

GEPHA

Company presentation

2023

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Introducing GEPHA

01



INTRODUCING GEPHA - GROUP STRUCTURE

GEPHA is the member of Georgia Capital - LSE premium listed holding company with Net Asset Value exceeds EUR 1BLN. Georgia Capital (GCAP) has a unique position as an experienced institutional financial investor in Georgia with superior access to attractive private investment opportunities.



KEY FACTS AND FIGURES

As of 30 September 2022

GEL 2.9B Total portfolio value	-9.5% NAV per share (GEL) change YTD
GEL 57.04 NAV per share	2.5B Net asset value (NAV)

INTRODUCING GEPHA - GEOGRAPHICAL COVERAGE Y2022

GEOGRAPHICAL COVERAGE



GEPHA JSC is the largest pharmaceuticals retailer and wholesaler in the country, with a c.35% market share by revenue. The business consists of retail pharmacy chain and a wholesale business which sells and supplies pharmaceuticals and parapharmacy goods to the partners all over the country.

Headquarter: Tbilisi, Georgia

Industry: Pharma; Beauty; Cosmetics; Well-being; Food

GEORGIA



GEPHA JSC
#of stores: 362
Retail Banners:
GPC; Pharmadepot

ARMENIA



ABC Pharmacia JSC
#of stores: 12
100% GEPHA Subsidiary
Retail Banners:
AKG, The Body Shop

AZERBAIJAN



AZPHA JSC
# of stores: 2
100% GEPHA Subsidiary
Retail Banner: The Body Shop

LITHUANIA



Europe entry
In progress - acquisition of the largest retail chain

INTRODUCING GEPHA – SALES CHANNELS

RETAIL BUSINESS

Pharmadepot Pharmacy
GPC Pharmacy
AKG Pharmacy Armenia
Georgita FMCG Retail

WHOLESALE BUSINESS

1,000+ B2B Partners
Daily distribution & Same day delivery
Distribution Coverage - All regions across Georgia

E-COMMERCE BUSINESS

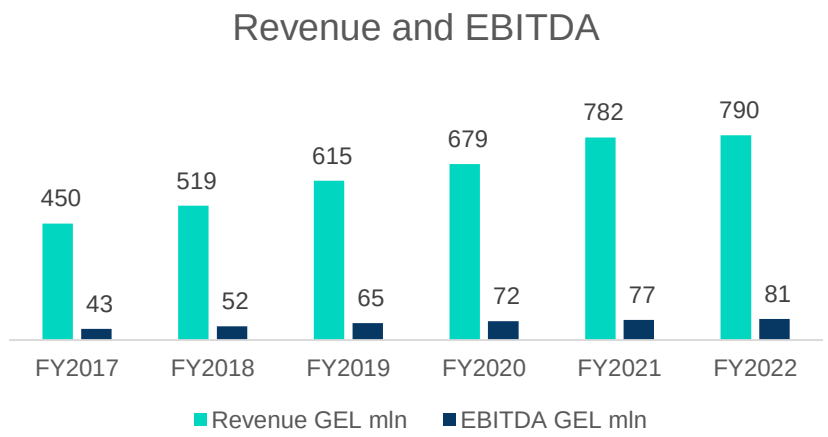
MY GPC App
PHARMADEPOT App
www.georgita.ge – Web
Ekimo, Glovo, Wolt, Bolt

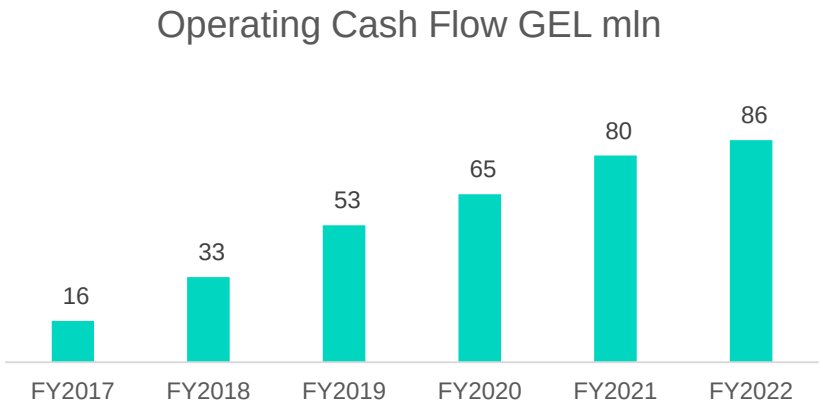
FRANCHISE BUSINESS

The Body Shop
Afflelou Paris
Triumph International
Carter's

INTRODUCING GEPHA – FINANCIAL METRICS

Financial metrics Y2022





Operating metrics Y2022

Number of pharmacies
362

Number of bills issued (mln)
30.6

Customer interactions per month
2.5mln

Unique customers
1.6mln

Average bill size (GEL)
19.02

Total number of employees
c.4,000

MAJOR GROWTH DRIVERS IN MEDIUM TO LONG-TERM

- Expanding retail footprint
- Enhancing retail margin
- Development of franchise business lines & retail categories
- Expanding in new markets
- E-Commerce

INTRODUCING GEPHA - WAREHOUSE AND DISTRIBUTION





WAREHOUSE

All GDP requirements are implemented and documented in warehouse;
Total capacity: 10,000 palettes, 40,000 SKU/items;
Two warehouses in Tbilisi: 17,000 sq meters (12,000 + 5,000);
1,200 sqm bonded warehouse in Mtskheta, Misaktsieli (near Tbilisi);
Owned vehicles fleet: 55 vans and trucks in total;
600 cubic meters of goods /8,000 boxes (averagely) are delivered during each day;
Warehouse buildings are validated and mapped due to the seasonal fluctuation;
T&RH logging sensors are installed due to the mapping results;
T&RH automatic 24/7 logging software is validated, sensors are calibrated once per year;
330 employees.

DISTRIBUTION

20% share in Total Revenue

5 main pharma players (chain retailers);
650+ independent pharmacies;
All regions in Georgia;
Daily distribution / same day delivery;
120 Saloons and cosmetic centers;
100 Hospitals.

Pharma Retail Business

02



GPC brand concept: Lifestyle brand

GPC Pharmacy & More



CLICK HERE: 360° VIRTUAL TOUR IN GPC BRICK&MORTAR STORE

GPC brand concept: Retail banner for top brands; beauty care – 45% portfolio share
Customer segment: high, medium
Geographic distribution: big cities, high street, shopping malls
Loyalty program: 0.6mln card members
Focus: increasing check volume, private label products, service level, innovations
Number of GPC stores: 90



GPC E-COMMERCE

- Coverage: All big cities of Georgia
- Delivery within 1 hour
- Access to the full product portfolio
- Integrated loyalty card
- Extra benefits for online shopping
- Personalized deals based on data management and CRM





GPC Pharmacy & More

In 2021 launched new format retail pharma drugstores in Tbilisi, under GPC brand



- GPC drugstore offers extensive range of health and beauty products as well as services through integrated health hub incorporating lab retail point, ophthalmology and dermatology cabinets
- Highly synergetic to expand our retail presence by adding new food categories, such as healthy and gluten free products
- Currently 9 new format GPC drugstores operate in Tbilisi and regions

EXCLUSIVE BRANDS

NUXE · PHYTO · Embryolisse · Eucerin · LIERAC · mushie · SKIP*HOP · ATTIRANCE · MONSIEUR BARBIER · EAU THERMALE Avène · ROGER&GALLET · REVOLUTION · THE BODY SHOP · URIAGE · SEPTONA

BEAUTY AND CONSULTATION CORNERS



LABORATORY CORNER



- Currently 16 lab collection points in GPC pharmacies
- Collection point for almost all laboratory tests
- Doctor consultations
- Convenience, fast and easily accessible



Pharmadepot concept: Contemporary pharmacy

Pharmadepot



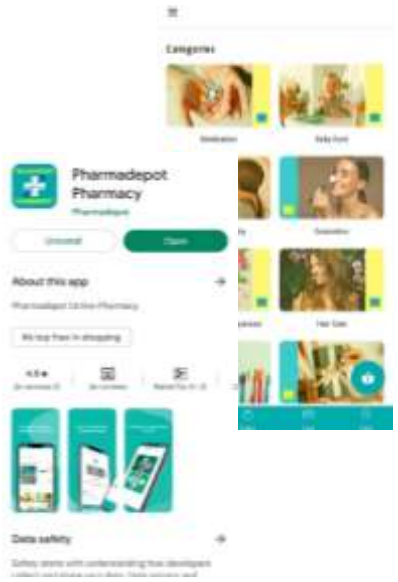
CLICK HERE: 360° VIRTUAL TOUR IN PHARMADEPOT BRICK&MORTAR STORE

PHARMADEPOT Concept: "When at need - The Pharmacy at hand". Pharmaceutical products/Rx & OTC – 70% portfolio share
Customer segment: Mass market, middle and low customer segments. Perceived as best price pharmacy with medicinal inclication
Geographic distribution: Full geographical coverage – Standalone stores, hospitals, inside store formats
Loyalty card: 1.0mln card members
Number of Pharmadepot stores: 272



PHARMADEPOT E-COMMERCE

- Coverage: Total coverage in Georgia
- Delivery within 1 hour
- Access to the full product list
- Integrated loyalty card
- Extra benefits for online shopping
- Personalized deals based on data management and CRM





Franchise Business

03



FRANCHISE BUSINESS - THE BODY SHOP

THE BODY SHOP

Founded in 1976 by the late British environmental and human rights campaigner Dame Anita Roddick, The Body Shop started life as a small outfit in Brighton selling just 25 products. Customers were encouraged to recycle packaging and there was a real emphasis on natural ingredients that were ethically sourced and cruelty-free. Now the range consists of over 300 products and there are more than 2,500 stores worldwide.

The Body Shop is a British cosmetics, skin care and perfume company having presence in more than 65 countries worldwide.

GEPHA has master franchise for Caucasus Region and actively develops SIS business model alongside with brand`s stand-alone stores. 4 shops of TBS were launched within 2022 in Armenia and Azerbaijan.



	Cumulative number of shops EOY	**CURRENT**	**Y2025**
GEORGIA	Stand Alone	5	8
	Shop-In-Shop	221	400
ARMENIA	Stand Alone	2	5
	Shop-In-Shop	10	25
AZERBAIJAN	Stand Alone	2	6
	Shop-In-Shop	-	10

FRANCHISE BUSINESS - CARTER'S

Carter’s, Inc. (CRI) is a well-established company with history dating back to 1865. Carter’s is the largest branded marketer of baby and children’s clothing in the U.S., marketing apparel under 2 of the most recognized and enduring brands in the nation, Carter’s and OshKosh B’gosh. Brand’s heritage of quality, innovation, and value has earned the company the trust of generations of families.

GEPHA has master franchise for Georgia and actively develops SIS business model alongside with brand`s stand-alone stores.

Mother and Baby category is the 2nd largest in GEPHA`s portfolio; Hence the brand was launched simultaneously through SA and SIS business models.



	Cumulative number of shops EOY	CURRENT	Y2025
GEORGIA	Stand Alone	1	4
	Shop-In-Shop	7	18
	Basket Wall	25	75

FRANCHISE BUSINESS - THE TRIUMPH INTERNATIONAL

Triumph International is a Swiss underwear manufacturer founded in 1886 in Heubach, Germany. The company's headquarters has been located in Bad Zurzach, Switzerland, since 1977, and it has branches in more than 45 countries. In addition to the Triumph brand, the company produces and distributes the products under the brands Sloggi and AMO's Style by Triumph.

Triumph International is the world`s most wearable, everyday, innovative bodywear manufacturer.

GEPHA has master franchise for Caucasus Region and started business by SIS business model making shopping experience of own GPC pharma customers even more attractive. In 2023 GEPHA will open brand's standalone store in Georgia.





	Cumulative number of shops EOY	CURRENT	Y2025
GEORGIA	Stand Alone	-	5
	Shop-In-Shop	7	16
	Basket Wall	5	45
ARMENIA	Stand Alone	-	2
	Basket Wall	-	20
AZERBAIJAN	Stand Alone	-	5
	Shop-In-Shop	-	6

FRANCHISE BUSINESS - AFFLELOU OPTICS

AFFLELOU

Alain Afflelou is a French company, a chain of opticians specializing in the distribution of frames, optical lenses and contactology and hearing aid products.

In 1972, Alain Afflelou, the founder, opened his first store in Le Bouscat in the suburbs of Bordeaux. Alain Afflelou now has a network of 1,400 locations around the world, with a presence in thirteen countries with more than 700 stores in France, more than 300 in Spain, supplemented by a presence in 11 other countries.

GEPHA has master franchise for Caucasus Region and firstly introduced Afflelou Optics in Georgia with stand-alone shop followed by SIS business models within GPC pharmacies.



	Cumulative number of shops EOY	CURRENT	Y2025
GEORGIA	Stand Alone	2	8
	Shop-In-Shop	7	10
	Basket Wall	10	15
ARMENIA	Stand Alone	-	3
	Shop-In-Shop	-	10
AZERBAIJAN	Stand Alone	-	5
	Shop-In-Shop	-	-

International Business

04



INTERNATIONAL BUSINESS - ARMENIA





OPERATING METRICS

10 AKG standalone

2 The Body Shop stores

Number of employee:

63 back office

Number of employee:

90 front office

DEVELOPMENT PLAN

Y2025 EOY: 50 shops

Non - Med. share in total sales:

58%

#1 company in oncology state tenders

FINANCIAL METRICS

Y2022 Revenue (USD) Retail

+98% y-o-y

Y2022 Revenue (USD) Total

+87% y-o-y

- Product categories – same as in new concept GPC
- Shop-In-Shop formats
- Focus on para pharmacy products







INTERNATIONAL BUSINESS - AZERBAIJAN





Market entry by introducing franchise brand The Body Shop

Launched in 2022

OPERATING METRICS

2 The Body Shop stores

Number of employee:

3 back office

Number of employee:

12 front office









FMCG Business

05

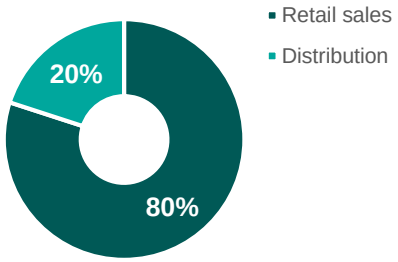


ჯორჯიტა GEORGITA

About the company

- Georgita was established in 2001 and it is positioned on the market as an **exclusive representative of high-quality European manufacturers**
- **Currently, company operates two medium to high price segment stores in Tbilisi**, 220 sq. m. each
- The goal of the company is to increase the awareness of healthy food and lifestyle, to cooperate with Georgian companies with high standards of local production and to be provide modern and quality services
- **Georgita is an importer and distributor of European-manufactured products**, thus, the company has higher WC need and gross profit margin compared to other grocery retailers

Sales mix



- 20% of company's revenue is generated from distribution business
- 7% of company's revenue is generated from online sales
- New format GPC drugstores are highly synergetic to expand our retail presence by adding new food categories, such as healthy and gluten free products



E-commerce 06



INTRODUCING GEPHA – E-COMMERCE BUSINESS

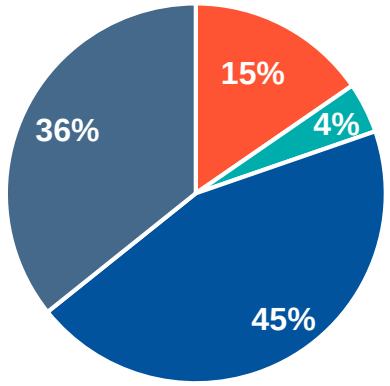
In 2020 pharmacy business started online sales through the Group's healthcare platform - EKIMO

In 2021 added GPC online delivery APP based on EKIMO white label

In 2022 added PHARMADEPOT online delivery APP based on EKIMO white label

- Online platforms offering the full range of pharma and para-pharmacy products including medicine, baby care and beauty

E-commerce
sales distribution by channels



- EKIMO
- PHARMADEPOT
- MYGPC APP
- OTHER
  GLOVO, WOLT

GPC & PHARMADEPOT

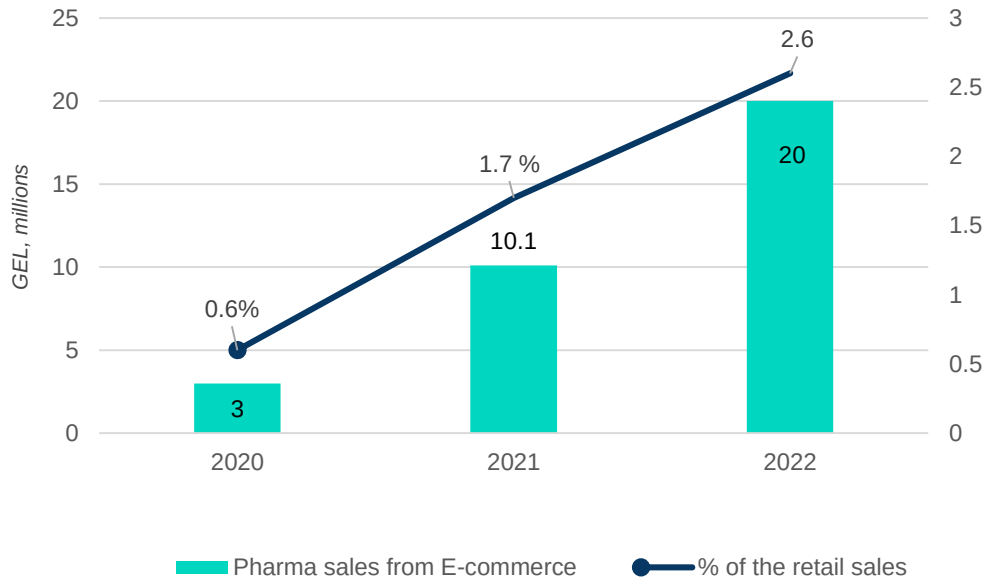
208,000
Monthly active users

15,000
Monthly paying users

88
Average ticket size, GEL

600
Average number of orders per day

Increasing trend of E-commerce sales



WHY GEPHA?

STRONG CORPORATE GOVERNANCE

The only industry player mother company of which (GEORGIA CAPITAL PLC) is LSE premium listed, with more than 90% institutional shareholder base, hence transparency is one of core values.

ROBUST MARKET LEADER

The largest retailer and wholesaler at the same time in terms of coverage, revenue and bills issued with 25 years of retail experience in health, beauty (cosmetics, hair and body care, makeup, perfumery) and wellbeing sector.

RELIABLE REGIONAL PLAYER

Presence already in three countries (Georgia, Armenia and Azerbaijan) with strong expansion plan for each country next 5 years and the development plan for neighborhood and Baltic countries.

PROVEN EXPERTISE IN RETAIL

Expertise of managing simultaneously several retail banners including pharma and master franchises with outstanding performance for each business line during last 5 years.

EXPERIENCED MANAGEMENT TEAM

Fully available back and front office with creative, passionate and humble professionals to support the business operations right away.

SOLID PRESENCE IN E-COMMERCE

Pioneer of e-commerce retail platforms and active partnership with all international and local delivery companies presented in Georgia – opportunity for new brands to go in e-commerce shortly after launch.

THANKS

GEPHA JSC
142 Akaki Beliashvili st. 0159, Tbilisi, Georgia
Tel: +995 322 911 900
E-mail: info@gepha.com