



EXECUTIVE FORECAST

Stewards of Health

BRAZIL
2022



EXECUTIVE
FORECAST



Executive Forecast Brazil Stewards of Health 2022.

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This industry effort is the result of the time invested by executives, for executives.



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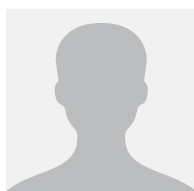
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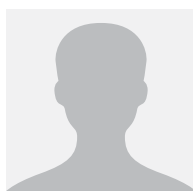
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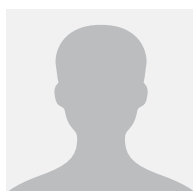
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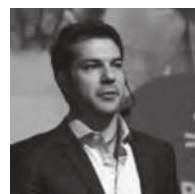
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Executive Summary

“It is in the character of growth that we should learn from both pleasant and unpleasant experiences.”

– Nelson Mandela

Executive Forecast, dives into the present and future of Brazil’s healthcare and pharma ecosystem through the voices of executives who are shaping the future of one of the most dynamic markets in the world.

With a wealth of data and resources from OECD and WHO/ PAHO among others, our aim is to gather and share first- hand conversations and reflections from leaders who are leading through thinking.

This strategic document features highlights of our conversations through 2022, and seeks to inspire and reflect on our sectors unmapped matters, and proposing and ‘industry forward’ agenda in the interest of patients, sustainability of the system, business, and policy.

Introduction

As we come to terms with a post-pandemic world, worries about economic measures, reconfiguration on the energy resources, and geopolitical conflicts have defined 2022.

Today's pharmaceutical, healthcare, and med tech leaders have had to adapt to the growing number of challenges as the world works its way back to normalcy. Throughout 2022, Executive Forecast has chronicled these challenges. Speaking directly with the executives and decision-makers that make up Brazil's healthcare chain, we explore what it means to keep "health" as the top priority on the world agenda.

Boasting the largest economy in Latin America, Brazil is one of the world's most complex and exciting markets. With a GDP of US\$ 1.608 trillion (World Bank 2021) and a forecasted growth of 2.1% for 2023, the Brazilian government invests almost 10% of its GDP in operating one of the largest universal healthcare systems, through the Sistema Único de Saúde (SUS) providing services to over 200 million people.

Adding to the disruptive political climate of 2022, Brazil has had its fair share of transitions. In October, former President Luiz Inácio Lula da Silva was chosen as the new President. The new administration will take over as of January 1st, 2023; Brazil's healthcare sector waits patiently to see how the administration will tackle both healthcare an industrial policy that fosters sustainable growth.

While Europe and the United States have begun to face increasing inflation, Brazil records a deflationary scenario, which talks about the robustness of the country's economic potential. This strong financial situation undoubtedly results from a healthy population that, in return, powers its economy.

In hindsight, 2022 is remembered as the year in which Brazil executives, internalizing the lessons learned from COVID, pushed forward.

Today's executives are paving the road towards sustainable and durable healthcare systems that will be ready for the challenges of tomorrow. Focusing efforts on supply chains, manufacturing strategies, local capacities, infrastructure, and industrial policies that foster and encourage innovation, there will undoubtedly be bumps. Still, the road ahead has never looked as clear as it is now.

'Brazil Stewards of Health' showcases those who have been 'guarding' Brazil's health, life science, and med tech ecosystems in pursuit of a better tomorrow.

It has been an enriching journey, and we would like to extend our thanks to everyone that contributed with their input to shape this valuable document.

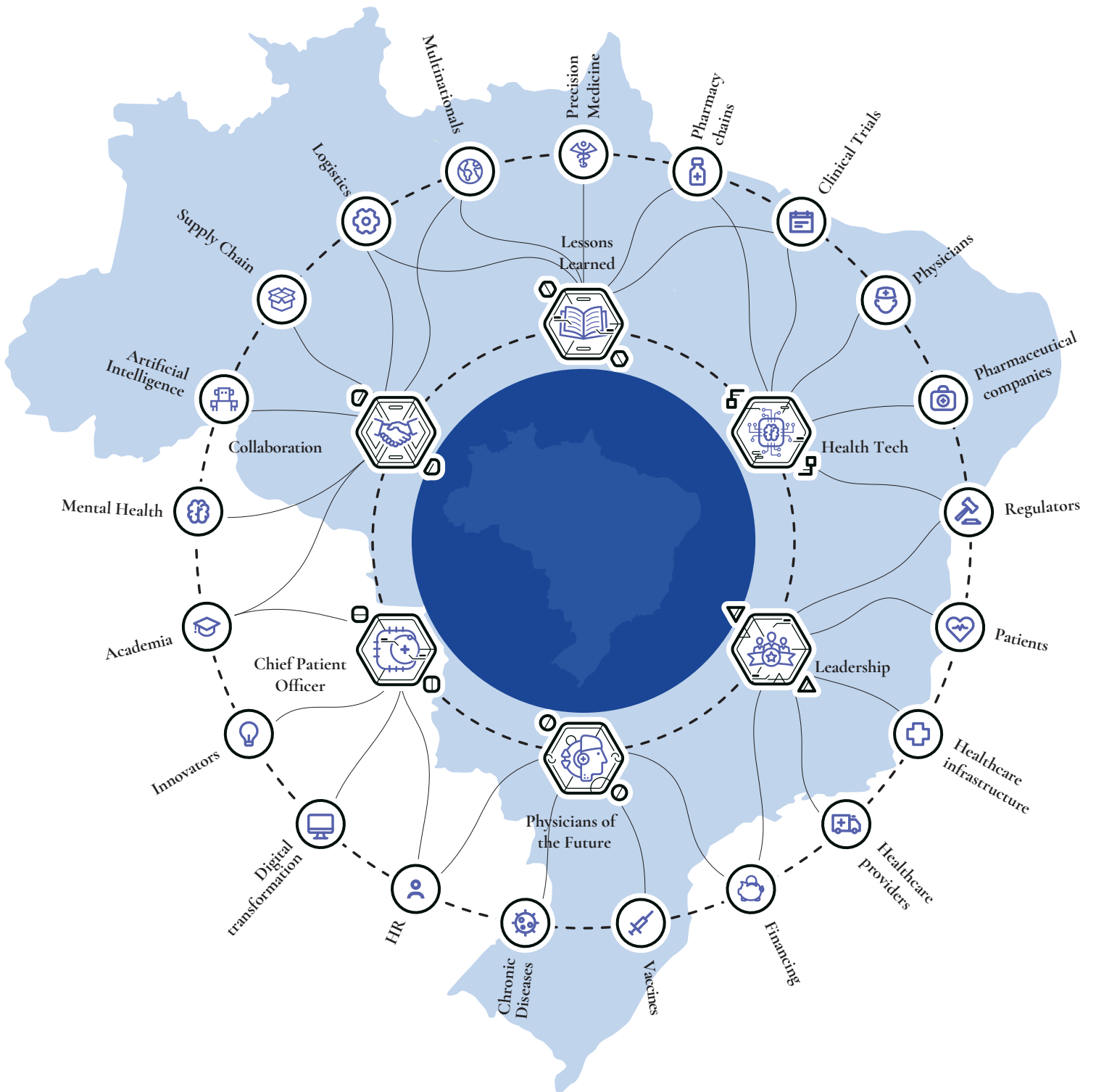
"The world has come a long way in the last two years; we have achieved things that would have taken more than ten years to achieve." shares **Nelson Mussolini**, Executive President of SINDUSFARMA.



"Brazil is a phenomenon from a healthcare perspective. We have diseases from three different centuries, the 19th, 20th, and 21st, and thus it is our responsibility to have the conditions to offer access to a broad range of therapies, covering a broad range of socio-cultural conditions" – **Antonio Britto**, Executive Director, ANAHP



The private sector is optimistic about employment and economic growth. According to data presented at the Expectation Forum 2023, organized by SINDUSFARMA in June 2022, the performance projections for the pharmaceutical market in Brazil are good, with an expected growth of 12% for this year and 10% in 2023.



Chapter I

The Healthcare Opportunity

Formulating Sustainable Healthcare is a Balancing Act. Healthcare is not just an industry; it's an equality booster and an economy contributor.

A Snapshot of Brazil's Healthcare

The pharmaceutical market in Brazil is expected to grow significantly over the coming years, with a compound annual growth rate of around 7.3% between 2022 and 2027. This growth is attributed to the increasing population, rising disposable incomes, increased access to healthcare services, and the rapidly expanding elderly population in Brazil.

As a result of this growth, Brazil's pharmaceutical industry is expected to become increasingly competitive and innovative. Pharmaceutical companies will likely invest heavily in research and development (R&D) for new products and technologies that address unmet medical needs. Furthermore, the government has implemented various policies to support the development of new drugs and promote innovation in the sector. These measures have enabled local manufacturing companies to access foreign markets through acquisitions or joint ventures.

In addition, Brazilian consumers have a growing demand for branded generic drugs due to their affordability and availability at pharmacies across the country. The government has also taken steps such as introducing price caps on certain medicines, allowing greater access to essential drugs at more affordable prices for low-income citizens. These measures have had a positive impact on the sector's overall sales volumes as well as its pricing dynamics.

Finally, digital health technologies are becoming increasingly popular in Brazil as they offer several advantages, such as improved patient engagement and better access to data needed for diagnosis and treatment decisions. Digital health initiatives are also making it easier for patients to find care providers while providing physicians with a platform that patients can use for online consultations. As a result, digital health solutions play an important role in shaping future trends within Brazil's pharmaceutical industry by making it easier for healthcare professionals to provide quality care services at lower costs.

Sydney Clark - Senior Vice President (LATAM), IQVIA, Brazil "Healthcare demand in Brazil is going to increase whether the GDP grows or not, since it's a demographic situation. We're aging fast, and the demand will explode; therefore, we need to be more efficient, and technology will help us. The public sector is low on tech compared to the private, and there's going to be a meeting point eventually. Healthcare in Brazil will grow exponentially in a stable economic situation and have sustainable growth. It's a favorable environment for providers, payers, and all players within the healthcare sector. It's our mandate as leaders to engage in debates, advocate, and champion the transition within the ecosystem with all the shareholders involved."



Healthcare impact on Economic Recovery and Productivity

"Health is an important determinant of economic development; a healthy population means higher productivity, thus higher income per head. The importance of human capital to economic growth cannot be over emphasized because it serves as a catalyst to economic development." - Health Economics Review



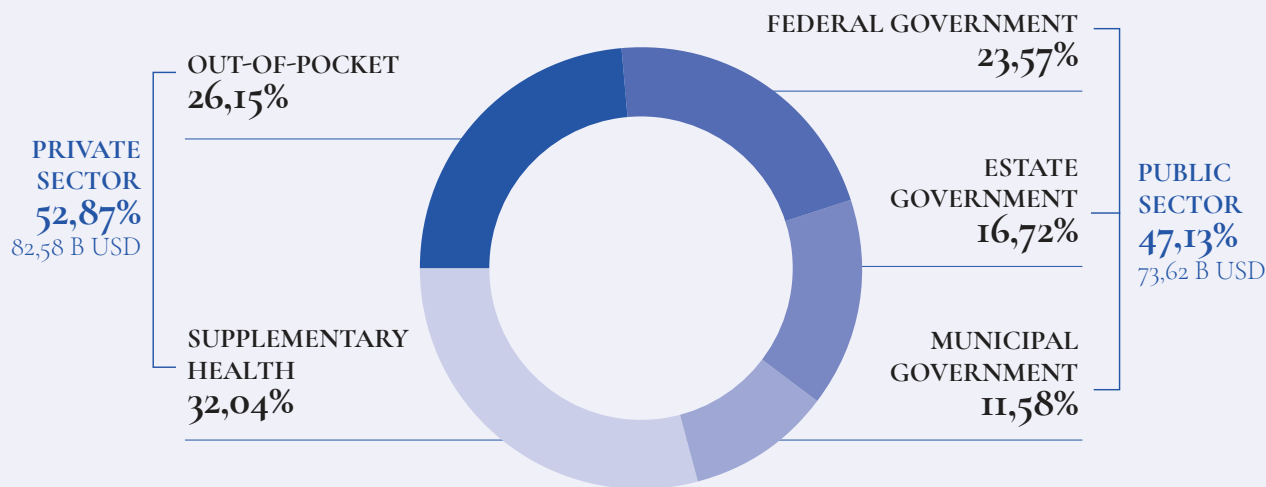
Source: Brazil's GDP Analysis, providing a perspective on the availability to spend: Focus Economics

A study done by Anahp, 'Observatorio 2022' using data from OECD, the National Treasury Secretariat (STN), and the National Supplementary Health Agency (ANS) suggests that health expenditures are equivalent to 9.47% of the Brazilian GDP in 2021, or 156.21B USD

(BRL 822.16 billion in current values). Of this total, 47.13% were public resources, and 52.87% were private resources. The fragmentation of the public system into the federal, estate, and municipal represents an area of access opportunity.

Health Expenditure as part of the GDP

9.47% of the Brazilian GDP in 2021, or 156,21B USD



Source: 'ANAHP's Observatorio 2022'

Latin America key drivers and constrains of Growth

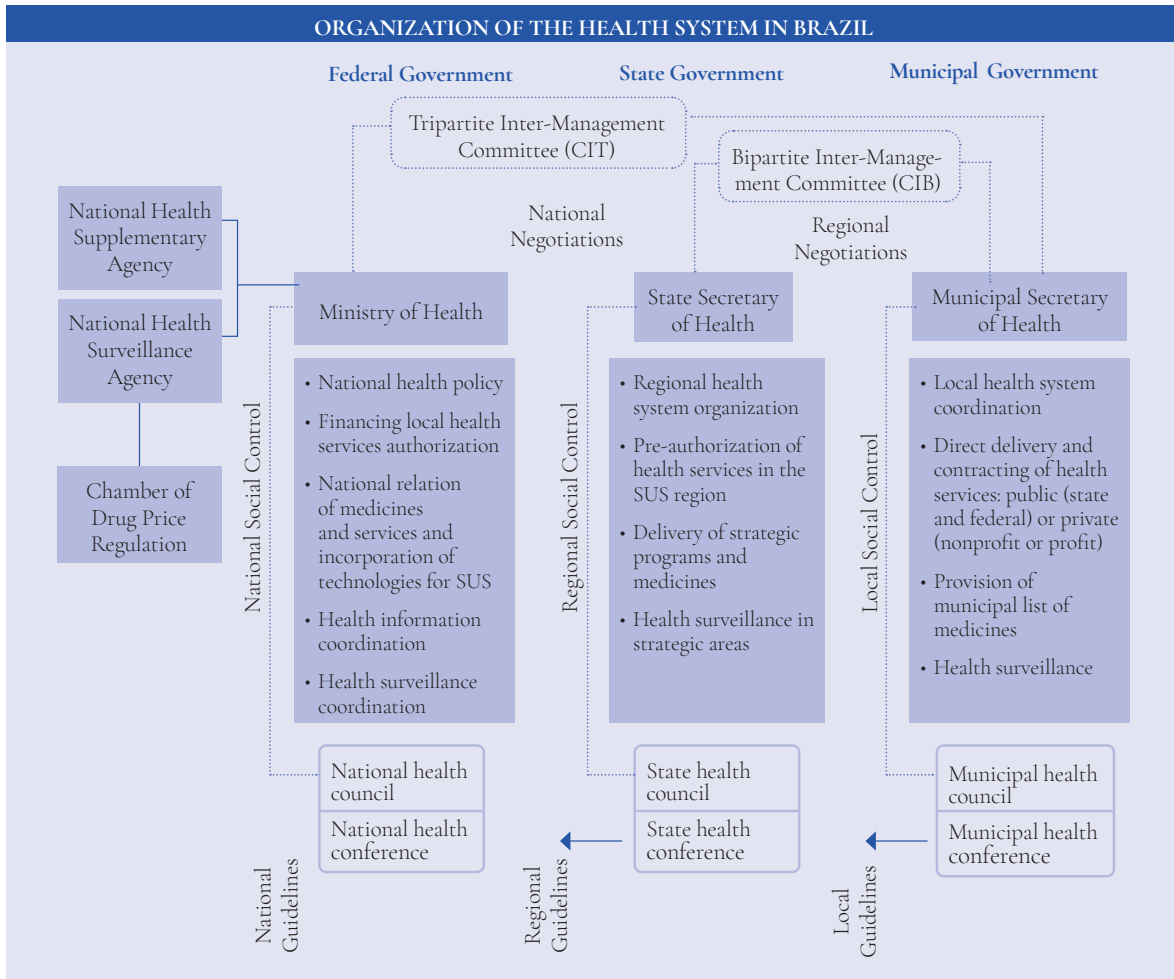
Looking into Latin America's drivers and constraints of growth. As hospitals minimized the flow of patients the retail sector performed strongly in 2020 in LATAM markets, as it absorbed unmet patient demand from the institutional sector. This is why according to IQVIA "The LATAM region is expected to post a CAGR of 9.7% over 2021–2026 in LCD terms, faster than the Middle East and Europe."

Latin America: Key drivers and constraints of growth



Source: IQVIA Market Prognosis, March 2022.

The Healthcare Management opportunity.



What makes Brazil a unique market?

“Brazil’s healthcare is unique in terms of how it operates compared to the rest of Latin America. On top of the public healthcare system, Brazil has a supplemental private system, with a dynamic coverage observed in developed countries. There is a unique mode of operation, and many companies have invested in understanding these different ecosystems and their needs. We are strategizing how we can apply new technologies to the Brazilian population. You can go to CONITEC and gain access at the national level, to state health secretaries, or at the municipal level. The same levels can be observed in the private sector, where you can go through ANS and get inclusion automatically. You can try it at the individual level. There’s a lot of investment from pharma in segmenting, understanding, and building specialized go-to-market structures.” Sydney Clark - Senior Vice President (LATAM), IQVIA, Brazil

SUS and the range of healthcare providers need to be developed more to keep Brazilians healthy and deliver a high-quality, people-centric, and sustainable healthcare system. Private actors are sizable players in the Brazilian health system, the private sector is present at the financing and provision levels of health care, and the role of private healthcare providers is evolving and regulated by ANS.

AMIL, one of Brazil’s leading private healthcare players, led by Chief Executive Officer **Edvaldo Vieira**, shares his current mission: “The company will grow if we generate and create more access for people. Our top priorities are growth, access, profitability, and customer experience as a differentiator,” and continues to highlight one of the biggest opportunities to re-shape private health coverage “It is interesting how, coming from a financial portfolio, I learned that managing a healthcare portfolio becomes a social and economic problem. The major issue I hope to transform in the healthcare sector is how we manage payments and reimbursements. If we manage the way payments and repayments are made, it will change how health is consumed. It is difficult to change; however, I believe innovation will come easily if this issue is resolved. It requires people with new minds to make a change because if we keep doing what we have been doing, we will keep getting the same results. There is a great momentum for things to change when recreating them.”



Paulo Rebello, President & Director at the Brazilian Agency for Supplementary Health, shares his view on the role of ANS in regulating the inclusion of new technologies.

“We are aware of the importance of speed in incorporating technologies. We went from having a review process that took place every two years to a process in which proposals are received and analyzed on an ongoing basis, and inclusions to the scopes can occur at any time in the process. Today, the deadline for the analysis of proposals is 180 days + 90 days. Technologies for treating cancer take between 120 days and 60 days to be analyzed. And technologies already approved for incorporation into the SUS are analyzed by the ANS within 60 days. No health system in the world analyzes proposals for incorporating new health technologies in such a short period.”

This rapid pace suggests that risk management among operators can share a new way of managing health “Regulation in supplementary healthcare faces some situations in which it is possible to share managing risks among the healthcare operators. The market needs to get organized.”

Ranking of supplementary health Operators Brazil

Operator	Beneficiaries	Market share
1 Notre Dame Intermédica	4,34 Million	9,0%
2 Hapvida Assistência Médica	3,95 Million	8,1%
3 Bradesco Saúde	3,66 Million	7,5%
4 Amil Assistência Médica	3,35 Million	6,9%
5 SulAmérica Saúde	2,46 Million	5,1%
6 Seguros Unimed Saúde	598 Thousand	1,2%
7 Prevent Senior	548 Thousand	1,1%
8 Assim Saúde	511 Thousand	1,1%
9 Porto Seguro Saúde	284 Thousand	0,6%

Source: ANS September 2021

Conitec’s perspective on technology incorporation

“Health services are not free, and resources are not unlimited. Health economics comes to help decision-makers to make a more efficient allocation of health resources and increase the social well-being of our population. By incorporating new technology, other people may be denied resources and goods. It is important to manage limited resources,” analyzes Vania Canuto, Director of Health Technology Management and Incorporation and Innovations at Conitec.

Some of the criteria of innovation adoption assessment:

- Legal Aspects in Funding Agreements. Payments made today with future benefits
- Price & risk to the system’s sustainability.
- Cost-effectiveness thresholds
- Price and Costs transparency
- Potential reduction in health costs vs. Increase in related/ non-related costs
- Reallocation of financial resources from other diseases.
- Budget Forecast.

BRICS Forecast of source of health spending per capita for the years 2020, 2025, 2030.

	2020			2025			2030		
	Government spending per capita (\$)	Prepaid private spending per capita (\$)	Out-of-pocket spending per capita (\$)	Government spending per capita (\$)	Prepaid private spending per capita (\$)	Out-of-pocket spending per capita (\$)	Government spending per capita (\$)	Prepaid private spending per capita (\$)	Out-of-pocket spending per capita (\$)
Brazil	663 (616,711)	504 (468, 539)	406 (394, 418)	713 (635,790)	585 (496, 675)	406 (393, 418)	761 (662, 860)	667 (514, 820)	406 (393, 418)
China	609 (553, 664)	81 (71,91)	370 (348, 393)	779 (569,989)	121 (84, 158)	472 (395, 548)	949 (527,1370)	161 (86, 235)	573 (425,719)
India	85 (76,94)	32 (29,36)	190 (179, 200)	110 (77, 143)	42 (32,53)	229 (193, 266)	135 (69, 201)	53 (34,72)	268 (198, 339)
Russian Federation	871 (716,1028)	40 (18,63)	670 (625, 715)	870 (544,1197)	40.4 (0.8, 80.1)	759 (672, 845)	870 (428,1312)	40 (1,92)	848 (733, 963)
South Africa	648 (578, 719)	444 (396, 492)	96 (85, 107)	660 (445, 875)	445 (350, 539)	101 (58,144)	665 (311,1020)	445 (318, 571)	106 (19, 193)

Source: Health Research Policy and Systems (2022) / Future health spending forecast in leading emerging BRICS markets in 2030: health policy implications

What improvements would you make to the Brazilian healthcare system?



“The increase of telemedicine. It is the way to cover the gap between the capacity and the necessity shown by the people. Without it, we will collapse. We do not have communication structures for telemedicine, and we do not have medical colleges, but despite a long list of lacks, telemedicine was imposed by reality and necessity. We have incredible figures in the private sector; 6.5 million use telemedicine. I hope after the pandemic we can organize a telemedicine system. To do that, we need to prepare people to work in telemedicine; we need to define what we want with telemedicine; it must be a way to improve access and not only reduce costs. Telemedicine is probably the biggest opportunity to make Brazil more equal, particularly through transforming access for poor people and those living in rural areas.” **Antonio Brito**, Executive Director, ANAHP



“We are stewards of health in the public and private sectors. Brazil is a major player in the world’s economy, not only for the food supply but also for climate support. When looking at the matrix of our population, we are a diverse population. It is important to have diversity in clinical trials because we have microcosmos of different representations.” Brazil is a country of contrast. One hundred fifty million people don’t possess private healthcare and depend 100% on the government for their good health; 50 million have private healthcare.

There is a huge movement of consolidation taking place in Brazil right now. There is a lot of interest in funding and venture capital coming to the country. But I am concerned by the verticalization in the private sector. Once you try to control the entire value chain, quality decreases, and people’s expectations of private health insurance will no longer be a best-case scenario.” **Gaetano**, President and General Manager BMS Brazil.



“Access to innovation means that innovation reaches all who need it quickly. The cost of the invention can be decisive, although first regulatory barriers must be overcome so that products are approved reasonably while guaranteeing safety and efficacy. The whole ecosystem must work together to find the necessary and creative solutions to health. Today it is Covid, but the WHO has already stated there will be a serious issue with antibacterial resistance before 2030 because companies are not investigating antibiotics enough, and there isn’t a rational use of antibiotics. We should work towards using fewer antibiotics and, crucially, using the right antibiotic for the correct period. In Brazil, public health expenditure on medicines represents 15%, and in the private sector, 7 or 8%. We could achieve effective and affordable management by working together and generating greater efficiency in the system so that health investment is prioritized. One way of managing this would be to work on the 15% of the public sector and not on the 85%; and within the private sector, focus on the 7% and not on the 93%.” **Hugo Nisenbom**, President MSD Brazil & Interfarma’s Board President.

As an executive who has worked in various parts of the world, what is your personal definition of access?

“Brazil has a reasonably good healthcare system; it offers universal coverage, which is not the case in all markets, especially in emerging markets. Mexico is working on universal coverage, but only those with formal jobs have had access for many years, meaning half the population has had no access. Brazil faces financial challenges, of course, but it offers efficient treatment for all major chronic and acute diseases. Anybody from the broad population can access treatment or surgery, cardiology support, etc. The speed of innovation access is another matter; rare diseases can be complex. Access is not easy, especially for rare diseases requiring hospitalization. It is a slow administrative process, but it works, and chronic outpatients have access to basic treatment. The period from the appearance of innovation and its potential availability in the public system can take five years or more for obvious financial reasons. There is a discussion of price-value, and because the responsibilities within the system are scattered, it is not easy to convince them all as the benefits don’t favor all stakeholders. It is a short-term challenge that must be addressed.” **Marc Hasson**, Country Managing Director, BI Brazil



Part of the SINDUS-FARMA’s agenda is to reduce the tax burden on medicines for human use, which currently corresponds to an average of 31.3% of the consumer price - one of the highest in the world.

Chapter 2

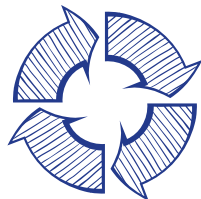
Insights The Healthcare Revolution

When Challenges Become Opportunities

Foundations for the Future.

Industry leaders have expanded their skillset by implementing technological solutions and stakeholder-inclusive decisions. Following a global healthcare turmoil, managers are positioned to distill lessons from this period in its development toward a sustainable and robust health system. This will require bridging tactical decisions tailored for the COVID experience with strategic decisions based on the future, ensuring that pre-COVID care is adequately addressed.

What can be leveraged from the last 2 years into the future?



Agility and decision-making

“First, we need to observe flexibility for all stakeholders within the healthcare ecosystem and be able to move very fast. The second is the digital and technological aspects. We made a big jump in increasing competencies and capabilities across the digital spectrum and using technology, which is a game changer. A good example is meta-te-

lemedicine. The third lesson is that there was a surge in health awareness, prevention, and treatment, unlike at the beginning of the pandemic when people panicked about death”

Sydney Clark - Senior Vice President (LATAM), IQVIA, Brazil



Medical Cost inflation

“We are trying to consolidate all the learnings from the pandemic to create innovative models moving forward. One must be a big player but innovative player to survive the market. To stay competitive in the market, several providers look for innovative collaborations. One of Brazil’s biggest challenges is medical cost inflation. Inflation limits access and waste from 20 to 25 percent, which costs many medical costs. However, efficiency is on our agenda. This year, we will focus on applying verticalization to lower market prices and create better access to healthcare. Also, the pandemic is not over yet; the current Covid wave has increased medical costs, putting much pressure on the sector.”

Edvaldo Vieira, Chief Executive Officer, AMIL.





Reinvention & efficiency

“One of the most important lessons for the private sector was every-day reinvention. Today, hospital management teams are more flexible, creative, and organized. There are many extraordinary examples of small hospitals drastically increasing their treatment capacity. The human capital was a group of heroes.” **Antonio Britto**, Executive Director, ANAHP



Re valorization of Diagnostics

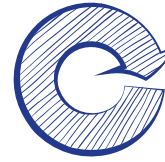
“70% of all the world’s clinical decisions are based on diagnostics. On a global level, only 2% of the healthcare expenditure is spent on diagnostics. In Brazil, that investment is much lower, at 0.4%. An objective is to influence the government’s healthcare authorities and regulators’ agendas, to make sure that we reflect that, and to invest more in diagnostics” **Carlos Martins**, President Roche Diagnostics Brazil.



Managing Uncertainty

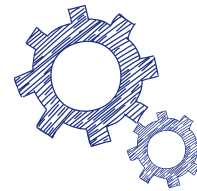
“Looking back, we worked to the best ability, but the pandemic was a huge learning experience for all of us. We had to learn to manage uncertainty. We knew about managing business uncertainty, but not when it involved COVID-19 and a pandemic. It caught us off-guard, and no one expected it to last as long as it did and still has. There are always new opportunities in periods of uncertainty and change, and we worked on detecting them. For example, an opportunity that arose from COVID was telemedicine; this meant learning new ways of working through new challenges. I was appointed to Pfizer Brazil in February 2021, at the beginning of Brazil’s second and worst COVID wave. Hospitals were full, and the government had not yet approved the vaccine. My role was to work with the government in the vaccine negotiations, and my mission was to close the vaccine deal because Brazil needed it. To guarantee the continuity of the business, the

health and security of our colleagues and operations as we weren’t just selling vaccines, we were also selling lifesaving products.” **Marta Diez**, Country Manager, Pfizer Brazil



The only constant is Change

“At the beginning of the pandemic, the only ‘constant’ was change, and adapting to that required a change of mindset. The impact was the same for everyone, so it was interesting to see how each stakeholder adapted. It affected businesses, markets, industries, and countries. People became more health conscious. The healthcare sector was at the forefront of the pandemic, and the pharmaceutical industry helped control and end the pandemic through vaccines. The partnerships between our industry and governments sped up vaccine production and were essential.” **Omlton Visconde Jr** - Chief Executive Officer, Celleria Farma, Brazil



Post Covid Strategy

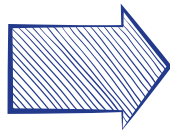
“Back in March 2020, we knew nothing of COVID, and from a business perspective, my first move was to create a strategy based on three pillars: i) Price & Strategy, ii) Priorities: protect our people, mitigate the business short term losses, and have a contingency plan and go step by step and work on digital initiatives, iii) Communication Plan: weekly meetings with company leadership for process decisions -right or wrong, they had to be made. We started a post-COVID strategy and built resilience within the business and our people. Before the pandemic, there were no laws covering home-office in Brazil. Beyond the pandemic, we must get the patients back to healthcare. After the last two years, the focus must be on the patient’s journey. Regardless of the segment, retail or private market, the pharma companies must work hand in hand with the product and patient’s journey. The pandemic and these last two years have changed the mindset, the skill set needed, and even the benefit of certain drugs that add value to patients’ lives. With the digital transformation happening worldwide, there are new opportunities, and we are investing heavily in medical education and digital, never losing track of the patient’s journey.” **Laurena Magnoni**, Country Head, Besins Healthcare, Brazil





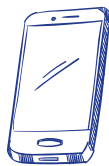
Health prioritization

“These last two years have been a reminder not to take health for granted. We learned a lot during this pandemic. At Johnson & Johnson MedTech, we are proud of our agility, the partnerships we forged, and the closeness to our customers. Brazilians are prioritizing health over another discretionary spending. We have a huge responsibility to offer quality healthcare and more patient access. J&J MedTech is committed to giving doctors the right tools and works with healthcare partners to ensure that patients have better care and a better outcome. We strive to create a connection with the patient from the pre-operative to the post and a better connection to the doctor.” **Gustavo Galá**, President, Johnson&Johnson MedTech Brazil



Acceleration

“The pandemic was a time of acceleration in digitalization, R&D process, and a more flexible working environment. It was a time to experiment with new ideas and ways of doing things quickly—all in all, with positive results. At a time like this, we learn how essential our industry is. Our people worked with a strong sense of purpose and responsibility, realizing the importance of their work. The experience has made us stronger as people, an organization, and a business.” **Marc Hasson**, Country Managing Director, BI Brazil



A digital forward mindset

“One of the biggest lessons everyone learned was adapting to the unknown. The pandemic accelerated new technology coming into the market because many companies had to reinvent themselves. Several MedTechs and start-ups in the health-tech segment grew during these past two years because they were more digitally advanced and prepared and took the opportunity to participate in the market.” **Leonardo Cunha**, Vice President and General Manager LATAM, Steris



“The pandemic expanded the digital market and increased opportunities for many people. One of the positives of Covid was the incredible opportunities to transform and grow digitally. Importing APIs and finished products were a major challenge. We channeled many resources toward producing and supplying these products to all consumers globally. The training tools developed during the pandemic enhanced product and behavior training. Many representatives

could not connect with doctors at the pandemic’s onset. Therefore, platforms were built for doctors and consumers to communicate. Our platform educates on our products and connects users to doctors. It was developed in three months and ran for about a year and a half. The platform allowed doctors to interact with the product details and get their insights. Agility is important. Companies that act fast make a difference. Technology is more common than it used to be. as a result, there is more access.” **Carlos Aguiar**, South LATAM Head, Glenmark Pharmaceuticals



Importance of continuity of diagnostics and treatment

“During the pandemic, we had to adapt treatments and diagnoses of oncology patients. In parallel, there was a big advance in telemedicine which was the main tool used to maintain the connection between patients and caregivers. There will be a need for the industry and healthcare to make an effort to restore the diagnosis and non-Covid treatment; the numbers speak for themselves; at the end of 2020, we had 50% fewer cancer-diagnosed cases, and this is accumulative. We need to ensure that patients get their treatment and feel safe and confident.” **Patrick Eckert**, General Manager at Roche Brazil



Cohesion and Unity

“We learned of the importance of collaboration and unity, especially from a leadership perspective going into the future. The healthcare industry is very fragmented, and one of our key learnings was the imperative need to work together for the first time. I saw different sectors of healthcare come together in a moment in which it was most needed. In terms of a regulatory standpoint, things have changed too; an example is a telemedicine and how the framework was established and operated from urgent necessity. Two years ago, this was not the case. Today we see the healthcare sector as one; the integration has resulted from a crisis that we fought together. However, some parts of the value chain have different objectives. In a way, it is natural not to expect this integration to come smoothly and aligned, but the learning here is that we can do it together. There are many examples within companies and industry segments where collaboration was very strong. An example for Novartis was our collaboration with Moderna, where we provided our scientists and our sites for the public sector to vaccinate the population. It will be very important for us as leaders when we get out of the pandemic to ensure that we do not have any stepbacks; we should get the momentum going.” **Renato Carvalho**, Country President Novartis





Mental Health management

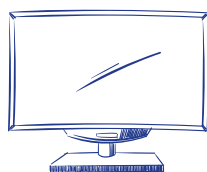


“Working in the CNS field, I learned about the importance of mental health disease treatment as the numbers are increasing, especially for untreated people. I learned that people should re-evaluate their lives and give more attention to their family members. Personal reflection is integral as we lost quite a several people during this period.” **Josiel Florenzano**, General Manager, Lundbeck Brazil



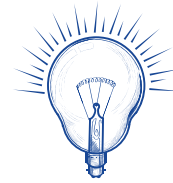
Quality matters

“Pharma companies faced many hurdles with delivering products, and there was a huge impact on costs. However, despite difficulties, it has also been a great learning opportunity on the importance of quality service. We have primarily learned not to react impulsively and acknowledge situations before making decisions by being aware that we operate in dynamic scenarios. We have learned not to lose long-term perspective even though solutions need to be planned quickly in the short term. Perspective is crucial in healthcare, as is engaging with your team, sharing strategy, communicating, and avoiding hugely impactful decisions. It has been very enriching for the company to face the consequences of the pandemic and understand the management of different local markets with diverse characteristics.” **Mauro Loch**, General Manager, Cardinal Health



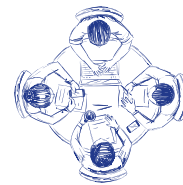
Remote Management

“Meeting people in person is different from meeting them virtually. There are a lot of nuances that you cannot perceive through a camera. By not being able to meet the team for six months, I trusted, empowered, and managed them by giving them clear directives. I have an open-door policy which has allowed me to have crucial conversations with each manager. The team outperformed itself and exceeded my expectations in the subsequent months. Whenever a problem arose, fast and efficient solutions were produced. Managing from a distance was one of my biggest leadership lessons during the pandemic.” **Rafael Suarez**, CEO Brazil and Head of LATAM, Ferring



Proactivity

“In a troubled environment like the pandemic, we must be proactive. Historically, the pharmaceutical industry has always taken a back-seat approach in troubled times, waiting for direction through essential players. Due to the lack of products and supplies and fear of showing weaknesses, companies went to governments and banded together to get solutions for COVID-19 quickly. Opening up to governments was a step forward because companies had never had this flexibility. This collaboration changed the dynamics of our relationships and opened doors. I would like to see more of this type of collaboration. This pandemic showed us that it is possible.” **Roberto Vieira Rocha** General Manager, Teva Brazil



Hybridism

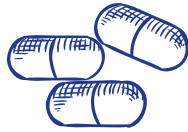
“We learned about online and hybrid working, which has become a working reality. Technology is a key issue; despite its previous importance, it's now even more crucial. We have seen the relationships with our clients change; nowadays, they no longer want to meet in person. Instead, they request that things be carried out online. Many physicians want to avoid receiving work in person, leading to a learning curve. Technology is changing business. We have learned lessons about the supply chain. We saw many companies that needed help with purchasing and production. We must also look at the changes in recruitment and be flexible. If we don't offer flexible working conditions to employees, they are likely to choose another company that will. In addition, we must consider the importance of sales and promotion through the internet. Online sales now contribute 8% of total sales across the country; this figure has doubled since COVID-19. The matters of promotion, sales, and the use of technology are important teachings from the pandemic.” **Ricardo Pacheco**, CEO Cristalia



Tactic and Strategic balancing act

“We went from planning long-term to planning day-to-day. Each new day brought challenges, so we adjusted our plans to accommodate the constant change. Decisions on what to import and how to manage supply chain disruptions are crucial, and so are structuring and training

to expand our service team. We had all these issues in mind and made decisions based on the most critical challenges. We now have more tools at our disposal, thanks to digitalization. We built on top of the set foundation using digitalization and connected with more people who opened more channels for us. We learned to be more flexible, take more risks, and better navigate uncertain circumstances.” **Adriano Caldas**, Vice President Latin America, and General Manager Brazil, Guerbet.



Resources management

“After the challenges, our main objective is to be efficient with our resources. To achieve this, we must be able to control and manage the operations in terms of reducing queue times. A shorter time means fewer costs. COVID made us grow fast in the capability for shorter queue times for patients in the emergency room waiting for a bed.



Still, we also had to use our resources daily to remodel the entire operation. I did my Master’s in Pandemic Administration, and from this experience, I will be able to manage other crises in a structured way and address the problems.” **Dr. Rafael Cremonese**, CEO – Hospital Mãe de Deus



Government relations

“If we are focused on something and work together, we can do impossible things. Brazilians had no treatments or vaccines, and it was one of the most COVID-impacted countries. Our mission, which is also one of the organization’s diagnostic objectives, is to provide a solid testing infrastructure to the Brazilian private and public systems. A big lesson was that mental health was important and that we needed to provide a lot of support because we had a lot of cases of people struggling with their new way of working from home.



We also learned much in negotiating with governments to be better prepared for such situations from an organizational standpoint. We must empower people to create access and ensure our products and solutions get to those in need.” **Carlos Martins**, President, Roche Diagnostics



Purpose matters

“We were digitally unprepared for the pandemic. Platforms like Zoom, Teams and other teleconferencing platforms became the new normal. The primary concern was safety, which led to many contingency plans. As a company, we were navigating through uncertain

times; there was no knowledge of when the vaccine would come, even though we knew it was the solution. The company’s behavior changed when the vaccine became a possibility. Suddenly, we had a purpose because we could help save lives. There was solidarity among employees and employers, and keeping employees safe was the top priority. Expanding our microenvironment was also crucial to our survival. The pandemic has changed interactions among colleges, friends, and family. People now think twice before they get close because they have to think about the safety of being in contact with another person. Being cautious has become second nature for most people, so we should be considerate when people continue being cautious after Covid is gone. Patients with diseases like HCV and HIV could not visit physicians, which changed business for the sector. We had to adjust.” **Christian Schneider**, General Manager, Gilead Brazil



Team forward

“For three months, I was simultaneously responsible for Mexico and Brazil, and putting our people first was the most important lesson. Merck was very pragmatic in this sense. The message was clear, people first to keep the business continuity and focus on coming back stronger. All the messages and actions reflected those guidelines. The elevated level of engagement in Brazil and Mexico during the pandemic was especially important to us. Another lesson was to make decisions to maintain the business and to protect the areas where we could not stop working, like the manufacturing sites and the logistics. To do that, we had to protect the teams and the business.” **Jose Coelho**, President, Merck Brazil



Beyond company Results

“The lessons were learned pre-pandemic, but the pandemic taught us their real value. We knew we had to look after our people, ensure continuity of medical supplies and clinical trials, and keep the business going – in that order. We took decisions and actions, prioritizing doing the ‘right thing.’ With very few surgeries during the pandemic, some areas of our portfolio have changed radically. Certain drugs were not required, and the demand for antibiotics fell drastically in Emergencies. Good company results are no longer enough; now we must offer a “Ministry of Joy” and understand there are different organizational profiles and each worker must be secure and comfortable in the working environment.” **Hugo Nisenbom**, Country Manager, MSD BRASIL

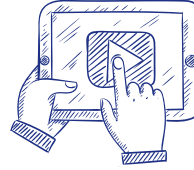




Learning & Readapting

“I have learned a lot of amazing lessons over the last two years. In January 2019, we acquired Celgene. We were in the integration process in November 2019 and had a large spillover of jobs, processes, people, and other technicalities. Early In March 2020, we announced the new company, and on March 13th, we were all at home in lockdown. We have identified two groups of people that emerged during the pandemic. One group feels more productive when they work from home. The second group of people is those unwilling to return to the office. I have shared my experience with other companies and sectors on how a tentative policy of a hybrid work model is the worst-case scenario. At BMS, we have a clear policy on workplace conduct. We came up with collaboration days, so every Monday, Tuesday, and Thursday is a collaboration day. Employees can interact with others and boost their morale if they choose to go to work on any of those days. I am very proud that our employee engagement level is one of the best among multinational companies. Leaders need to be more understanding; I became a more inclusive leader without realizing it.

I am happy that we are slowly adjusting to office life again. This year, we are learning the importance of returning to the past for guidance and integration. We are learning to listen to our employees and encouraging them to speak out.” **Gaetano Crupi**, President and General Manager, BMS Brazil



Shift in the functional paradigm

“The pre-pandemic general assumptions vanished when what we thought impossible was achieved during the past two years. I managed the global vaccines division from my office in London through digital tools and platforms. Most of the people I hired during the pandemic have not met in person, and they are some of my best relationships. Reinventing ourselves triggered more meaningful and sustainable interactions. It was a complete shift in the functional paradigm. Managers and leaders went on a journey from activity-centric to people-centric; this included employees. My agenda is mainly people-centric and has become the backbone of all my decisions.” **Andre Vivan**, President, GSK Brazil



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Making Healthcare Sustainable

The Chance for Change

Every country in the world has yet to figure out the formula for an integrated, sustainable healthcare system to respond to its population's growing needs. An aging society, a sedentary lifestyle, and ongoing economic challenges threaten healthcare systems worldwide.

In Latin America, where the disparity between the public and private health sectors is enormous, reducing healthcare costs is almost a matter of national security.

Quality and safety for the patient are paramount. Prioritizing quality and safety is a concern as healthcare systems tend to optimize for volume and broader Access, which usually means compromising on other variables. The right amount of control is needed; it lies in the

hands of health institutions, pharma companies, and governments to collaborate and embrace the opportunities enabled by new MedTech or Telemedicine advances.

Early detection and easier diagnosis accelerated through AI & data processing can reduce the number of hospitalizations, allowing the healthcare system to reduce expenses without affecting the quality of drugs, services, or devices. The key problem: currently, health data has no clear owner; therefore, the only way of unlocking our data and making a difference in the healthcare system must be through working together.

Data driving Access. The role of information infrastructure.

“If you cannot measure it, you cannot improve it.” Lord Kelvin, also known as William Thompson

To meet Brazil's health challenges, the country needs a strong health information infrastructure and effective use of health system data. The health system must embrace the power of data and digital health services to improve quality and serve the most remote and poor parts of the country. Brazil already collects many digital health data, although it needs to catch up in data availability, reporting, governance, and integration. Brazil's political structure -a federal republic- is a key component of the efficient functioning of data governance and accountability for integration and coordination at the federal, state, and municipal levels. Data standardization is vital to improve data collection procedures and reliability and building capacity through Access to essential infrastructure, training, and economic incentives.

Management of information systems increases efficiency and cost-effectiveness and drives value-based healthcare, but reliable data and procedures are not as yet readily available

- Digitalization, eHealth, and telemedicine are rising in Brazil, but it is a fragmented market. Hospitals, insurance companies, local companies, and start-ups competing for market share have developed many 'homegrown' solutions.
- There is an increase in demand for home care services
- Medical devices and supplies offer solutions for healthcare delivery in diagnostics and treatments and related processes.

Finding sufficient financing for the universal health coverage of SUS has been a constant challenge, not helped by persistent ineffi-

ciencies in the use of resources in the Brazilian health system. While Brazil spends a lot on health, almost 55 % of this expenditure is private, either via voluntary private health insurance or direct payments by households.

The administration of a complex, decentralized public health system, where a large share of services is contracted to the private sector, causes contradiction, as does the presence of a strong private health insurance sector. The Brazilian health system is heterogeneous and needs standardization and a new industrial policy. Not making the changes will mean an inability to participate in the global supply chain. The challenge is ultimately political; state intervention is needed to face issues such as local production, data integration policies, and expanding digital Access.

“Brazil needs reinforcement in all its policies and data integration. Data information, data policy, and digital health require strengthening through public policy and expanding digital Access. Brazil has a universal system based on the principle of integrality with all primary and specialized care levels, which, if strengthened, can make a difference.” **Nísia Trindade Lima**, President, Oswaldo Cruz Foundation FIOCRUZ





We discussed with **Edvaldo Vieira**, Chief Executive Officer, AMIL:
What role does digital transformation play in Access?

“The pandemic sped up the digital transformation process. Many companies created and adapted to digital platforms during the pandemic. Adoption made businesses more efficient and improved customer experience. The usage rate of our website and app before the pandemic was 37% and rose to 97% during the pandemic. One of the most relevant examples of digital transformation in Brazil is telemedicine. Before the pandemic, we had 1,000 consultations a month. We launched our brand and model aggressively during the pandemic, increasing our talks to 80,000 monthly. Currently, there are more than 2 million consultations in telemedicine.

Brazilian culture is very hospital-centered. People here believe that any ailment can be healed in a hospital. Digital transformation

Pharma’s Digital Journey

Digitalization has become a high priority for health organizations. Businesses have needed to be more agile to comply with home office mandates and have been forced to rely more on technology to keep their business operating. Nowadays, pharma companies view digital as an integral part of their business, aware of the need to integrate data and technology into everything they do, from drug discovery to patient journey mapping strategies. Managing the ‘analogic’ and ‘digital’ worlds have become integral to the new leader’s skillset.

How is Digitalization improving people’s health?

“Many companies have successfully transformed. The adoption of technology and the impact that it has made on the workplace can be compared to the arrival of electricity last century. Pharmaceutical companies have different degrees of development depending on the understanding, commitment, or desire to transform. The Brazilian doctor is generally conservative, but there has been a rising curve and an evolution occurring over time. The business does not change; what changes is how the company is managed and improved through new management tools. The requirements in all transformations are i) Change always starts from the top, ii) long-term planning cycles are over. We must work with our teams on changes, adaptation opportunities, and risks within shorter time windows, iii) it is a learning process; digital doesn’t have all the answers, but they are a means for solutions.

At MSD, we did a deep digital transformation; we are among the most advanced pharmaceutical in Brazil in the new working ways. We weren’t particularly digital, but we realized its importance, had leadership and brought in experts to help us. We hired a CDDO (Chief Digital



Data Officer) who was key in our transformation. Now, decisions are made quicker and more interactively based on data, and the CDO removes the obstacles. Resources are strategically and flexibly assigned to opportunities,” **Hugo Nisenbom**, Country Manager, MSD BRASIL.

How has the physician’s and patient’s journey changed with Digitalization?

“Doctors in Brazil are now allowed to use telemedicine which is unique for Brazil because it was not allowed pre-pandemic; this means physicians are also learning how to see their patients through teleme-

changed the acceptance of telemedicine after the pandemic. Many patients turned to telemedicine to avoid overcrowded hospitals and the risk of getting contaminated. People realized telemedicine works well; customer experience is better and more cost-effective. Telemedicine helped solve 90% of people’s ailments, which freed up hospitals. Therefore, telemedicine services can impact the operation services in hospitals.

Our approach with physicians was centered on customer experience and how ‘digital tools’ would allow them to improve this. Telemedicine creates better Access and provides the right care at the right moment and place. The industry will balance telemedicine and regular in-person checkups moving forward. The healthcare market in Brazil still has an opportunity to mature and change. Our challenge is to generate and create more Access to people and reduce medical costs. It will be a new time; new business plans will come to light, and it will be an exciting time.”

icine. That’s something that we as an industry need to understand so we can take better advantage of it, and in return, the market dynamics will also change substantially. We still have a lot to learn, so we are partnering with a third-party company to help us identify the new trends regarding physicians. Physicians over 50 prefer the way things are, but the young generation thinks differently, and we are changing the profile of our future scheme. We want to be pioneers in new technologies, such as gene therapies because that will be the future.” **Ricardo Ogawa**, Country Manager Astellas Brazil.



What is the role of Digitalization in improving Access, and what is the adoption rate in Brazil?

“We are strong players in both pharma and animal health. We have been outgrowing the market in the past years. We employ just under two thousand people and have two manufacturing sites, one for pharmaceuticals and one for animal health. The animal health market in Brazil is the third-largest in the world, after the US and China, and is our fastest-growing segment; it grew twice the rate of the pharma market last year.

Brazil is quite advanced in digital in the financial sector, at the level of some European countries, so the culture is there. Digitalization can help in two main areas: i) the acceleration of R&D time frames (clinical trials, approvals, AI for healthcare data basis) and ii) help improve Access in the country through medical education. Increase the number of people who attend our events, and we can have experts online from different parts of the world to give talks and information. We have built sophisticated digital training programs that accelerate healthcare access. We saw the acceptance and adoption rate statistics and screen level interaction between pharmaceutical companies and physicians on a day-to-day basis was much higher in Mexico than in Brazil. We have slowly embraced remote interaction as face-to-face is preferred in Latin America. This will gradually change, but now that we are not forced to stay at home, the small level of remote acceptance has dwindled. Some physicians have favorably adopted digital interaction, but they are the minority as most value personal interaction.”

Marc Hasson, Country Managing Director of BI BRAZIL





Michel Conte, Country Manager UCB BRAZIL

Could you elaborate on your company's DBT (Digital Business Transformation)?

"We have hired a professional to lead the transformation, and our ambition is to create our channel platform by 2023. We have invested in excellent tools but must be linked together in a common direction. The DBT will be our future way of working and will include space and respect for our customers, prove our resilience, and reach areas where we haven't had a presence before. Brazil is a vast country, and we cannot reach all its corners, but DBT will go a long way in helping us to be more .

How is the adoption of Digital by physicians and patients; are they prepared to use the assistance of technology?

"It is a challenge, especially in the public sector. Brazil has 26 states and the capital state, 5600 different cities, each with its health secretary. The infrastructure is an issue, as are the conflicts of interest between the public and private sectors. But, since the beginning of the pandemic, we have closed three big deals with the Minister of Health using zoom, something that would have never happened pre-pandemic.

We have products for epilepsy which is part of our main business, and Parkinson's. We are looking for local partners for our life cycle management, specifically for battling against BGX and GX. More entities will be forthcoming, and we need to find new markets."

"Digital is both a challenge and an opportunity. We always compete for consumer attention, and all companies want a small piece of the physicians' and consumers' attention. Healthcare professionals can now select how to interact with additional inputs like webinars. There are more challenges and an opportunity to achieve better quality relationships; quality is the most important part of the relationship, better than the quantity of attention. We are changing our approach and how our medical visitors behave when visiting doctors. We first try to understand what the doctors need and how we can help them, which seems a simple difference but is quite revolutionary. Our reps listen to the doctors' and patients' needs to adapt solutions." **Philippe de Carvalho**, General Manager at Pierre Fabre Brazil



Patients Journey: "After the last two years, the focus must be on the patient's journey, especially in our case as we work on replacement therapy for men and women, which is also true for other companies in our segment. There are many opportunities in the digital transformation sphere, and we are investing heavily in medical education, never losing track of the patient's journey." **Laurena Magnoni**, General Manager at Besins Healthcare



Physicians Journey: "The pandemic advanced the use of technology, and the key element we are exploring is how we take the relevant content at the right time so physicians can use the information and continue to educate themselves." **Renato Carvalho**, Country President Novartis



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Assessing the Impact of Brazil's Digital Transformation

Steppingstones to Broaden Access and the Public Sector's kick off a digital integration campaign. "For Healthcare IT, the Ministry of Health announced investments of US\$ 83 million by 2020 to digitalize the public basic care units of the country's Unified Health System (SUS). The Ministry of Health has established the "Digital Strategy for Brazil", to plan, organize and boost the integration of digital solutions and platforms in the public system from 2020 to 2028." – Trade.gov

Digital Health Strategy for Brazil 2020-28

The seven priorities of the Action Plan

1. Governance and leadership for the Digital Health Strategy

Ensure that the Digital Health Strategy 2028 is developed under the Ministry of Health's leadership and incorporates external actors' active contributions.

2. Digitalization of the three levels of health care

Induce the implementation of digitalization policies for health systems, accelerating the adoption of Electronic Health Records-EHR and hospital management systems as an integral part of health services and processes.

3. Support for improving health care

Make the National Health Data Network-RNDS support the best clinical practices through services such as telemedicine and mobile phone applications.

4. The user as the protagonist

Engagement of patients and citizens to promote the adoption of healthy habits and the management of their health, their family, and their community, in addition to assisting in the construction of the health information systems they will use.

5. Training and capacity building of human resources

Train health professionals in Health Informatics and ensure the recognition of Health Informatics as a research area.

6. Interconnected environment

Allow the National Health Data Network-RNDS to enhance collaborative work in all health sectors so that technologies, concepts, standards, service models, policies, and regulations are put into practice.

7. Innovative ecosystem

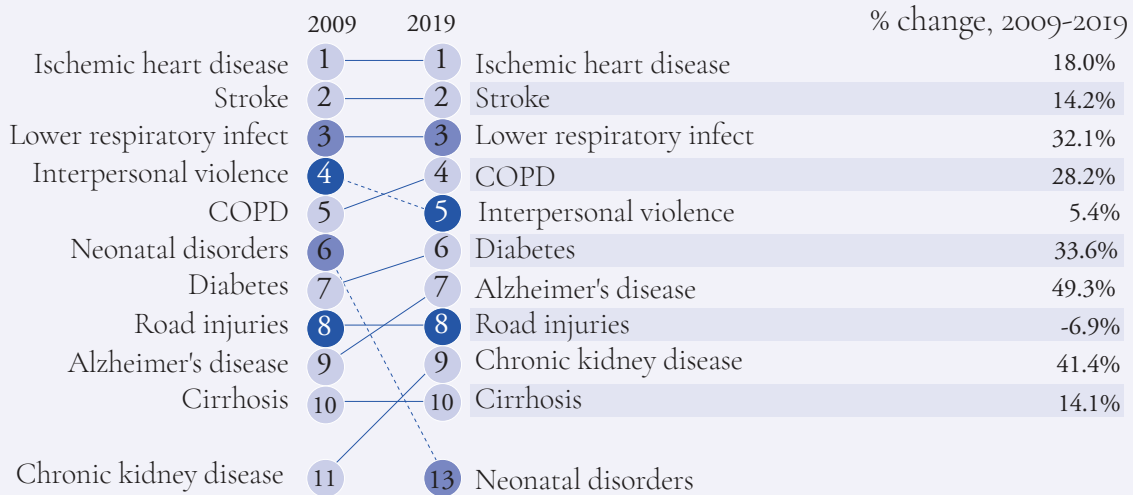
Ensure that an innovative ecosystem makes the most out of the health-interconnected environment.

Source: Ministério da Saúde (2020[5]), "Estratégia de Saúde Digital para o Brasil 2020-28", http://bvsms.saude.gov.br/bvs/publicacoes/estrategia_saude_digital_Brasil.pdf.

Portfolio Management & Therapeutic areas

We engage in 'portfolio management' conversations with executives and the variables impacting the performance. We first examine the therapeutic areas' growth and performance in the prescription and retail market. Then we share some reflections from executives regarding the different therapeutic areas.

A quick look into Brazil's highest burden of diseases



Top 10 causes of total number of deaths in 2019 and percent change 2009-2019, all ages combined

See related publication: [https://doi.org/10.1016/S0140-6736\(20\)30925-9](https://doi.org/10.1016/S0140-6736(20)30925-9)

Pre-COVID comparison between 2009-2019. Source: Health Data

Chronic treatments continue to grow

Prescription Drugs Retail - Therapeutic areas that keep growing Prescription Drugs Retail - Therapeutic areas that keep growing

	Therapeutic Area	BRL PPP MAT May 22 (billions)	Units Growth		BRL PPP Growth	
			MAT May 2021 vs 20	MAT May 2022 vs 21	MAT May 2021 vs 20	MAT May 2022 vs 21
Stronger growth ↑	Diabetes	6.1	2.7%	9.6%	20.2%	34.3%
	Antibiotics/virals	2.9	1.6%	7.2%	-9.9%	24.8%
	Musc. Relax/Anti-inf.*	3.8	4.6%	6.9%	4.7%	9.6%
	Oncology	1.8	6.1%	5.3%	-2.5%	39.4%
	Antacid/ulcer	1.8	6.7%	5.0%	9.6%	18.9%
	Urology	1.5	13.5%	4.8%	10.8%	17.0%
	CNS	11.8	11.5%	4.2%	12.9%	13.7%
	Thyroid	0.7	4.3%	3.5%	7.3%	9.8%
	CV	9.8	2.4%	2.9%	10.2%	8.5%
		Sub-total	40.4	5.0%	4.9%	9.4%

* Includes anti-inflammatory and analgesics, among others Source: IQVIA PMB May 2022

Other areas managed to maintain growth during the pandemic and most accelerated in the 2nd year

Non-Retail Market - Therapeutic areas that maintained growth

	Therapeutic Area	BRL HPP MAT May 22 (billions)	Units Growth		BRL PPP Growth	
			MAT May 2021 vs 20	MAT May 2022 vs 21	MAT May 2021 vs 20	MAT May 2022 vs 21
Stronger growth ↑ ↓ Weaker growth	Nutrients*	2.0	34.4%	16.3%	13.6%	25.2%
	CNS	4.3	8.2%	9.4%	28.5%	9.0%
	Oncology	14.3	5.8%	8.9%	10.4%	17.5%
	Gastro	2.0	1.3%	4.2%	9.8%	0.6%
	Derma*	0.9	5.4%	3.4%	32.1%	16.1%
	Musc./Ske.*	2.6	5.5%	2.3%	31.2%	13.3%
	Sub-total	26.0	8.2%	7.0%	15.9%	14.6%

Examples of innovations that contribute to growth in the 2nd year (not exhaustive):

- Onco: oral drugs, mABs
- Gastro: rare diseases
- CNS: EM, AME

* Growth mainly from mature molecules

Source: IQVIA NRC May 2022

Finally, an important portion of the OTC/CH categories continues with increasing demand; nutrients and antacids are slowing down

OTC/CH Retail - Therapeutic areas growing

	Category	R\$ PPP MAT May 22 (billions)	Units Growth		BRL PPP Growth	
			MAT May 2021 vs 20	MAT May 2022 vs 21	MAT May 2021 vs 20	MAT May 2022 vs 21
Stronger growth ↑ ↓ Weaker growth	Nutrients <i>Source: IQVIA PMB May 2022</i>	3.3	14.0%	9.5%	18.1%	18.7%
	Other GI	1.1	1.3%	7.8%	8.9%	14.7%
	Ophthalmology	1.3	4.9%	7.6%	8.9%	14.1%
	Antiacids	1.1	11.1%	5.9%	17.2%	11.0%
	Sub-total	6.9	8.6%	7.6%	14.5%	15.9%

How will technology impact the performance of therapeutic areas and portfolios?

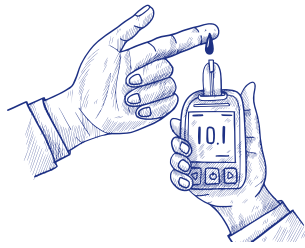
“Portfolios are more complex; they have more personalized treatments and increased availability of patient support programs. The bulk of these programs is geared toward reducing bottlenecks for the patient, which can be served digitally through telemedicine, diagnostic exams, logistics and clinical support, and availability of nurses online or physically. Technology has become the primary means of communication and engagement considering the size and scope of Brazil.” **Sydney Clark** - Senior Vice President (LATAM), IQVIA, Brazil.



Managing Chronic diseases in a Communicable Scenario

“The Brazilian health care system is extremely complex and fragmented, and it has been a journey to make each product available to the patients. Over the last two years, most of the attention has been set on dealing with the pandemic and financial management, with the rest of the diseases on stand-by. Governments have invested much money to fund vaccines and treat the population. When it comes to managing chronic diseases in an infectious disease scenario, there has been learning on the importance of prevention. Moving forward, this will become increasingly relevant for portfolios to balance budget allocations and financial resources.” **Jose Coelho**, President, Merck Brazil





Beyond Diabetes

Pharmaceutical companies are stepping up their fight against diabetes, obesity, and other cardiometabolic diseases in Brazil. Novo Nordisk is at the forefront of this battle, with a range of new medications coming to market in Latin America targeting cardiometabolic disorders. This epidemic has historically taken more than its share of the overall healthcare budget to combat. 2022



will accentuate the consciousness of taking care of ourselves. **Allan Finkel**, SVP LATAM Region, Novo Nordisk, said, “Obesity was one of the chronic diseases that the pandemic emphasized... we saw that the highest number of young patients hospitalized with severe COVID were living with obesity.”

Novo Nordisk’s commitment to patients in Brazil goes beyond providing pharmaceuticals – they have also launched several initiatives to provide education about diabetes, such as seminars and webinars that focus on the early detection of risk factors. “We’ve been working with non-government organizations (NGOs) and the public sector to train medical professionals to identify these diseases better, to know which solutions are available for them to offer, and to better start managing diagnoses so that more people can be treated earlier,”



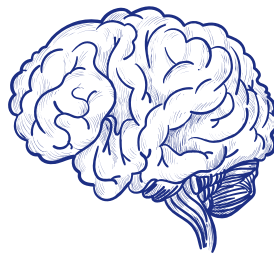
said **Isabella Wanderley**, General Manager and Corporate VP Brazil, Novo Nordisk.

Mrs. Wanderley also focuses on digitalization as a tool to improve the overall patient healthcare experience. By leveraging data and analytics, she is striving to provide more personalized healthcare services that address each patient’s individual needs. “2022 will also be a year of connectivity through digitalization. This has started through the pandemic, with doctors trying to find digital ways to keep helping their patients even in lockdown. Now, this digital communication is part of a normal doctor-patient relationship,” she expressed.

“Our number one growth area is diabetes. We have been pioneering a product for diabetes that has cardiovascular benefits. It has shown a reduction in cardiovascular issues in long-term treatments demonstrating the drug is much more than just a diabetes drug. Our second pillar of growth is rare respiratory diseases. In Brazil, we have served many patients with complex conditions, focusing on the disease and mapping the patient journey. It usually takes about five



years for the patient to get initial treatment, but with the services we have put in place, we have halved that time.” **Marc Hasson**, Country Managing Director, BI Brazil

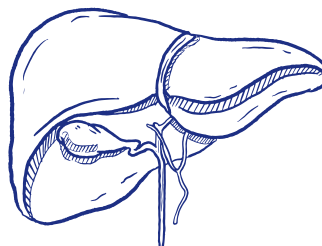


CNS

“Lundbeck plays a very important role in Brazil and is perceived in our market as the top-of-mind company from a psychiatrist’s perception. The number of patients with depression is increasing, and we’ve been working with the Psychiatry Association to support them and to have more space in the government to talk about mental health issues and include treatment for the affected patients. We have also sponsored



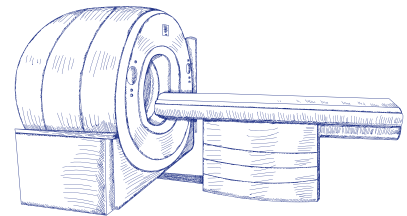
Mental Health Day and the suicide month remembrance.” **Josiel Florenzano**, General Manager, Lundbeck Brazil



Silent Diseases HCV & HBV

“Our primary focus is on HCV and HBV, which is part of WHO and Brazilian MOH elimination programs. We have treated over 150 000 patients since the program was im-

plemented in 2015. The complexity lies in helping the public and private sectors diagnose patients because many are unaware of their condition. This means that the industry needs to look for innovative solutions to draw more people to get tested for diseases.” And continues, “the government has brought Hepatitis C treatment to the primary level, with basic attention within SUS. The treatment has been simplified and can be completed within 12 weeks of administration. Diagnosis is just as crucial as the treatment itself. It is not a one-person job; it is the job of the nurses, physicians, individuals, and communities.” **Christian Schneider**, General Manager, Gilead Brazil



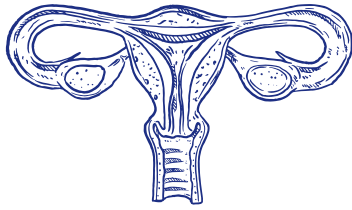
Oncology

“With around 5,6 million among medical and dental beneficiaries, the area we spend the most on is Oncology within our portfolio.” **Edvaldo Vieira** - Chief Executive Officer, AMIL.



Advancing on Expertise: “We are a specialized company. Our areas of Expertise are Oncology, Hematology, and Immunology. Two new Cardiology products are coming at the end of the year. Our mission and vision are to help patients through science. We have been working on patient advocacy with associations and physicians. We are looking for ways to get patients back to their treatments at the public and private sector levels. Today we have multi-channels for our collaboration with customers. BMS Brazil is trying to be more flexible by understanding the customers’ preferences. The new products we have in our pipeline are rich from our acquisitions and development. With the new launch coming, we will be the only company with products with three checkpoints for Oncology.” **Gactano Grupi**, President and General Manager at BMS Brazil





Reproductive Health: access to education and fertility treatments.

Fertility Education: “Fertility is a key area in our portfolio. Many couples need to be educated on Fertility, and the issue in Brazil and other Latin American countries is the lack of awareness and access. If couples seek treatment from fertility centers early, the treatment time, process, and costs can be reduced. This is why education on Fertility and Health is important. We are changing the conversation and trying to be more holistic about reproductive Health. Physicians and Gynecologists need to be educated on the signs to look out for when a patient needs to be redirected to a fertility clinic. We plan to spread awareness among university students and young people. We are in the process of educating women about preservation to give them freedom of choice. It is a very important issue that can help society. We have started talking to banks and insurance in Colombia, Mexico, and Brazil to create possible funding for easier access to fertility treatments for couples. We aim to get the banks to start loans for fertility treatments.” **Rafael Suarez**, CEO Brazil and Head of LATAM, Ferring



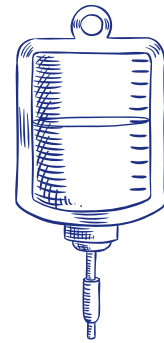
Dermo-cosmetics

“Brazil is the third-largest market for Dermatology worldwide, and it’s growing very fast, second to the US and China. There’s double-digit growth in many areas. We’re talking about high teens when it comes to Therapeutic Dermatology. In Dermo Cosmetics, you can sometimes have a 25% growth rate, depending on what you look at. It’s a very dynamic market. When it comes to Injectable Aesthetics, it’s way more interesting than it was before. The pandemic is one of the main reasons why this market grew so quickly.” **Juan Carlos Gaona**, Head of Latam & General Manager Galderma, Brazil



“There has been a shift to dermo-cosmetics because Brazil is one of the top countries in the beauty world. In Brazil, more people are passionate about beauty and have specific needs different from America or Europe. People generally think of Brazil as a country of football and samba but also a nation of dermatologists. It is the second market only after the US regarding the number of dermatologists. The penetration and demand for dermatologists have a different profile to Europe and are huge. Pathologies are treated, but there is a big focus on relying on dermatologists to solve skin and hair problems. The market has been growing consistently in double digits and will continue to grow if there is a crisis. The dermo-cosmetics market in Brazil and Latin America is very niche and elitist and speaks to the top of the pyramid. Still, everybody is interested in high-quality products with clinical studies that

a skin professional recommends. More people are migrating from the mass market to go after the product the doctor recommends, driving the market. Knowledge and awareness start at the top with niche products and then trickle down into society. The pharmacy network in Brazil is enormous, with more than 80 thousand pharmacies in the country, whereas, in France, there are 20 thousand, so the potential is huge. The distribution of health and beauty products needs coverage across Brazil and Latin America. **Philippe de Carvalho** – General Manager at Pierre Fabre Brazil



Anesthesia

“We are the leaders in the anesthesia sector in Brazil; we produce muscular relaxants, opioids, and sedatives, products that were much used during the pandemic. Due to this substantial increase in demand, we had to change our focus and production to supply the market. We stopped producing what was not required during this period and instead focused our factories’ full capacity on meeting the times’ needs. For example, a product that typically sold 3-4 million units per month before the pandemic increased to 15 million units per month at the peak of COVID-19. Regarding our portfolio, Brazil’s Minister of Health chose 26 priority products that could be used to treat people seriously affected by COVID-19. We produced 22 of these 26 products, so the pandemic substantially impacted us.” **Ricardo Pacheco**, CEO, Cristália





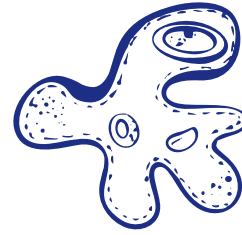
Pain management

“There aren’t a lot of pain specialists in Brazil, but this is improving over time. The oncologist’s main concern is treating the patient’s tumor or cancer, but we think there must be more empathy for the patient’s suffering. A study from an NGO for patients with cancer, OncoDia, which works with over a million cancer patients, surveyed that more than half of the patients suffer from pain and believe pain treatment should be part of the healing process. A balance must be found in the correct and responsible use of pain management, with the right doctor prescribing the right product and indication for the right patient. Based on the new launches we have planned, we see a lot of space for growth in

Brazil. In pain management, there are great market opportunities related to the unmet needs of patients. Once the government gives patients access to pain management products and buys Mundipharma and our competitors’ products, we will certainly improve our 5% sales to the public sector. More specialists must be trained in pain management, which is central to better life quality. Pain specialists are now discussing multi-modal treatments for severe pain. Different medicines can be used for the same patient suffering severe pain: anti-inflammatories, opiates, or other alternatives, all combined, as they substitute one for another. Brazil has been selected with the US and Japan as a key markets to launch a novel antifungal product. This area has not had any innovation launched in the last two years, represents a great opportunity for Brazil, and has resulted



in a Mundipharma and Celler Therapeutics collaboration”.
Carlos Grzelak, General Manager, Mundipharma Brazil



Rare Diseases

“The level of access to innovation in rare diseases is very low. But things are changing. We have a new resolution in Brazil that has sped up the market to physicians for medicines that are not available in Brazil- especially for rare diseases- so we can get or match physicians within six months. I’ve had this experience with three medicines, with great success. The price commissioner in Brazil worked diligently to approve prices in six months. It has been difficult to convince ConiTec to incorporate medicines given the low level of scientific evidence with any medicine for rare diseases. Still, they have opened their doors to this option. Today we see the



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SO EVERY PERSON
CAN BE THEIR BEST



light at the end of the tunnel, thanks to a new team within ConiTec that are aware of the importance of having new medicines approved. Approval depends on the disease if a company brings clinical trials to Brazil and if they are working on generating local evidence -evidence and data are awarded. In Brazil, access through the public system is the only way to access rare disease medicines, unlike other countries, such as the US and Colombia, that can use private insurance. There is much room for improvement in Brazil, and the possibility of educating on rare diseases has progressively increased support in the field. We are now reaching regions in Brazil we have never reached before, like the Amazon forest. We had two patients diagnosed there by a treating physician who learned from the virtual lectures we have promoted.” **Edison Paixao**, General Manager, Ultragenyx Brazil



Portfolio management, remaining relevant

“QIAGEN is divided into three main business areas: Molecular Diagnostics, Life Sciences, and Bioinformatics. In our strategic mindset, we have five pillars of growth, which are not limited to Covid since we view QIAGEN as “Covid relevant but not Covid dependent



.”Growth provided by the pandemic period gave us a chance to invest faster in our portfolio and increase manufacturing facilities, amplified employment opportunities in different regions, and this is something we continue to grow on.” **Paulo Gropp**, Vice President for America Latina, QIAGEN





Do you know
the most valuable
healthcare brand
in Brazil?

Pharmaceutical Supply Chain.

“A chain is no stronger than its weakest link,”
Thomas Reid's “Essays on the Intellectual
Powers of Man.”

Pharmaceutical supply chains continue to be disrupted globally due to the after-effects of COVID-19. Latin America relies heavily on active pharmaceutical ingredients (APIs) imports from China and India. There is an over-reliance on these markets, and it's likely that Latin American markets will increase local pharmaceutical and API production in the long term to reduce reliance on China. However, it is doubtful the change would be significant enough to affect China's role in the drug supply chain in the medium term. *Brazil can produce many medicines domestically, and the local pharmaceutical industry supplies about 75% of the country's demand. But the production of these drugs depends on imports of APIs, and starting an APIs production in the country is challenging as raw material costs involve large amounts of production.* Despite this, Brazil has the potential to be the next pharmaceutical manufacturing hub for Latin America.

“The global supply chains cannot be restricted to a single continent,” points out Nelson Mussolini and continues, “This will be a very serious problem that we'll have to face and is a high investment because these products are made in tons to be sold in milligrams, so the cost of production is very high. That's where the need for state intervention comes in because it will be impossible for private initiatives to take care of it alone. If we do not have the local conditions to create a production chain, this production will hardly be established.”

“What were the lessons learned within
the supply chain and sector structure?”

Globally there is a need for supply centers with better distribution, not as an economic issue but as a strategic health issue. We have



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KANTAR BRANDZ 2021/22 Most Valuable Brazilian Brands

Rank	Brand	Category	Rank	Brand	Category
1	ITAÚ	Banks	33	NATURA	Personal Care
2	BRAHMA	Alcohol	34	TOTVS	Business Solutions
3	BRDESCO	Banks	35	AMIL	Insurance
4	SKOL	Alcohol	36	AZUL	Travel Services
5	CLARO	Telecom Providers	37	SADIA	Food and Beverages
6	MAGAZINE LUIZA	Retail	38	BOHEMIA	Alcohol
7	NUBANK	Banks	39	GOL	Travel Services
8	PETROBRAS/BR	Energy	40	LOJAS AMERICANAS	Retail
9	VIVO	Telecom Providers	41	OI	Telecom Providers
10	ANTARCTICA	Alcohol	42	BANCO DO BRASIL	Banks
11	GLOBO	Media and Entertainment	43	DROGASIL	Retail
12	RENNER	Apparel	44	ASSAÍ	Retail

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**Amil. The right care
is the most valuable.**

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learned the importance of preparedness and need to prepare for the next “pandemic” because it will certainly come. *Global chains cannot be restricted to a single continent.* This will be a serious problem as the cost of production is very high. Brazil, in the past, had a local production chain, but in the 1980s, local producers abandoned production to get it from China and India. *Today we need a state policy that seriously considers the future of their residents’ health. It will mean the difference between remaining dependent or becoming independent. It is only possible to be better prepared in the future with state policies, not government or isolated policies of ministers.* During the pandemic, the Brazilian Health Surveillance Agency, ANVISA, was agile and an example for other countries. ANVISA focused on important issues on products within

the country. Production routes were changed and made more flexible without abandoning the safety and effectiveness of the products.” **Nelson Mussolini**, President, SINDUSFARMA



“Because of the disruption during the pandemic, the pharmaceutical industry is considering reshoring part of the supply chain in western countries and, in some cases, verticalizing part of the production by the pharmaceutical companies. Buyers control most of the productive chain, so decisions based on API production will come from the pharmaceutical industry,” highlights **Reginaldo Arcuri**, FarmaBrasil.



Developing policies

Based on science and technology, local production & innovation

Nísia Trindade, President of Fiocruz, breaks down healthcare development into three points: “The first lesson is the need for constant investment in science and technology, which should not be seen as an expense, but as an investment. A second lesson is a need to reduce social inequalities between countries, including in terms of scientific and technological capacity. There has been a strong emphasis on the need for local production. Even developed countries have shown themselves to be very vulnerable with the concentration of production in the health industry in very few countries. The third mission would be strengthening health systems without discouraging innovation. Finally, the need to think about health from an interdisciplinary perspective, which includes social and environmental factors in the construction of health and disease.”

This moment will be recognized as a time of importance for institutions, coordination, and collective actions, for a united intention and effort. Particularly in low-end middle-income countries, there is a need to develop health science and technology capabilities not as an element of social spending but as an economic factor. We are focused on strengthening the science and technology capacity and health surveillance capacity. We strongly interact with the Pan American Health Organization (PAHO) and the World Health Organization (WHO) to reinforce epidemiological intelligence. Fiocruz is working on strengthening a systems approach to health and the institution. We deal in all areas of knowledge that apply to health, the entire spectrum of the health chain, from research to technological development in all regions of Brazil.

The strategic importance of security of supply

“We learned that we are more dependent on price than strategy. With a state policy that provides legal stability and support for those in our business, it is easier to produce APIs in Brazil. There are ten or twenty companies manufacturing diverse APIs, which represent 5% of the consumption in Brazil, and around 95% of that depends on raw materials from China and India. Still, the Brazilian government is looking for strategic options. We recently met with representatives of the US Congress looking at a collaboration between the US, Canada, Mexico, and possibly Brazil to manufacture some products and specific guidelines to provide raw materials and establish all the production on our territory. We are API dependent, and although we have a lot of medication, we still need the newest technologies (biotechnology, immunotherapy, etc.). The Chinese and Indians are starting to go in that direction, and the US and Europe have good products to offer against non-communicable diseases, from where we get our

products. We have learned the lessons, but we need to react faster to the needs. The Brazilian Congress is working on a project (PL4209) that will provide advantages to API drug manufacturers in Brazil, with tenders and expediting registration when using Brazilian APIs. According to what is discussed in Congress, there would be a 20% advantage for those who get the tender, which is good news because there is strong competition with other generic companies. The drug situation is different because it is a much-regulated sector with very strict rules. We joined the ICH in Brazil, which is very cautious about approving an outside dossier on generic products (not innovative ones) and works as a barrier to bringing products to Brazil. There is a lot of oncological medication coming from India at present. The API registration (the CADIFA) is revised every five years, and we must list our API suppliers, which are very long lists.” **Sergio Frangioni**, President Director, Blanver Farmoquímica Brazil

Innovation through Collaborations



Marcelo Belapolsky, Sandoz: “For Sandoz, investment in public policies is an important mechanism to meet the population’s needs which goes beyond access to medicine, such as PDPs, increase in national production, and technological capacity because the heart of the PDP is the technical transfer of the product to the public laboratory. We signed three PDPs; one example is a product we deliver with our partners, Bionovis and Bio-Manguinhos. We promote cardiologists, CNS, psychiatrists, the neurologist, and finally, we have the new team, the hospital line for the new anti-infectives”.



Mauricio Zuma Medeiros, Bio-Manguinhos: “We are also looking for similarly innovative platforms to collaborate with. A collaborative platform is a gateway to developing other vaccines and therapeutic products. We are partners of companies like AstraZeneca in the tech trans-front and are getting mRNA technology developed to act as a platform for future advances in Brazil. The huge collaboration net on this project allows us to be innovative. We managed to be a strategic partner to the government and international organizations by expanding our plans and capacity and looking into the future”.



Sergio Frangioni, Blanver: “We were the first PDP (Partnerships for Productive Development) in Brazil. At first, we focused on working only with the government. However, when we did the strategic planning in 2015, we decided to look at various areas, including CNS (Central Nervous System) and Oncology, deciding that Oncology would be the other best strategic pillar in our portfolio. The government continues to be an important stakeholder. Still, we have opened other avenues, we increased our HIV portfolio, started with Oncology this year after searching for molecules for six years, and we have various products that are being registered.”



Jose Arnaud Coelho, Merck: “Merck is involved in the production of vaccines worldwide, and Brazil is no exception. We have some partnerships with other companies engaged in a tech transfer approach for the Covid vaccine in the country, and, for us, the level of growth was around 30% in that division.”

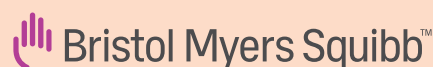


Patrick Eckert, General Manager, Roche Pharmaceuticals, Brazil “The right genomic test with the right patient means that the patient does not need to go through the different lines of treatment; it pushes the patient to go to the right treatment. It is a better outcome for the patient, and many savings are involved. We have created a consortium between 5 innovators that work in lung cancer to fund the genomic tests to prove to the payers that the outcomes of the patients be more efficient and cost-effective.”



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EF: 2020 was a year of diagnosis and prevention, 2021 the year of vaccines. What do you think 2022 will be the year off?

SC: 2022 will be a year to reflect on the future. What culminates out of it is a clear indication of where we are going. We observed an increase and decrease in demand for certain services from a healthcare perspective as a result of the pandemic, for example, consumption of Vitamin D was on a rise, as people took notes on how to balance and be aware of their health status.

Therefore, we expect 2022 to hit the new normal look. We'll see more interactions business-wise, especially in the pharma sector. The whole technological aspect of healthcare is also something that people are going to observe and adopt.

EF: Could you provide three examples of lessons learnt that can be leveraged for the future?

SC: The first is agility and decision-making. We learned that we need to observe flexibility for all stakeholders within the healthcare ecosystem and be able to move very fast. The second is the digital and technological aspects. We made a big jump in terms of increasing competencies and capabilities across the digital spectrum and using technology, which is a game changer. A good example is meta telemedicine. The third lesson is that there was a surge in health awareness, prevention, and treatment, unlike at the beginning of the pandemic when people panicked about death.

EF: What have been the biggest opportunities and necessities for your clients?

SC: The bulk of our clients are from the pharma go-to-market and business models. Our biggest support channel to our clients was digital transformation, incorporated with traditional medical education. We rolled out tools to engage on the web, without necessarily meeting in person or in offices. Engaging with physicians is now a trend taking center stage in Brazil.

Artificial Intelligence provides the opportunity to implement tactical aspects. It's using hardcore analytics and the processing power of computers to make your business more efficient and it's better for the customer at the other end of the spectrum. Digital engagement, digital strategy, and productivity improvements increased significantly.

We have applied the same process in clinical studies and research to make them more efficient. Our merger has been very good for us, and for the healthcare ecosystem overall because the main idea is to use data to make clinical research more efficient, meaning faster, better, and cheaper.

EF: Could you elaborate on the healthcare factors that make Brazil a unique market?

SC: Brazil's healthcare is quite unique in terms of how it operates compared to the rest of Latin America. On top of the public healthcare sys-

tem, Brazil has a supplemental private system, with a coverage that is a dynamic observed in developed countries.

There is a unique mode of operation, a lot of companies have invested in terms of understanding these different ecosystems, and what the needs are in each one of them. We are strategizing on how we can apply new technologies to the Brazilian population. You can go to Contech and gain access at the national level, to state health secretaries, or at the municipal level.

The same levels can be observed in the private sector where you can go through ANS and get inclusion automatically. You can try it at the individual level. There's a lot of investment from pharma in segmenting, understanding, and then building specialized go-to-market structures.

EF: How will technology impact the performance of therapeutic areas and portfolios?

SC: Portfolios are more complex, they have more personalized treatments, and increased availability of patient support programs. The bulk of these programs is geared toward reducing bottlenecks on the patient, which can be served digitally through telemedicine, diagnostic exams, logistics and clinical support, and availability of nurses online or physically. Technology has become the primary means of communication and engagement considering the size and scope of Brazil.

EF: Can you elaborate on the role of healthcare innovation in Brazil?

SC: The sector is active in accrediting new health tech initiatives like incubators and hackathons. Innovation has created a shift in roles, merges in the private sector mostly, and verticalization amongst the payers and providers. We also observed horizontalization of businesses where payers are buying providers, but also providers are buying providers.

Healthcare demand in Brazil is going to increase whether the GDP grows or not since it's a demographic situation. We're aging fast and the demand will explode, therefore we need to be more efficient, and technology will help us do so. The public sector is low on tech compared to the private and there's going to be a meeting point eventually.

EF: In 20 years from now, what would you like your tenure to be remembered for?

SC: Healthcare in Brazil will grow exponentially in a stable economic situation and have sustainable growth. It's a favorable environment for providers, payers, and all players within the healthcare sector. It's our mandate as leaders to engage in debates, advocate, and champion the transition within the ecosystem with all the shareholders involved.

It has been done and proven with telemedicine, and e-prescribing within a short period of time. We need to weld on and cement what needs to be corrected to create a healthcare system that's efficient. I hope to be part of that discussion, 20 years from now.

Nelson Mussolini

President
SINDUSEFARMA



EF: 2020 was a year of diagnosis and prevention and 2021 was a year of vaccines. What do you expect the year 2022 will be?

I believe it will be a year of health reconstruction. Since the beginning of the pandemic, many health issues have been left aside, they have not been taken care of the way they should. We have to be very careful with the “post-pandemic pandemic”, which can occur due to the lack of attention that has been given to some diseases, especially in the area of Oncology, where treatments were abandoned because people were afraid to go to hospitals.

As people stayed at home during the pandemic, there were not many respiratory problems. However, at the beginning of 2022, people began to leave home and contracted influenza, which arrived violently because people lost the immunity they acquired when they were out on the streets. For me, 2022 is the year of the reconstruction of the health area in a very global way, especially here in Brazil.

EF: What were the lessons learned within the supply chain, leadership, sector structure, and the strategic importance for the country?

The whole world has realized that there is a need for supply centers with better distribution around the world. This is not an economic issue, it’s just a strategic health issue. The continents need to be prepared and that was the biggest lesson we learned. First of all, we didn’t believe we’d have another pandemic. We had the “avian flu”, and nothing happened, therefore nobody thought that we would face a pandemic again. One of the good lessons that have remained is that we need to prepare for another pandemic, we do not know when, but we will certainly have another one.

The second lesson is that the global supply chains cannot be restricted to a single continent. This will be a very serious problem that we’ll have to face and is a high investment because these products are made in tons to be sold in milligrams, so the cost of production is very high. That’s where the need for state intervention comes in because it will be impossible for only private initiatives to take care of it. If we do not have the local conditions to create a production chain, this production will hardly be established.

In the past, we had a local production chain. When I started in the pharmaceutical industry, Brazil was the largest producer and precursor of benzathine penicillin. We had three major local producers, but in the 1980s the countries decided to abandon their fine chemistry industry and transfer all of this to Asia, China, and India. That wasn’t right. Today, we need a state policy, not a government one. We need a policy where states think about what they want for the future of their residents’ health, they must wonder if they want to remain dependent and that’s where financial power comes in. Brazil suffered from this issue because, during the pandemic, respirators were bought but they did not arrive here in Brazil because the countries with better financial conditions preferred to pay a fine in order to keep the products for themselves.

We were not prepared, and we must be ready in the future, but this will only be possible with state policies, not government or isolated policies of minis-

ters, and we’re going to need them in the different countries, at least in the Americas. We will have to have this well established and against production poles to meet the local market which is large and has the capacity to absorb this, but there is a need for better-established policies.

EF: What was the impact of inflation on medicines?

In Brazil we have control of the prices of medicines, and this is a problem because we had high inflation of inputs, and we could not pass on this price, and this generated the lack of some products. We have important products in our country that are no longer being manufactured and sold because the cost of production is much higher than the final price of the product. So, we have policies that in my view are wrong policies because at first glance it is wonderful, but the scenario changes when the products start to lack in the market. This is a serious problem. There is a need for state policies, otherwise, we cannot face pharmaceutical inflation like the one that happened in the world and continues to happen. With the war in Ukraine, the routes had to be changed so as not to pass through the conflict area. All this has generated a higher cost, which is extremely negative for the development of the health of our countries.

EF: What are Sindusfarma’s priorities for the future?

We urgently need to abandon some things and prioritize others. During the pandemic, the Brazilian Health Surveillance Agency, ANVISA, had great agility. It was an example even for other countries. ANVISA quickly focused on what was most important, which was not to miss the product within the country. Thus, production routes were changed and made more flexible without abandoning the safety and effectiveness of the products. That was of the utmost importance.

However, we are still stuck with other issues. For example, the registrations of new products that were unrelated to the pandemic have been delayed even until today in Brazil. We now need to review all this without throwing away everything else we learned.

Another good lesson is that we can approve surveys faster in Brazil. We don’t need to take a year to approve clinical research in our country. We did clinical research without harming the research subject and without violating any ethical norms, and we were able to do this quickly. This is a lesson that we cannot abandon. We shouldn’t stop being agile just because the pandemic is almost completely over.

Clinical research saves and improves the lives of individuals, especially in a country like Brazil, which has excellent research centers of the highest quality. However, there is an ideological problem within clinical research.

Another point that Sindusfarma already cared about and that has become even more concerning now, is the issue of intellectual property. There is a need for an uncompromising defense of this matter. The pandemic showed us that. The governments bought the vaccine from those whom they knew would deliver it, but they didn’t fund anything. The British government bou-

ght a vaccine, and the U.S. government bought another because they knew that these scientists had the competence to develop them.

For complex problems, there are no simplistic solutions, that's a fact. So, we don't need compulsory licensing of vaccines. Who will develop new products for the next pandemic if the right to intellectual property is not preserved during this current one? We need flexibility. We must keep looking at the least developed countries to help them and create a fund, but without hurting intellectual property, because if not, neither rich nor poor will have the development of products.

We have to be very careful about this. I debated this a lot here in Brazil by showing how technology transfer is much more effective and much safer than simply "breaking" a patent. Patent breaking is the last path that a nation can use to solve a problem. Technology transfer and negotiation are the most effective ways. Instead of breaking patents, the World Health Organization can allocate a portion of the production of rich or developed countries to poor or underdeveloped countries. It may even be an expropriation of this production to better distribute throughout the country, but without abandoning the right to recognition of intellectual property.

EF: So, the priorities would be chemical research and intellectual property?

Also, the development of local production of at least part of the ingredients. Many of these ingredients no longer have intellectual property, such as penicillin, dipyrrone, and paracetamol. Governments could help with their public laboratories, as is the case in Brazil, which has several of these facilities. These laboratories could develop the products that are necessary for the maintenance of the Brazilian hospital park. Products that do not require technology transfer, but that we need to relearn to do because, unfortunately, we want to switch to biological ones, and we leave many chemical inputs aside. Now, everyone wants to know about the biologicals, but we have many inputs that would be extremely useful and that no one else produces. Thus, there could be a government incentive for these products that have no patent and where there is no need for large investments for technology transfer.

EF: What is the definition of access for Nelson Mussolini?

Access is expanding within your ability to do so and bring people into health. Brazil has a phenomenal access program, larger than any other country in the world, which is the Brazilian Unified Health System, which expands access. However, we know that resources are finite, and the needs of the population are endless. We are seeing the rise of gene therapy and advanced therapies that have cost thousands of dollars for each person and the countries must find a way to afford and deliver those treatments to their citizens. At the same time, we have great disparities in Brazil. People have access to gene therapy, but on the outskirts of big cities, people don't have basic sanitation. Thousands of people were saved with the vaccine, but how many lives would we save if our countries, the countries of Latin America in particular, had effective basic sanitation?

It would be much cheaper for the state to finance an effective sanitary structure that generates much better health for people than to finance the research and development (R&D) and the fabrication of a biological product, for example. The risk of the drug and vaccine development process must be taken by the pharmaceutical industry. We need to take a look at that. Thus, access to state-of-the-art health has to be very well studied from the point of view of how private health can expand this through insurance and through an effective distribution of responsibilities.

If I say that my product will have the ABC efficacy and it only has the A efficacy the B efficacy or the C efficacy, I have to contribute to the state in accessing that product. This is the division of responsibilities. So, we can reduce the health costs for the states by sharing duties, and that expands access. Another point regarding access is the basic health programs for those diseases that are acquired, such as obesity and heart problems. We would have to have education within primary schools so that people learn that having a better diet and practicing physical exercises prevents them from becoming a cost to the government.

Another issue of access that governments need to understand is that health

is not a cost, health is an investment. A person who works generates taxes, which generates wealth. This person buys a car, or a house and so it is moving the economy. A sick person inside a hospital only generates expenses. Governments need to look at access to health as an investment, even if they have a purely financial vision because a healthy population can work and pay their taxes. Also, sick people don't pay taxes and those who don't pay taxes don't generate wealth.

EF: What do you think will be the importance of health tech in the health of Brazil?

I have no doubt that it will have great importance. We have a continental country where telemedicine will be essential to the proper functioning of things. Now I use telemedicine. I changed my health plan and in my new health plan, before any visit to a specialist, I do an interview with my family doctor, something that already happens in Canada and in other countries. It was more difficult here in Brazil because we had a very big barrier due to the lack of personal contact. We don't like this story of not being able to shake hands, not being able to look at each other eye to eye.

I managed to solve some health problems I had during the pandemic with the consultation screen. Then, I wonder: "All right, I'm here in the capital of the state of São Paulo, which is the most developed state in the country, has a hospital and pharmacy on every corner, so it's easy to treat me". But I keep imagining the most distant centers, whether in Brazil, South Africa, or in other countries in Latin America and Africa. If we have effective telemedicine, we will solve a lot of problems.

A few days ago, I attended from inside a hospital here in São Paulo a surgery that was done by a doctor who was in Boston, in the United States. With telemedicine and all the technical support of the people who were here, the doctor performed surgery in Boston by using a robot here in Brazil. This is going to be sensational for the development of people's health.

I visited the staff of the Oswaldo Cruz hospital and from their technology, they showed that a surgery that used to take 12 hours can be performed in 4 hours, due to the technical and technological part that was developed. They can map a person's body and everything that will happen during surgery, with all the problems that can arise. Assertiveness at the time of intubation of a person with Covid was at a 95% rate thanks to the studies. They knew the characteristics of the person, for example: "Oh, Nelson is obese, he's bald, he's of Italian descent, then he will be intubated between such and such a moment".

Technology will be key to expanding access, because if I used to spend 12 hours on surgery and, thanks to the technology, I now spend four hours, that will able me to do three more surgeries instead of one. So, this access is going to be critical. Telemedicine will help people a lot because they won't have to move, even in the big centers, where you need to go from one end of town to the other to see the doctor and it can take you two or three hours to get there. Already with telemedicine, you can have a video conference that will at least direct you to the right place and to the right specialist. So, no doubt the technology will be key.

For this to happen, the states will have to prepare. The corporatism of some medical classes must be broken. I've heard advice from doctors positioning themselves against this technology because personal contact creates great power over the patient, and the contact with the machine decreases this power because of 'Doctor Google'. If the doctor says that the person has a disease, the first thing the person will do is go into Google and research what are the possible treatments for that disease. This forces doctors to specialize more because today a day the patient arrives at the doctor's office with certain information, and in some countries of the world, this information is very bad.

EF: Bearing in mind that this year Brazil will have presidential elections, what advice do you have for a new administration on health policy, industrial policy, or any other point you want to address?

We're even preparing a document to deliver to the candidates for the Presidency of the Republic. We hired a big consultancy and relied on a few things.

The first is that politics should look at health as an investment and not as an expense. The government and the next ruler need to see it this way so they don't have problems. Secondly, health taxation is a crime. In our country taxation is extremely high. 33% of what you spend to treat yourself becomes a tax. So, for every US\$ 100.00 spent, US\$ 33.00 are taxed. This money doesn't go back to health. If the rich paid for the poor to have better health, perfect, only this money goes to the government's cash, goes to the IRS and the IRS does not redistribute at this level, does not send the 33% to health. So that's a very serious problem. The government should look at health the same way that other countries in the world have. Health cannot be taxed because you cannot tax an investment. If you tax investment, you avoid growth.

In addition, the government should support the simple access systems that have been proven effective in the country. Brazil has a national immunization program that is an example for the world. We were able to immunize the 5,700 cities that we have in our country because in every city we had a refrigerator to store vaccines.

At the end of the year, my wife was vaccinated in Milan. It was necessary to make an appointment to take the vaccine, and it was only in one place. She spent almost a whole day there waiting to be vaccinated. Of course, she had wonderful care, but between us, here in Brazil, if I leave here now, I can go to the health center, extend my arm, and be vaccinated.

So, we need to keep these simple programs that we have here in Brazil, which are the National Immunization Program and the AIDS program. We need to study how to use the AIDS program and transform it into a program for Oncology, for example. It would be extremely important to have funds already earmarked for Oncology. We can save people's lives and, once again, invest in them so that they can be healthy and yield much more in the eyes of the state, as individuals who pay taxes, and in health as recipients of investment.

EF: 10 years from now, if you look at this moment in your professional career, how would you like to remember it?

As a moment of transformation, but first as a moment of gratitude. I think we have to thank all the health professionals. In my public statements, I make a point of thanking the doctors, the nurses, the ambulance drivers who carried people up and down, to all those who helped in some way to save lives. I think we need to be grateful for that.

But we also need to value who delivered the "war material" so that these people could work. No soldier goes to war without ordnance (vaccines in this case) and ordnance is out of the industry. I am very proud of this, and I am sure that 10 years from now I will be able to tell my grandchildren that I participated in a special moment in human history, which meant saving lives and bringing people to a better world.

I'm sure this pandemic will turn the world into a better one. People will be more concerned about their health; they will be more worried about how not to let people die inside their homes because that was very sad, people died inside their homes from lack of care. So, I do believe that the world will prepare for the next pandemic. This was an excellent but hard lesson because it brought many deaths. But, without a doubt, it also brought extremely important visions in agility, care for people, and technology. The world has come a long way in the last two years, we have achieved things that would have taken more than 10 years to achieve.

EF: ¿Is there something else that you want to comment on or add?

Pricing issues in Brazil are becoming very important. We have an initial product pricing law, which began in 2003. It's been 20 years; the world has changed, not only because of the pandemic but because of the new products that came in. For example, we didn't have generic drugs or generic competition in our country. Today, generics already represent 30-40% of the market in terms of value. 40% in units, 30% in values. It's a relevant market.

However, the current drug pricing regulation in Brazil causes a much bigger and more serious problem from the point of view of public health and people's quality of life. The rigid and outdated pricing model often inhibits the launch of innovative products or forces the withdrawal of traditional and often essential products by imposing values that hinder their production and commercialization. Some very old products, due to this competitive restriction, are disappearing from the Brazilian market and this is generating a shortage in the market and, consequently, will generate a shortage in our continent because Brazil is the producer of some products that are exported. So, there is an effective need to take care of Latin America in terms of medicines. We need to have an effective review and modernization of pricing legislation in Brazil. This point is extremely relevant for us.

Telma Salles

President
PróGenéricos



EF: How many years have you been working with generics?

TS: The Law is from 1999, we are 23 years old and PróGenéricos is 22. It was created practically at the same time with also Anvisa, our Health Surveillance Agency. So the period of existence is the same.

During these 23 years, we managed to provide important and consistent access to the population. We now have 35% of the retail market. If we have institutional sales to the Government, for example, we get close to 50%.

PróGenéricos represents companies that manufacture generics and biosimilars – which is another way to expand access to low-cost molecules. By maintaining this policy, access to quality, efficacy, safety and lower product prices is expanded. Our 15 companies represent 90% of the generics market and these companies operate in the segments of reference drugs, generics, biosimilars and similar ones, which are the generics that have a brand here in Brazil.

In this sense, we can say that we generate not only access for people throughout the health system but also savings for the country. Today we have all the necessary molecules for the treatment of the most known and prevalent diseases. 90% of the diseases that most affect the Brazilian population can be treated with generics. If they do not participate directly in the treatment of a specific disease, they can act as adjuvants. For example, in the case of the COVID-19 pandemic, we still don't have a remedy or treatment for this issue because it is a new situation where there cannot be all kinds of tests. So, it was the generics that were able to provide support at that time in all countries.

When the vaccine appeared, it could act in prevention. But before that, always with the help of paracetamol, dipyron, intubation drugs, fever and other symptoms were treated with generic drugs. With this, the entire population can have access.

During this period of the pandemic, we were in constant communication with the government and health surveillance so that we could help overcome this difficult period by making our companies available. Eurofarma is our associate. Crystal is not. But, I am on the advice of another entity, which is ABIFINA, which takes care of the fine chemistry of APIs and Cristália is present there.

With these challenges of scarcity that we had of offers and inputs from the IFAS, we had a very large increase in international costs. And Brazil had no shortage of products on the market. There was a great effort by the Industry to not run out of drugs on the market. There was also an important effort by Anvisa to create regulations that could help us overcome obstacles we had at that time, promoting flexibility without sacrificing quality.

With this solidarity and empathetic support, the barrier of capitalism was overcome by making prices more flexible, the new laws established, the sensitivity on the part of drug producers, importers, the legislature in parliament, the executive and the judiciary.

So, the role of generics during the pandemic was very important – not only in Brazil but worldwide.

And it remains so because health savings are needed even in the richest countries. Even in the US, for example, savings are needed to promote access to the greatest number of people and generics fulfil this role very well by optimizing costs.

I've been at PróGenéricos for 10 years and in my professional career I've been in pharmacy, distribution, industry and today I'm at PróGenéricos, at the institution that is a way of putting all these links together and being able to work. I am very proud to work here! A place that manages to open paths.

10 years ago we had 26% of the market. Today, as I said, we have 35% in the Retail Market and almost 50% in the total market. So we managed to grow. Industries today have grown and strengthened a lot with generics. For a company like Eurofarma, for example, an important part of its business is generics. Companies like EMS, sometimes 40% to 50% of these companies business comes from generics. Sanofi has Medley and Novartis has Sandoz as an important part of generics.

And this growth was due to the improvement of sanitary norms, and the institutional mechanisms of this market and, we can say that we participated in the construction of this generics market for having been at the forefront of all these dialogues. Last year we had an important change in the Patent Law because in Brazil we had a very long time to analyze a patent, which could last up to about 35 years – since the law guaranteed that it would have at least 10 years after being granted.

With the change, a patent will have 20 years from the moment of the application equally to other countries. This makes us have a patent market that is healthy for generics, as it allows industries to work with the forecast launch of products at a given time, making it possible for the population to have constant access to medicines. In the year 2021, we had this victory.

In the period of the pandemic with COVID-19, it also made us reflect on the importance of vaccination and something that caught our attention was about countries having autonomy and innovation because some countries were hostages of other countries and many are still in this condition. In Brazil, with the support of partnerships, research and tests are already being carried out for our own vaccine production.

During this, the population also had to postpone going to hospitals to carry out their treatments and routine exams, since Covid took the place of other diseases. This year we returned to taking care of people's basic health with continuous and preventive treatments. So generics are important in the treatment of chronic diseases. We grew a lot, but we identified that in some molecules we lost space because people went to take care of their illnesses during this period and left conservative treatments aside.

If we want to avoid new collapses in public health, we need to guarantee preventive treatments so that people can have their health well taken care of, and in this regard, generics play an important role.

The priority of PróGenéricos' work agenda is to improve sanitary regulations, always to match world standards, and to understand the difficulties of a country with a smaller economy. We do not want to repeat models that may

be very suitable, but not for this moment. We have to have the intelligence to use the resources for whatever is necessary. So, we also need to encourage the improvement of the National Institute of Patents so that it can continue to analyze patent applications because we are dependent on these patent applications to expand access. And today, worldwide, the number of discoveries has been decreasing. And when there are discoveries, it comes at a very high cost! That's why the importance of taking care of health in a preventive way because taking care of health is getting more and more expensive.

Since they arrived in Brazil, the market for generics and biosimilars has brought savings of more than 200 billion reais to the population and the government. If this is converted into dollars, it means savings of more than 40 billion dollars for the population, allowing the expansion of the treatment of their diseases by investing in the purchase of more medicines that allow for complete and correct treatment.

By law, generics cost 35% less than the reference drug. We still work with very high discounts because the competition is very strong. To remain in the market, better and better prices are needed. With that, generics are price modulators because the population can choose what has the best offer.

Generics also grow more than the total market. When the total market grows 4% we grow 6%, when it grows 8% we grow 15%. So we pull the total market sale.

In the case of biosimilars, the same phenomenon is happening. The more biosimilars we have on the market, the more the price of the reference medicine drops. Allowing people to have access to treatments for more complex diseases that were previously impossible to access, as treatments were very expensive.

Brazil has been struggling for some years to implement partnerships for product development known as PDPs. This program concentrates government purchases with a triad of partnerships that is the private sector, the public company of national laboratories and the government. So, you can transfer technology, and improve mechanisms, but also offer products to the government that will be aimed at the population and at lower prices.

So looking to the future I'm sure generics will be what they are in the US, and in Germany; understanding that we treat health in a different way. Health payments in Brazil are different from those in other countries. But we still have a lot of room for growth because we will have more companies in this market. So, the PDP policy is a correct policy that has to continue and that will allow Brazil to absorb more technology. The companies that emerged because of generics are now dedicated to both radical and incremental innovation, improving existing products and transforming this market.

The lesson is that Brazil has the capacity to play the global game. We have a strong pharmaceutical industry, skilled labour, research, universities, development, and experienced entrepreneurs. In the pandemic, we didn't close companies, we didn't have a drop in productivity; we have scientists and creativity. So we are sure that Brazil will continue to be a major player in the international market. Generics are proof that Brazil is capable of building powerful industries in the market.

In 2021 we sold close to 2 billion units, a growth of 6% and our revenue was also close to 15 billion reais.

There are approximately 93 companies that manufacture generics in Brazil and we have a very significant market.

So, we are hopeful now that in 2023 – based on this supreme decision – brought the patents to the right time to launch products for HIV, diabetes, anorexia, leukaemia, cancer, hyperplasia, hepatitis and rheumatoid arthritis. So, we are sure that we will continue to grow a lot.

EF: What does access mean to you? What is the definition of access for you?

For the market in which we work, access is when you give the population the opportunity to choose the treatment they need. By having the medicine at the time and moment that it is needed to cure the disease and making it available at a low cost on the market, the government may have the possibility of obtaining these medicines to offer for free to the population. In Brazil, there is a program known as the “popular pharmacy” that provides free medication for diseases such as hypertension, diabetes and cholesterol. That's because these diseases are the ones that most affect the world's population and that, if not treated, will generate other much bigger diseases.

So when we saw the diabetes drug market increase by almost 2,000%, it means not only that the industry sold a lot, but many people were able to treat themselves and allocate a resource that they previously needed to invest in a very expensive drug to eat well, put children in school and have adequate housing. We live in a country with a very restricted economy, if in the area of health we make our contribution to promoting medicines with lower prices and quality, and then we allow access to health equality for all. That's access!

EF: In 5 or 10 years, when you look back and remember this moment within PróGenérica – living through a pandemic, coming out of the pandemic – how would you like to remember this moment?

TS: I would like to look back and remember that moment as a moment of evolution and inspiration. Because we evolved despite the problems; we learn. I feel better today than 3 years ago because I felt able to deal with so many problems, to live in the moment [which is a moment we suffer], but we knew how to work with it. I've lost family members to Covid, but we've learned a lot. I will remember this time as a time of spiritual and material evolution.

We learn to value and use our money. What we earn, we invest and what we have. Health is the greatest asset we have. Bags, shoes, and trips are good, but they are expendable. We need to have physical and mental health. So, I feel victorious for having gone through this period in good health, helping people with my work through interventions, meetings with the government and my ministers, and seeking ways for health to cope with this moment. And that's why I feel like a better person because I managed to overcome it and I learned that I should know more. Because if I had known more I could have helped more. So, it is a moment that also inspires us to think outside the box and that we can always be better because problems always lead us to prosper and evolve as people.

I do believe that we have to come out of this moment inspired to be better people and to be more willing to help and science calls us a lot to do that. We can study more, we can do more, and we can discover other ways to strengthen ourselves as people and also to strengthen ourselves as increasingly better professionals.

Reginaldo Arcuri

President
FarmaBrasil



EF: What do you think 2022 will be the year of?

RA: The established architecture of the productive supply throughout the world was stable and consistent before the pandemic. Uncertainty became a permanent fixture in our daily lives during the pandemic. Production supply chain disruptions are no longer shocking. We must adapt to uncertainty and instability.

The world has faced several pandemics repeatedly. The difference between these pandemics is how long they last. The more recent the pandemic, the shorter it lasts. The current geopolitical scenario taking place right now has led to a lot of uncertainty for traders and businesses. At any moment, anything can happen, be it a pandemic or a war, or something as equally unpredictable. That is why we need to adapt to uncertainty.

Soon there will be new mandatory arrangements concerning pharmaceutical production, though it is unknown what kind of mandates they will be. Because of the disruption and uncertainty that occurred during the pandemic, the pharmaceutical industry is considering producing APIs. Production will be in western countries and by pharmaceutical companies. Buyers control the productive chain, so decisions based on API production will come from the pharmaceutical industry instead of producers.

EF: What was the role of FarmaBrasil during the pandemic in Brazil?

RA: We built practical and concrete bridges between our associate companies and the government. The most critical factor, in the beginning, was ensuring the fulfillment of contracts with no disruptions between our associates and suppliers. It was an intricate and invigorating process. There were federal bans on products dispatched from our suppliers' countries, so we had to go through diplomatic contacts.

Transportation was another challenge we had to solve for ourselves and our associates. Personal involvement was a necessity because it was the only way to get the transport for all the products we needed. Our embassies were heavily involved in the transportation process. That is why in every country that our hired planes landed in, our embassies would be involved in ensuring they stayed on route to Brazil. We managed to maintain the supply chain and demand on the market for all our associate companies.

In the first phase of the pandemic, people had the information that they

should only look for medical assistance if they had trouble breathing so that they could be intubated. To be intubated, you had to have analgesics, opioids, and muscle relaxers. These are incredibly old medicines, most of the multinational pharmaceutical companies don't produce them anymore and there was an incredible demand for them at the time. Eurofarma and Cristalia had to duplicate their production, this was a great effort of the industry.

We made sure to keep the partnership between our associates and the government amicable to enable continuous production. We adjusted our regulatory framework to shorten the time we would need to get a supplier. There were several new and provisional items in the regulation that allowed different companies to face many of their challenges. Companies made decisions flexibly because of the new items in the regulation. Most companies bought surplus stock to prevent medical shortages in case of production disruptions in the future.

EF: How can we translate non-communicable diseases into Brazilian pharmaceutical industrial policy?

RA: I have spent most of my time in the government, from municipality to federal office, trying to implement and create new industrial policies. In Brazil, the government establishes a policy proposal for the new electives every four years. In 2018, FarmaBrasil and other affiliate companies prepared an industrial policy proposal that included APIs to mono-clonal antibodies and other production items.

Every developed country has industrial policies that support development. The FarmaBrasil president is also the president of ALIFAR (The Latin American Association of Pharmaceutical Industries), and recently we had a seminar on integrating the production chain and APIs. There are many books and guidance tools on industrial policies. The key to industrial policies is for each nation or region to create and implement guidelines based on the decisions made through collaborations between the public and private sectors.

Brazil is the second-largest producer of civil airplanes; we are one of the best ultradeep oil diggers globally. Even with all these accomplishments, we hope the pandemic helps illustrate how health can become a matter of national security and the strategic importance of developing an industrial policy for the country's self-sufficiency.

Edvaldo Vieira

CEO
AMIL



EF: What was your given mission when you were appointed?

EV: My main objective was to bring the company back to profit. There were a few challenges in the market, which makes the company's turnover important. The company will grow if we generate and create more access for people. Our top priorities are growth, access, profitability, and customer experience as a differentiator.

EF: 2020 was the year of prevention and diagnosis, and 2021 was the year of vaccines; what do you think 2022 will be remembered for?

EV: We have faced and learned from many of the pandemic's positives and negatives. The economy is recovering and becoming more stable. The job market is expanding, especially in the healthcare industry. Over 75% of the population is now on payroll, which is a drastic improvement. There are many things we can adapt, consolidate, and extract from the pandemic. One of the things Brazil has adapted to is digital transformation.

There are certain challenges we will face as a nation as well. We are trying to consolidate all the learnings from the pandemic to create innovative models moving forward. One must be a big player to play, but innovative to survive the market. To stay competitive in the market, several providers look for innovative collaborations.

One of Brazil's biggest challenges is medical cost inflation. Inflation limits access and waste hits a lot of the medical costs, from 20 to 25 percent, however, efficiency is on our agenda. This year, we will focus on applying verticalization to lower market prices and create better access to healthcare. Also, the pandemic is not over yet, the current Covid wave has increased medical costs, putting a lot of pressure on the sector.

EF: What role does digital transformation play in access?

EV: The pandemic sped up the digital transformation process. Many companies created and adapted to the use of digital platforms during the pandemic. Adaptation made businesses more efficient and improved customer experience. The usage rate of our website and app before the pandemic was 37% and rose to 97% during the pandemic.

One of the most relevant examples of digital transformation in Brazil is telemedicine. Before the pandemic, we had 1,000 consultations a month. We launched our brand and model aggressively during the pandemic, which increased our consultations to 80,000 a month. Currently, there are more than 2 million consultations in telemedicine.

Brazilian culture is very hospital-centered. People here believe that any ailment can be healed in a hospital. Digital transformation changed the acceptance of telemedicine after the pandemic. To avoid overcrowded hospitals and the risk of getting contaminated, many patients turned to telemedicine. People realized that telemedicine works well; customer experience is better and more cost-effective. Telemedicine helped solve 90% of people's ailments, which freed up hospitals. Therefore, telemedicine services can impact the operation services in hospitals.

Doctors were the most resistant to telemedicine. We had to get doctors on board by assuring their salaries and showing them how their customer experience could improve. Telemedicine creates better access and provides the right care at the right moment, at the right place. The industry will balance telemedicine and regular in-person checkups moving forward. Looking at the healthcare market in Brazil, it still has an opportunity to mature and change. Our challenge is to generate and create more access to people and reduce medical costs. It is going to be a new time ahead, new business plans will come to light and it will be an exciting time to be in.

EF: Is there anything else you would like to add about customer experience?

EV: Customer experience also encompasses health plans. Customers compare plans that are in the market to get the best plan. That is why we have invested in customer apps and customer service. We have customer satisfaction surveys to rate our services, however, their behavior and expectations change continuously, making it challenging to keep track of. This is something we constantly monitor.

EF: What is the biggest disease burden you have in your portfolio?

EV: With around 5,6 million among medical and dental beneficiaries, the area we spend the most on is Oncology within our portfolio.

EF: What is the current portfolio performance, and where do you see the growth?

EV: We are a one-stop shop because we have a wide range of products. We have a premium segment, which is the biggest one on the market. This segment offers easier access, an excellent network, a concierge service, speed, high-quality service, and exclusivity. We also have middle segment and entry segment products for SME companies, as well as large group products for large group companies.

There are approximately 3,3 million beneficiaries in our medical business and 2,3 million beneficiaries in our dental business. Within the dental business, individual plans are sold through our verticalized branch. We attend to both individuals and companies, which is why we call ourselves a one-stop-shop.

EF: Where do you see Amil in the next five years?

EV: We want to become more profitable and one of the most desired brands for businesses and individuals. We want to be a brand known for having the best customer service. The industry service rankings were recently published, and we were in 19th place. This gives us room to improve and become innovative in our service delivery. We hope to become the best high-quality and accessible business in our medical and dental companies. There is still much room for companies to be creative in Brazil, and we want to be the front-runner.

It is interesting how, coming from a financial portfolio, I learned that managing a healthcare portfolio becomes a social and economic problem. The



major issue I hope to transform in the healthcare sector is how we manage payments and reimbursements. If we manage the way payments and re-payments are made, it will change how health is consumed. It is difficult to change; however, I believe innovation will come easily if this issue is resolved. It requires people with new minds to make a change because if we keep doing what we have been doing, we will keep getting the same results. There is a great momentum for things to change when recreating them.

EF: What would you like to be remembered as a manager during these hard times?

EV: Coming from a financial career, I was given the opportunity and the initiative to lead the company through the worst times of the pandemic.

It was easy and challenging at the same time. It was challenging because of the uncertainty and easy because the direction of our work was very simple. I had to put a multi-functioning team together that created committees.

Within the committees, we established main objectives. One was to take care of our team. The second was to take care of our customers and patients. We understood that our employees needed emotional support. Every employee has a different problem that they are dealing with. The most important lesson from the pandemic is understanding and taking care of our employees. As a manager, it is great to know the importance of what you are doing, saving lives while taking care of your employees because most of them are going through a difficult time. I am so proud to be a part of the company because I know we save lives.

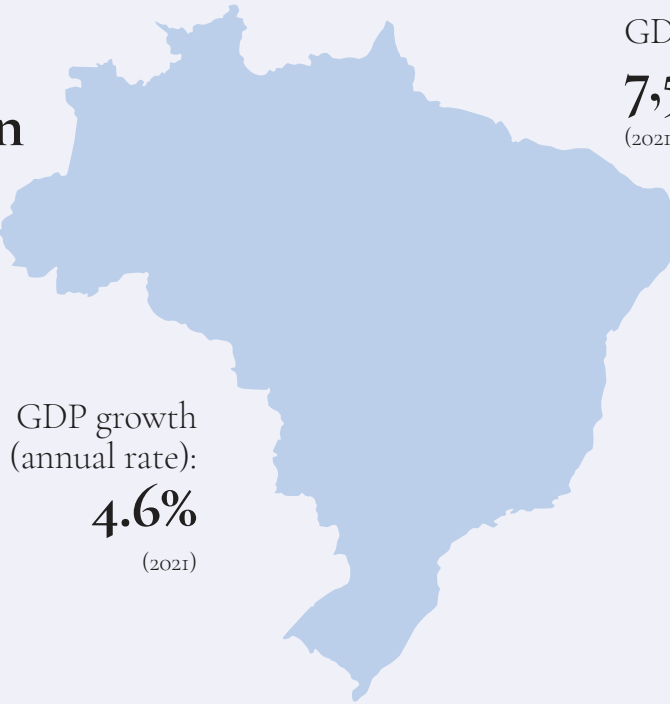
Chapter 3

The Brazilian Pharma Market

“Brazil is always a priority market for every company” points out Ricardo Ogawa General Manager for Astellas Brazil.

Facts & Figures

Population:
214 million



GDP per capita:
7,518.83 U\$
(2021)

GDP growth
(annual rate):
4.6%
(2021)

Source World Bank 2021

Brazil is the largest country in South America and the fifth largest globally, with the world's sixth-largest population. Brazil's pharmaceutical market is estimated at U\$ 22 Billion (R\$ 118), and according to SINDUSFARMA, in 2021, the Brazilian pharma market had 349 pharmaceutical companies. Of these companies, 118 (33.81%) were of international origin, and 231 (66.19%) were of the national capital. Within the pharmacy channel, multinational companies held 40.73% of the market in revenue and 19.54% in units sold (boxes). Laboratories with national capital accounted for 59.27% of the market in revenue and 80.46% in units sold (boxes). The growing share of generic drugs gave companies in the sector significant growth in units, expanding the Brazilian market size.

The development of the pharmaceutical sector must be based on the following equation: stimulating local production, stimulating innovation, creating a favorable environment for carrying out clinical research in the country, and adopting public policies for access to medicines.

"The pharmaceutical industry in Brazil responded and adjusted incredibly well to the pandemic. All plants and factories were working full-time. Just like most businesses around the world, we had supply chain challenges. Raw materials were hard to find, lead times were challenging, and product regulation difficult. It is important to highlight that we are part of a bigger ecosystem, and innovation is at the heart of everything we do. For example, there are more innovative ways to introduce physicians to drugs and treatments than the sales representative approach. This direct method has a few downsides, including increased expenses and a flooded product market. The Brazilian market operates differently compared to other regulated markets. Most of the products in the market are branded generic products promoted through physicians. There are 600,000 doctors in Brazil. The biggest sales force group for neuro pharma is in contact with 200,000 doctors. The remaining 400,000 are the target audience. This means businesses must be innovative to increase their market share." Shares **O Milton Visconde**, CEO, Celleria Farma





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Healthcare Innovators

The pharmaceutical industry plays an important role in Brazilian society, providing access to modern drugs, generating jobs, and acting as a tool for scientific and economic development, especially when the innovation agenda is highly regarded.

Carlos Augusto Grabois Gadelha highlighted that the health sector's productive system is innovation-intensive. It includes highly complex and dynamic areas, such as modern biotechnology and life sciences (gene and cell therapy), advanced chemistry, nanotechnology, new materials, microelectronics, and information technology. However, the generation of innovations is not a socially neutral process. The definition of technological paths is conditioned by the global industrial and competitive structure, not necessarily oriented toward social demands. The State plays an indispensable role in inducing and linking the diverse interests that impact the generation of new technologies to cover the intrinsic objectives of a universal health system.

Innovation: "Brazil is highly relevant to the company; we are in the global top eight GSK local affiliates and third in vaccines. GSK Brazil focuses on four areas, vaccines, HIV, respiratory, and oncology. We find solutions and produce a product pipeline encompassing our key focus areas. By 2025 we will see a new composition of the business. The specialty business will scale from 2% to 12% soon. We have a great portfolio of chronic and non-communicable diseases. In the next three years, we will launch four new products. One product was launched earlier this year, a second product for HIV will be launched soon, as will a third -an injectable HIV prevention product- and GSK is at the forefront of RSV solutions. We recently launched a new oncology product. We also have a new immune-oncology product in the pipeline. Brazil is very well developed in the regulatory aspect. The sequencing of launching and getting new products is immediate. In oncology, we mirror FDA in a project, which is a fast track." **Andre Vivan**, President, GSK Brazil



Research and development

Clinical trials are the backbone of new drugs becoming available on the market. From 2015 to 2019, Brazil accounted for around two percent of the total participants in clinical trials worldwide. On a regional level, Brazil is the Latin American country where the most clinical trials have been performed, with nearly eight thousand studies recorded as of February 2021

Source: Statista.

BRAZIL PHARMACEUTICAL MARKET

Non Retail Ranking -

RK HPP	CORP
1	PFIZER
2	J&J
3	ASTRAZENECA BRASIL
4	ROCHE
5	INSTITUTO BUTANTAN
6	NOVARTIS
7	MSD
8	GSK
9	TAKEDA
10	BMS
11	SANOFI
12	ABBVIE
13	FRESENIUS
14	EUROFARMA
15	BLAU FARMACEUTICA

Source IQVIA NRC Brazil MAT May 2022 (@Hospital Purchase Price)

The regulating framework

Creating an environment of greater legal certainty contributes to improving the country's image on the international stage. The experience of other countries shows that ensuring protection terms does not prevent the supply of generic and similar drugs in the country. The regulatory framework should build strategic capability at the federal level of the healthcare system, whose decentralized conception prioritizes taking actions at the State and especially municipal levels and guaranteeing the predominance of a national vision for a territorially integrated system, avoiding the fragmentation that results in systemic inefficiency of health actions.



Pfizer

Marta Diez –Country Manager, Pfizer Brazil

How do you obtain resources for Brazil from HQ?

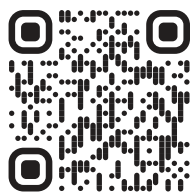
"Brazil is one of the biggest markets for us as we are in the top 10 biggest markets in America, so it's a big organization in the company. So much so that when the company wants to launch a new project, Brazil is chosen as one of the first markets to throw in; if it works in Brazil, it will work everywhere else. Also, from a corporate perspective, global teams have Brazil top of mind, as it has a big population, and it's important from a political and geopolitical macroeconomic perspective.

How would you rate the level of adoption of digital tools in Brazil?



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Digitalization has come in a global wave. I don't see a big difference in Brazil versus other places. Health-related information is more developed in developed markets, which is a gap in emerging markets. But we have big expectations with digitalization, and more is to be expected in the future.

Looking forward, what would you like to accomplish in Brazil?

Digital transformation is one of my goals, and I'm referring to digital change and behavioral modification. We are helping shape the transformation of our sector by leading the conversation with key stakeholders, the government, patient advocacy groups, and other entities by trying to see how we can better evolve the policy landscape in terms of healthcare. We're going to take into account the needs and expectations of a patient and figure out how we're going to operate, putting the needs of the patient first. We need agility as much as we need transformation because the world moves quickly. We aim to be the first and the best by focusing on patient problems, the healthcare system issues, and how to solve them, contributing to making it better for other patients."

new pipeline as well. Brazil is on the map for Astellas. The future will be new individualized therapies; we will need more market access people, the government to deal with public policies, and people working with patients in advocacy groups. Brazil is a strategic country for Astellas. An attractive market for new launches and highly innovative pipeline and portfolio".



BMS

Gaetano Grupi, President and General Manager at BMS Brazil

How was the performance of BMS Brazil's portfolio, and how will we get patients back to care?

"Our main concern is the numbers for the future. In 2021 we forecasted 50,000 patients were not being diagnosed. Our mission and vision are to help patients through science. We have been working on patient advocacy with associations and physicians. We are looking for ways to get patients back to their treatments at the public and private sector levels. Today we have multi-channels for our collaboration with customers. BMS Brazil is trying to be more flexible by understanding the customers' preferences.

The differentiating factor of Bristol-Myers is our culture of an on-brand team. We do not operate separately or individually; we work together. As we communicate with customers, our message should be one. We made a major shift in our access department at the end of the pandemic. We saw an opportunity to ramp up strategic account management, being our customers' central point of contact. A cohesive message is fundamental and was a major business shift that we want to invest in increasingly."



ASTELLAS

Ricardo Ogawa, General Manager, Astellas Brazil

What is the importance of Brazil to Astellas?

"There are many challenges and barriers but equally many opportunities in Brazil. Brazil used to launch new products after the European countries, even after countries in Asia. Brazil is a priority market; we have a seat at the co-creation teams formed by the US, Japan, 5 EUs, and Brazil. We have a seat in every single co-creation team for all important brands: oncology, Oncotheology, Neurology, and gene therapy. In gene therapy, I represent the international market because of my background. I brought our CEO before the pandemic, and he was impressed with the hospitals; I wanted him to see an ordinary hospital like Beneficência Portuguesa, which has both the public and the private sectors. After his visit, clinical trials in Brazil were approved, and we can now bring clinical trials for the



MERCK

Jose Amaud Coelho, President Merck, Brazil

A well-balanced act

How has Brazil contributed to your double-digit growth, and where is it coming from?

"We produce vaccines worldwide, and Brazil is not the exception. We have partnerships with other companies in the country that have a tech transfer approach for the Covid vaccine, and the division has grown almost 30%. The pandemic taught people that health is a priority, and they are much more concerned with the control of diseases like diabetes, cardiovascular, metabolic disorders, etc. Merck has the number one product in volume in Brazil for diabetes. I believe Covid increased awareness for these patients and impacted the market, with the therapeutic area growing 10% and the product being almost 20%. Three boxes per second have been sold in Brazil of that product. We have a good performance in cardiovascular products for thyroid hormone and oncology. The fertility business was most hit by the pandemic but has been recovering in 2022, and we are working to be leaders in the fertility business in Brazil.

How would you define access?

Access is the capacity of a country to provide innovation, coverage, and solutions for healthcare systems and the population. Latin America is a huge market where except for Brazil, everyone speaks Spanish, but seeing it as a single block is misreading the region. Every region and country have with different access programs."

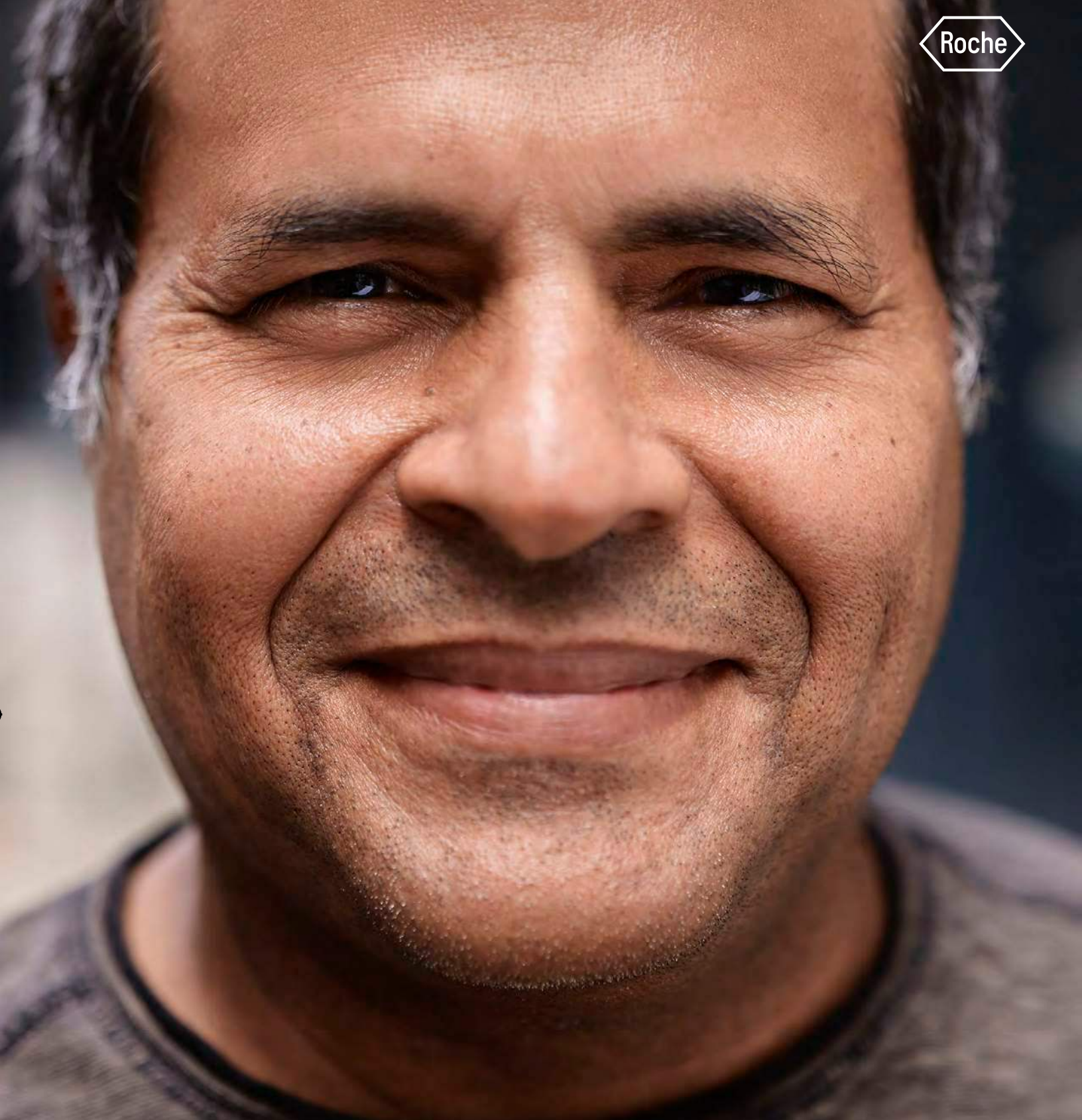


NOVARTIS

Renato Carvalho, President at Novartis Brazil

What is the strategic importance of Brazil to Novartis?

"As a company, we always look at the population to impact the largest number of people. There is an element of innovation in what we do, as when we get it right, it is an example. Brazil is the largest country in Latin America, and from the patient's standpoint, its size can provide samples. Over the past three years, a core aspect of the discussions has been how to serve local healthcare systems better. The core of our strategy is finding deep partnerships with both the private and public sectors. We were the first company in Brazil to bring gene therapy and cell therapy, and we will be the first company to get radioligand therapy as one of the largest generic companies in Brazil. As far as advanced treatments go, despite the challenge involved, Brazil is the first developing country where we are bringing this innovation. We have a huge partnership focus on advancing population health management with the public health system in cardiovascular, the number one cause of death in Brazil. Partnerships are important because new and different ways of collaboration are required to ensure better outcomes.

A close-up, high-resolution portrait of a middle-aged man with dark, slightly graying hair and a warm, gentle smile. He is looking directly at the camera. The lighting is soft and natural, highlighting the texture of his skin and the contours of his face. He is wearing a dark-colored, textured sweater.

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What will the future of work look like?

One of the main areas that were impacted by the pandemic was how people worked. During the pandemic, we launched a project called 'Choice with Responsibility' to incentivize our teams to have debates on what would be the best work model for that group, as not every position can operate with the same work model and individuals have different needs. The finance team may work better remotely, but the co-creating team that brainstorms with each other might find it more productive to be together in person. For us, hybrid is the future of work, ensuring that employees remain committed to making decisions aligned with their teams and leaders to create the best patient impact. We want our employees to be a part of this journey for themselves, for healthcare systems, and patients."



FERRING

Rafael Suarez, General Manager at Ferring Brazil.

"Brazil is the biggest and most strategic market in LATAM for us. Ferring Brazil began in 1993, meaning our commercial footprint will be 30 years next year. Ferring Brazil does not have a manufacturing plant; however, it has three high-quality labs that differentiate it from other countries. The first is a quality control lab, and the second is an analytical and methodological lab. Quality control and analytical labs are mandatory to release and scale locally produced or imported products. The third lab is a nano-technology formulation lab. There are only four formulation labs in Ferring, which makes it a very special lab. The remaining three labs are in other BRIC countries. There is so much innovation in Brazil which is advantageous for our lab. We formulate new products based on local needs. This is helping us create a bigger footprint in the Brazilian and LATAM market.

What are the biggest challenges for physicians adopting innovation?

The issue in Brazil and other Latin American countries is the lack of awareness and access. In Europe, fertility treatments are paid for by governments, whereas in LATAM, it is an out-of-pocket expense which is why affordability is an issue. Fertility preservation is also another big topic we are educating women on. In Europe and the US, fertility preservation is common, whereas it is only beginning to be known here. With less than 1% of couples giving birth to babies through fertility treatments, there is a huge gap between those that can and those that cannot conceive. The hole can be reduced through fertility centers and experts. These will be the central themes of my message, and they are worth celebrating."



ROCHE

Patrick Eckert, General Manager at Roche Brazil

On Personalized Healthcare: "We have some advancements but still further down the line, what we are discussing is how we can use this as an industry showcase that this personalized healthcare medicine will bring over time a better way of planning the costs and sometimes savings depending on the disease area. We have been investing in all of the genomics that we have been bringing to the country; one area we have been focusing on is lung cancer which has many opportunities showing up. The current genomics tests around 2 to 3,000 a year, mainly for cancer, but our ambition is to get to 25,000 or 50,000 genomics annually. The right genomic test with the right patient means that the patient does not need to go through the different lines of treatment; it pushes the patient to go to the right treatment. It is a better outcome for the patient, and many savings are involved.

Innovation: With the growing demands our colleagues had to adapt to from a diagnostic perspective also allowed us to leverage diagnostics. For the first time, we depended more on diagnostics. A very interesting dynamic happened at Roche; for the first time, almost all interactions with customers, both private and public, were together, whereas, in the past, it was more based on demand. In the context of the pharmaceutical numbers, 2021 was a good year; we won over our main customer -the government. Previously, the virtual dialogue had been difficult, but they reached out to us when there was an urgent need for diagnostics and treatment. Besides collaborating with the government, we launched new drugs because new biosimilars were entering the market, and we knew they would impact some of our other products. The launches in 2021 were much faster than in the past. The early approvals of these drugs helped us to be faster commercially, translating into earlier sales and creating growth in 2021."



TEVA

Roberto Viera Rocha, General Manager, Teva Brazil

"Teva Brazil is a relatively small-scale operation. However, we are working on being more prominent in the market. We want to improve health care for patients with specialized conditions by making quality medicines accessible at a more affordable price. We make high-quality and highly specialized innovative products at affordable prices. It is a different approach to the market, so our products are innovative. We are expanding Teva's footprint with a more

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innovative approach, a very different strategy from other markets where Teva has a presence. We have a specialized portfolio focusing on hospitals, oncology, the nervous system, and rare diseases in Brazil. Our footprint is increasing in healthcare areas; we want to collaborate. An example of a specialized area we are focusing on is oncology therapy. I plan to improve our footprint and increase our innovative product portfolio availability in Brazil. We want to keep strengthening our areas of expertise in the future.”



BESINS

Laurena Magnoni, Country Head, Besins Healthcare, Brazil.

“Business is a niche company, 137 years in the market, focusing on women’s and men’s health, and we have pharmaceutical and nutrition products. Our company’s strategy in Brazil is based on two pillars: growth, protecting the business, and gaining the market share. We are leaders and have a strong market share. We are trying to grow our products on the pharmaceutical side. We only need a few products, only the ones that make a difference in the patient’s life. We also have a nutrition product with a scientific foundation that will make a difference. In nutrition, our strategy collaborates with the patient’s health and well-being. Our portfolio in Brazil is dedicated 70% to pharma products and 30% to nutrition products.”



LUNDBECK

Josiel Florenzano, General Manager Lundbeck Brazil

“One of the main values of Lundbeck is to be driven by its patients, so our main focus is to improve access to treatments for men-

tal healthcare patients. Our role, besides our numbers, is to contribute to the mental health system and have a voice in the government to pay more attention to these kinds of patients. We are exploring technology for better communication and reaching customers. Digital transformation is accelerating, and it will be much more accelerated in the next 5 or 10 years.

How do you think digitalization transformation will impact and reinvent Lundbeck’s business?

The sales rep’s role is an area that will mostly be affected by digital transformation inside the pharma industry, but I don’t see a total replacement for this position. Post-pandemic, we are reaching states in Brazil that we didn’t before due to technological assistance. We can now also meet more people and have more meetings with worldwide participants, as well as physicians that only treat through telemedicine. However, these professionals need to develop new skills to use digitalization in their favor.

What is the importance of mental health and CNS to Lundbeck in these markets regarding policy or awareness of the disease?

Lundbeck plays a very important role in Brazil and is perceived in our market as the top mind company in the psychiatrist perception. The number of patients with depression is increasing, and we’ve been working with the Psychiatry Association to support them and to have more space in the government to talk about mental health issues and include treatment for the affected patients. We have also sponsored Mental Health Day and the suicide month remembrance.”

Hugo Nisenbom

Country Manager MSD Brazil, and President Interfarma



EF: If health had its COP26 and you were a speaker, what would be your message to world leaders?

HN: Prevention: the World must unite in prevention and simplicity. We all know prevention is better than cure. Secondly, access to education on healthy living: eating and exercise. Thirdly, commit to cost-effective vaccination. We must work on rational access to innovation for the country and its people. Innovation must reach the patients that need it, and it must be protected.

EF: How do you see the introduction of digitalization in Brazil to better people's health?

HN: Pharma companies have different degrees of development based on commitment, knowledge, and desire to accelerate and transform. In Brazil, the medical body is evolving, adopting digital transformation. These changes never happen overnight; some are committed to a deep transformation while others advance slower. The dynamic will make each of us find our pace and place. The actual businesses will not change; how management uses new tools will change.

In all transformations:

- I. Changes start with the leaders; it will never work without a deep conviction from the organization's top and the management team.
- II. Long-term planning cycles are over (critical learning). We must work with our teams in shorter time cycles, understand and document the changes, look out for opportunities and threats, and quickly adapt, never losing sight of the company's aim and vision.
- III. In a learning process, it is not necessary to be digital. MSD made a deep digital transformation; today, we are among Brazil's most advanced

pharmaceutical companies in the new working ways. Generally speaking, we weren't very digital, but we understood its importance; we had leadership and brought in people to help.

EF: How can we attract young talent to the pharma industry, considering the competition of Google, Amazon, and other tech companies?

HN: Committed leaders working closely with their teams and excellent communication channels are the foundation of MSD and how we attract people to work with us. The organization must communicate the "what" and the "why" and not focus on the micromanagement of "how". Leaders must focus on direction; the employees understand they can build, attracting the younger generations. We must also be genuinely committed to diversity and inclusion. Genuinely committed means developing affirmative agendas, and by example, I am not referring to gender or race matters but personality, looking for people's strengths and valuing them as they are. Each individual should be allowed to be themselves and use their strengths at the team's service.

EF: Fast forward ten years; when you look back at this period in your professional career, how would you like to be remembered, considering you led in very challenging times?

HN: I would like to be remembered as a good person, as somebody who was a team player and built a team based on each person's strengths. Talent is a big topic now, but my topic is talented teams. I believe in teams that play to their strengths because each individual in a stressful situation or facing a challenge works better when using their natural talents and comfort zone. Working to their strengths makes them confident, and they will feel our confidence in them. Confidence, in my opinion, is the most important element.

Marta Diez

Country Manager
Pfizer Brazil



EF: What was your mission upon appointment?

MD: I was appointed on the 1st of February 2021, which was the beginning of the second COVID-19 wave in Brazil. The number of confirmed cases and deaths was increasing significantly, hospitals were working at full capacity, the government was still negotiating the purchase of vaccines to cover the entire population, and there was quite a lot of scrutiny overall by the media and by the general population. My role was to work with the government in the vaccine negotiations with the mission to close the deal since Brazil urgently needed to change the pandemic's devastating scenario.

My second mission was warranting the business continuity and the health and security of our colleagues as COVID-19 was affecting everyone. Part of this mission was maintaining our operations ongoing, especially our production facility since we were not just providing vaccines, we were also delivering lifesaving medicines in different areas such as Oncology and Rare Diseases. We needed to make sure that we were supplying medicines to patients that needed them, and that everyone within our organization was committed to the mission, despite the hurdles of working from home.

Looking back, we did everything we could, and we were very successful. Colleagues were deeply engaged with our purpose to deliver breakthroughs that change patients' lives. And Pfizer, along with other pharmaceutical industries, supported the country to overcome these very difficult times

EF: If you had to design a Master in Pandemic Administration to get executives ready to navigate something like this, what two subjects would you consider essential?

MD: I would have preferred not to need an MPA! But certainly, the pandemic was a huge learning experience for all of us. The first thing I learned is that we need to manage uncertainty. We are used to managing business uncertainty, but not to the level of COVID-19. It caught us off-guard, and no one expected it to last so long as it did.

Second, even in times of uncertainty and change, there is space to detect new opportunities to improve. For example, for many months hospitals were over capacity, so they were forced to detect and implement improvements to serve more patients in order to respond to the emergency, and those learnings will also apply to post-pandemic times.

Another opportunity that arose from Covid was the use of technology to support patient's journey, like telemedicine. This meant learning new ways of working through new challenges.

EF: 2020 was a year of diagnosis and prevention, and 2021 was a year of vaccines, what do you think 2022 will be the year of?

MD: 2022 is the start of a new era. It is a year when we're coming back and embracing a new reality. For example, the flexible working arrangements that allow employees to work from home and the office. The future will look very different from the past in many ways, both internally and externally. Another example that I mentioned before is telemedicine, which was normalized with the pandemic and is now widely accepted by patients and doctors. 2022 is definitively a year that gives us the opportunity to come

back stronger after learning new habits and ways of working.

EF: How do you obtain resources for Brazil?

MD: Brazil is a key market for Pfizer, as we are in the top 10 biggest markets in the world and the largest in Emerging Markets. It is a big organization that serves a diverse country that has many healthcare needs. I do not think we have an issue securing resources for Brazil in that regard. Quite the opposite in fact since, whenever the company wants to launch a new project, Brazil is often selected because of our capacity to innovate, be creative, and experiment.

From a corporate perspective, global teams generally have Brazil in mind for its importance from a political, demographic, and geopolitical macro-economic perspective.

EF: Can you elaborate on the portfolio performance of Pfizer in Brazil?

MD: We have a wide range of therapeutic areas in Brazil: vaccines, internal medicine, hospital, oncology, rare diseases, and inflammation & immunology. During the pandemic, vaccines were obviously one of our key focus areas of attention, but also the hospital unit as many of our hospital products were being used in the ICU, which is where the COVID-19 patients were.

One of the consequences of the pandemic was that the whole healthcare system was focused on COVID-19, which led to many chronic, oncology, and rare disease diagnoses and treatments being stopped or postponed, which impacted the health and prognosis of many patients. Also, while Covid vaccination rates were increasing, the vaccination rates for other diseases went down significantly, increasing the risk of preventable diseases returning. We are making significant efforts in trying to raise awareness of those problems so that, collaboratively, we can find a solution.

Looking at our current portfolio, we have 140 products that are currently being commercialized and almost 100 products in the pipeline, the biggest pipeline we have ever had. This is very exciting for us, as this brings us closer to meeting our objective of launching 25 new breakthrough therapies by 2025.

Looking forward, we are investing in new technologies like gene therapies that could radically change the lives of people with rare diseases. We can deliver the functioning gene, the blueprint, to a specific tissue or organ in the body to allow the production of the missing or non-functioning protein. The de-codification of human genes has opened huge opportunities to treat and even cure diseases that did not have an appropriate treatment up until now.

Another area we are developing is the mRNA platform, which has been known for quite some time, but the Covid vaccine was the first product in the market that used this technology and proved its real potential. We have big hopes for that technology, not only for vaccines but also for other therapies. In the future, I believe that we are going to see more of those technologies coming to the market in Pfizer's portfolio, but also in the portfolio of other pharma companies that will disrupt the healthcare environment.

EF: How do you see the implementation of digitalization changing healthcare in aspects such as access?

MD: Digital has the potential to disrupt healthcare in many ways. We can think of simple things, like a patient utilizing an app to check their vitals, communicating with their doctor in a teleconsultation, ordering vaccines to be applied at home, or simply getting information about his/her disease. But certainly, digital has the potential for much more.

Internally, technology has become strategic and part of our business. We are looking at how digital is disrupting our internal operations, but also how we communicate with customers, doctors, and patients, and how we provide value to the healthcare environment overall.

Data will also become fundamental in the process of granting access to new therapies; more information about disease prevalence, diagnosis, and treatment, as well as real-world evidence, will be used even more by the government and health technology agencies to make informed decisions about coverage. Digital transformation is multifaceted but will affect every aspect of our lives.

EF: How do you see the level of adoption of the different digital tools in Brazil?

MD: I do not see a big difference in Brazil in comparison to other nations. Digitalization has come in a global wave. I see people here using mobile as much or even more than in Europe, and the consumers are very familiarized with the digital world. Looking specifically at the health sector, health-related information is more advanced in some developed markets, and that is a gap we have here in Brazil when talking about data availability and the interconnection of that data. However, the openness is big, and we have high expectations with digitalization, so more is to be expected in the future.

EF: Looking forward, what would you like to accomplish in Brazil?

MD: I want to accomplish a deep transformation in Pfizer's organization in Brazil, both a digital transformation and a behavioral one. We need to focus more on the needs and expectations of patients, healthcare professionals, and customers so we can figure out how we are going to operate to deliver value to them. Supporting their evolving healthcare needs is key to promoting better and healthier lives. We also need to develop a more agile mindset, as the world is evolving very fast, and we can only lead the transformation if we adopt agile habits and behaviors to operate quicker.

We want to be leaders by focusing on the issues that patients are facing and how we can solve them. We aim to be a contributing factor in the improvement of the healthcare system by making it better and simpler for patients. If I could summarize, we want to innovate in everything we do in order to meet today's and tomorrow's needs.

EF: Any advice you would like to share with women that want to succeed in their careers?

MD: One of the biggest barriers that women have is the self-limitation to have an opinion. The environment sometimes does not favor us to express our opinions. The more vocal we are, the easier it will be to break this barrier. Giving ourselves the right to use our voice and valuing our ideas and knowledge is essential. As leaders, we must set an example and adopt actions that affirm that a diverse environment is essential to have a strong organization that is prepared to contribute to a better society. We need to inspire women to follow their dreams. So, in summarizing, my advice is to be vocal, express your ideas, and motivate other women to do the same thing.

I'm the first woman to lead Pfizer in Brazil, which makes me very proud, but I don't want to be the last. I want to contribute so that other women leaders have opportunities to learn and grow to reach positions like the one that I have today.

It is clear to me that diversity leads to better decisions. It has been proved by many studies, but I have also seen this in practice. A diverse team looks at problems from different angles and perspectives and comes up with new and better ideas. Different points of view make the debate richer and broader and allow the whole team to go further. Having diversity in a company also makes it easier to understand the diverse needs of our diverse customers and empathize with their problems and provide them with better solutions.

EF: Do you have a final message you would like to share?

MD: Pfizer's role in the healthcare scenario was highlighted during the pandemic and I am very proud of this. We were correctly associated with science, healing, prevention, research, and innovation. It has been an honor to see that our efforts have made a positive difference in the lives of millions of Brazilians and that we are being recognized for that.

Since the early days of the COVID-19 pandemic, we have been committed to using our resources and knowledge to develop vaccines and medicines that could help people protect themselves and face this virus.

During our 172 years in the world, with 70 of them in Brazil, we have developed innovative molecules that have transformed and continue to transform the way of treating diseases with a strong impact on society. However, we want to do more! We are helping shape the transformation of our sector by leading the conversation with key stakeholders, such as the government, patient advocacy groups, KOLs, and other key entities. We need to find ways to better collaborate and evolve the policy landscape in terms of healthcare.

We are also reinforcing our commitment to search for new therapies or new things that improve patients' life in other areas. Science is defeating this pandemic and it can do so much more to fight other impactful diseases. And Pfizer, as a leading company in the pharmaceutical sector, is fully committed to being the change in this scenario.

Patrick Eckert

General Manager
Roche Pharmaceutical Brazil



EF: 2020 was the year of diagnostics, 2021 was the year of vaccines, what will 2022 be the year of?

PE: I believe that 2022 will have a combination of both the diagnostics and the vaccines. One of the key things we are learning as a society is finding how to control a pandemic through the right diagnostics. That should help us bridge toward what we want to try and achieve which is a better healthcare system and better management of high-cost diseases. For 2022, I believe vaccines will still play a relevant role. We expect treatments of other diseases will return to normality, different stakeholders suffered a lot due to the need to adapt, and trying not to abandon the patients in need, perhaps specifically to oncology where we know a late diagnostic can make a big impact on the patient.

During the pandemic we had to adapt treatments and diagnoses, and in Brazil there was a big advancement in telemedicine which was the main tool used to maintain the connection between patients and care givers. There will be a need for the industry and healthcare as a whole to make an effort to restore the diagnosis and treatment to non-covid, the numbers speak for itself, at the end of 2020 we had 50% less cancer diagnosed cases and this is accumulative. What we need to ensure is that patients get their treatment and feel safe and confident.

EF: How has the pandemic impacted the relation with the physicians?

PE: At Roche we are trying to change the role of the industry, we are not going to be betting on the traditional field force to make education but develop the two-way dialog tools where physicians can reach out to us when they need support on a need such as educational or on a clinical trial level. We want to evolve our current CRM system, which is already very strong, so that the physician will feel confident in reaching out in different ways, such as a digital portal, a chat bot or through a personal interaction, and they will get what they need when they need it. We are wanting to change the way we interact with the ecosystem as a whole. Because of the pandemic, physicians that were a little resistant to virtual tools suddenly had to rely on them and are now open to them because of the efficiency they provide.

EF: What are the biggest lessons learnt and what two modules would you choose for a Master in Pandemic Administration?

PE: The first lesson that comes to mind is how to keep employees engaged and focused internally. Adapting is not so easy, and we need to pay special attention, there are people that were able to adapt easily but equally people that did not adapt well, and it took a long time for them to find a balance. There needs to be much more preparation from us, as people needed to adapt to new circumstances, it is important to try and understand what they are going through and showcase empathy and give them the time to adapt. For me, this has been one of the biggest lessons learnt throughout the 24 months of the pandemic.

EF: Could you elaborate on the portfolio performance of this year and what do you see it going through?

PE: From a diagnostic perspective our colleagues from Roche Diagnostics had a lot to adapt to with the growing demands, but it also gave us the opportunity to leverage on that, this was the first time where we were depending more on what was done in diagnostics. A very interesting dynamic that happened at Roche, was that for the first time almost all interactions with customers, both private and public, were together, Pharma and Diagnostics teams, which in the past was more based on demand. In the context of the pharmaceutical numbers

2021 was a good year, we were expecting it to be harder, but we won over our main customer which was the government. Previously, gaining virtual dialog was hard, but when the need was high around diagnostics and treatment, they reached out to us. Alongside keeping business going with the government, we knew of entrance of biosimilars which would hit a few of our main products hard, but we countered this with the launch of new drugs in the areas of haemophilia, SMA (Spinal Muscular Atrophy) and lung and breast cancer. As well, the launches of the new drugs in 2021 was much faster than the past. The early approvals of these drugs helped us and pushed to be faster commercially which also translated into earlier sales and creating growth in 2021.

EF: How do you see the market in Brazil for personalised medicine?

PE: This is where we need to focus most of our efforts this year. We have some advancements but still further down the line, what we are discussing is how can we as an industry showcase that this personalised healthcare medicine will bring overtime a better way of planning the costs and sometimes savings depending on the disease area. We have been investing in all of the genomics that we have been bringing to the country, one area we have been focusing on is lung cancer with a lot of opportunities showing up. The current genomics tests at around 2 to 3,000 a year, mainly for cancer, but our ambition is to get to 25,000 or 50,000 genomics a year. The right genomic test with the right patient means that the patient does not need to go through the different lines of treatment, it pushes the patient to go to the right treatment. It is a better outcome for the patient and there are a lot of savings involved. We have created a consortium between 5 competitors that work in lung cancer to fund the genomic tests to prove to the payers that the outcomes of the patients be more efficient and cost-effective.

EF: How would you describe access?

PE: Access has a different meaning in every country. In Brazil, it starts by clinical trials, and we have seen how much this has made a difference, especially when we were 18 to 24 months later than most other countries in getting approvals. To the patients that needed care the clinical trials were a way of providing that. We have been leveraging on this and why we keep increasing our levels of investment. Clinical trials themselves start with making sure you have the right centres which are also areas of investment. Access is also about the discussions between different parties in the early stages of diseases or products about coming to a common ground and making it a real case for patients, it demands a lot of flexibility.

EF: Do you think the pandemic has changed the mindset of the system on healthcare?

PE: It has given a sense of urgency. Topics before the pandemic could be addressed in 2 weeks. Now, that can be done in 24 hours. It is too early to say if it will have an impact over time regarding faster reimbursement, but the mindset and type of dialog is different.

EF: Fast forward by 8 years, looking back at this period of your career what would you like it to be remembered for?

PE: A transition from a system where things have a certain pace to a system where we prioritise and the urgent items are dealt with within days, not weeks or months. I would look back and say that this began during the pandemic. If we collaborate more and if we are ready to be more transparent then the discussions and the solutions will come much faster and benefit more patients in Brazil.

Renato Carvalho

Country President and Oncology General Manager
Novartis



Leading by thought.

Bold responsibility.

New leadership is taking form across the industry, an approach that Novartis has identified as strategic to the future of the organization and our sector. Renato Carvalho, Country President in Brazil, undertook his appointment in 2019 and epitomizes this new vision of stewardship. Coming from a med-tech oriented background, Carvalho provides both a wealth of experience and a unique perspective, whilst also displaying the forward-thinking strategy of Novartis Group. The CEO brings a form of leadership that lets the company shape the future through both actions and words, whilst providing employees with greater responsibility in the choices they make.

EF: 2020 was the year of diagnostics, 2021 the year of vaccines, what will 2022 be the year of?

RC: Looking back over the past couple of years it is difficult to imagine what we have been through.

We have not faced anything on this scale for at least one hundred years, we were all trying to understand how best to contribute to having a positive contribution, and to find our role as a healthcare company. This year looks like it could be the end of the pandemic as it becomes an endemic, we are observing many countries taking different actions and we have a lot to learn from each other. There will still be learning, and it is fair to say that we tend to look at the role based on where we are, but it looks like we will be getting out of the critical situation that we were in before and turn our attention to the future with the learnings and adaptations made along the way.

EF: In Brazil what have been the biggest lessons learnt by managing through a pandemic and what was NOVARTIS role?

RC: One of the lessons learnt is the importance of collaboration and unity, especially from a leadership perspective and for going into the future. The healthcare industry is very fragmented and one of the key learnings that we had was for the first time the imperative need to work together. I saw different sectors of healthcare come together in a moment in which it was mostly needed.

In terms of a regulatory standpoint things have changed too, an example of this is telemedicine, and how from an urgent necessity, the framework was established and operated. Two years ago, this was not the case. Today we see the healthcare sector as one, the integration has been a result of a crisis that we fought together. However, there are still parts of the value chain that have different objectives. In a way it is natural to not expect this integration to come smoothly and aligned, but the learning here is that we can do it together.

There are many examples, though, within companies and segments of the industry where collaboration came very strong. An example of that for Novartis was our collaboration with Moderna where we provided our scientists and our sites to support public vaccination programs.

It is going to be very important for us as leaders when we get out of the pandemic to ensure that we do not have any step backs, we should get the momentum going and that encompasses having a broader view of the pharma industry's role in society at large.

Helping society was already in the DNA of Novartis, so that, one of the core strategic pillars of the company is to build trust with society, and this was the time to materialize it in even more broadly ways. Making a difference goes beyond what we think and what we say. It's not what you 'say', but what you 'do' that matters.

The pandemic saw us engaging with different NGOs and providing necessary resources such as money for food and masks. This resulted in the company donating millions worth of dollars to around fifty institutions from very diverse backgrounds across the country. We also made sure our associates and employees were well taken care of through a variety of means. We put in place incentives to encourage further education with free courses that we have, we initiated mental health discussions and provided sessions for people to come together and have a dialogue. The employees at Novartis are also members of society and some of them are patients as well, we recognize this and want to help them to flourish.

The other area of focus was the one related to our provision of healthcare for patients. Last year in Brazil we reached nine million patients and when we face a pandemic like this, besides the victims of the virus, we continued to have patients with other diseases that are equally as devastating to take care of and that depended on us to keep their treatments.

So, committed to our goal of not leaving a single patient behind, we made decisions that are good examples of the strength of that commitment as we did not allow profitability challenges to prevent us from doing what is the right thing for the patients, and the good news was that for 2020 and 2021 our supply chain metrics were on time by around 99%, but that came with a lot of work and effort from a lot of different standpoints within the company.

Ultimately, being a company that is part of the health sector means needing to go beyond the concept of the traditional bottom line by complementing it with another trio, namely: policies, patients, and physicians. Those two sets of bottom lines, if one may say so, will be the foundation to advance our impact.

EF: How did you re-engineer providing health to patients?

RC: Looking from the healthcare position and how the industry has been evolving, provision has been an issue even before the pandemic. It is difficult to name an example with a benchmark and there is a most likely a fundamental issue in underlying how healthcare is structured across the world.

There is also data, science and digitalization which offer a wide range in options of how things can be done. The pandemic advanced the use of technology and the key element that we are exploring is how we take the relevant content at the right time so physicians can use the information and continue to educate themselves.

The key difference is information and the increase in its availability, this is the fundamental change in how healthcare has been evolving. From this access in information comes the ability to press ahead with priorities, such as delivering the right content at the right moment, enabling more and more agile data-driven decisions, and designing services or platforms that support both patients and physician's needs, contributing to healthcare systems as well. In that sense, partnering up with the start-up's ecosystems, through Novartis Biome, has become an imperative.

EF: Could you explain more about the Biome project and how do you determine your projects?

RC: We saw an opportunity due to the wave of data and digitalization coming toward healthcare. There are hundreds of tech start-ups, and the idea was about leveraging them and providing further opportunities to make a positive impact on society and the future.

The Concept of the Biome project is to work as an interpoint for the ecosystem with a specific focus on the startups. The way we work is by understanding the pinpoints in the areas we work with and then pose a problem to the ecosystem that is managed by the Biome and ask for either a partial or full solution. Co-creation it is.

We have dozens of startups discussing with us, but it is always with the perspective of how we can solve problems for the local health system. The idea is not to invest in startups to then see profit returns later, but to serve as an interpoint aiming at solving problems for the healthcare system in the country.

EF: What is the strategic importance of Brazil to Novartis and what is the Brazil flagship footprint?

RC: As a company we always look at the population and think about the number of people we can impact, and there is an element of innovation due to the challenges we face. If something goes right, then it can serve as an example. Brazil is the largest country in Latin America and from the patient standpoint we have the size to give these examples.

A core aspect in the discussions we have been having over the past three years has been about how we better serve local healthcare systems. Discussing deep partnerships with both the private sector and public sector is at the core of our strategy. There are great examples, too. We were the first company in Brazil to bring gene therapy, cell therapy, and we are going to be the first company to bring radioligand therapy whilst having one of the largest generic companies in Brazil.

As far as advanced therapies go, Brazil is the first developing country where we are bringing this innovation, having a project such as this one in a country like Brazil is a challenge. Moreover, we have a greater partnership focus to advance population health management with the public health system in the number one cause of deaths in Brazil i.e., cardiovascular.

The partnership concept and drive is a big one for us as we believe that the changes required to ensure better outcomes require different and new ways of collaboration.

EF: What will the future of work look like?

RC: One of the main areas that was impacted by the pandemic was the ways people used to work. During the pandemic we launched a project called Choice with Responsibility, in which we incentivize our teams to have debates on what would be the best work model for that group, as we know that not every position can operate with the same work model and individuals have different needs. For example, the finance team may work better remotely but the co-creating team that brainstorm between each other might find it more productive to be together in person. For us, hybrid, then, is the future of work, ensuring that employees remain committed to make their decisions aligned with their teams and leaders with the objective to create the best impact possible for patients. If we are to influence the future, then our actions need to show this. We want our employees to be a part of this journey for themselves, for healthcare systems and for patients.

EF: 10 years from now looking back at this point of your career, what would you like it to be remembered for?

RC: I would like to be remembered for striving to do the right thing day after day, taking bold moves to improve healthcare and providing new thought leadership. We are doing big moves, re-shaping the contribution of our sector to humanity and the future. This is why we truly believe in our employees and what they can accomplish with greater autonomy and accountability.

I also want to be remembered for going deep into data science, reimagining the way we engage with physicians and enabling the company to provide even better support initiatives for patients.

In general, I hope I can be remembered as someone who took bold moves towards the future and helped others to also do so. We must continue pushing despite the resistance or we will never change. The time is now.

Ricardo Ogawa

General Manager
Astellas Farma, Brazil



EF: 2020 was the year of diagnostics, 2021 the year of vaccines; what do you think 2022 will bring?

RO: 2022 will be the year of digital transformation and adoption. One way or another, all pharmaceutical companies have been encouraged to digitalize and this will be translated into a new market dynamic. It will challenge our industry, and we must ensure the stakeholders we work with see the value of digital initiatives. We need to re-educate and develop new capabilities of our sales team; we only covered 30 to 40% of our roster during the pandemic, not reaching those doctors who were not interested in virtual interactions. Today, we need to segment our physicians differently from three years ago, therefore we have been developing different strategies in order to better meet our customer's profile and interactions preference

EF: How has digitalization changed the 'health journey' for physicians?

RO: Doctors in Brazil are now learning to provide health via telemedicine consultations, which wasn't possible before the pandemic. Patients are now adopting telemedicine as a tool to have immediate access to primary attention. The market dynamics have changed substantially, and we must learn to take advantage of this. Physicians over 50 prefer the status quo, but the younger generation thinks differently, and we need to rethink the way we interact with them in order to indeed get their attention. We want to be pioneers in new technologies, digital platforms, and gene/cell therapies because this is the future.

EF: If you had to create a Master in Pandemic Administration which two courses would you consider mandatory?

RO: I'd consider one single course focused on people strategy. That has been one of our key focuses of attention and despite the pandemic, we have grown more than 20% year over year in the last three years. We've been able to reach these outstanding results by focusing on people, caring for them and their families, keeping them safe at home, and enhancing our ability to interact with our customers through digital initiatives. We've created two crisis committees, one made up of the company's leadership team, and the other made up of members of the front line who maintain daily contact with our customers, to analyze the scenario, discuss the facts and have agility and representativeness in decision making and communication with the employees. We also maintained an open, frequent, and transparent communication channel to share everything that was happening in the market and what the company was doing to offer the best possible working conditions: taking care of our employees' well-being and meeting the needs of our people through chats and space for group or individual dialogue, monthly web meetings with all employees and messages from me with reflections on the moment lived in a weekly basis. We were working apart, but the feeling was that we were together.

EF: How do you attract new talent to the organization?

RO: Part of my mission when joining Astellas was to consolidate the company's 10-year footprint in the country, which I have been doing by raising awareness of Brazil's market potential and building a solid management team. The first actions I've taken along with HR was to create an environ-

ment of trust, transparency, define strategies to enhance our corporate image, and share a compelling and true potential growth story to external talents. Thanks to that, we've been able to attract very good people to the company even during the pandemic. The pandemic has also allowed us to focus on critical internal issues and improve processes and other areas that required immediate actions, which has helped the company to increase its financial performance significantly. We've been able to increase our Operating Profit by 18 points of percentage since 2015 which has been highly recognized by the top management as a complete successful turnaround. This has enabled us to become one of the major growth drivers of the company and a priority market for the international region. As part of our corporate strategic plan, we are also investing and planning the launch of innovative products (gene and cell therapies) in the future which has helped us to attract experienced and talented people who bring desired capabilities. For the third year in a row, Astellas Farma Brazil has been recognized as one of the best pharmaceutical companies to work for by GPTW and in 2021, we were ranked in the 8th position among mid-size companies. We are very proud of this result as it demonstrates how happy, engaged, and motivated our people are in being part of the team as well as it makes more people interested in joining our company.

EF: What is the relative importance of Brazil to Astellas?

RO: When I joined the company 3 years ago, Brazil was not considered a priority market for the company despite the many opportunities that we have in both the private and public sectors. After a complete business and financial turnaround, we've been finally seen as one of the major growth drivers of the company and have the privilege to be part of the global co-creation team for Astellas' key strategic brands. Back in December 2019, we've had the honour to receive the visit of our global CEO for the first time since he took over the #1 position at the company. After one full day of a detailed business review meeting with the Brazilian Leadership team, he also had a chance to visit a local important hospital in São Paulo and met with some key opinion leaders. He got very impressed not only with the market potential of Brazil but especially with the quality of care provided by our private medical institutions as well as with our unified public health system. Thanks to that visit, Brazil has been considered for future clinical trials and got a lot of attention from Astellas' executive committee.

EF: When you look back on this period in your professional career, how would you like your tenure to be remembered?

RO: I'd like people who have worked on this journey with me to remember how challenging, scary but at the same time transformational, and exciting this period has been for all Astellas' employees. We have had to leave our safety zone behind so that we could explore new ways of working and business models, but never forgot how important it is to maintain the well-being of our people. I want Astellas Farma Brazil to become a launch powerhouse so that we can be one of the first affiliates of the company to bring to the market our innovative pipeline. I have no doubts that in the future, not so distant from today, our main competitors might be Google and Amazon and I'd like Astellas to be as prepared as possible to help patients to get access to innovative therapies or individualized medical solutions.

Allan Finkel & Isabella Wanderley

SVP LATAM Region & General Manager and Corporate VP Brazil
Novo Nordisk



EF: Looking back over the past couple of years, 2020 was the year of diagnostics, 2021 the year of vaccines, what do you think 2022 will be the year of?

AF: I believe that this is going to be the year in which people with chronic diseases will realize that it's quite important to continue to seek treatment throughout the pandemic. Obesity was one of the chronic diseases that the pandemic emphasized; meaning, we saw that the highest number of young patients who got hospitalized with severe Covid -19 disease or died, were living with obesity. I also believe that 2022 will accentuate the consciousness of taking care of ourselves.

It is also a year that will be very strong on digitalization as this is something that the pharma industry has been discussing for many years. The pandemic has shown that digitalization is possible. Also, with the unpredictability of how long the pandemic is going to last, I think flexibility, innovation, and experimentation is going to be the name of the game.

IW: 2022 is a year in which people are becoming more aware of the importance of health, of being physically and mentally healthy. For Novo Nordisk, it will be a year that focuses a lot on providing information and education, and on being a voice that helps patients find better ways to achieve a healthier and better life.

2022 will also be a year of connectivity through digitalization. This has started through the pandemic with doctors trying to find digital ways to keep helping their patients even in lockdown. Now, this digital communication is part of a normal doctor-patient relationship. Digitalization is also helping to improve different partnerships that provide better solutions for our patients. Our goal is to accelerate these collaborations.

EF: What missions did you set for yourselves professionally?

AF: Professionally, at the end of the day, we want to deliver results, but results come from employees working in an employee-friendly and healthy environment. The big mission here is to listen to our employees and customers and to understand how we can adapt our culture in the coming years. How we can be less risk-averse and have a faster and simpler decision-making process by experimenting with more things, and by working in an environment that joins forces and minds in order to take the company to the next level. I also have a dream that Novo Nordisk will be able to personalize customer experiences when they are using our products or participating in our education initiatives. If we're able to take these two points internally and externally to the level that I envision, we're going to be able to make a significant transformation.

From a personal perspective, I want to take care of my health and make sure I reserve time in my agenda for reflection.

IW: Professionally, I want to help this successful business to keep doing what they are good at, by applying a client mentality to our decision-making process. My goal is to make Brazil a pilot for that, especially with a major focus on moving our mindset from management of digital projects to management of digital products.

Personally, I'd love to have a better work-life balance that serves as an example for other people in our company to do the same. I would love to start meditating as well.

EF: What does access mean to you from a Latin American perspective and how do you expect digitalization to change this?

AF: Access is a journey that's different among countries. For example, I think Colombia now offers more government access to the population than some other countries like Brazil, whose innovative medications are not accessible to most of the population. I believe what we can do as a company is two-fold. First, to continue to work with governments, and second, it's our job to make sure we can develop patient access programs that not only provide financial benefit to patients but also allow them to get information and reminders about their treatment. To achieve these, digitalization is going to be critical as it will help us provide an individualized experience to each patient. Digitalization will also provide information that we can use to build intelligence, which can help us work together in the healthcare ecosystem. Between us, doctors, and patients, we'll bring together this ecosystem as a way of making the education process an important part of treatment accessibility to patients.

EF: How different are customer journeys either for physicians or patients for all LATAM countries?

AF: These are totally different. For example, Argentina is a pure reimbursement country that is starting to see more people willing to pay out of pocket, which is something we didn't see in the past. Colombia is a total reimbursement market as well. However, in Brazil, if a patient wants an innovative drug, it will not be paid for by the national healthcare system, it'll be covered through the private sector along with the benefits of a patient support program. Therefore, from a disease perspective, the journey changes a lot.

IW: Our goal is to work together with the public sector to help them understand what treatment options are available and that access to good treatment solutions and product guarantees are possible. Of course, we'd love to have more technological solutions for all patients, but Brazil is a huge country, and there are some constraints.

However, going back to the education part, even when treatment is available, we see a lot of people who don't have their disease diagnosed. As such, we've been working with non-government organizations (NGOs) and the public sector to train medical professionals to better identify these diseases, to know which solutions are available for them to offer, and to better start managing diagnoses so that more people can be treated earlier.

EF: What do you think is the contribution and strategic importance of Latin America and Brazil to the group?

AF: First of all, if looked at from a growth perspective, Latin America is a very important region, even though it is smaller compared to some of the other regions whose growth is quite significant. Nevertheless, over the past few years, we have experienced significant two-digit growth. As for Brazil, it's one of the most important countries for us as it is already a top market

for Novo Nordisk. Further, if you look at our expectations for the future for some of the new medications we have coming, Latin America is not left behind. This is seen in the drastic improvement of regulatory processes over the past few years, as we are now obtaining approvals quite fast which is a great benefit from a patient perspective.

Latin America is and will continue to be of strategic importance to us, especially when considering that the company runs clinical trials in some of the top countries in the region, such as Brazil, Colombia, Argentina, and Mexico. These are top-notch clinical trials run through great partnerships so that our investment in Latin America will continue in this direction.

EF: Is there anything in the pipeline that you're excited about coming up into the future?

AF: Yes, we are just launching in Mexico and Brazil an oral GLP-1 which is a great innovation that enables patients to receive GLP-1 treatment without the need for an injection. We also have the indication of semaglutide for obesity, which we have already launched in the US and have seen amazing results.

Looking into the future, there is more exciting innovation coming. For example, new solutions to reduce death rates regarding cardiovascular diseases, and a treatment based on once-weekly insulins for diabetes. There is a lot to come, and the pipeline of the company is quite impressive.

EF: Fast forward five to 10 years, looking back at this period right now, how would you like it to be remembered? What would you like to be remembered for?

AF: Internally, I would like to be remembered as a person who has been able to provide people with the tools to realize their career aspirations. Either by those people who want to stay at their current positions but want to continue to be challenged and developed or the ones who want to keep growing and be able to really take the next step in their career. I would like to be remembered for what I have accomplished and for how I have transformed the lives of people from a personal and professional perspective. For me, this is the most important part of my job.

Externally, I want Novo Nordisk to be recognized as a very innovative company that is really providing unique experiences to our stakeholders. Then, of course, patients being healthy and have even more access to our medications.

IW: I'd like Novo Nordisk to be considered the best partner for every one of our stakeholders. The one that understands their needs and provides the best solutions for patients, doctors, our partners, and society. Novo Nordisk will expand its therapeutic areas and will be seen as a broader treatment company for other chronic diseases.

Internally, I would like our company to be the place where everybody wants to work. We want our people to have fun on their journey.

Gaetano Crupi

President & General Manager
BMS Brazil



EF: 2020 was the year of diagnosis and prevention, 2021 the year of vaccines; what do you think 2022 will be remembered for?

GC: I hope the pharmaceutical industry will be remembered for its contribution to humanity in a crucial moment when it was most needed. In the past, the pharmaceutical industry has been extremely undervalued from a public opinion perspective. The majority of people are not concerned about spending money on non-priority items, however, tend to complain if they spend the same amount on health care, including medicines. There are a lot of thoughts, comments, and complaints that are not considerate and understanding of the industry.

I co-relate Covid to HIV. Today a patient will not die from HIV because of the investment and research that has gone into developing innovations to help patients. I want people to remember 2022 as the year in which the pharmaceutical industry came to the forefront to resolve the Covid issue and deliver on it. It was the first time the world recognized the importance of our sector. Everyone woke up with a decision based on a healthcare issue, from presidents to oil and gas companies or automotive industries. Bristol Myers Squibb was one of the companies that led this movement. We were not involved with the vaccine, but we engaged in gathering and delivering resources, which was necessary and part of why we are here today. The way Covid vaccines came about will be the new frontier for the rest of the R&D industry.

EF: What are the two key lessons you have learned from this process?

GC: I have learned a lot of amazing lessons in the last two years. In January 2019, we made the largest acquisition in the pharma industry when we acquired Celgene. We were in the process of integration in November 2019, we created a new company when the acquisition was confirmed. Between November 2019 and February 2020, we were designing this new company. We had a large spillover of jobs, processes, and other technicalities. In March 2020, we announced the new company. People did not know each other or the organization's work culture. And, on March 13, we were all at the home office.

Like everyone else, we thought we would be working and integrating for at least a month or two, and everything would get back to normal. It took two years. Before the pandemic, I would meet at most 15 employees per meeting to hear what was on their minds. At these meetings, employees could ask me personal, strategic, business, or any other questions they had. It was a listening session of sorts.

Immediately after lockdown, I called a meeting to keep people informed of where we were going. We had 200 people in that online meeting, which was a wake-up call. I have a saying which goes, 'If I don't take care of my family, how can I expect to care for a company or anything else?' People were eager to talk and ask questions during that first call after lockdown. I felt awed by the overwhelming response I got during that call. I realized that people needed a sense of belonging because they were busy adjusting themselves.

The meeting was the first sign that mental health would be a primary focus we should pay attention to. The idea was to be a steward of myself and my

family, and a steward for the well-being of our employees. We had a global leadership conference with over 400 Bristol Myers Squibb leaders, and the lead speaker was the author of Emotional Agility, Susan David. She gave us an overview of the book and, everything she discussed, we experienced in the last two years. Susan taught us to be careful of what is behind an "I'm okay". When someone says, "I'm okay", we should dig deep and fast to determine what is behind that response.

The meeting was thus named "What's in your heart and your mind" with sensitivity. The sessions went from weekly to bi-weekly, and now they are held once a month. For two years, we learned to celebrate life. We knew that we were all facing the same storm as humanity, but we were not in the same boat. Many companies announced the closure of physical offices and moving into virtual offices, which was a bold move because humans are social. Office space is an asset. We need to give ourselves time to learn in the process.

We are identifying two groups of people that emerged during the pandemic. One group feels more productive when they work from home. The second group of people is those unwilling to return to the office because of previous treatment. I have shared my experience with other companies and sectors on how a tentative policy of a hybrid work model is the worst-case scenario.

At BMS, we have a clear policy on workplace conduct. We came up with the concept of collaboration days, so every Monday, Tuesday, and Thursday is a collaboration day. It means that if an employee chooses to go to work on any of those days, they can interact with others and boost their morale. The policy is a starting point and will keep changing in the future.

It is important to have humility regarding the knowledge we do not have. Transformational leaders are emotionally agile and emotionally intelligent, which makes them winners. I am very proud that our level of engagement with our employees is one of the best among the global companies. People go through many life changes, so leaders need to be more understanding. I became a more inclusive leader without realizing it. I now do not take someone's "okay" at face value.

I am happy that we are slowly returning to the office and adjusting to office life again. This year, we are learning the importance of returning to the past for guidance and integration. We are learning to listen to our employees and let them speak out their thoughts.

EF: How was the performance of BMS Brazil's portfolio, and how will we get patients back to care?

GC: We are a specialized company. Our areas of expertise are Oncology, Hematology, and Immunology. There are two new products in Cardiology coming at the end of the year. Our main concern is the numbers for the future, though we do not have performance issues to date. In 2021, we forecasted 50,000 patients that were not being diagnosed. That curve shows all the patients who should potentially receive treatment but might not be receiving it.

Our mission and vision are to help patients through science. We have been working on patient advocacy with associations and physicians. We are looking for ways to get patients back to their treatments at the public and private sector levels. Today we have multi-channels for our collaboration with customers. BMS Brazil is trying to be more flexible by understanding the customers' preferences.

The differentiating factor between Bristol Myers and the rest of the industry is our culture of an on-brand team. We do not operate separately or individually, we work together. As we communicate with customers, our message should be one. We made a major shift in our access organization during the end of the pandemic. We saw an opportunity to ramp up the strategic account management being the central point of contact with our customers. A cohesive message is fundamental to the company. It is a major business shift that we want to invest in increasingly to be concise with our customers.

The new products we have in our pipeline are very rich and are from our Celgene and MyoKardia acquisition and our development. When I joined BMS in 2012, I was privileged to launch the first Immunology on the market. We became a recipient of a Nobel prize. With the new launch coming, we will be the only company with products with three checkpoints for Oncology. One of our important customers specializes in Melanoma. At the beginning of his career, he would consult with patients to extend their life expectancy. After so many years in the industry, he now consults with patients to create a strategy for a cure. That is how science is making a difference in people's lives.

EF: Is there a product you are specifically excited about in your pipeline?

GC: There are so many products that I am excited about. We recently announced a new product coming in the US, which is a combination of two former products. This will be the first time we have two products combined in one drug, positioning BMS as the only company that offers three Immune-oncologic drugs with differentiated and synergistic modes of action. When looking at the evolution of using Immunology, we also look for resistance at certain checkpoints.

We also have a product in our pipeline that has been life-changing for patients who need blood transfusions due to two Hematologic diseases: Myelodysplastic Syndrome and Beta-thalassemia. Another product that was a result of the MyoKardia acquisition, falls under Obstructive Cardiomyopathy. There is no drug to treat Obstructive Cardiomyopathy, which is how this product got developed by design. Many patients became casualties of these conditions without a diagnosis. It is very exciting for us as we prepare for the launch of the products.

One exciting thing about the Brazilian branch is how it was behind in terms of the portfolio, but not anymore. The Brazilian Regulatory Agency is part of Project Orbis, an FDA initiative for concurrent submission and review of Oncology products with other international health authorities. This has allowed us to launch products right after the US. Our portfolio and organization here in Brazil are a copy of the cooperation in the US or the Euro-Asian market.

We rely on people and not strategies. We have the right people to ensure that strategies are brought to life. The best strategy without the right people to implement them is useless. Our employees engage in a culture based on our values, so we can rely on each other to help patients.

EF: What does access mean to you?

GC: Access is not complicated in definition; it is complex in implementa-

tion. Looking at a patient's journey, the principal goal for this sector is to ensure the patient gets treatment. From diagnosis to treatment plans and all that comes with the treatment process. The final goal is to complete the entire process as swiftly as possible. I can describe Brazil in these simple words: Brazil is a country of contrast. We have 150 million people without private healthcare depending 100% on the government, and we have 50 million people with private healthcare.

Brazil's private healthcare sector has rules I have never seen anywhere else. If you launch a product and the product ends up being a biological product like an infusion, you are automatically reimbursed. However, you are not refunded if you have a similar oral or personal use product with the same benefits. We have to go to stakeholders and ask about the differences in the industry rules. These are the hurdles we need to work on within the frame of the private healthcare system here in Brazil.

We do not have a culture of reimbursement for drugs. Within BMS, the healthcare plan for our employees sponsors 10% of any medicines available for prescription. The Brazilian constitution of 1988 has the best strategy in the world from a healthcare perspective. I have worked in the U.S, Canada, and Venezuela, I have had joint ventures with a company in Japan, and I can confidently say there is no better constituent statement than Brazil's. The constitution states that it will give everything to everybody at any time. Unfortunately, no one can implement the constitution because no one has the funds. Any Brazilian who gets a prescription and the government fails to supply the prescribed drug can go to a lawyer and get a judicial mandate. The judicial decree creates an unbearable extra cost to the public sector. It is extremely difficult to budget with 150 million dependents that bring judicial mandates at any given moment.

Unless we dare to look at our constitution and make it more implementable and realistic, we will always be going back and forth. We need to have the best people that understand how the private system works. We need people planning ahead of the game. There is a huge movement of consolidation taking place in Brazil right now. There is a lot of interest in funding and venture capital coming to Brazil. However, one thing that concerns me about the private sector is verticalization. Once you try to control the entire value chain, quality decreases, and people's expectations of private health insurance will no longer be the best-case scenario.

I wish there was a simple way to do access. This impacts me as the General Manager because I cannot be far away from the marketplace, I always have to be at the frontline. We do not have a lot of layers; however, I talk to key customers to understand what they are going through to work together better. We look into the same issues in the public sector as well. We had a product approved by CONITEC for Melanoma treatment in the public sector. The FDA approved the product. Unfortunately, funding has not been available for this venture due to the Covid crisis. My hope in 2022 is that the Health Minister will provide the best treatment for patients with Melanoma in the public sector, utilizing Immune-oncology. Patients from Brazil should have the best public or private sector access. We are stewards of health in the public and private sectors

EF: Is there any final message you would like to share?

GC: I am glad that you are doing this for Brazil. I think Brazil is a major player in the world's economy, not only for the food supply but also for climate support. When looking at the matrix of our population, we are a diverse population. It is important to have diversity in clinical trials because we have microcosmos of different representations. BMS is leading in this market, and the best way to grow is to start with our employees. Many are going through different and difficult situations. If you do not begin by looking at yourself, it will be hard to have empathy for others.

Rafael Suarez

CEO Brazil & Head of LATAM

Ferring



EF: What mission did you carry out when you were appointed to Brazil in January 2021?

RS: For the past five years my posts have been in other countries, but LATAM was always my future. The timing of my post to Brazil could not have been more perfect. Reshaping the company and adapting it to the new reality of the pandemic was my main mission. To grasp and understand the Brazilian market and the company, I had several virtual meetings on a daily basis from the day I was appointed. Each region has a different strategic infrastructure. The Brazilian market recently went through a much-needed change which played into our strengths.

The current management team is relatively new, it has been reshaped since I took the position. This particular team will give our company a strategic advantage for Ferring by driving change and innovation. Due to currency devaluation at the closing of 2020, Brazil was ranked 13th in internal sales. But now, my team is passionate about putting the company back into the top ten. So, we are taking advantage of Brazil's size, resources, and systems to achieve our goal. I am elated because I have such a mature team that helps me achieve my objectives and mission.

EF: What were the biggest lessons learned during the pandemic, and what has changed in the company and your leadership style?

RS: Meeting people in person is different from meeting them virtually. There are a lot of nuances that you cannot perceive through a camera. We spent time defining common goals and aligning objectives. I trusted, empowered, and managed them by giving them clear directives. I have an open-door policy which has allowed me to have crucial conversations with each manager. The team outperformed itself and exceeded my expectations in the subsequent months. Whenever a problem arose, fast and efficient solutions were produced. Managing from a distance was one of the biggest leadership lessons I had during the pandemic, but clearly, it strengthened our team dynamic.

EF: How are the therapeutic areas you specialize in translating into the Brazilian market, and what is your current portfolio footprint?

RS: Brazil is the biggest and most strategic market in LATAM for us. Ferring Brazil began in 1993, meaning our commercial footprint will be 30 years next year, which is quite exciting for us. Ferring Brazil does not have a manufacturing plant, however, it has three high-quality labs that differentiate it from other countries. The first is a quality control lab, and the second is an analytical and methodological lab. Quality control and analytical labs are mandatory to release and scale locally produced or imported products.

The third lab is a nano-technology formulation lab. There are only four formulation labs in Ferring, which makes it a very special lab. The remaining three labs are in other BRIC countries. There is so much innovation in Brazil which is advantageous for our lab. We formulate new products based on local needs. This is helping us create a bigger footprint in the Brazilian and LATAM market.

We are excited about the third lab's product pipeline. All products began as proofs of concepts, and now, they are tangible products in the pipeline. Our recent partnership with Celera will push our first gastro product up the pipeline. The product is now in its third phase and will soon be commercialized in Brazil, LATAM, and other foreign Ferring subsidiaries interested in the product. It is incredibly exciting for us because our first product is well anticipated.

What makes this outstanding is that Ferring has 12 research labs worldwide that work on the life cycle management of our products in our portfolio and the products in the pipeline. The local lab is working on developing proof of concepts that turn into pharmaceutical products based on local people's needs.

EF: What are the biggest challenges that impact physicians adopting innovation?

RS: In LATAM we cover three therapeutic areas with different momentums in Fertility Health, Urology, and Gastroenterology. We focus on niche Gastroenterology, especially IBD. In Urology, we specialize in prostate cancer and in Reproductive Medicine the focal point is fertility.

Fertility is a key area in our portfolio. There is a huge gap between the Latin American markets and mature markets, like Europe, regarding access for couples that require fertility treatment. For context, one in six heterosexual couples has fertility problems with many contributing factors.

There are a lot of couples that need to be educated on fertility. Several people go to different doctors before they go to a fertility clinic. In mature markets like Europe, approximately 6% - 8% of babies are born through fertility treatment compared to Brazil, which is less than 1%.

The issue in Brazil and other Latin American countries is the lack of awareness and access. In Europe, fertility treatments are paid for by governments, whereas in LATAM, it is an out-of-pocket expense which is why affordability is an issue. If couples seek treatment from fertility centers early, the treatment time, process, and costs can be reduced. This is why education on fertility and health is important.

We are changing the conversation and trying to be more holistic about reproductive health. Physicians and Gynecologists need to be educated on the signs to look out for when a patient needs to be redirected to a fertility clinic. We plan to involve and spread awareness among university students and young people. In Africa and LATAM, education is sorely based on preventative measures instead of reproductive health. People need to learn about reproductive health, what it is, and how to take action.

Fertility preservation is also another big topic we are educating women on. In Europe and the US fertility preservation is common, whereas here, it is only beginning to be known. We are in the process of educating women about preservation to give them freedom of choice. It is a very important issue that can help society.

We have started talking to banks and insurance in Colombia, Mexico, and

now Brazil to create possible funding for easier access to fertility treatments for couples. Banks have loans for plastic surgery and dental care. We aim to get the banks to start loans for fertility treatments.

EF: Is funding for Reproductive Health advancing in Latin America, or is it still conceptual?

RS: I believe it is an interesting concept to do. We had an initial conversation with a bank here in Brazil, and they are keen on creating loans for fertility treatments. We are also talking to insurance companies. It is not a short-term achievement but a journey that will take time. The more people that think and talk about it, the more parties that will get involved to help us create a solution.

EF: Will your Gastroenterology portfolio drive Ferring's footprint in the region?

RS: We have a microbiome-based product I am excited about in the US pipeline of Ferring's Gastroenterology portfolio. The product is being developed in conjunction with Rebiotix, a small US company that we acquired a few years ago. I was involved in the due diligence and acquisition while still in my global role. The product was recently submitted to the FDA. We hope it will be the first microbiome-based product approved in the US for recurrent *C. difficile* infection after antibiotic treatment. Although estimates vary, there are between 500,000 and 700,000 cases of *C. difficile* infection in the US alone. With about 29,000 patient deaths a year, the US Centers for Disease Control had termed *Clostridioides difficile* infection an urgent public health threat.

Our microbiome product replaces the microbes in the gut of the infected patient to help with their recovery. Latin America has a very strategic

position for Ferring which is why once it is launched in the US, Mexico and Brazil will be considered key markets. In the US, the statistics for the infection are clear. In LATAM, however, the statistics are not as clear. It will be challenging to diagnose and educate people on our product without the relevant statistics. Our product will revolutionize the way patients are treated. LATAM and Brazil are melting pots for good things and movement for Ferring.

As for Urology, we have a product in the pipeline that will be launched in the US for bladder cancer. It is a one-of-a-kind gene therapy. We believe that a gene therapy platform will make a big difference for patients with bladder cancer.

EF: Next year, when you celebrate 30 years, what will your celebration message be?

RS: I am happy we are present in Brazil and part of the existing innovation. Hopefully, the first product launch in Brazil will be close since we are targeting to release the product at the beginning of 2024. With the product launch underway when we celebrate, it will be a good example of Ferring's accomplishments in Brazil.

Successfully raising awareness on Reproductive Health among couples and women will be something to celebrate too. Having a hand in helping couples' dreams to create a family come true, will make it all worthwhile. With less than 1% of couples giving birth to babies through fertility treatments, there is a huge gap between those that can and those that cannot conceive. The gap can be reduced with the collaboration of different players from different industries to provide education and access through fertility centers and experts. These will be the central themes of my message and they are worth celebrating.

Josiel Florenzano

Managing Director
Lundbeck Brazil & Southern Cone



EF: What have been some of the lessons you learned during the pandemic?

JF: Working in the CNS field, I learned about the importance of mental health disease treatment as the numbers are increasing, especially for untreated individuals. I also learned that people should re-evaluate their living and give more attention to their family members.

EF: 2020 was a year of diagnostics and prevention, 2021 was a year of vaccines. What do you think 2022 will be remembered for?

JF: My hope is that we see 2022 as the first year without Covid and the positive impacts of not having this virus back on our lives. A year where people will not be afraid to go out and walk around without wearing masks.

EF: If you had to choose two courses that would become compulsory for any manager to be able to go through a crisis like Covid, what would it be?

JF: The first lesson I learned is that it's very important to have a flexible workplace policy and a better understanding of the balance between an employee's personal and professional life. Of course, companies need numbers and results, but adopting a flexible way of management can change the perception of our employees as a well-balanced company and leadership, and this can increase productivity and motivation as well.

The second one would be exploring technology for better communication and reaching customers. Digital transformation is accelerating and in the next 5 or 10 years, it will be much farther along.

EF: What is the importance of mental health and CNS to Lundbeck in these markets in terms of policy or awareness of the disease?

JF: Lundbeck plays a very important role in Brazil and is perceived in our market as the top-of-mind company from a psychiatrist's perception. The number of patients with depression is increasing, and we've been working with the Psychiatry Association to support them and to have more space in the government to talk about mental health issues and include treatment for the affected patients. We have also sponsored the Mental Health Day and the suicide month remembrance.

EF: How do you compare Brazil, Argentina, and Chile in terms of access?

JF: I think Argentina has the best plan for CNS drugs despite the economic situation that it's currently facing as its system has a good concept compared to Brazil, which hasn't covered certain diseases yet.

EF: Is there any product on your pipeline that you're going to be bringing to the market that you're most excited about?

JF: This year we have a migraine product in our pipelines, that was already launched in the U.S, and that is one of our first biological products. 100% of our products are in the retail market, and now we are going to have a more specific product that has 10-year protection.

EF: What does access mean to you?

JF: Access means how patients get their treatment. Even though our Brazilian constitution clearly states that all citizens must have their healthcare provided by the government, if they need real treatment and don't have any private health insurance, they'll have a problem.

EF: How do you think digitalization transformation will impact and reinvent Lundbeck's business?

JF: I think that the role of the pharmaceutical sales rep is an area that will be most affected by digital transformation, but I don't see a total replacement for this position. However, these professionals need to develop new skills to use digitalization in their favor.

For example, since the pandemic, we now have the opportunity to reach states in Brazil that we didn't have before because of the technical assistance. We are now also able to meet more customers and have more meetings with worldwide participants, as well as physicians that only treat through telemedicine.

EF: Fast forward a couple of years, 5 to 10, what would you like this moment in your career to be remembered for?

JF: I'm going to be proud of the way my management team and I handled the business, not only in Brazil but also in my total area. We have received lots of good feedback from our employees, and the humanization that they perceive in the way that we try to protect them or make them feel safe while still getting good results. For example, during the last two years, I had the best employee succession survey in the period.

EF: Is there any final message you'd like to add on Lundbeck's role or commitment to Brazil?

JF: Just to reinforce some of the thoughts that I have already mentioned, one of the main values of Lundbeck is to be driven by its patients, so our main focus is to improve access to treatments for mental healthcare patients. Our role, besides our numbers, is to contribute to the mental health system and have a voice in the government to put more attention to these kinds of patients.

After being the only CNS-focused company in Brazil for 20 years, we are also improving this area and are perceived that way by many physicians. So, we have an important role to contribute to the populations that are suffering from mental health.

EF: Do you think after the pandemic people will be more aware of the role of mental health in productivity?

JF: It's a working process. Even for us, before the pandemic, we were not taking care of that, and we weren't recognizing that employees could have this type of disease. However, it is a real disease, and I think we should treat it like we treat migraines or other impairments that sometimes affect daily base work. I do think we are going to see more movement and companies appearing and implementing a service to improve the treatment and lives of mental health patients.

José Arnaud Coelho

President

Merck Brazil & General Manager,
Merck Healthcare Brazil



EF: You were appointed to head the Brazil operations in April 2021, full swing into the pandemic. What was the mission you were given?

JAC: I was appointed on April 5th. The Brazilian subsidiary is Merck's biggest operation in Latin America. The objective that I received at that time was to reorganize the team and prepare the company for the upcoming launches in Oncology, Neurology & Immunology, and Cardio-metabolism, fostering innovation and addressing unmet needs for Brazilian patients and healthcare professionals. Some medicines were launched during the pandemic, and we have also new products in our pipeline.

Additionally, we have been working together with the region to optimize Merck's efforts and to take better advantage of the operations that we have in the Brazilian market.

EF: We say that 2020 was a year of diagnosis and prevention and 2021 was a year of vaccines. What do you think 2022 will be the year of?

JAC: I hope 2022 will be the post-pandemic year. I believe that the healthcare systems in different countries are wondering about the new budgets and the new conditions to face the challenges with their own populations due to the pandemic. We have a backlog of other diseases, and the governments have the financial challenge to cover all these demands.

Another different aspect is that private businesses are going through a digital transformation and adapting to new channels that allow them to be in touch with the different stakeholders. From a multinational company standpoint, the challenge will be to optimize global strategies aligning those expectations with different cultural aspects from country to country and in the case of Brazil, from region to region. The key always will be the need of understanding the real stakeholder's needs and approaching them most effectively.

EF: From your experience heading 2 countries, what lessons have you learned from the pandemic?

JAC: For three months I was responsible for the Mexican and Brazilian operations simultaneously and the most important lesson for me was to put our people first. Merck has been always very pragmatic in this sense. The message was very clear: to put people first, to keep the business continuity, and to be focused on coming back stronger. It can look aspirational but at the same time pragmatic, guiding us in critical moments and for our daily work. We prioritized the safety of our teams, following all the protocols recommended by the health authorities, in some moments being stricter, without compromising the supply of our medicines for Brazilian patients. All the messages and the actions reflected those guidelines.

Another lesson was about making decisions to maintain the business and to protect the areas where we could not stop working on, like the manufacturing sites and logistics. To do that, we had to double or sometimes triple-check the protective measures of the teams and therefore the business.

The third point was to be transparent. We communicated more about the company than its products; how we were dealing with the people and how

we were working dedicated to providing the medicines needed for the population, that was part of how we differentiated ourselves.

We learned to treat each other like family; the people around us and our colleagues, that was part of the lesson learned for all of us.

EF: Brazil is the biggest market in Latin America, and we have seen that the company has had double-digit growth in the last year. What has been the contribution of Brazil to this growth and where is it coming from?

JAC: Merck is involved in the production of vaccines on a worldwide level, and Brazil is no exception. We have some partnerships with other companies that are engaged in a tech transfer approach for the Covid vaccine in the country and, for us the level of growth was around 30% in that division. The pandemic taught people that health is the #1 priority on their agenda. Nowadays, people are much more concerned about controlling diabetes, cardiovascular, and other metabolic diseases, therapeutic areas where Merck is a leader.

Merck has a number one diabetes product and, last year, we sold 79,5 million boxes in the retail market (Source: IQVIA PMB Retail - 2021). Probably, the level of awareness of COVID and the fact that people with diabetes are more likely to have serious complications from the virus has impacted the diabetes market growth. It's an impressive performance for our product. Around 3 boxes per second have been sold in Brazil. At the same time, we also had a good performance in our Cardiovascular Franchise with one of our products. In August 2021, Merck launched this specific product for patients with hypertension, which has a huge opportunity to gain market share.

Although Merck is the global leader in hypothyroidism treatment, in Brazil we have a huge opportunity to gain market share from local competitors and assume market leadership by 2024.

The healthcare system has been recovering in the first four months of 2022 and Merck is doing very well, we are going in the direction of taking back the leadership for the Fertility business in Brazil.

In terms of launches, we have recently launched a drug for multiple sclerosis (MS). It is important to say that with this option patients can treat MS for up to 4 years, just taking 20-24 tablets for 13 months. That is a life-changing innovation. The product has important outcomes because it reduces and reconstitutes lymphocytes with long-term effects.

The second drug is an immunotherapy for oncology, and we have its launch in urinary cancer. We aim to address the unmet needs of doctors and patients with UC after chemotherapy, during a period of maintenance, and with this treatment, you can prolong the life of the patients for more than a year which is fantastic.

I think that with these two products, and the mix of products and therapeutic areas that I mentioned, one can clearly see the engagement of the team once we understand that we are delivering new solutions for the patients and the doctors.

EF: With your experience in different countries, how would you define access?

JAC: When someone looks into Latin America, they see a huge market where everyone speaks Spanish, except for Brazil. Seeing it as one single block is misreading the region. Every region and country has different access programs and challenges.

Access for me is the capacity of a country and the private sector to join efforts to provide innovation, coverage, and solutions for healthcare systems and the population.

We have a different standard of access in all of Latin America. Argentina and Mexico, for example, have their own particularities considering their economic issues and current needs. Brazil is a continental country, served by one of the largest public health systems in the world. Millions of people depend exclusively on this system, which is extremely complex and fragmented, due to the different characteristics of the country. And it has been a journey to get to each one of those checkpoints to get the product to the patients.

My perspective is that in the last two years, most of the attention has been set on dealing with the pandemic and its financial management. The government had to prioritize investments to face the pandemic and try to minimize its impacts on the Brazilians' health.

We now are starting to see the government, federal or provincial authorities, trying to catch up with patients. In some cases, it is possible to do this, but in other cases, unfortunately, it is not possible because we are talking about oncology or diseases that progress and change the line of treatment.

But it's important to understand that in the upcoming years the allocation of resources for vaccination will be something interesting to pay attention to both at the global level and, of course in Latin America.

I think there have been interesting learnings when it comes to managing chronic diseases in a communicable disease scenario, and the realization of the importance of prevention. This will become increasingly relevant moving forward, how all portfolios balance budget allocations and financial resources.

I think we have a good composition here in Brazil and in Latin America in general. An important part of our sales revenue comes from metabolic care products, and we will be launching products in the area too. We have been growing in the specialty care business in the last few years. We have a strong internal market for private products, and at the same time, we keep looking for opportunities to expand access, providing innovation for Brazilian patients in the public arena.

EF: What do you think is going to be the impact of 'digital' in what our industry is going to look like in the future in terms of human resources, processes, and launching products?

JAC: I think that is an incredible revolution, considering that a key opinion leader that in the past was sitting in an important hospital in São Paulo, today can be a "health influencer" on YouTube or Instagram. The mechanisms of how to engage with patients are completely different, and they are digital too.

We are looking at the profiles of the professionals that we are bringing to the company since they need to understand the trends. Right now, we are in the middle of a journey. We have experts in the market, and we have experts in digital. We need to put them together, transfer the knowledge of the customer's needs, and develop solutions together. It's part of the activities that we are running with our teams.

We needed to contact the doctors with two different approaches, in balance, the digital and face-to-face initiatives, in different moments of a pandemic. The goal was to deeply understand the real needs of our stakeholders and balance that with the peculiarities of people living and working in a megalopolis like São Paulo or small cities in the countryside.

EF: Do you have any special KPIs that you like to look into when you're looking into digital?

JAC: I like to look into CTR, LTV, CPC, and other metrics, but I am more interested in knowing that we are really impacting the market and people's lives, providing valuable digital content and services, instead of just generating buzz and showing big numbers.

We have seen doctors and other healthcare professionals that are more enthusiastic about digital than others, but at some level, all of them have some kind of digital service or online interaction, with patients, colleagues, or someone from the industry... Part of our learning process is to have relevant resources both for a virtual and the face-to-face reach. It's a different strategy in each world.

Digital also brings us the opportunity to raise the attention of undiagnostic patients and leverage quality information about important lifestyle changes to prevent diseases. A great example is Merck's recognition by GUINNESS WORLD RECORDS™ in 2021 for setting the record for most online pre-diabetes and diabetes tests performed as part of an awareness campaign in Latin America.

EF: Fast forward 10 years from now, what would you like to remember from this period of your career?

JAC: I would like to see that we were able to face an unprecedented challenge together as a team, guided by the Merck values, putting people in the first place, protecting our business, and surging stronger after the pandemic.

Andre Vivan

President
GSK Brazil



EF: What mission were you given when you were appointed?

AV: My given mission once I got back to Brazil was beginning fluidity into our engagement in Brazil as an important part of the global market. One goal was clear from the beginning: activating the new pipeline. Since GSK was separated from Haleon, all our new launches had to be well-activated. Having managed commercial operations in emerging markets for a few years, I then transferred that knowledge to our unique pipeline and the launching processes.

EF: 2020 was the year of prevention and diagnosis, and 2021 was the year of vaccines. What do you think 2022 will be remembered for?

AV: It is a year of consolidation. We have identified several variables that need to be consolidated and grounded. Covid was a success story for the whole world. The vaccination coverage rates were tremendous globally; however, paediatrics fell behind. It is something we need to pay attention to and improve, as we see a resurgence risk of diseases that were already eradicated. It is one of the variables we need to consolidate and get back on track.

The second thing we need to consolidate is the rules of social engagement. We have to lay down some guidelines for better re-engagement. Digitalization is a valuable tool and asset. The way we use digitalization will dictate how effective it is for us. It saturated several channels because of the sudden move from normal processes to digitalization. It is not the if but the how that will have to be re-engineered or redesigned.

EF: Can you elaborate on the strategic importance of Brazil for GSK, how your pipeline looks, and your portfolio performance expectations?

AV: Brazil is highly relevant to the company; we are within the top 8 globally as local affiliates of the company and third in vaccines. GSK Brazil focuses on four areas, vaccines, HIV, respiratory, and oncology. In the next three years, we will launch four new products. One product was launched earlier this year, one is being launched later in the year for HIV, the third is an injectable HIV prevention product that will be launched soon, and we also have a solution for RSV that will be quickly found. GSK is at the forefront of the RSV solution.

In oncology, we recently launched a new product. We also have a new immune-oncology product in the pipeline. We are finding solutions and producing a product pipeline encompassing all our key focus areas. All these products are relevant for the patients, which is something we want to be for them. By 2025 we will see a new composition of the business. The specialty business will scale from 2% to 12% soon. It is a great portfolio of chronic and non-communicable diseases, with expertise in both in a market that requires both.

EF: What expectations do you have of your recent collaborations in oncology?

AV: The collaboration falls from primary research to clinical trials, which is still a way to go. We are still in the primary target setting for identifi-

ying targets and markers. The focus is on immuno-oncology because of the life-cycle management of the disease. It is an area of interest for our partners too and there is a clear synergy between us. As we advance, we want to lay the foundation for all the possible solutions and production of the drugs for the targets and markets. We want to cover end to end from the onset. We also want to protect institutions and incentivize the science community in the country. It is not just about reaching our goals. It is also about the value the country and science community add to these collaborations and projects.

EF: What does access mean to you?

AV: Access means reaching as many people as possible to provide adequate treatment. Globally, GSK goes to over 2.5 billion people through medicine or vaccines. For seven consecutive years, we have been leading and driving access globally, according to the Access to Medicine Index. We still intend to get to the underdeveloped parts of the world and create access for them. Access does not end at reaching people; it also means making treatments and products accessible and affordable. We need to find the obstacles that block access to the market and remove them. My team and I are working on increasing consumer opportunities within the market. Others may stop at providing access to the private sector, but for us, it is insufficient because everyone deserves access.

EF: Do you think digital therapy will impact therapeutic areas and how they evolve and grow in the future?

AV: It is all dependent on the way the industry views digitalization. There are two ways to view it. The first is viewing it as a side effect of everything that happened. Even before covid, companies had to have digital footprints to stand out in the market. You had to have a landing web page and at least some social media presence. From this perspective, it won't be easy to leverage digitalization. Digitalization's capabilities are based on customer activation. We need market depth to understand our customer's journeys and needs better and to map them out; only then can digitalization become influential—these dynamics touch on capabilities and the ability to invest in systems processes. Businesses need to have a different mindset and capacity to leverage the market.

EF: Do you have a final message for our readers?

AV: The inclusion and diversity agenda is very relevant for any leader. We are embedding inclusion and diversity organically within GSK and its plan. This is something that all leaders should think about and implement. It is something that cannot be avoided.

EF: How does it translate to Brazil?

AV: Brazil has more specific characteristics and traits it looks for, like positiveness. Diversity differs from region to region. This is why as a leader; you need to understand the reality of your country. With that knowledge, you can play your part in diversifying your company. The leader's plan is transforming from year to year. In Brazil, we have both good and bad references. We should learn from the bad and improve the good.

Juan Carlos Gaona

Head of LATAM & General Manager
Galderma, Brazil



EF: What was the mission you were given two months ago, and what were your first impressions or diagnostics when you arrived?

JC: I found a very different company than the one I left 10 years and a half ago. It grew exponentially, particularly during the last three years. The pandemic laid a platform through which the company really did well. Our focus today is to achieve global leadership in Dermatology as an independent company. Our mindset changed when we became independent, and we are clearly much more focused on our mission, which is advancing Dermatology for every skin story. Today, we deliver an innovative, science-based portfolio of premium flagship brands and services that span the full spectrum of the fast-growing Dermatology market. Galderma has a unique integrated Dermatology strategy and three big pillars with fast-passed market growth. One is Injectable Aesthetics and everything that goes with injectable procedures. The second is Dermo-Cosmetics and the third is Therapeutic Dermatology. I came to oversee flawlessness in all the company's operations and prepare the organization to continue growing at double-digit rates in the next 2 to 5 years. Also, to guide the organization for the digital world that we're facing. We need to make sure we are putting the right resources on drivers as well, so we can communicate more often with consumers, patients, and healthcare professionals through digital platforms.

EF: 2020 was a year of prevention and diagnostics, and 2021 was the year of vaccines, what do you think 2022 would be the year of?

JC: I think it's the year of awareness of the importance of health. A year of reckoning on the importance of being healthy by understanding how prevention is key, and how vaccination is fundamental for our society. We are going back to normal thanks to what the pharmaceutical companies have been able to pull off together with diagnostic companies, and the whole government ecosystem that has partnered with these companies to provide what is needed.

EF: What lessons, growth opportunities, and operational perspectives have you learned, as a manager and company-wise?

JC: As a leader, I would say that it was a pleasant surprise to see that we were better prepared than we thought to continue operating and working from home. It's very important for us to understand how resilient organizations, leaders, and employees can continue delivering on what is vital, working in an industry that's key. In terms of the dynamics, our manufacturing facilities worked around the clock to deliver to pharmacies as well.

We're very flexible today and learned that people don't get to grasp the culture of a company or organization through Zoom. We were able to be more flexible by managing our teams remotely, but we also understood the real value of getting together, making sure creativity and innovation continuous flowing. We learned to be time conscious, focused, and attentive for both personal and professional hats. Creating a working schedule and/

or timetable for maximum work input even though working from home.

EF: What is the current market potential of Galderma in Brazil, and how are you capitalizing on the market to the portfolio?

JC: Brazil is the third-largest market for Dermatology worldwide and it's growing very fast, second to the US and China. There's double-digit growth in many areas. We're talking about high teens when it comes to Therapeutic Dermatology. In Dermo-Cosmetics, depending on what you look at, you can sometimes have a 25% growth rate. So, it's a very dynamic market. When it comes to Injectable Aesthetics, it's way more interesting than it was before. The pandemic is one of the main reasons why this market grew so quickly.

This whole thing started in terms of shifting this dynamic, which was already good for a growth that was exponential. Dermatologists and plastic surgeons' offices started receiving a lot of new patients who wanted to look better and younger and feel healthier. This triggered a lot of consultations that were not part of the patient's agenda, and it became part of the agenda because of what we lived through during the pandemic, this market is growing much faster than it did before. The growth rate of this market has been double digits above 10% in all of those three different pillars, not only in Brazil.

Brazilians as patients are very mindful of their looks and looks influence whether you feel healthy or not. 10 to 15 years ago, Dermatologists were a little bit less inclined to treat Dermatology as a whole, they focused more on the therapeutic medicines and drugs to treat Dermatology. Now, they also have the aesthetics part of the business and the consultation linked to, 'how can I look better,' not only healthier, which became a very interesting dynamic for opportunities to grow. You also have new procedures and techniques and products and portfolios like what Galderma has that allows those doctors to treat the patients better, not only in the face but also in the body.

EF: Is this where the pipeline is going?

JC: We have a very rich pipeline in all three segments. Doctors are now looking into the perspective of harmonizing the treatment for healthier skin for every single patient. We're talking about advancing Dermatology for every skin story because every patient is different. For example, in Injectable Aesthetics, when talking about a bio stimulator, a filler, or a neuromodulator, health care practitioners are going to use them differently depending on the patient they have in front. For Dermo-Cosmetics, a physician will recommend a cleanser, or moisturizer depending on how oily or dry the skin of the patient is. It becomes very much tailor-made so that your solution is unique to you. Same thing with prescription drugs for Dermatology. So, Galderma's pipeline will bring innovation that will allow doctors to continue individualizing their treatments as much as possible.

Marcelo Belapolsky

Country Head
Sandoz Brazil



EF: Regarding the pandemic, what were the lessons learned from both a management and leadership perspective?

MB: It is much easier to reflect on the past in hindsight. There were difficult moments because COVID-19 is something we knew nothing about, we had to continuously transform on a daily basis over a long period of time. Digitalization was very important for us because we faced the scenario of social isolation, this meant that many sectors were racing to adapt their business model to what we now call the “new normal”. We realized that many tasks could be performed remotely, with the same or even better quality.

We lost the opportunity to work face-to-face with our customers and patients, which became a real challenge. We first had to identify the practices that could only be carried out in person, and then work out how we could perform these activities safely. This was important for us because we always put a strong focus on our associates. The second challenge was maintaining the feeling of proximity among co-workers, being unable to be physically present was hard, and it had a significant impact on our management and leadership roles.

Perhaps I can summarize this into three categories; the main role of Sandoz Brazil during the pandemic was first and foremost to support society. We worked together with different stakeholders to provide access to treatment and avoid a drug shortage. We worked with companies like Novartis to provide many donations, such as food and facemasks, which really supported people during these difficult times.

Our second role was the commitment to our associates, crucially because we moved our office into their homes, and nobody was prepared for that. We began spending many hours in online meetings every day, which was very exhausting. The sales representatives and the care managers usually spent their days working in the field, and that changed completely. Due to the impact of working online, we worked with psychologists and psychiatrists to develop an emotional support plan, we feel it is of paramount importance to support the emotional and psychological needs of our associates.

EF: If 2020 was the year of diagnostics, 2021 the year of vaccines when we look back, what will 2022 be the year of?

MB: 2022 will be the year of rebalancing the healthcare system. This is of great importance because over these past years the industry has had an overload, the type of which we have never seen before. We need to promote access, if each patient with a chronic disease has access to quality treatment and is up to date with follow-up care, it will provide great relief to the healthcare system. Following the rise of remote healthcare delivery during the pandemic, we now know it is not necessary for these patients to occupy a hospital bed for their follow-up treatment. This means we can reallocate these funds to other pending demands of the health sector, one of which is promoting access. Another one, as previously mentioned, is the advancement of the local technology park to include biological products. Brazil has the potential to expand the industrial park and adapt to biotechnology, in future years we need to be in the position where we have the capability to produce biosimilar products locally. Due to their reduced costs, biosimilar

products have the opportunity to broaden access.

Another crucial element to rebalancing the healthcare system is digitalization and telemedicine, since the pandemic, technology has become a great ally of the whole world. In the future, we must continue to work with this in the health industry. We learned during the pandemic that it is possible to operate rooms and exams remotely, perhaps not 100% of patients in all the therapeutic areas, but the pandemic broke down the digital barrier in this sector, which gives us the opportunity to continue this and evolve further. We have recently discussed how we can leverage this to make life easier for patients, physicians, and pharmacists. Today, it is increasingly common to make a large investment in healthcare, and we are seeing a lot of start-ups attempting to disrupt this space.

EF: We have heard AMR be referred to as ‘the new pandemic’, could you elaborate on this and explain the role of Sandoz in AMR?

We call it the new pandemic. Sandoz has a strong position in the global fight against antimicrobial resistance, we are the number one producer of different anti-infective products. This is a serious global health problem, and by 2050 may be responsible for more deaths than Oncology diseases. We have a real focus on producing antibiotics as well as anti-infectives. One year ago, we bought two different anti-infectives from GSK, because we wanted to strengthen our portfolio in anti-infectives. We have completed the transfer from GSK to Sandoz through ANVISA, we now own this product, and we are very proud of it.

This area is one that requires a large investment of research and development because currently, we have no new anti-infectives, neither Sandoz nor the pharmaceutical industry as a whole. We are working to provide more training on this subject to different healthcare providers across the industry, as it is vital that the right treatment is delivered to the right patient at the right time, if not, we will have a big problem in the future.

EF: In terms of the operations and projects that you are currently working on, what is the importance of Brazil to Sandoz?

MB: Sandoz Brazil represents around 44% of the total sales in Latin America. We also have all the go-to-market models, different countries in LATAM decide to operate within certain areas, such as medical detailing, specialties, or biosimilars, whereas here in Brazil we do everything. We have a strong position regarding pure generics in pharmacies, the Sandoz brand equity is very high throughout the entire pharmacy system. We produced around 100 million boxes during 2021 despite the Covid pandemic, our production facilities in Brazil operated 24/7 every day during 2021.

In addition to this, we have specialty products for the private market, such as biosimilars and Oncology products, but we also have them in the public sector and the PDP business. We are a unique company in Brazil. We signed three PDPs, one example of these is a product that we deliver with our partners Bionovis and Bio-Manguinhos. We promote cardiologists, CNS, psychiatrists, the neurologist, and finally, we have the new team, the hospital line for the new anti-infectives. As you can see Sandoz is very dynamic, and we act as a good school for learning as we have all the go-to-market models at the same time.

Marc Hasson

Country Managing Director
Boehringer Ingelheim Brazil



EF: 2020 was the year of diagnostics, 2021 the year of vaccines; what do you think 2022 will bring?

MH: The question on all our minds is if this year will be the end of Covid or will there be subsequent waves with new variants. We might have to focus on new vaccines as all the vaccines are focused on the original variant. It could be the year of vaccine adaptation to the later variants. We have seen new treatments ease the burden, Omicron might be highly contagious, but it's not very severe and isn't collapsing the health systems. Treatment options if a new variant appears could be vital in 2022.

EF: What were the lessons learned during the last year and managing remotely through the pandemic?

MH: We are in a privileged industry, which gives us additional responsibility. We approached the pandemic prioritizing the safety of our employees, especially at first when we had very little information. We pulled in our field force and sent people home to work remotely. We have a Covid-resistant portfolio, and at the initial stage of the pandemic, some business segments suffered. Chronic patients are our business, and they are high-risk Covid patients; and needed a constant supply of medication, which we managed to provide. We also had fewer new patients because everybody was in lockdown. Still, there was a much stronger adherence to treatments because patients were alarmed and worried about the consequences of getting Covid.

EF: Could you elaborate on your portfolio and what is driving growth now?

MH: As in all BI, our number one growth area is diabetes. We have been pioneering a product for diabetes that has cardiovascular benefits. It has shown a reduction in cardiovascular issues in long-term treatments demonstrating the drug is much more than just a diabetes drug. Our second pillar of growth is rare respiratory diseases. In Brazil, we have served many patients with complex conditions, focusing on the disease and mapping the patient journey. It usually takes about five years for the patient to get initial treatment, but with the services we have put in place, we have halved that time. It still takes too long to start the treatment, but we are attacking the disease earlier. With diabetes, like cancer, the earlier you treat the patient, the better the outcome, and two to three years make a lot of difference. The third pillar of growth is treating acute myocardial infarctions, and this is an area we have been doing intensive training because a good treatment by itself means nothing; it must go hand in hand with information and knowledge to make a difference. We are ensuring major health centers have a clear process to react quickly when the patient arrives at the emergency facility. The first 60 minutes are vital to get the diagnostics, attention, and treatment right. We partner with hospitals and train their staff. The pandemic has enabled us to develop remote training; we have set up multi-disciplinary training programs to reach regions we have never had access to before. We have trained over 600 hospitals in Brazil, saving a very significant number of lives. We noticed that death from cardiovascular diseases went up 20% during the pandemic because people were not going to emergencies. So we embarked on a coalition with universities, hospitals, medical societies to create an awareness campaign to bring patients back

to the hospitals, especially in the case of acute conditions, as hospitals were well organized and had separate Covid and non-Covid sectors. These were the hidden costs of the pandemic.

EF: As a person who has worked in various parts of the world, what is your personal definition of access?

MH: Brazil has a reasonably good healthcare system; it offers universal coverage, which is not the case in all markets, especially in emerging markets. Mexico is working on universal coverage, but only those with formal jobs had access for many years, meaning half the population has had no access. Brazil faces financial challenges, of course, but it does offer quite efficient treatment for all major diseases, both chronic and acute. Anybody from the broad population can get access to treatment or surgery, cardiology support, etc. The speed of access to innovation is another matter entirely; rare diseases can be complex. Access is not easy, especially in the case of rare diseases requiring hospitalization. It is a slow administrative process, but it works, and chronic outpatients have access to basic treatment. The period from the appearance of innovation and its potential availability in the public system can take five years or more for obvious financial reasons. There is a discussion of price-value, and because the responsibilities within the system are scattered, it is not easy to convince them all as the benefits don't favor all stakeholders. It is a short-term challenge that must be addressed.

EF: When you look back at this period in your professional career, how would you like your tenure to be remembered, considering you navigated a pandemic?

MH: I would have liked to have made a difference in Brazilian society. There has been a sizeable cardiovascular mortality reduction due to our training programs on myocardial stroke, saving tens of thousands of lives. We are working on major diseases for the benefit of the broader population. I believe we have made a difference, improving the patient's experience and making their lives easier by accessing treatments in major disease areas, impacting the patients and their families. We work not only on medical access but on reducing inequalities. Close to my heart is racial diversity within our Brazilian organization; I doubt other multinational companies have a workforce with the racial diversity we have in Brazil. Organizations are evolving but translating a diverse workforce into action still has a way to go. We have launched internal initiatives to foster diversity, and we have partnerships with NGOs that work on access to education for people from favelas and poorer areas. Despite having high schools in favelas, most kids drop out of universities. It is not a question of intellectual capabilities but cultural differences because they don't understand the 'codes' of most university students from other backgrounds that understand the challenges they face, which classes to pick to build the curriculum, etc. We support an NGO that helps them financially for the first year and designates a mentor from a multinational to follow the student throughout his studies. We have had a 100% success rate of kids entering this program, achieving a university degree, and changing the future of these kids. We recruit people to work in our traineeship program, and these initiatives I believe will make a difference. There are many ways to get good results, but it is indeed a powerful engagement when people are emotionally engaged with the work ethic.

Philippe de Carvalho

General Manager
Pierre Fabre Brazil



EF: What were the lessons learned over these past couple of years (and counting)?

PC: The first lesson learned was realizing how much staying tuned with our values helped us navigate during the pandemic. I was impressed that we never hesitated on the set of actions to be taken and prioritized, which focused on the safety and health of our people and customers. We then mobilized our teams very quickly and, in just 3 weeks, we were able to develop through our Brazilian Innovation Center and produce in our plant in Areal (Rio de Janeiro state) a hydro-alcoholic gel for massive donation to hospitals and healthcare professionals. The second lesson was about the profound impact of digitalization on the way we work. We collectively realized that most office-based activities can be efficiently performed remotely and that people management should focus much more on deliverables, regardless of the time your team spends in the office. Of course, physical interactions are key, especially when it comes to fostering creativity, mobilizing collective intelligence, and re-energizing teams behind a common culture and sense of purpose. But we also need to accept once and for all that people management has nothing to do with checking people's time schedules. Getting rid of the traditional ways of managing people was truly liberating. On top of allowing our office collaborators to find a better work-life balance with less time spent in unproductive commuting.

We also discovered that while a remote visit will probably never fully replace a face-to-face visit to HCPs, getting more proficient in digital tools tremendously enhance the quality of the relationship through webinars that give access to the best international experts, follow-up emails, newsletters, B2B sites, etc. Of course, people are now enjoying the come-back to "normality", especially in Latin America, where people prefer the warmth of physical interaction. But the new communication channels are open and are here to be maximized.

EF: Could you elaborate on Pierre Fabre's footprint in Brazil?

PC: In Brazil, Pierre Fabre is increasingly focused on dermo-cosmetics. Few people know this, but Brazil hosts one of the largest communities of dermatologists worldwide and an impressive network of pharmacies all across the country. Add to this the passion that Brazilians have for beauty, and you have here one of the top and fastest-growing markets for dermo-cosmetics.

However, consumer needs here are also quite specific because the skin and hair differ a lot from Europe and the US, so does the climate and the hygiene and beauty routines.

The reason why we launched our Brazilian Innovation Center (BIC) based in Rio de Janeiro in 2018, which is our 2nd R&D center outside of France, was to develop specific formulas better adapted to the needs of Brazilian and Latin American consumers. The first formulas developed by the BIC

have launched a couple of months ago and we already see a clear acceleration of our worldwide #1 brand, especially in the sun care and anti-acne categories, which are very important in Brazil.

Still, the dermo-cosmetic market here is quite "elitist" when compared to Europe and there is a major opportunity for more affordable and approachable brands to expand access of the local middle class to dermatologist-endorsed products. Pierre Fabre is unlocking this potential through our local brands, whose products are among the most prescribed by Brazilian dermatologists.

In Oncology, we have just announced a partnership with the 100% Brazilian pharmaceutical company, Blanver Fermoquímica, to distribute and promote our chemotherapy drugs. These drugs were already commercialized in Brazil by our subsidiary. In line with this local agreement, Pierre Fabre Brazil's Medical Care team has been hired by Blanver to ensure the continuity of distribution of these products, while leveraging Blanver's expertise and footprint to improve access to these treatments for the benefit of the patients. These chemotherapy drugs are used for the treatment of advanced breast cancer, non-small cell lung cancer, and advanced or metastatic transitional cell carcinoma of the urothelial tract.

EF: What is your personal definition of access?

PC: Ensuring the best solution reaches the patients. Like all Latin America, Brazil is a highly unequal country. The big challenge for the healthcare industry, including dermo-cosmetics, is to work together to provide high-quality solutions for all the population.

EF: What is the relative importance of Brazil to Pierre Fabre as a group?

PC: Pierre Fabre is a French group, we are number one in the French dermo-cosmetic market and a major player in pharmacare. Brazil is a strategic market for us since our subsidiary is already in the top 10 of the group, with the potential to reach the top 5. Outside of France, we are the only country with a manufacturing plant, and just the 2nd after Japan to have its own R&D Center, so our Group deeply understands the strategic importance of Brazil and the need to have a special strategy for this country.

EF: Fast forward ten years; when you look back at this period in your professional career, how would you like to be remembered?

PC: I would like to be remembered as someone who left a financially solid and blooming business in a way that encourages people to work well together and truly innovate for the benefit of consumers and HCPs. I would like to be remembered as someone who helped increase access to high-quality healthcare products, including dermo-cosmetics, to the largest possible number of people in Brazil.

Christian Schneider

General Manager
Gilead Brazil



EF: What lessons did you learn during the pandemic, and how did it shape the company in Brazil?

CS: When the pandemic began, I was in Europe, and they were going on lockdown. Once I made it back to Brazil, I warned people about COVID-19 and how it would come to the country. The company ensured its employees' safety by taking the pandemic seriously before it came to Brazil. We needed to plan and prepare for it.

We were digitally unprepared for the pandemic. Platforms like Zoom, Teams, and other teleconferencing platforms became the new normal. The primary concern was safety, which led to many contingency plans. As a company, we were navigating through uncertain times, there was no knowledge of when the vaccine would come, even though we knew it was the solution. The company's behavior changed when the vaccine became a possibility. Suddenly, we had a purpose because we could help save lives. There was solidarity among employees and employers and keeping employees safe was the top priority. Expanding our microenvironment was also crucial to our survival.

Interactions among colleagues, friends, and family have changed because of the pandemic. People now think twice before they get close because they have to think about the risk to safety when in contact with another person. Being cautious has become second nature for most people, so we should be considerate when someone continues to be cautious even after Covid is gone.

Patients with diseases like HCV and HIV could not visit physicians, which changed business for the sector. We had to adjust.

EF: What are your portfolio priorities as Gilead in Brazil?

CS: Our primary focus is on HCV and HBV, which is part of WHO and Brazilian MOH elimination programs. We have treated over 150 000 patients since the program came into effect in 2015. The complexity lies in helping the public and private sectors find more patients because many of them are unaware of their condition. This means that the industry needs to get innovative solutions to draw more people to get tested for diseases.

The government has brought Hepatitis C treatment to the primary level, with basic attention within SUS. The treatment has been simplified and can be completed within 12 weeks of administration. Diagnosis is just as crucial as the treatment itself. It is not a one-person job, it is the job of the nurses, physicians, individuals, and communities.

We partnered with an NGO in one of the low-income communities in São Paulo to do a pilot testing program. We involved the community hospital to raise disease awareness and mobilize the community to seek out the local health service for testing, diagnosis, and treatment.

EF: Which partnerships would you like to highlight with complementary skill sets to deliver to communities in need?

CS: Our public affairs team is increasing the engagement between our communities. We also engage with PAGS (Patient Advocacy Groups). The challenge with advocacy is finding ways to get their voices heard. When it comes to getting involved in any partnership, listening is a vital part. When the communities come to us with their needs, we have to know how to solve them. We collaborate with li-

ke-minded partners to help communities because no company can do everything by itself. We try to make a difference in other people's lives.

EF: What does Gilead bring that would be attractive to a potential partner?

CS: Companies that do HIV, HBV, and HCV testing need access to patients. The government has a lot of test kits available. We use digital initiatives to link the patients to the testing centers. That is why collaborating is beneficial for both sides. Therefore, we should combine efforts and create access together.

EF: What is your definition of access?

CS: It is the opportunity created for patients to access the best healthcare independently from their social condition. It should be a combined effort from the healthcare community including the public and private payers.

EF: What advice would you give to the public and private systems that will ensure access?

CS: Our government needs to provide for all, while the private system that has more resources per capita can provide the newer and more innovative solutions faster. We should all work together with the aim to provide the best care for both segments. All players should be willing to discuss alternatives for financing healthcare.

EF: What future trends do you see?

CS: One thing is evident for the healthcare industry: digitalization. It is the future of the industry. We need to advance beyond where we are now, which was clarified by the pandemic. Though the industry will become digital, it will not be 100% as this is the industry of saving lives. People will still suffer physically, and physicians will still need to treat patients physically. The human element can never be taken out of healthcare.

We will have to become more digitally savvy. The primary care portfolio will change dramatically. How we engage and interact with physicians has changed, and it will keep on changing because of what happened during the pandemic. Healthcare professionals have to be able to adapt to digitalization and change too.

EF: What would you like your tenure to be remembered for in ten years?

CS: When I came to Gilead, everyone I met and worked with had a great sense of purpose. We had the technology, which could bring the cure to many HCV patients. We managed to treat and cure over 150 000 HCV patients in the last 5-6 years.

The pandemic also had a huge impact on all of us, professionally and personally. I want to remember this period as the time we fulfilled our mission. As professionals, as a team, we did the impossible possible by saving lives with our products.

As individuals, we all suffered emotionally from the absence and companionship. We made the effort to stay close or connected to as many people as possible and never lose the sense of being part of the family, team, and community.

I want tenure to be remembered because I put people first in every decision I made.

Laurena Magnoni

Head of Country
Besins Healthcare Brazil



EF: 2020 was a year of diagnostics and prevention, 2021 a year of vaccines, what do you think 2022 will bring?

LM: Beyond the pandemic, it is about getting our patients back to healthcare. I believe all pharmaceutical companies have to better understand the patient's journey in 2022. After the last two years, the focus must be on the patient's journey, especially in our case as we work on replacement therapy for men and women, which is also true for other companies in our segment. Regardless of the sector, retail or private market, the pharma companies must work hand in hand with the product and patient's journey. The pandemic and these last two years have changed us; our mindset, the skill set needed, and even the benefit of certain drugs that add value to patients' lives. With the digital transformation happening worldwide, there are many opportunities, and we are investing heavily in medical education and digital, never losing track of the patient's journey.

EF: What were the lessons learned from a leadership and business perspective managing through a pandemic?

LM: Back in March 2020, we knew nothing of Covid, we had never had to live through anything similar, and from a business perspective, my first move was to create a crisis strategy based on three pillars:

- I. Price and strategy.
- II. State priorities: a) protect our people, b) work on mitigating the business's short-term losses, and c) be tactical and have a contingency plan to go step by step. My first goal was to protect our people and then work on digital initiatives for the business.
- III. Communication plan: I set up meetings once a week with the company's leadership team to make decisions on processes, which I didn't know if they were right or wrong but had to be made.

We covered all the strategies step-by-step to bring the business back on track. Secondly, while working on our "new normal" plan, we worked on a plan B according to the risk assessment of the business. Thirdly, we started a post-Covid strategy and built resilience within the business and our people.

Besins Healthcare Brazil focuses on innovation, not only as a product but as a process. Again, we didn't have all the answers, but decisions had to be made. I decided to go ahead with innovation initiatives and risk being wrong. Decision-making without information was one of the biggest challenges, but it was a tactic move. On a personal level, I believe we are here for a life purpose, and my purpose, in this case, must fit the company's goal. I work in a pharmaceutical company, and my mission is to take care of people. I communicated with my team every day and ensured they were all right because it is important to stay positive when living in a more isolated mode.

EF: What is Brazil's strategic importance to Besins? Over the past two years, how was your portfolio performance regarding men's and women's health?

LM: Besins is a niche company with 137 years in the market that focuses on women's and men's health, and we have pharmaceutical and nutrition products. Our company's strategy in Brazil is based on two pillars: growth and protecting the business and gaining the market share. We are leaders and have a strong market share. We are trying to grow our products on the pharmaceutical side. We don't need a lot of products, only the ones that make a difference in the patient's life. We also have a nutrition product with a scientific foundation that will make a difference. Our strategy in nutrition is to collaborate with the patients' health and well-being. Our portfolio in Brazil is dedicated 70% to pharma products and 30% to nutrition products.

EF: How much of your business is directed to the public versus private sector? Are your products covered mainly by out-of-pocket, private insurance, or the public system?

LM: Up till now, 100% of our business is retail and we have patients in all segments; health is not only for patients with money to buy out of pocket. Our next step in our strategy is to have market access in the near future. In 2010, I started Besins operations in Brazil, which has been a great journey.

EF: Fast forward ten years; when you look back at this period in your professional career, how would you like to be remembered?

LM: I would like to be remembered for doing the best I could for the patients, my team, and the company, exactly in that order. I always put people above all else, they are my mission in life, and I hope to look back in ten years and feel assured that I took care of them, whether in the company or in my private life. I would want to be sure that I did my best.

EF: Besins will be celebrating its 15th anniversary in Brazil in three years; what accomplishments would you like to celebrate by then?

LM: I would like to celebrate having doubled the company and being one of Brazil's top 50 pharmaceutical companies as a support of the people (the most valuable asset) and culture (the right workplace to deliver the strategy). At the moment, we are number 63 (source: IQVIA April 2022), and I want to get into the top 50.

EF: Is there any final message you would like to share?

LM: I would like an improvement in the quality of life of all the Brazilian population, not just for those who can pay for it. All people must be treated equally in the private sector and the public system. I hope and wish for more women in key positions in the pharmaceutical industry and other trades. Having more women in leadership positions would be good for the pharmaceutical business. Finally, I want health for everybody, all over the world.

EF: What would be your advice to women in Brazil interested in management or leadership roles in the pharmaceutical sector?

LM: My advice is to have self-belief. Don't ask other people for advice; ask yourself!

Roberto Rego Vieira da Rocha

General Manager
Teva Brazil



EF: What will 2022 be the year of?

RR: A shift occurred in the pharma industry, which brought on the need for resilience. Stakeholders in the market changed. To appeal to the new stakeholders, we became innovative and creative. Our interactions have changed, and we have become more resilient. The relationships and interactions we are building with patients are more authentic. Everything has changed in our channels, from stakeholders to interactions with governments and accessibility. Pharmaceutical companies have planned and strategized for this new reality.

EF: What is the strategic importance of the foothold you have in Brazil, and what was the mission you were given when appointed during the pandemic?

RR: My mission when appointed was to consolidate Teva in the market, and to expand its footprint in a more innovative approach. We have a specialized portfolio focusing on hospitals, oncology, the nervous system, and rare diseases in Brazil. Our footprint is increasing in health care areas we want to collaborate in. An example of specialized areas we are focusing on is oncology therapies as well as we're now launching a rare disease drug for Huntington Disease and Tardive Dyskinesia. As a manager at Teva, I plan to improve our footprint and increase the availability of our innovative product portfolio in Brazil. We want to keep strengthening our areas of expertise in the future.

We want to improve health care for specialized conditions patients by making quality medicines accessible at a more affordable price.

EF: What are the lessons you have learned during the pandemic?

RR: In a dynamic environment like the pandemic, we need to be proactive. Historically, the pharmaceutical industry waits for direction through essential players. Due to the lack of products and supplies, companies went to governments and worked together to get solutions for COVID-19 quickly. Opening up to governments was a step forward because companies had never had this kind of flexibility. This collaboration changed the dynamics of our relationships and opened doors differently. I would like to see more of this type of collaboration in the future. This pandemic showed us that it is possible to have such a collaboration.

EF: You have an extensive international career and have been exposed to many markets. What would be your definition of access?

RR: The right medicine, for the right person, at the right time at an affordable cost. The right medicine for the right person means patients get the correct diagnosis and treatment at the right stage. For this, it's necessary to have protocols for access. The entire process needs to be patient-centric. We still have relevant challenges in Latin America in this regard.

EF: How can we restore the importance of early diagnosis and get patients back to care?

RR: The Brazilian government struggled to allocate resources to the 'silent pandemic,' the chronic diseases that were not being taken care of because of lockdowns, lack of resources etc. Therefore, there was no plan or strategy made. Fortunately, the medical industry is trying to catch up. All the diagnosis and treatment patients that were on hold during the pandemic are slowly coming

back to be treated. This should have been carefully planned for.

EF: How has digitalization impacted the launch of your products, and on the pipeline?

RR: We are excited to launch high-quality and complex products to treat cancer and other specialized conditions like rare diseases. There is a growth in demand for specialized products in the Brazilian pharma market, therefore we will look into bringing the specialized products in our product pipeline.

Digitally we are moving forward. We have to understand our customer or HCPs segmentation and their journey. Companies need to identify HCPs' profiles and engage at the point of their need. We need to understand the generational difference between HCPs because the way the younger generation integrates prodigals to treat the patient digitally is different from the older generations. Our primary connection point is to share scientific data and value propositions through digital platforms.

Companies have not fully adapted to digitalization yet. As pharma companies, we need to be closer to patients, using different digital platforms.

EF: How was to take over as General Manager during the Pandemic? And what attracted you to Teva?

RR: I was blessed to integrate my management style with Teva's while adapting to their organizational culture. My price management ideas were well received because Teva management has more personal connections with manufacturers, and everything is kept more in-house. Integrating my expertise and Teva's management style allowed me to keep our employees safe during the pandemic. When the first wave of COVID-19 hit, we did not know what to do. Our decisions changed from day to day because we would not know what to expect.

Although Teva is a global leader, impacting 200 million patients every day, in Brazil it's still in an initial development phase, but with such an impact in the pharma industry locally. I have worked for innovative pharma companies in the past, yet Teva has different approaches. The impact you make both as a company and as an individual attracted me to Teva.

EF: Let's fast forward ten years from now, what would you like this moment in your career to be remembered for?

RR: For gaining access to medicines for the patients by implementing innovative health care in Brazil. We work closely with health insurances in Brazil by using creative ideas and strategies. Looking back, I would like to be remembered as an innovative person who could negotiate and expand access to new treatments for patients. It is good to inspire people to join and keep growing the pharma industry in Brazil through the footprint you leave behind. As a leader, you have to encourage and inspire people to use their skills and competencies to go above limitations. Being a leader is part of getting your team to evolve and grow. This is one of the biggest challenges that executives have been facing during this time, and that is why it requires unique talent.

Brazil is probably one of the most complex and challenging markets out there. To be in business in Brazil, you have to be resilient and understand the different models and opportunities.

Michel Conte

Country Lead Brazil,
UCB Biopharma Brazil



EF: 2020 was the year of diagnostics, 2021 the year of vaccines; what do you think 2022 will bring?

MC: I see 2022 as the year of reinventing ourselves. Despite suffering a pandemic, we have kept growing and not had negative results; we adapted to the challenges of remote-working while engaging with clients, customers, and stakeholders. Now is the time to implement transformation and digital platforms in our DBT (Digital Business Transformation), in which we are investing. We have hired a professional to lead the transformation, and I believe 2022 will be the year where the “new normal” will be executed. The biggest challenge will be to keep our people safe and minimize exposure to the virus as we want to bring people back to the office.

EF: What are the lessons learned during the last year and managing remotely?

MC: Before 2020, I traveled to the Headquarters in Brussels at least seven times a year. In late January that year, I was in Brussels and everything was normal, but in March, the pandemic hit. On March 9th, the indication from global was to be wary of the local situation while trying to do business as usual, which of course, was not an option. We did business as was possible in Brazil and not as usual. On March 16th, we decided to close the offices for two weeks to see how things evolved. My intuitive reaction was to do business as possible, a concept later used in other international markets. We did what we could, especially from March to June 2020. The clients and physicians were at home, and our specialty clients were in hospitals, many of them were state or federal-level public payers. The HMOs had closed, and the market dynamic had changed completely. Business as usual became business as possible. From July 2020, we tried to reinvent ourselves using remote tools and channels to interact with clients and keep our people at home and engaged. We established a COVID-19 Crisis Committee in Brazil to manage all the situations arising with weekly meetings, looking at the situation city by city, and allowing our people the flexibility to choose to be in the field or not. By the end of 2020, the business was going well, growing in double digits, overcoming the price increase and the market growth, and generally delivering a solid year.

EF: Could you elaborate on your company’s DBT (Digital Business Transformation)?

MC: We have hired a professional to lead the transformation, and our ambition is to create our channel platform by 2023. We have invested in excellent tools, but they are not yet linked together in a common direction. The DBT will be our future way of working and will include space

and respect for our customers, prove our resilience, and reach areas where we haven’t had a presence before. Brazil is a vast country, and we cannot reach all its corners, but DBT will go a long way in helping us to be more far-reaching. At the moment, we are trying to get our 145 employees to adapt to the transformation tools.

EF: Do you see a straightforward adoption of digital by physicians and patients, and are they prepared to use the assistance of technology?

MC: It is a challenge, especially in the public sector. Brazil has 26 different states and the capital state, 5,600 different cities, each with its health secretary. The infrastructure is an issue, as are the conflicts of interests between the public and private sectors. But, since the beginning of the pandemic, we have closed three big deals with the Minister of Health using Zoom, something that would have never happened pre-pandemic. Before 2020 it would have entailed many trips to Brasilia and many meetings, adding up much cost in money and traveling time.

EF: Are you especially excited by any new products in your portfolio or pipeline that you could share?

MC: We are preparing for new entities in the rare disease arena; we bought two products recently, which has been very exciting as it means rare disease products will now be included in our portfolio. With IQVIA, we are preparing a market study for the first phase, looking at price, access, and reimbursement to define our strategy for LATAM. The outcomes for psoriasis are very promising, and we are investing in new formulations and solutions for the existing portfolio. We have products for epilepsy which is part of our main business alongside Parkinson’s. More entities will be forthcoming, and we need to find new markets.

EF: When you look back at this period in your professional career, how would you like your tenure to be remembered?

MC: My contribution to my team is important to me; I believe in leadership by example and exposure. I would be happy and proud to follow my team’s careers; see them contribute, and become role models as leaders. My role will be through my team and the consolidation of a biopharma company, a great legacy to have. I joined Pfizer in 1999 as a sales rep; I am very proud of my journey and hope to be even prouder in ten years. Finally, this year in May, we celebrate the 10th anniversary of the company’s acquisition. We will commemorate the company’s transformation, becoming a biopharma company in behavior, practice, and principle. We are getting better by reinventing ourselves daily, which is not easy in Brazil as we face many challenges, such as patient access to care limitations, pricing issues, etc.

Adriano Caldas

Vice President Latin America & General Manager Brazil
Guerbet

EF: What do you think 2022 will be the year of?

AC: 2022 will be the year of integrating healthcare promotion, prevention, early diagnostics, and treatment. As development increases, the demand for healthcare increases as well. Focusing on the minor issues and combining them will make the healthcare system more sustainable. Once we master healthcare integration, we will diagnose earlier and give treatment at the beginning stages, which will lead to lower costs. Integrating the stakeholder and the different tools will promote and increase healthcare.

As an industry, we need to use all the tools to remain sustainable. We need to have better diagnostics, promotion of healthier lifestyles, early prevention, and treatment. It will not be maintainable if we keep providing healthcare the same way we have been doing it for the past few years in the long run.

To increase our reach span, we must use digitalization to our advantage. Getting patients back to healthcare, educating, and providing them with early diagnostics is a vital priority.

EF: What were your mission and the lessons you learned during the pandemic?

AC: I was hired, went through onboarding, and worked virtually for the first few months. One of my key goals was to get closer to everyone. I accomplished this by having weekly one-on-one meetings, openly communicating, and messaging everyone. Being close to my team, customers, and suppliers helped me understand their needs. I had to learn to stay close while far away.

Our planning became more structured, with space for adjustments as we adapted to the situation. We went from planning long-term to planning day-to-day. Each new day brought challenges, so we adjusted our plans to accommodate the constant change. Decisions on what to import and how to manage supply chain disruptions are crucial, and so is structuring and training to expand our service team. We had all these issues in mind and made decisions based on the most critical challenges.

We now have more tools at our disposal, thanks to digitalization. We built on top of the set foundation by using digitalization, and we connected with more people who opened more channels for us. We learned to be more flexible, take more risks, and better navigate uncertain circumstances. Our responsibility is to deliver quality and safe products to our customers. Focusing and staying close to our purpose and mission to provide better diagnostics helps us overcome many challenges.

EF: What is the product portfolio and the performance of Guerbet Brazil?

AC: We are traditionally known for our contrast medical imaging. Guerbet has been investing and evolving towards more complete solutions, and our focus has expanded to include pharmaceutical and diagnostic solutions. An example is an injector with minimal side effects, which makes injecting the contrasting agent easier and more controlled. This makes for a better and safer diagnosis that leads to better outcomes.

We have a system that connects to our injectors and controls the injected amount and the flow speed. This system captures the amount of contrasting medicine, the results, effects, and protocols for each patient. It is beneficial to

management because it will increase patient efficiency and make the overall process safer for patients.

We also have other solutions that we launched using AI technology. We have established an AI product with a start-up company that analyses MRI brain images and detects signs of dementia-related conditions like Alzheimer's. Other products are in the pipeline that use AI to improve the diagnosis rate of different cancer cells. We are also developing a product that helps radiologists diagnose faster. It will help patients get a quicker diagnosis, which will increase their life expectancy and improve their health and quality of life.

We are expanding our portfolio beyond pharmaceutical solutions and launching into medical devices and digital solutions within our area of expertise. We have micro-catheters and micro-guide wiring. The idea is to move from diagnostics to theragnostics.

EF: How do you see collaborations developing in Latin America and Brazil?

AC: Integration requires collaboration because no stakeholder can accomplish everything independently. Big companies have broad portfolios, but they cannot produce all the needed products. An example of a collaboration we have is with an external partner that analyses MRI images. The start-up brings the cooperation's software, knowledge, expertise, and clinical trials. We bring access to radiological centers. With this collaboration, we can offer solutions to our customers and have more people getting an early diagnosis.

We have several collaborations with global and local partners to give more diagnostic solutions. Locally we work with various companies that produce scanners and other products. We partner with all these companies to offer solutions to their customers and our patients.

There are clinical, financial, training, protocols, and economic sides to a collaboration with customers. We can share risks and rewards using different effective business models within our partnerships. Collaborators should keep the value of their products in mind instead of the price. If all the involved stakeholders do their best in their roles and tasks, the patient and collaborators benefit economically.

Competing companies get into alliances in the pharmaceutical industry because no company can implement all the integrated tasks and challenges and develop all the required products by themselves. It is crucial to integrate instead of being conflictive.

EF: What would you like to be remembered for five years from today?

AC: Personally, the answer changes as I go through different phases of life. I have been in the pharmaceutical industry for 30 years now and would like to be remembered as the person who helped the market be integrative, collaborative, and more sustainable. Presently the system is divided and conflicted. Being transparent and honest with all the relevant stakeholders will smoothen the transformation. Integration within the industry is evolving, and I would like to contribute to and be a part of it. Looking back five years from now and seeing our growth and evolution would be incredible. I would also like to see the development of Guerbet's reputation increasing on the market.

Edson Paixão

Vice President and General Manager
Ultragenyx Brazil

EF: 2020, the year of diagnostics; 2021 the year of vaccines. What do you think 2022 will be the year of in Brazil?

EP: It will be the year of growth in Brazil. Impressively, our people adapted quickly to the vaccination problems. Almost 100% of the population in Brazil got fully vaccinated to push the economy of the country forward. With a strong belief in our country, we remain positive that Brazil will be growing in terms of the economy and the healthcare system.

EF: What do you think have been the lessons learned from managing through the pandemic, in terms of operations, leadership, and business?

EP: One lesson learned is that we don't need to physically be in the office to manage a business. Before, the pandemic home office was a sore topic, but there has been great proof that it is possible for people to work well together from home. Ultragenyx performed very well with employees doing home office. These times have taught us how to better manage a work-life balance and improve on time management skills. One good example is that no one from my team became burnt out as they had the opportunity to dedicate more time to their personal lives.

EF: How did your role change compared to how it was pre-pandemic and during the pandemic?

EP: In terms of work, it has increased. However, the pandemic has presented the opportunity to learn more. To have to learn how to compress week-long international meetings into a two-hour Zoom meeting has been challenging but it has created the opportunity to get more meetings done. More meetings mean more work and I am pursuing to find a balance between working from home, in the office, and personal life.

EF: What do you look for in other establishments when thinking about collaborations and partnerships?

EP: Externally, we have a lot of collaborations and global partners. We remain close with and support the patient organizations, centers, groups, foundations, and treating physicians across Latin America, especially in Brazil, who provide support for patients with rare and ultra-rare conditions. We are working to open more doors to the broader public in order to increase inclusion and diversity amongst partners for new recruits in the future who prove to be highly competent in the relative fields.

Internally, we work very well cross-functionally due to the competence of our employees and the same level of importance applies to partnerships, especially when working towards successful strategies and ideas regarding treatments for rare diseases. The need for highly competent teams is extremely important.

EF: How would you rate the level of access of innovation to rare disease therapies in Brazil?

EP: Very low, unfortunately. I would love to see an increase. Now we have things that have changed. We have a new resolution in Brazil that has sped up the market to physicians for medicines that are not available in Brazil- especially for rare diseases- so we can get or match physicians within six months. I've had this experience with 3 medicines, and they worked perfectly.

From the price perspective we are in a great shape as well, the price commissioner in Brazil worked diligently to approve prices in six months. It has proven difficult to convince ConeTec to incorporate medicines given the low level of scientific evidence with any medicine for rare diseases, but they have opened the doors to this now. While the possibility to have a medicine incorporated and approved for rare diseases is low today, it was far lower 5 years ago. Today we see a light at the end of the tunnel, thanks to a new team within ConeTec that have opened their eyes to the importance of such aspects to have new medicines approved. However, not every medicine is approved. It depends on the disease, if the company brings clinical trials to Brazil or not, if they are working on generating local evidence- we award the evidence and the data. These things are very relevant to getting access through the public system which, in Brazil, is the only way to gain access to medicine for rare diseases unlike other countries like the US and Columbia who have private insurance.

I think the levels of access will continue to increase in the future.

EF: The education of physicians and them knowing how to diagnose was the number one challenge with regards to rare diseases. How do physicians diagnose?

EP: This is definitely the number challenge. Due to the continental dimension of Brazil, it is almost impossible to reach all the centers to educate the physicians on using the relative tools. The pandemic brought different ways to communicate like Zoom meetings, but not all the physicians have enough time to join in lectures we promote virtually. Some of them are very interested in learning more and do take part in the virtual lectures, but it remains a great challenge.

Now, however, we are reaching regions in Brazil we have never reached before like the Amazon Jungle. We had two patients diagnosed there by a treating physician who learned from the virtual lectures we have promoted.

EF: You are going to be celebrating 5 years of Ultragenyx Brazil this year. What would you like to highlight and celebrate in your celebratory speech to your team?

EP: Being able to now tend to a mom with a child who has a rare disease and provide access to medication to help is very gratifying. With our hard work as a company and well-developed team here at Ultragenyx Brazil over the past 5 years, our patients now have the right to have far less complicated access to medicine for their rare disease(s) which they did not have before. This will be our legacy.

Carlos Grzelak

General Manager
Mundipharma Brazil



EF: What mission were you given when appointed GM of Mundipharma Brazil in August 2020?

CG: Mundipharma started its global transformation in June 2020 when Marc Princen became CEO, improving country-to-country synergies, best practices, etc. The process happened to overlap with the pandemic. When I was appointed, my mission was to replicate the transformation process in Brazil and provide health consistently and responsibly while addressing the needs of our people and customers (doctors and patients). I had to move the Brazilian affiliate in the same direction, do the transformation and consolidate operations of the team in Brazil, paying attention to the top and bottom lines while offering health consistently.

EF: What were the lessons learned while managing through the pandemic?

CG: We had to adapt to working virtually, which was harder for some people than others, but we have managed well. We are now coordinated, and our employees work with responsibility in a home office mode. We have moved from a big office to a smaller one, and we have a mobile office too. Currently, 50% of the personnel work from home and the other half from the office. Our “We Care” initiative creates an environment where people are respected and have a good work-life balance in a psychologically healthy environment. It is our way of taking people into account and staying close to them.

EF: 2020 was a year of diagnostics and prevention, and 2021 was a year of vaccines. What do you think 2022 will bring?

CG: We are returning to a normal situation with certain added side effects. During the pandemic, many people delayed their health checkups on their more serious ailments, as people were scared to go to hospitals. Some patients are now showing Covid side effects that have appeared in the mid to long term. Another pandemic effect is that people are more aware of health prevention, possibly because most of the patients with Covid complications have comorbidities, creating more health awareness.

EF: You have an oncology, pain, and ophthalmology portfolio. How does this portfolio translate to the Brazil needs?

CG: Our focus in Brazil is on pain treatment, putting the patient’s unmet needs at the center of the equation. We don’t have an oncology area in Brazil, but we do pain treatment for cancer. We work with continuous patient-medical sessions and support the doctors to better treat the patients in pain (generally from cancer), with moderate to severe pain using both our and competitor’s products to address the needs of the patients. Patients often receive treatments that do not match their pain level, and nobody can live a normal life when they are enduring pain. Pain medical education is the basis and foundation of our work. We treat the patient’s pain responsibly with “delicate” drugs.

EF: Is pain management perceived as a therapeutic area in Brazil? (Is it even considered a disease?)

CG: There aren’t a lot of pain specialists, but this is improving over time. The main concern of the oncologist is to treat the tumor or cancer in the patient’s body, but we think there must be more empathy for the patient’s suffering. A study from an NGO for patients with cancer, OncoDia, which works with over a million cancer patients, did a survey that shows that more than half of the patients suffer from pain and believe pain treatment should be part of the healing process. It also shows that many treatments were inappropriate for the cancer patient’s pain level. Pain management must be addressed, and there must be more empathy for patients. There has to be more awareness of how suffering blocks the possibility of the patient from doing many other activities. A balance must be found in the correct and responsible use of pain management, with the right doctor prescribing the right product and indication for the right patient.

EF: What is your personal definition of access?

CG: The word access is usually linked to the public health system but is a much broader concept. In Brazil, for instance, 75% of the population depends exclusively on the public health system, and 25% have a private healthcare plan. Only a quarter of the population has access to better hospitals and treatments. The rest have to resort to the public system, which doesn’t compare to the European public system. Even though there is access to better institutions in the private system, the cost is excessively high. In terms of private healthcare costs, I think there is better access in Argentina than in Brazil, and we need to improve the system as a whole, not just the public system. Decrease the cost of the private system and improve the quality of the public health system.

EF: Fast-forward five to ten years; how would you like your tenure as a leader to be remembered?

CG: Passion is a legacy. I want to be remembered for having worked hard prioritizing patients’ unmet needs and allowing people to grow, learn and flourish. I would like people to remember me for their professional development and feel I was part of that. HCP (Healthcare Professional) is a term that includes doctors, nurses, and caregivers, but I consider myself to be an HCP. I don’t sell medicines; medicines are sold due to my work with doctors and patients’ unmet needs, and I would like that to be my legacy. My role is to reassure people’s genuine concerns, be transparent, and play in a diverse space. Leaders need to change their mindsets, or they will not retain people’s trust. I work with sales representatives in the field and visit doctors. There are no barriers for people to access me. The role of leaders has changed a lot with the pandemic, and we have to listen, guide, and give purpose to the team. The healthcare environment needs to work in an integrated way, not in silos, and collaborate even with competitors to discover unmet needs and improve patient access and the health system. All countries in the world, developed and underdeveloped, had problems coping with Covid. Now they must analyze and identify their mistakes and be proactive for the next pandemic in the future. The countries must be better prepared next time.

Carlos Aguiar

CEO
South LATAM Head, Glenmark



EF: When you were appointed a year and a half ago, what was the mission you set for yourself?

CA: Although the company was prepared to navigate the pandemic, operating it was challenging, but we persevered and continued running daily. We continued providing quality services and products for all our customers and stakeholders, which was our top priority.

The pharmaceutical industry played an essential role in controlling the pandemic. Vaccines helped us overcome the pandemic, and the sector supported patients impacted by COVID-19. The sector also attended to the industry's and healthcare professionals' needs.

As a company, we had to become more innovative and develop solutions in our customer approach. Digitalization helped us increase our footprint and strengthen our relationships with consumers. Transitioning from face-to-face to virtual meetings was something we anticipated and started working from before. Now, our communication with our consumers has improved through various products, platforms, and services.

Glenmark was one of the first companies to have a product to treat COVID-19. The product had a positive impact in different markets across the globe, and it was launched in 2020 as the pandemic began.

The major challenges we faced were importing APIs and finished products. So, we channeled many resources towards producing and supplying these products to all consumers globally. We specialize in APIs, production, and innovation, with integration to shorten the launch time of all the products and services in the pipeline. We also specialize in respiratory conditions. Our product portfolio covers Asthma and other respiratory products. In the past year, we created the first generic of a great medicine against asthma, bronchitis, and COPD. The product greatly increased patient access to the market. In the process, we also improved the needs of patients by creating a competitive price and improving the quality of our products.

EF: What lessons did you learn in the last two years?

CA: It was an interesting time for me because I had to reopen the office and its operations after it had shut down during lockdown. When I arrived, the office was chaotic, with so much clutter. My mission was to transform the Brazilian company. My director and I worked together to make the company operational again. The plans we made during those first few weeks have worked tremendously well. The teams we set in place had goals that they superseded.

The world has been slowly returning to the old normal for the last year. The new normal was something we learned during the pandemic. We must find the right balance between the new and old normal.

Team engagement is crucial to the operation of a company. It is something we exceeded during the pandemic. However, no matter how good it is, it can never replace good old-fashioned face-to-face interaction and involvement. Therefore, the biggest lesson we learned was finding the right balance between virtual and physical engagement. Achieving the balance between virtual and face-to-face meetings and complimenting them will maximize the effect.

EF: How did your leadership style change, and how did you keep your team engaged?

CA: To keep the engagement up, I kept communicating with the entire team. When I entered the company, I set up several daily, weekly and monthly routines. We fully took advantage of the hybrid work model and had rituals that guided us through the challenging times. Before the pandemic, we had a joint business plan with all our key customers, and we used to track it every business quarter. During the pandemic, we kept the tracking running for every customer, despite COVID-19. Today some of our consumers prefer meeting virtually rather than physically. Tracking and team engagement become easier with the right channel, people, and strategy.

The training tools developed during the pandemic enhanced product and behavior training. Each company can select the type of working model and tools they want to engage in for the company. The pandemic expanded the digital market and increased opportunities for many people. The opportunities to transform and grow digitally are incredible. It was one of the positives of covid.

EF: What do you think about healthcare's role in developing economic recovery?

CA: The healthcare sector played a key role during the pandemic. Future trends were anticipated during the pandemic. These trends include patient care, health awareness, and telehealth. It is challenging for developing countries to offer these solutions because of bigger populations. In Brazil, there are 150 million people dependent on public healthcare, and only 50 million are on healthcare plans or private insurance. In this case, we need to develop a flexible and approachable solution that encompasses every income bracket and provides a healthcare plan for everyone.

Last week we had a pharma meeting in Sao Paulo where several big pharma companies were presenting. One of the companies brought forward an access and consultation solution. Essentially a patient will consult a doctor through telemedicine and get a diagnosis and a prescription at a low cost. If this solution can be applied to developing countries across the globe or countries with large populations, healthcare will be accessible on a global scale. 80% of the medical treatment payments are out of pocket and not reimbursed in Brazil. As a healthcare segment, we need to expand the coverage for the rest of the people that cover healthcare out of pocket. It is interesting how digital products, tools, and innovation is lowering costs.

EF: Two years from now you will celebrate 25 years in Brazil. How would your speech look like?

CA: My dream for Glenmark Brazil is for it to be a \$100 million company within the next ten years. We want to increase Brazilian people's access to respiratory and oncology products. My team and I are working steadfastly to deliver to increase access to all people. It is about being patient-centric.

To reach \$100 million, we need to work quickly to make it a reality instead of a pipe dream. If we put together the right mix of products, execution, and supply, we can bring several solutions to Brazilian patients.

Chapter 4

Brazilian Stories

An industry run mostly by national companies

In the Brazilian market, local companies have a predominant market share and rank high on the list of producers.

EMS is the 1st pharmaceutical company in Brazil and 2nd largest in Latin America, with exports to over 40 countries. EMS is Brazil's biggest domestic pharmaceutical company, with five industrial plants in the country and one in Serbia. EMS's wide portfolio focuses on generics, branded generics, hospital drugs, and OTC drugs in solids, orals, and syrups. The company has a presence in over 30 countries through joint ventures and strategic partnerships with other pharmaceutical companies. It is part of the NC Farma group, which also owns EMS, Germed, Legrand, Nova Química, and Novamed, among others.

EUROFARMA is the first 100% Brazilian-owned multinational pharmaceutical company that invests the most in innovation. It covers 100% of the Latin American market with ten plants strategically distributed, three manufacturing plants in Brazil, and it has just obtained approval from the Food and Drug Administration (FDA) to become the first Brazilian pharmaceutical company with operations in the United States. This is reflected in the recent alliance with Pfizer and BioNTech to produce their Comirnaty vaccine for distribution in Latin America. Eurofarma will receive bulk drug substances from the United States and begin the production of finished doses in 2022. The companies say they will manufacture more than 100 million doses annually through the agreement. Exports to Latin America account for 18% of its total revenue. However, despite holding the largest volume of units sold in the Brazilian market, it is only the third in income – US\$ 1.2 billion (R\$ 6.69 billion) in the last 12 months up to September 2022, against US\$ 1.5 billion (R\$ 7.96 billion) for the NC Group and US\$ 1.4 billion (R\$ 7.42 billion) from Hypera Pharma, according to Close-Up International.

"The Brazilian pharma industry passed through several big transformations, which has made it stronger. All the big regulatory changes, price control, and effects did not impact the industry. All the companies are still operating, and new companies have joined the market." Brazil is a great market, but you must push and fight for those opportunities. **Omilton Visconde Jr**, CEO, Cellerma Farma



Brazil's national pharma industry association, FarmaBrasil, represents some of the largest local pharmaceutical firms in the country and advocates for developing an industrial policy for the country's self-sufficiency.

FarmaBrasil's role is to build bridges between its members and the government, ensuring the fulfillment of contracts, maintaining the supply chain and demand on the market, and adjusting regulatory frameworks. The key to industrial policies is for each nation or region to create and implement guidelines based on decisions made through collaborations between the public and private sectors. The established architecture of the abundant supply throughout the world was stable and consistent before the pandemic, but uncertainty has become a permanent fixture. There will be new mandatory arrangements concerning pharmaceutical production, though it still needs to be determined what kind of mandates they will be. Due to disruption and uncertainty, the pharmaceutical industry is considering producing APIs. Production will be in western countries because buyers, not producers, control the productive chain. Statistics show a clear

Ranking Retail

Brazilian pharmaceutical market -
Retail channel - MAT May 2022

RK PPP	Corporation
1	NC FARMA
2	HYPERA
3	EUROFARMA
4	ACHE
5	SANOFI
6	NOVARTIS
7	NOVO NORDISK
8	GSK
9	CIMED
10	LIBBS
11	UNIAO QUIMICA
12	FQM
13	BIOLAB
14	NESTLÉ
15	BAYER
Total Retail	

Source: IQVIA PMB June 2022 (Pharmacy Purchase Price)

growth trend of foreign purchases of active pharmaceutical ingredients (APIs) -an already well-known fact- but also of ready-made strategic drugs. Once a major producer of raw materials, Brazil now imports 95% of the API used in the local production of medicines.

"During the pandemic, we ensured the fulfillment of contracts between our associates and suppliers, an intricate and invigorating process. We ensured that our associates and government partnership were amicable to enable continuous production. There were federal bans on products dispatched from our suppliers' countries, so we had to go through diplomatic contacts. We adjusted our regulatory framework to shorten the time needed to get a supplier. Companies made decisions flexibly because of the new items in the regulation. Most companies bought surplus stock to prevent medical shortages in case of production disruptions in the future." **Reginaldo Arcuri**, President of FarmaBrasil



CRISTÁLIA

"We have international ambitions; having previously worked with distributors throughout Latin America, we are now creating our structure to distribute our products. Our focus will continue predominantly on public health and the hospital market. In terms of our international growth, we already have companies in Argentina and Chile, and we are making acquisitions across Latin America to accelerate the process. Discussions are ongoing; perhaps in the coming weeks, we can announce the result of one that is approaching completion. We intend to expand Cristália and our business model to all Latin American countries. We also work with technological products and have had plans nationally approved to produce biotechnology products. We have been working in biotech for the past 50 years to do this. Biotechnology is the future of the health industry; we have developments and projects in this sector which will be a solid reason for future investment.

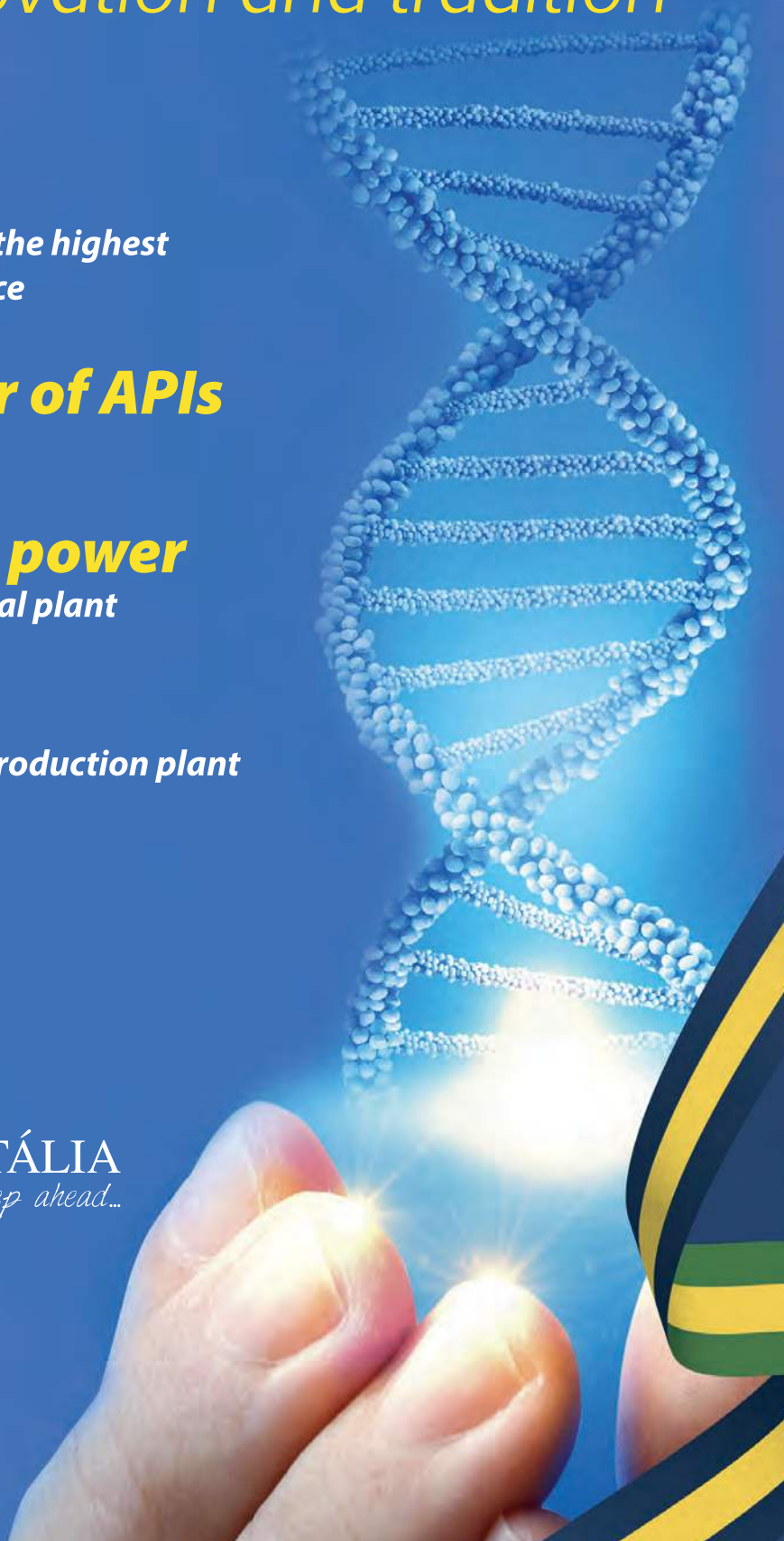
Cristália Pharmaceutical Industry *50 years of innovation and tradition*

- **50 years** of producing the highest quality medicines at a fair price
- **Largest producer of APIs** in Latin America
- Owner of the **first high power** oncological pharmacochemical plant in Latin America
- **Only biosimilar** production plant in operation in Brazil



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What have key lessons been learned from a business perspective and as a leader?

We learned about online and hybrid working, which has become a working reality as part of our company, and when collaborating with other companies. We see an interesting trend in this type of work, and we must learn how to best function in this way. Technology is a key issue, becoming even more crucial. We have seen the relationships with our clients change, nowadays, they no longer want to meet in person, and many physicians don't like face-to-face meetings, which leads us onto a learning curve. Technology is changing business.

We have also learned lessons about the supply chain. Many companies that had difficulties with purchasing and production, without sufficient investment in production materials, sales are lost as its crucial to meet the demands on time. We have to be flexible; if we don't offer flexible working conditions to employees, they are likely to choose another company that will.

The matters of advertising, sales, and the use of technology are important teachings from the pandemic. We must also consider the importance of sales and promotion through the internet. Online sales now contribute 8% of total sales across the country; this figure has doubled since COVID-19.

What is there to be excited about in terms of products and partnerships?

Biotechnology is the future of the health industry; we have had plans nationally approved to produce biotechnology products. We have been working in biotech for the past 50 years to do this. This will be a solid reason for future investment. Shared
Ricardo Pacheco, CEO of Cristália



Bio-Manguinhos

"We are also looking for similarly innovative platforms to collaborate with. A collaborative platform is a gateway to developing other vaccines and therapeutic products. The huge collaboration net on this project allows us to be innovative. We are partners of companies like AstraZeneca in the tech trans-front and are getting mRNA technology developed to act as a platform for future advances in Brazil. We managed to be a strategic partner to the government and international organizations by expanding our plans and capacity and looking into the future.

What are the role of science, innovation, and the development of local technologies?

"The government's mindset and approach need to change towards science and technology, as it is crucial to the country's development. Healthcare is science and technology-based, contributing approximately 10% of Brazil's GDP, making it a strategic sector in economic growth.

We aim to create a more independent and autonomous institution with flexible control and management while creating domains for our new platforms. We hope to have more autonomy in hiring and budget allocation management. We have succeeded in building systems and

ways to navigate around that, but we're looking forward to drafting it formally. Our employees worked night and day and handled themselves well during the pandemic, and we are proud of their work and accomplishments. When focused, we can achieve whatever we set our minds to." **Maurício**



Zuma Medeiros, Director at Bio-Manguinhos

BLANVER

"There are around ten or twenty companies manufacturing diverse APIs, which represents 5% of the consumption in Brazil. Around 95% of that depends on raw materials from China and India, but the Brazilian government is looking for strategic options. We recently met with representatives of the US Congress looking at a collaboration between the US, Canada, Mexico, and possibly Brazil to manufacture some products and specific guidelines to provide raw materials and establish all the production on our territory. The Brazilian Congress is working on a project to provide advantages to API drug manufacturers in Brazil, with federal tenders and expediting registration when using Brazilian APIs. According to what is discussed in Congress, there would be a 20% advantage for those who get the tender, which is good news because there is strong competition with other generic companies."

"We were Brazil's first PDP (Partnerships for Productive Development). At first, we focused on working only with the government. However, when we did the strategic planning in 2015, we decided to look at various areas, including CNS (Central Nervous System) and Oncology, deciding that Oncology would be the other best strategic pillar in our portfolio. The government continues to be an important stakeholder. Still, we have opened other avenues, we increased our HIV portfolio, started with Oncology this year after searching for molecules for six years, and we have various products that are being registered."

On Supply chain/APIs:

"Without a state policy that provides legal stability and support for those in our business, it is challenging to produce APIs in Brazil. There are ten or twenty companies manufacturing diverse APIs, which represent 5% of the consumption in Brazil, and around 95% of that depends on raw materials from China and India. Still, the Brazilian government is looking for strategic options. We recently met with representatives of the US Congress looking at a collaboration between the US, Canada, Mexico, and possibly Brazil to manufacture some products and specific guidelines to provide raw materials and establish all the production on our territory. We are API dependent, and although we have a lot of medication, we don't have the newest technologies (biotechnology, immunotherapy, etc.)."

How do you choose your partners?

"We had excellent experiences establishing partnerships, which we had done since 1988 when we first started to export, covering up to a hundred countries. Our organization is small and effective in commerce and marketing because our goal is to support the distributors who are our eyes and ears in the market. It is impossible to be everywhere at once, so it is necessary to rely on others. We have focused our expertise in Brazil but have agreements in many other countries. By allying with Varifarma in Argentina and Stendhal in Mexico, we supply seventeen Latin American countries, and most importantly, we all have excellent people in each of these countries. Collaborations give access to products, and it is our advantage to work with others. The important aspect of partnerships is choosing people who know how to sell the product in their country. Over the last thirty years, we have established a distribution network; finding the right distributor in each country was hardest to achieve."

Do most of your business come from Brazil or internationally?

"In Brazil, till 2019, we worked 100% with the government, and then we intervened in the private market in a small way. This year we will be around 65% for the public and 35% for the private sector. We are now entering a new international phase and are excited about this new chapter."

Will the pandemic have an impact on policymakers? Is this the moment to shape policies for local industry development in pharma and healthcare?

"We have two issues here: policy and the cost of products. The Brazilian government is looking for collaboration options, the US has a population of 330 million, Mexico over 100 million, and Brazil 200 million, and collaboration would increase the manufacturing volumes. We have to be wise and choose what we will be able to manufacture in volume rather than try and do everything because it won't work considering the competition's reduced pricing. It takes 36 months to develop a product, months of work and investment, and much longer for molecules. Brazil still doesn't have a pricing rule for new molecules, something we have been fighting for quite some time." **Sergio Frangioni**, General Director at Blanver



CELLERA

"Cellera Farma began five years ago and adapted different business and marketing strategies focusing on two key factors. The first is prescriptive medicines. The product pipeline will come from acquisitions and agreements. Being a competitive manufacturer in this segment is risky because six other big pharma corporations are within the same

space. This is why acquisitions and partnerships are more strategic and beneficial for us.

The pharmaceutical industry is changing rapidly. The focus is shifting from primary care to highly complex disease treatments. Still, many businesses struggle to adjust because managing complex therapies is different. It is unfortunate because many products are being underutilized. Investing in the supply chain, APIs, or registering a product takes time. Investing in the pharma industry is complex and long-term.

We made our move when a multinational was restructuring its footprint in the market, and we bought their plant and product line. Instead of entering the branded generic medicines flooded market, we decided to go with prescription drugs and services.

It is important to have a local production plant. Importing goods is tougher and more capital-intensive than producing locally. We managed to transfer the plant to our name, which increased all the margins, which was an achievement for us. Once we got the plant, we reduced costs on things like raw materials because the previous company paid three times the amount they were importing. This is an upside to acquisitions. The different perspectives and processes make it easier to increase business margins when there is a switch. We are now focusing on a niche market within the pharma segment, which makes it easier to get a significantly larger market share and make an impact. Our main focus is gastrointestinal, CNS, and some orthopedic technology and products." **Omlton Visconde Jr**, Chief Executive Officer, Cellera Farma, Brazil



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BLANVER

Reginaldo Arcuri

President
FarmaBrasil



EF: What do you think 2022 will be the year of?

RA: The established architecture of the productive supply throughout the world was stable and consistent before the pandemic. Uncertainty became a permanent fixture in our daily lives during the pandemic. Production supply chain disruptions are no longer shocking. We must adapt to uncertainty and instability.

The world has faced several pandemics repeatedly. The difference between these pandemics is how long they last. The more recent the pandemic, the shorter it lasts. The current geopolitical scenario taking place right now has led to a lot of uncertainty for traders and businesses. At any moment, anything can happen, be it a pandemic or a war, or something as equally unpredictable. That is why we need to adapt.

Soon there will be new mandatory arrangements concerning pharmaceutical production, though it is unknown what kind of mandates they will be. Because of the disruption that occurred during the pandemic, the pharmaceutical industry is considering reshoring part of the supply chain in western countries and, in some cases, verticalizing part of the production by the pharmaceutical companies. Buyers control most of the productive chain, so decisions based on API production will come basically from the pharmaceutical industry.

EF: What was the role of FarmaBrasil during the pandemic in Brazil?

RA: We built practical and concrete bridges between our associate companies and the government. The most critical factor, in the beginning, was ensuring the fulfillment of contracts with no disruptions between our associates and suppliers. It was an intricate and invigorating process. There were federal bans on products dispatched from our suppliers' countries, so we had to go through diplomatic contacts.

Transportation was another challenge we had to solve for ourselves and our associates. Personal involvement was a necessity because it was the only way to get the transport for all the products we needed. Our embassies were heavily involved in the transportation process. That is why in every country that our hired planes landed in, our embassies would be involved in ensuring they stayed on route to Brazil. We managed to maintain the supply chain and demand on the market for all our associate companies.

In the first phase of the pandemic, people had the information that they should only look for medical assistance if they had trouble breathing so

that they could be intubated. To be intubated, you had to have analgesics, opioids, and muscle relaxers. These are incredibly old medicines, most multinational pharmaceutical companies don't produce them anymore and there was an incredible demand for them at the time. Eurofarma and Cristália had to increase more than three times their production. This was a great effort of the industry.

We made sure to keep the partnership between our associates and the government amicable to enable continuous production. ANVISA adjusted our regulatory framework to shorten the time we would need to get a supplier. There were several new and provisional items in the regulation that allowed different companies to face many of their challenges. Companies made decisions flexibly because of the new items in the regulation. Most companies bought surplus stock to prevent medical shortages in case of production disruptions in the future.

EF: How can we translate non-communicable diseases into Brazilian pharmaceutical industrial policy?

RA: I have spent most of my time in the government, from municipality to federal office, trying to implement and create new industrial policies. In 2019, FarmaBrasil and other associations of the Brazilian pharmaceutical industries prepared an industrial policy proposal presented to the new government that included increasing APIs production, monoclonal antibodies, and the use of biodiversity.

Every developed country has industrial policies that support development. The FarmaBrasil president is also the president of ALIFAR (The Latin American Association of Pharmaceutical Industries), and recently we had a seminar on integrating the production chain and APIs in the MERCOSUR region also. There are many books and guidance tools on industrial policies. The key to industrial policies is for each nation or region to create guidelines based on the decisions made through collaborations between the public and private sectors and to implement them like missions.

Brazil is the third-largest producer of civil airplanes; we are one of the best ultradeep oil diggers globally. Even with all these accomplishments, we hope the pandemic helps illustrate how health can become a matter of national security and the strategic importance of developing an industrial policy for the country's pharmaceutical industry.

Ricardo Pacheco

CEO
Cristalia



EF: 2020 was the year of diagnosis, 2021 the year of vaccines, what will 2022 be the year of?

2022 will be the year of returning to a new normal. In Brazil, we no longer have many cases of COVID-19. The market is beginning to encounter other issues, such as supply and demand, therefore, we are facing difficulties with the supply chain. We are heading towards a post-COVID-19 reality.

EF: What key lessons have been learned during the pandemic, both from a business perspective and as a leader?

We learned about online and hybrid work, which has become a working reality for our company, and when collaborating with other organizations. Technology is a key issue, despite its previous importance, it's now even more crucial. We have seen the relationships with our clients change. Nowadays, they no longer want to meet in person, instead, they have requested for things to be conducted online. Many physicians don't want to receive work in person, which leads us onto a learning curve. Technology is changing business.

We have also learned lessons in relation to the supply chain. We have seen many companies that had difficulties with purchasing and production, if you don't invest sufficient amounts into production materials, you lose out on sales because it's crucial to meet demands on time. We must also look at the changes to recruitment, we have to be flexible. If we don't offer flexible work conditions to employees, they are likely to choose another company that will. Being transparent and flexible with our employees also provides motivation for their work.

In addition, we must consider the importance of sales and promotion through the Internet. Online sales now contribute to 8% of total sales across the country, this figure has doubled since COVID-19. The matters of promotion, sales, and the use of technology are important lessons from the pandemic.

EF: What was the role of Cristalia during the pandemic? Also, how did the portfolio perform in general?

Cristalia specializes in the hospital sector, which was significantly impacted by the pandemic, and all hospitals shifted their focus to caring for COVID-19 patients. We are the leaders in the anesthesia sector in Brazil, so we produce muscular relaxants, opioids, and sedatives, products that were much used during the pandemic. Due to this substantial increase in demand, we had to change our focus and production to supply the market. We stopped producing what was not required during this period and instead focused the full capacity of our factories on meeting the needs of this time. For example, a product that typically sold 3-4 million units per month before the pandemic, increased to 15 million units per month at the peak of COVID-19.

In terms of our portfolio, Brazil's Minister of Health chose 26 priority products that could be used to treat people that were seriously affected by COVID-19. We produced 22 of these 26 products so, for us, the pandemic had a substantial impact. This was not without difficulties, even by reallocating resources and increasing production levels, we were unable to produce more than 50% of the products required. That put us in a challenging situation because, at the peak of the pandemic, we had to decide whom to deliver the products. Despite the many adversities, we did the best we could and helped many people in the process.

EF: Other companies report that during the pandemic a lot of capacity was allocated to vaccines, and now they have an overcapacity that they are trying to find a market for. What are your ambitions for the rest of the region and what was the kickstart for that?

We suspended the production of several products to focus on the pandemic, now we have changed our production plans again and are resuming the manufacture of items we previously produced. We continue to manufacture products that are mostly used for anesthesia, as well as other injectables for the Brazilian market that we have the capacity to produce. We have international ambitions, having previously worked with distributors throughout Latin America, we are now creating our own structure to distribute our products. Our focus will continue predominantly on public health and the hospital market. In terms of our international growth, we already have companies located in Argentina and Chile, and we are in the process of making acquisitions across Latin America to accelerate the process. Discussions are ongoing, perhaps in the coming weeks, we can announce the result of one that is approaching completion. We intend to expand Cristalia and our business model to all Latin American countries.

EF: Where will we see Cristalia growing? What is there to be excited about in terms of products and partnerships?

We also work with technological products and have had plans nationally approved to produce biotechnology products. We have been working in biotech for the past 50 years, so we have the capacity to do this. Biotechnology is the future of the health industry, we have developments and projects in this sector and I think this will be a solid reason for future investment.

EF: What does the future of Brazil's pharma sector look like? And what advice could be given to a new administration?

One of the lessons that we should learn from the pandemic is that we must take care of our industrial health complex. If you don't have the capability to produce and develop, you will become dependent on other countries. During the pandemic, we saw many countries close their borders, which restricted the availability of certain products because they were focused on serving their own market. It is a discussion that we will have in Brazil after the elections, along with other issues we face in this country, such as the economy, employment, inflation, and growth. Once the election has taken place, we will discuss the health sector and the health complex, how to meet the demands of the Health Minister, and the public policy of the government. It will vary depending on the data that we collect, maybe the situation will differ depending on the party that gains the majority vote. The election is nationally significant, as it has a telling impact on the political policy and the healthcare sector as a whole.

EF: Cristalia is celebrating your 50 years in Brazil, what would your speech look like? What would you want to say to your employees and to the public regarding your long trajectory in Cristalia and the work you have done?

We are in a changing world and market, and we are focused on adapting to this fast-changing space. The market is growing from a mature phase, which means in the future we will see fewer companies prepared to compete. It will be a world with fewer, yet larger, companies that operate more efficiently. I would like to maintain a level of trust in us and to continue working towards a better world for us all.

Sergio Frangioni

President Director
Blanver Farmoquimica Brazil



EF: With a focus on APIs, what were the biggest lessons learned from navigating a unique moment in health's modern history?

SF: We learned that we are more dependent on price than strategy. Without a state policy that provides legal stability and support for those in our business, it isn't easy to produce APIs in Brazil. There are around ten or twenty companies manufacturing diverse APIs, which represents 5% of the consumption in Brazil, and around 95% of that depends on raw materials from China and India, but the Brazilian government is looking for strategic options. We recently met with representatives of the US Congress looking at a collaboration between the US, Canada, Mexico, and possibly Brazil to manufacture some products and specific guidelines to provide raw materials and establish all the production on our territory. During World War II, Wyeth was created for a strategic reason, to have a large-scale penicillin production because they needed drugs for the wounded. We are API dependent, and although we have a lot of medication, we don't have the newest technologies (biotechnology, immunotherapy, etc.). The Chinese and Indians are starting to go in that direction, and the US and Europe have a good production to offer against non-communicable diseases, which is from where we get our products. We have learned the lessons, but we aren't reacting fast enough to the needs. The Brazilian Congress is working on a project that will provide advantages to API drug manufacturers in Brazil, with federal tenders and expediting registration when using Brazilian APIs. According to what is discussed in Congress, there would be a 20% advantage for those who get the tender, which is good news because there is strong competition with other generic companies. The situation in drugs is different because it is a much-regulated sector with very strict rules. We joined the ICH in Brazil, which is very cautious about approving an outside dossier on generic products and works as a barrier to bringing products to Brazil. There is a lot of oncological medication coming from India at the present. The API registration, the CADIFA, is revised every five years, and we must list our API suppliers, and they make a very long list.

EF: Do you think the pandemic has impacted policymakers? Is this the moment to shape policies noting the importance of local industry development in pharma or healthcare?

SF: We have two issues here: policy and the cost of products. A French colleague told me they tried to manufacture Paracetamol in France, but it costs four or five times more, and the customer is not prepared to pay the difference just because it is made in France. The Brazilian government is looking for collaboration options, the US has a population of 330 million, Mexico over 100 million, and Brazil 200 million, and collaboration would increase the manufacturing volumes. We have to be wise and choose what we will be able to manufacture in volume and not try and do everything because it won't work considering the competition's reduced pricing. It takes 36 months to develop a product, months of work and investment, and much longer for molecules. Brazil still doesn't have a pricing rule for new molecules, something we have been fighting for quite some time. For example, the Brazilian authority has approved 10 milligrams for prostate cancer treatment and 5 milligrams for a different kind of cancer. We have a drug for prostate cancer using half the usual consumption of 10 milligrams, which means half the dosage in chemotherapy and is better for the patient. But the authorities halved the price when we went to pricing because the

treatment was half the dosage. The pricing should be lower than the 10 mg price but higher than the 5 mg, but they didn't approve it.

EF: Could you elaborate on your current portfolio and if you work with both private and public sectors? Has the pandemic affected the performance and evolution of a chronic portfolio in an infectious disease scenario?

SF: Blanver was founded by my father 38 years ago, manufacturing raw materials for excipients mainly for Brazil, and then we began to export. In 2017 we sold the business to a French company and focused on the pharmaceutical business. We started with only two products for HIV, a small pipeline that we had started working on two years prior, and it took time to get the products registered and approved. In 2018 we included a generic hepatitis product that gave big savings to the government, about 1 billion in the first year, increasing from 13 thousand to 50 thousand patients in treatment.

We were the first PDP (Partnerships for Productive Development) in Brazil. At first, we focused on working only with the government. However, when we did the strategic planning in 2015, we decided to look at various areas, including CNS (Central Nervous System) and Oncology, deciding that Oncology would be the other best strategic pillar in our portfolio. The government continues to be an important stakeholder, but we have opened other avenues, we increased our HIV portfolio, started with Oncology this year after searching for molecules for six years, and we have various products that are being registered. We have changed our strategy bringing in innovative products and generics to build our line. Originally, we brought only generics, but that made us one more company with second-level pricing, fighting for a place in the market, and having an extra pillar made us sustainable. Today, our portfolio covers HIV, we started treating 100 thousand patients, and now we are treating 480 thousand patients, quintupling the original number. We have fixed dosage drug combinations and new fixed dosage combinations coming soon. We are in the process of registering five to ten products in the same line. We went through a transformation, divesting part of the business focusing on HIV, working with the government, and transitioning into a different product portfolio for CNS and Oncology, innovators, and generics. This year we signed a new partnership with Vifor Pharma to do the distribution and sales of their products starting in July with solids, and injectables before the end of the year. We also have agreements of contract manufacturing, which in the past we did on a large scale; now, however, we are working with international companies with partnerships as a marketing authorization holder.

EF: How do you choose your partners?

SF: We have had excellent experiences establishing partnerships, which we have done since 1988 when we first started to export, covering up to a hundred countries. Our organization is small and effective in commerce and marketing because our goal is to support the distributors who are our eyes and ears in the market. It is impossible to be everywhere at once, so it is necessary to rely on others. We have focused our expertise in Brazil but have agreements in many other countries. We allied with Varifarma in Argentina and Stendhal in Mexico, Blanver takes care of Brazil, Varifarma of the rest of South America, and Stendhal of Mexico and Central America.

We agreed to supply seventeen Latin American countries, and most importantly, we all have excellent people in each of these nations. Collaborations give access to products, and it is to all our advantage not to work alone. The important aspect of partnerships is choosing people who know how to sell the product in their country. Over the last thirty years, the hardest for us has been establishing a distribution network and finding the right distributor in each country.

EF: Do most of your business come from Brazil or internationally?

SF: In Brazil, till 2019, we worked 100% with the government, and then we started to intervene in the private market in a small way. I believe this year we will be in around 65% for the public sector and 35% for the private sector. We are now entering a new international phase and we are excited about this upcoming chapter.

EF: You have undergone a major macroeconomic transformation of the healthcare sector while also navigating transformation in the portfolio. How has this journey been?

SF: In every journey, a bit of luck is essential; if we work hard and long, maybe our chances of being lucky will increase. They say there is a very thin line between stupidity and courage, and I think this applies to us to some degree. Bigger sales teams don't necessarily have more effective results, and today there are many new tools to reach doctors and the product's users. We decided we didn't need a huge amount of products or a big team to build the company. It is no longer necessary to have one thousand sales reps, which is a big investment and a high cost for any organization. We cannot, of course, compete against big companies, but that is not our intention; we target areas that aren't that important for them, and there is room for everybody.

EF: Blanver will be celebrating its 40th anniversary; what would you like to celebrate with your team?

SF: I would like to see more of our products on the market, not under other labels, and for our people in Brazil to be recognized for their hard work. I am proud of my team and the company we have built.

O Milton Visconde

CEO
Cellera Farma



EF: What are the biggest lessons you learned during the pandemic?

OV: At the beginning of the pandemic the only 'constant' was change, and adapting to that required a change of mindset. The impact was the same for everyone, so it was interesting to see how each stakeholder adapted. It affected businesses, markets, industries, and countries. People became more health conscious. The healthcare sector was at the forefront of the pandemic. The pharmaceutical industry helped control and end the pandemic through vaccines. The partnerships between our industry and governments sped up vaccine production.

The pharmaceutical industry in Brazil responded and adjusted incredibly well to the pandemic. All plants and factories were working full-time. Just like most businesses around the world, we had supply chain challenges. Raw materials were hard to find, lead times were challenging, and product regulation difficult. It is important to highlight that we are part of a bigger ecosystem, and innovation is at the heart of everything we do. For example, there are innovative ways to introduce physicians to drugs and treatments than the sales representative approach. This direct method has a few downsides, including increased expenses and a flooded product market. The Brazilian market operates differently compared to other regulated markets. Most of the products in the market are branded generic products promoted through physicians. There are 600,000 doctors in Brazil. The biggest sales force group for neural pharma is in contact with 200,000 doctors. The remaining 400,000 are the target audience. This means businesses must be innovative in their approach to increase their market share.

Many corporates had to adapt to digitalization to navigate the pandemic. At one point, it became very interesting to see how the implementation was taking place because the correct systems and processes were not in place. The Brazilian market takes on a more conservative approach. Businesses can invest in digital solutions instead of direct sales. It is precisely for this reason that we have to invest in digitalization a lot more.

It is important to have multiple innovative approaches to the market and physicians. There will be healthy margins if we invest in digital transformation. Between the legislation and the patent system, most products in the future will be generic, OTC, or referential products. Branded generic products, can take on two systems within the market. The first is to market them through physicians, and the second is to market them through the normal process like the other non-branded generics. The most successful companies in Brazil take the branded generic approach. Branded generic products are like trade products. Some companies discount their products in the distribution channels, while others invest in sales promotions. This hybrid market model allows for good margins and markups. However, it is not a long-term solution because it comes with risks. In the long run, it will become costly because of either inflation or competitors. The price structure in Brazil today is a way of maintaining stable pricing for the pharma sector. If there was no regulation, the price of many medicines in the therapeutic areas would go down.

Cellera Pharma began five years ago and adapted different business and marketing strategies focusing on two key factors. The first is prescriptive medicines. The product pipeline will come from acquisitions and agree-

ments. Being a competitive manufacturer in this segment is risky because six other big pharma corporations are within the same space. This is why acquisitions and partnerships are more strategic and beneficial for us.

The pharmaceutical industry is changing rapidly. The focus is shifting from primary care to highly complex disease treatments. Still, many businesses struggle to adjust because managing complex therapies is a different ball-game. It is unfortunate because many products are being underutilized. The investment in supply chain, APIs, or registering a product takes time. Investing in the pharma industry is complex and long term.

Since most companies are transitioning from primary care, Cellera is looking for opportunities in primary care. Most international big pharma companies conduct business with the private sector and directly with the government. Our strategy is to see and improve these companies' systems and processes in our primary care business. We are in an agreement with Johnson & Johnson for their primary care business. We will be entering a licensing agreement with two companies looking to enter the local Brazilian markets. They have interesting developments in niche markets. Our strategy is to engage with other companies through licensing agreements, core development products, and purchasing primary care products from Multinationals.

In this segment, we work with CNS drugs, especially gastroenterology drugs. We made some acquisitions with Novartis and Bayer and created a licensing agreement with J&J, and an American company that produces probiotics. In the future, we want to build our products. First, we must plan and choose the outcomes we want to create. We cannot take on the production of 40 products as a mid-sized company, which is why we have to pick and consider the drugs we want to produce carefully. As a result, we look for opportunities within the market, and we work on maximizing those opportunities. If products are not found, or there is a shortage of supply, we can do smart development. This is our understanding of how we can move and widen our footprint in the market as a fairly new company.

EF: What opportunity did you see in the market five years ago, and how did you structure your portfolio and the different therapeutic areas?

OV: My track record in the Brazilian pharmaceutical market is quite long. I am acquainted with private equity investors and for the past twenty years, we have been thinking about how to make a difference in the pharmaceutical sector. Pharma has always been an expensive industry, and it still is. The price of running a pharmaceutical company is very high.

From 2009 to 2013, the industry had big capital investments, with some investors paying 20-25 times the regulatory amount because Brazil was at the top of investment lists. Several multinational businesses decided to increase their market share in Brazil then. We made our move when a multinational was restructuring its footprint in the market and we bought their plant and product line. Instead of entering the branded generic medicines flooded market, we decided to go with prescription drugs and services.

It is important to have a local production plant. Importing goods is tougher and more capital intensive than producing locally. We managed to transfer

the plant to our name, which increased all the margins, which was an achievement for us. Once we got the plant, we reduced costs on things like raw materials because the previous company paid three times the amount they were importing. This is an upside to acquisitions. The different perspectives and processes make it easier to increase business margins when there is a switch. We are now focusing on a niche market within the pharma segment, which makes it easier to get a significantly larger market share and make an impact. Our main focus is gastrointestinal, CNS, and some orthopedic technology and products.

Our model of business needs different capabilities, like compliance. From the beginning, our company has been highly compliant, especially against a competitor with international funding. We have a board of directors with two independent directors from listed companies in Brazil. We intend to do an IPO in the next three years. Management is another characteristic of our company. We strategically channel all our investments into the right area. Right now, we are directing the company's resources to promotions. We receive a high supply volume with reduced profit margins in agreements. Balancing the contracts and the other resources is fundamental to the business's success.

Our management is resilient. They deal with several challenges daily, and yet they always find solutions or ways to overcome the challenge. The management team also knows how to extract the best value from all the companies and products we partner with or receive. We do not wait for things like bids to happen; we make things happen.

EF: Is your strategy more push where you make an offer or pull where you wait for the offer?

OV: We are not on the "Waiting business". If we wait, the price of bids goes up, which is not advantageous for us.

EF: How did you manage all the agreements and partnerships during the

pandemic, and how do you think things will change in the future?

OV: It was a matter of adjusting, resilience, and management. We signed a contract with J&J in December 2019, just before the pandemic's beginning. We had to work hard to find the right agreements and partnerships. We continued on this track. It is a work model with its challenges and risks, but we will continue using the same model.

When we change the raw material of a product, even if it is the same process, it has to be taken to R&D for regulation. It may be our company, but we are still investors. We believe there will be opportunities for us to merge with companies that are not based in Brazil but need to enter the market.

An example of this is our collaboration with Ferring, a co-development for a patent product in Brazil with clinical trials being done in the country for local registration and using our plant to manufacture for Brazil and potentially Latam.

EF: Where would you like to do the IPO?

OV: It would be IBOVESPA because to do an IPO internationally, the company has to be highly focused and based on research and new products. The view of the pharmaceutical industry is more related to innovation supported by good commercial and marketing operations.

EF: Where do you want to take Cellera Farma in the next three to five years?

OV: We are in the process of closing two important deals. The Brazilian pharma industry passed through several big transformations, which has made it stronger. Brazil is a great market, but you must push and fight for those opportunities. All the big regulatory changes, price control, and effects did not impact the industry. All the companies are still operating, and new companies have joined the market.

Nísia Trindade Lima

President

Oswaldo Cruz Foundation FIOCRUZ



EF: If 2020 was the year of diagnosis and prevention and 2021 a year of vaccines, what do you think 2022 will be the year of?

The year of preparation for possible new health emergencies. This should be a year of recovery. I was recently in Portugal, and I spoke with many ministers of health, science, and technology. I could see that in the European Union and in Portugal, people are focused on economic recovery and crucially attribute this to health, especially to science and technology for healthcare. So, I imagine 2022 will be the year to think about recovery and repair.

EF: If you were sending a message to world leaders about the importance of health in the recovery of the world's economy, what would your message be?

The countries, especially the low-and-middle-income countries, need to develop health science and technology capabilities. This is not just an element of social spending, but an economic factor as well. In Brazil, we deal with this. At Fiocruz, we have an economist named Carlos Gadelha who created the concept of the Health Economic-Industrial Complex (HEIC), so the idea is not just to view healthcare as a social expense. Of course, it is, but at the same time, health is a development component.

I think that would be my main message. As I was at the WHO, the World Health Assembly, I mentioned that local production of health devices such as vaccines, diagnostics, medicines, and so on, is very important. I would also like to mention that technology should be seen as part of the healthcare system, we should not isolate technology because the idea is to promote equity in access to healthcare.

For technology to help improve access, we need to have a strong health system and we need to develop it in the direction of equity. This is not done, as it is not natural. This process is the result of political choices.

EF: What were the lessons learned since the pandemic from your point of view as a leader of Fiocruz?

In my case, due to the role I played and the decisions that I had to take as President and as part of the institution, it is challenging to think about lessons. History has shown that traumatic experiences and great disasters, or great pandemics, did not always generate consistent learning.

If we think in terms of a historical perspective, we had the plagues in the Middle Ages that generated more consistent health effects. For example, health councils were created in many European cities because of the bubonic plague, but this did not lead to better treatment of people or better prevention. If we think back to the beginning of the 20th century, we had the big Spanish Flu Pandemic. Today, there is even a whole literature being published because of the Covid pandemic, but it seems that societies quickly forget. So, remembering and forgetting is a process, and we have to study this from a historic perspective because there are no automatic

lessons.

Klaus Eder, a German Sociologist, says that societies learn. He talks about collective learning, but that the world is very difficult to change. This phrase is very appropriate for this moment. While we are going through this catastrophe, we are also facing wars, such as the war in Ukraine. So, during the process of overcoming a crisis caused by the pandemic, we still have a war to increase the difficulty of recovery. For there to be a change in the world, it requires a series of political consultations and new agendas, between the public and private sectors and civil society. So, efforts are required to make changes happen.

From Fiocruz's point of view, I believe that some learnings come with challenges. The first is the need to have a permanent investment in science and technology. This applies to us and to the whole world.

One of the representatives of the British government commented that nothing totally new has worked in this pandemic. We might think that vaccines were developed in record time, it's true, but there was a basis. Since other emergencies like Ebola, there was a whole research process, a continuous investment in science and technology research for innovation. So, the first lesson is the need for constant investment in science and technology, which should not be seen as an expense, but as an investment.

EF: What priorities do you have today for the future of healthcare?

Priorities, in general, are focused on strengthening the science and technology capacity and health surveillance capacity. We have a strong interaction with the Pan American Health Organization and with the World Health Organization to reinforce what has been called epidemiological intelligence. In the case of Fiocruz, we also have the strengthening of a systemic view of health and of the institution itself, because we have this characteristic of dealing with all areas of knowledge that apply to health, with the entire spectrum of the health chain, from research to technological development in all regions of Brazil. Finally, to strengthen Fiocruz's role in the global health scenario because the institution has a role in international cooperation and must have a part in several leading actions in global health, ranging from what I have already mentioned, such as epidemiological surveillance, science, and technology capacity, in the field of local production of vaccines, medicines, and diagnostic tests. Also, tomorrow I will take part in a meeting of the Pan American Health Organization to coordinate actions in the field of vaccine production. So, there are many initiatives in the international field that the pandemic demonstrates the need for, that countries like Brazil, which are in development or middle-income, play a more active role in this process.

I would like to mention an important article, where I was one of the authors, along with Dr. Suman Sharazan of the WHO and Dr. Bernard of DNDI, and many other authors. It's important because it's about rebooting investments and developing research.

Mauricio Zuma Medeiros

Director
Bio-Manguinhos



EF: What were the key takeaways from the international symposiums you had?

MZ: Symposiums foster an interactive and collaborative environment for participants and the industry. Researchers, medical panels and personnel, scholars, and other people build connections and networks in these symposiums. Each symposium progressively becomes more innovative. Many new technologies, research, and projects are presented differently. The learnings from the seminar make Bio-Manguinhos a reference in Brazil and internationally for development, science, and innovation.

EF: 2020 was the year of diagnostics and prevention, 2021 the year of vaccines; what do you think 2022 will be remembered for?

MZ: The main objective of the pandemic is to get everybody vaccinated because Covid is a virus that easily mutates. Every country should keep vaccinating and spreading awareness of the importance of herd immunity. There should be more global vaccination awareness. 2022 reflects our achievements and challenges. Africa and Latin America, for example, had their unique challenges to address and learn from, such as the ultra-dependence on foreign equipment, APIs, and other supplies. This must be resolved, we have to go back to the drawing board and think about what we are doing wrong and re-engineer the process.

EF: What were the key lessons for Bio-Manguinhos, from capacity to collaborations?

MZ: The pandemic showed us that we could achieve the impossible. We performed beyond our expectations and capacity. Before the pandemic, we used to deliver 120 million vaccine doses to the government. Last year, we managed to increase capacity and produce around 240 million vaccines. Each year, the number of vaccines we deliver grows.

One of our specialties is “innovation management”, and the pandemic helped us refine this specialization since COVID-19 enabled vaccine development and technology transfers to be completed faster. A technological transfer contract negotiation used to take us two years to complete, now it takes about six months.

Early on, we ramped up our molecular tests when we saw what was coming, so we were ready for the pandemic. By March 2020, we had already delivered the tests to the Health Minister. We learned how to organize, arrange and accomplish all our tasks.

To accomplish our mission and vision, we learned how to overcome difficulties. We have molecular tests that analyze donated blood against HIV, hepatitis A, hepatitis B, and Malaria. We still need to overcome some issues, like how to dispose of non-degradable materials, such as plastic, safely.

Raising awareness of the importance of innovation and its impact on the economy is a matter of national security. Investing in science and technology improves rapidly the capacity for development. Many companies do not own any laboratories, yet they are innovative enough to produce several products. Innovation is about management.

EF: Beyond COVID-19, how do you see Bio-Manguinhos' portfolio's capacity and resources being allocated?

MZ: When developing new products, we try to increase innovation. Innovation is not only about new products, it is about improving past and present outcomes. Companies can be innovative with no new products by improving their published products. We are less dependent since we develop in-house, know-how technology and science work.

We are also looking for similarly innovative platforms to collaborate with. We are partners of companies like AstraZeneca in the tech trans-front and are getting mRNA technology developed to act as a platform for future advances in Brazil. The huge collaboration net on this project allows us to be innovative. A collaborative platform is a gateway to developing other vaccines and other therapeutic products. We managed to be a strategic partner to the government and international organizations by expanding our plans and capacity and looking into the future.

We have a cancer product prototype in the pipeline and are ready to partner with other companies that are seeking to participate and collaborate with us. Domaining platforms and innovative collaborations are the future. Our commitment with WHO is to create local capacity for technology development that makes us less vulnerable in situations like the pandemic.

EF: What advice would you give to a new administration on the role of science, innovation, and developing local technologies?

MZ: The government's mindset and approach need to change towards science and technology, this is crucial to the country's development. Healthcare is science-based and technology-based, and this sector contributes approximately 10% of Brazil's GDP, making it strategic in economic growth.

EF: How do you see the role of Bio-Manguinhos in the next couple of years?

MZ: We are building a new industrial complex for biotechnology, and the project's first phase is almost complete. It will increase our production capacity tremendously. We are using innovative ways to complete it by having an investor help us build the facility. Getting an investor from the private sector eliminates the complex and arduous burden of going through the public system.

We talk to UN agents like UNICEF, PAHO, and Gavi because we export some of our vaccines to UNICEF and PAHO with Gavi's support. Gavi funds much of the distribution of the vaccines. We want more vaccines delivered to other countries, so we discussed increasing our vaccine volume with Gavi. I hope Bio-Manguinhos and Gavi will have more collaborations in the future.

Brazil currently has low vaccination rates, so we are working with the Health Ministry to find ways to recover the vaccination rates. We have started some initiatives to improve our work in the next two to three years and we have recently bought and are installing a new machine that increases the fillings of new vaccines. This will help us complete some of our delayed transfers due to lack of capacity. The security of supply and innovation processes management has a role in this.

EF: In four years, you will celebrate your fiftieth anniversary; what would you like to celebrate then?

MZ: Our main objective is to create a more independent and autonomous institution, with flexible control and management while creating domains for our new platforms. We hope we can have more autonomy in hiring and budget allocation management. We have succeeded in creating systems and ways to navigate around that, but we're looking forward to drafting it formally.

Our employees exceeded our expectations during the pandemic. They worked night and day and handled themselves very well. We are proud of the work and accomplishments they achieved during the pandemic. When we focus, we can achieve anything we set our minds to. We are fortunate to be able to contribute to the fight against the pandemic.

Chapter 5

Healthcare Infrastructure

“The number one priority of all investment in social infrastructure is providing quality services to those who need them most,” says Karine Bachongy, the Health and Education lead for IFC’s PPP Transaction Advisory Services. “When well structured, private investment can effectively complement public sector strategies to support social infrastructure that improves health, safety, and development.”

IFC advised the state government on the structuring of the hospital’s initial PPP tender with financial support from PSPInfra, a facility created by the Inter-American Development Bank, the Brazilian Development Bank, and IFC to improve public services in Brazil through the development of infrastructure projects with the participation of the private sector.” IFC

Brazil’s private healthcare sector covers roughly 30% of the population but represents 75% of the total health expenditure and is highly fragmented. Private hospitals are responsible for large investments in innovative technologies and are sought-after partners. The Brazilian healthcare market structure is on the verge of transformation, according to an LSH market study on Brazil.



Antonio Britto Filho, Chief Executive Officer, Associação Nacional De Hospitais Privados (ANAHP), shares his view on this matter. “A priority for us is related to the Brazilian structure for healthcare. We must improve immediate attention and integration between the private and public sectors.

We have many problems financing the public health system, SUS, which has the responsibility to pay for treatments and surgeries but lacks the funds. The constitution states that we must care for the whole population, but the federal government cannot fund this. As a result, all private hospitals have a huge task. There are around 48 million Brazilians that have private health insurance. The economic challenge for the hospitals is how to receive money from the private sector based on private insurance, and with this money to pay the debt of SUS and secondly invest and modernize. Brazil needs to rethink and reform the healthcare system urgently. A good place to start is the integration between sectors and resources.”

What do you think the future of health looks like?

Antonio Britto: “Hospitals must be hubs taking advantage of telemedicine; what we are seeing in Brazil in the best hospitals is that they are becoming centers of research, development, and treatment from the beginning of life through to the end. This means a generational difference, from thinking of hospitals as places that fight against diseases to businesses that take care of promoting health.


We are also seeing the development of Homecare in Brazil. The aging process is very fast in Brazil, so homecare is increasing, but the challenge is promoting it as access questions are also present in the homecare issue.”

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Case Study Hospital Mae De Deus



Dr. Rafael Cremonese, General Director at Mãe de Deus: “The hospital is recognized as one of the best hospitals in Brazil due to its prestigious history, and for us to keep it within the top ten hospitals, we need to implement great changes. With the infrastructure, we must be able to make a complete digital transformation. Most importantly, we will have to put the patient’s care at the center of the process and our people at the center of the organization’s strategy so they will use their skills in a meaningful way. All of this must be implemented in a short period for it to be successful. When you face a big challenge and time is important, you must be constantly prepared to be a leader and use every opportunity to inspire and give directions to everyone. Achieving the big goals depends on the small gestures that can seem unimportant.” Dr. Cremonese builds on the positive nature of telemedicine, stating that “it provides access, practicality from the client’s perspective, and that it can augment the quality of care provided.” He goes on to provide an example of their adaptation. “The digital transformation we need is to transform or complement our structure with digital health business, a completely different thing. Our digital presence started this year with an app called Mãe 360. We already have many patients booking appointments and special diagnoses through the app.” With the hospital’s wealth of experience, collaborative efforts will mean that “digital companies will benefit from our wealth of experience. We will benefit from understanding how they implement digital business; we will pay with knowledge.” Dr. Cremonese provides a demonstration with their collaboration with “Laura,” a healthcare business with the mission of implementing Artificial Intelligence in healthcare, every bed in our hospital is equipped with an alarm system with AI that can demonstrate the probability of a patient’s clinical deterioration within an hour or day. Our initial results have been excellent.”



Dr. Octavio Gebara, Medical Director and Superintendent – Hospital Santa Paula

Research and teaching are the future of the healthcare industry

“Santa Paula is part of a big ecosystem called DASA, which represents

15 hospitals, 900 examination labs across the country, and the integration of primary care. Santa Paula is not alone, and this was important during the pandemic because all the strategic procedures we did were based on exams, personnel, and exchanging experiences between hospitals. The greatest lesson from the pandemic was that we should work together. In 2020 we had difficulties developing exams for diagnostics; in 2021, we gained great experience in developing treatments while the vaccine became a reality, and 2022 is the year of consolidating all the scientific knowledge acquired over the last two years. Brazil did great work in the diagnostic setting.”

Digitalization: We learned to use digital tools in decision-making processes. For example, telemedicine in Brazil was not generally accepted, and we had to find ways to develop it fast, allowing us to talk to patients through digital tools, access information on the disease, analyze CT scans, and facilitate decisions in admitting the patient. We learned the full scope of the usefulness of digitalization. This was a lifetime lesson, and there is no coming back from implementing digitalization.

Q: How would you rate the level of adoption of digital transformation in Brazil?

A: Santa Paula passed from a physical, electronic record to an electronic medical history, and in 2020 we did the HIMSS Digital Certification achieving level 7, the highest level. We are now a paperless hospital, and achieving this was difficult, but security threats, adverse events, and medical errors decreased significantly while also speeding up the process. Digitalization made the hospital more secure.

Q: How did the hospital manage chronic disease in an infectious disease scenario?

A: The biggest gaps we are trying to close are diagnosis, treatment, and control of chronic diseases. The number of patients without an adequate diagnosis during the pandemic was enormous, and its consequences are apparent across the globe. We are now trying to catch up; therefore, detection is one of the key objectives of DASA. The Brazilian Heart Society has stated that the number of patients with uncontrolled heart failure and hypertension is enormous. The lesson is that chronic diseases do not disappear; if unchecked, they will resurface at a more intense level.

Rank	Hospital	City
1	Hospital Israelita Albert Einstein	Sao Paulo
2	Hospital Sirio Libanes	Sao Paulo
3	Hospital Moinhos de Vento	Porto Alegre
4	Hospital Santa Catarina	Sao Paulo
5	Hospital Alemão Oswaldo Cruz	Sao Paulo
6	Hospital Mae de Deus	Porto Alegre
7	Centro Medico de Campinas	Campinas
8	Hospital das Clinicas da Universidade de Sao Paulo	Sao Paulo
9	Hospital Samaritano	Sao Paulo
10	BP - A Beneficência Portuguesa de São Paulo	Sao Paulo

Source: Newsweek / Statista 2022

Dr. Rafael Cremonese

CEO

Hospital Mãe de Deus



EF: You were appointed during the pandemic, what were some of the key lessons from managing through this critical time?

RC: After the challenges faced, our main objective is to be efficient with our resources. To achieve this, we must be able to control and manage the operations in terms of reducing queue times. A shorter time means less costs. COVID made us grow fast in the capability for smaller queue times for patients in the emergency room waiting for a bed, but also, we had to use our resources on a day-to-day basis for remodeling the entire operation. For example, we could start the week with 70 ICU beds but finish with 110. This is the kind of effort that you must have. Of course, it was not possible to maintain the same level of efficiency that we have normally, but we did our best. As a new executive, it felt like an MBA, I had to learn to be comfortable with making big decisions with little information and in a short window of time. The circumstances called for an executive that would be able to make these types of decisions in that scenario, and this is what is expected from me. I did my Master in Pandemic Administration and from this experience, I will be able to manage other crises in a structured way and address the problems. For every agile change we must implement in healthcare management, we express 1-3 key messages that we use with our stakeholders daily on a crisis committee. We learned how to do this during the pandemic and now this methodology is also applicable to the other crises. We have experienced great results from this way of working.

During the pandemic, we realized that our business is medicine, meaning that it is different from every other field and that I would prefer to call it the Medicine field instead of healthcare or health sector, (or whatever else we use to call it in order to parallel it with regular industries models), making sure nobody forgets that it is about saving lives and treating patients with the best medical knowledge available. To do good medicine, you need to use a multitude of people, including non-medical people. It is of fundamental importance to bring the doctors, especially those that can form an opinion in the group, to the frontline and as leaders and capacitate them to be able as a group to make inputs in the impactful decisions.

EF: What was your mission when you were appointed?

RC: The hospital is recognized as one of the best hospitals in Brazil due to its prestigious history, and for us to keep it within the top ten hospitals, we need to implement great changes. With the infrastructure, we must be able to make a complete digital transformation. Most importantly, we will have to put the care of the patient in the center of the process and our people in the center of the organization's strategy so they will use their skills in a meaningful way. All of this must be implemented in a sharp period in order for it to be successful. When you have a big challenge to fulfil and time is important, you must be able to be ready to be a leader the entire time and use every opportunity to inspire and give directions for everyone. Achieving the big goals depends on the small gestures that can seem unimportant.

EF: Can you elaborate on your digital transformation initiatives and how

do you see the role of digitalization in the future?

RC: Digital transformation is a pillar of healthcare that when people discuss the subject can mean different things. They may be discussing automation or digitalization of processes, for example. Very frequently people do not consider one of the caveats of the digital transformation which is rapidly increasing costs in storage and bandwidth. It can be a problem in the economy and a drive for internal inflation. Although I realize these difficulties, I am also completely on board. There is no way back, telemedicine is already a reality. I am sure that it provides access, practicality from the client's perspective, and that it can augment the quality of care provided. The digital transformation we need is to transform or complement our structure with digital health business, a completely different thing. For a hospital like Mãe de Deus that has half a century, it is more difficult to adapt to this than a new institution that starts with a blank page. Idealizing your business as a health business from the scratch and you have the necessary mindset for a digital business, you will probably have a leaner structure and a more efficient way of providing digital access.

Our institution pre-dates digitalization, we already have a way of doing things, we now need to be able to transform and convince the organization that this new way will have to coexist with the old way to have the best possible future. Our digital presence started this year with an app called Mãe 360, we already have a considerable number of patients booking appointments and special diagnoses through the app. I was able to book a neurology appointment for my father during a lunch whilst he was discussing his issues. I am sure we need to plant our flag in the digital era, and we will need to collaborate with other players that had a digital approach from the beginning. Through these collaboration efforts, they will benefit from our wealth of experience, and we will benefit from understanding how they are implementing digital business, we will be paying with knowledge. An example is our collaboration with 'Laura', a healthcare business with the mission of implementing Artificial Intelligence in healthcare, every bed in our hospital is equipped with an alarm system with AI that can demonstrate the probability of a patient's clinical deterioration within an hour or day. Our initial results have been excellent.

EF: What would you like the Hospital to celebrate on its 50th year and how do you want to be remembered for this period?

RC: That our hospital will be able to be part of a big healthcare ecosystem as a big player specialized in the high-end applications of medicine whilst other organizations in the ecosystem are achieving the best in their specific fields. For example, I would love our structure for diagnosis to be a big building with the best equipment for diagnostics, although I would also like to see this for another institution within the ecosystem.

I would like to be remembered as being a part of a team, not only the executive that led Mãe into the next era. I am not in the business for personal recognition or to have my team abide by my rules. I want them to thrive and do the best they can.

Dr. Otavio Gebara

Medical Director and Superintendent
Hospital Santa Paula



EF: 2020 was the year of diagnostics, 2021 the year of vaccines, what will 2022 be the year of?

OG: The year of consolidation of all scientific knowledge acquired during the past two years. In 2020 we had difficulties developing exams for diagnostics and producing in large scale, in 2021 we gained great experience in developing treatments whilst the vaccine became a reality. In Brazil, we had great work in the diagnostic setting, Santa Paula is part of a big ecosystem called Dasa, which represents 16 hospitals, and over 900 examination labs across the country, and integration of primary care. Santa Paula is not alone, and this was important during the pandemic because all the strategic procedures that we did were based on acquiring exams, personnel and exchanging experiences between hospitals. The greatest lesson from the pandemic was that we should work together. Due to Brazil being behind during the pandemic, we had time to talk to doctors in other countries, where the pandemic had already hit, to try and learn what was expected in terms of using ventilators, which treatments to try, and multicenter-scan studies. Collaboration was the word and people were of the most importance. The frontline people made all the difference.

Leading a hospital during the pandemic was the greatest exercise in leadership that I have had. I remember that in the beginning, the board of Dasa said that I should not be on the frontline fearing the lack of adequate treatments, but I said that without my onsite presence, the teamwork would not be comprehensive. This was before the vaccines and, with little information regarding the disease itself, we learned by doing and relied on courageous, dedicated, and professional people. It was a life lesson in terms of leadership and universal collaboration, therefore staying at the frontline and making the decisions was important. The situation changed every day, so another lesson was ultrafast adaptations to a new reality, and this reality was changing every day with new problems. Another lesson learned was using digital tools in the decision-making process. For example, telemedicine in Brazil was not accepted and we had to find ways to develop it in a fast and emergency fashion, this was a pressure on the entire country. It allowed us to talk to patients through digital tools, access information regarding the severity of the disease, analyze the CT scan, and the decision process in admitting the patient. We learned the full scope of the usefulness of digitalization. This was a lifetime lesson, there is no coming back from the implementation of digitalization.

EF: How do you see Santa Paula moving forward?

OG: Santa Paula was an institution fully dedicated to seeing patients. In the context of the hospital and DASA, I see research and teaching as the future but as part of a tripod: assistance, research, and teaching. I also see the incorporation of digital and the integration of patient care. We are developing technologies to assist in healthcare as we speak. I see artificial

intelligence as a strong tool in helping hospitals and healthcare. For example, in the evaluation of a CT scan, the interpretation of the probabilities of a patient being admitted, and the algorithms detecting the gaps between patient tests to try and keep the patient coming back for care. It is expensive and ineffective to only treat with medicine, and so we need to work on prevention and prediction. We intend to work with lifetime care and not disease care whilst using digital platforms.

EF: In the context of Santa Paula meeting digital transformation, which two variables in the iron triangle would you pick to implement this transformation?

OG: Value is the first, we are working on value-based healthcare and have a department for delivering this. We want to know the value in what we are delivering in every step and not only knowing the outcome of a procedure. We want to go beyond a simple medical success and make a healthy contribution to the quality of life of the patient. Michael Porter discussed this more than fifteen years ago and, until now, we have been unable to enact this process due to financial constraints and limits on access to quality. Delivering care that makes a difference in the life of the patient is one of our priorities going into the future. Regarding cost, the best care is the cheapest care. Detecting a health issue early and enacting treatment early is a huge benefit for the patient in terms of value and cost.

EF: How did the hospital manage chronic disease within a communicable disease scenario?

OG: This is the biggest gap we had during the pandemic, the diagnosis, treatment, and control of chronic diseases. The number of patients that passed without an adequate diagnosis was enormous. Across the world, we are seeing the consequences of this. We are now trying to catch up with this gap and therefore detection is one of the key objectives of DASA. The Brazilian Heart Society has stated that the number of patients with uncontrolled heart failure and hypertension is enormous. The lesson is that chronic diseases did not disappear, and if we do not take care of them then they will reappear at a more intense level.

EF: Regarding this time of your career, what would you like to be remembered for?

OG: As the guy who was there for every moment and every minute. The best directors of hospitals are doctors, and this is because they were there and walked the talk. I did this and saw the difficulties inside the war, not from a distance. This helped to influence other doctors to do the same, especially older ones. I am a hands-on leader, and I would like to be remembered for this. There was a time when there was difficulty in organizing night shifts, and so we volunteered to come in at midnight every night for two weeks.

Antonio Britto

Chief Executive Officer

Associação Nacional De Hospitais Privados (ANAHF), Brazil



EF: Could you elaborate on the role of ANAHP and what is on the top of your agenda?

AB: We work on behalf of private hospitals and through the pandemic that was just one priority; how to help the people of Brazil and the public health system in fighting against COVID-19. That was our first, second and third priority. Despite all the problems Brazil faced, we ensured that the plans worked on a local and regional level. We are proud because with telemedicine, virtual meetings and a strong job, the private hospitals could help the public sector. But we need to go ahead, and the priority after the pandemic will be to focus on the thousands of delayed surgeries and treatments because of the pandemic. These are the pandemic consequences, and we will have to face them. It will be a tough challenge for us.

A third priority is related to the Brazilian structure for healthcare. We have many problems in financing the public health system, SUS. One responsibility of the system is to pay for treatments and surgeries, but it does not have the money for that. This is a daily problem as the constitution states that we must care for the whole population, but the federal government cannot fund this. As a result, all private hospitals have a huge task. There are around 48 million Brazilians that have private health insurance, and the economic challenge for the hospitals is how to receive money from the private sector based on private insurance, and with this money to first pay the debt of SUS and secondly invest and modernize. In one word, the private sector is facing structural problems which can create more problems. Brazil needs to urgently rethink and reform the healthcare system. We need to improve primary attention and the level of integration between the private and public sector.

EF: Could you elaborate on the lessons learnt through the pandemic for the private sector?

AB: One of the most important lessons for the private sector was the everyday reinvention. Today, the hospital management teams are more flexible, more creative, and more organized. There so many extraordinary examples of small hospitals drastically increasing their treatment capacity. The human capital was a group of heroes.

EF: What changes would you make to the Brazilian healthcare system?

AB: The increase of telemedicine. It is the way to cover the gap between the capacity and the necessity showed by the people. Without it, we will

collapse.

We do not have communication structures for telemedicine, we do not have medicine colleges, but despite a long list of lacks, telemedicine was imposed by the reality and the necessity. We have incredible figures in the private sector, 6.5 million use telemedicine. I hope after the pandemic we can organize a telemedicine system. To do that, we need to prepare people to work in telemedicine, we need to define what we want with telemedicine, it must be a way to improve access and not only a way to reduce costs. Telemedicine is probably the biggest opportunity to make Brazil more equal, particularly through transforming access for poor people and those living in rural areas.

EF: What is your definition of access?

AB: There is no country in the world that can offer everything for everyone, but countries like Brazil must have conditions to offer basic access with dignity. Brazil is a phenomenon for healthcare because we have communicable diseases from three different centuries, the 19th, 20th and 21st, and combatting those is access for me.

EF: What do you think the future of health looks like?

AB: Hospitals must be hubs taking advantage of telemedicine, what we are seeing in Brazil in the best hospitals is that they are becoming centers of research, development, and treatment from the beginning of life through to the end. This means a generational difference, from thinking of hospitals as places that fight against diseases to places that take care of promoting health.

We are also seeing the development of Homecare in Brazil. The process of aging is very fast in Brazil and so homecare is increasing, but the challenge is promoting it as access questions are also present in the homecare issue.

EF: What do you think the world can learn from the way private hospitals are run in Brazil?

AB: Our hospitals learned a lot and are very well run with highly skilled management; they offer medicine updated with the best practices in the world. Brazilian physicians and researchers have a beautiful skill in medicine compared with a lot of researchers, and we are proud of that. But the facilities in Brazil are highly concentrated in the south and the center, many areas do not have physicians.

Chapter 6

Medtech

The MedTech industry is a rising star within the healthcare sector; it includes medical devices that simplify the prevention, diagnosis, and treatment of diseases and illnesses. It is now at the forefront of preventive health paradigms and technology, data management, and processing. The past two years changed the revenue structure of the MedTech market. The fast-growing sector has space to modernize and integrate the local healthcare system and boost the introduction of high-end technologies. Digitalization will drive high growth rates due to the technological advancement of more tailor-made data-driven products. Medical technologies have demonstrated their importance over the last two years and will continue to be in the spotlight.

As hospital activity regains momentum in treating non-covid related therapies, the MedTech sector asserts its strategic role in healthcare management.

MedTech must confront heightened business uncertainties, including surging inflation and recessionary fears, the impact of continued lockdowns in certain geographies, ongoing global chip shortages, and supply chain challenges, a constricted labor market, reduced investment in capital equipment from hospital systems experiencing increased financial pressures and a range of additional factors. The industry recorded 16% revenue growth in 2021 and a double-digit increase in R&D spending – a healthy sign of confidence. As technologies advance, the sector’s biggest challenge will be to keep up with the speed of innovation.

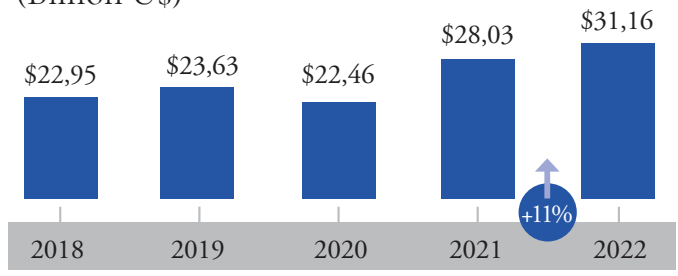
ABIMED, the Brazilian Association of Industry of High Technology Medical and Hospital Equipment, Products, and Suppliers, represents the advancement of medical technology companies and contributes to the improvement of medicine in the country. Its purpose is to increase access to high-end innovative health technology and represent the interests of the healthcare technology industry, which include creating policies that guarantee a favorable environment for innovation and the competition of their members in local and global markets while contributing to the Brazilian healthcare sector. With over 200 associated companies representing nearly 65% of the market in terms of equipment and medical devices in Brazil, the segment represents the equivalent of 0,6 % of the national GDP, generating approximately 174 thousand direct jobs.

“We have been quite involved in Brazil since the pandemic began. There was a critical shortage of medical equipment like respirators and masks. The deficit was due to the explosive demand for products worldwide. The industry managed to stabilize the market. Before vaccines could be administered, proper planning was needed, which was a challenge for the medical industry. This generation had not gone through a pandemic before. We had to learn what to do and deal with it all. We did new things and overcame the challenges we faced by prioritizing. Brazil is a net importer of its medical equipment, raw materials, and parts from different regions of the world. There was a shortage of transport and issues around the logistics of supplies and equipment. At that time, the problems seemed like they were compounding. We were able to overcome and manage those issues. Besides, the two initial years of the pandemic dramatically reduced the number of eligible surgeries.” **Fernando Silveira Filo**, Executive President of ABIMED



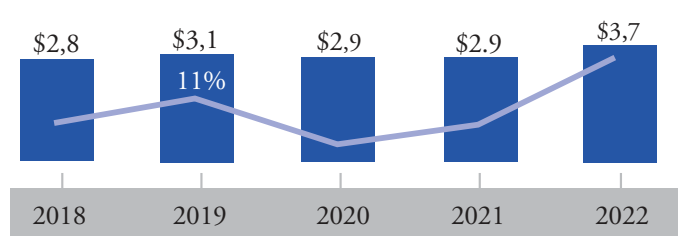
ABIMED shares data on the market, “ in 2018, the estimated value of consumption was US\$ 22.9 billion, with a growth of 3% in 2019, the year in which the value reached the mark of US\$ 23.6 billion. In 2020, the consumption value decreased by -5%, totaling US\$ 22.5 billion. For 2021, the growth was 25%, totaling US\$ 28 billion.”

Estimated Market Size (Billion U\$)



Source: Abimed Vtech publication 2022

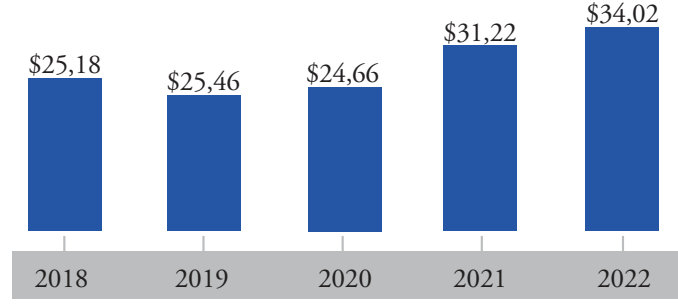
Local Manufacturing Market Value (Billion U\$)



Abimed Vtech publication 2022

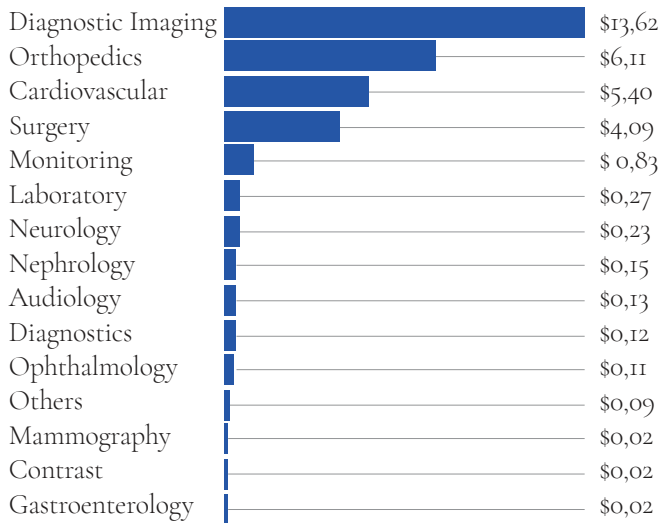
According to Abimed, in 2021, the Diagnostic Imaging sector was responsible for 44% of imports. Next comes the Orthopedics sector, representing 20% of imports, Cardiovascular (17%), and Surgery (13%). The other segments represented 6% or less of the value imported in the year.

Medical Devices Imports (Billion U\$)



Abimed / MDIC Governo Federal

2021 Imports (Billion U\$)



Source : Abimed/ MDIC app IN3

Fernando Silveira Filo, Executive President of Abimed, tells of the organization's efforts alongside policymakers in Congress "to get new industrial policies that include three aspects. The first is to be open to international capital. Secondly, we must become more innovative and absorb technological advances. The third aspect is developing a local supply chain for our industry because we will have a business that can produce equipment with no suppliers." Silveira elaborates on the strategic importance of developing the sector, "it is crucial to have horizontal development and become a key player internationally. It is a great moment for our sector because it will accelerate a new way of seeing health by policymakers, industrialists, and other sectors of the economy."

Industrial Policy & Tech for a better healthcare resource management

"Brazil has suffered from a lack of strategic planning in the past. Our industry is, therefore, becoming less crucial in worldwide participation. Brazil needs to develop a new industrial policy. The repercussions of not modifying our policies will be the inability to participate in the supply chain globally. As a non-crucial member of global commerce, getting more imports or being a priority for other countries' agendas is more challenging.

We are working with policymakers in Congress to get new industrial policies that include three aspects. The first is to be open to international capital. Secondly, we must become more innovative and absorb technological advances. The third aspect is developing a local supply chain for our industry, or we will produce equipment without suppliers. It is crucial to have horizontal development and become an international key player. It is a great moment for our sector to accelerate a new way of seeing health by policymakers, industrialists, and other sectors of the economy," Fernando Silveira Filo, Executive President of ABIMED.

The role of E-HEALTH

"Telemedicine was a breakthrough for the Brazilian population during the pandemic. People developed a habit of using digital media to communicate with their doctors and get their prescriptions through digital platforms. But the regions far from the big hubs, like Sao Paulo, need help to access the same technology and find it challenging to consult a doctor. The biggest issue around digital transformation is data management and security. In the last two years, a new law, the RGPG, was passed -similar to the general data protection law in Europe. We have an agency that monitors and ensures that all sensitive data remains safe. We must create a better model that protects data and sensitive health information worldwide. Europe has centralized data banks and systems that work, and it is something we can learn in Brazil. A significant concern is guaranteeing confidentiality and learning how to manage the data.

Our market evolves fast and there is constantly new technology and development. Incremental changes occur rapidly because there are always new products and improvements in the market. The onus is on us to make the healthcare industry more patient-centric by consistently improving and bringing new technologies. We need to start seeing technology as infinite in its usage for our health. A time will come when we can be treated from anywhere worldwide because everything will be digital, compatible, and interchangeable. Telemedicine access could solve the discrepancies and differences between the different regions in Brazil. In the bigger cities, there are well-established medical services, but the further from the main cities, the less development there is. Telemedicine is a way to bridge the gap and bring access. Technology will democratize access to more remote regions. We can keep track of chronic patients and prevent them from having worse conditions. We tend to jump into tertiary or specialized attention when we need better access to immediate attention, which is costly and can be avoided. Telemedicine is vital in assisting and closing the gap to access, and technology is no barrier to access. The main challenge is offering the relevant technology as needed per case. We strive for growth and improvement." Fernando Silveira Filo, Executive President of Abimed.

Diagnostics at the backbone of health



Roche Diagnostics

Carlos Martins, President

"70% of all the world's clinical decisions are based on diagnostics. On a global level, only 2% of the healthcare expenditure is spent on diagnostics. In Brazil, that investment is much, much inferior; it's 0.4%. An objective is to influence the government's healthcare authorities and regulators' agendas, ensure that we reflect that, and invest more in diagnostics.

Diagnostics was a silent hero, people realized its importance and wanted home test kit tools. Every patient needs to be diagnosed and treated. This word, co-creation, for access to patients, needs to be there for the governments and other partners in the industry. The less and less we see the word competition, the larger our impact. Today,

it's amazing how you see people talking about polymerase chain reaction (PCR) without a real understanding of what it is, but knowing it's the most sensitive test needed for COVID-19 testing. Hopefully, 2022 is the year of treatments and the end of the pandemic, but, either way, diagnostics will play a very important role in this scenario.

What are you most excited about the pipeline, regarding the treatment of oncology patients, diabetic patients, chronic diseases diagnoses, and also gene therapies?

The new technologies and treatments we have are very exciting. For example, genome sequencing identifies customized and specific treatments for the patient. Our latest group of algorithms helps clinicians make decisions by using a tissue diagnostics tool that we have developed based on artificial intelligence, indicating either a yes or no and designating the need to follow through based on millions of previous diagnostics. We have also created a new diagnostic tool to be used with pharmacotherapies for doctors on tumor board discussions, a

group of different medical disciplines that come together to discuss a specific cancer patient. Before, they had to pull out information from multiple departments in the hospital or clinic, such as radiology, imaging, anatomic pathology, and hematology – a complex process. We developed software tools that allow us to concentrate and consolidate all the information and follow up on patients' next steps, decisions, and next appointments. Due to our digital investments, we have a fast-arising new portfolio connecting all the sequencing dots, which is all the digital investments we are doing.

Roche went into existing partnerships, and as preferred partners, we used the scale of Roche to be presented in more than 100 countries. We used our salesforce, marketing, and branding to ramp up productions to scale diagnostics. Brazil has huge opportunities. One in every three to four people doesn't have healthcare access, and my mission is to impact those numbers. Increasing the access rate and generating sustainability for the organization would mean employment and development for many Brazilians."

Steris: Protagonists of change.



"There has been considerable investment in health tech companies during the pandemic in Brazil, and Steris is a great example of this. Leonardo Cunha, VP & General Manager Latam Steris reflects on the industry's lessons learned over the past couple of years: "Historically in disruptive situations like the pandemic, governments, businesses, and sectors accelerate and thrive, just like the healthcare sector thrived. The pandemic showed us the importance of technology and how to improve customer access, market products, and create more innovative solutions. Nobody saw the pandemic coming, so the biggest learning was adapting to the unknown. Several MedTech and start-ups in the health segment grew during these past two years because they became digitally advanced. Accelerated digitalization is a silver lining of the pandemic; healthcare companies had to reinvent themselves to continue operating through new means and platforms. At Steris, we had to reinvent our digital media and footprint and invest in different technologies to increase the connection between our customers and products. It has improved our customer relationships and is more effective and cost-efficient mid to long-term. Investing now will reduce our operating costs long-term."

Brazil's role in integrating Latin American markets: Brazil is the biggest healthcare market in Latin America. 33-34% of the GDP is from

San Paulo alone. Half of that GDP is from the metropolitan area in Sao Paulo, and the other half is from the countryside. To put things into perspective, the GDP of San Paulo is the same as Chile's. Latin America is still a land of opportunity in healthcare because it is a developing market that provides capital and investment options. Mexico, Colombia, Brazil, and Chile are the four drivers of the region, leading the trends and evolution of the healthcare market in Latin America. We have changed the way we conduct our business; our main selling point is not procedural like the other big MedTech companies but a mixed business model of 25% capital-related sales, and 75% consumables and services. Equipment rental is now a trend. Many companies are finding new ways to run their business because budget constraints transform the market. We plan to invest more in services and consumables than capital because there are a lot of global competitors in markets like Brazil. Equipment and shippable products are expensive to import for the region, which is why services will drive the growth of companies like ours in the future. We outsource our services to hospitals and provide maintenance services such as instrument repair maintenance, flexible endoscope repairs, and outsourced sterilization services. The service business and market are still ripe with opportunity because it is still behind the other healthcare products and services.

BD Ultra-Fine™
PentaPoint™ EasyFlow™ 4 mm





Philips (MedTech)

Patricia Frossard, Country Manager Brazil & Head of Legal/Compliance Latam

Lessons learned: "We had to learn to work remotely, both employees and clients; at first, patients were unwilling to attend online treatment sessions, but that changed over time. We weren't prepared for the transformation as a company, but we solved the issues and adapted. We also learned that people were our best assets and that we had to care for our people's mental health. The pandemic has opened opportunities for growth through telemedicine, and we understand the need for an ecosystem to grow with products and technology. The future of healthcare lies in an ecosystem".

Innovation: "One of our main products is a Brazilian EMR, the technology we have proudly developed in Brazil, which helped us grow roots and create an impact in the country and beyond. We have the entire portfolio on prevention, diagnosis, and home care treatment and have become more of a service company handling both software and hardware. We also have a product that allows us to manage ICUs from a distance and ICU cameras that now allow clients to see their loved ones in real-time. We are trying to bring this final product to Brazil as we believe it would work very well here. We aim to change lives by delivering equipment and accessing our remote devices."

Home care or remote care: "It will happen, but it is not a short-term transformation. Short-term, the health sector has prepared for its digital transformation. Mid-term, three years down the line, they will look to artificial intelligence for diagnosis when there is data, interoperability, and 5G. In the long term, the market will be consolidated between hospitals and insurance companies."

Women want to pursue a leadership role in healthcare: "My advice is to trust yourself. Unlike men who take risks, women tend to doubt themselves. We need more women prepared to take on challenges and encourage even more women to do the same. There are many very competent women, but they need flexibility and balance. Now, post-pandemic, we can work from anywhere, which allows us more flexibility. Women will be more eager to take on these positions and challenges."

How do you envision the hospitals and home care of the future? Will you take care of your patients with a more remote system, and what resources will be needed?

"Walls are no longer the ultimate requirement in healthcare; it is not about the building but the patient journey. Some great hospital groups in Brazil are already thinking in this direction. We are very interested in partnering with them because we believe in a future standard of care offered regardless of where the patient is. It is not the facility but the solutions the patient has access to, a combination of technologies, professionals providing those technologies, early diagnostics, and aftercare patient follow-up to ensure the procedure is effective. We should address healthcare preventively, using artificial intelligence, telemedicine, and other innovation, to do early diagnostics and post-care either from hospitals or remotely. Last year to celebrate Medtronic's fifty years in Brazil, we donated technologies to fifty pediatric services, helping 50 patients free of charge with our solutions. We worked with ten hospitals spread around Brazil, and the logistics were absurd. In the future, many of these patients would not even need treatment as their condition would be identified early on and treated preventively or with non-interventional surgery."



QIAGEN,

Paulo Gropp, Vice President for America Latina

Investment: "QIAGEN is divided into three main business areas: Molecular Diagnostics, Life Sciences, and Bioinformatics. In our strategic mindset, we have five pillars of growth, which are not limited to Covid since we view QIAGEN as "Covid relevant but not Covid dependent." Growth provided by the pandemic period gave us a chance to invest faster in our portfolio and increase manufacturing facilities, amplified employment opportunities in different regions, and this is something we continue to grow on."

What is the strategic importance of Latin America for Qiagen?

"Our potential in the market is huge. We have more than 800 million inhabitants in Latin America who need to eat, be educated, get healthcare, entertainment, etc. We invested in contracting sales and specialists to support our distributors in regions where we were under-represented. Those regions have doubled, if not tripled, in growth compared to Brazil and Mexico. As a company, we are responsible for supporting and driving professional distributors. The growth has led to acquisitions and buying of companies, creating more factories which offered employment opportunities in different regions."



Medtronic

Felipe Barreiro, General Manager Brazil

What is the strategic importance of Brazil to Medtronic?

"Brazil is in the interest of all multinationals that want to increase their footprint globally and provide access to care, particularly if they have less presence than in developed markets (US, Europe, Japan)." "Despite being an emerging market, Brazil has state-of-the-art hospitals that are world-known, doctors that are also known for their work globally, and the academic quality of universities is excellent." "An important portion of the population does not have good access to healthcare. The environment in Brazil is optimal for extending access to more than 200 million people, with excellent hospitals, professionals, and institutions."

Proof of Medtronic's innovation commitment during the pandemic was launching the smallest pacemaker and other medical devices and investing in R&D."



BBraun

Bert Bender

What is the strategic importance of Brazil to BBraun?

"We have been a family company in Brazil for 52 years. We are committed to the largest market in Latin America -almost 50% of the total volume. The BBraun portfolio in Brazil has grown and still has much potential growth. Brazil was the great future of the market in the 80s until Asia took over. Still, the moment has come again for South America, given the geopolitical problems building up worldwide as the other big markets are becoming more problematic."

Becton Dickinson



Becton Dickinson is one of the largest global MedTech companies dedicated to improving medical discovery, diagnostics, and care delivery. Victor Suriano, VP and General Manager of Latin America, shares his experience of transitioning from pharma to MedTech, "Pharma and MedTech are two different areas, with completely different focuses, and the combination of both viewpoints is ideal. Even though pharma participates in both diagnosis and treatment, the MedTech sector allows us to participate in the patient's journey from earlier stages, something that was immediately apparent when I started working at BD. Coming from the pharmaceutical industry, I am confident that combining the benefits of both approaches can revolutionize the way we understand treatments."

The pandemic, an inflection point for the acceleration of technology: "COVID-19 was a point of inflection for our industry, the difference in the sector before and after the pandemic is immense. Different types of diabetes use different devices; there are differences in the amount of resource expenditure and technology each utilizes. Nowadays we see a diminished fear of using technology, which is especially useful in diabetic patients. There was a rapid increase in the use of digital platforms, which the industry has fully incorporated, and we expect to see this phenomenon increase even further in the years to come. The Brazilian market is trying to achieve innovation that allows for cost reduction -preserving the quality at lower prices."

Brazil, a strategic market for BD: "Latin America has two big economies, Brazil and Mexico, which normally take part in the top ten emer-

ging countries. Brazil's overall good performance can be divided into two areas; non-retail, identified by low prices and higher volume, and retail, with high prices and lower volume. The patient profile is changing due to higher exposure to information and knowledge. At the same time, we are seeing a movement toward commoditization, in the sense that patients tend to think that all medical devices are the same. This means managing prices while maintaining product quality, one of the biggest challenges for Latin American countries."

Training healthcare professionals and patients: "The digital area is becoming more and more relevant. The need for patient education varies depending on their diagnostics and the stages of their treatment. Diabetes Type 1 appears in younger patients where technology is frequently used and facilitates treatment. Type 2 diabetes appears at a higher age range, and senior patients generally have bigger concerns about using digital tools; this is where caregivers and nurses must help bridge that gap."

Global collaboration in Accelerate Diagnostics & data unification to enhance early diagnosis. "The efficiency of treatment increases depending on how early the disease is diagnosed. This poses a huge challenge, as much of the population is undiagnosed. In the future, we will have to combine data from different sources, so that information interaction allows us to detect factor combinations that enable an early-stage treatment and a specific diagnosis. In Latin America, we are used to analyzing patients individually with no cross-sector collaboration strategy, mainly because we need the macro vision to optimize resources

Cardinal Health



Cardinal Health is a global manufacturer, and distributor of medical and laboratory products, and a provider of performance and data solutions for healthcare facilities. A crucial link between clinical and operational healthcare, it delivers end-to-end solutions and data-driven insights that advance healthcare and improve lives daily. Cardinal Health builds connections across the continuum of care through partnerships, diverse perspectives, and innovative digital solutions. Mauro Loch, General Manager, Cardinal Health Brazil, shares his thoughts on various subjects:

Footprint and portfolio in Brazil: "Cardinal Health's footprint includes commercializing two different products in Brazil, commodities, and specialties. In the past year, we concentrated efforts on our specialty portfolio, which comprises four big areas; mechanical compression to prevent thrombosis; a nutrition portfolio that has management pro-

ducts able to be used both in hospitals and at home; and a variety of high-end technology products for fluid management in ICU patients. Generic or commodity-wise, we have surgical gloves, both latex, and neoprene, and we are market leaders for ECG electrodes in Brazil. This means our portfolio is massive for the variety of products and the many patients that use them. Our strategy is to provide quality in volume.

Ambitions and future role in Brazil: Latin America is a new region. We are strengthening the international segment through growth and regional engagement to expand our reach and reduce the dependence on the US domestic markets. With that goal in mind, we have defined where we operate directly and which needs will be outsourced. In Latin America, Brazil is the only economy considered a direct market, making us a pivot point in Cardinal Health's long-term strategy in the region.



Cardinal Health is an American multinational company with more than 50 years of history.

In Brazil, acts strongly in **venous thromboembolism prevention** through mechanical prophylaxis therapy, devices to promote **safe enteral feeding**, in addition to a wide range of **electrodes, advanced wound dressing, drains, surgical gloves** and other high-performance products to promote better quality of life to patients.



To know more about
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South America, especially Brazil, did a good job of managing this crisis. The situation today in the US or Europe is more concerning than in South America. BBraun Brazil is a good example of how a company can perform very well in the Covid crisis. We had to make tough decisions, but it led us to have a much healthier, competitive structure which has opened the door for more growth compared to three years ago."

Brazil is in an election year; what is your advice for the new administration?

"The Brazilian health system is very heterogeneous and needs standardization. We need to advance in looking at cost per treatment instead of simply looking at the consumption of materials used in the relative therapies. Therapy-based outcomes and such topics are very important and should be a consideration for the future administration."

Can you share BBraun E-Health growth efforts?

"We have devices like infusion pumps, surgical systems for minimally invasive surgery, and power systems, all things we will need in the future. The crisis is also accelerating the need for devices that can minimize personal contact with patients and have the patients well taken care of. We currently have products and processes that contribute to the changes necessary to integrate and contribute with small solutions to the future."

GETINGE

Aurelio Carmona

What is the importance of digital transformation and digitalization access in the future?

"It's important because it connects everything. The future is not offering products but solutions. An association of technology and a product to provide good solutions to customers, an example being doctors using technology to treat patients, who are our end customers."

How will the MedTech Industry and Getinge contribute to the fight against challenges?

"Digital transformation uses digital technology to create new options, especially important for complex surgeries. For example, robotics plays a huge role in helping surgeons be more precise in long and complicated surgeries. Technology reduces human error. Getinge is working in this direction to ensure we are following the market demand, and staying relevant in the industry for the next 10 or 20 years."

Could you elaborate on the strategic importance of Brazil for Getinge?

"Brazil is a very complex environment. We are facing local and global competitors and looking for opportunities out of the box to provide solutions. There is a consolidation of companies that are great players in Brazil and cover 80% of the total market. These partners have helped us work closely to provide solutions and good service."

Gustavo Galá, President, Johnson&Johnson MedTech Brazil

What can you share about the J&J MedTech transformation?

"I'm blessed to work in a broad-based healthcare company like J&J. We have general surgery, orthopedics, and cardiology processes. Our portfolio goes beyond a product; it's about how you offer solutions for the doctor, the payer, the hospital, and the patient that must be covered pre, during, and post-operation. We don't sell pills; we sell technology, and it's very important for us that our surgeons and doctors can do their best during surgery. We implemented the first CSAT in Latin America, a system where the doctor records and uploads the surgery between artificial intelligence and peer-to-peer reviews of thousands of doctors worldwide. The doctor can compare his surgery and get peer-to-peer feedback on how he can improve his surgery. You create capacity in the system for more patients to access healthcare."

How would you rate the level of adoption of Brazilian physicians to teach?

Some of the most innovative reference doctors for many specialties and global key opinion leaders are in Brazil. People will be either late adopters or early adopters. Brazilian surgeons are quite open to innovation, and anything that is going to improve technique is going to end up improving the outcome for the patient. We are involved in technologies we evaluate for Johnson & Johnson for the next 5 to 15 years. Because of the abilities of the Brazilian surgeons, we involve local institutions to be part of the development of the programs. When I look at Brazilian physicians, I see a surgeon willing to learn something new. It's no coincidence that the top doctors in many specialties are Brazilian."

What is the strategic importance of J&J MedTech Brazil beyond the size of the market?

Many of the KOLs in many of the specialties are from Brazil, and Brazilian doctors are key for Johnson and Johnson MedTech to continue delivering better healthcare; Brazil is absolutely part of that footprint. We've seen over 1.5 million people going for private insurance to get care and go to the doctors. In addition, we have a fantastic team of professionals who are the best in the industry. We're implementing some things and will export to other parts of Johnson & Johnson MedTech or other parts of the world. Hopefully, this is a beginning of a decade of healthcare in Brazil."

What's your definition of access, and what does access mean to you?

Access is how we can improve or save the lives of more Brazilian patients. Our technology should be wider than a few. Touching the lives of 6 million patients is not enough. To do that, you need to get a better outcome and have a more efficient system to reach more patients. That is access to me. Technology will be essential; it will help us to get waste out of the way. The technology is not done by a robot but by having the right people behind it to enable it."

Guerbet

Adriano Caldas, Vice President Latin America, and General Manager Brazil

"Brazil: an attractive market for new launches and a highly innovative pipeline and portfolio. Getting patients back to healthcare, educating, and providing them with early diagnostics is a vital priority."

What are the product portfolio and the performance of Guerbet Brazil?

Guerbet has been investing and evolving towards more complete solutions, and our focus has expanded to include pharmaceutical and diagnostic solutions. We are traditionally known for our contrast medical imaging. An example is an injector with minimal side effects, which makes injecting the contrasting agent easier and more controlled. This makes for a better and safer diagnosis that leads to better outcomes.

We also have other solutions that we launched using AI technology. We have established an AI product with a start-up company that analyses MRI brain images and detects signs of dementia-related conditions like Alzheimer's. Other products in the pipeline use AI to improve the diagnosis rate of different cancer cells. We are also developing a product that helps radiologists diagnose faster. It will help patients get a quicker diagnosis, increasing their life expectancy and improving their health and quality of life.

How do you see collaborations developing in Latin America and Brazil?

Integration requires collaboration because no stakeholder can accomplish everything independently. Big companies have broad portfolios but can only produce some needed products. An example of a partnership is with an external partner that analyses MRI images. The start-up brings the cooperation's software, knowledge, expertise, and clinical trials. We bring access to radiological centers. With this collaboration, we can offer solutions to our customers and have more people getting an early diagnosis. We have several partnerships with global and local partners to give diagnostic solutions. Locally we work

with various companies that produce scanners and other products. We partner with companies to offer solutions to their customers and our patients.

It is crucial to integrate. There are clinical, financial, training, protocols, and economic sides to collaboration with customers. Using different effective business models within our partnerships, we can share risks and rewards. Collaborators should keep the value of their products in mind instead of the price. If all the stakeholders do their best in their roles and tasks, the patient and collaborators benefit economically. Competing companies get into alliances in the pharmaceutical industry because no company can implement all the integrated functions and challenges and develop all the required products by themselves."



Advice from Abimed to the leaders in our sector

"People must consider data management and confidentiality when designing and creating products. Future products have to be user-friendly. Technology should be easy to use, and data must be easily transferrable between users. Doctors have to become more patient-centric regarding the technology they use per case. The industry has a role in training and developing people in the healthcare sector. It will make for a better value-based service. Different payment formats will be vital and easier to implement when technological products are made user-friendly, safe, and used in a suitable case. Design based on data and patient-centricity is the main aim."



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Fernando Silveira Filo

CEO
ABIMED



EF: What has been ABIMED's role and priority during the pandemic?

FS: We have been quite involved in Brazil since the pandemic began. There was a critical shortage of medical equipment like respirators and masks. The deficit was due to the explosive demand for products worldwide. The industry managed to stabilize the market. Before vaccines could be administered, proper planning was needed, and it was a challenge for the medical industry. This generation had not gone through a pandemic before. We had to learn what to do and deal with it all at the moment. We did new things and overcame the challenges we faced by prioritizing.

Brazil is a net importer of its medical equipment, raw materials, and parts from different regions of the world. There was a shortage of transport and issues around the logistics of supplies and equipment. At that time, the problems seemed like they were compounding. We were able to overcome and manage those issues. Besides, the 2 initial years of the pandemic had a dramatic impact on reducing the number of eligible surgeries.

EF: What do you see 2022 as the year of?

FS: Our associates believe 2022 will be a progressive year. Uncertainties will decrease because the industry has an exceptional demand capacity. People and companies can manage the unexpected now because they have a better experience. Markets will perform better than in the past two years. However, it's also important to mention that the conflict in Europe, is impacting our industry, in terms of cost increases and even some material/supplies shortages, and that situation may affect the market performance this year.

The government, at the Federal and State levels, decided to establish two plants to increase production, stabilize the demand, and create flexibility in vaccine provisions. One in Sao Paulo and the other in Rio de Janeiro.

EF: What change do you think is needed to build and maintain the medical technology industry in Brazil?

FS: Brazil has been impacted by a lack of strategic planning in the past. Our industry is, therefore, becoming less crucial in worldwide participation. Brazil needs to develop a new industrial policy. The repercussions of not modifying our policies will be the inability to participate in the supply chain globally. As a non-crucial member of global commerce, getting more imports or being prioritized on other countries' agendas is more challenging.

We are working with policymakers in Congress to get new industrial policies that include three aspects. The first is to be open to international capital. Secondly, we have to become more innovative and absorb the advance in technology. The third aspect is developing a local supply chain for our industry because we will have a business that can produce equipment with no suppliers. That is why it is crucial to have horizontal development and become a key player internationally. It is a great moment for our sector because it will accelerate a new way of seeing health by policymakers, industrialists, and other sectors of the economy.

EF: What do you think will be the role of digital transformation in Brazil?

FS: We have a series of articles that discuss different aspects of the digital transformation in Brazil. Telemedicine was a breakthrough for the Brazilian population during the pandemic. People could communicate with their doctors and get their prescriptions through digital platforms. People had to develop the habit of using digital media. There is no uniformity in development between the other

regions in Brazil. The regions that aren't close to the big hubs, like Sao Paulo, have difficulty accessing the same technology. There are other regions where it is challenging to consult a doctor.

The biggest issue around digital transformation is data management and security. In the last two years, a new law, the RGPG, came out similar to the general data protection law in Europe. We have an agency that monitors and ensures that all sensitive data remains safe. We need to create a better model that protects data and sensitive health information worldwide. Europe has centralized data banks and systems that work, and it is something we can learn in Brazil. Until we can guarantee confidentiality and learn how to manage the data, it will always be a significant concern.

Our market evolves fast. There is constantly new technology and development. The incremental changes occur in a very marginal amount of time because there are always new things and improvements in the market. The onus is on us to make the healthcare industry more patient-centric by consistently improving and bringing new technologies. We need to start seeing technology as infinite in its usage for our health. A time will come when we can be treated from anywhere in the world because everything will be digital, compatible, and interchangeable.

EF: What is your definition of access?

FS: Telemedicine access could solve the discrepancies and differences between the different regions in Brazil. In the bigger cities, there are well-established medical services. The further you go out from the main cities, the less development there is. One of the ways to bridge this gap and bring access to all is through telemedicine. Technology will democratize access to particular regions. We can keep track of chronic patients and prevent them from having worse conditions. We tend to jump into tertiary or specialized attention when we do not have good access to immediate attention, which is costly and can be avoided. Telemedicine is vital in assisting and closing the gap to access.

Technology is not a barrier to access. The main challenge is offering the relevant technology as needed per case. An example would be doing an MRI scan when the patient needs an X-ray. It is unnecessary, but it is also costly for the patient and the hospital. We will continue striving for growth and improvement.

EF: What two courses would you consider mandatory for future leaders in our sector?

FS: People have to consider data management and confidentiality when designing and creating products. Future products have to be user-friendly. Technology should be easy to use and data must be easily transferrable between users. Doctors have to become more patient-centric regarding the technology they use per case. The industry has a role in training and developing people in the healthcare sector. It will make for a better value-based service. Having different payment formats will be vital and easier to implement when technological products are made user-friendly, safe, and used in a suitable case. Design based on data and patient-centricity is the main aim.

EF: What would you be remembered for in the next ten years?

FS: It would be great if one day we looked back and saw the positive contributions we have made during these past few years. We have the opportunity to shape the future of the healthcare industry here in Brazil. We can contribute towards and create better access through high-end technology.

Victor Suriano

VP and General Manager Latin America
Becton Dickinson



EF: You were appointed at the beginning of the pandemic. What lessons have you learned from it, especially transitioning from the pharmaceutical sector to MedTech?

VS: Pharma and MedTech are two different areas, with completely different focuses, and I believe the ideal would be the combination of both viewpoints. Even though pharma participates in both diagnosis and treatment, when I started working at BD, I was able to see how strongly the MedTech sector allows you to participate in the patient's journey from earlier stages. Coming from the pharmaceutical industry, I am convinced that if we manage to combine the benefits of both approaches, it will revolutionize the way we understand treatments.

EF: How did the pandemic affect the healthcare sector?

VS: COVID-19 was definitely a point of inflection for our industry, the difference in the sector's reality before and after the pandemic is immense. Nowadays we see the fear of using technology has diminished, which is especially useful in diabetic patients. The future will be interesting because with the pandemic we saw a rapid increase in the use of digital platforms, and now that the industry has fully incorporated them, we expect to see this phenomenon increase even further in the years to come.

EF: What is the strategic importance of the region to the company?

VS: Looking at the combined results, we have a limitation in terms of worldwide performance, but we have two big economies, Brazil and Mexico, that normally take part in the top ten emerging countries. Brazil's overall good performance can be decomposed into two areas; whilst non-retail identifies by low prices and higher volume; retail has high prices and lower volume. This reality comes to terms with the fact that patient profile is changing given that the exposure to information and knowledge is increasing. At the same time, we are seeing a movement toward commoditization, in the sense that patients tend to think that all medical devices are the same. This means managing prices whilst maintaining product quality is one of the biggest challenges for Latin-American countries.

EF: What relation do you see between preventive methods, education programs, and further awareness?

VS: The approach we give to diabetes is much more than a treatment, there is also a huge component of education, both for the diabetic patient and healthcare personnel. In pharmacological terms, treatment is not enough, especially because of technical daily-use issues that are a matter of education, like the correct angle to use the syringe. This is much more important

given we are talking about a chronic disease that will be for sure an endemic issue in the future. It is also imperative to understand how to provide tools for nurses and caregivers so that they can really have an impact on the diabetic population.

EF: How do you rate the level of access in Brazil and how do you see the sector addressing some of the key challenges?

VS: Different types of diabetes use different devices; we see differences in the amount of resource expenditure and technology that each of them utilizes. The Brazilian market is currently trying to achieve innovation that allows for cost reduction, whilst also preserving the quality level.

EF: How do you rate the level of education for patients and professionals?

VS: The digital area is starting to be more relevant in this matter. The need for patient education varies depending on their diagnostics and the stages of their treatment; while Diabetes Type 1 presents itself in much younger patients; Type 2 appears at a higher age range. In the case of seniors, they have bigger concerns about the use of digital tools which is why caregivers and nurses can be more effective, contrary to what happens with Type 1, where technology is not only more frequent but highly facilitates treatment.

EF: What are your expectations from your global collaboration with Accelerated Diagnostics?

VS: The efficiency of a treatment increases depending on how early the disease is diagnosed. This poses one of the biggest challenges, given that a big portion of the population is undiagnosed. If we could overcome this, survival rates would increase, patients could have a better quality of life and the economic burden for treatment would decrease significantly. I believe the future will demand us to combine data from different sources so that the interaction of information allows us to detect factor combinations that enable an early-stage treatment and a specific diagnosis. In Latin America, we are used to analyzing patients individually with no strategy for cross-sector collaboration, mainly because we are missing the macro vision to optimize resources.

EF: BD will be celebrating 125 years. In that context, what would be the speech you give to your team?

VS: I would congratulate us all for maintaining leadership during the last century in a very competitive arena, and for doing this by differentiating ourselves from competitors through outstanding quality and technological innovation in our products.

Carlos Martins

President
Roche Diagnostics Brazil



EF: Looking back over the past couple of years, 2020 was the year of diagnostics, 2021 the year of vaccines, what do you think 2022 will be the year of?

CM: I would say it's still the year of diagnostics. It is also the year of treatments, additional medical advancements, and immunization in COVID, but also in other areas (unless additional severe variants come up). 2022 might end up being the end of the pandemic as a pandemic per se due to the behavior of the population which will increase the immunization trends, even if we have additional variants and peaks coming on top.

Today, it's amazing how you see people talking about polymerase chain reaction (PCR) without having a clue of what it is, only knowing it's the most sensitive test and currently being aware of what is out there in terms of options for testing. So hopefully, in conclusion, 2022 is going to be the year of treatments and the end of the pandemic. However, if not, diagnostics will still play a very important role in this scenario.

EF: In what ways do you think the diagnostics were hidden heroes during the pandemic?

CM: We were probably not aware at the very beginning, but it was just amazing. In the first phase, diagnostics was definitely a silent hero, but then a few months later, people realized its importance and started asking for home test kit tools. Roche then went into existing partnerships and as partners of choice, we used the scale of Roche to be present in more than 100 countries along with our salesforce, marketing, and branding to ramp up productions to scale diagnostics.

In Brazil, we were the first company to obtain the COVID-19 test legal registration, which demonstrates Roche's pioneering spirit and our commitment to the health of the population, since the diagnosis was key to managing and controlling the pandemic. Besides that, our field employees were also silent heroes. When everyone was at home, Roche employees were in hospitals ensuring that our solutions were being delivered and working. They were taking risks for the benefit of society.

EF: What mission did you set for yourself after your appointment and why Brazil?

CM: Why Brazil? Well, there's a huge connection between myself and the country. I have some relatives and plenty of friends in the country, and we've been coming here for holidays for decades.

Also, Brazil has huge opportunities. A large part of the population does not have adequate access to healthcare, which is why I am here, to create an impact. That is my passion, and I believe I'm a better person when I can create a solution to the challenges that the populations have here today in the healthcare ecosystem. At the end of the day, we need basic things to keep moving, and I want to contribute to those basic things. If we can increase access to innovation and new technologies and at the same time generate sustainability for the health ecosystem, this would mean employment and development for our people overall. Another personal

mission is to provoke the best experience for every single Roche employee, contributing to their development and growth.

EF: In regards to the pandemic and the past couple of years, what do you think are the biggest lessons that you've learned over the past couple of years that apply to the future?

CM: First of all, I think we all realized that if we are really focused on something and we work together, there are no impossible things. We now know our mission, which is also one of the objectives we have in our organization for diagnostics; is to provide a very solid infrastructure of testing to the private and public systems, increasing the access to diagnostics and healthcare in Brazilian society as an outcome.

A big lesson for me was that the well-being and mental health of our people is more than ever a top-of-mind topic on our agenda. And for that, we currently have programs in place to support these colleagues. We also learned so much in the negotiation with governments, that we needed to do better stakeholder management, and be better prepared for such situations from an organizational standpoint. We were not prepared for this. We need to empower people in order to be able to create access and make sure we penetrate with our products and solutions and scale them.

EF: From a diagnostics point of view, what does access mean to you?

CM: I think real access for diagnostics starts with reimbursement, and reimbursement starts with engaging with the healthcare authorities and the regulators by having a conversation about how we can scale and where and when to adopt. Obviously, that includes a lot of health economics, outcomes, and results. This is where the discussion needs to happen at the table.

Normally, what we need is to get to the table of the governments and healthcare decision-makers, regulators, healthcare providers, and payers to show the value of these solutions. It's a lot about coming together and looking at the problem to then come up with a joint solution. So, co-creating with all these healthcare stakeholders is paramount to achieving healthcare outcomes. We need to look into the complete patient journey and provide solutions that go from diagnostic to treatments. And that's why Roche is well-positioned to go out there and promote access as a holistic thing, and not just as an isolated concept.

EF: What are you most excited about the pipeline into the future, in regards to the treatment of oncology patients, diabetic patients, and going back to the chronic diseases' diagnoses, and also gene therapies?

CM: One of the most exciting things is all these new technologies and treatments that we are developing. For example, the personalized healthcare concept, which consists of the next genome sequencing technology that identifies which is the ideal treatment for that specific oncology patient, shows that every patient it's a different case and needs to be treated like that. Another example is how we are working on artificial intelligence and bringing new tools and algorithms that help clinicians make better and faster decisions.

We have also created a new tool coming from diagnostics to be used with therapies as well for those doctors who do tumor board discussions, a group of different medical disciplines can come together to discuss a specific cancer patient. Before, they needed to pull out information from multiple sites in the hospital or in the clinic, which would end up being in different departments such as the radiology, imaging, anatomic pathology, and hematology department, and this was a complex and difficult process. We then developed these software tools that allow you to concentrate and consolidate all the information, but also to follow up with the patient.

EF: As you embark upon this new role that you've had for six months, what legacy do you want to build in Brazil?

CM: The vision that I have for my legacy is divided into two pillars: the internal (Roche) and the external (Brazilian healthcare ecosystem). From the Roche standpoint, I would love to see my team self-organized to be able to fail fast and scale even faster solutions for the healthcare landscape in Brazil. I would also love to see Roche continuing to grow in areas like

overall sustainability, governance, diversity, and inclusion. At the same time, I would love to continue seeing our Roche colleagues happy at their jobs, excelling, and pushing for more healthcare access to the patients, and for that, they need to be well from a work-life balance perspective.

If we were able to accomplish all of this, we would become the most valuable healthcare company in the world. Now, from the external perspective (Brazilian healthcare ecosystem), I would really love to see the result of our actions showing more access to patients to diagnostics medicine and healthcare overall. For that, we need to invest more in diagnostics and prevention as we know that 70% of all the world's clinical decisions are based on diagnostics. On a global level, only 2% of the healthcare expenditure is actually spent on diagnostics. In Brazil, that investment is much inferior, it's 0.5%. So, one of the objectives that I have for my legacy is to co-create with partners, public and private organizations, and society in general so we can influence the healthcare agenda to increase the access to cutting-edge diagnostics solutions that the Brazilian population deserves.

Mauro Loch

General Manager
Cardinal Health Brazil



EF: What was your mission when appointed, almost a year ago, and how has that been translated into your work?

ML: Cardinal Health is a leading player in the healthcare map, that has embarked on a mission to develop its international presence. Going international implies the need to learn how to understand different cultures, business, and market dynamics. Taking over the Brazil's subsidiary has been a challenging assignment and my main task was to consolidate the startup phase, accelerate sales, and refine the strategy for the next five years. Given that currently, our market share in Latin America is lower than in Europe and US, we have a tremendous opportunity to grow and expand the business in Brazil. Compared to the same period last year, we've just finished with a 50% growth, which means the strategy that my team and I have put together is paying off. This is a good sign that we are on the right track.

EF: What are your ambitions in Brazil as the largest market in Latin America and what is your road map for the coming years?

The plan for the upcoming three years is to take an aggressive approach that allows us to multiply our revenue and profitability. That future road map is defined by four pillars; people and culture; technology operations; quality, and commercial strategy. Moreover, our ambition is not only financial, but we also primarily seek to be recognized both by our customers as one of the most trustful providers, and by our employees as a company that embraces diversity.

EF: What is the current footprint and portfolio that Cardinal Health has in Brazil?

ML: Our footprint distinguishes the commercialization of two different types of products in Brazil, commodities, and specialties. In the past year, we decided to concentrate our efforts on accelerating our specialty portfolio in mechanical compression to prevent thrombosis; a nutrition portfolio; and a well recognized high-quality portfolio that has products able to be used both in hospitals and at home. On the Operating Room front, we have high-end Surgical Gloves both latex and neoprene and we are market leaders for ECG electrodes in Brazil. This means our portfolio is massive not only for the variety of products but mostly for the large number of patients that use them. Therefore, our strategy is to provide quality in volume.

EF: What are your expectations of Cardinal Health's recent acquisitions?

ML: Our two acquisitions are well consolidated, but we divested Cordis. We are in the process of merging different corporate cultures and integrating them into one environment. What is even more important, is combining portfolios, which means having to make strategic decisions.

Luckily, this second challenge has not been a huge problem for us in Brazil and the patient recovery area is fully integrated at the moment, which is our number one priority.

EF: What is your strategy to attract the 'best and the brightest' talent to the company?

ML: It is imperative to have a value proposition given that people are looking for a workplace whose corporate values match their own. Our biggest proposition to our candidates is Cardinal Health's mission and statement, which is being essential to care. As we work closely with hospitals, doctors, and several stakeholders in the industry, those who work with us need to be passionate about being part of our journey. We sell critical products used in ICU, nutrition, and equipment, all areas for whose demands increased sharply during the pandemic. This means the wide variety of our portfolio is compelling on its own for a candidate that is interested in working with us.

EF: How do you think the pandemic will change the way the companies operate or connect?

ML: In my previous role I worked in logistics, this was a very enriching experience as overseeing the supply chain for healthcare in the middle of the Pandemic was rather critical. All pharma companies were pushing hard to deliver their products, and there was a huge impact in terms of costs. It's been difficult but also a great learning opportunity that quality service is everything. Specifically, in Cardinal Health, we have learned not to react impulsively, to take a breath, and understand the situation before making decisions recognizing the dynamic scenarios in which we operate. At the same time, we have had to acknowledge that you cannot lose the long-term perspective in whatever crisis you are facing even if solutions need to be planned quickly in the short term, perspective is crucial moreover in the healthcare sector. And precisely because this kind of situation requires big changes, it is imperative to engage with your team, share strategy, communicate and not surprise them with hugely impactful decisions. It has been very enriching learning for the company to understand the consequences of the pandemic and learn how to manage it in different local markets with diverse characteristics.

EF: How has it been to manage these unprecedented times?

ML: As every company operating in Healthcare, we have faced cost increases in raw materials and gasoline. In that sense, our role as managers is to navigate and manage these macro scenarios. Because payers and providers are aiming for cost reduction, when confronted with these situations there is a necessity to find win-win solutions that provide mutual gains to all involved stakeholders.

Felipe Barreiro

General Manager
Medtronic Brazil



EF: What was your given mission when appointed in the initial stages of the pandemic?

FB: I took over the leadership of Medtronic Brazil in August 2020, right in the middle of the pandemic. I was living in the US at the time, I still am, and have spent half my time in Brazil and half in the US waiting for the right moment to move back to Brazil, which will be in June after my kids finish the school year. My mission and challenge were to ensure success, grow our business's footprint in Brazil, and make sure we took care of our employees and society, given everything that is going on with the pandemic. Investments and several programs were implemented and needed to be pushed forward. Medtronic contributed to diminishing the effects of the pandemic in the areas where we have solutions, such as ventilation. Medtronic is famous for its vents and has an extensive vents portfolio. I had to make sure those vents were being used in the right places in Brazil, where the pandemic was hitting hardest, and cover our customers most in need.

EF: If you had to design a future MPA (Master in Pandemic Administration), what courses would you consider key?

FB: It is about trial and error in unprecedented times. Leaders were expected to have answers to questions never posed and solve complex situations that neither we nor previous generations had ever had to face before. The pandemic pushed us all outside the box in many areas. Leading when there are such challenging situations is all about flexibility and adapting. Many of our employees had family members who were sick or passed away, they had to adjust to a new working environment and continue to be productive with kids constantly at home, dealing with lockdowns, etc. In order to have an organization that is looking for and prioritizing the right things, making the right decisions are a consequence of consideration and respect for our employees. I took care of our people because I believe this makes a genuine difference. Understanding the need for flexibility was essential, and we adapted by taking this approach from day one. I led a complex organization of 800 employees remotely, using Zoom calls and Team calls, putting the human aspect into all I did, which was the key to success. Employee centricity was my answer in driving management, decision making, and strategy in a more connected way. If I replace patient-centricity with people-centricity, I can still tackle patient issues while working with the doctors that use our technologies and the administrators of the hospitals, and tackle the needs, concerns, and anxieties of our people and their families. I feel very privileged to work in healthcare and for Medtronic because we put people at the center and involve all stakeholders.

EF: 2020 was the year of diagnostics and prevention, 2021 the year of vaccines; what do you think 2022 will bring?

FB: 2022 will be a recovery year. The world is still going through a very complex moment, although hopefully, Covid is transitioning to an endemic mode, other difficulties have kicked in. There are concerns about the Russia-Ukraine situation and the affected global supply chains for all sectors, not just healthcare. With the supply chain unbalanced due to the pandemic and the war, 2022 will be a recovery year. We lived through small

recoveries and relapses during the pandemic waves, but we will be on a sustained recovery path this year. People who can see beyond the current barriers will double down on investments, resources, and gains for a real recovery. I am an optimist by nature, but I see opportunities for growth, expansion, access, and investments over the next four or five years.

EF: How do you envision the hospitals and home care of the future? Will you be taking care of your patients with a more remote system, and what resources will be needed?

FB: Walls are no longer the ultimate requirement in healthcare, it is not about the building but the patient journey. Some great hospital groups in Brazil are already thinking in this direction. We are very interested in partnering with them because we believe in a future of standard of care offered regardless of where the patient is. It is not the facility but the solutions the patient has access to, a combination of technologies, professionals providing those technologies, early diagnostics, and aftercare patient follow-up to ensure the procedure was effective. Walls are part of a much larger spectrum, the patient's journey. We should address healthcare preventively, using artificial intelligence, telemedicine, and other innovation, to do early diagnostics and post-care either from hospitals or remotely. This year, to celebrate Medtronic's 50 years in Brazil, among other initiatives, we led with the Brazilian Society of Bariatric and Metabolic Surgery a task force to perform 50 bariatric minimally invasive surgeries free of charge on patients from the public health system. We worked with eight hospitals in four Brazilian States, and the venture's logistics were big. There is even the possibility that in the future, a large portion of these patients would not even need treatment as their condition would be identified early on and treated preventively.

EF: When you look back at this period in your professional career, how would you like your tenure to be remembered?

FB: The legacy I would like to leave behind is a recognition of having done something for society. I could do volunteer work, but with the engine of Medtronic under me, I can leave a more meaningful legacy for humanity. I want to be remembered for having made a difference for the company. Medtronic would benefit from the difference achieved for the society we served; Medtronic's benefit would be a consequence, not the means.

EF: What was your message to your team when you recently celebrated Brazil's 50th anniversary?

FB: My speech was split into two parts; on the one hand, the last 50 years and what we have accomplished, we took pictures of hospitals and how they have evolved over the previous 50 years and inserted that visual information. Medtronic has evolved and become a massive organization with a presence in most hospitals in Brazil, one way or another. The second part was about taking the learnings of the last 50 years to go into the future and drive the organization to be successful for the next half-century. Based on accomplishments and lessons from the previous half-century, how to continue growing and be remembered for the next 50 years.

Gustavo Galá

President

J&J MedTech Brazil



EF: What mission were you given at J&J MedTech when appointed in January 2020 and how did that change by March 2020?

GG: Brazil is a very important market for Johnson & Johnson MedTech. J&J has altered the trajectory of healthcare for humanity, reaching over 275 million lives worldwide and we hope to take it to the next level by improving the lives of the more than 6 million people that we touch each year in Brazil. In order to achieve that, we need to be constantly working with the team to develop the future leaders of Brazil. We must remain close to the health professionals, connect with doctors, see how we could help them, and support them in this new world. In the two years of the pandemic, the world advanced in many aspects; including digital world utilization. It was a huge advancement, and we learned a lot in that process. From our side, did our best to be there for procedures, and surgeries where they needed our support.

EF: What business, management, or leadership lessons did you learn during the pandemic?

GG: I will share some of the things I was reminded of. First, is the importance of focusing on what you can control. That was a focus for the whole team because people were impacted differently by COVID. This is a very individual pandemic. Second, we were reminded to listen and be close to our customers. We didn't know there was going to be so much change, so we had to adapt, support, and partner with some start-ups to back up some of the doctors on the way they deliver care. Johnson & Johnson MedTech has always been very close to healthcare professionals. Some had to work long hours and their emotional health was impacted. So, when we saw this, we partnered with a start-up and implemented a program called Cuidando de Quem Cuida de Nós (Taking care of who takes care of us) that used technology to offer emotional support to over 10,000 healthcare professionals whenever they needed help.

We learned a lot during this pandemic. At Johnson & Johnson MedTech, we are proud of our agility, the partnership we forged and the closeness to our customer. From my perspective, people in Brazil are prioritizing health over other discretionary spending. We have a huge responsibility, and that's our reason for business, that the quality of health for the patients is the best possible and more people can have access to it. These years have been a reminder not to take health for granted. J&J MedTech is committed to giving doctors the right tools and works with healthcare partners to make sure that patients have better care and there's a better outcome. We strive to create a connection with the patient from the pre-operative to the post, and a better connection to the doctor.

EF: What can you share about the J&J MedTech transformation?

GG: We are going through this transformation as Johnson and Johnson MedTech. I'm blessed to work in a broad-based healthcare company like J&J. We have processes in general surgery, orthopaedics, and cardiology.

Our portfolio goes beyond a product, it's about how you offer solutions for the doctor, the payer, the hospital, and the patient that must be covered pre, during, and post-operation. We don't sell pills; we sell technology and it's very important for us that our surgeons and doctors have the right ability to do their best during surgery. We implemented the first C-SAT in Latin America, which is a system where the doctor records and uploads the surgery, between artificial intelligence and peer-to-peer review of thousands of doctors around the world. The doctor can compare his surgery and get peer-to-peer feedback, on how he can improve his surgery. You create capacity in the system, for more patients to have access to healthcare.

EF: How would you rate the level of adoption of Brazilian physicians to tech?

GG: Some of the most innovative reference doctors for many specialties are in Brazil. Some people are going to be late adopters or early adopters, but we have many different specialists. Some of our global key opinion leaders are here, and we are involved in some of the technologies that we are evaluating for Johnson & Johnson for the next 5 to 15 years. Because of the abilities of the Brazilian surgeons, we're involving local institutions to be part of the development of the programs. The Brazilian surgeons are quite open to innovation and anything that is going to improve technique that is going to end up improving the outcome for the patient. When I look at the Brazilian physicians, I see a surgeon willing to learn something new. It's no coincidence that in many of the specialties, the top doctors, are Brazilian doctors.

EF: What is the strategic importance of J&J Brazil beyond the size of the market?

GG: A lot of the KOLS in many of the specialties are from Brazil. Even on global boards, Brazilian doctors are a key part of it. For Johnson and Johnson MedTech to continue winning by being able to deliver better healthcare, Brazil is absolutely part of that footprint. In addition, we have an asset in Brazil, our people. We have a fantastic team of professionals that in my view, and quite humbly are the best of the best in the industry. We're implementing some things and we will export to other parts of Johnson & Johnson MedTech or other parts of the world.

EF: Seeing that you've been in Brazil for almost 90 years, when you raise a glass of champagne, what is your speech going to look like?

GG: We have this privilege to improve people's lives. This year, we want to improve and save the life of at least 6 million Brazilians. How do we go for 20?

I would also say "Thank you. You know our responsibility to our patients, to our employees, to our communities, and our shareholders. This is just starting, there's so much that we have done, but there's so much more remaining for us to do in improving access and outcomes."

Patricia Frossard

Brazil Country Manager & Head of Legal
Philips Brazil



EF: 2020, was the year of diagnostics, 2021 the year of vaccines, what do you think 2022 will be the year of? What do you think it would look like?

PF: 2022 would be the year of growth. With Brazil having more than 30% of its citizens lacking access to healthcare, this is our starting point. Our company is 130 years old with a history of innovation and 100% focus on healthcare. Therefore, being an important player in the healthcare field, this is where we see the biggest opportunity to grow, help, and make a difference. We felt this role was actualized the most during the pandemic, especially since we were providing health inside the hospital.

The pandemic has also opened bigger opportunities for growth through telemedicine and connections. We as a company understand the need to grow and have an ecosystem with agnostic products and technology. The future is not a one-company type of future, it's an eco-system.

EF: Looking back over the past couple of years, what do you think are the biggest lessons you've learned?

PF: We had to learn to work remotely, not only thinking about employees but the client side as well. Clients were unwilling to attend online treatment sessions but with time we all had to adapt. Our company wasn't prepared to sell this way, but we had to solve an issue and so we did. We also learned that people were the best assets we had and that we had to take care of our mental health and that of our people.

EF: Did you introduce new KPIs during this period to manage change?

PF: No. When we went 100% online, we had an employee survey where we measured employee engagement and it was amazing. It was even higher than before as people felt we were taking care of their health and that we were good to them. We actually never let go of any employee during the pandemic. As such, they kept delivering their job as they understood that they were important, and they stayed engaged. We didn't have issues with performance, and we also didn't do the KPI specifically to measure this.

EF: How would you describe the strategic importance of Brazil to Philips?

PF: We have a Brazilian EMR, which is one of our main products, a technology that we proudly developed in Brazil and that has helped us grow our roots and impact in Brazil and worldwide. We do have other important products as well, but that is the only EMR machine we have, and it's in Brazil. We as a company have the entire portfolio to work in the prevention, diagnosis, and home care treatment. We have become more of a service company that handles both software and hardware.

EF: How do you rate healthcare access in Brazil?

PF: Not good. Telemedicine is a good example of a tool that can broaden access. We need more creative programs, systems, and equipment that can

be used in areas that have no internet connection. We do have healthcare professionals that go to places that are difficult to access, but not enough. However, we also have a great partnership when it comes to telemedicine in Brazil, which helps us with licenses, and we provide a mobile device that has access to a doctor via telemedicine. There's still a need to create devices that don't need an internet connection and that can be charged with solar energy, as this equipment is focused on these remote areas so there is an increase in access to healthcare.

EF: Are there any equipment or technology that you're excited about bringing to Brazil on their pipeline?

PF: Yes. We have a product that allows us to manage ICUs from a distance and we also have ICU cameras that now allow clients to see their loved ones in real-time. We are trying to bring this to Brazil as we've seen a big opportunity there.

EF: What is your take on the level of data decision-making by physicians or AI in Brazil? How do you see the future of home care or remote care becoming a part of the system of health management?

PF: This is going to happen, but it is not a short-term transformation. In Short-term, the health sector keeps consolidating quality stuff and has prepared its own digital transformation. Mid-term, three years down the line, when there is data, interoperability, and 5G, they will look into artificial intelligence for diagnosis as this is not exercised with AI yet. In the long term, there will be a consolidation of the market between hospitals and insurance companies.

EF: What advice would you give to a woman that wants to pursue leadership roles in the healthcare industry?

PF: Trust in yourself. Women doubt themselves, unlike men who take risks. We need to have more women take on challenges to encourage even more women. We have a lot of competent women, but we need to work on providing them flexibility and balance. And with the pandemic, we can now work from anywhere which allows us to have more flexibility. I believe the women will now be more eager to take these positions and challenges.

EF: Fast forward 10 years from today, what would you like your tenure to be remembered for?

PF: I want to feel like I was part of this and that I was in this position during the pandemic, because things will be completely different in 10 years. No one in this generation went through a pandemic, and I was in this position while it was happening. My survival and the survival of the company are also something I look forward to. Also, I hope we changed the lives of many by delivering equipment and by giving them access to our remote devices.

Bert Bender

Managing Director
BBraun Brazil



EF: Could you elaborate on B Braun's footprint in Brazil?

BB: We are the market leader when it comes to infusion therapy, with the largest fleet of automatic infusion pumps in Brazil and a 50% market share. Let me explain, when you are a patient in critical condition, it is very important to control all of the fluids that are being infused into your body. It can range from simple liquids to very complex drugs. Usually, a critical patient would be connected to several infusion pumps which are basically small computers that are administering the right drug at the right speed. During the pandemic, the ICUs being at maxed capacities in Brazil, there was a great need for infusion therapy. Usually, when thinking about a Covid patient, you would think about the use of ventilators, but here at BBraun we do not have those, we have infusion therapy. We have a very relevant production footprint in Brazil. We produce 70 million units of large volume parenteral per year that every patient in hospitals need to be infused with. Locally, we produce the infusion pumps and lines.

Even though we could increase the production capacity of the infusion lines for the large volume parenteral, we had to be careful with the demand going up and managing worldwide demands with bottle-necks to manage. What we had done in Brazil due to these bottle-necks was to go to the market and requested the non-operational pumps and accelerated our refurbishing activities in order to activate every pump in the Brazilian market. Even though we could not supply the full needs of all of the customers, we still found solutions for them.

There were a lot of crisis meetings done in order to understand where the needs were most critical and how to administer our products.

We are also the exclusive importer for all BBraun productions worldwide for the Brazilian market which allowed us to work well with the international BBraun teams in order to meet the needs of the customers in Brazil. I am very proud of the team. For us, shut down meant that the team worked double instead of reducing its capacity. Economically, it was a challenging period, because we have a very wide portfolio, supplying 17 therapies. There was a maximum demand for infusion therapies, but no demand in other areas of the portfolio which created an imbalance. However, we were able to create a balance by quickly utilizing the flexibility and willingness of our employees. Our employees did a great job.

EF: Focusing on the challenges posed by the pandemic, what do you think are the biggest lessons learned?

BB: I think the biggest lesson learned is that our sector is kind of slow when it comes to digitalization and efficiency. Due to the crisis, we had to strategize in order to be more digital and efficient. With a heterogeneous customer base in Brazil, we may not have been able to go through the same standardization and acceleration as the fast-moving consumer goods sector, but we saw that we needed to go through the process. As such, we successfully accelerated that transition.

EF: Looking at the footprints and performance of BBraun in Brazil. What is the strategic importance of Brazil to BBraun?

BB: We are a family company that has been in Brazil for 52 years and is committed to the country. Brazil is the largest market in Latin America, being almost 50% of the total volume, so it is very important to the group. Brazil is a great part of the BBraun portfolio that has continued to grow and still has large potential. Brazil was the great future of the market in 80s until Asia took over, but the moment has come again for South America to take over given the geopolitical problems building up worldwide. The other big markets are becoming more and more problematic.

I think South America, especially Brazil, did a good job in managing this crisis. If I see this situation today in the US or in Europe it would be much more concerning than what we are seeing in South America.

It is fair to say that BBraun in Brazil is a good example of how a company can perform very well in the Covid crisis. We had to make very tough decisions, so it was not easy, but it led us to have a much healthier, sophisticated, and competitive structure which has opened the door for more growth in comparison to how we were 3 years ago.

EF: We say 2020 was the year of prevention and diagnosis and 2021 was the year of vaccines. What do you think 2022 will be remembered for?

BB: I really think that 2022 will be the year when we learn to live with the challenges of Covid and how to operate with and around its existence. Covid has to be something on the side now and no longer the center of everything.

In our experience when talking about home offices, only about 150 to 200 of our employees could afford to work from home as the job mostly required people to be in the field. With that said, people need to be able to move about freely. For the most part, we were forced to learn that people were still able to work in the same spaces during the pandemic, and I think it is fair to say that a very small number of our employees had gotten infected while working in the same spaces; most of the cases were in the private environments. I think we really need to get the sense of the pandemic out of our systems, understand how to manage the business under the circumstances, and be able to move forward and focus on everything else.

I am proud that we had used 2021 to make a lot of strategic changes in the company which benefited us not only from the security point of view and surviving the pandemic but also from the economic standpoint. We had really brought the company and its team forward. We are a people-centered company. With a production footprint, sales, and marketing responsibilities here we have assets, machinery, and more, but all of that together would not make a big company like we are, it is the team that really makes the company.

Leonardo Cunha

VP & General Manager LATAM
STERIS



EF: What will 2022 be the year of?

LC: 2022 is the year of recovery and opportunity. The healthcare sector and patients alike endured challenging times during the pandemic; businesses are facing pressure to increase costs while recovering financially. When a part of the business operations is related to the infrastructure capital expenditure, it cannot be refuted, which poses as a challenge to several businesses. Even though the sector is facing a lot of uncertainty, we had a very good start to the year with capital expenditure and projects resuming. Several companies had resumed their operations and began recovering until recently.

EF: What are the biggest lessons learned for the industry from the past couple of years?

LC: Nobody saw the pandemic coming, and nobody was prepared for it. One of the biggest learnings came from everyone adapting to the unknown. The pandemic accelerated technology into the market because many companies had to reinvent themselves. Several MedTech and startups in the health-tech segment grew during these past two years because they increased in becoming digitally advanced and prepared. Transforming a big company can take time, which is why health-tech companies took the opportunity to participate in the market.

There was a lot of investment in health techs in response to what was happening at the time. Big pharma and healthcare companies had to reinvent themselves to continue operating through new means and platforms. We also had to reinvent our digital media and footprint, going from running traditionally to working digitally, and meeting our consumers virtually. Accelerated digitalization is a silver lining of the pandemic.

Historically in disruptive situations like the pandemic, governments, businesses, and sectors accelerate and thrive, just like the healthcare sector thrived. It is an ongoing trend. The pandemic showed us the importance of technology and how to improve our access to customers, market our products, and create more innovative solutions.

We have been investing in different technologies at STERIS to increase the connection between our customers and products because we realized that this method improved our customer relationships and is more effective mid to long-term and cost-efficient. Investing now will reduce our operating costs long-term.

EF: What is the role of MedTech in developing the economy in Brazil?

LC: We are the protagonists for the change that is coming. I believe that healthcare is going to be one of the key drivers of growth in the future. The pandemic showed the importance of the healthcare industry and the importance of health. People have become more health conscious, aware of the quality of living and preventive care, while the amount of healthcare investors have increased.

Before the pandemic, healthcare was about diagnosis and treatment plans. After the pandemic, preventative care is a key focus. Many MedTech companies are investing in and are dedicated to preventive care. Value-based

healthcare began approximately four years ago, mainly in the US, and an advancement in productivity is essential for the future.

Stakeholders must come together and find ways to implement value-based healthcare to improve our patients' healthcare and be more productive. The solution should benefit everyone involved. If the solutions do not benefit all the stakeholders, it becomes a weak chain, and some stakeholders may remove themselves from it. There should be more investment in the industry, specifically in Brazil, for us to go to the next level.

Many big groups in Brazil invest a lot in hospitals, insurance companies, and other medical businesses to gain scale. For MedTech companies, Brazil is one of the biggest potential markets. Healthcare is well regulated here and there are a lot of needs. There are 250 million people in Brazil, meaning a company can be established and become stable, gain some of the market share, and get as close to the client as possible. The majority of Brazil's healthcare investment goes to the private sector. Its healthcare is still partially dependent on the public sector. I am very optimistic about the change.

EF: What is the role of Brazil in integrating into the Latin American markets, and what is the region's strategic importance?

LC: Brazil is the biggest healthcare market in Latin America. 33-34% of the Brazilian GDP is from Sao Paulo alone. Half of that GDP is from the metropolitan area in Sao Paulo, and the other half is from the countryside. To put things into perspective, the GDP of Sao Paulo's countryside is the same GDP as Chile.

Latin America is still a land of opportunity in healthcare because it is a developing market and provides opportunities in terms of capital and investment. I believe Mexico, Colombia, Brazil, and Chile are the four drivers of the region. They will lead the trends and evolution of the healthcare market in Latin America.

However, the way business is conducted has changed, at least on our side, because our main selling point is not procedural like the other big MedTech companies. Our business model is a mix of 25% capital-related sales, and 75% consumables and services. Customers in Latin America are trying to find different ways to access medical equipment. Equipment rental is now a trend. Many companies are trying to find ways to run their business because of the constraints in budgets which is transforming the market.

STERIS has a strong competitive business in the healthcare market. We plan to invest more in services and consumables than capital because, in markets like Brazil, there are a lot of global and local competitors. Equipment and shippable products are expensive to import for the region, which is why services will drive the growth of companies like ours in the future.

In US and Europe, we outsource our services to hospitals and provide maintenance services like instrument repair maintenance, flexible endoscope repairs, and outsourced sterilization services. This is where we have been putting most of our attention and investment into the future. The service business and market are still ripe with opportunity because it is still behind the other healthcare products and services.

EF: Can you elaborate on the company's role in creating awareness around sterilization?

LC: We are leaders in the segment of imported capital sterilization equipment's, whilst the other hospitals are buying locally manufactured products. We are leaders in the specialized market that we operate in. Part of our company DNA is educating people. We have a department dedicated to educating our customers and consumers, that teaches about our products and services, OR procedures, sterilization processes, best practices, and international standards because we want to raise the level of care.

Some areas within the region have very high sterilization standards, and others have very low standards. We must raise the bar for everyone, have the best practices and operate at the same standard. We want everyone to participate in working at high standards and with increased levels of care. A lot of effort and investment is put into that: it is another way to be a protagonist.

During the pandemic, STERIS completed its biggest acquisitions to date. We acquired Cantel at \$4 billion, which is a sign to show that we belie-

ve in being protagonists. To grow our portfolio, we bought the biggest company in endoscopy processes, which helped us improve the quality of our services and of care in a difficult time. Another part of our DNA is looking for opportunities that add value to our customer care, this makes us a strategic partner for our customers in several areas and segments to achieve b outcomes.

EF: What do you look for in companies when investing, and what advice would you give other investors?

LC: Future opportunities are always attractive to any investor. When investing, the culture of the company is what makes it appealing. If it does not match our own, it will not work, because how the people work and do business in the company you want to invest in has to be maintained. A company can have the smartest people to operate the industry, but if you do not have the mindset to relate with the teams and understand their work culture, that's where strategy can fail. Furthermore, a company's segment and its strategic positioning within the sector are critical factors. But it is the people who enact the vision.

Paulo Gropp

Vice President LATAM
QIAGEN



EF: When appointed, what mission were you given, and did this evolve while having to navigate such a unique moment in modern history?

PG: My mission coming into QIAGEN in the middle of 2019, was to reorganize the company in the region, stabilize the team and accelerate growth, seeing that QIAGEN has lots of opportunities plus a huge portfolio that was underutilized. I made changes to regional structure and processes, we started to operate as One Company in the region, sharing support from all our human resources to be able to develop the market in a proper way. When I came in, the team was facing some motivation challenges. Today, I'm proud that QIAGEN has been certificated for two years in a row as a "Great Place to Work" in both Brazil and Mexico's offices, which is most impressive because we were able to win those awards during the pandemic. We showed team commitment, trust, responsibility, and joy to work together.

During our monthly leadership meetings, we introduced the discussion of the "Home Office" concept as this was something unfamiliar to QIAGEN. Coincidentally, in parallel with the HO discussion, COVID arrived in our lives, and immediately we took the decision to close our offices. Fortunately, everybody works with laptops in our Brazil and Mexico offices, so the roll-out was smooth. This led to a steady and successful growth rate for two years as we were able to accomplish and solve problems from home, especially becoming one of the main solution providers for DNA and RNA tests (PCR tests).

One month after the pandemic started, we didn't have enough supplies to meet all the demand, but still, we remained firm in not raising prices for our customers; clear communication and determination definitely kept us connected to them. We decided to prioritize our traditional customers and not accept deals from new ones. We developed weekly internal calls for peer discussion on the supply chain, which included different regional managers to keep track of our supply numbers, their regional needs, and the type of kits that were needed, while at the same time balancing incoming orders. We did this for one and a half years. Studying our customers and their supply request habits helped us remain a partner of suppliers that we'd been working with, which built confidence in QIAGEN. The process was very open and transparent, and no one in our team was left behind, as such, we were able to professionally navigate through those dark times with the right mindset. Due to this, customers have also stuck with us as we did them. We became strategic very fast and handled the pandemic in a positive way.

EF: What strategic importance and opportunities does QIAGEN have within different Latin American countries?

PG: QIAGEN LATAM before and during the pandemic grew fast, even above the global average. Our potential in the market is huge. We have more than 900 million inhabitants in our region who need to eat, be educated, get healthcare, entertainment, etc. Having done smart structure changes to the company was crucial. We made investments by contracting Managers and specialists to support countries where QIAGEN is represented by distributors. We were under-represented, and these countries have now doubled, if not tripled, their percentage growth compared to Brazil and Mexico. We as a company have a responsibility to support our partners.

Restructuring in Brazil and Mexico also proved effective. Clear CRM pro-

cesses, productivity gains, and significant improvements in our service and after-sales team are opening up new opportunities for us with traditional and new customers.

EF: Moving forward, where do you think the portfolio of QIAGEN is going?

PG: QIAGEN is divided into three main business areas: Molecular Diagnostics, Life Sciences, and Bioinformatics. In our strategic mindset, we have five pillars of growth, and these five pillars are not limited to Covid since we view QIAGEN as "Covid relevant but not Covid dependent". Growth provided by the pandemic period gave us the chance to invest faster in our portfolio, and increase manufacturing facilities which in turn has amplified employment opportunities in different regions, and this is something we continue to grow on.

We're investing heavily in infectious diseases. Last year QIAGEN concluded the acquisition of NeuMoDx Molecular, Inc. and is now finalizing the integration. We're in the process of registration in almost all our countries. Considering the bureaucracy to register products in our region, hopefully, we will be launching this solution in some of the countries in which we operate this year. With this, we intend to increase our range in the market, moving from acting only in niche areas in which we work to expanding our portfolio, and this is the perfect time to do so.

Another sector we're going to get into is availing of syndromic tests, via QIAS-tat solution, to simultaneously test for multiple pathogens with overlapping signs and symptoms in a very short period of time. This will be a game-changer and a great tool. We're working to implement this solution in our markets in the right way.

Via QuantiFERON solutions, QIAGEN supports Latent Tuberculosis tests. We're tropicalizing the strategy by discussing how to use it and how it works in our market, as well as the support we need for it. We are playing an important role in aligning with private and public sectors the vital importance of the test for this killer disease.

My team and I have a mission, as healthcare providers, to understand how we can partner with pharma companies and other vendors, mainly in the Oncology area, to provide personalized treatment, tests, and drugs, to give a better life quality to patients, which is very connected to QIAGEN's vision (Making Improvements in Life Possible) as we're talking about people.

Another important pillar is digital PCR which is just starting and, with genomics, will become standard.

EF: What would you like this moment in your professional career to be remembered for?

PG: How the QIAGEN team understood the changes and the strategies, trusted my leadership, and assumed responsibility and urgency during the pandemic, turning us into a "Great Place to Work" company. How we manage and come together to achieve not just revenue results, but results for our customers. Being recognized as the best supplier by highly relevant customers in our market during the pandemic period is also huge, and one of the best things I would like to be remembered for.

Aurélio Kalaes Carmona

Managing Director
Getinge Brazil

EF: Looking back over the past three years, 2020 being the year of diagnostics, 2021 the year of vaccines, what do you think 2022 will be a year of? What do you think it's going to look like?

AC: 2022 was a year of transformation, with an emphasis on the importance of balancing the professional and personal side of life, with the current workplace being the best. However, it's quite hard to tell what it'll look like and what the next steps are as we are now facing a new scenario, which is the Ukraine – Russian war, that is affecting all of us. It was good to recover the market after a pandemic, but the war is quite concerning, and we're hoping they will come to an agreement.

I am however confident that we will have a positive 2022 in terms of business here in Brazil as we are expecting to grow. But we do have pressure in terms of logistics, supplies, and inflation, and with elections coming, the war, and the pandemic, it's crazy. But we are in good shape as we are working more diligently to find solutions.

EF: What advice would you give to the administration?

AC: To try and push the results as we have elections near the end of the year and we hope that after that, we will have a good president. To be immersed in knowing the local and global market and understand the pressures in the areas of inflation and investment and work on pushing our sales to deliver until the end of Q3.

EF: Could you elaborate on the role of the company in Brazil during COVID?

AC: Our company played an important role in providing and selling ventilators and Extracorporeal Membrane Oxygenation machines, a life support machine that provides prolonged life support to critically affected patients. Now, with the pandemic coming to an end, we're back to surgeries that were postponed due to COVID and have a movement to compensate the business whilst moving to the surgical side as demand is ramping up on that side. We also have very a important product portfolio that is growing and quite important and it already has products in the pipeline for launch in 2023.

EF: Is there anything that's coming up in terms of pipeline or projects that you're particularly excited about?

AC: We do have a few projects that are being discussed which are very relevant for continuous projects as we have new potential sites and service demand, which touches on equipment that we've had from the last five to 10 years. We are thinking outside the box as we look for opportunities in the market and focusing on a strategy to make it happen.

EF: Could you maybe explain or elaborate on the strategic importance of Brazil to the company?

AC: Brazil is a very complex environment. We are facing local and global competitors, so what we're doing is looking for opportunities outside the box to provide solutions. We have a consolidation of great companies that are key players in the Brazil region, they cover 80% of the total market in

Brazil. These partners have helped us work closely to provide solutions and good service. They have also helped us not just to sell a commercialized product, but also offer after-sales, which is very important to keep these relationships. We have some projects that are being developed here that look for solutions for the hospitals, and promotions of our special program that we're launching by the end of June.

EF: How do you think the MedTech Industry and the company will contribute to the fight against these challenges?

AC: Long story short, it's digital transformation. Digital transformation is the process of using digital technology to create new ones, which are very important, especially for highly complex surgeries. For example, robotics plays a huge role in helping surgeons be more precise in long, high complex surgeries. They fully reduce human error which is compensated by the technology. Getinge is also working in this direction to be sure that we are following the market demand and staying relevant in the industry for the next 10 to 20 years.

EF: What is your take on the importance of digital transformation and digitalization access in the future?

AC: It's important because it connects everything. At the end of the day, the future is not offering products, it is offering solutions. Technology associates with products to provide good solutions to customers, an example being doctors using technology to treat patients, who are our end customers.

EF: Have you brought any of your experience from finance into your current position? What advice would you give to new leaders?

AC: Being a CFO for the last 10 years, four of those being at Getinge, I've noted that it's always important to understand the business as a whole. Your company stands a better chance of being successful if you have good working relations with your employees, teamwork spirit, good communication, and leading by example. If you work as a team and your team is engaged and you have a transparent process, while having a clear vision and approach to what your company needs to accomplish and the direction to go, this will help you run the company smoothly.

EF: Is that how you define good leadership?

AC: Being a good leader starts with walking the talk. A leader that can evolve, create a safe atmosphere, and create positive ways to solve issues whilst for good solutions that provoke positive discussions within the team, and being a leader that is able to strategize and pass across the same vision to his/her employees to achieve results.

EF: Is there anything we didn't ask you that you'd like to comment on or add to the report?

AC: I always tell my team we need to reflect and have a positive way of reviewing the business at the end of the day. Always plan, fix the problems, and review what was done. Postponing problems postpones solutions.

Edson Pereira

CEO

Fresenius Medical Care



EF: 2020 was the year of diagnostics and prevention, and 2021 was the year of vaccines. What do you think 2022 will be remembered for?

EP: The world experienced considerable disruptions to supply chain management and rising inflation. That, coupled with devaluation in Brazil affected so many companies. The situation was worsened by the fact companies could not translate inflation into their pricing. This is why I believe this year is about rethinking and reshaping the business to make it grow and make it profitable again. Therefore, 2022 will be remembered as the year of getting businesses back on track.

EF: What have been the biggest lessons you have learned from the Brazilian market while managing Fresenius during the pandemic?

EP: As a leader one of the biggest lessons learned was about managing people. Before the pandemic, traditional ways of working and running the company were working very well for us, but the moment the pandemic hit it was difficult to keep using the same strategies and it challenged us to change our processes and work model. We came up with innovative and strategic solutions for communicating, delivering projects, and developing business operations. We started using digital platforms and working virtually.

The way we measure productivity has drastically changed. Before it was about monitoring people and continuously following up on them in the office. Now we measure deliverables instead. I have become more flexible with my team's delivery times and their time management.

Furthermore, during the pandemic, we discovered that 30% of the people that used the ventilator required an acute renal treatment, for which we launched new equipment that would help combat this in Brazil. The renal therapy is a complex treatment, so we were used to train hospitals and clinics that used our equipment and disposables in person, but the needs exceeded our capacity. Once we realized that we couldn't keep up with the training demand, we switched from in-person to virtual. This augmented our productivity giving to many patients the opportunity to receive their vital treatment.

EF: Did you include any new KPIs that you will keep in your roster of measuring productivity?

EP: Performance metrics are important which is why we are still looking for the right ones, with provides the right balance between operations and performance. In Brazil, we have about 3,500 employees, 35 dialysis clinics, two plants, and a software house. Thus, is mandatory to have an appropriate way to manage remotely our staff performance and needs, but as mentioned we are still not satisfied with the tools that we have now.

EF: Can you elaborate on the strategic importance of Brazil to Fresenius Medical Care?

EP: Brazil is strategically very important for the company, being the sixth largest dialysis population in the world, it's a big market with boundless opportunities.

I have been with Fresenius for the past twenty years, eight of which as a general manager. I can assure that Brazil is part of the future plans of Fresenius, and our creativity to find ways in manager successfully a company despite of the diversities imposed by the market, gives the confidence for our shareholders continues to invest in Brazil.

EF: When you celebrate 10 years as general manager at Fresenius Brazil in two years what is your speech going to be?

EP: We plan our strategic goals in cycles of five years. We are currently carrying out the goals we set from 2019 to 2024. Coincidentally the cycle ends in two years. We have twenty-seven objectives with 127 strategic projects that we follow up on every month with the strategy committee.

So, my speech will be, despite the disruptions and challenges from the pandemic and the war, we were able to implement our strategies projects, which made us successfully reach out our vision expected for 2024

EF: Is there a specific trend you see that can reshape the way dialysis will be managed in the future?

EP2: I believe that in the 5 years, new drugs will postpone the entrance of patients on dialysis, which will be good for countries like Brazil, which 80% of the patients have the treatments paid by the government and the dialysis providers face economics difficulties due to the low reimbursement rate offered by SUS, I also consider that in 10 years, home hemodialysis will be more accessible improving the quality life of the chronic patients.

Alex Villar Montini

Country Manager
Biotronik Brazil



EF: What was the mission you were given when appointed in 2019 and how did that change with the pandemic?

AM: I've been in Biotronik most of my professional career. When I was appointed as Country Manager for Brazil my main task was combining the technical and commercial areas, seeking to incorporate more technologies. Of course, this task was very different pre and post-pandemic. As a result of the pandemic, hospitals are interested in acquiring more of these products, which is why enhancing the technology aspect of our sales was the best strategy to navigate the scenario. One of the biggest challenges we had to face, was the fact that most of our products are focused on elective surgeries, and they represent more than 50% of our total sales. When emergency surgeries were prioritized because of the pandemic, our company was obviously impacted. The discussion at the time was on how we could manage that kind of situation, which was very new to us. Now that it's been two years, the reward of overcoming this challenge will be even greater.

EF: 2020 was the year of diagnosis and prevention, 2021 was the year of vaccines and raising awareness on the importance of pre-covid assessments. What do you think 2022 will be about?

AM: 2022 has been a year of recovery. In terms of sales, we just recovered to the pre-pandemic numbers in the last quarter of 2021.

EF: As someone that has navigated the pandemic, what would you say are the biggest lessons learned from a leadership and a management perspective in these last years?

AM: I believe the main lesson we learned is the fact that we need to orient our company and our people to cope with situations without any previous experience. During the pandemic, this was the most difficult thing to achieve. Normally when faced with a crisis, you talk to previous executives to see how we have managed in the past, but with the pandemic everything was new. Therefore, we needed to make decisions based on feelings and our judgment on what was best for our company and our patients. In the end, the main thing for us is to continue delivering service to patients and hospitals.

EF: What are your expectations on the biomonitor and is there anything in the pipeline that you are specifically excited about?

AM: Biomonitor is a very new product for which we received approval for reimbursement. There are great expectations because the diagnosis sector is very new to us, we are more used to therapy-delivering devices. However, this is exactly what we are excited about, the possibility of having new and reliable diagnostic data, which will allow us to increase access to even more patients. There are many stroke patients in Brazil that end up without specific diagnostics, for instance, those with silent atrial fibrillation. With Biomonitor, we have a new portfolio that allows us to identify and treat these conditions, preventing a considerable number of strokes. It is also a very new segment for Brazil. We try to develop the market together

with doctors, seeking to provide more of our training and education, not only for the physicians but also for patients. I strongly believe it is very important to use the right people to develop this specific market, so it's a new challenge, but it's common in our area to face this kind of task when you launch new technologies.

EF: Regarding digitalization, what is your perspective on the future both in terms of the company and in terms of business models and treatment of patients?

AM: This is the future; it is difficult to talk about the future and not talk about digitization, which is why Biotronik is of course involved in this new market. As an example, we have products that allow doctors to be closer to their patient's treatment. These devices connect to the patient's pacemaker (or other devices like implantable defibrillators and loopers), allowing our remote monitoring center in Germany to receive, store, and even provide some analyses of the information provided. Then, the central sends a report with the complete data directly to the doctor's e-mail, in a process that takes about 5 minutes. And this is repeated daily, which is an exclusive feature we have by the way.

EF: As someone who has worked in both technology and commercial areas, how receptive do you find Brazilian physicians and patients are to adopting this kind of new technology?

AM: After the pandemic, these kinds of technologies have been more easily accepted and adopted because doctors are keener to avoid patients coming to hospitals if the diagnosis can be done remotely. For example, this device can perform nearly the same work that you would do at a doctor's office appointment, but from your home. Public hospitals that are trying to avoid mass gatherings are adopting these technologies quicker than before when there were still doubts, and everyone was used to having in-site, in-office

EF: In Brazil's therapeutic and cardiovascular area, which is the growth that you have seen in terms of interventions, procedures, and the kind of diagnosis you are looking into?

AM: Cardiovascular disease remains the number one cause of death in our country, and whilst coverage requires attention, we have a great potential to grow in this market, but the challenge comes in terms of reimbursement and access.

EF: Given that Biotronik is celebrating 40 years in Brazil, what was the speech you gave to your team?

AM: We have been working directly in Brazil for 40 years. The message is clear; we are committed to the Brazilian market, and we have done the necessary changes in order to sustain the company and our business. Currently, we have around one million active pacemaker patients, we've been leading the industry for more than 20 years and I believe we still will be in the years to come.

Thank you.



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