



 **GALENICA**

Galenica - the first choice for health, beauty and wellbeing

Our values

We participate **with passion** and we act as **entrepreneurs**.

We build **trust** through credibility and competence.

We show **respect** and know that **together**, we are **stronger**.

An aerial, high-angle photograph of a large, paved city square. The square is filled with numerous people walking in various directions. The pavement is made of light-colored, rectangular tiles. The square is divided into sections by dark grey lines. The overall scene is a busy, public space.

WE ARE GALENICA

The leading fully-integrated healthcare provider in Switzerland

Galenica is the leading fully-integrated healthcare provider in Switzerland. With nearly 500 own, joint venture and independent partner pharmacies, Galenica operates the largest network of pharmacies in Switzerland. In addition, Galenica further develops and offers well-known own brands and products, exclusive brands and products from business partners as well as a variety of on-site health services and tests for customers. Galenica is also the leading provider of pre-wholesale and wholesale distribution as well as database services in the Swiss healthcare market. Galenica is listed on the Swiss Stock Exchange (SIX Swiss Exchange, GALE, security number 36,067,446).



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The first choice for health, beauty and wellbeing



Welcome to Galenica



In Switzerland's diverse healthcare system, Galenica helps to ensure that medications, healthcare products and cosmetics are in the right place at the right time: in pharmacies and drugstores, medical practices, hospitals and nursing homes, or even your home.

To this end, we operate the largest pharmacy network in Switzerland, four logistics centres, our own fleet of vehicles and specific IT platforms. Every second medication dispensed to a patient in Switzerland passes through our company Alloga. Every day, around 100,000 customers are served in our own and partner pharmacies. Our offering also includes brands which are well known throughout Switzerland, such as Perskindol[®], Anti-Brumm[®], Triofan[®] or Merfen[®]. We also collaborate closely with international partners and sell their pharmaceutical and cosmetics brands in Switzerland – exclusively, in some cases.

Galenica was founded in 1927 by 16 Swiss French-speaking pharmacists with the aim of creating a central purchasing group. Over the past 90 years, the company has developed into the leading fully-integrated healthcare provider in Switzerland. In April 2017, the former Galenica Group and its two Business units Vifor Pharma and Galenica Santé were divided, and Galenica Santé was listed as an independent company.

We are proud of this step, which marks a new chapter in our history. And we firmly believe that the new Galenica that arose from this has all the requirements and ingredients needed to continue to grow successfully. We want to continue to be the leading partner for all participants in the Swiss healthcare market in the future. Customer focus and a readiness to serve are key elements in this regard: our employees work every day with great dedication to ensure that we are a reliable, obliging and innovative partner.

We want to use our expertise and know-how to contribute to good health, alleviate or even cure disease and ensure that people feel well. This is our ambition: to be the first choice for health, beauty and wellbeing.

The following pages will give you insights into the varied activities of Galenica. We hope you find them an interesting and stimulating read.

June 2017

A handwritten signature in black ink, appearing to read 'J.K.S.' followed by a stylized flourish.


Jörg Kneubühler
Chairman of the Board
of Directors

A handwritten signature in black ink, appearing to read 'JC Cléménçon'.

Jean-Claude Cléménçon
CEO

The world that moves us





We want to be the first choice for health, beauty and wellbeing. That is our ambition. We are a dynamic company that wants to help shape the Swiss healthcare market of the future through efficient solutions, high-quality products and services, and innovations.

We are on the road all over Switzerland

Our logistics companies supply pharmacies and drugstores, doctors, hospitals and nursing homes across the entire country. For patients, we operate the largest network of pharmacies with many central locations and a unique range of products and services. Customers can also order easily from home via the Internet and then collect their products from the pharmacy of their choice.

We are brands

We offer a wide range of well-known brands and products that can be found in almost every Swiss home, including Algifor[®], Anti-Brumm[®], Perskindol[®] or Merfen[®]. We are also partnered with renowned international companies such as Pierre Fabre and Alès Groupe, and sell their products in Switzerland. Finally, we want to be the leading partner for pharmacies and drugstores, for example by supporting retailers with a unique training offering for sales and advice.

We are a partner for everyone in the Swiss healthcare market

We support all participants in the Swiss healthcare market with integrated logistics and IT solutions from a single source and ensure that medications are available to everyone throughout Switzerland. Our scientific databases also form part of our service offering. Every pharmacy and hospital in Switzerland uses an Index product from HCI Solutions, for example.

We want to strengthen the competitiveness of our partners and customers and develop trend-setting eHealth offerings by means of innovations and exceptional services.

We are Galenica

Galenica's more than 6,100 employees work every day to ensure the satisfaction and wellbeing of our customers. As experienced teams, we are making a considerable contribution to well-functioning healthcare in Switzerland – yesterday, today and in the future.

Our ambition

The first choice
for health, beauty
and wellbeing



Our strategy

Galenica has a unique network in the Swiss healthcare market. Based on this,

- ▶ **we manage** the largest network of **pharmacies** in Switzerland and systematically make use of these for the best offerings;
- ▶ **we develop** and launch new and innovative **brands, products and services** in the Swiss market;
- ▶ **we consistently utilise** the **synergies** from all of our activities;
- ▶ **we enter into and maintain partnerships** with various market players and thereby make a considerable contribution to a well-functioning healthcare system.

Our self-perception

Galenica is a dynamic company, that...

...helps to shape the Swiss healthcare market of the future through innovation,...



...is a reliable, attractive partner and employer, and...



...aims at generating reliable, attractive returns with manageable risks.



Strategy of the three Business sectors

Retail

Largest pharmacy network with the best offerings

Retail offers a unique range of products and services in Switzerland's largest network of locally established pharmacies, as well as online.

In the local pharmacy, advice, trust and competence come first, supported by the ability to anticipate trends with innovations.

Retail systematically utilises potential synergies and orients both systems and processes consistently towards quality and efficiency. Doing so creates added value for the company, customers and partners.

Products & Brands

Own and partner brands and products

Products & Brands is a significant growth driver for Galenica.

Products & Brands develops and launches own and partner brands and products for the entire specialist retail trade in Switzerland.

This is supported with a unique sales organisation comprising specialists in purchasing, customer advice and sales promotion as well as highly qualified experts who carry out individual customer-specific training sessions.

Services

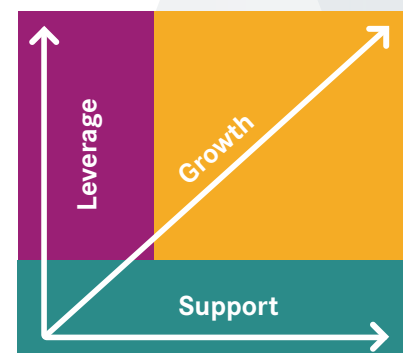
Best possible use of synergies

As a leading partner of all participants in the Swiss healthcare market, Services provides support with integrated logistic and IT solutions from a single source.

Through its unique know-how, Services consolidates its leading market position and cost leadership thanks to high-quality services and innovative offerings.

The team is the star

The business model of Galenica with its three growth vectors **Retail**, **Products & Brands** and **Services** constitutes a unique basis for shaping the Swiss healthcare market of the future with innovation and agility.



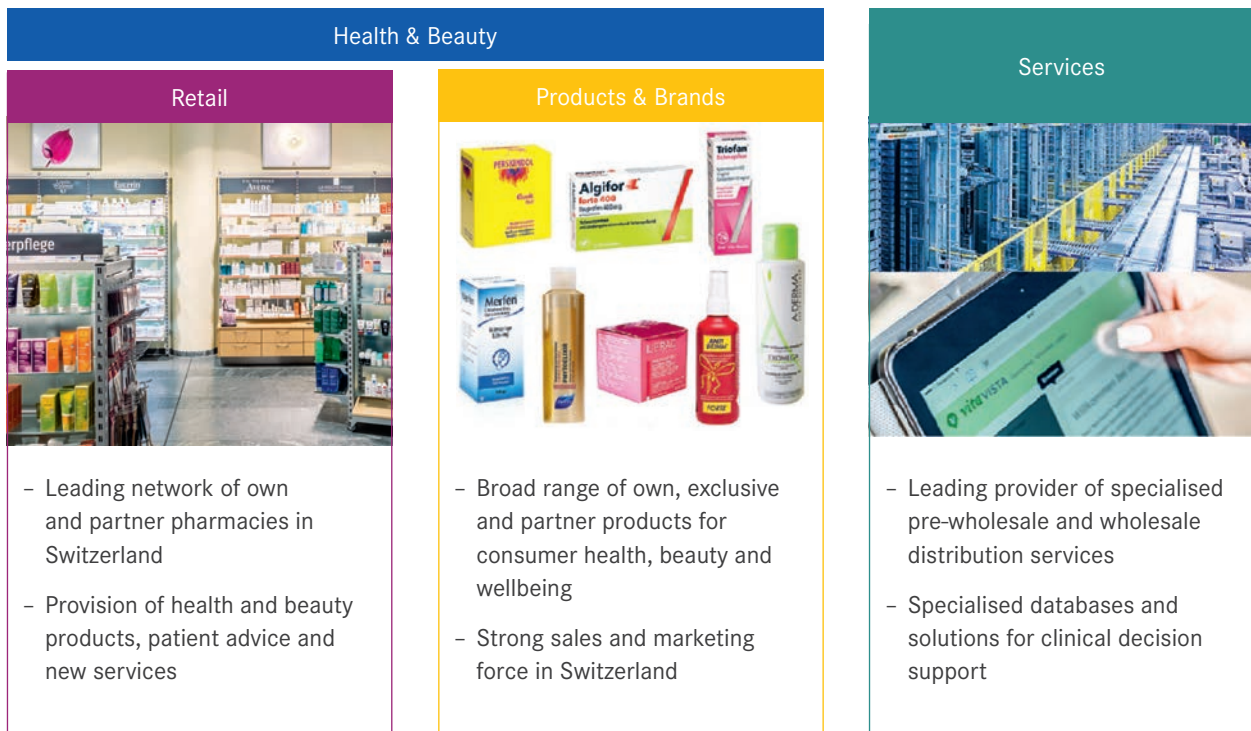
Who we are and what sets us apart

The team is the star

Galenica is the leading fully-integrated healthcare provider in Switzerland. We operate Switzerland's largest network of pharmacies, with around 500 run by ourselves, as a joint venture or by independent partners. We also develop and manage well-known own brands and products, exclusive brands and products from partners as well as a wide variety of on-site health services and tests for customers. In addition, we are the leading provider of pre-wholesale and wholesale distribution services and database services in the Swiss healthcare market.

The Galenica Group is divided into the two segments Health & Beauty – with its Business sectors Retail and Products & Brands – and Services.

Structure



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DOULEURS

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ON DU MOIS 20%

ON DU MOIS 20%

ON DU MOIS

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...la qualité de nos produits.

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EXCLUSIVEMENT CHEZ

AMAVITA+

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SUR TOUTE LA GAMME VICHY

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RESENERKARTE

CARTE CAGNAC

CARTE REGALO

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Who we are and what sets us apart

Health & Beauty – health and more beauty

The Health & Beauty segment comprises
the Retail and Products & Brands Business sectors.

The Retail Business sector



The Retail Business sector operates Switzerland's largest pharmacy network, with around 500 own, joint venture and partner pharmacies. The pharmacy network comprises the **Amavita** and **Sun Store** pharmacies as well as the **Coop Vitality** pharmacies, which are operated under a joint venture with Coop. Winconcept, a company that belongs to the Retail Business sector, also manages independent pharmacies operating under the **Feelgood's** brand. These serve around 100,000 customers every day, providing them with a wide range of on-site health services and tests and online offerings.

Specialty pharmacy **MediService** rounds off the offering; this specialises in dealing with people suffering from chronic illnesses. MediService delivers medicines to patients' homes, assists them in taking their medicines and also provides further support.

The Products & Brands Business sector



The Products & Brands Business sector and the company **Vifor Consumer Health** manage the proprietary brands of Galenica such as **Perskindol**®, **Anti-Brumm**®, **Algifor**®, **Triofan**® or **Merfen**® some of which are very well known across Switzerland. As a service provider for proprietary brands as well as products and brands of partners, Products & Brands also launches and distributes pharmaceutical and parapharmaceutical products. In addition, Products & Brands markets exclusive health and beauty brands of international companies, such as A-Derma from Pierre Fabre and Lierac and Phyto from the Alès Groupe.

Products & Brands is responsible for partnerships for selected products and for harnessing synergies with the Retail Business sector, which has the largest network of pharmacies in Switzerland and offers unique potential for selling strong brands.

Services – tailored solutions

The Services Business sector provides logistics and database services.



The **Services Business sector** plays an important role in the Swiss pharmaceutical supply chain and provides logistics services across the country for all those involved in the healthcare market.

Alloga is the largest Swiss pre-wholesale company and provides a broad range of specialised logistics services for pharmaceutical and healthcare companies. Alloga works with 75 partners, including many leading multinational pharmaceutical companies, and distributes its products on the Swiss market. Every second pack dispensed to a patient in Switzerland was previously in an Alloga warehouse.

Galexis is the market leader in Swiss healthcare logistics. It delivers healthcare products to pharmacies, drugstores, medical practices, nursing homes and hospitals. From two strategically located distribution centres, Galexis is able to supply same-day deliveries to around 80% of Swiss pharmacies and drugstores, as well as over 4,000 self-dispensing medical practices. Up to half a million packages are processed every day.

Unione Farmaceutica Distribuzione complements Galexis as the leading and only full-range pharmaceutical wholesaler in Ticino.

Wholesaler **Pharmapool** has been part of Galenica since the beginning of 2017 and strengthens the Galexis wholesale offering for self-dispensing doctors.

Medifilm is the Swiss pioneer in customised blister packaging and packs medicines and nutritional supplements on behalf of pharmacies for chronic and long-term patients, which are then delivered in individually labelled “Medifilm”.

HCI Solutions develops management solutions for pharmacies as well as tools to securely manage, communicate and distribute sensitive health data. Its database of 200,000 products makes it possible to inform and communicate with health service providers, the federal government and health insurers using consistent data.

Pharmacies' contribution to the healthcare system

Backbone of Swiss healthcare system

Anyone who feels unwell or is ill appreciates a well-functioning healthcare system. Pharmacies in Switzerland make an important contribution to this: with a wide range of medications, toiletries and selected beauty products as well as comprehensive advice, new offerings and services.

The pharmacy – first port of call in the healthcare market of the future

Thanks to their good locations and attractive opening times, pharmacies offer fast, uncomplicated access when it comes to general health queries. The CardioTest® was launched in pharmacies in 2007 in cooperation with the Swiss Heart Foundation. Since then, the range of **health checks** has been expanded continuously, for example with the Allergy-Check, hearing test, polymedication check, tick check, diabetes advice, GlutenCheck, vascular check and hair mineral analysis. All of these services offer preventive examination of specific health aspects. Employees receive special training and their knowledge is tested by representatives of specialist organisations. In addition, pharmacists increasingly have the FPH Certificate of Competence in Vaccination and Blood Collection, which is a requirement for authorisation to vaccinate customers in the pharmacy.



The pharmacy goes online

Amavita, Sun Store and Coop Vitality do a great deal to maintain high-quality healthcare provision in Switzerland: they are present at some 330 locations in Switzerland, mainly in central, easily accessible places. Their focus on customer service is not only evident from competent advice in store but also through new offerings such as Click & Collect and the E-Upload prescription service. With Click & Collect, customers can order conveniently from home and then collect their products from the pharmacy of their choice. With the practical E-Upload prescription service, patients can upload their prescription to a platform and deliver it to their choice of pharmacy electronically, meaning the prescription is available for download throughout Switzerland, even when on holiday. The order can then be prepared for collection by the time the customer arrives in the pharmacy. Patients are therefore served more quickly, and time saved.



Walk-in clinic

The Amavita pharmacy in Adliswil (canton of Zurich) has been offering patient consultations – under the name **aprioris** – since the start of 2017. The responsible nursing professional can, for example, involve a physician or refer the patient to a doctor immediately if the complaint requires. The concept enables rapid access to an initial consultation. The service costs CHF 58 and is not covered by health insurers. The aim of this pilot project is to obtain new insights into customer needs.

Pharmacies' contribution to the healthcare system



When illness determines everyday life

According to the Swiss Health Observatory (Obsan, as at August 2015), 2.2 million people in Switzerland are suffering from chronic diseases such as diabetes, dementia, lung disease, cancer, cardiovascular problems, depression, rheumatism and other pain. And specialists expect a sharp increase in chronic diseases. The specialty pharmacy **MediService** offers support to people with chronic diseases in the area of personalised medication, which is a growing trend. This includes home care services in the areas of neurology (multiple sclerosis), autoimmune disease (rheumatoid arthritis), oncology and haematology as well as service and supply concepts for rare or high-priced medications.



Agent on our own account

Our working lives are hectic. People work long hours, eat on the go, travel between time zones and are increasingly reaching breaking point. Sometimes with terrible consequences, including heart attack, gastric ulcer or burnout. A small device can help to recognise warning signals early on: **CardioSnip**. The newly developed system evaluates signals of mental and physical overload over 24 hours via an electrocardiogram (ECG). CardioSnip is attached directly to the chest in the form of a patch, with no wires or other recording devices. Immediately after measurement, users can perform a simple evaluation using an app that identifies potential overloads. The evaluation is based on a patented algorithm. CardioSnip will be available exclusively in **Amavita, Sun Store and Coop Vitality** pharmacies from summer 2017.



Look who's talking

It seems futuristic at first glance, but a pilot project is underway at the MediService site in Zuchwil to trial **MedCenter**, a device that patients can use to obtain medication. Using video telephony supported by an interactive screen and a microphone, customers can contact the pharmacist who supervises and monitors dispensing of the medication. Video telephony enables complete, personal and highly discreet customer service. MedCenter means that medications are also available outside of opening hours.

Largest network of
pharmacies in Switzerland
with innovative services



Our products alleviate ailments both large and small

From A for Anti-Brumm® to V for Vita-Merfen®

Galenica's proven OTC products ensure that ailments both large and small can be effectively alleviated and cured. And thanks to selected partnerships, Galenica is also able to offer its customers exclusive branded products for beauty and physical wellbeing.



Proven brands known throughout Switzerland

Galenica has a portfolio of proven OTC brands known throughout Switzerland: from A for Anti-Brumm®, an effective insect repellent spray, to P for Perskindol® for muscular and joint pain, T for Triofan® for colds and V for Vita-Merfen® for wound healing.

At least one Galenica product can be found in almost every Swiss medicine cabinet, such as the pain reliever Algifor® or Itinerol® for nausea.

Galenica's range also includes a wide variety of partner brands such as those for dental care from OralB® and Kukident, Excilor® solution for treatment of fungal nail infections or the easy-to-use Clearblue® pregnancy test.

Exclusive branded products for beauty and wellbeing

Galenica forms targeted partnerships with well-known manufacturers with the aim of continually offering premium branded products in the area of health and wellbeing. This allows retailers to offer customers a selected, sometimes exclusive range of beauty products at attractive prices.

One example is the successful launch of the **A-Derma** product line from Pierre Fabre, the second-largest dermo-cosmetics company worldwide. Another is the partnership with Alès Groupe for the **Lierac** brand, the number one in anti-ageing care in France, Italy and Portugal, and for the comprehensive plant-based **Phyto** haircare line. Both brands are sold exclusively in Switzerland by Galenica.



The skin as a reflection of the soul

A balanced diet and enough fluids are essential for healthy skin. In times of particular stress, targeted supplementation with mineral salts is required. Gluten-free supplements can promote general wellbeing or balance a deficiency or imbalance of specific minerals with associated organ dysfunction. Galenica sells the **Schüssler Salts** from Austrian company Adler exclusively in Switzerland.



Retail is extremely important to us

A comprehensive range focused on customer needs is a key element in the success of any pharmacy or drugstore. Galenica offers both manufacturers and retailers its expertise and platforms for selling and marketing products.

Competent personal advice for customers is another key success factor. Galenica supports retailers with a professional **sales organisation** and individual customer-specific **training** for sales and advice.

Highest requirements in healthcare logistics

New, individual and customised solutions thanks to a spirit of innovation – and all from a single source

Galenica has links with all those involved in healthcare and aims to offer its partners new, individual and customised solutions that allow them to concentrate on their own core competences. These include logistics for medicines and healthcare products, where the requirements are becoming increasingly demanding.

Making full use of the potential of science and technology

The Swiss healthcare market is in a state of flux. Galenica logistics companies not only want to satisfy current customer needs to the best of their ability, but are also keen to anticipate market innovations efficiently and in good time. New trends and changed requirements were what triggered the extension to the Galexis logistics centre in Niederbipp completed at the end of 2016. This is one of the most modern pharmaceutical logistics centres in Europe, combining knowledge from extensive experience in healthcare logistics with the latest advances in warehouse technology and electronic data processing.

The extension has boosted both capacity and efficiency. Efficiency, in that more transport containers can be processed per hour and per day. The hourly throughput rate has increased by more than 30% to 4,000 containers. Capacity, in that space has been created for an additional 6,100 items, expandable to 11,000 if required. Today, 45,000 out of a total of 100,000 items can be stocked permanently in the warehouse. This allows Galexis to focus its range on customers' future needs, for instance by acting as the sole distributor of cosmetics or for additional medical technology products for new homoeopathy or chemical offerings.





The number of refrigerated pharmaceutical products is constantly increasing: new ways of transporting them are required

The proportion of temperature-sensitive medicinal products has been steadily increasing. Products requiring temperature-controlled storage and shipping cover the full range of temperature classes: from -18°C via 2 to 8°C up to 15 to 25°C .

The European guidelines for Good Distribution Practice of Medicinal Products for Human Use (GDP) set out a basis to be implemented in practice; these require most medicines to be stored and shipped at temperatures of 15 - 25°C . All 110 Galexis delivery vans are equipped with **state-of-the-art climate-control technology** and are GDP-qualified. The fleet directly serves some 2,000 customers – which involves stopping and opening the vehicle’s doors many times. The system guarantees that all medicines arrive at the right temperature, even on hot summer days.

For smaller or irregular deliveries, the proprietary fleet is not economical. Together with a logistics partner, Galexis and Alloga have therefore jointly developed a solution for GDP-compliant parcel shipment, whereby products are dispatched to customers using temperature-controlled mini vans. This ensures that Galexis and Alloga are GDP-compliant across all distribution channels, storage temperatures are observed and medicines are delivered to the customer in perfect condition.



How to transport medicines that require Siberian conditions as low as -80°

Logistics are extremely challenging for a new class of drug which requires a supply chain temperature of -80°C . In response, Alloga has established an **ultra-deep freeze logistics system** in order to guarantee efficacy, safety and shelf-life right up use by the patient. The drugs comprise complex, temperature-sensitive biomolecules that are produced using genetic engineering. Therefore, even if drugs need to be stored and transported at Siberian temperatures, Alloga is able to supply them on a customised basis.



Medicines packed individually for patients

Carers spend a great deal of time preparing medicines for the patients they look after, who often have to take a large number of tablets and capsules every day. Managing medicines is very time-consuming and involves safety risks. Medifilm can help here. As instructed by the pharmacist responsible, the company prepares the medicines individually for each patient, packs them in “Medifilm” and labels them with the patient’s name and the time they should be taken.

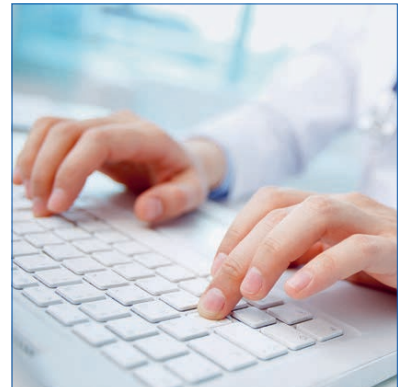
The demand for this so-called **medicine blister packaging** is continually rising, and Medifilm has already increased its capacity several times.

A glimpse at the history of Galenica

Retrospect

2017: IPO

The Galenica Group takes its subsidiary Galenica Santé (later renamed Galenica) public in April 2017. Since this time, it has been an independent company listed on the SIX Swiss Exchange (GALE).



1938

Development of scientific documentation service

With the development of a scientific documentation service, Galenica lays the foundation for its information management business, which is now operated by HCI Solutions.



1927

Formation

Galenica is founded in 1927 by 16 Swiss French-speaking pharmacists who aim to create a joint purchasing centre.



1996

Expansion

Based on this new strategy, Galenica expands its distribution activities to all players in the Swiss market – pharmacies, self-dispensing physicians, drugstores and hospitals – and sets up eHealth companies.



1995

New strategy

In response to the rapid and fundamental changes in market conditions, the Group's management develops a new strategy based on the vision of turning Galenica into a healthcare player that is engaged in the entire value chain in Switzerland.



1999

IPO

Galenica amends its Articles of Association and goes public, listing all of its shares on the stock exchange.



2000

Founding of own pharmacies

Galenica lays the foundation for its pharmacy chains with the creation of GaleniCare. In the same year, Galenica and Coop found a joint venture: Coop Vitality pharmacies.



2005–2009

Pharmacy network

Galenica gradually expands its network with own pharmacies that appear under the name Amavita with a single brand image from 2005. In 2007, Galenica takes over the specialty pharmacy MediService and in 2009, the Sun Store pharmacy chain with some 100 points of sale.



2008

Niederbipp distribution centre

Galexis opens its new distribution centre in Niederbipp, which is more than 70% automated, in 2008. It is still now one of the most modern logistics centres in Europe.



2013

Drug blister packaging

Galenica expands its range of services in logistics with the acquisition of Medifilm, a leading company in the field of blister packaging for medicines.



2017

Further expansion

Galenica expands its logistics business with the acquisition of physicians wholesaler Pharmapool and complements its OTC portfolio with the purchase of Merfen® and Vita-Merfen®, two traditional Swiss brands.



2014

Start of preparations for independence

The Galenica Board of Directors announces its vision to divide the Group into two independent listed companies, and forms the two Business units Vifor Pharma and Galenica Santé.



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