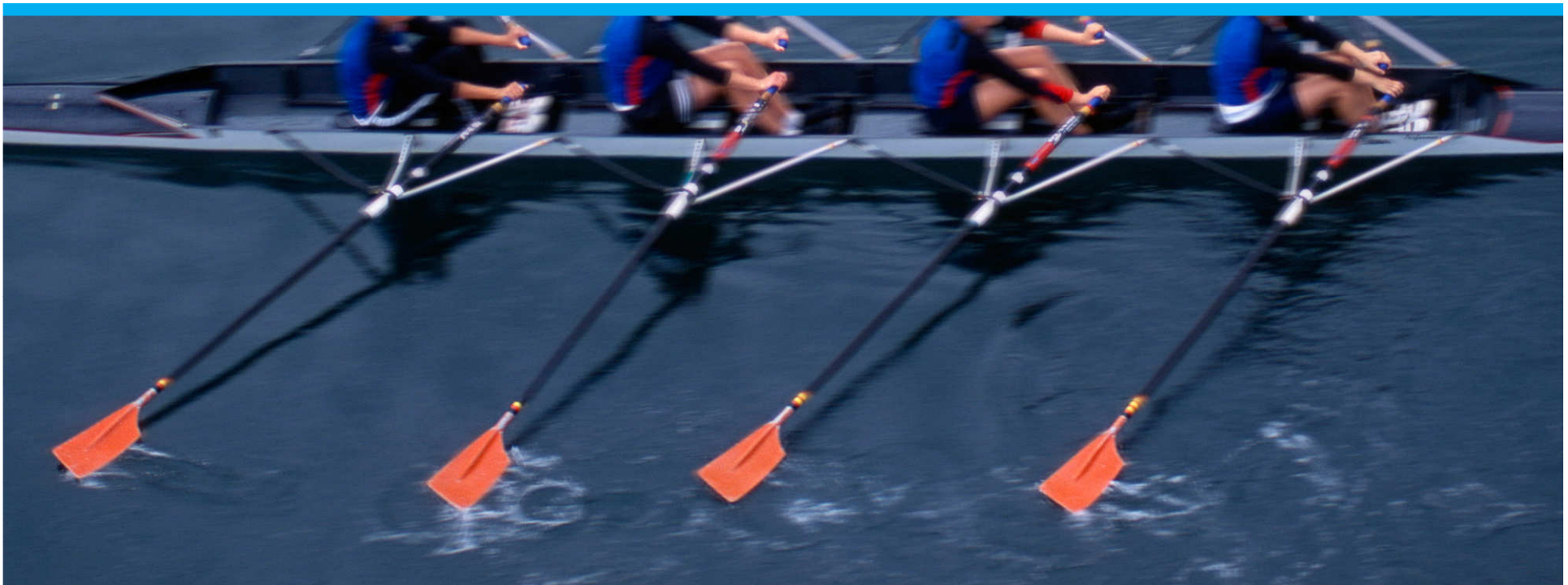


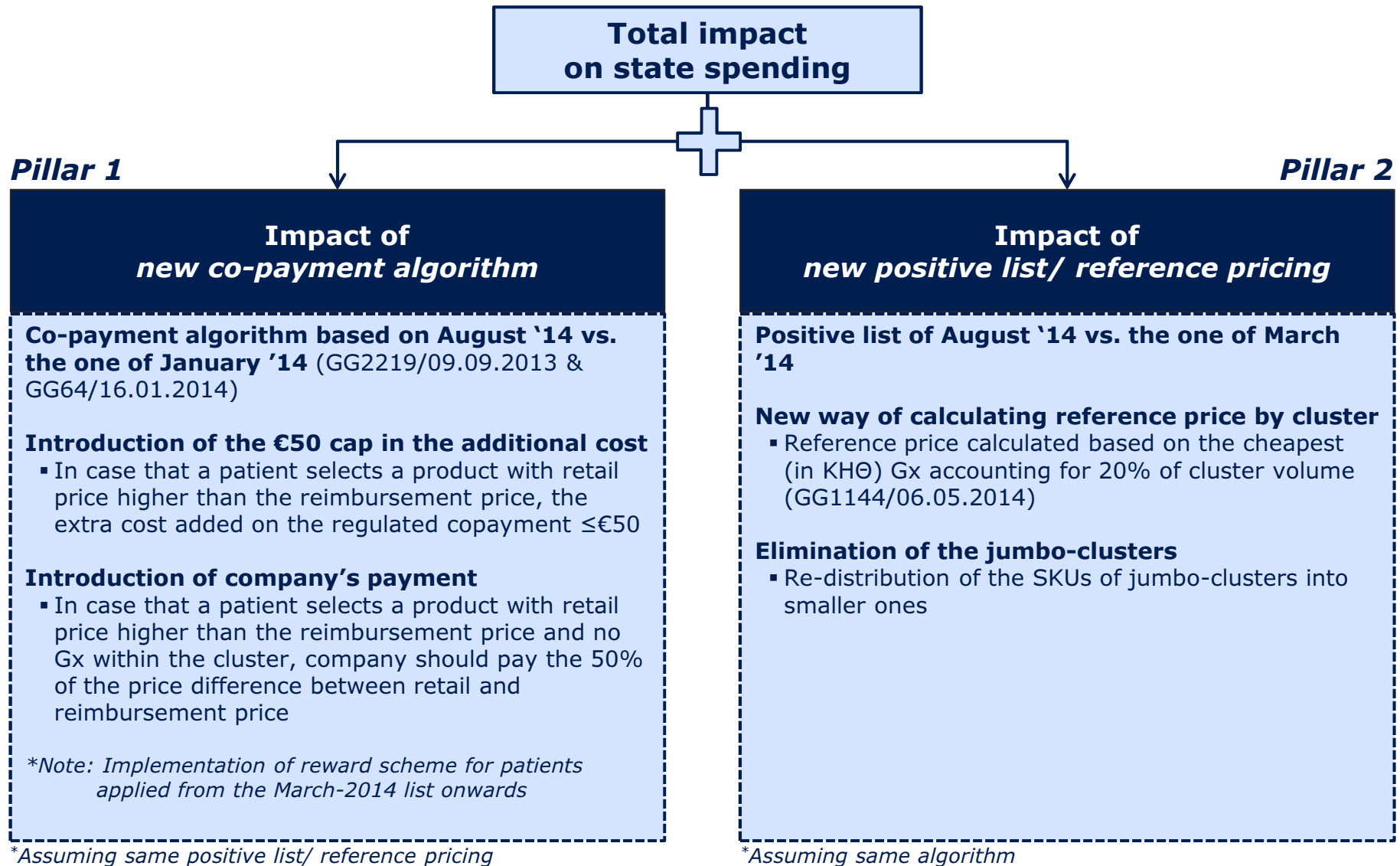
IMS Management Consulting

Presentation on: Assessment of Positive List impact
(Based on MAT/06/2014 volume data; excl. L.3816 drugs)

November 12, 2014 – Athens



Total impact of positive list: A two-pillar approach



Source: IMS Management Consulting analysis

Regulation changes within 2014: An overview

Prior situation (GG740/ 26.03.2014)

- **Case 1: Retail price lower than reimbursement price**
 - Patient pays the regulated % co-payment on the retail price reduced by the smallest value between:
 - ✓ The absolute difference between reimbursement and retail price
 - ✓ 50% of patient's regulated co-payment
- **Case 2: Retail price higher than reimbursement price and Gx within the cluster**
 - Patient pays the regulated % co-payment on the reimbursement price plus **100%** of the price difference between retail and reimbursement price
- **Case 3: Retail price higher than reimbursement price and no Gx within the cluster**
 - Patient pays the regulated % co-payment on the reimbursement price plus **50%** of the price difference between retail and reimbursement prices – *Remaining on State*

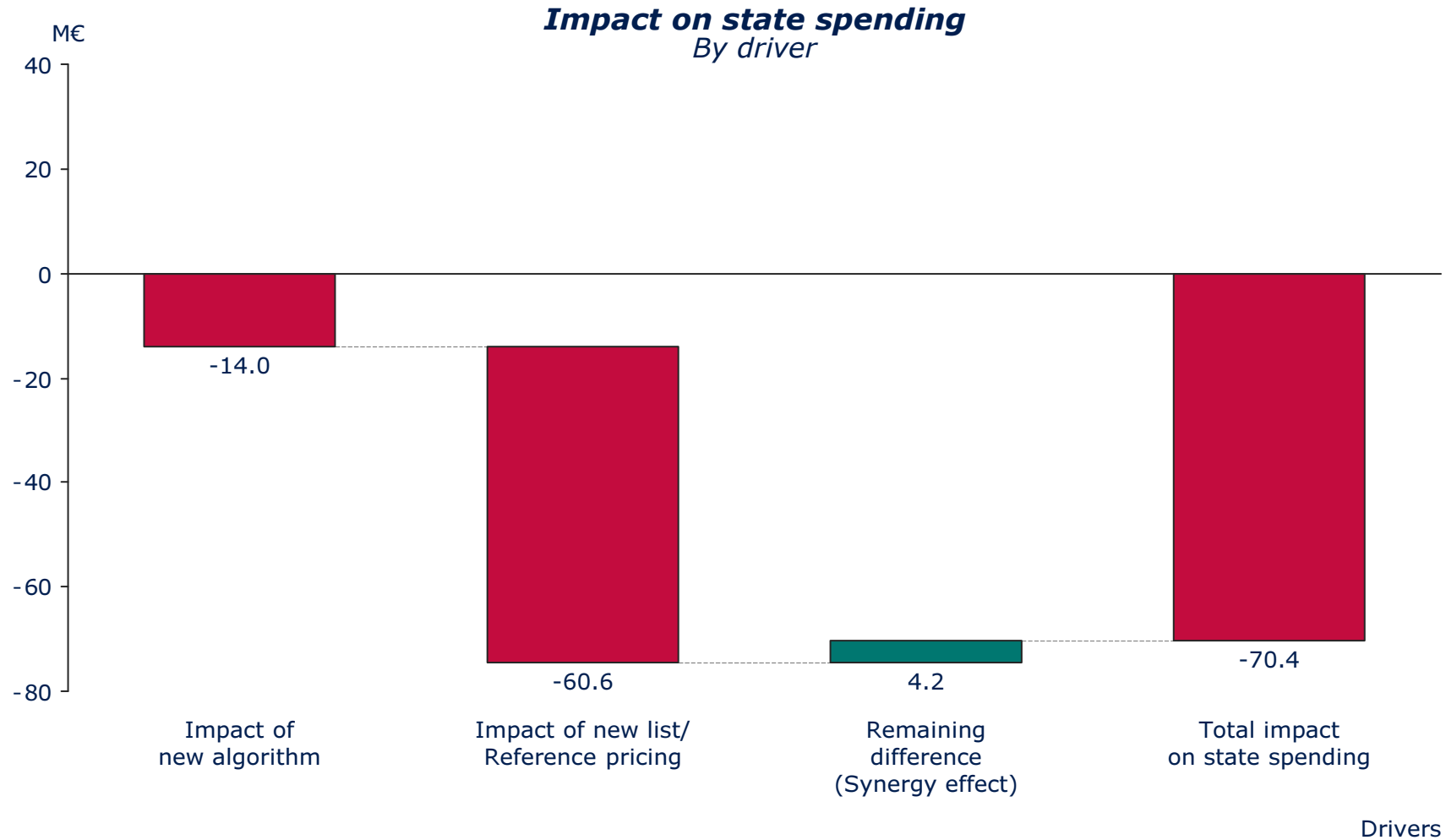
Current situation (updated GG2336B/ 29.08.2014)

- **Case 1: Retail price lower than reimbursement price**
 - Patient pays the regulated % co-payment on the retail price reduced by the smallest value between:
 - ✓ The absolute difference between reimbursement and retail price
 - ✓ 50% of patient's regulated co-payment
- **Case 2: Retail price higher than reimbursement price and Gx within the cluster**
 - Patient pays the regulated % co-payment on the reimbursement price plus **100%** of the price difference between retail and reimbursement price
 - The additional copayment cannot exceed €50
- **Case 3: Retail price higher than reimbursement price and no Gx within the cluster**
 - Patient pays the regulated % co-payment on the reimbursement price plus **50%** of the price difference between retail and reimbursement price
 - The additional co-payment cannot exceed €50
 - Company should pay the additional **50%** of the price difference between retail and reimbursement price

Source: IMS Management Consulting analysis

Impact on state spending due to price algorithm and list

~€70M less state expenses vs. March'14 Rx List mainly driven by the new price list & reference prices



Source: IMS Hellas volume data (MAT/06/2014); Positive Lists of March-2014 and August-2014; IMS Management Consulting analysis

Impact on state spending: By product type

~€11M incremental state spending for Generic products



Impact on state spending
By product type

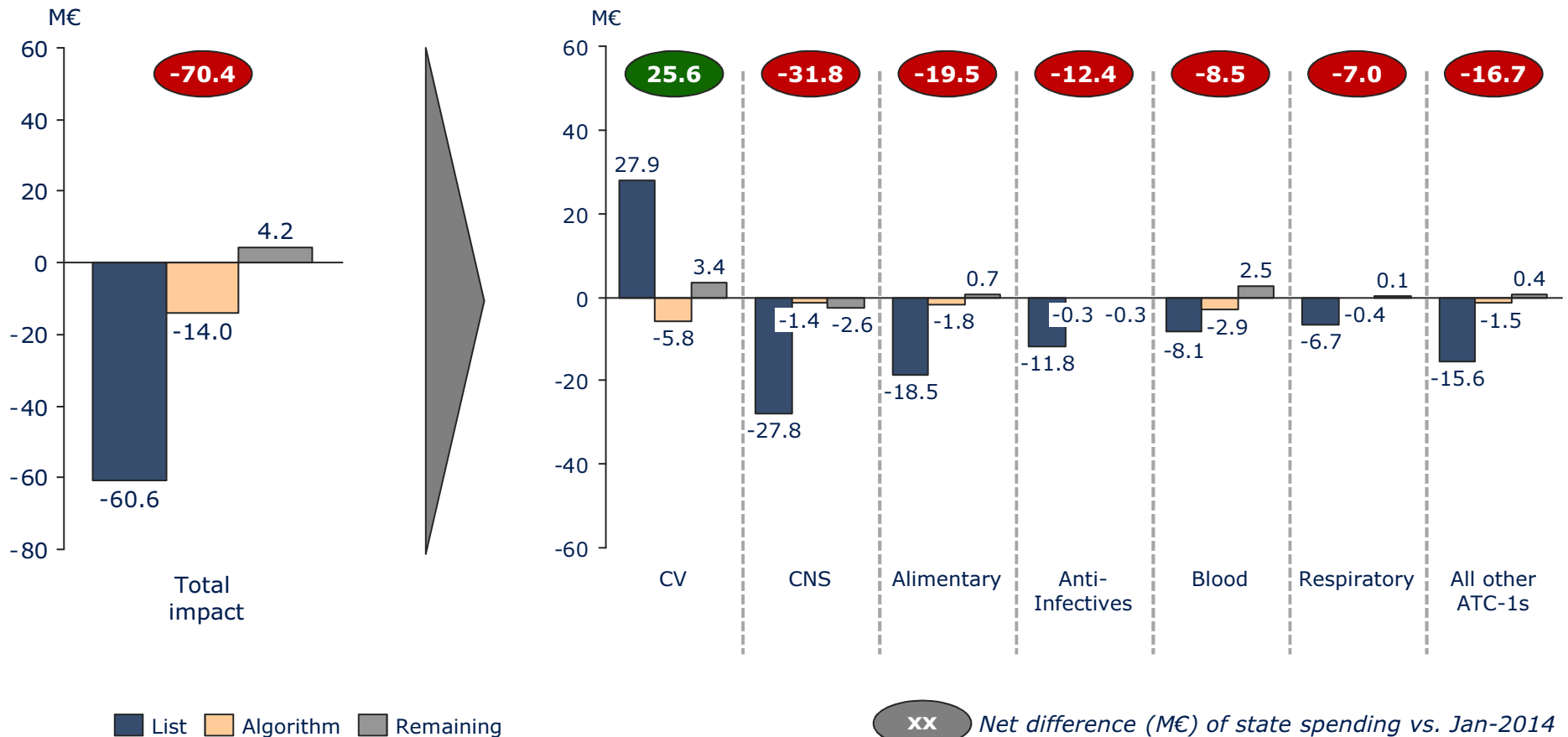


Source: IMS Hellas volume data (MAT/06/2014); Positive Lists of March-2014 and August-2014 ; IMS Management Consulting analysis

Impact on state spending due to price list and algorithm: By ATC-1

Cardiovascular products the only benefited from the new algorithm and the list (~€26M incremental state spending on them overall)

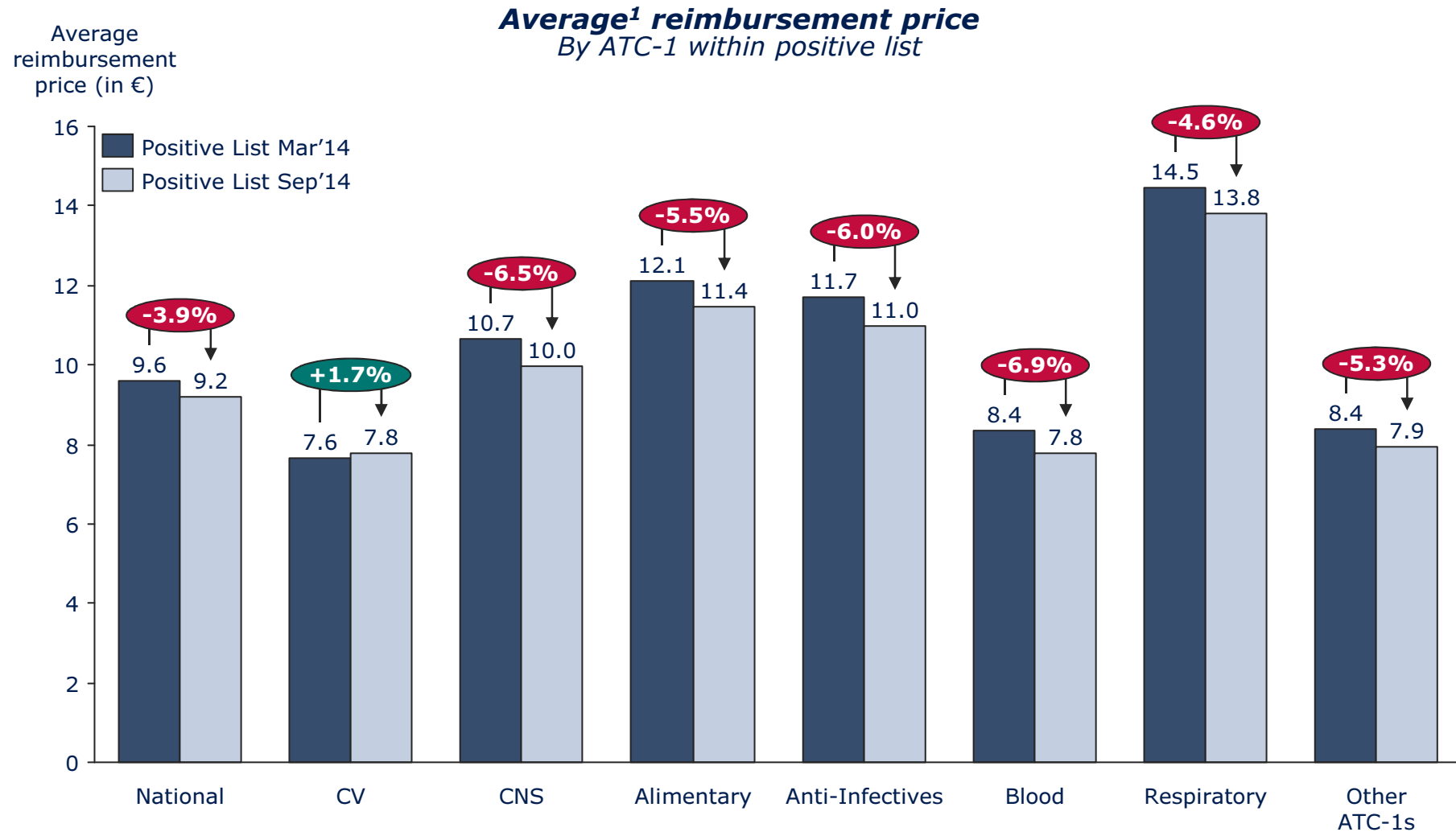
Impact on state spending
By ATC-1 and driver



Source: IMS Hellas volume data (MAT/06/2014); Positive Lists of March-2014 and August-2014; IMS Management Consulting analysis

Average¹ reimbursement price: By ATC-1 and positive list

~4% decrease in the average reimbursement price across ATC-1s;
CV the only ATC-1 with ~2% increase in the average reimbursement price



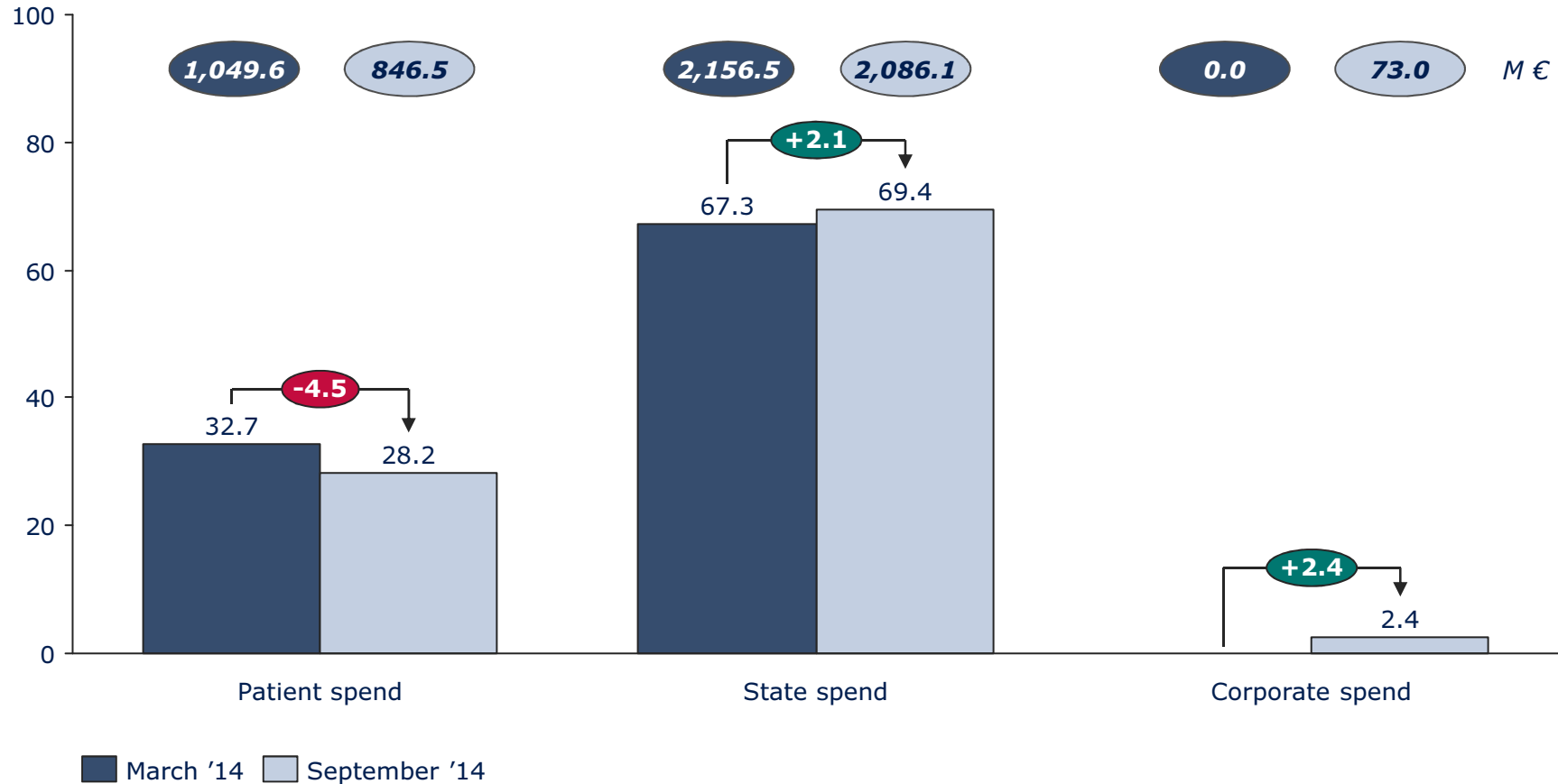
¹. Weighted based on volume of MAT/06/2014
Source: IMS Hellas volume data (MAT/06/2014); Positive Lists of March-2014 and August-2014; IMS Management Consulting analysis

Contribution in overall retail pharma expenditure

State contribution to the total pharma expenditure increased by ~2ppts vs. March '14

Contribution in pharma expenditure¹
 March '14 vs. September '14

% Contribution in Pharma expenditure



¹ Assuming volume by SKU remains stable and equal to the one of MAT/06/2014 - no volume mix effect taken into account
 Source: IMS Hellas volume data (MAT/06/2014); Positive Lists of March-2014 and August-2014; IMS Management Consulting analysis

Key messages

- **~€70M less state expenses vs. March '14 Rx list**
 - Negative impact **of new list/ reference pricing** on state spending (**~€61M less** the state contribution)
 - **~€14M less** spending the impact from the **new algorithm**

- **~11M higher state spending supporting generic products**
 - While state spends ~82M less on Originals

- **Cardiovascular products the only benefited from regulation changes with ~26M higher state spending**

- **Average reimbursement price decreased by ~4%**
 - Reimbursement Price ranged from +2% (CV – the only ATC-1 with increase) to -7% (Blood)

- **State contribution in total pharma expenditure increased by ~2 ppts vs. March '14 albeit lower in absolute terms (-€70M).**
 - Companies' annualized contributions estimated at ~€73M with the introduction of the new regulations

Source: IMS Hellas volume data (MAT/06/2014); Positive Lists of March-2014 and August-2014; IMS Management Consulting analysis

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Thank you!

