



MEDICOPHARMACIA



LENIS / MEDICOPHARMACIA

Lenis d.o.o.
Litostrojska 52
1000 Ljubljana, Slovenia
Phone: +386 1 235-0700
e-mail: branko.huc@lenis.si

LENIS & MEDICOPHARMACIA – A FULL-SERVICE PHARMACEUTICAL DISTRIBUTOR

- Regulatory Affairs
- Market access
- Local packaging adaptation
- Medical Support
- Marketing & Sales
- Wholesale & Distribution
- Pharmacovigilance

LENIS VISION

To be a regional specialty pharmaceutical distributor
with the best customer service in the industry

LENIS COVERAGE ADRIATIC REGION

1. *EU Members:*

- Slovenia
- Croatia

2. *Non EU members:*

- Albania
- Bosnia and Herzegovina
- Kosovo
- Northern Macedonia
- Montenegro
- Serbia



ADRIATIC REGION

WE MANAGE ITS COMPLEXITY

- 2 medium-sized states
- 6 small states with different healthcare systems
- 7 states with poor business reliability
- Several states with the lowest European GDP per capita
- 5 languages (Slovenian, Croatian, Serbian, Macedonian, Albanian)
- 3 major religions
- 3 scripts (Latin, Cyrillic - 2 versions)

LENIS & MEDICOPHARMACIA COMPLEMENTARY COMPANIES

Medicopharmacia

- Started pharmaceutical business in Slovenia in 1991
- Full-service distribution of licensed pharmaceuticals

Lenis

- Founded in 2008
- Specialized in distribution of unlicensed drugs and niche therapeutic areas

Important milestones:

2014: Lenis and Medicopharmacia move into the same office location

2016: Lenis acquires 80 % ownership in Medicopharmacia

Management and the two teams are combined, with direct access to 8 countries of the Adriatic region.

MANAGEMENT

Branko Huč, Ph.D.

Owner and Managing Director of Lenis & Medicopharmacia

- A pharmacist with over 30 years of professional experience in diagnostic and pharmaceutical industries.
- Customer oriented business builder with a broad international network of pharmaceutical industry contacts.
- Regional experience through managerial positions in Krka and Lek (now Sandoz).
- Spent 17 years in USA, worked for start-ups and for large companies, both in R&D and business functions.
- Has owned a business development consulting company Transatlantic Pharma in North Carolina, USA since 2005.
- Co-founded and manages Lenis since 2008, manages Medicopharmacia since 2014



LENIS

- Specializes in distribution of unlicensed drugs and niche therapeutic areas
- 11 full-time employees (6 pharmacists)
- Additional experts on demand through contractual arrangements
- Office in Ljubljana together with daughter company Medicopharmacia
- Warehousing and logistics outsourced to Kemofarmacija, a McKesson company
- Annual sales EUR 7.7 million (2018), mainly unlicensed pharmaceuticals

LENIS BUSINESS MODEL

1. Learn about unmet needs for medicines from our customers:
 - Hospital pharmacists
 - Physicians
 - Health authorities
 - Wholesalers
2. Source products through our global network
3. Obtain all necessary product documentation and secure import permits
4. Import and deliver medicines to customers under Good Distribution Practices (GDP)

LENIS DOMESTIC MARKET SLOVENIA

- Area: 20.273 km²
- Population: 2 million
- Capital: Ljubljana, pop. 280 000
- Language: Slovenian
- GDP per capita: 18693 EUR (PPP)
- Currency: EUR
- Pharmaceutical market value: 600 million EUR
- Healthcare spending vs. GDP: 8,6%
- Medical doctors: 5200
- Pharmacies: 312
- Hospitals: 26



LENIS PRODUCTS

1. Unlicensed pharmaceutical products

(licensed in the source country but not in the destination country)

- New drugs not yet approved in a country
- Discontinued cost-effective drugs (e.g. infertility, ophthalmology, infectious diseases,...)
- Product alternatives during drug shortages (e.g. oncology)
- Comparator drugs for clinical trials

2. Added value products in niche therapeutic areas

(e.g. cystic fibrosis, epilepsy, nephrology, ...)

LENIS - KEY SUCCESS FACTORS IN SLOVENIA

- The best customer service in the industry assures steady stream of orders
- The shortest response time among all competitors
- Highly efficient supply chain management

- Excellent working relationship with key customers (KOLs and hospital pharmacists)

- Excellent communication with Ministry of Health (MZ), Health Insurance Institute (ZZZS) and Slovenian Drug Agency (JAZMP)

- Proven track record with distribution of several niche and older unlicensed drugs through pharmacies

LENIS AND MEDICOPHARMACIA – PRODUCT AND FINANCIAL FLOW

- From our suppliers to warehouse in Ljubljana, managed by Kemofarmacija as 3PL provider
- For sales to Slovenia (hospitals and wholesalers):
 - Kemofarmacija responsible for deliveries to hospitals and pharmacies
 - Wholesalers pick up goods themselves
 - Lenis invoices to wholesalers (30 days, excellent payers) or to hospitals (60 days, mixed payment discipline)
- For sales to other countries (wholesalers):
 - Lenis or MPH organize shipments to international customers using approved transport companies
 - Our customers in each country are responsible for sales (e.g. through tenders) and physical distribution to hospitals and pharmacies.
 - Lenis/MPH invoice to wholesalers with terms ranging from prepayment to 60 days. All customers pay on time or with small delays.

LENIS DIRECT SUPPLIERS

- Well established business relationships with distributors in all major EU countries and in USA.
- Sourcing directly from Marketing Authorization Holders, among them:



MEDICOPHARMACIA

- Distribution of innovative pharmaceutical products and generic pharmaceuticals with limited number of competitors
- Core principal: Gilead Sciences, Inc.  GILEAD
- 22 employees throughout the Adriatic region
- Annual sales of EUR 15.9 million (2018)

MEDICOPHARMACIA (MPH)

5 LOCAL OFFICES & 3 PARTNERS

1. Slovenia

Head office – MPH Ljubljana

2. Croatia

Local office – MPH Zagreb



3. Serbia

Local office – MPH Belgrade

4. Bosnia & Herzegovina

Local office – MPH Sarajevo

5. Macedonia

Local office – Skopje

3 Local partners

6. Montenegro (Podgorica)

Farmegra

7. Albania (Tirana)

Leklipharm

8. Kosovo (Prishtina)

Santefarm

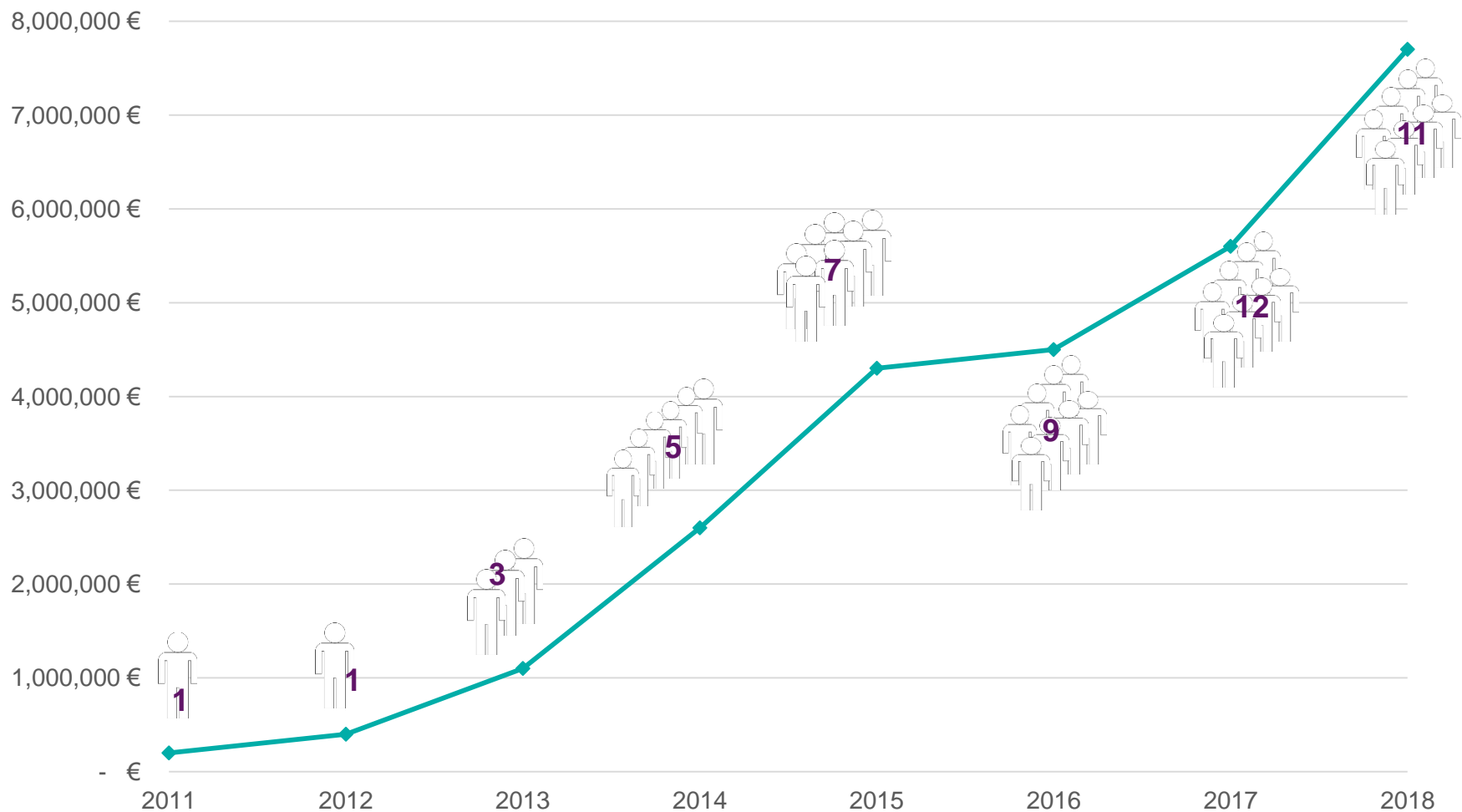


MEDICOPHARMACIA

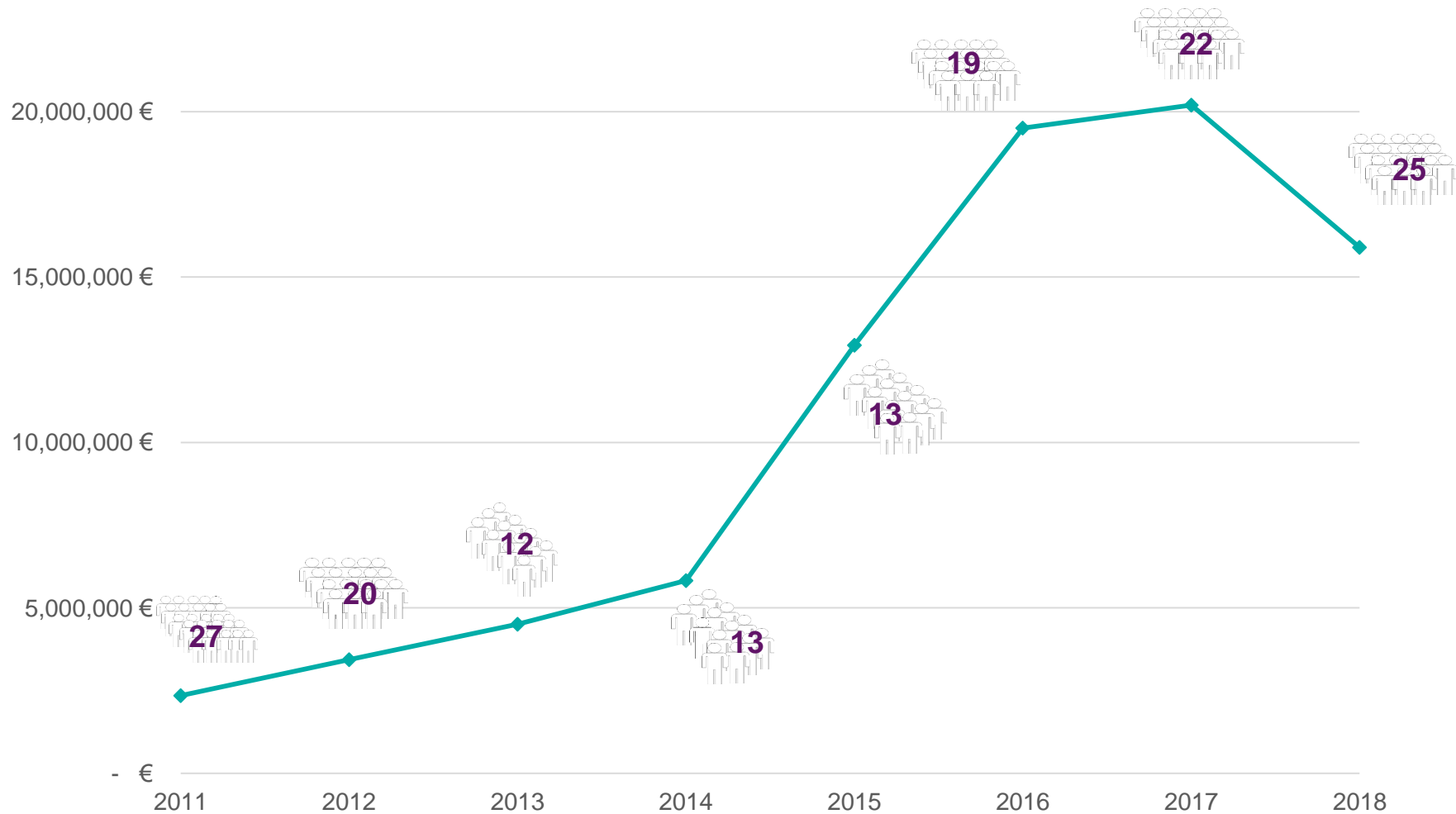
LENIS & MEDICOPHARMACIA SYNERGIES

- Expertise in distribution of licensed and unlicensed pharmaceutical products
- Both companies are licensed wholesalers in Slovenia
- Warehousing and logistics outsourced to Slovenia's largest wholesaler Kemofarmacija (Celesio Groupe, owned by McKesson)
- For best efficiency and financial risk management we use the best local wholesalers for sales to end users and for physical product distribution in all other countries
- Direct access to authorities and KOLs in the whole region through our own personnel and/or daughter companies acting as representative offices in Slovenia, Croatia, Serbia, Albania, Bosnia & Herzegovina and Macedonia
- Financial stability – excellent rating and no external debt

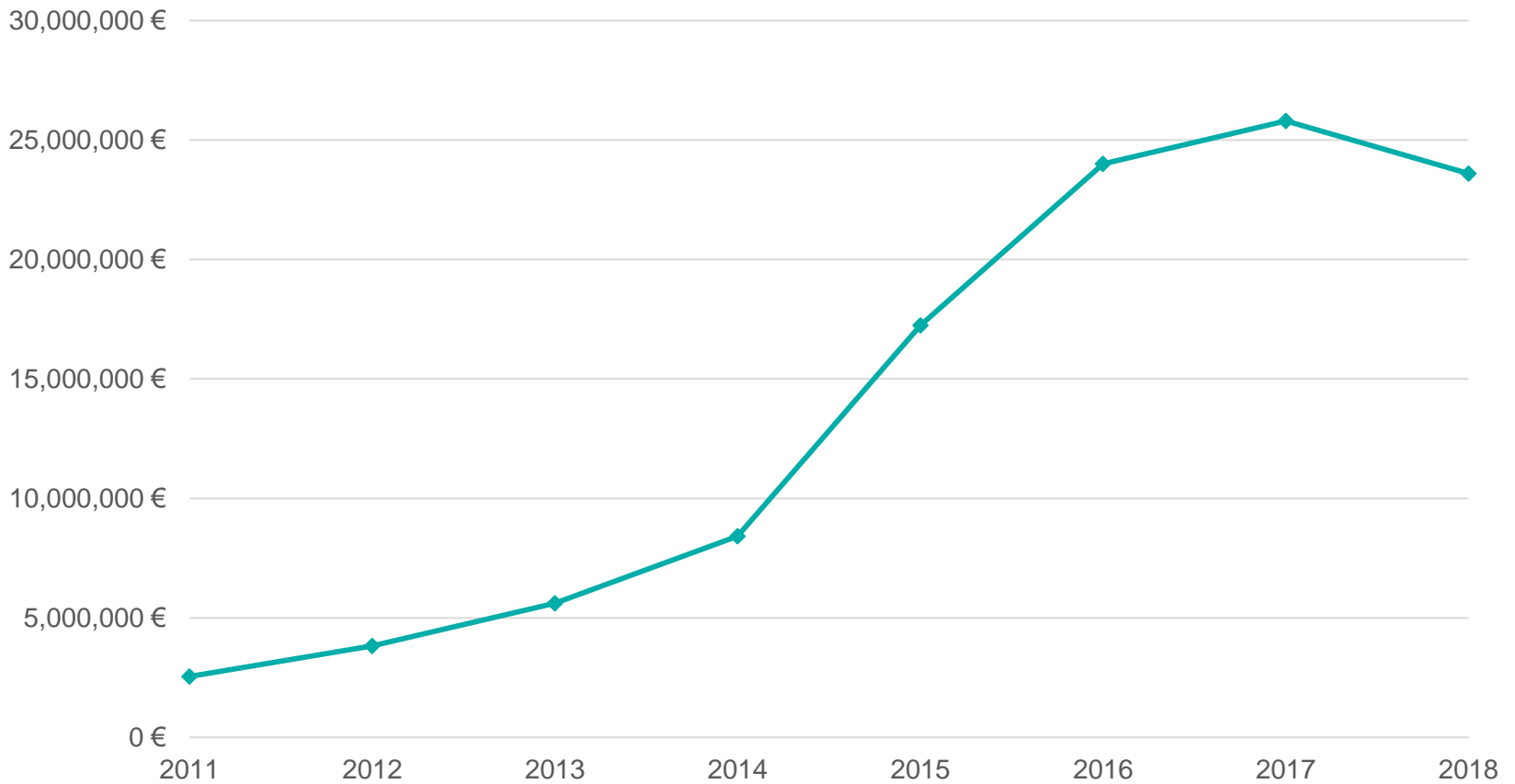
LENIS SALES 2011-2018



MEDICOPHARMACIA SALES 2011-2018



MEDICOPHARMACIA + LENIS SALES 2011-2018



REGULATORY/COMPLIANCE/LEGAL 1/2

Organizational structure largely follows Gilead requirements:

- In SLO, Lenis and MPH have separate Regulatory and PV organizations. In other countries either MPH personnel or our local distributors/WS (BiH, MNE, ALB) perform these functions for LEN/MPH or our principals, respectively. Activities are coordinated from HQ in Ljubljana
- Medical functions are located in Ljubljana, activities closely coordinated with Gilead and with local MPH personnel in various countries.
- Regional Compliance Officer is located in Ljubljana office
- Quality personnel assure that distribution is performed according to GDP, either directly or by contractors, top wholesalers in each country.

REGULATORY/COMPLIANCE/LEGAL 2/2

Audits

- Both companies are regularly audited by JAZMP in Slovenia for GDP and GMP (Lenis).
- Suppliers and customers frequently perform their own audits through questionnaires or by visits in person.
- Financial audit for MPH was performed for fiscal year 2016 – no issues.
- Lenis/MPH have no outstanding claims, lawsuits nor arbitrations.

BUSINESS MODEL PROPOSAL

Lenis/Medicopharmacia would ensure:

- local regulatory service (import permits or local product registration)
- local pricing & reimbursement
- medical support
- marketing
- local labeling
- warehousing
- regional distribution
- local pharmacovigilance

and be responsible for:

- sales results
- timely payments

Partner would ensure:

- quality dossiers in CTD format
- GMP production
- EU batch release
- EU pharmacovigilance

and be responsible for:

- product quality
- compliance with intellectual property
- reliable supply to Lenis

REASONS TO CHOOSE LENIS/MEDICOPHARMACIA

- A single cross-functional point of contact for eight smaller markets
- Know-how and regional business network to overcome local entry barriers
- Commitment and responsiveness to partners' needs
- Excellent marketing and sales performance
- Flexibility to respond quickly to changing business environment
- Reliable on-time payments
- Mitigation of political and economic risks
- Bridging cultural differences

We are looking forward to receiving your comments.

Lenis d.o.o.
Litostrojska 52
1000 Ljubljana, Slovenia
Phone: +386 1 235-0700
e-mail: branko.huc@lenis.si