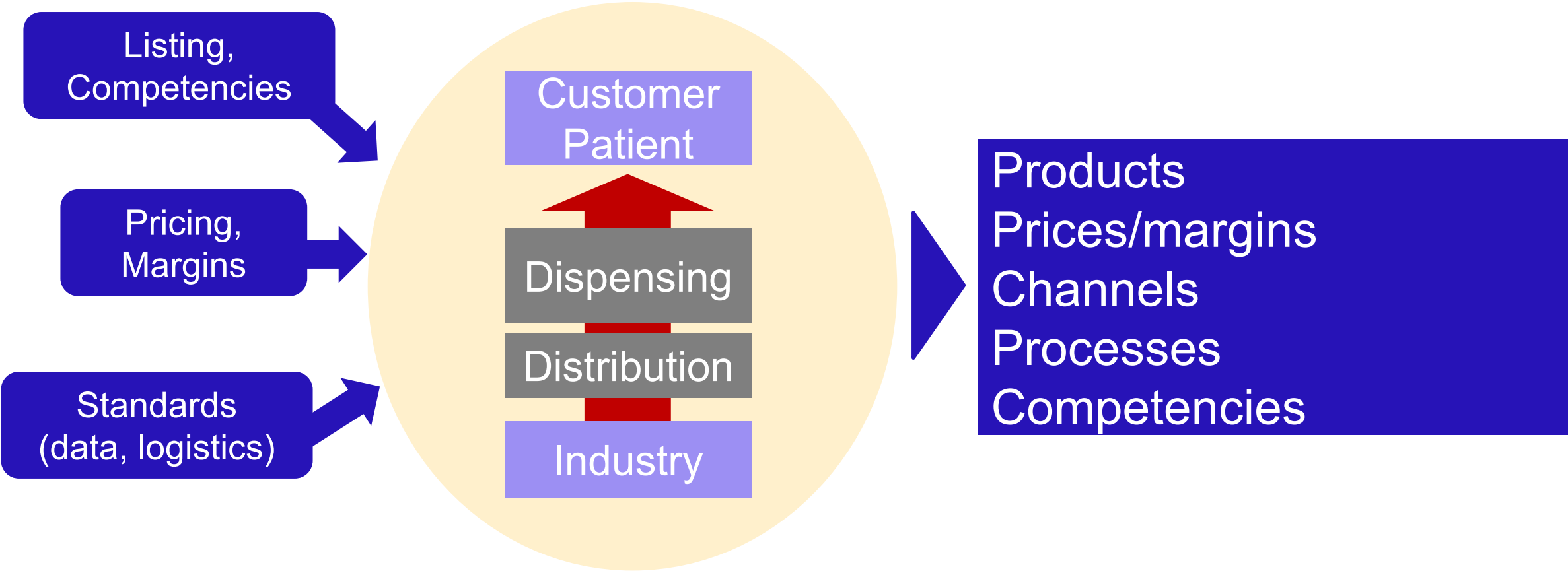


Challenges and opportunities for Galenica

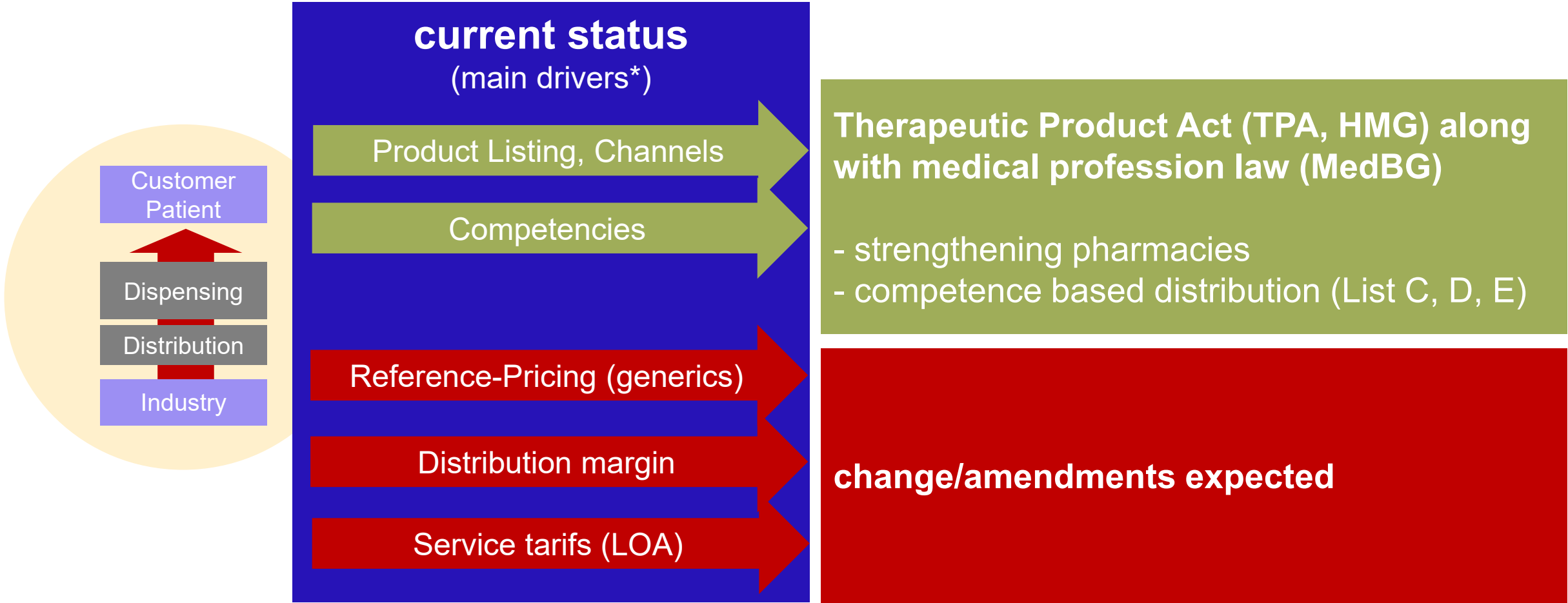
Christian Köpe
Head Strategy, Business Development, Public Affairs

Galenica Investor Day, 25 June 2019

Business heavily defined by regulatory context



Important elements undergoing change



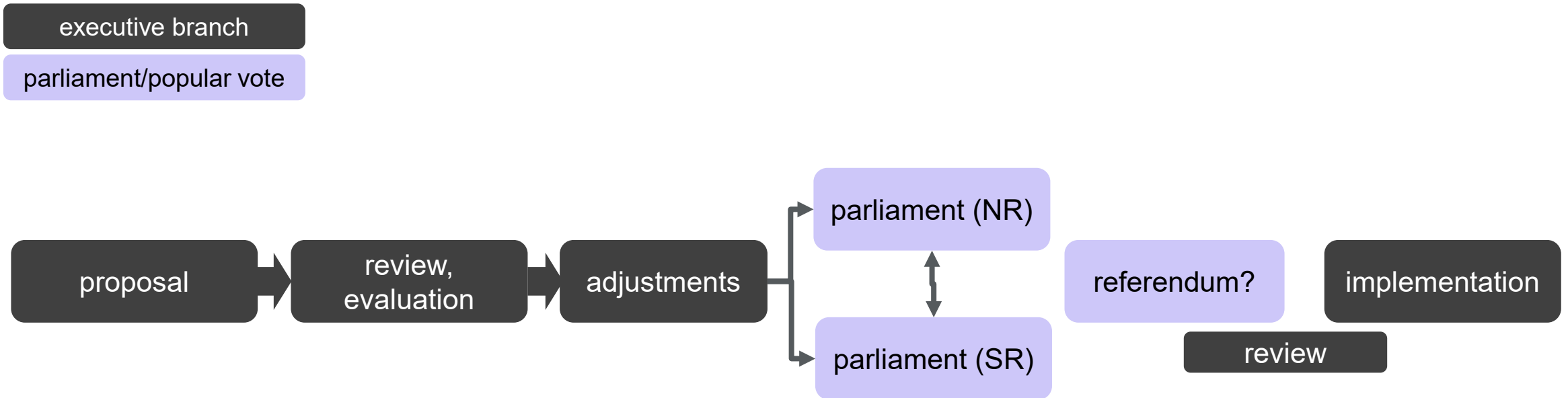
- excluding recurring price adjustments based on three-year cycle comparison to reference countries

Regulatory aspects with various degrees of complexity

measures	process	status	focus
Listing, competencies	FOPH ¹⁾ driven	TPA/implementation defined – in force 1/2020	process compliance
Reference Pricing (generics)	FLHI ²⁾ amendment	in discussion; first draft expected fall 2019	generics penetration
Distribution margin	FOPH ¹⁾ decision	proposal made; critical reception by stakeholders	<ul style="list-style-type: none"> – calibration margins – shift to service reimbursement
Service tariffs (LOA)	contract with payors	prolongation proposed; negotiation underway	definition of reimbursement for services

1) Federal Office of Public Health
 2) Federal Law on Health Insurance

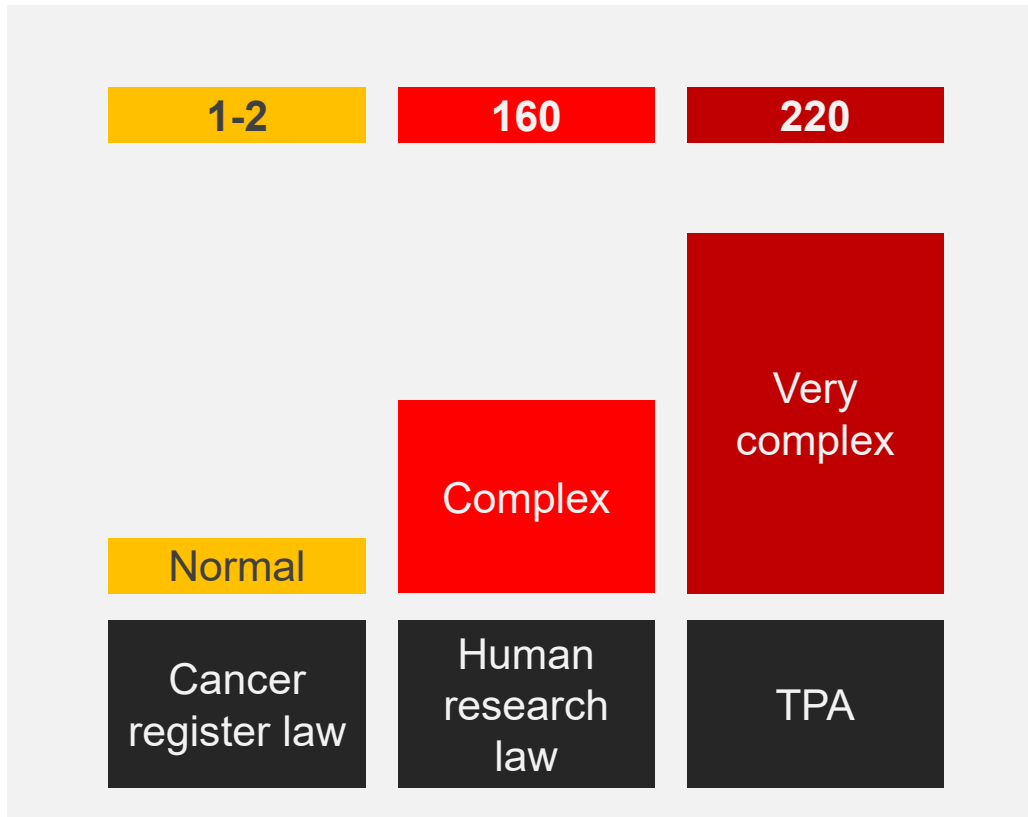
Amendment of law can take anything between months and years



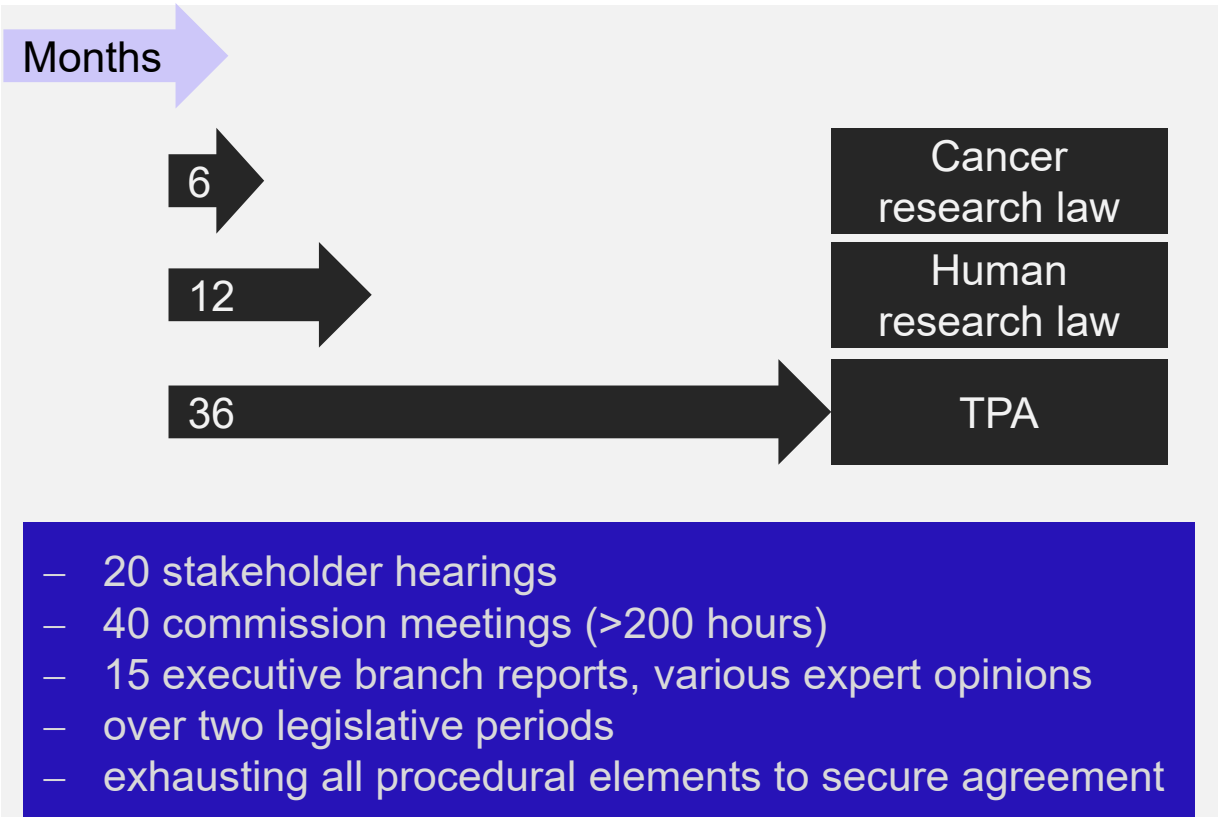
process, sequence and duration driven by political context, stakeholder interests and complexity

Illustration of process – example Therapeutic Product Act

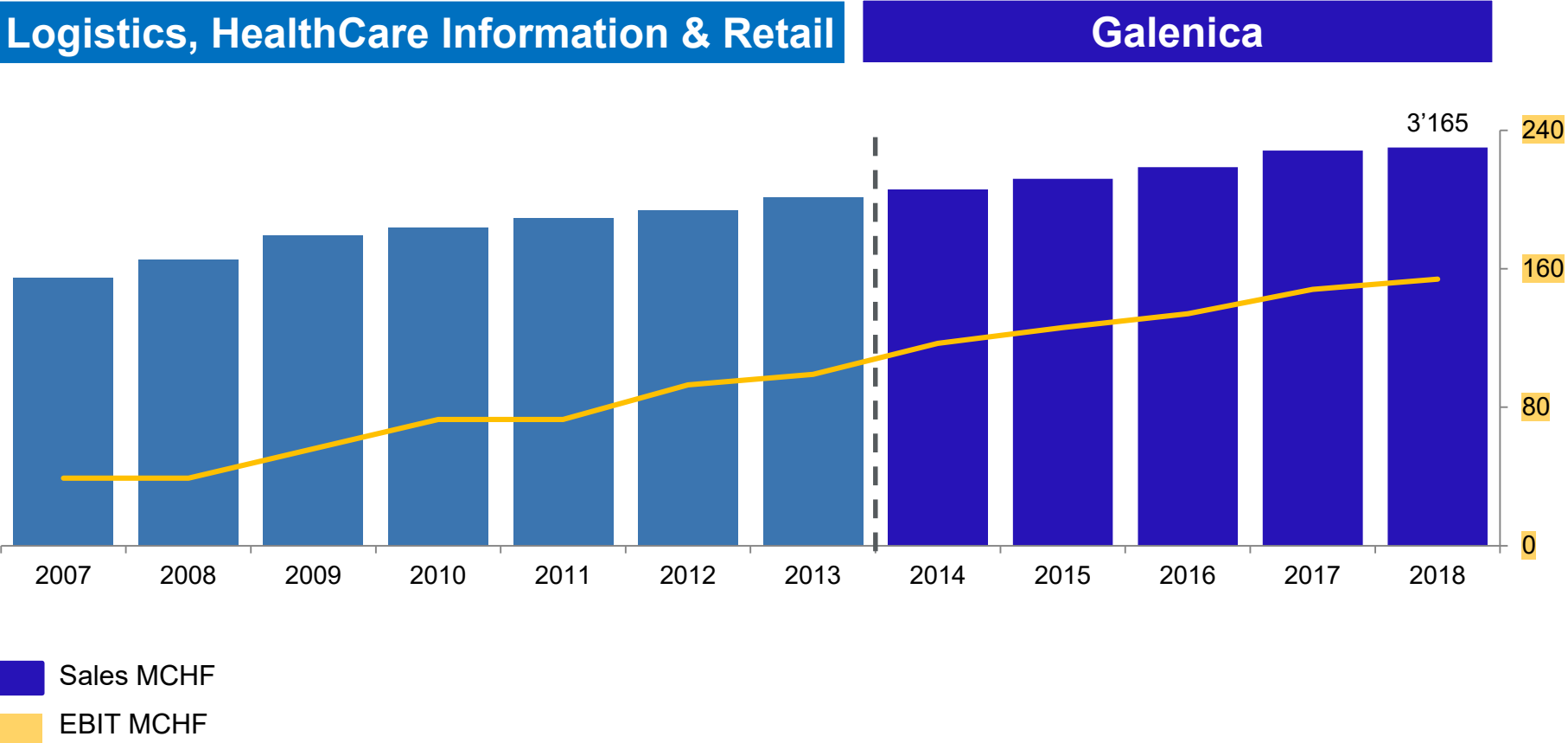
Proposals/requests to commission



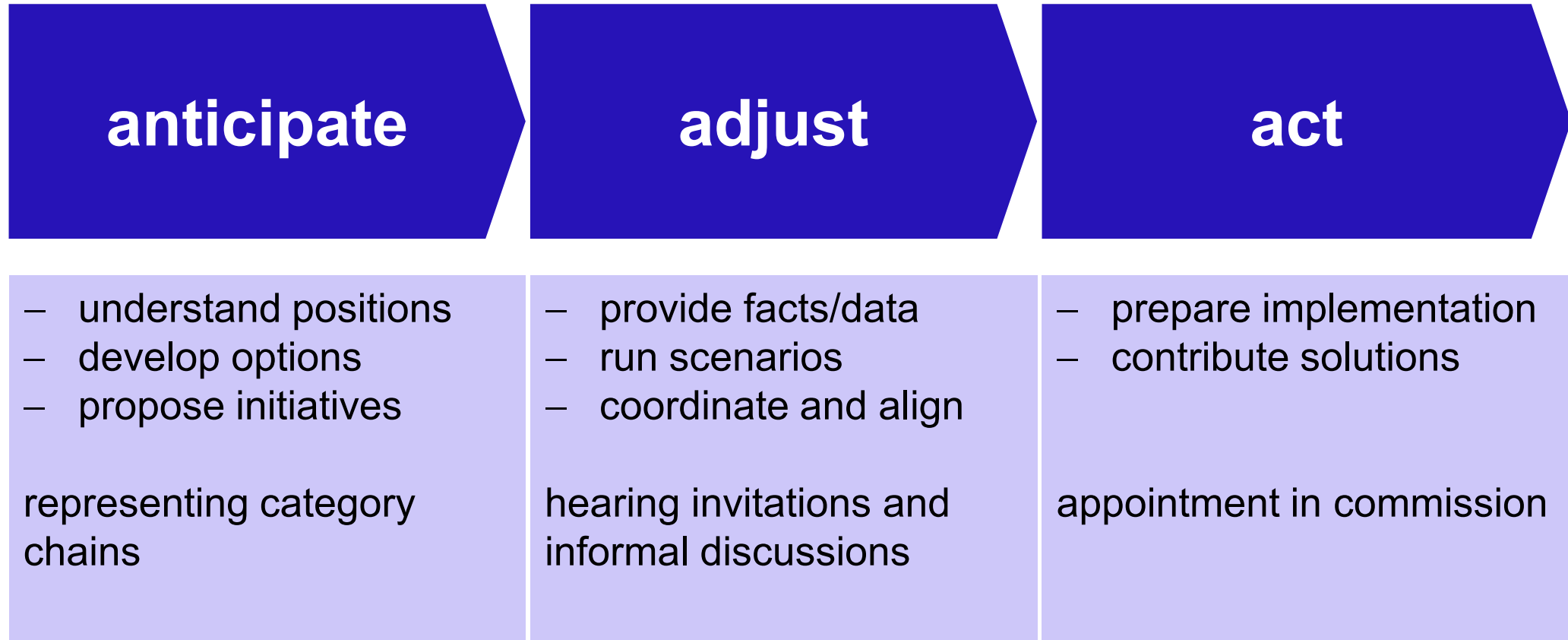
Duration and process from proposal to acceptance



Galenica has been able to drive growth and profitability in a changing environment



Galenica's "triple A" approach: trying to deal with constant pressure and change



Galenica's "triple A" approach: trying to deal with constant pressure and change

anticipate

adjust

act

know how – network – experience - understanding
determination and strategic perspective

prepared

focus on efficiency and effectiveness

shift/development of new business activities/services

using scale and competence

Welcome Lorenz Hess ... and thank you for sharing your perspective !



Chairman of the Board, Visana

Member of Swiss National Council

Member of Federal Commission for Social Security and Health

Disclaimer

Disclaimer Galenica

Certain statements, beliefs and opinions in this presentation are forward-looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or results to differ significantly from any anticipated development. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither the Company nor its advisers or representatives nor any of its of their parent or subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.