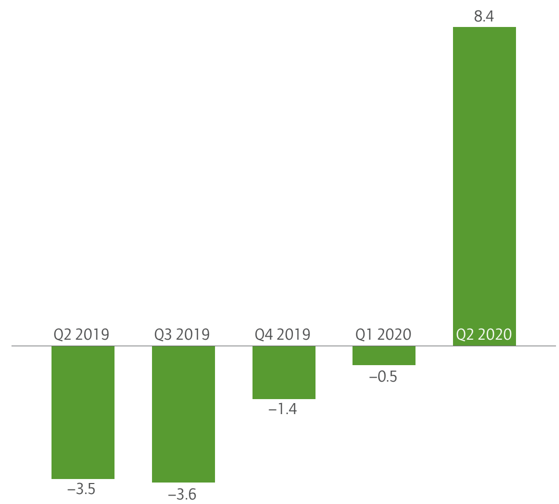
c. Net assets

Non-current assets totaled EUR 99.2 m as of June 30, 2020 compared to EUR 102.9 m as of December 31, 2019. The net carrying amount of all rights-of-use totaled EUR 82.5 m as of June 30, 2020.

Within current assets, inventories of EUR 143.1 m were above the level reported at the end of 2019 (December 31, 2019: EUR 117.7 m) and reflect the clear focus on general product availability in times of robust demand for pet supplies. zooplus is in close contact with its suppliers to ensure continued general product availability.

Accounts receivable as of June 30, 2020 amounted to EUR 28.2 m compared to EUR 27.7 m at the end of 2019.

Consolidated net profit / loss (EUR m)



Reconciliation of free cash flow (EUR m)

Other current assets increased to EUR 65.9 m as of June 30, 2020 compared to EUR 47.7 m at the end of 2019, due to a higher level of claims against suppliers from volume-based bonus agreements.

In addition, cash and cash equivalents increased by EUR 17.3 m to EUR 81.6 m as of June 30, 2020 from EUR 64.3 m at the end of 2019. This increase was mainly due to the higher operating result compared to the same period in the prior year. In addition to cash and cash equivalents, the Group has access to a further EUR 50 m in existing credit lines.

Equity as of June 30, 2020 totaled EUR 111.3 m compared to EUR 100.8 m as of December 31, 2019.

Non-current liabilities, consisting mainly of lease liabilities, amounted to EUR 63.3 m as of June 30, 2020 (December 31, 2019: EUR 61.8 m). An amount of EUR 62.4 m is reported as non-current lease liabilities (December 31, 2019: EUR 61.8 m) and EUR 20.9 m as current lease liabilities (December 31, 2019: EUR 20.4 m).

Accounts payable increased as of the end of June 2020 to EUR 152.4 m compared to EUR 125.1 m as of December 31, 2019. This increase primarily resulted from an improvement in the payment terms with suppliers.

At EUR 18.1 m, contract liabilities were slightly above the level at the end of 2019. Other liabilities refer mainly to value-added tax liabilities.

The company's total assets as of the end of the reporting period amounted to EUR 420.0 m compared to EUR 361.0 m as of December 31, 2019.

d. Overall statement on the financial situation

With sales growth of 19 % to EUR 862.5 m in the first half-year, the Management Board considers the performance to be significantly better than originally expected, despite the impact of the COVID-19 pandemic. Therefore, on the basis of the very solid business development that continued in the second quarter of 2020, the Management Board raised its guidance for the current financial year once again on July 14, 2020.

3. Report on outlook, risks and opportunities

A. Outlook

On July 14, 2020, based on the very favorable business development, the Management Board of zooplus AG decided to raise its guidance for the current financial year compared to the sales earnings targets for the 2020 financial year, originally announced on March 25, 2020 and updated on May 7, 2020. As a result, the zooplus Group's sales and earnings guidance has been revised in comparison to the guidance presented in the 2019 Annual Report (pages 72 and 73). The circumstances prompting the update of the guidance compared to the target communicated on May 7, 2020, was a significant increase in operating profitability next to the continued robust demand from consumers in the pet supplies segment. On the cost side, the Group has already achieved efficiency gains in the area of marketing in the first half-year and has been able to maintain its logistics efficiency at a high level, despite the current COVID-19 crisis. In addition, improvements in the management of the product sales mix have supported the positive development of the gross margin. zooplus AG is currently expecting a year-on-year sales growth of around EUR 240 m in the 2020 financial year, corresponding to a sales volume of around EUR 1.765 bn, accompanied by higher earnings before interest, taxes, depreciation and amortization (EBITDA) of now at least EUR 40 m. The achievement of the adjusted guidance is based on the assumption that the further impact of the COVID-19 pandemic on both the overall economic situation and the situation of the Group in the current financial year will not change significantly to the scale known at this time. Overall, the Group is on track in the first half of 2020 to achieve the adjusted annual targets for 2020 described above.

B. Risk report

Due to the pan-European scope of its business activities, zooplus is confronted with numerous risks and opportunities and evaluates them on an ongoing basis. The assessment of the zooplus Group's risk situation has not changed significantly compared to the presentation in the 2019 Annual Report (pages 73 to 77) and the supplement provided in the quarterly statement for the first quarter of 2020 (page 10).

C. Opportunity report

The opportunities for the zooplus AG have not significantly changed compared to the presentation in the 2019 Annual Report (pages 77 and 78).

D. Overall statement

The European online pet supplies market will further grow sustainably and gain attraction. zooplus is excellently positioned to continue to benefit from this development. The Management Board therefore anticipates further growth for the Group in 2020.

4. Subsequent events

In July 2020, the Supervisory Board approved the mutual termination of Mr. Florian Welz's appointment to the Management Board and as Chief Commercial Officer of zooplus AG, effective July 13, 2020. The responsibilities of Mr. Welz were divided among the Management Board members.

The pending uncertainty regarding the further spread of COVID-19 and the pandemic's persistence continued in the period between the reporting date and the date of preparing the financial statements for the first half-year of 2020. Possible economic consequences resulting from potential material changes at an unknown scale on the Group's situation during the course of the financial year could not be conclusively ruled out at the time of preparing the financial statements for the first half-year of 2020.

Should the spread of COVID-19 continue over the long term, it could have a negative impact on conducting business in the regions affected by the pandemic and, in turn, affect our net assets, financial position or results of operations. zooplus is continuously monitoring the developments in connection with the COVID-19 pandemic and is working to assess the resulting risks and opportunities.

The Management Board

Dr. Cornelius Patt

Andreas Maueröder

Dr. Mischa Ritter

Munich, August 18, 2020

Interim consolidated financial statements

Consolidated balance sheet as of June 30, 2020 according to IFRS

Assets

in EUR		30/06/2020	31/12/2019
A.	**NON-CURRENT ASSETS**		
I.	Property, plant and equipment	5,855,552.61	5,473,134.45
II.	Intangible assets	10,498,356.68	12,766,501.41
III.	Right-of-use assets	82,532,235.65	80,993,794.70
IV.	Deferred tax assets	274,638.52	3,640,210.13
	Non-current assets, total	**99,160,783.46**	**102,873,640.69**
B.	**CURRENT ASSETS**		
I.	Inventories	143,135,642.22	117,706,457.83
II.	Advance payments	0.00	2,964.56
III.	Accounts receivable	28,187,536.93	27,714,052.93
IV.	Other current assets	65,912,834.55	47,722,497.91
V.	Tax receivables	166.00	642,176.82
VI.	Derivative financial instruments	1,965,307.06	0.00
VII.	Cash and cash equivalents	81,593,132.95	64,293,396.36
	Current assets, total	**320,794,619.71**	**258,081,546.41**
		419,955,403.17	**360,955,187.10**

Equity and liabilities

in EUR		30/06/2020	31/12/2019
A.	EQUITY		
I.	Subscribed capital	7,149,178.00	7,146,688.00
II.	Capital reserves	104,179,910.98	102,827,311.58
III.	Other reserves	–715,080.48	–2,046,551.79
IV.	Profit / loss for the period and profit / loss carried forward	675,335.17	–7,155,873.94
	Equity, total	**111,289,343.67**	**100,771,573.85**
B.	NON-CURRENT LIABILITIES		
I.	Deferred tax liabilities	870,664.43	1,800.18
II.	Lease liabilities	62,396,355.09	61,812,970.16
	Non-current liabilities, total	**63,267,019.52**	**61,814,770.34**
C.	CURRENT LIABILITIES		
I.	Accounts payable	152,398,687.85	125,050,354.18
II.	Derivative financial instruments	153,459.07	361,968.47
III.	Other current liabilities	41,871,731.79	31,751,585.63
IV.	Contract liabilities	18,051,113.84	14,006,642.19
V.	Tax liabilities	1,584,754.85	235,956.43
VI.	Lease liabilities	20,869,707.11	20,429,538.30
VII.	Provisions	10,469,585.47	6,532,797.71
	Current liabilities, total	**245,399,039.98**	**198,368,842.91**
		419,955,403.17	**360,955,187.10**

Consolidated statement of comprehensive income from January 1 to June 30, 2020 according to IFRS

in EUR	H1 2020	H1 2019*
Sales	862,487,906.15	726,645,945.16
Other income	2,028,167.34	2,778,272.52
Other gains / losses - net	– 1,300,949.03	– 133,780.87
Own work capitalized	778,615.00	1,224,369.00
Cost of materials	– 599,698,396.10	– 519,979,490.78
Personnel expenses	– 32,733,966.69	– 26,774,949.79
of which cash	(– 31,491,520.59)	(– 25,883,696.49)
of which stock-based and non-cash	(– 1,242,446.10)	(– 891,253.30)
Impairment losses on financial assets	– 2,057,102.18	– 1,882,977.99
Other expenses	– 200,077,868.07	– 177,391,342.78
of which logistics / fulfillment expenses	(– 156,440,953.56)	(– 133,651,293.17)
of which marketing expenses	(– 14,628,254.55)	(– 23,708,974.09)
of which payment transaction expenses	(– 7,082,755.97)	(– 6,055,161.35)
of which other expenses	(– 21,925,903.99)	(– 13,975,914.17)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**29,426,406.42**	**4,486,044.47**
Depreciation and amortization	– 14,997,188.46	– 12,854,618.52
Financial income	0.00	247.61
Financial expenses	– 679,967.59	– 751,669.87
Earnings before taxes (EBT)	**13,749,250.37**	**– 9,119.969.31**
Taxes on income	– 5,918,041.26	2,065,955.37
Consolidated net profit / loss	**7,831,209.11**	**– 7,054,013.94**
Other gains and losses (after taxes)		
Differences from currency translation	– 125,529.18	– 86,514.75
Hedge reserve	1,457,000.49	98,340.10
Items subsequently reclassified to profit or loss	**1,331,471.31**	**11,825.35**
Total comprehensive income / loss	**9,162,680.42**	**– 7,042,188.59**
Earnings per share		
Basic (EUR / share)	1.10	– 0.99
Diluted (EUR / share)	1.09	– 0.99

*The previous year's figures have been adjusted. Gains and losses from foreign currency valuation in the amount of EUR 1,903,416.33 and EUR – 2,037,197.20 were reclassified from other income or other expenses to other gains / losses – net.

Consolidated statement of cash flows from January 1 to June 30, 2020 according to IFRS

in EUR	H1 2020	H1 2019*
Cash flows from operating activities		
Earnings before taxes	13,749,250.37	– 9,119,969.31
Adjustments for:		
Depreciation and amortization	14,997,188.46	12,854,618.52
Non-cash personnel expenses	1,242,446.10	891,253.30
Other non-cash business transactions	31,529.13	– 157,781.08
Interest expenses and similar expenses	679,967.59	751,669.87
Interest income and similar income	0.00	– 274.61
Changes in:		
Inventories	– 25,429,184.39	– 7,542,320.63
Advance payments	2,964.56	417,323.03
Accounts receivable	– 473,484.00	– 6,167,279.67
Other current assets	– 18,190,336.64	– 10,451,091.60
Accounts payable	27,348,333.67	25,529,811.68
Other current liabilities	10,071,596.32	– 2,834,299.41
Contract liabilities	4,044,471.65	5,183,732.77
Current provisions	3,936,787.76	60,338.36
Non-current provisions	0.00	2,568.03
Income taxes paid	– 363,815.58	– 169,561.70
Interest received	0.00	274.61
Cash flows from operating activities	**31,647,715.00**	**9,249,012.15**
Cash flows from investing activities		
Payments for property, plant and equipment / intangible assets	– 2,041,006.68	– 2,397,019.04
Cash flows from investing activities	**– 2,041,006.68**	**– 2,397,019.04**
Cash flows from financing activities		
Proceeds from the issuance of shares	112,643.30	62,486.00
Proceeds from the assumption of financial liabilities	20,000,000.00	0.00
Repayment of financial liabilities	– 20,000,000.00	0.00
Principal elements of lease payments	– 11,427,081.05	– 9,227,702.09
Interest paid	– 330,508.64	– 751,669.87
Cash flows from financing activities	**– 11,644,946.39**	**– 9,916,885.96**

(Continued on next page)

in EUR	H1 2020	H1 2019*
Net change of cash and cash equivalents	**17,961,761.93**	**– 3,064,892.85**
Currency effects on cash and cash equivalents	– 662,025.34	60,650.24
Cash and cash equivalents at the beginning of the period	64,293,396.36	59,521,301.59
Cash and cash equivalents at the end of the period	81,593,132.95	56,517,058.98
Composition of cash and cash equivalents at the end of the period		
Cash on hand, bank deposits	81,593,132.95	56,517,058.98
	81,593,132.95	**56,517,058.98**

* The previous year's figures have been adjusted. Please refer to section 2.1.1 of the notes to the consolidated financial statements in the Annual Report 2019.

Consolidated statement of changes in equity from January 1 to June 30, 2020 according to IFRS

in EUR	Subscribed capital	Capital reserves	Other reserves	Net profit / loss for the period and profit / loss carried forward	Total
As of January 1, 2020	**7,146,688.00**	**102,827,311.58**	**– 2,046,551.79**	**– 7,155,873.94**	**100,771,573.85**
Increase from stock options	2,490.00	1,352,599.40	0.00	0.00	1,355,089.40
Currency translation differences	0.00	0.00	– 125,529.18	0.00	– 125,529.18
Net profit for H1 2020	0.00	0.00	0.00	7,831,209.11	7,831,209.11
Hedge reserve	0.00	0.00	1,457,000.49	0.00	1,457,000.49
As of June 30, 2020	**7,149,178.00**	**104,179,910.98**	**– 715,080.48**	**675,335.17**	**111,289,343.67**
As of January 1, 2019	**7,143,278.00**	**100,794,343.16**	**– 1,765,361.28**	**4,911,555.33**	**111,083,815.21**
Increase from stock options	1,400.00	952,339.30	0.00	0.00	953,739.30
Currency translation differences	0.00	0.00	– 86,514.75	0.00	– 86,514.75
Net loss for H1 2019	0.00	0.00	0.00	– 7,054,013.94	– 7,054,013.94
Hedge reserve	0.00	0.00	98,340.10	0.00	98,340.10
As of June 30, 2019	**7,144,678.00**	**101,746,682.46**	**– 1,753,535.93**	**– 2,142,458.61**	**104,995,365.92**

Notes to the consolidated financial statements

General information

zooplus AG (the "company") is a stock corporation with limited liability as defined under German law, whose shares have been publicly traded since 2008. The company's principal corporate offices are located at Sonnenstrasse 15, 80331 Munich, Germany. The company is recorded in the commercial register of the District Court of Munich under HRB 125080.

zooplus AG, as the ultimate parent company, and its subsidiaries, together referred to as "the Group," are active in the online retailing of pet supplies in Germany and other European countries. Pet supplies are generally defined as food and accessories. The company's business operations are carried out via the company's websites.

Basis for preparing the interim financial statements

These condensed interim consolidated financial statements as of June 30, 2020 were prepared in accordance with the International Financial Reporting Standards as applicable in the European Union (EU) and the supplementary provisions of the German Securities Trading Act (WphG) and comply with the provisions of IAS 34 "Interim Financial Reporting."

The Group's currency is the euro. Unless otherwise indicated, all amounts are expressed in euro thousands (kEUR) in accordance with commercial rounding practices. Totals and percentages are calculated based on unrounded euro amounts and may therefore be subject to rounding differences compared to the tables presented in the disclosures in the notes.

The interim consolidated financial statements do not contain all the disclosures in the notes that are typically included in the financial statements for the full financial year. Accordingly, this half-year financial report should be read in conjunction with the consolidated financial statements for the financial year ending as of December 31, 2019 and all other publically available information provided by zooplus during the interim reporting period.

The accounting policies applied correspond to those of the previous financial year and the related reporting period.

Scope of consolidation

As of June 30, 2020, the Group's scope of consolidation comprised zooplus AG, Munich, and the following subsidiaries:

Subsidiary	Interest in share capital	Business activity
MATINA GmbH, Munich, Germany	100%	Own brands business
BITIBA GmbH, Munich, Germany	100%	Secondary brand business
zooplus services Ltd., Oxford, Great Britain	100%	Service company for Great Britain
zooplus italia s.r.l., Genoa, Italy	100%	Service company for Italy
zooplus polska Sp. z o.o., Krakow, Poland	100%	Service company for Poland
zooplus services ESP S.L., Madrid, Spain	100%	Service company for Spain
zooplus france s.a.r.l., Strasbourg, France	100%	Service company for France
zooplus Nederland B.V., Tilburg, the Netherlands	100%	Service company for the Netherlands
zooplus Austria GmbH, Vienna, Austria	100%	Service company for Austria
zoolog Services sp. z o.o., Wroclaw, Poland	100%	Service company for Poland
zooplus Pet Supplies Import and Trade Ltd., Istanbul, Turkey	100%	Sales company for Turkey
Tifuve GmbH, Munich, Germany	100%	Dormant company
zooplus EE TOV, Kiev, Ukraine	100%	Dormant company
zooplus d.o.o., Zagreb, Croatia	100%	Dormant company

Segment reporting

The basis of segmentation has been maintained unchanged compared to the end of the previous financial year. The Group does not prepare segment reporting because the business is not divided into segments.

Seasonality

The zooplus Group's business activities are generally free of seasonal effects.

Selected information from the consolidated balance sheet and consolidated statement of comprehensive income

Inventories

Inventories increased by kEUR 25,429 compared to the end of 2019 and amounted to kEUR 143,136 as of June 30, 2020. The rise is mainly the result of the strong demand since the end of the first quarter of 2020 and the related investment in general product availability. Merchandise amounting to kEUR 5,493 has been impaired as of June 30, 2020 (December 31, 2019: kEUR 5,851).

Equity

During the reporting period, zooplus AG's subscribed capital increased as a result of the allocation of 2,490 subscription shares from Conditional Capital 2012 / I by EUR 2,490.00 from EUR 7,146,688.00 as of December 31, 2019 to EUR 7,149,178.00 as of June 30, 2020.

Capital reserves totaled EUR 104,179,910.98 as of the end of the reporting period. Capital reserves increased by an amount of EUR 110,153.30 from the exercise of options originating from the Stock Option Program 2012 / I. This rise in capital reserves also resulted from allocations related to the accounting of the Stock Option Programs 2016, 2018 and 2020 totaling EUR 1,242,446.10 (non-cash item).

The change in other reserves compared to the December 31, 2019 reporting date was due to the other comprehensive income in the reporting period.

Retained profits resulted from tax loss carryforwards of prior periods and the positive result for the period of kEUR 7,831 generated in the reporting period.

Share-based remuneration

In April 2020, a total of 52,500 stock options were issued to members of the company's Management Board under the Stock Option Program 2018. At the same time, a total of 71,900 stock options were issued to members of management bodies of affiliated companies in Germany and abroad and selected executives and employees from zooplus AG and affiliated companies in Germany and abroad. The subscription price for the options issued in April 2020 equaled EUR 91.21 per share.

Based on the resolution of the Annual General Meeting of June 25, 2020 and the consent of the Supervisory Board, the Management Board resolved the establishment of the Stock Option Program 2020 for the issue of stock options with subscription rights to shares of zooplus AG to members of the Management Board of zooplus AG. Under the Stock Option Program 2020, members of the company's Management Board can subscribe to up to a total of 70,000 no-par-value shares of the company. In the first half of 2020, a total of 63,250 stock options were granted to the Management Board of zooplus AG. The stock options will be issued in the second half of 2020.

Each option entitles the holder to subscribe to one no-par-value bearer share of zooplus AG with a notional interest in the share capital of EUR 1.00 per share. The exercise price per share corresponds to the volume-weighted, 6-month average price of the zooplus share in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange prior to the issue date of the stock options, but at least at the minimum issue amount pursuant to Section 9 (1) AktG. The earliest date option rights can be exercised is four years after the options were granted if and to the extent that the performance targets are achieved as described in the following. The performance targets are based on the zooplus share's absolute price performance during the vesting period. Depending on the price performance of zooplus shares, beneficiaries may be entitled to exercise differing amounts of their allocated stock options. A third of the stock options may be exercised when the volume-weighted 6-month average price of the company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange at the end of the vesting period is at least 20 % above the exercise price (Performance Target I, in which case a third of the stock options may be exercised), at least 30 % above the exercise price (Performance Target II, in which case two-thirds of the stock options can be exercised) and at least 50 % above the exercise price (Performance Target III, in which case all of the stock options can be exercised).

Subscription rights may be exercised within two years, starting with the end of the vesting period. All options can be settled in equity instruments only.

The 2016 tranche of the share-based payments with cash settlement amounting to kEUR 277 will be paid out to one current Management Board member and former Management Board members in the third quarter of 2020. The payment amount was reclassified from other provisions to other liabilities. The amount exceeding the provision as of December 31, 2019 (kEUR 230) was recognized in profit or loss (kEUR 47).

Liabilities

Accounts payable amounted to kEUR 152,399 as of June 30, 2020 following kEUR 125,050 at the end of 2019. The increase resulted primarily from improved payment terms with suppliers.

As of the financial year 2020, zooplus AG has been offering its suppliers a reverse factoring program as part of its liquidity strategy. The agreement concluded within the scope of the reverse factoring program does not affect the recognition, measurement or reporting of supplier liabilities.

Financial liabilities

As of the fourth quarter of 2017, zooplus AG has had flexible credit lines totaling EUR 50.0 m at three independent banks without the provision of collateral and with a term until November 30, 2020. In the first half of 2020, these credit lines were temporarily and partially utilized in an amount of EUR 20.0 m.

Sales

kEUR	H1 2020	H1 2019	Q2 2020	Q2 2019
Germany	189,122	165,338	89,417	82,812
France	142,351	119,179	70,376	58,845
Poland	79,793	63,723	37,834	32,134
Italy	71,185	57,099	36,872	28,195
Great Britain	64,373	53,886	32,204	26,947
The Netherlands	50,378	45,824	24,407	23,094
Spain	44,936	39,591	23,028	19,890
Belgium	42,844	34,970	21,454	17,580
Switzerland	33,138	24,479	16,960	12,575
Austria	24,296	20,201	11,649	10,144
Czechia	21,296	18,260	9,850	9,236
Denmark	17,204	15,141	8,526	7,306
Sweden	15,979	14,148	7,888	6,948
Finland	14,695	13,106	7,173	6,378
Other countries	50,898	41,701	24,911	21,390
Total	**862,488**	**726,646**	**422,549**	**363,474**

The Group's sales mainly consist of the sales of pet supplies in Germany and other European countries to external customers. A total of 87 % of sales were generated mainly from the sale of food and litter and the remaining 13 % mainly from the sales of accessories.

zooplus increased its sales in the second quarter by kEUR 59,075 year-on-year to kEUR 422,549, corresponding to a sales growth of 16.3 %. In the first half of 2020, zooplus grew sales by kEUR 135,842, or 18.7 %, compared to the first half of 2019. The increase in sales is mainly the result of the above-average consumer demand for pet food related to the spread of the COVID-19 pandemic in March and April 2020 and the continued strong demand in Q2 2020. For further details, please refer to the interim group management report.

Income taxes

kEUR	H1 2020	H1 2019	Q2 2020	Q2 2019
Actual income taxes	– 2,406	– 83	– 2,151	– 11
Deferred income taxes				
from temporary differences	231	688	557	666
from tax losses carried forward	– 3,743	1,461	– 3,137	490
Total	**– 5,918**	**2,066**	**– 4,731**	**1,145**

Current income tax expenses in the second quarter and first half of 2020 increased year-on-year mainly as a result of the higher taxable income and the minimum level of taxation. Accordingly, the utilization of existing tax loss carryforwards and related deferred tax assets results in deferred tax expenses.

Earnings per share

Basic earnings per share are computed using the net profit for the period attributable to parent company shareholders divided by the weighted-average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share are computed using the net profit for the period attributable to parent company shareholders divided by the weighted-average number of ordinary shares outstanding during the reporting period plus any share equivalents that could lead to dilution.

	H1 2020	H1 2019	Q2 2020	Q2 2019
Consolidated net profit / loss (in EUR)	7,831,209	– 7,054,014	8,363,121	– 3,515,252
Weighted-average number of no-par-value shares outstanding (number of shares)				
basic	7,146,853	7,143,750	7,146,843	7,173,983
diluted	7,156,063	7,147.000	7,155,529	7,173,983
Earnings per share (in EUR / share)				
basic	1.10	– 0.99	1.17	– 0.49
diluted	1.09	– 0.99	1.17	– 0.49

Leases

The following items related to leases were recognized on the balance sheet:

kEUR	30/06/2020	31/12/2019
Right-of-use assets		
Buildings	82,225	80,660
Vehicles	307	334
Total	**82,532**	**80,994**
Lease liabilities		
Current	20,870	20,430
Non-current	62,396	61,813
Total	**83,266**	**82,243**

The increase in right-of-use assets and lease liabilities compared to December 31, 2019 is mainly the result of the term extension for the warehouse logistics contract for the fulfilment center in Antwerp, Belgium, and the exercise of the extension option for one the office buildings at zooplus AG's headquarters in Munich. This was partially offset by the scheduled amortization of right-of-use assets. The repayment portions of the lease liabilities led to a corresponding reduction of lease liabilities.

Other disclosures

Fair value measurement of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing and mutually independent parties in an arm's length transaction.

The Group classifies its financial instruments in three levels as stipulated by accounting standards in order to provide an indication for the reliability of the input factors used for determining fair values. These three levels are defined as follows:

- Level 1: The fair value of financial instruments that are traded on active markets (such as exchange-traded derivatives and equity instruments) is based on quoted market prices at the end of the reporting period.
- Level 2: The fair value of financial instruments that are not traded on an active market (such as OTC derivatives) is based on valuation methods that maximize the use of observable market data and are based as little as possible on company-specific estimates. If all significant input factors required to measure the fair value of an instrument are observable, the instrument is assigned to Level 2.
- Level 3: If one or more significant input factors are not observable, the instrument is assigned to Level 3.

The following table shows the assets and liabilities measured at fair value on June 30, 2020:

	Level 1	Level 2	Level 3
Assets in kEUR			
Derivative financial instruments as hedging instruments	0	1,965	0
Liabilities in kEUR			
Derivative financial instruments as hedging instruments	0	153	0

The following table shows the assets and liabilities measured at fair value on December 31, 2019:

	Level 1	Level 2	Level 3
Assets in kEUR			
Derivative financial instruments as hedging instruments	0	0	0
Liabilities in kEUR			
Derivative financial instruments as hedging instruments	0	362	0

There were no reclassifications within the respective levels during the reporting period. The reclassification of items is carried out on a quarterly basis when circumstances arise that require a change in classification.

Specific valuation methods used to measure financial instruments include net present value models based on market data applicable on the reporting date.

zooplus determines the fair value of derivatives designated as a hedging instrument based on the net present value of the difference between the derivative's value measured at the forward rate and at the rate on the reporting date.

Additional information on financial instruments

The Group also holds numerous financial instruments on the balance sheet that are not measured at fair value. The following table shows the carrying amounts and fair values of all financial instruments recognized in the consolidated financial statements and the allocation of assets, liabilities and some of the balance sheet items to measurement categories in accordance with IFRS 9:

	Measurement category	Carrying amount		Fair value	
in TEUR		**30/06/2020**	**31/12/2019**	**30/06/2020**	**31/12/2019**
Financial assets					
Accounts receivable	AC	28,188	27,714	n/a	n/a
Other current assets of which financial instruments pursuant to IFRS 7	AC	8,434	32,530	n/a	n/a
Derivative financial instruments	n/a	1,965	0	1,965	n/a
Cash and cash equivalents	AC	81,593	64,293	n/a	n/a
Total		**120,180**	**124,537**	**1,965**	**n/a**
Financial liabilities					
Accounts payable	FLaC	152,399	125,050	n/a	n/a
Other liabilities of which financial liabilities pursuant to IFRS 7	FLaC	358	4,677	n/a	n/a
Lease liabilities	n/a	83,266	82,243	n/a	n/a
Derivative financial instruments	n/a	153	362	153	362
Total		**236,176**	**212,332**	**153**	**362**

AC (Amortized Cost)
FLaC (Financial Liability at amortized Cost)

The market values of the cash and cash equivalents, accounts receivable, current assets, accounts payable, financial liabilities and other current liabilities reported as of June 30, 2020 and December 31, 2019, correspond to their carrying amounts. This is mainly due to the short-term maturities of such instruments.

Transactions with related parties

With the exception of the salaries paid to executive bodies, there were no important relationships between the Group and related parties during the reporting period. All transactions with related parties were carried out at customary market terms and conditions.

Subsequent events

Mr. Florian Welz resigned from the Management Board of zooplus AG at his own request, effective at the end of July 13, 2020. His underlying employment contract was not set to expire until September 30, 2022. The Supervisory Board and Mr. Welz mutually agreed to terminate his employment contract at zooplus as of July 13, 2020. Mr. Welz received a one-time fixed severance payment, of which only the portion attributable to the settlement for stock options was recognized directly in equity via the capital reserve and the remaining amount was recognized through profit or loss in July 2020. For details, we refer to the remuneration report and the notes to the consolidated financial statements at the end of 2020.

No other events of particular significance occurred after the end of the reporting date that could have a material impact on the presentation of the Group's net assets, financial position or results of operations.

German Corporate Governance Code

zooplus Aktiengesellschaft has submitted the declaration on the German Corporate Governance Code that is required under Section 161 of the German Stock Corporation Act (Aktiengesetz) and has made this declaration available to its shareholders on its website at http://investors.zooplus.com/en/corporate-governance/corporate-governance-statement.html.

Information in accordance with Section 115 (5) of the WpHG

These interim financial statements and the interim management report have not been reviewed by an auditor.

Munich, August 18, 2020

The Management Board

Dr. Cornelius Patt   Andreas Maueröder   Dr. Mischa Ritter

Responsibility Statement of the Management Board

To the best of our knowledge, and in accordance with the applicable accounting standards for interim reporting, the interim consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations, and the group management report presents the Group's business performance, including the financial performance and the financial position, in a manner that gives a true and fair view and describes the principal opportunities and risks of the company's anticipated development during the remainder of the financial year.

Munich, August 18, 2020

Dr. Cornelius Patt   Andreas Maueröder   Dr. Mischa Ritter

Glossary

- **Active customer base:** Number of all customers with at least one order within the last 12 months (from the reporting date).
- **Consolidated net profit / loss**: Profit / loss after tax, which is the balance of all income and expenses for the respective period.
- **EBITDA:** Operating profitability, measured by earnings before interest, taxes, depreciation and amortization for the respective period.
- **EBITDA margin**: EBITDA in relation to sales for the respective period.
- **EBT**: Earnings before taxes for the respective period.
- **Existing customers:** Customers, which were acquired in the year prior to the reporting period or older.
- **Free cash flow**: Cash flow available to the Group after the investments undertaken in the respective period. This ratio is calculated by adding cash flow from investing activities to cash flow from operating activities.
- **Gross margin**: Defined as gross profit (sales less cost of materials) as a percentage of sales for the respective period.
- **Logistics center:** A facility for storing goods, processing customer orders and preparing orders for shipment to the end customer using a service provider (usually a postal or courier service) in the respective country. An overview of the logistics centers operated by zooplus is presented on pages 44 and 45 of the 2019 Annual Report.
- **New customers:** Customers, which were acquired in the reporting period and were previously not a zooplus customer.
- **Own brands**: Portfolio of products, especially those focused on the specialty retail segment for pet food and accessories that are commissioned to third parties by zooplus and sold by zooplus exclusively through the respective shop brands. An overview of zooplus' own brands is presented on pages 42 and 43 of the 2019 Annual Report.
- **Pet supplies market**: Includes all sales in the pet supplies market, such as sales of pet food and accessories, but also other expenditures for pets in Europe. The gross volume of the pet supplies market in Europe in 2019 was around EUR 30 bn, according to Euromonitor International 2019 and estimates of the zooplus management.
- **Repeat customer base:** Number of all customers with at least two orders within the last 12 months (from the reporting date).
- **Repurchasing new customers:** Number of all new customers with at least two orders within the reporting period.
- **Sales**: All cumulative revenues from ordinary business activities generated during the respective period.
- **Sales retention rate**: Recurring sales from customers, measured by the sales in the current financial year (currency-adjusted) from customers who were already customers in the prior-year period, in relation to the sales (currency-adjusted) of the prior year, in each case rolling on a 12-month basis as of the reporting date for the period (usually the end of the quarter).
- **Sales with repurchasing new customers:** Sales volume of all transactions from the second order on of new customer within the reporting period.

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Publisher
zooplus AG
Sonnenstraße 15
80331 Munich
Germany
Tel.: +49 (0) 89 95 006 – 100
Fax: +49 (0) 89 95 006 – 500

E-Mail: ir@zooplus.com
https://investors.zooplus.com

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Investor Relations
zooplus AG
Investor Relations

Diana Apostol

Sonnenstraße 15
80331 Munich
Germay
Tel.: +49 (0) 89 95 006 – 100
Fax: +49 (0) 89 95 006 – 500

Concept, editing, layout and typesetting
cometis AG
Unter den Eichen 7
65195 Wiesbaden
Germany

Tel.: +49 (0) 611 20 58 55 – 0
Fax: +49 (0) 611 20 58 55 – 66

E-Mail: info@cometis.de
www.cometis.de

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Disclaimer
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zooplus also uses alternative performance measures to explain its net assets, financial position and results of operations that are not defined under IFRS. These indicators should not be considered in isolation but as supplementary information. The alternative performance measures used by zooplus are defined in the "Glossary" section of the zooplus 2020 semi-annual interim report.

The semi-annual interim report is also available in German. In case of discrepancies, the German version prevails. A digital version of this zooplus AG semi-annual interim report, as well as the annual reports, can be downloaded from the Investor Relations section of www.zooplus.com.

zooplus AG
Sonnenstraße 15
80331 Munich
Germany