IRAQ PHARMACY AUDIT SAMPLE REPORT – Q3/2015

Overview of audit approach and selection of report sample slides

2015

MP MANAGEMENT PARTNERS

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DRIVERS AND OBJECTIVES OF MANAGEMENT PARTNERS' PHARMACY AUDIT INITIATIVE

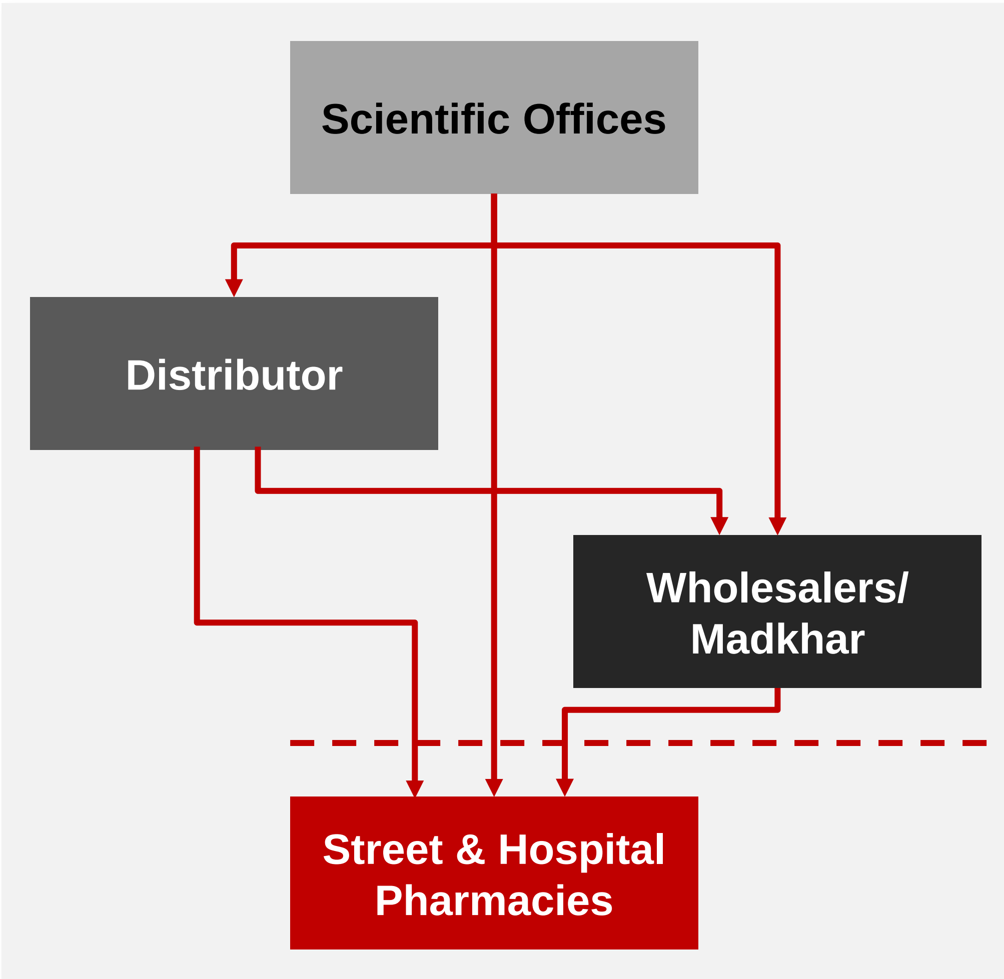
Current Key Challenges

- No availability of reliable pharmaceutical market information for the Iraqi private drug market (like IMS data for other market)
- International pharmaceutical companies, require reliable market information to steer and monitor their agents (scientific offices)
- Little / no penetration of electronic Point of Sales Systems making the collection and processing of sales information extremely difficult

Creating reliable drug sales data for the private market through regular pharmacy audits

Source: Management Partners

MANAGEMENT PARTNERS' PHARMACY AUDIT CONCEPT FOCUS ON PHARMACY PURCHASE INVOICES AS MOST RELIABLE DATA SOURCE



Collecting pharmacy purchase Invoices provides most reliable approach:

- Larger statistical population and more evenly distribution makes collection at pharmacy level more statistically robust
- Most purchase invoices are printed and can be processed to large extend through an OCR software allowing less data errors
- Purchase Invoices provide additional insights regarding the distribution channels (vs. pharmacy customer receipts)

Source: Management Partners

OUR PHARMACY AUDIT APPROACH

One time effort | Done on monthly basis

	Top-Tier Consultants & Experts	Top-Tier Consultants & Experts	Top-Tier Consultants & Experts	Top-Tier Consultants & Experts	Top-Tier Consultants & Experts
Activity	▪ Management Partners has conducted an Iraqi nationwide physical census and have created a proprietary database containing key information on 3500+ pharmacies, 300+ wholesalers & agents. ▪ All PHs, WSs, SOs & manufacturing companies outlets are coded ▪ Drugs are coded as per WHOCC ATC Coding ▪ Pharmacies are categorized in to 5 groups according to their selling area (m2) as an indication of business size.	▪ Pharmacies by key geographic have been selected to be inclued in sample size. ▪ The sample population is selected to cover all key Iraq governorates in relative proportion to the number of pharmacies present in each governorate	▪ Pharmacies monthly purchase data are collected in the form of Invoices received from pharmacies' direct suppliers ▪ Our data collectors use mobile scanners to scan the pharmacies' invoices	▪ State of the art OCR Software is used to convert the scanned invoices into editable text files ▪ Data QA & cleansing is done by specialized pharmacist ▪ Manufacturers info is added and coding is assigned to all PHs , Direct Suppliers, Manufacturers & Drugs by advanced Pharmaceutical data analysts ▪ All invoices & data entry spreadsheets are saved in an on line team collaboration platform	▪ Manufacturers monthly products sales data is consolidated for all sample pharmacies ▪ Iraqi nation wide products' sales estimates are calculated by projecting sales from the sample using projection factors based on the PHs business size classification ▪ Sales data is analyzed and reported with manufacturers and products sales ranking on monthly basis ▪ Advanced analysis is applied to investigate trends and results are reflected on the quarterly consolidated reports

- Currently 80+ pharmacies in Baghdad and 30+ Pharmacies in Erbil signed-up and participating in audit
- Final stage pharmacy audit will include ~200-250 pharmacies across Iraq

Source: Management Partners

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CONTENT OVERVIEW OF QUARTERLY PHARMACY AUDIT REPORTS

Q3/15 RESULTS INCLUDED AS SAMPLE

General Market Chapter

1. **Executive Summary with key Trends and Developments**

2. **Drug manufacturer market shares and size**
   a) Drug manufacturer market shares (National Level)
   b) Drug manufacturer total sales (National Level)
   c) Top products sales per key manufacturer (National Level)
   d) Drug manufacturer market shares (KRG)
   e) Drug manufacturer total sales (KRG)
   f) Top products sales per key manufacturer (KRG)
   g) Drug manufacturer market shares (Central)
   h) Drug manufacturer total sales (Central)
   i) Top products sales per key manufacturer (Central)

3. **Drug product groups market shares and sizes**
   a) Drug product groups market shares (National Level)
   b) Drug product groups total sales (National Level)
   c) Key products/ manufacturers per key product group (National Level)
   d) Drug product groups market shares (KRG)
   e) Drug manufacturer total sales (KRG)
   f) Key products/ manufacturers per key product group (KRG)
   g) Drug manufacturer market shares (Central)
   h) Drug manufacturer total sales (Central)
   i) Key products/ manufacturers per key product group (Central)

4. **Distribution channels**
   a) Top Madkhars/ Wholesalers (Central)
   b) Top Scientific Offices / Distributors (Central)
   c) Top Madkhars/ Wholesalers (KRG)
   d) Top Madkhars/ Wholesalers by key product groups (Central)
   e) Top Scientific Offices / Distributors by key product groups (Central)
   f) Top Madkhars/ Wholesalers by key product groups (KRG)

Manufacturer Specific Chapter (Customized)

5. **Manufacturer's specific drug sales performance**
   a) Manufacturer drugs market shares vs. competition within same product group (National)
   b) Manufacturer drugs market size vs. competition within same product group (National)
   c) Manufacturer drugs market shares vs. competition within same product group (Central)
   d) Manufacturer drugs market size vs. competition within same product group (Central)
   e) Manufacturer drugs market shares vs. competition within same product group (KRG)
   f) Manufacturer drugs market size vs. competition within same product group (KRG)

6. **Manufacturer's specific distribution channel performance**
   a) Manufacturer's top Scientific Offices / Distributors (Central)
   b) Manufacturer's distributors reach vs. top regional distributors (Central)
   c) Manufacturer's top Madkhars/ Wholesalers (Central)
   d) Manufacturer's wholesaler reach vs. top regional wholesalers (Central)
   e) Manufacturer's top Madkhars/ Wholesalers (KRG)
   f) Manufacturer's wholesaler reach vs. top regional wholesalers (KRG)

7. **Manufacturer's specific drug price variations**
   a) Manufacturer's drugs price variations (National)
   b) Manufacturer's drugs price variations (Central)
   c) Manufacturer's drugs price variations (KRG)
   d) Indications for potential grey import of manufacturer's drugs (Central)
   e) Indications for potential grey import of manufacturer's drugs (KRG)

2.A) DRUG MANUFACTURER MARKET SHARES (NATIONAL LEVEL)

	July 15		August 15		September 15		Q3-2015	
Rank	**Company Name**	**% Market Share**	**Company Name**	**% Market Share**	**Company Name**	**% Market Share**	**Company Name**	**% Market Share**
1	Sanofi	5%	Sanofi	5%	Sanofi	8%	Sanofi	6.5%
2	Acinopharma AG	5%	Novartis	5%	Astra Zeneca	4%	Astra Zeneca	4.3%
3	Novartis	5%	Acinopharma AG	4%	Acinopharma AG	3%	Acinopharma AG	4.1%
4	Astra Zeneca	4%	Astra Zeneca	4%	GSK	3%	Novartis	3.9%
5	Merck	4%	Merck	4%	Novartis	3%	Merck	3.5%
6	Bayer Health care AG	3%	Pfizer INC	3%	Pharma International	3%	Pfizer INC	3.1%
7	Pfizer INC	3%	Julphar	3%	Merck	3%	GSK	2.9%
8	Julphar	3%	GSK	3%	Bayer Health care AG	3%	Julphar	2.9%
9	GSK	3%	MSD	3%	Pfizer INC	3%	Bayer Health care AG	2.8%
10	Pharma International	2%	Bayer Health care AG	2%	Julphar	3%	Pharma International	2.6%
11	MSD	2%	Pharma International	2%	MSD	2%	MSD	2.2%
12	Actavis	2%	Actavis	2%	SDI	2%	SDI	1.6%
13	Jamjoom Pharma	1%	SDI	2%	Actavis	2%	Actavis	1.6%
14	Janssen	1%	KERN PHARMA SL	1%	Jamjoom Pharma	1%	Jamjoom Pharma	1.3%
15	Roche	1%	Jamjoom Pharma	1%	Abbott	1%	Janssen	1.2%

Source: Management Partners

2.G) DRUG MANUFACTURER MARKET SHARES (CENTRAL)

Rank	July 15		August 15		September 15		Q3-2015	
	Company Name	% Market Share	Company Name	% Market Share	Company Name	% Market Share	Company Name	% Market Share
1	Acinopharma AG	6%	Sanofi	5%	Sanofi	9%	Sanofi	6.6%
2	Sanofi	5%	Novartis	5%	Astra Zeneca	5%	Astra Zeneca	4.3%
3	Astra Zeneca	5%	Merck	4%	GSK	3%	Acinopharma AG	4.0%
4	Merck	4%	Acinopharma AG	4%	Acinopharma AG	3%	Novartis	3.8%
5	Novartis	4%	Astra Zeneca	4%	Pharma International	3%	Merck	3.7%
6	Bayer	4%	Pfizer	3%	Merck	3%	Pfizer	3.1%
7	Pfizer	3%	Julphar	3%	Novartis	3%	Julphar	3.0%
8	Julphar	3%	GSK	3%	Pfizer	3%	GSK	3.0%
9	GSK	3%	MSD	3%	Bayer	3%	Bayer	2.7%
10	Pharma International	2%	Bayer	2%	Julphar	3%	Pharma International	2.6%
11	Actavis	2%	Pharma International	2%	MSD	2%	MSD	2.2%
12	SDI	2%	SDI	2%	SDI	2%	SDI	1.9%
13	MSD	2%	KERN PHARMA SL	2%	Actavis	2%	Actavis	1.7%
14	Janssen	2%	Actavis	2%	Jamjoom Pharma	1%	Jamjoom Pharma	1.3%
15	Boehringer Ingelheim	1%	Janssen	1%	Micro Lab. Ltd.	1%	Janssen	1.3%

Source: Management Partners

3.A) DRUG PRODUCT GROUPS MARKET SHARES (NATIONAL LEVEL)

Rank	ATC3	Pharma Company Name	Q3/15 % of total sales
1	A10B	BLOOD GLUCOSE LOWERING DRUGS, EXCL. INSULINS	6.67%
		Sanofi	2.46%
		Merck	1.63%
		MSD	1.04%
2	J01D	OTHER BETA-LACTAM ANTIBACTERIALS	5.11%
		Pharma International	1.32%
		Acino (Mepha)	1.14%
		Julphar	0.59%
3	M01A	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS, NON-STEROIDS	3.32%
		Pfizer	0.43%
		Acino (Mepha)	0.38%
		Sanofi	0.36%
4	C10A	LIPID MODIFYING AGENTS, PLAIN	3.00%
		Astra Zeneca	0.80%
		Micro Lab. Ltd.	0.33%
		Pfizer	0.27%
5	C09D	ANGIOTENSIN II ANTAGONISTS, COMBINATIONS	2.94%
		Novartis	1.42%
		Astra Zeneca	0.48%
		Boehringer Ingelheim	0.31%

Source: Management Partners

4.A) TOP MADKHARS/ WHOLESALERS (CENTRAL)

Madkhar	Percent of Baghdad WS sales %
Al Fosool Al Arba'a drug store	16.95%
SAMA AL BARAKA	12.54%
Al Enaya Al Siheya Drug Store	11.00%
ALNaqos ALFiddi	10.49%
Mazaya Baghdad	5.74%
Al Arabi drug store	5.66%
Masdar Al Dawa'	4.25%
Shebr Drug Store	3.97%
Al Mashajar Drug Store	3.85%
Hamel Al Mesk drug Store	2.32%

Source: Management Partners

4.B) TOP SCIENTIFIC OFFICES / DISTRIBUTORS (CENTRAL)

Scientific Office	Percent of Baghdad SO sales %
Al Shifa	9.65%
AL warkaa sceintific office	8.75%
AL Ma'mura Sceintific office	7.29%
Al Shams	5.42%
Yamama	5.35%
Noor Al Iraq	4.58%
Al Thuraiya scientific office	4.02%
Angi Pharma	3.84%
MS Pharma	3.74%
Alphamid Shubbar (Novo Nordisk)	2.88%

Source: Management Partners

4.C) TOP MADKHARS/ WHOLESALERS (KRG)

Madkhar	Percent of Erbil WS sales %
Taza Drug store	13.62%
Golan Drug store	11.20%
Dazhiar Drug store	10.59%
Al Bayt al tiby	9.75%
Dar Al Mustaqbal Drug store	4.84%
Haza Al jadeed Drug store	4.70%
Hawler Drug store (Erbil Drug store)	4.67%
Shadpharma Drug store	4.37%
Shaween Drug store	3.73%
Khaldar Drug store	3.70%

Source: Management Partners

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MANAGEMENT PARTNERS IS A TOP MANAGEMENT CONSULTING FIRM ADVISING LEADING PRIVATE AND PUBLIC SECTOR ENTITIES FROM NORTH AMERICA, EUROPE AND MIDDLE EAST

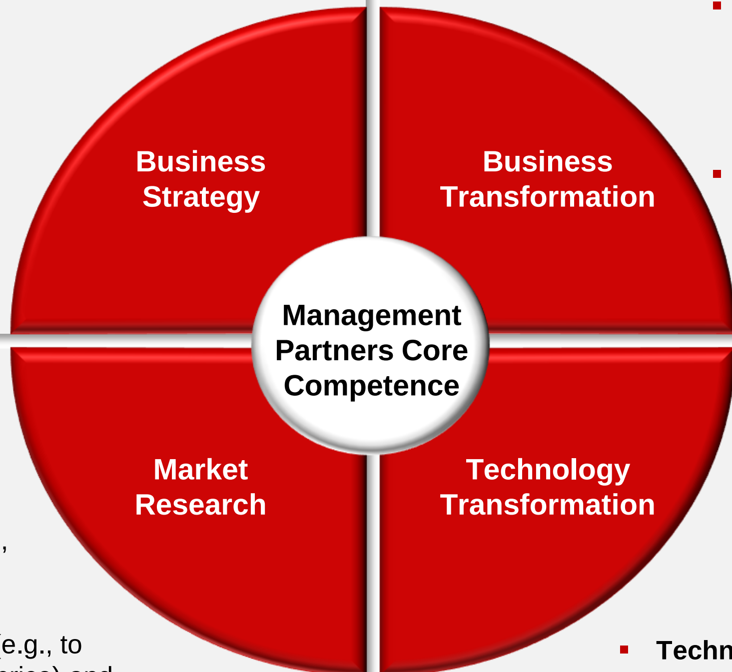
International Top-management consultancy	Management Partners is a top-management consultancy advising leading private and public sector institutions from North America, Europe and the Middle East (with particular focus on the UAE, Iraq and Saudi Arabia)
Top-tier Experts	Management Partners' team consists of several partners who have all previously worked in senior positions at top-tier international consultancies like McKinsey, ATKearney and Oliver Wyman
Deep industry expertise	Management Partners' senior team have served Fortune 500 clients and public institutions in North America, Europe, Asia and across the Middle East. These clients included leading companies in sectors like telecom, health care, manufacturing, oil & gas, financial institutions, consumer goods, automotive and various public sectors
Assisting clients across key areas	Management Partners' focus is assisting clients in areas such as developing corporate and business unit strategies, supporting institutional transformation programs, designing organizational structure blueprints, outlining growth opportunities, identifying and implementing cost efficiency measures and designing effective IT solutions

Source: Management Partners

MP HAS FOUR MAIN CONSULTING SERVICE LINES THAT FOCUS ON BUSINESS STRATEGY, BUSINESS TRANSFORMATION, TECHNOLOGY TRANSFORMATION, AND MARKET RESEARCH

- **Business development** including identifying growth and investment opportunities, defining market entry strategies, developing business plans and supporting clients in pursuing and winning business opportunities
- **Business Set-up** including helping private and public sector clients to design, build and ram-up the operation of their new entities
- **Business Model (Re-)Design** including helping organizations to develop a new business model for a new business lines by (re-)designing their product and market strategy, internal and external value architecture and revenue model

- **Process Optimization** including business service process optimization, performance management for business services incl. target setting, KPI definition and cost management, shared service center model to capture group-wide synergies and organizational design for business services incl. capacity management
- **Business Process Outsourcing** including complete RFP process for BPO services, vendor and contract management during delivery and BPO strategy incl. optimization of business services sourcing categories
- **Large Scale Transformation** including setting-up best practice project PMO including change management support, running the PMO and project co-management



- **Customized Surveys** conducting customized interviews utilizing our mobile platform, which provides real-time availability, improved quality and control mech-anism, GPS coordinates and collection of multi-media information (pictures, bar codes, signatures, audio recording, etc.)
- **Sector Panels / PoS monitoring including** regular visible or non-intrusive monitoring of PoS (e.g., to capture key data like distribution level and selling price) and conducting sector panels with industry experts and practitioners to capture market trends and collect key market data
- **Market Assessment** including market sizing and segmentation, growth projection, analysis of competitor and supplier landscape, evaluation of regulatory environment and analysis of industry wide eco-systems

- **Technology Strategy & Performance Optimization** including Technology and Business strategy alignment, Technology Design, performance management and cost optimization incl. target setting, KPI definition and cost management and organizational structure for Technology departments incl. capacity management
- **Technology Sourcing** including complete RFP process for Technology services and infrastructure as well vendor and contract management during vendor delivery and for Technology (out-) sourcing contracts
- **Technology Implementation Management** including setting-up best practice project PMO incl. change management support, running the PMO and project co-management

Source: Management Partners

MP DELIVERS UNIQUE VALUE TO ITS CLIENTS THROUGH DIVERSE EXPERTISE, DEEP KNOWLEDGE, AND USE OF STATE-OF-THE-ART PRACTICES

What makes us unique

Top-Tier Consultants & Experts

- Multiple years of international experience in top-tier consulting companies across variety of industries in strategic and operational practices
- International network of functional specialist and industry expertise

State-Of-The-Art Tools and Practices

- Leveraging best practices and use of proprietary tool set to enhance strategy development , market research & business & techno-logy transformation projects
- Utilizing enhanced technologies and systems to fast track projects

Local Market & Business Knowledge

- Deep understanding of the local market structure across various sectors in the countries, where we operate
- Extensive expertise how to master the various local business challenges and to deliver on the ground

Best Value for the Money

- Providing top tier consulting quality and market research for a competitive price to our clients
- Partners / Senior Engagement Managers work side by side with our clients for the majority of the time

Source: Management Partners

MP HAS INTERNATIONAL EXPERIENCE AND COVERAGE WITH PARTICULAR FOCUS ON THE MIDDLE EAST

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Source: Management Partners

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