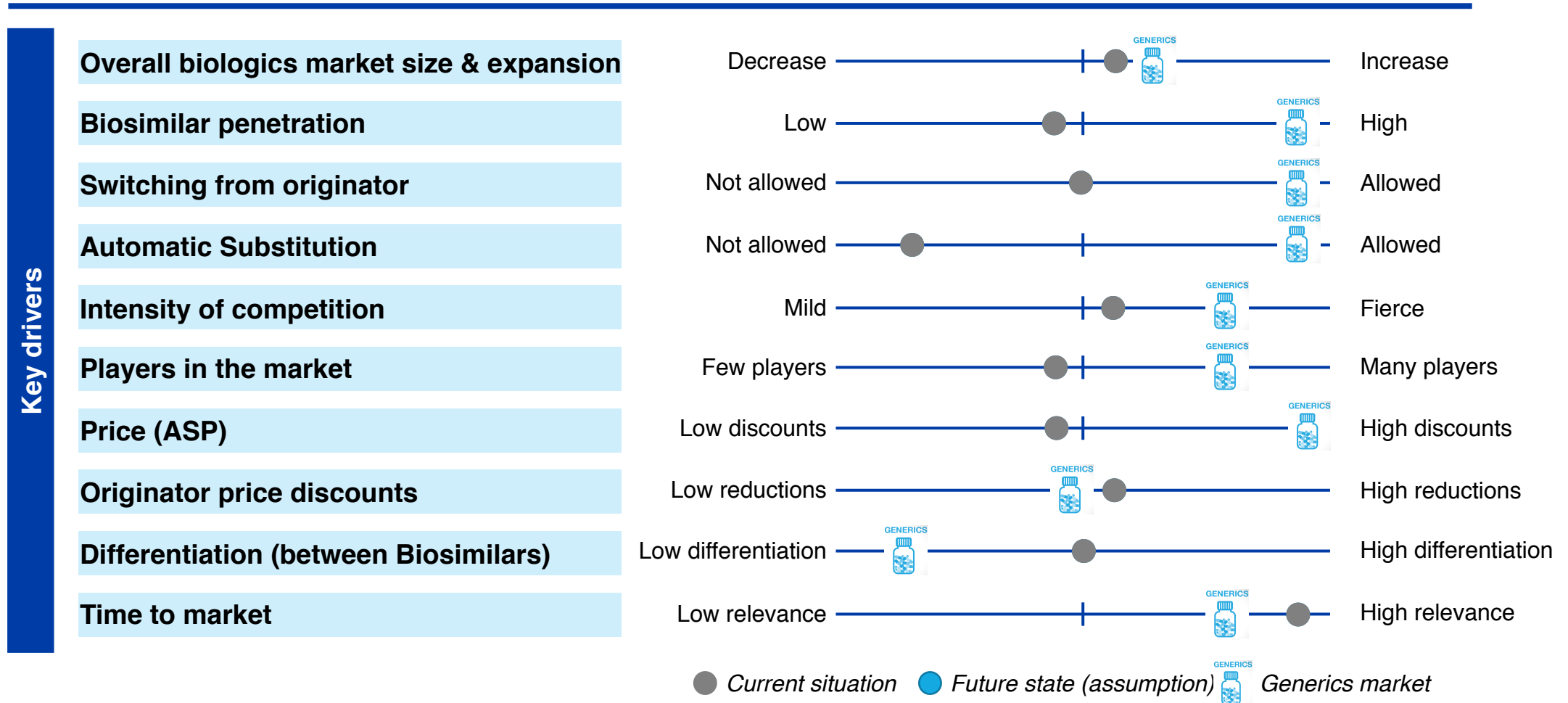


Market view – EU market evolution



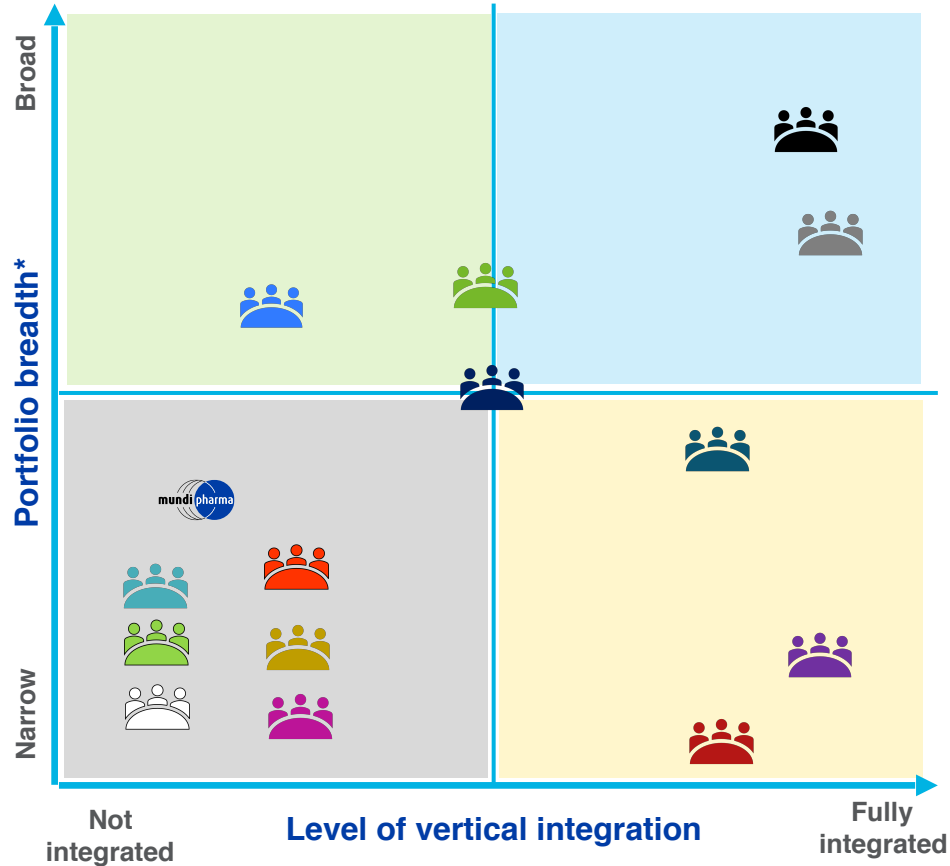
EU market evolution



Competition – Future landscape *(Assumption)*



Future state and go-to-market models



Successful models

Partnership model

- Requires ability to find **the right partners** and **right opportunities** (lean, flexible, fast and agile)
- Need to be **competitive on price** and able to **leverage network**
- Need to **scale the portfolio** to **reduce risk**

Biosimilar powerhouse

- Need a **global commercial network**, and **continued investment in R&D** to develop **pipeline** of assets
- Need to be able to **reduce COGS** for markets where **competitors** have already entered and are **already established**

Niche model

- Need to select **most profitable** markets or achieve a **minimum threshold to achieve scale**
- Requires **best in class capabilities** for **selected position** (e.g. low-cost manufacturing; market insights/tendering)
- **Investment required is low-medium**

Focused model

- Need to **leverage scale** and investments from the wider company/group
- Requires selection of **high profitable molecules** in order to recover investment
- Requires ability to manage **limited scale**

Notes: Competitor landscape assumptions based on Market Research *Portfolio breadth is based on total EU plus US approved biosimilars, future position based on current development pipeline

Trends



- Movement toward Biogenerics... with some distinct differences to generics
 - Concentration and market expansion
 - Originator competition
 - Winner takes it all
- To fully integrate or to partner: that is the question
 - No space for niche or focus model
 - Choose your side
 - Survival of the fittest

Solution

Awareness on
market
dynamics and
segmentation:
Tender vs
Retail

What kind of
player are
you?

Optimisation of roles
– Total Partnership
Approach

$R + D + M + C = \text{Success}$

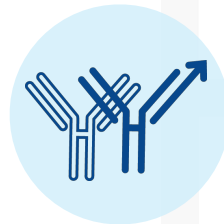
Conclusions

€10
BILLION

We have the potential to **offer savings of more than €10 billion** between 2016 and 2020 in the EU5 countries alone.



It is the healthcare community's critical mission to **safeguard the interest of patients** - serving their needs in the best way possible.



There is an exciting future for Biosimilars but... beware of short term ambitions at the risk of long-term sustainability:

- Payer-driven prescription only approach
- Winner takes it all



The **total partnership approach** is a viable way to maximise the value of the Biosimilar opportunity.