

DISCLOSURE OF TRANSFERS OF VALUE TO SWISS HEALTHCARE PROFESSIONALS AND HEALTHCARE ORGANISATIONS

METHODOLOGICAL NOTES

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INTRODUCTION

Pharma Mar S.A. is a member of the European Bio-pharmaceutical Enterprises (EBE), a specialized group of research-based pharmaceutical companies within EFPIA (European Federation of Pharmaceutical Industries and Associations). As such, Pharma Mar S.A. is bound by the EFPIA Code on Disclosure of Transfers of Value from Pharmaceutical Companies to Healthcare Professionals and Healthcare Organizations [1] to disclose any amount attributable to Transfers of Value to Healthcare Professionals and Healthcare Organizations in each Reporting Period.

EFPIA Code of Disclosure Transfers of Value [1] states on Section 3.05. that together with the template describing the Transfers of Value, each Member Company shall publish a note summarizing the methodologies used by it in preparing the disclosures and identifying the Transfers of Value. The note, including a general summary and/or country specific considerations, shall describe the recognition methodologies applied, and should include the treatment of multi-year contracts, VAT and other tax aspects, currency aspects and other issues related to the timing and amount of Transfers of Value for purposes of the Code.

CONTENT

1. General Summary & Country considerations

This methodological note is referred to any Transfer of Value made in 2020 to any HCP practicing their profession in Switzerland or HCO headquartered in Switzerland. Since disclosures shall be made pursuant to the national code of the country where the Recipient¹ has its physical address, Pharma Mar declaration is regulated by the Code of Conduct of the Pharmaceutical Industry in Switzerland (Pharma Code) [2]

Transfers of Value to Swiss HCP/HCO related to Research & Development that can be clearly linked to activities as defined on the Art 3.04 & Schedule 1 of the EFPIA Code on Disclosure of Transfers of Value [1] have been declared as an aggregate amount under the "Research and Development Transfers of Value" category. The amounts disclosed under "Research & Development" caption corresponds to payments made to HCOs and may include as underlying concepts not only Investigators payments and grants, but also administrative fees, concomitant medication, expenses on diagnostics tools and other similar concepts.

However please note that the foresaid amount shall not include those cases in which Pharma Mar cannot ascertain the specific amount which has been transferred to the relevant HCP that acts as an investigator in the conduction of a clinical trial, or which has been transferred to a HCO, whatever the category of the Transfer of Value may be. In this regard, Pharma Mar shall not include under the

¹ In accordance with EFPIA HCP/HCO Disclosure Code, "Recipient" is any Health Care Professional or Healthcare Organization as applicable, in each case, whose primary practice, principal professional address or place of incorporation is in Europe.

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“Research and Development Transfers of Value” category any payments done to Clinical Research Organizations acting on behalf of Pharma Mar in the conduction of a clinical trial where the amount of the Transfer of Value, the category and/ or final recipient of the transfer of value cannot be ascertained in a reliable form under the methodology used by Pharma Mar and we will disclose those amounts in full in the “Research and Development Transfers of Value” section of Disclosure of Pharma Mar S.A. in Spain (i.e. the contracting company) instead.

According to new version of EFPIA Code any Transfer of Value made providing financial support and/or significant indirect or non-financial support to a Patient Organization or with whom Pharma Mar has engaged to provide contracted services by a Patient Organization will be disclosed in this report separately. List of Patient Organizations includes a description of the nature of the support or services provided without the divulging confidential information. Additionally it will be included the monetary value of financial support and of invoiced costs, the non-monetary benefit that the PO receives when the non-financial support cannot be assigned to a meaningful monetary value and/or the total amount paid per Patient Organization over the Reporting Period.

2. Covid-19 Disclaimer

Pharma Mar has made its best human and technical effort to properly disclose all Transfers of value provided during 2020 period but even though and due to the challenging and exceptional times lived because of global pandemic and all derived cancellations and activities postponed, we are aware that minor accidental errors may had occurred. Pharma Mar is strongly committed with transparency and accuracy and therefore if despite our best efforts, we were not able to properly reflect all Transfers of Value or a ToV that finally did not occurred was included by error, we will review it and analyze and provide accordingly a complete and adequate response and/or correct information as soon as possible.

3. Methodology used

Any contribution to HCO or HCP has to be requested on written form; every request is evaluated and approved on a case by case basis by the Pharma Mar Management. Records with the details (name, working address, amounts transferred) of the HCP or HCO to whom any Transfer of Value was done are kept on electronic format. For those Events, where the approval is based on a budgeted quantity, reconciliation is done once the invoices arrive, aiming to reflect the real amount spent and not the budgeted one. In Switzerland the recipients of the Transfers of Value have to bear a 33% of the overall value of the Transfer of Value related to Costs of Events, and once the final amount is certain they are invoiced by the Pharmaceutical Company for the appropriated amount.

The engagement with the HCP/HCO is arranged by way of a formal written agreement which identifies the Recipient of the Transfer of Value, the subject matter of the arrangement, the amount of the Transfer of Value as well as other material provisions that may be deemed necessary between the parties. To issue the current Disclosure of Payments to HCP/HCO in Switzerland during 2020 all the

electronic records of transfers of value have been compiled and reviewed to avoid HCP/HCO duplications. The final list of HCP/HCO has been manually confronted with this obtained from the written agreements in order to identify those individuals/organizations which do request an aggregated declaration of their Transfers of Value.

4. Other issues and criteria applied

To the best of our knowledge, the following criteria have been used to compile and summarize the information.

- Amounts are disclosed in Swiss Francs, and do not include VAT. Where required the amount in Euros has been translated into CHF multiplying by a factor of 1.0705, which is the average of all daily exchange rates of the Euro against CHF in 2020 according to the European Central Bank.
- Only the remaining 67% of the costs linked to the attendance of HCP to events paid by/or on behalf of PharmaMar is declared. All Swiss recipients bear their own a 33% of the overall cost of the attendance to events.
- All the amounts disclosed correspond to Transfers of Value that took place exclusively during 2020.
- Where costs cannot be individually identified but can be applied to a number of individuals, the total cost has being split proportionally among them i.e. an invoice from a hotel, for an accommodation total, has been divided into “nights” and applied proportionally to the HCP hosted.
- When despite Pharma Mar’s efforts, the HCP/HCO neither gave its permission, nor its refusal to the individual publication of the Transfers of Value; Pharma Mar S.A. has disclosed the amounts transferred on an aggregated basis.

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ABBREVIATIONS

EFPIA: European Federation of Pharmaceutical Industries and Associations

EBE: European Bio-pharmaceutical Enterprises (EBE)

HCO: Healthcare Organization (for a complete definition of the term you may refer to the EFPIA Code on Disclosure of Transfers of Value from Pharmaceutical Companies to Healthcare Professionals and Healthcare Organizations, Schedule 1 Definition of terms)

HCP: Healthcare Professional (for a complete definition of the term you may refer to the EFPIA Code on Disclosure of Transfers of Value from Pharmaceutical Companies to Healthcare Professionals and Healthcare Organizations, Schedule 1 Definition of terms)

HCP Code: EFPIA Code on the Promotion of Prescription-Only Medicines to, and Interactions with, Healthcare Professionals, adopted by the EFPIA Board.

REFERENCES

- [1] EFPIA European Federation of Pharmaceutical Industries and Associations, EFPIA Code of Practice 2019. [Online]. Available: <https://www.efpia.eu/media/602690/310521-efpia-code.pdf>
- [2] Science Industries Switzerland, "Code of Conduct of the Pharmaceutical Industry in Switzerland (Pharma Code)," revised on May 14, 2020. [Online]. Available: <https://www.scienceindustries.ch/en/article/12541/pharma-code>

LEGAL NOTICE

The Transfer of Value published on our website is to support and fulfil requirements on transparency and obligations derive from the Pharma Code of Code of Conduct of the Pharmaceutical Industry in Switzerland. The publication of this information does not give a general permission to those parties accessing it to undertake additional processing of the data, such as crossing the data with information published in websites of other members, for their own benefit, as personal data protection should always be taken in consideration when processing personal data as necessary in each country.