

Global and East Europe perspective

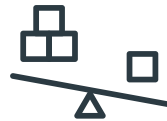
Role and access to innovation

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September 2022

Before the War: political themes impacting European landscape in 2022

5 key considerations for 2022



The digital shift	Patient access to new innovation	Addressing product shortages	The rising importance of ESG (Environmental, Social, Corporate Governance)	Improving security of supply
<i>Digital Health transformation and e-commerce</i>	<i>Patient access to new innovation is a priority social issue</i>	<i>Addressing product shortages is a top EU priority</i>	<i>ESG is increasingly on the agenda of key stakeholders</i>	<i>The need to prepare for the next crisis</i>



For the future: innovation shaping the market to 2030 is focused on platforms and digital innovation impacting healthcare sector

Major drivers of pharmaceutical market growth to 2030



Oncology remains the dominant therapy area

Oncology will dominate to 2030 but face maturity challenges

Precision medicine increasingly dominates, with over 40% of the pipeline for rare cancers



Moment of opportunity for CNS

Areas of **high-unmet need** e.g. Alzheimer's, Parkinson's and mental health disorders

A breakthrough for **digital therapeutics** as a solution to the rising mental health burden?



Advanced therapies at the frontier of innovation

Cell, gene and RNA at the frontier of innovation and applicable across multiple therapy areas

RNA therapeutics look poised to **lead the growth** in advanced therapies, and have lower manufacturing entry barrier than cell and gene

Digital health takes an increasingly central role



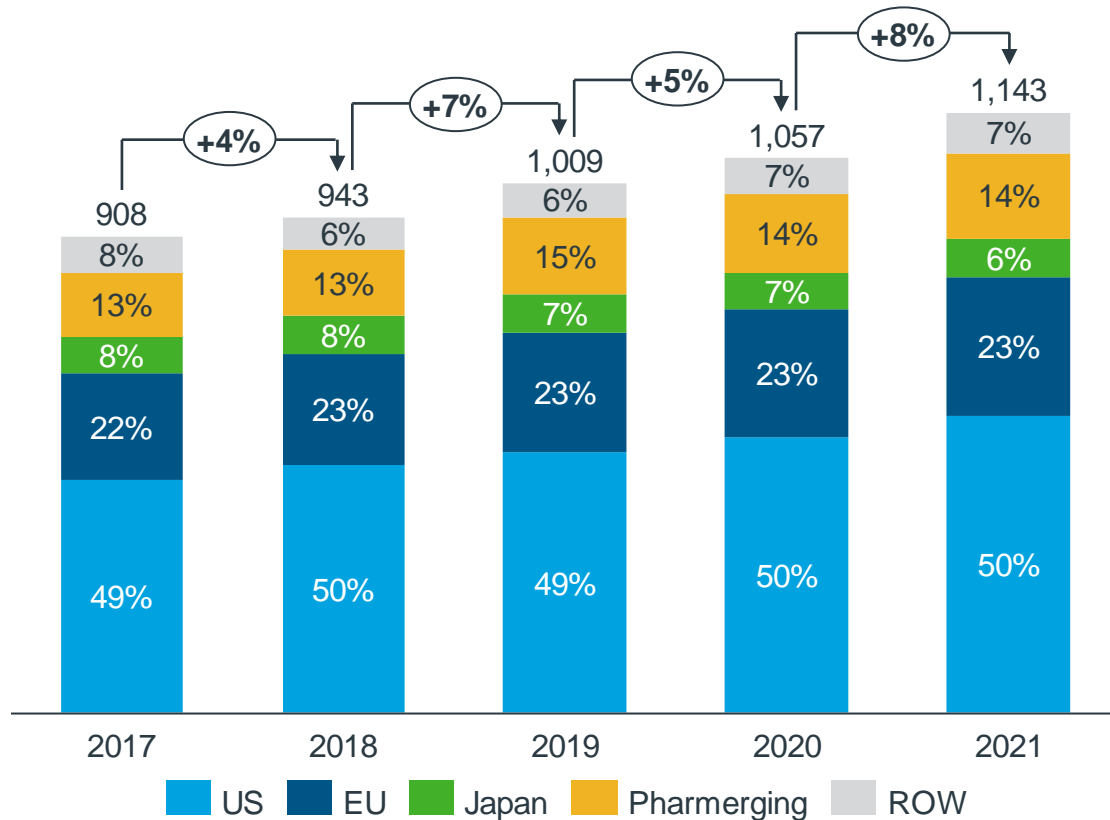
- Digital innovations to **diagnose, track, augment, support** and in some cases be **standalone therapeutics**
- **Blurring the boundary** between devices, diagnostics and therapeutics, potentially generating a revolution in generation of data
- **Companion apps** and technologies support/augmenting molecules innovation common
- **Big Tech platforms** deliver innovation- reach patient direct, blur the differentiation between consumer and clinical health, prevention and treatment



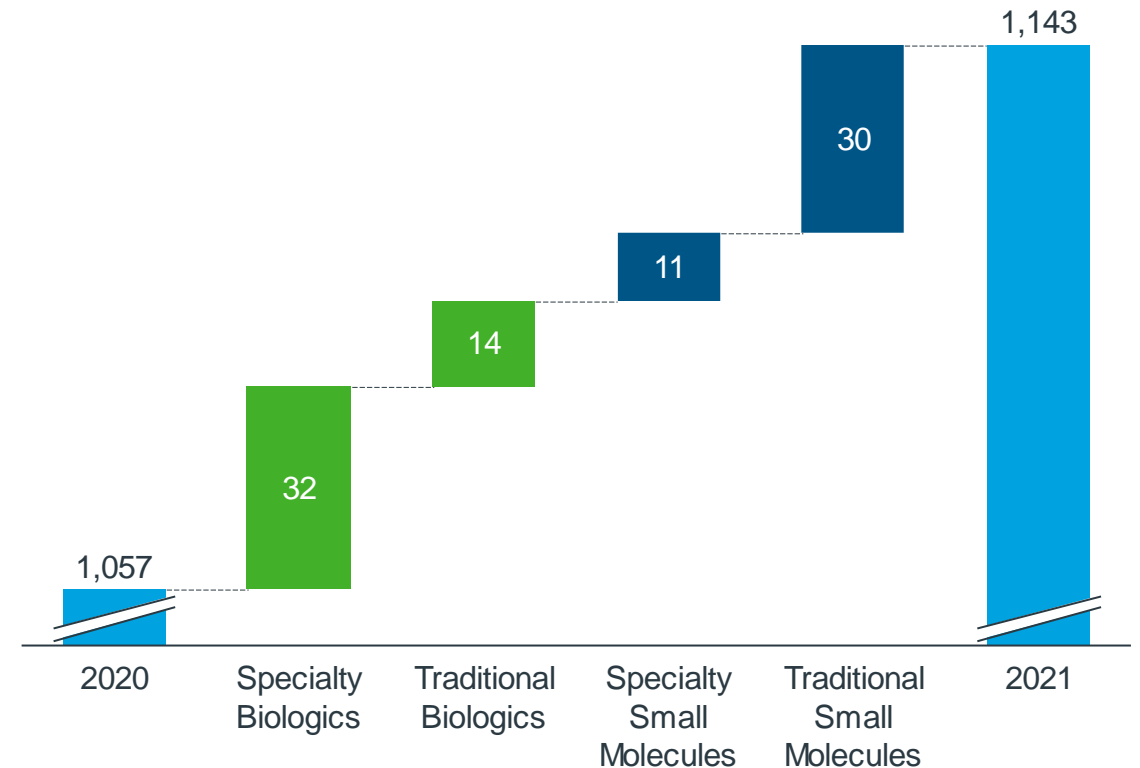
2021 saw a value growth recovery with specialty biologics and traditional small molecules the largest drivers

The way medicines are prescribed, distributed and administered however has changed fundamentally

Global Rx List price sales (Bn USD)



Drivers of Global Growth 2020-21 (Bn USD)



Excludes COVID-19 Vaccines and treatments

Notes: Growth rates at constant exchange rates; Ex-manufacturer list prices

Source: IQVIA EMEA Thought Leadership; IQVIA MIDAS MTH Dec 2021; Rx-only

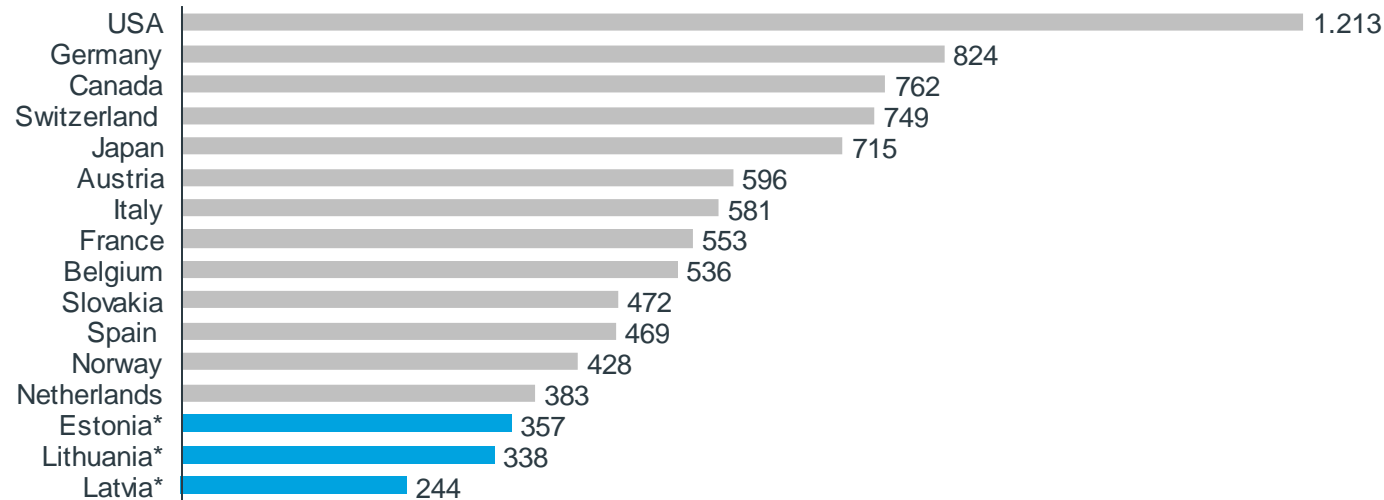
Baltic overall retail market value is ~1.88 bn EUR

Pharma market overview

Size & growth, MAT 2022

Market	Retail market size [EUR M]	Historic CAGR [2017-2020]	Expected CAGR till 2023
Lithuania	945	17.1%	12.9%
Latvia	464	6.2%	7.6%
Estonia	473	5.2%	10%

Drug consumption [EUR per capita; WHS prices]



Source: IQVIA and Staista In Baltics consumer health expenditures are included

Comments

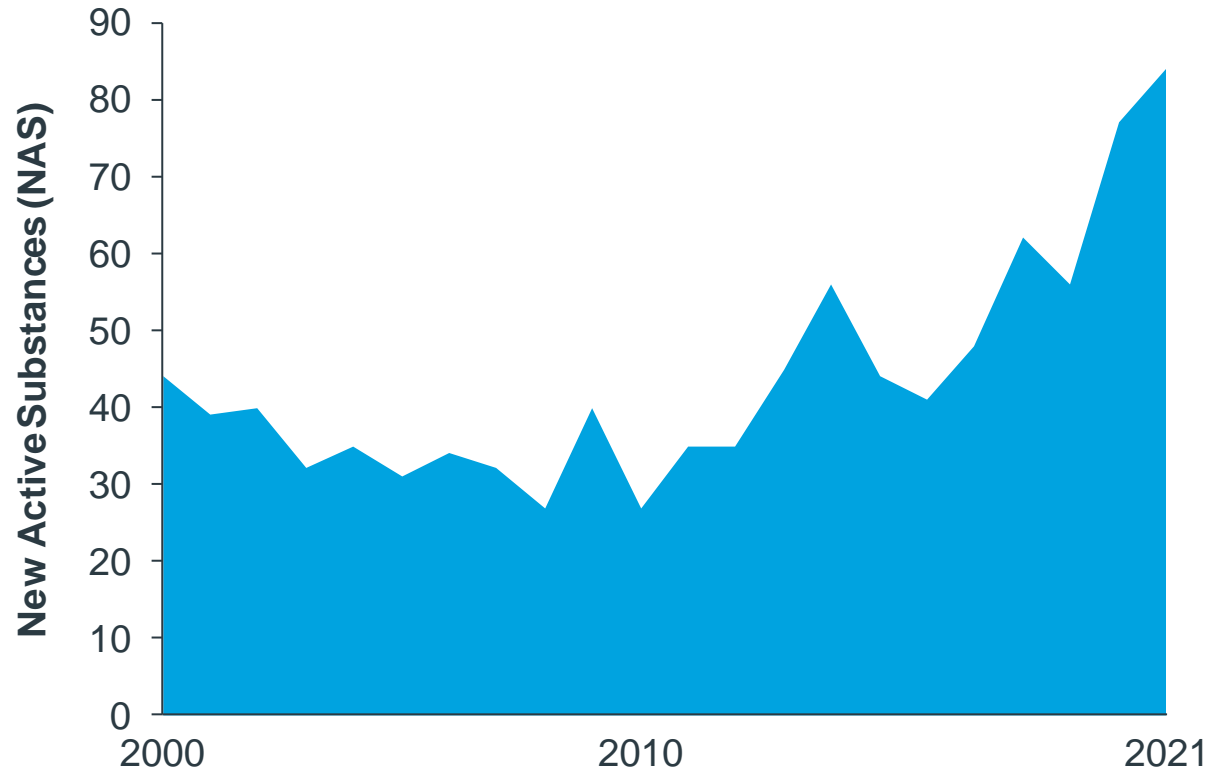
- Baltic markets have grown over the last 5 years but there is still a **significant gap in drug consumption between LT, LV, EE and Western European** countries; closing of this gap will continue
- Overall, **political environment and demographic trends** (especially aging and richer society) are **favorable in all countries**, however, in LT and LV there is -4% population loss due to negative net migration rate and low fertility rate
- **Parallel export** is one of the drivers of market size (and WHS and PCY profits), **especially in Latvia**
- **Refugees in Baltic countries: EE 47000, LT 54 000, LV 22 000**



Innovation is at an all-time high and is increasingly complex

Specialty and advanced medicines represent a growing share of innovation

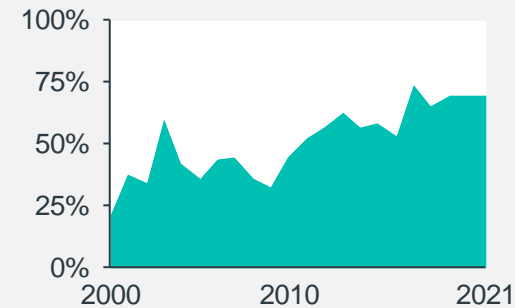
Number of global NAS launches



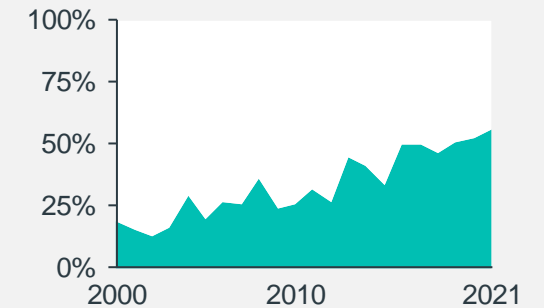
Changing profile of US NAS launches



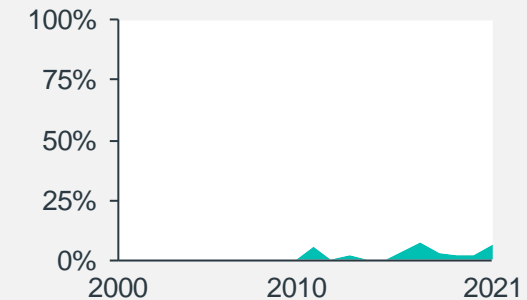
Specialty



Orphans



Advanced therapy (cell, gene, RNA)



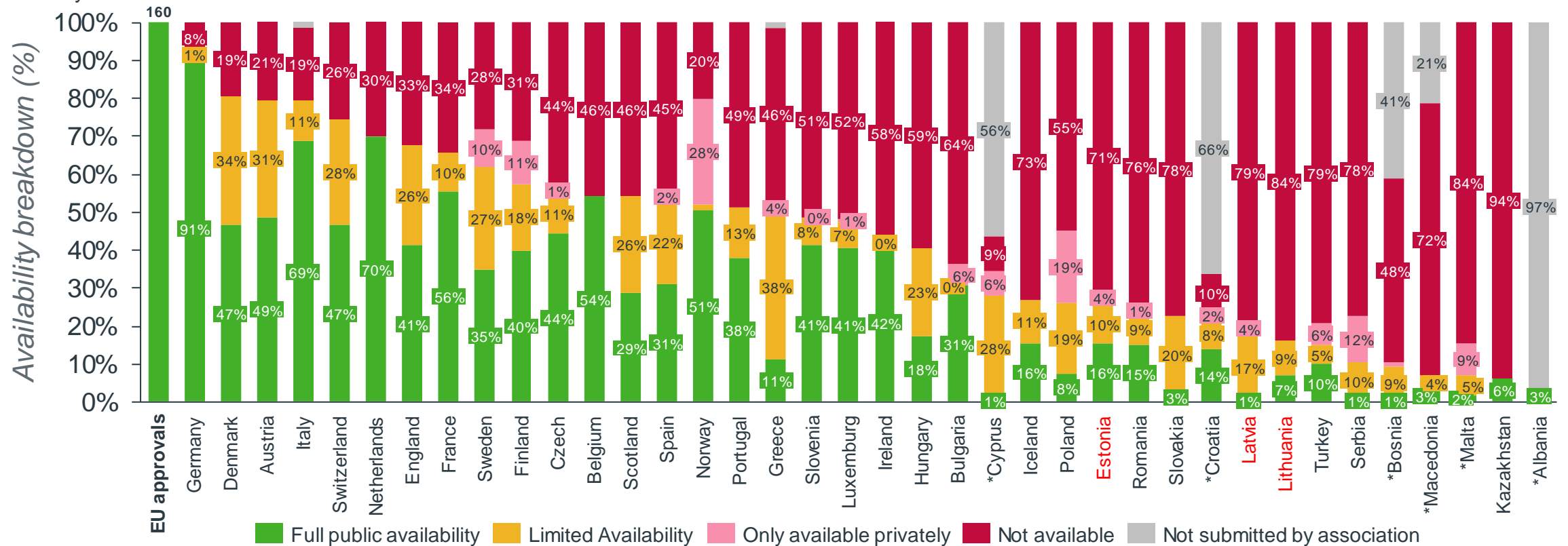


However, innovation does not spread evenly across Europe

Baltic countries till end of 2021 had very limited number of new innovative molecules available for the patients

The **breakdown of availability** is the composition of medicines available to patients in European countries as of 1st January 2022 (products launched 2017- 2020)

(for most countries this is the point at which the product gains access to the reimbursement list[†]). This includes all medicines status to provide a complete picture of the availability of the cohort studied.



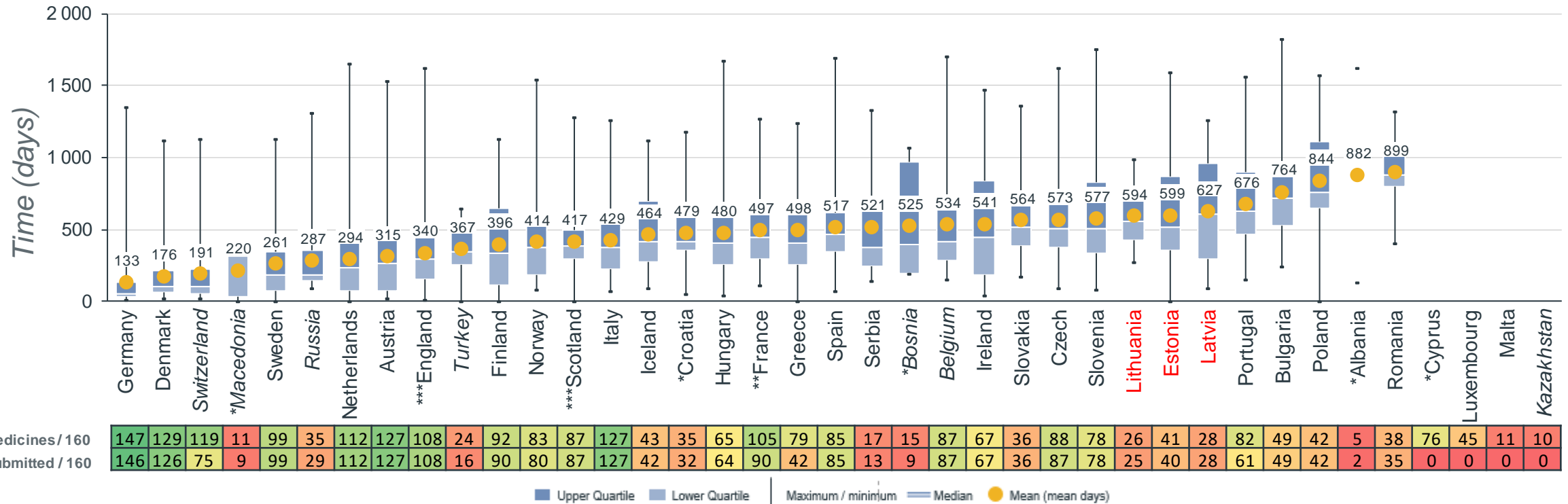
Source: EFPIA WAIT report 2021

European Union average: 74 products available (46%). Ireland, Norway and Netherlands did not submit complete information on restrictions to available medicines meaning LA* is not captured in these countries. †In most countries availability equates to granting of access to the reimbursement list, except in DK, FI, NO, SE some hospital products are not covered by the general reimbursement scheme. *Countries with asterisks did not complete a full dataset and therefore availability may be unrepresentative.

Time to new drugs availability (2016 – 2019)

Baltic countries have 594 to 627 days drugs time to availability in Europe vs. EMA decision. European Union average is 511 days.

The **time to availability** is the days between EMA marketing authorization and the date of availability to patients in European countries (for most this is the point at which products gain access to the reimbursement list[†]).



European Union average: 511 days (mean %) †In most countries availability equates to granting of access to the reimbursement list, except in DK, FI, NO, SE some hospital products are not covered by the general reimbursement scheme. *Countries with asterisks did not complete a full dataset and therefore availability may be unrepresentative **For France, the time to availability (497 days, n=105 dates submitted) includes products under the ATU system (n=44 dates submitted) for which the price negotiation process is usually longer. If one considers that products under the ATU system are directly available (time to availability = 0), the average time to availability is 240 days. ***In the UK, MHRA's Early Access to Medicines Scheme provides access prior to marketing authorisation but is not included within this analysis, and would reduce the overall days for a small subset of medicines.

LV/LT with significantly lower number of available molecules among leading ATC1, while consumption SU/capita more closely

Nr of molecules among leading 5 ATC1 available for patients on the market

Nr of molecules in 5 leading ATC1 (by value) in EU4+UK

	EU4+UK	ADR	LV	LT	EE
Oncology (L)	252	165	94	105	88**
Anti-infectives (J)	239	98	88	51	65**
Nervous (N)	360	152	131	85	81**
Alimentary (A)	305	102	82	45	42**
Respiratory (R.)	132	46	42	29	27**

Consumption per capita in SU 2020 for in 5 leading ATC1 (by value) in EU4+UK

	EU4+UK	ADR	LV	LT	EE
Oncology (L)	6	4	3	3	3**
Anti-infectives (J)	18	15	12	5	14
Nervous (N)	181	141	88	53	52
Alimentary (A)	114	87	52	22	50
Respiratory (R.)	139	61	54	60	45

*Note: mono & combi molecule reported under one molecule ** not included hospital or centrally procured products

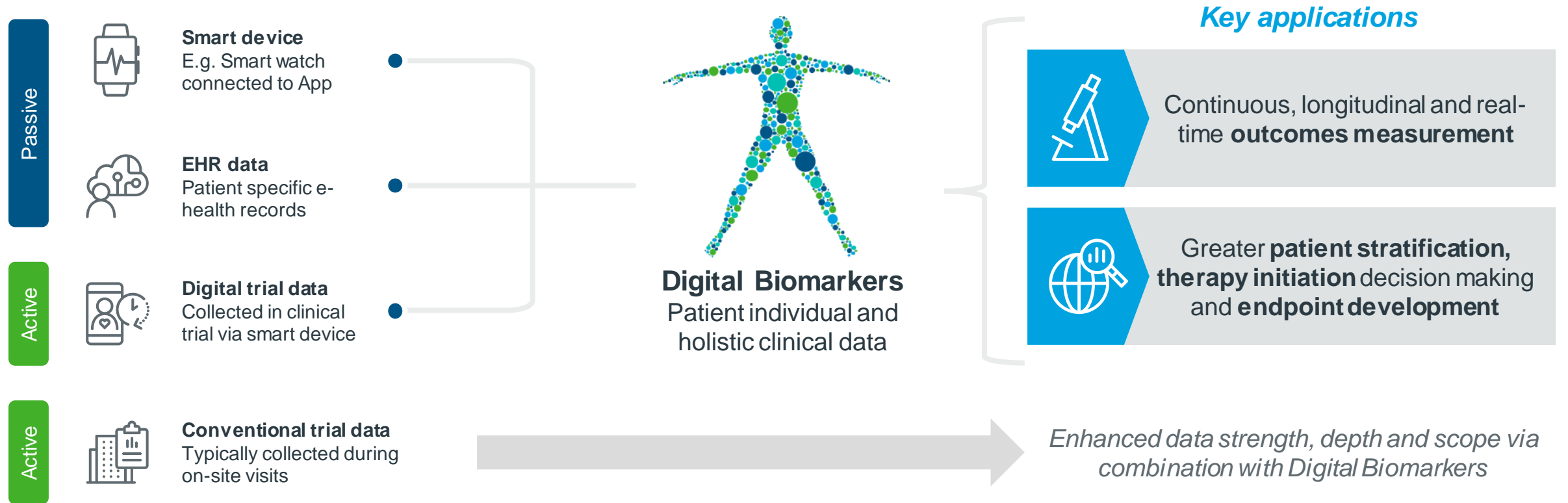
Source: IQVIA Local Databases, MIDAS, EE Haigekassa

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Biobanking and digital biomarkers elevate the use of data and digital to the new levels

Digital biomarkers provide enhanced patients insights and enable novel endpoints development

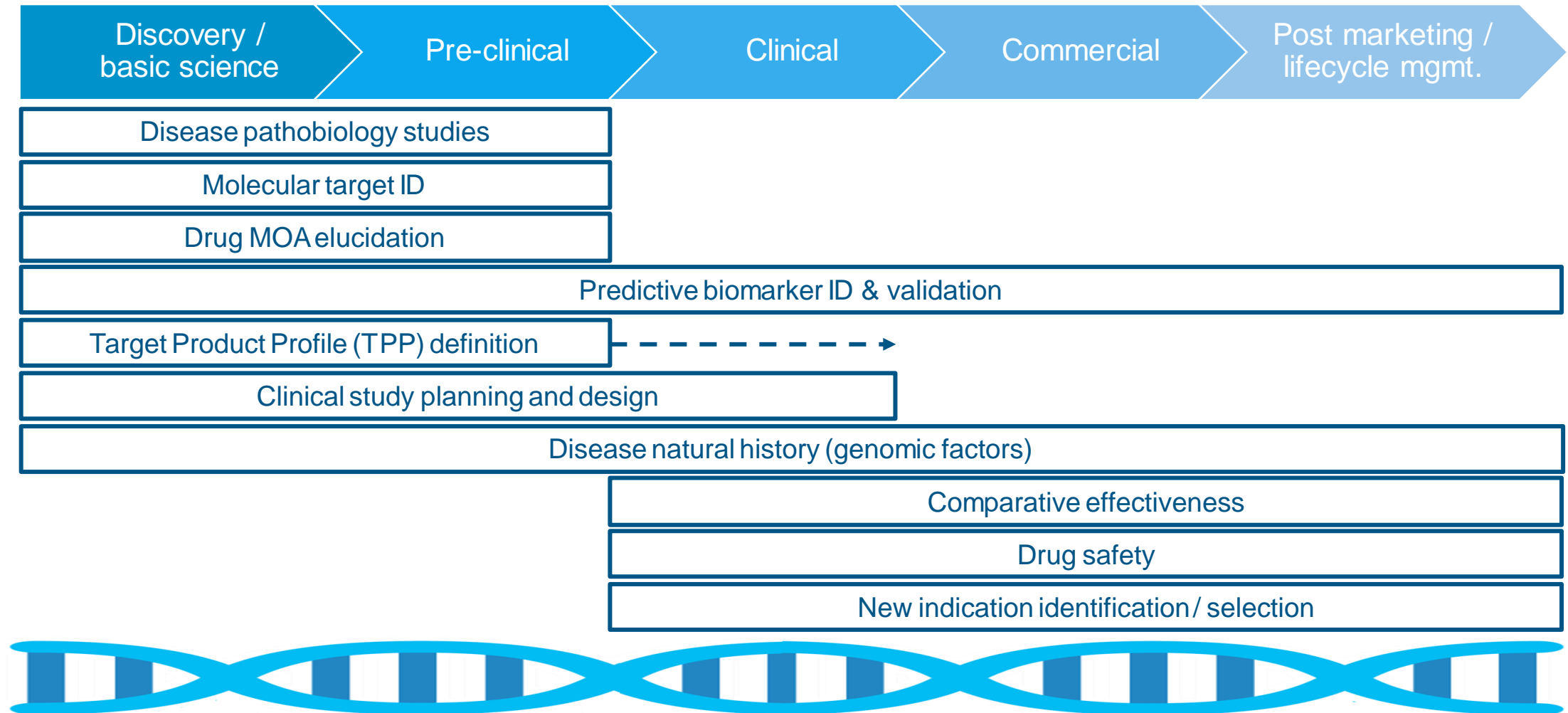


Establishment of clinically proven Digital Biomarkers is crucial to gain regulatory support



Genomic registries and sequencing development allowing new ways of treatment and diagnosis with cross country collaboration

There is unique know-how and technology needed to be collected to fully utilize power of genomic space

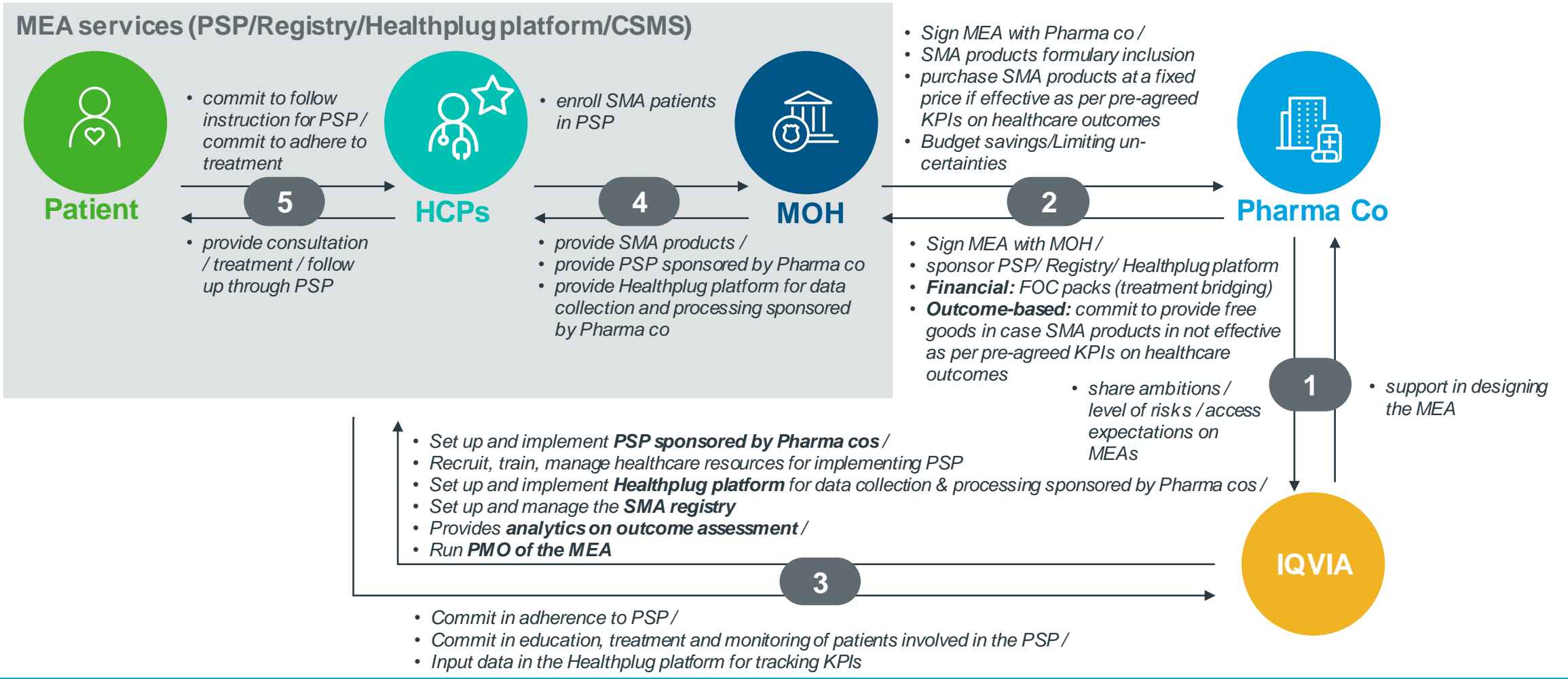




Value Based Health Care using patients' registries with outcome monitoring allows implementation of pay per performance for innovation

Managed Entry Agreement covering technology, Patient Support Program, outcome monitoring

Case study: Spinal Muscular Atrophy hybrid Managed Entry Agreement in Kingdom of Saudi Arabia





Thank you!

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