



2018-2019


# ANNUAL REPORT



AN INDEPENDENT GROUP  
COMMITTED TO THERAPEUTIC  
PROGRESS TO SERVE  
PATIENT NEEDS







Because life is precious and  
caring means acting with compassion,  
**patient health is our priority.**

Because seeking scientific excellence  
and discovering new treatments  
is all about improving patients' lives,  
**we are committed to therapeutic progress.**

Because meeting tomorrow's challenges  
requires innovation, and our independence  
makes us unique and drives us to perform,  
**we dare to innovate and succeed.**

Because the unity of men and women  
is the story of a collective commitment  
and is our strength, **we grow by sharing.**

Because passing on to future generations  
a world that can ensure access to quality  
health care for all is our vision for the future,  
**at Servier, all over the world, we are  
ready to meet the health care challenges  
of tomorrow, for and with patients.**

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EDITORIAL



# A long-term investment strategy for therapeutic progress



**OLIVIER LAUREAU**, President of Servier



### What are your thoughts on the past year?

**O.L.:** I have a very promising and confident view of our Group's performance in an increasingly competitive world. We continue to develop our pipeline of research projects and drug candidates, while our sales growth remains strong. We are also strengthening our global presence, particularly in the United States, the world's largest biopharmaceutical market, while expanding our portfolio of medicines on the market. Our U.S.-based entity, Servier Pharmaceuticals, is celebrating one year of success and has largely achieved its objectives for its first financial year. It is now our third-largest brand-name subsidiary in terms of revenue. These advances confirm the relevance of the transformation we began five years ago. This transformation serves a single objective: therapeutic progress to serve patient needs.

### What are the other highlights of the 2018/2019 financial year?

**O.L.:** First of all, we achieved major milestones in oncology this year: a new indication in France for Lonsurf®, the acquisition of the worldwide rights of Pixuvri® and the launch of Asparlas® in the United States. We also made our debut in oncology in Japan with the filing of a new medicine application for Onivyde®, whose launch is imminent. The successful integration of the oncology branch acquired from Shire contributed significantly to these advances by enriching our product portfolio. I would also like to emphasize the continued success of our global cardiology franchise. We still have strong development perspectives in this area, particularly with single pill combinations

and Omecamtiv mecarbil, which is in phase III.

As for the year's most emblematic event, it was without question the laying of the foundation stone for the future Servier Paris-Saclay Research Institute. It is a perfect example of our ongoing investment in innovation, and it embodies our new way of approaching R&D: more agile, designed for and with the patient, focused on projects, and open to the outside world. Bringing together 600 researchers at the heart of one of the world's largest innovation clusters is a great project for the future—one that will expand the influence of French research around the world and accelerate innovation to serve patient needs. Finally, several of our subsidiaries were recognized for the special attention they pay to their employees. These awards are important to me because they contribute to our ambition to make Servier "the place to work" and to attract and develop talent.

### How important is the patient to Servier?

**O.L.:** We are committed to therapeutic progress, with and for the patient. We have two major assets serving this Vocation of ours. First and foremost, our 22,000 employees around the world, whose collective strength is driven by this Vocation.

**"In a volatile, uncertain, complex and ambiguous world, our independence, and therefore our long-term vision, are a strength."**





Secondly, our independence, which results from our governance by a non-profit Foundation. We can therefore invest significantly in research and development to innovate and discover new medicines. This unique advantage means that the patient is the ultimate beneficiary of the therapeutic progress to which we contribute. I also want to highlight the first successes in deploying our patient approach, which aims to involve the patient throughout the life cycle of the medicine.

#### **Could you give us more information about your R&D pipeline?**

**O.L.:** Our pipeline is promising, with 31 research programs and 30 drug candidates<sup>1</sup>, including 13 innovative anti-cancer development projects. We currently have two new drugs in phase III clinical trials: Omecantiv mecarbil, a highly innovative treatment for heart failure with reduced ejection fraction, developed in partnership with Amgen and Cytokinetics, and Bumetanide, developed in partnership with Neurochlore for the treatment of autism-related disorders. These advances demonstrate our continuous efforts in research and development to meet patient expectations in areas of major medical need.

#### **A few words about your geographic development?**

**O.L.:** It's a source of pride. China, the Group's leading subsidiary, whose 40<sup>th</sup> anniversary we celebrated this year, has strong growth potential in many therapeutic areas. We also have strong positions in Russia and are developing our activities in Japan and Italy. I spoke earlier about the growth of our business in the United States,

### **“We are committed to therapeutic progress, with and for the patient.”**

which is part of our strategy to have a differentiated global geographic footprint. Finally, our Group makes a significant contribution to the surplus in the French trade balance in pharmaceuticals and fine chemicals. We create a lot of value in France that is destined for the international market.

#### **So Servier is well positioned to respond to current and future challenges in health care?**

**O.L.:** I am firmly convinced that yes, we are. In a volatile, uncertain, complex and ambiguous world, our independence, and therefore our long-term vision, are a strength. Our size and organization give us a lot of agility. The potential for our projects and the transformation of our Group are sources of motivation and commitment for our teams and powerful levers for attracting new talent. Our project pipeline and product portfolio are growing and expanding, as is our global footprint. Digital technology and artificial intelligence must now be implemented within our Group to increase our competitive advantages. Finally, we must be ever more committed to work with and for the patient. I am proud of how far we have come since beginning our transformation. We approach the future with confidence, ever inspired by our Vocation, driven by our Values and guided by our Vision.

1. As of September 30, 2019.





WHAT DRIVES US

# THE BASIS FOR OUR ACTIONS

**We are inspired by our Vocation, driven by our Values and guided by our Vision. These are our pillars and our identity.**

Around the world, the Servier Group's 22,000 employees are committed to therapeutic progress to serve patient needs. Day after day, they work passionately to care for patients and save lives. •

## VOCATION



**Committed to therapeutic progress to serve patient needs**



## VISION

- Put patients and innovation at the heart of all our actions
- Foster our individual and collective commitment, the Group's driving force
- Guarantee our independence and our capacity for long-term investment
- Be a Group with global reach

**Through our actions, we contribute to transmit to future generations a world that can ensure access to quality health care for all.**

## VALUES

-  - Care
-  - Dare to innovate

-  - Commit to succeed
-  - Grow by sharing

## 4 goals for 2021



**LAUNCH A NEW  
MOLECULAR ENTITY EVERY  
THREE YEARS**



**BECOME A KEY PLAYER  
IN THE FIELD OF ONCOLOGY**

while maintaining  
our position in cardiovascular  
health and diabetes



**REACH A REVENUE  
OF €5 BILLION**



**REACH AN OPERATING  
PROFIT OF 8%  
TO FINANCE  
OUR DEVELOPMENT**

# AN INDEPENDENT GROUP

The Servier Group is governed by a non-profit Foundation, the International Servier Research Foundation (*Fondation Internationale de Recherche Servier – FIRS*). Unique in the pharmaceutical sector, the Group's governance structure ensures its sustainability, preserves its independence and allows the reinvestment of all its profits into therapeutic progress and the development of its activities.

## BEING A COMMITTED GROUP

Servier has chosen independence by deciding to be governed by a non-profit Foundation. This structure allows it to remain focused on its Vocation: to be committed to therapeutic progress to serve patient needs. With no shareholder pressure, the Group is fully committed, in a free and sustainable way, to the discovery and delivery of innovative solutions for patients.

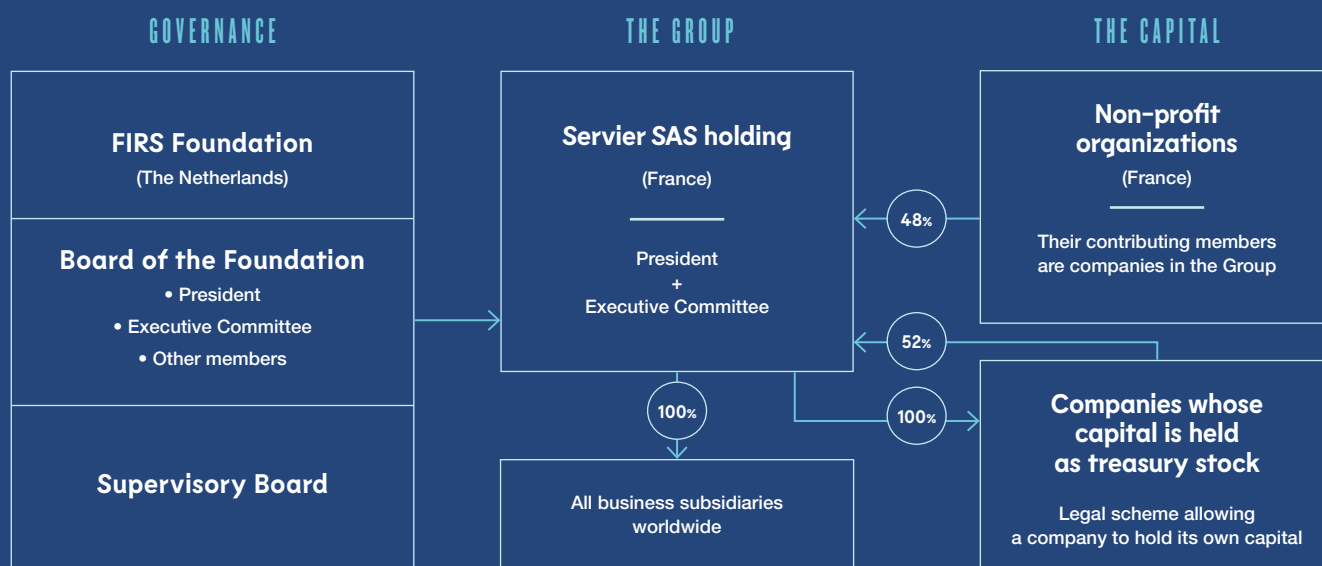
## SEPARATING AUTHORITY AND THE OWNERSHIP OF CAPITAL

The main virtue of this structure is to dissociate authority from the capital. Authority is held by the FIRS, a non-profit governance Foundation, without capital. Its vocation is purely managerial: it has the power to appoint or dismiss the Group's

leaders. French non-profit associations governed by the French law of 1901 own 48% of the Group's capital, with the rest of the capital held by the Group itself. To ensure unity in strategy and day-to-day management, the same people serve on the executive committees of the FIRS Foundation and Servier SAS.

## REINVESTING 100% OF PROFITS IN GROUP DEVELOPMENT

Servier SAS holding is not held by any individual. Because it does not distribute dividends, it reinvests all its profits in therapeutic progress and Group expansion. It controls 100% of the Group's operating subsidiaries worldwide.



## MEMBERS OF THE EXECUTIVE COMMITTEE



**First row, from left  
to right**

**Emmanuel CANET**  
Senior Executive  
Vice President R&D

**Siham IMANI**  
Executive Vice President  
Corporate Strategy

**Philippe GONNARD**  
Executive Vice President  
Global Medical Affairs

**Second row, from left  
to right**

**Dominique BRISSY**  
Executive Vice President  
Finance & Information  
Systems

**Pierre VENESQUE**  
Executive Vice President  
Industry

**Frédéric SESINI**  
Executive Vice President  
World Operations

**Olivier LAUREAU**  
President of Servier

**Pascal BRIERE**  
Executive Vice President  
for Group Generic Activities

**Claude BERTRAND**  
Executive Vice President  
R&D

**Nicolas BOUTS**  
Executive Vice President  
Human Resources

# PREPARING FOR THE FUTURE

During the year, the Group made new advances in the operational implementation of its five strategic orientations.



## A FOCUS ON FIVE THERAPEUTIC AREAS...

...to respond as effectively and quickly as possible to the most important medical needs. Servier's ambition is to become a recognized player in oncology. First-rate progress has been achieved: the acquisition of the worldwide rights for Pixuvri®, the procurement of the marketing authorization (MA) in a new indication for Lonsurf® and the launch of Asparlas® in the United States. In cardiovascular diseases, Servier focuses its innovation efforts on the development of single pill combinations.



## DYNAMIC AND SYNERGIZED GENERICS...

...to leverage the combined strength of the Group's generic and brand-name activities while enabling more patients to access its therapeutic solutions. Generic activities saw another year of growth and are exploring new markets.



## A DIFFERENTIATED GEOGRAPHIC FOOTPRINT...

...to meet patient needs by adapting to the specificities of the countries in which the Group operates. Servier is strengthening its presence in the United States and continuing its growth momentum in China, while still placing significant emphasis on the European markets. The Group is consolidating its positions in Russia and Brazil and showing significant growth potential in Japan, the world's second-largest oncology market after the United States.



## HIGH-PERFORMING ORGANIZATION...

... to ensure sustainable growth and maintain the Group's independence over the long term. Servier relies on three levers to reinforce its operational efficiency: the rise of digital technology; the measurement of its therapeutic, social, and economic performance; and the establishment of a Program Management Office (PMO) in charge of steering major strategic projects.



## PASSIONATE AND EMPOWERED PEOPLE...

...to make Servier "the place to work" by helping to develop the potential of each employee and encouraging initiative. As such, the Group deploys an HR policy focused on developing skills and commitment, promoting diversity, empowerment, and well-being at work.



INTERVIEW

# A unifying strategy



**SIHAM IMANI**, Executive Vice President Corporate Strategy

## WHAT'S THE STATUS OF THE GROUP'S TRANSFORMATION?

Servier is at a pivotal moment in its transformation, and I am optimistic about its success. We have successfully rallied all employees around the same Vision and identified five strategic orientations. Today, the time has come to take action for even greater performance, in order to achieve our Vision and fulfill our Vocation to best serve patient needs. We have two key strengths: our governance by a non-profit Foundation that allows a long-term vision – suitable for long cycles in the pharmaceutical industry – and the Group's employees, whose commitment and expertise are critical performance levers.

## SO SERVIER IS WELL POSITIONED TO ACHIEVE ITS GOALS?

Yes – thanks, in particular, to the significant growth achieved in 2019. Servier has solid fundamentals and strong points of differentiation, such as its global footprint, the quality of its medical marketing and the firm commitment of its teams to achieve the company's long-term objectives.

And let's not forget our desire to develop further in terms of digital technology. This is not only one of the Group's areas of performance improvement, but also a key lever to help us better understand the needs of our patients and enrich our therapeutic range.

## HOW DO YOU PLAN TO SEE YOUR MISSION THROUGH?

First of all, my team and I support the entire Executive Committee in making strategic decisions that have a strong impact on the Group. We do this to build the Group's strategy together and to ensure that this strategy is consistent with those of the Group's departments and functions. Second, I oversee the strategic direction we have set for ourselves. As such, I have to ensure that all our programs and strategic initiatives are aligned with this course, while remaining agile enough to adjust to the external environment. The creation of a PMO<sup>1</sup> within my teams ensures that all the resources and programs developed serve our ultimate goal. Finally, as a woman and a member of the Executive Committee, it is also my ambition to embody and promote diversity within the Group. It's one of my great sources of pride!

1. Program Management Office



FINANCIAL YEAR 2018/2019

# FINANCIAL RESULTS

2018/2019 GROUP  
REVENUE

€4.615 billion

**+11.1%**

growth over  
the financial year  
(at constant  
exchange rates)

**+8.4%**

GENERIC  
MEDICINES

**+12.3%**

BRAND-NAME  
MEDICINES

€3.232 billion

REVENUE IN  
BRAND-NAME MEDICINES

**625 million** boxes sold

**23%** of revenue from brand-name  
medicines invested in R&D

**4.4%** increase in the volume  
of boxes sold

**95%** of revenue generated from  
brand-name medicines produced  
outside of France

€1.383 billion

REVENUE IN  
GENERIC MEDICINES

Including:

Biogaran: **€874 million**

Egis: **€468 million**

Others: **€41 million**

**511 million** boxes sold

**+3.8%** increase in the volume  
of boxes sold



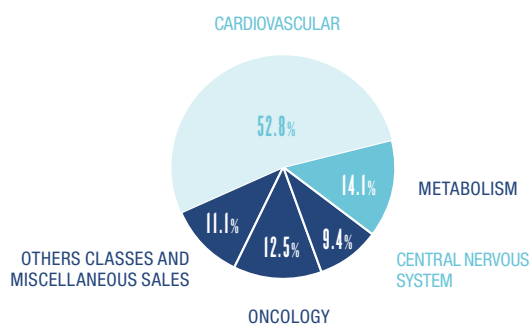
**DOMINIQUE BRISSY,**  
Executive Vice President Finance  
& Information Systems

“The results for the 2018/2019 financial year are in line with our expectations. Servier delivered a strong performance with an 11.1% growth in revenue at constant exchange rates. Business was driven by good results in oncology, particularly in the United States, strong growth in brand-name medicines in China, Russia and Brazil, and a dynamic generic activity. We also successfully completed an inaugural U.S. private placement (USPP) of \$405 million. This placement enables us to diversify our sources of funding and extend our average debt maturity. It is a testament to the confidence that investors place in us. Finally, EBITDA is on the rise and is higher than our forecasts. Thus, the financial health of the Group at the end of this fiscal year enables us to pursue the implementation of our strategic plan as it has been defined.”

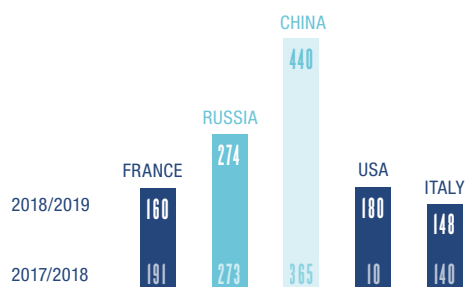
## EBITDA\*

**€518 million** in 2018/2019, representing a sales ratio of **11.2%** and an increase of **6.2%** compared with the previous year.

\* Earnings before interest, taxes, depreciation, and amortization



Breakdown of revenue  
by therapeutic field  
(in %)



Top 5 contributing countries  
for revenue with brand-name medicines  
(in millions of euros)



Breakdown of revenue  
by geographical area (in %)

WORLDWIDE PRESENCE

# AN INTERNATIONAL GROUP WITH STRONG ROOTS IN FRANCE

Servier's medicines are prescribed in 149 countries. The Group's strategy of establishing local operations enables it to offer therapeutic solutions adapted to the specific characteristics of each country.

## Strong roots in France

Servier is the second-largest French pharmaceutical laboratory. The Group has 5,000 employees in France along with its headquarters, two production sites (98% of its active ingredients are manufactured in France), two research institutes (more than 70% of the researchers are based in France) and an International Center for Therapeutic Research (ICTR). With this strong local footprint, the Group has a significant industrial and economic impact through its research and production activities.

The creation of the future Servier Paris-Saclay Research Institute confirms its ongoing commitment to local economic development and to supporting the attractiveness of French research.

## Global clinical research

Servier has 15 International Centers for Therapeutic Research (ICTRs) located in strategic countries around the world. Their role is to conduct local clinical studies in the Group's five therapeutic areas. These ICTRs are run by highly qualified internal teams who share the same values and the same high standards. Servier's international research plays a fundamental role in the development of its product portfolio. Another advantage is that it facilitates the creation of partnerships with local stakeholders.

## Servier BioInnovation: a network for innovation

As part of its innovation strategy, the Group is progressively implementing the Servier BioInnovation network throughout the world. The goal? To identify the best opportunities for research partnerships, licensing agreements, and acquisitions with the largest biomedical and life sciences innovation centers.

Servier currently has two representative offices, one in Boston in the United States and another in Beijing in China.

## Active participation in international bodies

The Group participates in various professional bodies in order to intensify exchanges with key players in the countries and geographic areas where it operates. At the global level, Servier is a member of the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA), as well as the major pharmaceutical industry associations in Canada, Russia, Brazil, China, and Turkey. In Europe, Servier is a founding member and member of the Board of Directors of "G5 Santé" in France and a member of ABPI in the United Kingdom and Farmaindustria in Italy. Servier is also a member of the European Federation of Pharmaceutical Industries and Associations (EFPIA), as well as a founding member and member of the Board of Directors of the French Healthcare Association. In France, Servier is a member of the Board of Directors of France Biotech. Finally, Servier is a member of the Patient Focused Medicines Development (PFMD) collective platform, a member of the National Health Council (NHC) in the United States and a sponsor of the European Patients' Forum (EPF). •

## SERVIER GROUP WORLDWIDE

3	<b>RESEARCH INSTITUTES</b> (2 in France and 1 in Hungary)
16	<b>PRODUCTION SITES</b>
15	<b>INTERNATIONAL CENTERS</b> International Centers for Therapeutic Research (ICTR)
2	<b>OFFICES</b> Servier BioInnovation

### France

5,000  
employees

### European Union

(excluding France)

6,800  
employees

### Europe

(outside the EU)

2,800  
employees

### Americas

1,900  
employees

### Middle East & Africa

1,000  
employees

### Asia & Oceania

4,500  
employees



33<sup>rd</sup>

**LARGEST PHARMACEUTICAL  
COMPANY WORLDWIDE**

2<sup>nd</sup> largest pharmaceutical  
company in France

2<sup>nd</sup> leading European pharmaceutical  
company in the field of cardiology



66

**SUBSIDIARIES**



100 million

**PATIENTS TREATED**

each day worldwide  
with Servier medicines



22,000

**EMPLOYEES**

including 5,000  
in France  
as of September 30, 2019

# SERVIER R&D: MEETING PATIENT NEEDS AS EFFECTIVELY AS POSSIBLE

To discover new treatments that improve patients' lives, Servier invests an average of 25% of its sales revenue (excl. generic medicines) in R&D. The Group focuses its research and development efforts in therapeutic areas where needs are substantial.

Cancer, diabetes, nonalcoholic fatty liver disease, Parkinson's disease, autism, Sjögren's disease, heart failure, etc. Around the world, 2,900 Servier employees are committed to research and development to bring new hope to patients.

## CONTINUING DEVELOPMENT EFFORTS IN CARDIOVASCULAR DISEASES

Cardiovascular diseases are the leading cause of mortality in the world and are responsible for 31% of deaths<sup>1</sup> every year. Committed for more than 60 years to the treatment of these pathologies, Servier has acquired recognized expertise. More than 17 million patients worldwide are being treated with a Servier medicine for a condition affecting the heart or blood vessels. Servier continues to innovate in the field of **heart failure**: Omecamtiv mecarbil, a selective cardiac myosin activator developed in close collaboration with Amgen and Cytokinetics, is in phase III clinical evaluation. Servier also focuses its innovation efforts on developing Single Pill Combinations (SPC). By simplifying treatment, these SPCs increase treatment compliance.

- 6<sup>th</sup> largest player worldwide and 2<sup>nd</sup> in Europe<sup>2</sup>
- 12 drug candidates
- 16 medicines available to health care professionals and patients

## FOCUSING ON A PERSONALIZED APPROACH TO DIABETES

Servier has been committed for many years to fighting diabetes, a complex and progressive disease that affects 422 million people worldwide<sup>1</sup>. Without a profound change in lifestyle and no new treatment, an estimated 642 million people will have diabetes by 2040. Servier has always focused on the treatment of type 2 diabetes and its complications. To strengthen its involvement in **diabetes complications**, such as nonalcoholic steatohepatitis (NASH), Servier signed a partnership with a biotech company based on the West Coast of the United States in 2019. Not well known until recently, NASH is a chronic condition that results from fat accumulation in the liver.

- 7 research programs
- 2 drug candidates
- 3 medicines available to health care professionals and patients



1. Source: World Health Organization

2. Source: IQVIA, Analytics Link – MAT Q3-2019: 74 countries



## BECOMING A RECOGNIZED PLAYER AND PARTNER IN ONCOLOGY

Cancer is the second cause of mortality in the world, and it continues to rise. The World Health Organization estimates 22 million new cases per year over the next two decades. Given the magnitude of therapeutic needs in oncology, Servier has decided to make the fight against cancer a priority: by 2021, oncology should account for half of its overall R&D budget. Servier's oncology R&D programs explore two major areas: apoptosis and immuno-oncology.

**Apoptosis** is a programmed cell death mechanism, which some cancer cells subvert. Therefore, Servier's therapeutic strategy is to develop targeted molecules that restore the ability of cancer cells to die by apoptosis. Servier has developed an advanced pipeline of BCL-2 and MCL-1 inhibitors, which induce apoptosis in cancer cells and are being studied in ongoing preclinical and clinical research studies. This work is done in collaboration with Vernalis Research in Cambridge, Novartis, the Walter and Eliza Hall Institute, and the Alfred Hospital in Melbourne, Australia.

**Immuno-oncology** is a revolutionary therapy that aims to stimulate the immune system against cancer cells. Servier is exploring two types of innovative approaches: monoclonal antibodies (mono or bispecific) and CAR-T cells. In this area, Servier continues to work on UCART 19, the first allogeneic cell therapy in clinical development, developed in partnership with French biotech company Cellectis and U.S. biotech company Allogene Therapeutics. Since 2017, the Group has worked with Pieris on bispecific antibody development. In 2018/2019, the Group also strengthened its immuno-oncology innovation capabilities following partnerships with Symphogen and Precision BioSciences.

- 18 research programs
- 4 exploratory research programs
- 13 drug candidates
- 6 medicines available to health care professionals and patients

## A PRECISION MEDICINE APPROACH AGAINST IMMUNE-INFLAMMATORY DISEASES

Immune-inflammatory diseases are characterized by an inadequate response to the immune system that turns against the patient's own tissues. Servier concentrates its research and development efforts on three autoimmune diseases with very high medical needs: systemic lupus erythematosus, scleroderma and Sjögren's syndrome. Servier relies on several partnerships, for example with OSE Immunotherapeutics on Sjögren disease and since 2018, with ImmunoQure AG for the development of anti-interferon alpha antibodies in lupus. The year was also marked by the end of the patients' enrollment in the global clinical study ROCCELLA (phase II) conducted in collaboration with Galapagos for the treatment of knee osteoarthritis.

- 1 research program
- 2 drug candidates
- 1 medicine available to health care professionals and patients

## ACTING AGAINST THE MOST DISABLING NEUROPSYCHIATRIC DISEASES

In the field of neurology, Servier focuses its research on neurodegenerative diseases. Servier targets proteinopathies, characterized by abnormal accumulation of certain proteins, such as Parkinson's disease or rare diseases such as amyotrophic lateral sclerosis. Servier has thus signed a strategic partnership with Oncodesign for the research and development of inhibitors of LRRK2, which is considered a high-potential target for the treatment of patients with Parkinson's disease. Similarly, a platform has been established to offer innovative therapeutic methods such as antisense oligonucleotides (ASO), to genetically correct the abnormal production of proteins at the root of certain neurodegenerative diseases. For autism, in partnership with Neurochlore, Servier is conducting two worldwide phase III studies for a drug candidate.

- 2 research programs
- 1 drug candidate
- 4 medicines available to health care professionals and patients

TRIBUNE



# Toward a new model to accelerate innovation



Dr **CLAUDE BERTRAND**, Executive Vice President Research & Development

Our R&D model is constantly evolving to accelerate the delivery of medicines that respond to the real needs of patients. The establishment of the future Servier Paris-Saclay Research Institute is a perfect illustration of our desire to pursue more open, agile, and productive research to serve patients. This new R&D model is based on three pillars.

## Focusing on projects with high added-value for patients

As a medium-sized pharmaceutical group, we need to focus on high-value projects designed with and for patients. We have made strong and structural choices in our pipeline of projects in order to focus our energies on the most promising ones.

## Building on science and translational medicine

Translational research aims to improve our understanding of the disease and accelerate the transition from discovery to clinical development of drug candidates, while at the same time developing markers that will allow us to assess their efficacy and safety more quickly. It facilitates the development of personalized

therapeutic solutions that are better adapted to the needs of each patient. This approach enables us to select the best medicines and increases our chances of success.

## Capitalizing on the benefits of digital technology

The integration of digital technology at all levels of our R&D value chain is a powerful lever for greater agility, efficiency, and productivity. By combining the most advanced data processing technologies with our expertise, we will be able to speed up the iteration cycles of molecule identification in the future. We continually test new tools and will soon launch a major digital initiative to speed up clinical trials and to connect with patients as closely as possible throughout their illness.

**“We need to change the way we work, build more agile R&D and constantly instill a sense of urgency in our researchers. This is crucial for accelerating the availability of medicines for patients.”**

# A PROMISING PIPELINE



31  
RESEARCH  
PROGRAMS

30  
PROJECTS IN CLINICAL DEVELOPMENT  
including 16 new molecular entities

## CARDIOVASCULAR DISEASES

12

projects in clinical  
development  
(and 1 new formulation)

### NEW MOLECULAR ENTITIES, NEW INDICATIONS

#### Phase II

- S42909 Venous ulcer
- S62798 Pulmonary embolism, TAFIa inhibitor

#### Phase III

- S95000 Chronic heart failure, Omecamtiv mecarbil

### NEW FIXED-DOSE COMBINATIONS, NEW FORMULATIONS

#### Phase I/III

- S5162 Perindopril/Indapamide/Atorvastatin
- S5164 Trimetazidine/Bisoprolol
- S5166 Perindopril/Amlodipine/Bisoprolol
- S5168 Perindopril/Indapamide/Bisoprolol
- S5682 'chewable' Daflon

- S5180 Perindopril/Atorvastatin/Bisoprolol
- S5181 Perindopril/Atorvastatin/Indapamide/Amlodipine
- S5179 Perindopril/Indapamide/Bisoprolol/Amlodipine
- S5182 Perindopril/IndapamideSR
- S5183 Perindopril/IndapamideSR/Amlodipine

## CANCER

Solid tumors  
and hematologic  
malignancies

13

projects in clinical  
development

### NEW MOLECULAR ENTITIES, NEW INDICATIONS

#### Preclinical phase

- 2 projects in solid tumors

#### Phase I

- S64315 Mcl1 Inhibitor hematologic malignancies
- S64315 Mcl1 Inhibitor solid tumors
- S65487 Bcl2 Inhibitor hematologic malignancies
- S68587 UCART 19 hematologic malignancies
- S95016\*xS95017\* Anti-PD1 x Anti-LAG3 solid tumors

- S95016\*xS95018\* Anti-PD1 x Anti-TIM3 solid tumors
- S95019\* Anti-CD19 CART hematologic malignancies
- S95005 Colorectal cancer 2<sup>nd</sup> line

#### Phase II

- S95013 Pancreatic cancer 1<sup>st</sup> line
- S95013 Small cell lung cancer 2<sup>nd</sup> line

#### Phase III

- S95005 Colorectal cancer 1<sup>st</sup> line

## DIABETES

Type 2 diabetes

2

projects in clinical  
development

### NEW MOLECULAR ENTITIES, NEW INDICATIONS

#### Preclinical phase

- 1 project in NASH

#### Phase III

- S95002 Type 2 diabetes Exenatide mini-pump

## IMMUNE-INFLAMMATORY DISEASES

Autoimmune  
diseases

2

projects in clinical  
development

### NEW MOLECULAR ENTITIES, NEW INDICATIONS

#### Phase I

- S95011 Anti IL7Ra, Immune-mediated inflammation

#### Phase II

- S201086 ADAMTS-5 Inhibitor, Osteoarthritis

## NEUROPSYCHIATRIC DISEASES

Neurodegenerative  
diseases

1

project in clinical  
development

### NEW MOLECULAR ENTITIES, NEW INDICATIONS

#### Phase III

- S95008 Autism

FOR PATIENTS

# A COMPREHENSIVE HEALTH CARE OFFERING

Every day, 100 million patients worldwide are treated with Servier medicines: medicines originating from its R&D in five therapeutic areas, quality generic medicines and e-health solutions via WeHealth™ *Digital Medicine*.

## A WIDE RANGE OF BRAND-NAME MEDICINES

### 1/ CARDIO- VASCULAR DISEASES

- Coversyl®
- Coveram®
- Vastarel®
- Procoralan®
- Natrilix®
- Triplixam®
- Natrixam®
- Triveram®
- Viacoram®
- Carivalan®
- Preterax®

- Viacorlix®
- Implicor®
- Cosyrel®
- Hyperium®
- Euvascor®

### 2/ METABOLISM

- Diamicron®
- Lipocomb®

### 3/ NEURO- PSYCHIATRY

- Valdoxan®
- Stablon®

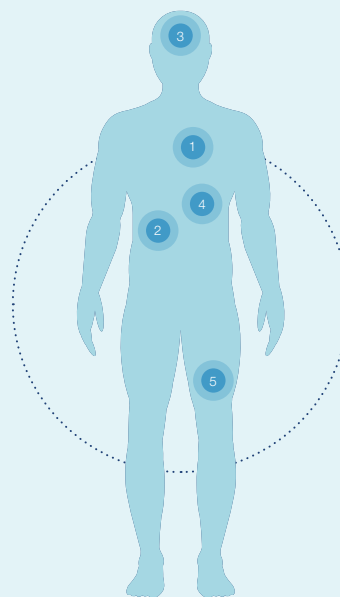
- Trivastal®
- Arcalion®

### 4/ ONCOLOGY

- Lonsurf®
- Muphoran®
- Pixuvri®
- Oncaspar®
- Onivyde®
- Asparlas®

### 5/ VENOUS DISEASES

- Daflon®



## GENERIC MEDICINES: PROMOTING ACCESS TO HEALTH CARE FOR ALL

Servier offers patients a wide range of 1,500 generic medicines covering most conditions. Relying on the expertise of its four subsidiaries—Biogaran in France, Egis in Hungary and Eastern Europe, Pharlab in Brazil and Swipha in Nigeria—the Group allows the greatest number of people to have access to high-

quality medicines at a lower cost. Servier is also strengthening its position in biosimilars in fields such as oncology and rheumatology. Similar to reference biologics, biosimilars increase the number of therapeutic alternatives for patients while helping to control health care costs.



## WEHEALTH™ *DIGITAL MEDICINE*: DIGITAL TECHNOLOGY FOR TOMORROW'S HEALTH CARE

In late 2016, the Group launched its e-health division, WeHealth™ *Digital Medicine*. Its vocation? To improve the daily lives of patients and professionals through digital technology. The proposed digital solutions facilitate data collection, accurate diagnosis, therapeutic monitoring, prevention, and even prediction. Embracing a spirit of open innovation, WeHealth™ *Digital Medicine* identifies promising start-ups in digital health to co-develop solutions in the Group's therapeutic areas.

By partnering with WeHealth™ *Digital Medicine*, start-ups enjoy the expertise of a multidisciplinary team to accelerate the development, industrialization, and distribution of their innovations in order to make them accessible to as many people as possible.

3

LICENSED  
DIGITAL SOLUTIONS

6

SIGNED  
PARTNERSHIP AGREEMENTS

### Where does WeHealth™ Digital Medicine stand today?

There are currently three products under license:

- **CARDIOSKIN™** is a smart textile developed with the French start-up Bioserenity™ for long-term recording and analysis of electrocardiograms.
- **BIONOV™** is a decision support platform developed with the American start-up CureMatch™. It allows oncologists to analyze a patient's genomic data and thus provide individualized treatment.
- **ON'COHUB™/OCELIAN™** is a software designed to facilitate the radiological monitoring of cancer patients with solid tumors. Developed with the French start-up Deeplink Medical™, it is currently used in French hospitals under the name MIRIO™.

At the same time, three partnerships were signed in 2018/2019:

- **Betterise™**: offering an application to help patients live better with their type 2 diabetes on a daily basis.
- **Lucine™**: a 10-year partnership with a French start-up, a pioneer in digital therapies, to co-develop and distribute digital therapies.
- **AdScientam™**: offering an application to support patients being discharged from cardiac rehabilitation centers.



HUMAN RESOURCES

# MOBILIZING AROUND THE GROUP'S PERFORMANCE

Servier's Human Resources teams are committed to supporting the performance of the Group and its employees by offering each employee a unique and meaningful professional experience, the right skills, and an innovative organization.



As one of the Group's strategic partners, Human Resources is involved at all levels of the company, supporting managers and helping all employees to develop their potential and strengthen their commitment. They are instrumental in meeting Servier's objectives against a background of transformation, both within the Group and in the health care sector.

## COMMITTED TO SUPPORTING PERFORMANCE

Servier employees play a central role in the success of the Group's strategy. That's why Servier launched a five-year engagement

program in 2019, called PULSE, with the independent Gallup Institute. PULSE aims to strengthen team engagement in order to support long-term performance at all levels: economic, social, and therapeutic. Measured for the first time in 2019, the employee engagement rate is 40%, placing Servier four points above the average among companies launching this type of project.

## PREPARING FOR THE CHALLENGES OF TOMORROW

Servier provides its employees with tools to develop their skills and their capacity to adapt to the strategic challenges facing the Group and the sector. Servier founded a corporate university in 2018 to foster an ever more agile managerial culture. In addition, all employees have access to various topics pertaining to the Group's strategy via an application that offers short, interactive learning programs.

## WELL-BEING AT WORK

Servier has rolled out numerous initiatives to offer its employees a working environment that is conducive to their professional development, such as the implementation of home offices. Throughout the world, Servier is recognized for its strengths as an employer, as evidenced by the labels and awards received by its subsidiaries. Further proof of its investment: the Campus initiative dedicated to trainees and work-study students in France, which was awarded the HappyTrainees® Label in 2019. •

81%

of employees  
would recommend  
Servier as  
"A great place to work"

Out of the 17,238 respondents  
to the first PULSE survey conducted  
in 2019 by the Gallup Institute.

INTERVIEW



# Attracting and developing talent



**NICOLAS BOUTS**, Executive Vice President Human Resources

## WHAT ARE SERVIER'S BIGGEST HR CHALLENGES?

Given the changing face of our industry in terms of professions, we want all Group employees to have the means to succeed, to adapt, to take on responsibilities and to grow. At Servier, behavioral competencies like teamwork, adaptability, and respect are just as important as technical skills. We need to be able not only to recognize these soft skills but also to develop them in order to strengthen ourselves as a whole. The search for talent is another important challenge, particularly in oncology, biotechnology, digital, and project management. Skills in these areas are in high demand in our sector.

## IN THIS CONTEXT, HOW DO YOU ATTRACT TALENT?

At Servier, we are fortunate to work in a meaningful profession. Our Vocation, our Values, our clear Vision, our governance by a non-profit Foundation, guide each of us. These are strong levers of attractiveness and engagement, especially for the younger generations. Our quest to set an example and our increased efforts in communication and transparency have also contributed to stronger employee engagement. Another appealing factor is the proximity of our HR teams around the world to the teams in the field. We adapt our training to the needs of each individual. This contributes to the development of employees' skills and gives them a solid foundation for understanding and grasping the major strategic challenges that our Group and the pharmaceutical sector are facing.

## HOW DOES YOUR STRATEGY FOR AND WITH THE PATIENT FIT INTO YOUR HR APPROACH?

We have an essential role in implementing this culture for and with the patient within the Group. Our profession serves patient needs. This Vocation must be the driving force for every employee. We are very vigilant at the time of recruitment, but also during an employee's integration and career development. We ensure that the patient is at the heart of each individual's actions every day. We do this by providing adapted HR services and training.

2018-2019

# HIGHLIGHTS



## A COMPANY ATTENTIVE TO THE WORKING ENVIRONMENT

Top Employer certification in Italy in 2018 and 2019, Best Employer 2018 certification in Russia and for Egis in Poland, Russia and the Czech Republic, Great Place to Work label in 2018 and 2019 in Brazil, Central America, the Caribbean, South Korea, and Turkey. Servier China also received the 2019 Workplace Excellence Award and the 2019 Best Employer China Most Aspiring Employer award. A first for the subsidiary! This recognition illustrates Servier's ongoing efforts to provide a work environment where employees can thrive. From management to training, talent management, and integration paths—all of these criteria are evaluated, allowing for the inclusion of HR strategy in an approach of continuous improvement.

## WELEARN, AN APP FOR SELF-DIRECTED LEARNING



For all English-speaking and French-speaking employees who enjoy learning at their own pace, Servier has launched the WeLearn application. With its short and interactive learning formats, WeLearn allows individuals to enrich their knowledge on strategic Group topics: its therapeutic areas, product portfolio, digital technology or generics.

# 45%

of the Group's managers are women



**Home office is now a reality in the majority of the Group's locations. This year, it is possible in 36 Group countries.**



## SERVIER, THE BEST PLACE TO START!

**For the second year in a row, Servier obtained the French HappyTrainees® Label**, taking home fourth place in the category of companies that host 200 to 499 internships or work-study programs annually. The ranking recognizes companies that provide their interns with hospitality, coaching, and management. This award reflects the initiatives that Servier Campus has deployed for work-study participants, interns, VIEs (Volunteers for International Experience), postgraduates and residents. Trainees enjoy welcome sessions, lunches, workshops, and the investment of teams who welcome and support them throughout their tenure within the Group.



**4.14 out of 5 – overall rating for Servier, a recipient of the HappyTrainees® Label in 2019**



## PULSE FOR DRIVING ENGAGEMENT

In 2019, Servier launched its engagement program, PULSE, with the independent Gallup Institute. The goal? To drive the enthusiasm and energy of 22,000 employees to boost Group performance. 78.5% of employees responded to the first online engagement survey. This study revealed a 40% commitment rate, placing Servier four points above the average among companies launching this type of project. In addition, 80% of respondents say they are proud to work for the Group, and 81% would recommend Servier as “A great place to work.” As part of a continuous improvement approach, PULSE is a five-year program designed to monitor progress.



**78.5% of employees responded to the first online engagement survey.**

TRANSPARENCY

# COMMITTED TO A SAFE, RESPONSIBLE, AND TRANSPARENT INDUSTRY

Medicines are not just another consumer product. They are subject to very strict regulations. As such, Servier has adopted responsible practices at each stage of the product chain to ensure the quality, efficacy, and safety of its products.

## A VITAL NEED FOR TRANSPARENCY IN CLINICAL TRIALS

**All laboratories are subject to the same rules, and Servier has put in place procedures to ensure that its R&D activities are properly controlled. The Group also shares the results of its clinical studies with scientists and the general public in order to advance research and help improve public health.**

Servier firmly believes that publishing the results of all its clinical research is essential for the advancement of medical science. This is why the Group has been committed since 2014 to greater transparency in its clinical trials in the interest of patients and of medical knowledge. Servier is also a member of the European Federation of Pharmaceutical Industries and Associations (EFPIA). Accordingly, the Group adheres to EFPIA's five principles of transparency in clinical trials.

Today, Servier publishes 100% of its clinical trial results on the European Union Clinical Trials Register (EUCTR) website. This approach complies with European legislation requiring the publication of all relevant clinical studies on the EUTCR site no later than one year after the end of the study.

In order to improve its communication with regard to transparency, Servier has created a dedicated website, [clinicaltrials.servier.com](http://clinicaltrials.servier.com). The Group shares the results of its clinical studies with both investigators and patients, the latter via summaries in plain language, to make them easier to understand. The site also provides the general public with information on the different stages of clinical studies and their protocols. A dedicated portal allows researchers to request access to clinical trial data. Servier also publishes the results of its clinical studies in scientific journals. •

Adherence to the

# 5

**EFPIA principles  
of transparency**  
in clinical trials

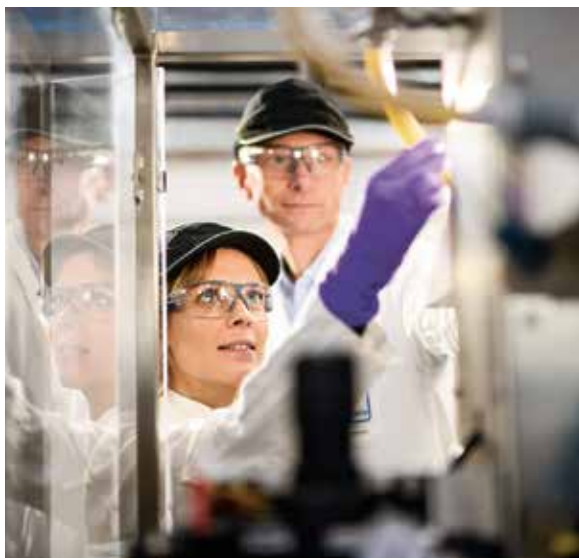
<https://servier.com/en/areas-of-expertise/research-and-development/clinical-trials/>

Publication of

# 100%

**of clinical trial  
results**





## FOR EXCELLENCE IN PRODUCTION

Servier has full control over all stages of production and distribution of its medicines in order to offer patients safe, effective, and quality products.

With its integrated industrial model, the Group guarantees the same levels of quality and efficacy for its medicines, regardless of the production site involved. Servier has chosen to internalize the design and manufacture of its medicines and to manage all the links in its distribution chain. The Group's own management of all its flows, from production to packaging and dispatch, guarantees maximum quality everywhere in the world. The Group relies on its Industrial Quality Department to continuously improve its quality standards and ensure the compliance of each of its sites with national and international quality and traceability standards. Its mission? Coordinate regular inter-site internal audits, inspections of production sites by health authorities, audit plans for suppliers of raw materials and packaging, and anti-counterfeiting programs. •

## Servier, engaged in the fight against counterfeit medicines

According to the World Health Organization, one in ten medicines sold in low- and middle-income countries is either counterfeit or of poor quality. Meeting no standards of quality, efficacy or safety, these fake medications are dangerous to patients. To combat this global scourge, Servier has put in place an effective system based on three pillars:

- **Detecting** counterfeit medicines as early as possible with the help of its dedicated teams at its industrial site in Gidy (Orleans–France) and in its Technologie Servier (TES) laboratory. Using the latest technologies, these teams analyze boxes of suspect medicines identified throughout the world.
- **Preventing** the falsification of medicines through awareness and training programs for employees, customs officers, police officers, and health authorities. Servier also relies on its serialization program, which ensures the traceability, identification and tamper-proofing of medicines in Europe. In China, Russia, Ukraine, and Vietnam, the Group can instantly identify fake medicines through its Securistamp system.
- **Acting proactively** with other French, European, and international laboratories and health authorities, such as EFPIA, Interpol and World Health Organization.

## Mediator

It is undeniable that patients have suffered adverse reactions related to the use of Mediator. Les Laboratoires Servier reiterates its sincere regrets to the patients affected by this tragedy and to their families. They are our main concern, and, as early as 2011, Les Laboratoires Servier committed to compensating victims, a process that is now almost complete.

The trial, which began on September 23, 2019, with the referral of Les Laboratoires Servier and the ANSM to the Criminal Court, is an opportunity for Les Laboratoires Servier to defend itself publicly and it will shed light on the reality of the responsibilities of all those involved.

INTERVIEW



# Providing objective and reliable information on medicines



**Dr PHILIPPE GONNARD**, Executive Vice President Global Medical Affairs

## WHAT ROLE DOES THE MEDICAL AFFAIRS DEPARTMENT PLAY IN TERMS OF TRANSPARENCY?

Servier strives to provide objective, high-quality medical information to the health care community to ensure that its medicines are used safely. Medical Affairs plays a fundamental role as the guarantor of the objectivity and integrity of the information provided to medical experts and communities worldwide. We communicate about our therapeutic solutions to the medical community at scientific congresses, ensuring that the medical information provided is both practical and of high quality, in compliance with the professional codes in force.

## DOES YOUR COMMITMENT TO TRANSPARENCY EXTEND TO PATIENTS?

That's what our Department of Medical Information is all about. As the true voice of the laboratory, this telephone service answers questions about our products and studies from patients, caregivers, and doctors, 24 hours a day, 7 days a week. Medicine interactions, adverse reactions, proper use of our medicines, etc. – we respond to some 5,000 requests every year in an effort to improve patients' quality of life without interfering in their relationship with their doctors.

## DO YOU INVOLVE THE PATIENT IN YOUR APPROACH?

Patients are becoming more and more involved in our actions. For example, we are working with patient organizations to identify the questions patients have about our treatments and the information they need to gain a better understanding of their conditions and treatments. As an example, as part of a Master Class on colorectal cancer, we invited patients to share their experiences with the disease with the physicians in attendance. These conversations with the patient are essential to increase the medical value of our therapeutic solutions.

## STRENGTHENING ETHICS THROUGH A CULTURE OF COMPLIANCE

Beyond mere compliance with various regulations, Servier's compliance approach guides all employees toward exemplary behavior. Along with the CSR approach, it is an essential component of the Group's ethics.

For Servier, respecting compliance rules isn't just a guarantee of transparency; it's a performance lever that enables the Group to achieve its strategic objectives with integrity. Observing compliance rules helps to secure our business activities, reassures stakeholders, and sustains Servier's excellence throughout the world. With this in mind, the Group regularly strengthens its compliance system by increasing the resources and means dedicated to compliance worldwide,

expanding the program, making dedicated tools available, integrating compliance into the global risk management strategy, etc. In their day-to-day operations, employees can rely on the two fundamental guidelines, the Code of Ethics and the Code of Conduct, as well as on the body of written rules and training provided by the compliance program. The Code of Ethics sets out the guiding principles for behavior to be adopted with all stakeholders: patients and patient associations, health care professionals and organizations, employees, partners, suppliers and competitors, public authorities, society and the environment. The Code of Conduct guides employees on the appropriate attitude to maintain in order to prevent situations of corruption, influence peddling, fraud, or conflicts of interest. It also includes best practices in the areas of competition and personal data protection. Employees and partners also have access to an online platform, where they can express their concerns and raise alerts in the event of non-compliance with the rules. The Group relies on a Compliance Committee and its Ethics Office to ensure proper application of the Code of Ethics and Code of Conduct. The Ethics Office is composed of representatives from the Compliance and CSR departments, who work in conjunction with Internal Audit and Human Resources. •

### SERVIER CHINA: ZERO TOLERANCE FOR CORRUPTION

Servier China has implemented an ambitious compliance program to guide the actions of its local compliance team. Called **"Design-Detect-Defuse"**, the process has three phases: identifying the scope of action and the stakeholders in order to assess risks and their impact; detecting, with the help of an analysis tool, suspicious behaviors and transactions and reporting them to the Ethics Office; and implementing corrective actions, proactive communication, and appropriate training in close collaboration with the Legal Department.





## ACTING FOR AND WITH THE PATIENT

Since the appointment of a Chief Patient Officer in 2018, the patient approach has gained momentum within the Group.

Servier works increasingly closely with patients to involve them in all stages of the medicine life cycle: from research and development to marketing and beyond.

## PATIENTS: CO-COLLABORATORS IN THEIR OWN HEALTH



Since October 2018, Servier has been a member of the Patient-Focused Medicines Development (PFMD) collective platform. In becoming a member, the Group has joined the largest international community focused on collaboration with patients in the development and use of medicines. This represents a milestone in the Group's strategy for and with patients.

Created in 2015, Patient Focused Medicines Development (PFMD) is an independent group of health care stakeholders, bringing together patient organizations, pharmaceutical companies, and other key partners from around the world. Its mission: to facilitate patient involvement throughout the medicine development cycle by co-creating tools, best practices, and methodologies. In particular, PFMD offers training, a sharing platform listing the patient initiatives deployed by its members and a hub of practical tools for planning, evaluating, and deploying all patient initiatives.

### A GLOBAL COMMUNITY SERVING PATIENTS

By becoming an active member of this global community, Servier contributes to and benefits from the experiences, tools, and skills of players in the health care sector in order to increasingly integrate the opinion and expertise of patients into its therapeutic approaches. According to Myriam Laszlo, Director of Patient Association Relations: "With this collective, we have the opportunity to exchange with our peers and different health care stakeholders at the international level. A true platform for exchange

and sharing, PFMD provides access to tools and initiatives for co-creation with patients. This is one more step toward achieving our goal: working with and for patients, in all our activities and from the earliest stages of research so that we can better meet the daily needs of sick people." This partnership also allows Servier to strengthen the credibility of its approach and to actively contribute to the construction of a new era of serving patients.

### INITIAL CONCRETE ACHIEVEMENTS

As an active and proactive partner, Servier has proposed and co sponsored, with five other laboratories—Roche, Novartis, GSK, J&J and MSD—the first global training and awareness program for industry collaborators on patient engagement. Co-developed by these six laboratories and several patient associations, under the leadership of PFMD, this program, launched in 2019, is already being used by 60 organizations, establishing itself as a leading training tool throughout the world. Like the other tools created by the collective, this program can be adapted to the specificities of each company. Other projects are in the pipeline, such as standardized contracts for different types of industry-patient collaborations. •

INTERVIEW



# Bringing the patient's voice into everything we do



**LODE DEWULF**, Chief Patient Officer

## ACTING FOR AND WITH PATIENTS:

### WHAT DOES THIS MEAN

#### FOR SERVIER?

While patients have always been at the heart of our concerns, we have become aware of the importance of broadening our understanding of their needs and involving them more in our actions.

After all, who is better positioned than the patient to inform us about his or her illness, experiences, treatment, and needs?

By listening carefully to patients, we will be able to provide them with solutions that are better adapted to their real needs. So a real change is underway within the Group, in terms of culture, organization, and ways of working. It is a unifying approach, bringing meaning to all employees.

## HOW IS THE DEPLOYMENT

### OF THIS APPROACH GOING?

Initiated about 18 months ago, this approach for and with the patient is progressing well. We decided to start deploying it in twelve main countries and three business units at the Group's headquarters. Today, we have achieved almost all the objectives of this initial stage. In each of the twelve countries concerned, this includes the appointment of a patient referent and ambassadors by function, participation in our global projects such as SHAPE (see opposite), and the launch of a local project involving patients. Proceeding step by step allows us to test the reliability of our approach in view of global deployment.

## WHAT ARE THE KEYS

### TO ITS SUCCESS?

The engagement of employees, and especially of top management, is, in my opinion, an absolute must. Within the management teams and among many colleagues throughout the Group, I sense this strong desire to involve the patient throughout the medicine life cycle. Another success factor lies in Servier's culture, rooted in respect and caring. The Group's values and DNA provide fertile ground for success.



2018-2019

# HIGHLIGHTS

## SHAPE, A PROGRAM TO TRANSFORM THE DAILY LIVES OF PATIENTS WITH METASTATIC COLORECTAL CANCER

SHAPE (Support Harmonized Advances for Better Patient Experiences) aims to co-create, together with a group of patients and experts, initiatives and resources to improve the daily lives of patients with metastatic colorectal cancer by supporting them and their families throughout the course of the disease. This program places particular emphasis on disease management, everyday patient assistance, communication with health care professionals and psychosocial support for patients. SHAPE helps to improve the patient's quality of life by offering services that go beyond medicine treatment. SHAPE is an international program with 13 countries already involved in different initiatives.



### **Servier Pharmaceuticals, member of the National Health Council (NHC)**

Servier Pharmaceuticals, Servier's U.S. subsidiary, has joined the NHC, a U.S. organization that brings together more than 150 health-related organizations and companies. Its mission: to ensure that the voices of the 160 million people with chronic diseases or disabilities and their caregivers are heard.

## CREATION OF EXPERT PATIENT COUNCILS IN THE UNITED STATES AND BRAZIL

Servier's U.S. and Brazilian subsidiaries have set up a Patient Expert Council to protect patient interests in each of their decision-making processes. Composed of patients, caregivers, patient representatives and experts, these Councils allow patients to give their opinions and recommendations on the development of clinical protocols, including marketing initiatives and general decisions.



## PROMETCO: CONSULTING PATIENTS AND GATHERING THEIR OPINIONS

In 2019, Servier launched PROMETCO, a prospective cohort study on the management of metastatic colorectal cancer. This project involves the patient in the decision-making process in order to take his or her opinion into account. It allows us to go beyond registration studies by involving patients in real-life situations and measuring what is important to them.



## PROMOTING ACCESS TO HEALTH CARE FOR ALL

Medical conditions vary from one continent to another. In order to respond to the diversity of health care needs, Servier relies on a broad geographic footprint that allows for close proximity to local therapeutic needs and an array of health care solutions adapted to the specific characteristics of each country.

**149** countries

**66** subsidiaries

worldwide

**78%**

of Group revenue outside  
of France around the world



VALUE  
价值观



## 40 YEARS OF SERVING CHINESE PATIENTS

The first French laboratory to set up in China in 1979, Servier celebrated 40 years of commitment to Chinese patients in 2019. This solid foothold enables the Group to respond to growing health care needs, particularly in the area of chronic diseases.

With an estimated 1.3 billion inhabitants, China is the planet's most populous country. It is also the second-largest health care market in the world, after the United States. The aging of the Chinese population, combined with increasingly Western lifestyles, is leading to a sharp increase in chronic diseases: diabetes, cancer, cardiovascular disease, etc.

### A RECOGNIZED HEALTH CARE PARTNER

Active in China for 40 years, Servier has gradually strengthened its presence in order to respond to major health challenges. This includes creating a joint venture with its local partner Huajin in 2000, starting clinical trials in its Beijing office in 2001 and opening its Tianjin industrial site in 2002. Today, Servier China has become the Group's leading subsidiary in terms of revenue and number of employees. It distributes 14 locally adapted medicines. In 2019, it launched two antihypertensive medicines. In 2020, thanks to its partnership with the Mitsubishi Tanabe Group, it will offer a new oral antidiabetic medicine.

### A STRONG INDUSTRIAL FOOTPRINT

At its industrial site in Tianjin, Servier produces 40 million boxes of medicine each year, making it the Group's third-largest production site in terms of volume of Servier brand-name medicines.

"We want to establish our manufacturing and supply operations as close as possible to health care professionals and patients, in order to provide them with higher-quality service, thus contributing to better patient care in China", said Jianmin Zhang, General Manager of the Tianjin site. By 2020, the production site's capacity will double to meet the growing needs of Chinese patients.

### INNOVATION-DRIVEN AMBITION

"In the future, Servier China will mainly focus its efforts on patients with chronic diseases, helping to achieve the goals of the national "Healthy China 2030" plan," said Stephane Mascarau, General Manager of Servier China. Digital technology, which is playing an increasingly important role in the field of health care, will also contribute to this. Recently, in partnership with major professional associations and technology giants, the subsidiary has developed and implemented therapeutic programs for patients with chronic diseases (hypertension, diabetes, and heart failure). These programs lend support to doctors and help patients to manage their diseases better. The Chinese subsidiary also wishes to develop its presence in oncology, a therapeutic area in which Servier China intends to play an increasing role in the clinical development of new products. The harmonization of local regulations with international standards is facilitating the country's involvement in the Group's clinical trials. •

14

Servier  
medicines  
distributed in China

3 million Chinese patients  
treated daily  
with a Servier medicine



2,000  
employees in China





INTERVIEW

# A differentiated geographical footprint



FRÉDÉRIC SESINI, Executive Vice President World Operations

## HOW IS SERVIER MEETING THE SPECIFIC NEEDS OF PATIENTS?

Thanks to our differentiated geographical footprint, we are able to adapt to the specificities of each country. This close proximity to patients and health care professionals is essential to gaining a better understanding of the diversity of health care needs and responding to them through specific adaptations. We also rely on a global therapeutic range: our portfolio of brand-name and generic medicines is tailored to each market. In addition, with the new organization that we've implemented, based on market typology, we are able to address each country's specificities more efficiently.

## HOW STRONG IS SERVIER AS A GLOBAL PLAYER?

Our very strong global presence provides us with a level of geographic coverage that's unique for a group of our size. In the countries where we operate, our presence is ensured by teams covering multiple activities (market access, advertising, medical affairs, etc.) and who collaborate very well with each other.

Their high level of qualification and universally recognized medical expertise guarantee us a solid partnership with local health care actors. The strength of our team and the diversity of our portfolio enable us to position ourselves as a key player in emerging markets with high therapeutic needs. At the same time, we are active in "mature" countries, where our innovative solutions include oncology for colorectal cancer and the treatment of certain leukemias.

## WHAT ARE YOUR PRIORITIES IN TERMS OF GEOGRAPHIC EXPANSION?

We wish to pursue our international development with the aim of maintaining a differentiated geographical footprint. Our ambition is to maintain strong growth in BRC (Brazil, China, Russia), develop our presence in the United States and Japan through our oncology portfolio, and also support the development of emerging countries, particularly in Africa and Asia, in order to provide access to our medicines to the largest possible population. In countries where Servier is already well established, we wish to consolidate our positions, particularly in Europe.



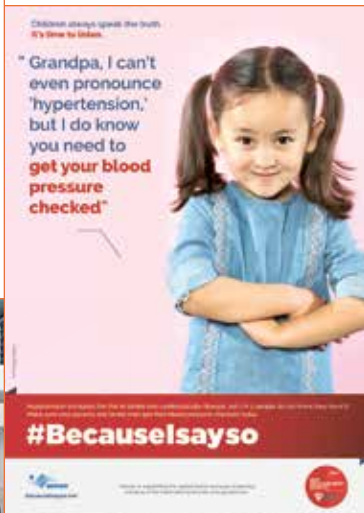
2018-2019

## HIGHLIGHTS



## SERVIER RECOGNIZED IN AUSTRALIA

2019 was a year of milestones for Australia including 40 years of operations for the subsidiary and 20 years for the International Center for Therapeutic Research (ICTR). Servier Australia also earned the distinction of "GPs Choice for Pharmaceutical Company of the Year" voted by General Practitioners, for the fourth time.

ENGAGING WITH PATIENTS  
WITH HYPERTENSION

The second edition of the "Because I say so" global hypertension awareness campaign was a great success: 150 million views on social networks and 46,000 visits to the campaign website. Through this campaign, Servier reaffirms its 50-year commitment to the fight against hypertension, a burden that affects 1.2 billion people worldwide.

 **150 million**  
views on social networks

## 60 YEARS OF SERVING PATIENTS IN SPAIN

## 4 activities

Sales, pharmaceutical production, chemical production, and research

20

marketed  
products



**348**  
employees

**800,000**

patients treated daily  
with Servier medicines



## Generics: facilitating access to quality medication in Africa

In January 2019, Biogaran arrived in Côte d'Ivoire and Congo to help provide access to quality generic medicines in French-speaking West and Central Africa. In this area, the penetration rate of counterfeit products is very high and the need for effective, high-quality medicines is significant. As such, Biogaran aims to offer products that meet European standards, at an affordable price.





**DAVID K. LEE**  
Chief Executive Officer  
of Servier Pharmaceuticals

**“Servier Pharmaceuticals’ first full year of operation has been extremely successful. We’re continuing to build upon our early momentum in oncology and have already launched our second product, Asparlas®, in the U.S. market. Our exceptional Boston-based team is rapidly growing, and we’re making good on our commitment to become a partner-of-choice in the hyper-competitive American biotech space. The support from the global Servier Group has been instrumental to our early successes. The values and strategic vision of the Group are invaluable in helping to shape our internal culture, one that celebrates our shared vocation and pioneering spirit. We look forward to continuing to collaborate in the future in order to grow our portfolio both here in the United States and around the world. As we approach 2020, we’ll continue to prioritize new opportunities to push innovation and help build better futures for the patients we serve.”**



## **A NEW BRANCH IN NORTH & EAST AFRICA**

Servier created the Servier North & East Africa (NEA) branch in Nairobi, Kenya, in order to strengthen its roots in Africa. It’s a region where millions of patients with cardiovascular disease and diabetes are still awaiting treatment.

## **10 YEARS OF BREAKTHROUGH RESEARCH IN HUNGARY**

In October 2018, Servier celebrated the 10<sup>th</sup> anniversary of its Research Institute of Medicinal Chemistry (SRIMC) in Hungary. A decade of research that has led to a number of significant advances, including the discovery of three drug candidates currently in preclinical and clinical development. Hungary’s high standard of excellence in research has led Servier to invest there on a long-term basis. It’s in line with the Group’s desire to conduct high-level research to find increasingly innovative solutions for patients





## OPENING UP R&D TO ACCELERATE INNOVATION

Servier relies on the sharing of expertise in Research & Development to accelerate innovation and provide patients with solutions that are increasingly tailored to their needs. This cross-fertilization of ideas paves the way for research that's more dynamic, agile, and open.

more  
than **45**

active alliances  
worldwide

 **2,900**

R&D employees  
worldwide

**15**

International Centers  
for Therapeutic Research  
conducting clinical trials





PERSPECTIVE

## SERVIER PARIS-SACLAY RESEARCH INSTITUTE, AN ECOSYSTEM OF INNOVATION IN THE MAKING

In June 2019, Servier laid the foundation stone of its future Research Institute, located within the Paris-Saclay innovation cluster. It's a major step in achieving more open, dynamic, and productive research that serves patients.

By 2022, the 600 Servier researchers currently spread over four sites in France (Croissy sur Seine, Suresnes, Orléans and Gidy) will be working together in a single location dedicated to interdisciplinary innovation in the Paris-Saclay cluster. They'll be part of a scientific center of excellence that, in a few years' time, will bring together nearly 25% of French scientific research. They will work alongside key research players, including CNRS, INRIA, CEA, start-ups, Paris-Saclay University and top schools such as, CentraleSupélec and École Polytechnique.

### COMBINING EXPERTISE

Innovating as a network, without barriers, is critical to responding even more effectively and quickly to patients' unmet needs. The future Servier Paris-Saclay Research Institute is part of this open innovation objective. Sharing best practices, pooling equipment, developing partnerships, exchanging

expertise—Servier's teams will be able to take advantage of the best science and talent in order to accelerate research and the availability of new therapeutic solutions.

### PROMOTING FRENCH RESEARCH AROUND THE WORLD

Choosing Paris-Saclay for its future Research Institute means choosing to contribute to the influence of French research in the world. This move reflects the Group's confidence in the future of research in France and its potential on an international scale. It further strengthens the Group's presence in France.

### ACCELERATING THE GROUP'S PARTNERSHIP DYNAMIC

With more than 45 research partnerships around the world, Servier has long been committed to openness and the cross-fertilization of ideas in order to meet tomorrow's health care challenges. Establishing its research facilities at the heart of the Paris-Saclay cluster makes it easier to meet with institutional and private players to create promising new partnerships. With this in mind, Servier signed a sponsorship agreement at the end of 2019 for teaching and research in oncology with the École Polytechnique. For students, it's a unique opportunity to benefit from an experimental biology environment that will enable them to understand the mechanisms of cancer development. Servier, for its part, will be able to draw on the expertise of tomorrow's top researchers. •



**Paris-Saclay:**  
one of the top eight  
innovation clusters  
in the world



**A capacity to accommodate  
800 employees**

**44,500 sqm** building  
for the Servier Paris-Saclay  
Research Institute



**A start-up incubator**  
that can house up to 80 workstations



INTERVIEW

# Servier Paris-Saclay, a campus within the campus



CHRISTOPHE THURIEAU, Executive Director Servier Research Institute

## HOW DOES THE FUTURE RESEARCH INSTITUTE FIT INTO YOUR OPEN INNOVATION STRATEGY?

Research has always been at the heart of the Group's DNA. However, there are still considerable challenges in the health care sector. It takes a diverse set of skills and a wide range of professions to develop the therapeutic solutions of tomorrow. At Paris-Saclay, our researchers will be able to interact with a vibrant scientific and medical ecosystem, gaining access to complementary expertise to accelerate innovation.

## WILL THIS FUTURE INSTITUTE DRIVE A NEW WORKING DYNAMIC?

Absolutely. With its innovative architecture, this new Research Institute promotes a rapid and shared flow of information and encourages collaboration on projects between researchers working together in a single location. The result is more crossfunctionality, creativity, and collaboration, all serving the same objective: to explore new therapeutic possibilities for patients more quickly.

## IS THIS THE WAY TO ACCELERATE YOUR INNOVATION PROCESS WITH START-UPS?

It is with this objective in mind that we have designed our incubator dedicated to young and innovative companies in the health care sector. Sharing knowledge and expertise between our teams and those of the incubated start-ups will boost the search for new therapeutic and health care solutions. In addition to facilities that are conducive to a collaborative approach, the hosted start-ups will enjoy dedicated services as well as Servier's support and expertise.



2018-2019

# HIGHLIGHTS



## NEW ADVANCES IN DIGITAL HEALTH WITH WEHEALTH™ *DIGITAL MEDICINE*

WeHealth™ *Digital Medicine*'s partnerships with promising start-ups are multiplying to accelerate the development of innovative e-health solutions. Three partnerships were signed this year:

- **Betterise™:** partnership signed in May 2019 for an application designed to help patients live better with their type 2 diabetes on a daily basis.
- **Lucine™:** 10-year partnership with a French start-up, a pioneer in digital therapies, to co-develop and distribute digital therapies.
- **AdScientam™:** partnership signed in July 2019 for an application to support patients being discharged from cardiac rehabilitation centers.

## HARVARD AND SERVIER BET ON THE MICROBIOTA



As part of its strategic alliance with Harvard, Servier is partnering with researchers at the university to conduct a collaborative study aimed at developing treatments for type 2 diabetes and nonalcoholic steatosis of the liver, targeting the microbiota.



## A Golden Ticket for therapeutic innovation

Each year, Servier and the American incubator LabCentral present an award to the most promising start-ups.

After Amathus Therapeutics, which received the award in 2018 for its project to develop new treatments for Parkinson's disease, the 2019 Golden Ticket went to Quartz Therapeutics, a Californian biotechnology company. This prize will enable Quartz Therapeutics to continue its research to develop new therapies for cancers with a mutation of the RAS<sup>1</sup> oncogene. These cancers account for 20% to 30% of all human tumors.

<sup>1</sup>. Rat sarcoma





**ÉRIC FALCAND**

Vice President, Global Head of Business  
Development & Licensing

## Investing in the Kurma Biofund III therapeutic fund

**“Our investment alongside the Kurma Partners teams is part of our innovation access strategy, which will enable us to respond even more effectively to patient needs. The Kurma Biofund III fund finances and supports young companies developing products that address major unmet medical needs. We are confident in their ability to support these companies in successfully carrying out scientific and clinical research through to the medicine development stage.”**

## PACIFIC PROJECT

Redefining heart failure with preserved ejection fraction (HFpEF): this is the objective of the PACIFIC Consortium, launched in 2019 by key players in the French health care sector, among them Servier. Financed by private and public funds and coordinated by the AP-HP (*Assistance Publique–Hôpitaux de Paris* [Public Hospitals of Paris Organization]), this collaborative project aims to improve the treatment and care pathway of patients suffering from this complex and little-known pathology.



## SERVIER CELEBRATES 10 YEARS OF IMI

Servier has supported the IMI (“Innovative Medicines Initiative”) since its creation in 2008. To mark the 10<sup>th</sup> anniversary of this European public/private partnership funding health care research, Servier invited representatives from the institutions to speak to its employees. The representatives explained how IMI facilitates the development of innovative medicines by bringing together the pharmaceutical industry, regulatory authorities, patient associations, academic institutions, and small and medium-sized companies. Within this dynamic, six new IMI projects in which Servier is involved have launched this year: ESCulab, MELLODDY, EBISC2 to support research projects, NECESSITY in the fields of immune inflammation and Sjögren’s syndrome, and IMMUCAN for oncology (analysis of the tumor’s microenvironment).

## AUSTRALIA: A COLLABORATION AGREEMENT WITH BIOCURATE

This agreement aims to accelerate the discovery of new treatments and medicines.

**“We are delighted with this collaboration, which will generate synergies through the pooling of BioCurate’s savoir-faire and Servier’s scientific expertise and skills.”**

**Dr CLAUDE BERTRAND**

Executive Vice President Research & Development



## BECOMING A RECOGNIZED PLAYER IN ONCOLOGY

Despite significant advances in oncology in recent years, therapeutic needs remain considerable throughout the world. This is why fighting cancer is a strategic priority for Servier.

50%

of R&D budget allocated  
to oncology in 2021

6 products

available in oncology

13 projects

in development  
in oncology

## FOCUS ON ONCOLOGY IN THE UNITED STATES

With the inauguration of its American office, in Boston in May 2019, Servier is taking an important step toward its ambition to become a recognized player in oncology.

**100+**  
employees  
in the United States

**10+**  
partnerships  
worldwide with leading  
biotech companies  
and academic institutions  
for oncology projects

The United States is the largest market for biopharmaceuticals, accounting for around 47% of the global market. Therefore, this positioning makes it a key region for the Group, whose ambition is to become a recognized player in oncology, to provide new therapeutic solutions to patients with cancer and to help improve their care. In addition, in 2021, Servier intends to dedicate 50% of its global R&D budget to researching cancer treatments, in comparison with 36% at the end of 2019. For Claude Bertrand, Executive Vice President Research & Development, "Our major goal is to bring to patients living with cancer at least one additional product from our pipeline in the next five years," (Future Oncology, May 31, 2019).

### A STRONGER Foothold

Since 2018, Servier has steadily strengthened its position in the U.S. market. The Group first opened its first Servier BioInnovation office at the epicenter of the global life sciences hub, Cambridge. Servier BioInnovation is a joint scouting initiative responsible for increasing the Group's visibility, attracting talent, and establishing research and development partnerships through targeted representation in the world's top life science and biomedical innovation centers. Servier then acquired Shire's oncology branch in August 2018. This decisive acquisition meant that the Group established a direct commercial presence in the U.S., while strengthening its oncology treatment portfolio with two new medicines and a strategic pipeline for the future. Since September 2019, the Group's oncology portfolio has grown to six products available worldwide, including Asparlas® which was recently launched in the U.S.



### A LONG-TERM APPROACH

In May 2019, Servier officially opened its U.S. headquarters in Boston, nine months after the creation of its U.S. commercial subsidiary, Servier Pharmaceuticals. With 100 employees in marketing, business development, R&D and support functions, Servier Pharmaceuticals expects to double its workforce over the next five years. For David K. Lee, Chief Executive Officer of Servier Pharmaceuticals: "The Boston Biotech community is astounding and larger than anywhere else in the world. There are more than 35 universities, several world class hospitals and more than 600 biotech companies; each of which is deeply committed to significantly improving patients' lives. That's why we chose to headquarter Servier Pharmaceuticals here. We're looking forward to partnering with innovative, patient-centric companies that are just as committed as we are to not only pioneer scientific breakthroughs, but also to reimagine the ways that we can serve our patients to truly improve their lives."

### BEYOND MEDICINE

"We will continue to focus on the patient journey through treatment as well as postremission leading into survivorship," –Wendy Poage, Head of U.S. Patient Advocacy and Patient Engagement at Servier Pharmaceuticals. To ensure patients are at the forefront of every decision, across each business function, Servier Pharmaceuticals has created the Patient Expert Council. The council is comprised of patients, caregivers, advocates and other experts across the patient experience. They are available to provide input on a variety of areas ranging from clinical protocol development, marketing initiatives, and general business efforts. •

INTERVIEW



# Oncology, a Group priority



**PATRICK THERASSE**, Head of R&D Oncology

## WHY IS ONCOLOGY

### A PRIORITY FOR SERVIER?

Servier initiated a major shift in making oncology one of its strategic priorities, and the therapeutic need is huge: By 2030, 233 million new patients will be diagnosed with cancer. I don't think it would be a stretch to say that, perhaps more than any other disease, cancer has touched the life of almost every person. As such, the need for innovation in oncology is extremely urgent. Particularly in the past few years, new technologies and breakthroughs have paved the way for the emergence of an increasingly accurate knowledge base in this medical field. We are finding more ways to intervene and treat the disease

at various stages than ever before. So, despite the pressures that come with developing treatments for such a large and diverse patient base, it's actually an exciting and hopeful time to double-down on our fight against cancer.

## WHAT ARE YOUR ONCOLOGY

### RESEARCH AREAS?

Our innovation focuses on two promising areas: the search for molecules capable of restoring apoptosis (auto-programmed cell destruction); and the search for new approaches in immuno-oncology which aims at activating the patient's own immune system to fight against cancer cells.

## WHAT ARE TOMORROW'S MOST

### PROMISING THERAPIES?

Advances in science will lead to more and more personalized treatments. As a result of this progress, we are now tackling the basic mechanics of tumor generation or the reactivation of our immune system by focusing on hemato-oncology and gastrointestinal malignancies. We are also focusing on translational research as a means of enriching the research and development within each of our clinical trials in real time.

# HIGHLIGHTS

## ADVANCES IN THE DEVELOPMENT OF ALLOGENEIC CAR-T CELLS

Servier and Allogene Therapeutics, a biotech pioneer in the development of allogeneic CAR-T cancer therapies, have received approval from the Food & Drug Administration (FDA) to conduct early clinical development of ALLO-501, an allogeneic anti-CD19 CAR-T therapy for the treatment of refractory non-hodgkin lymphoma.

**The Group obtained marketing authorization in Europe for Lonsurf® with a new indication in digestive oncology.**

## Active participation in numerous oncology conferences

Servier participated in major oncology conferences throughout the year. At ASH 2018, the Group presented the first clinical results of UCART 19. Servier also participated in the ASCO 2019 congress held last June in Chicago. Another highlight was the Group's participation in one of the most important oncology research conferences, the annual meeting of the American Association for Cancer Research (AACR) in Atlanta. It was an opportunity for Servier to increase its visibility, for the first time with a booth, and to present preclinical data for the MCL-1 inhibitor S64315.

## ONCOLOGY PORTFOLIO EXPANSION

At the end of September 2019, Servier and CTI BioPharma completed an Asset Purchase Agreement, which transferred the worldwide rights to Pixuvri® to Servier in order to strengthen its oncology portfolio. Previously, Servier had commercialized Pixuvri® globally, in all countries where the medicine was approved under an exclusive license from CTI BioPharma.

## ONCOLOGY HEADWAY IN JAPAN

Servier has been present in Japan for more than 40 years and is now taking a next step with the definition of a new oncology roadmap. The aim of the roadmap is to obtain registration for two of Servier's flagship treatments. This strategy is already proving itself, as demonstrated by the agreement signed between the Japanese subsidiary and Yakult Honsha to promote the liposomal formulation of irinotecan.

## Launch of IMI IMMUCan consortium

The IMMUCan (Integrated iMMUnoprofiling of large adaptive CANcer patient cohorts) consortium was launched in March 2019. The consortium is composed of 28 academic and pharmaceutical organizations, and its objective is to build an inclusive and integrated European immuno-oncology profiling platform to share data. This database will enable Servier to select patients, indications, and parameters for the development of its immuno-oncology projects more efficiently.



# BUILDING SERVIER'S INDUSTRIAL FUTURE TODAY

A guarantor of the quality and safety of medicines,  
Servier's industrial model is part of a continuous improvement  
process aimed at achieving operational excellence.  
This approach serves the Group's long-term strategic  
ambitions and responds to the trends shaping the sector.

**16** production  
sites

around the world,  
including 11 production sites  
for brand-name medicines

**511** million

boxes of brand-name medicines  
manufactured per year

**98%**

of the active ingredients  
of brand-name medicines  
manufactured in-house in France



## SERIALIZATION FOR ENHANCED MEDICINE SAFETY

Since February 9, 2019, all boxes of medicine leaving Servier's factories in Europe have met the European regulatory requirements for serialization.

The aim is to combat counterfeiting and guarantee the quality and safety of medicines for patients. A look back at a large-scale technical and IT project.

Every year, millions of boxes of counterfeit medicines circulate around the world. The consequences of the sale of these "fake medicines" are serious, resulting in the deaths of thousands of people. To combat this scourge, the European Union has imposed serialization. This regulation calls for several requirements to be met: identification of each box of medicine by a unique number listed in a national and European database; and verification at the time of distribution and implementation of systems guaranteeing the boxes' tamper-proofing.

### A LARGE-SCALE PROJECT

In 2013, Servier launched its Matrix program, dedicated to the implementation of serialization. "Initially, it was a mechanical project to equip the packaging lines," says Michael Kinsella, Director of the Matrix program. "The project then took on a major IT dimension in order to set up complex data exchange systems." Servier has therefore chosen to centralize all its production data in a "cloud" belonging to the Group and connected to the European hub.

### MISSION ACCOMPLISHED

On February 9, 2019, Servier successfully carried out the switch, equipping 50 packaging lines with a complete and modular solution designed to adapt to different regulations.

It took an average of 22 days per line to install the equipment, perform the tests and issue approval. "The success of this program is the result of an outstanding collective effort, mobilizing several of the Group's operations," says Michael Kinsella. "Serialization is part of our ongoing commitment to the quality and safety of our products for patients." The next step is the implementation of serialization in Russia in the summer of 2020. This presents a major challenge, as Russian regulatory requirements are particularly complex.

### WORKING TOWARD FACTORY 4.0

Serialization is a further step toward Factory 4.0, or the "smart" factory. Indeed, digital technology's entry into the medicine supply chain opens up new horizons in terms of industrial performance. In the long term, it will make it possible to anticipate patient expectations better through real-time, end-to-end visibility of the production cycle. •

# 50

packaging  
lines equipped  
for serialization

Over 5,000 references  
affected by serialization over time

More than 400 million  
Servier boxes to be serialized in the future





INTERVIEW

# The agility of an integrated industrial model



**PIERRE VENESQUE**, Executive Vice President Industry

## WHAT ARE THE STRENGTHS OF SERVIER'S INDUSTRIAL MODEL?

Our integrated model enables us to be in control of all stages of the medicine's life cycle, from development to industrialization and distribution. With 98% of our active ingredients produced in-house for our brand-name medicines, we guarantee a consistent level of quality. Our industrial network of 16 sites around the world is another major advantage: it ensures the flexibility of our production capacities, allowing us to make use of the complementarity between the different sites in the face of varying volumes. This industrial network also guarantees the reliability of our teams' expertise and skills.

## WHAT ARE YOUR MAJOR INDUSTRIAL CHALLENGES?

In an ever-changing world, we are adapting our industrial model to increase agility and flexibility. Changing regulatory requirements (e.g., serialization), increased digitalization of our businesses and the reliability of raw material supplies are all factors to be taken into consideration. At the same time, our industrial model is evolving with the Group's ongoing transformation: the rise of oncology and the arrival in our portfolio of two new medicines following the acquisition of Shire's oncology branch, are new challenges that require us to adapt our supply chain and production management. Finally, the evolution toward increasingly customized medicine, with, for example,

the development of medicines combining, in a single tablet, several molecules in several dosages, requires new production methods.

## WHAT ARE YOUR DRIVING FORCES IN ADDRESSING THEM?

We have launched a project to transform our organization in order to be more flexible in the face of fluctuating demand. Its objectives are twofold: to secure production in order to guarantee the distribution of our medicines to patients, and to support the Group's long-term ambition.

# HIGHLIGHTS

## REINFORCED INDUSTRIAL PRESENCE IN CHINA



In June 2019, Servier renewed its 20-year relationship with its Chinese partner Huajin, with whom the Group operates the Tianjin industrial site via a joint venture (90% Servier/10% Huajin). The continued collaboration confirms Servier's long-term commitment to serving Chinese patients. Tianjin is the Group's third-largest pharmaceutical production site in terms of volumes of Servier brand-name medicines.

## FIRST CDMO\* PARTNERSHIP IN RUSSIA

Servier has signed a partnership with GSK/ViiV Healthcare in Russia for the local manufacture, by Servier's industrial site in Sophyno, of an innovative HIV medicine. This first CDMO project in Russia is an important step forward in the fight against HIV in the country, where some 808,000 citizens are HIV-positive, according to the Russian Federation's Ministry of Health.

\* CDMO – Contract Development and Manufacturing Organization

## NEW GALENIC PRODUCTION UNIT FOR EGIS IN HUNGARY



In September 2019, Egis opened a new galenic production unit at its Körmend industrial site in Hungary. With its 4,000 sqm and six production lines, this production unit has a production capacity of 25 million units per year.



## Prestigious awards for Servier CDMO

Servier's CDMO operation, which offers industrial services on demand for third parties, received awards in the "Expertise" and "Service" categories at the 2019 CMO Leadership Awards on March 20, 2019. These awards, given each year by the trade magazine Life Science Leader, illustrate the Group's ability to use its industrial know-how to serve its customers.

## At the forefront of biological medicines with Bio-S

In November 2018, Servier started construction of its future biological medicine development unit, Bio-S, at its industrial site in Gidy. Called Bio-S, this unit will produce active ingredients and medicines from living cells using biotechnology techniques.

"This activity is fully in line with two orientations of our strategy: oncology and the creation of value in France in order to develop our international presence," said Olivier Laureau, President of Servier.



## DEVELOPING GENERIC ACTIVITIES

Through four specialized subsidiaries, the Group offers a broad range of high-quality generic medicines. This steadily evolving activity increases the number of treatment options available to patients.

1,500+

generic medicines marketed  
in 60 countries

511 million

boxes of generic medicines  
delivered in 2018/2019

8.4%

growth for Generic Activities  
in the 2018/2019 financial year  
(at constant exchange rates)



PERSPECTIVE

## MEETING THE NEEDS OF NIGERIAN PATIENTS

In 2017, Biogaran established itself in Nigeria with the acquisition of the generics laboratory Swipha. Since then, Swipha has transformed itself to offer patients medicines that meet European standards at an affordable price.

Since arriving in Nigeria, Biogaran has shown a strong ambition: to establish Swipha in the top 10 Nigerian laboratories in order to provide the local population with quality products at affordable prices. The need for effective medicines is considerable, as Emmanuel Le Doeuff, Biogaran's Director of International Affairs, explains. "Nigeria has a population of 200 million, 50% of whom live on less than \$2 a day. With limited health infrastructure, no social security system and a large flow of counterfeit medicines and unauthorized imports, access to health care is limited for the majority of Nigerians."

### IMPROVING PRODUCTION CAPACITY AND QUALITY

Biogaran has launched a major investment plan to increase the plant's production capacity, but also to improve quality with the implementation of good manufacturing practices and staff trained in the Group's quality standards. Additionally,

the World Health Organization (WHO) pre-qualification of two antimalarial medicines will enable the entire plant to be WHO pre-qualified, thus providing an additional guarantee of quality for all locally manufactured products. Another improvement underway is the significant increase in the fleet of vehicles in order to facilitate travel for medical sales representatives in 14 of the country's regions.

### ENHANCING TREATMENT SAFETY FOR PATIENTS

Backed by these investments, Swipha is well positioned to bring quality solutions to Nigerian patients, providing a range of generic medicines—antibiotics, antihypertensives and antimalarials—perfectly adapted to local needs. Increasingly local production ensures competitiveness and is a sign of the Group's desire to increase its economic footprint. But above all, it enhances patient safety. "Manufacturing locally ensures continuity of treatment for patients, who are often faced with medicine shortages," explains Emmanuel Le Doeuff. "Due to these shortages, medicines distributed to patients are not always traceable and have sometimes been falsified. We have fully secured our distribution channels, and we continuously supply the market to curb speculation." The fight against counterfeiting is one of Swipha's strong commitments, and the company intends to play a major social and economic role in Nigeria. •



# 24<sup>th</sup>

**Nigerian  
laboratory**  
market share  
in transaction

Sanisphere S1 2019 data



**206**  
Swipha employees in 2019

**10 million boxes  
of medicines sold**  
in 2018/2019, 70% of which  
were produced locally





INTERVIEW

# A promising year for Generic Activities



**PASCAL BRIERE**, Executive Vice President for Group Generic Activities

## HOW WOULD YOU SUM UP THE PAST YEAR?

We recorded an 8.4%<sup>1</sup> growth in our Generic Activities. All our subsidiaries are progressing, from Biogaran, the leader in France this year, to Egis in Hungary and Eastern Europe, Pharlab in Brazil and Swipha in Nigeria. This healthy growth is driven in particular by biosimilars, an area where we have strong ambitions in oncology and autoimmune diseases. For Biogaran today, we are focusing on hospital biosimilars. But in the future, we intend to develop a broad portfolio of biosimilars for distribution in pharmacies. We also strengthened our production capacities at the Egis industrial site in Körmend,

Hungary, and opened a new generic molecules development center for Pharlab in Brazil.

## WHY IS BIOGARAN IN FRANCE INTERESTED IN OTC<sup>2</sup> MEDICINES?

Indeed, Biogaran is accelerating its development in OTC<sup>2</sup> medicines, a promising segment. We currently have around 30 references under the Biogaran brand name. We want patients to have alternatives to non-reimbursed products that are cheaper than the original brand-name products. Our ambition, I remind you, is to offer patients all off-patent medicines available.

## WHAT ARE YOUR PRIORITIES FOR THE FUTURE?

We rely on two growth levers: international expansion and the development of new activities, such as the OTC or biosimilar medicines market. I am convinced that there is still great potential for generics. These medicines account for the largest part of a medicine's normal life cycle: 20 to 40 years of life outside patent protection, compared with 15 years of exclusive commercial use.

1. At constant exchange rates.  
2. Over-the-counter medications.



## MAKING A POSITIVE IMPACT ON SOCIETY

Servier strives to embrace a more responsible, virtuous, and sustainable economic model. This model reflects the Group's desire to ensure that all of its actions are sustainable and serve future generations.

**7 industrial sites**

certified or in the process of being certified under ISO 140001 and/or ISO 50001

**-25%**

reduction in greenhouse gas emissions by 2030

**335**

employees involved in Mécénat Servier Charity Fund's initiatives in 2018/2019



## BE A RESPONSIBLE HEALTH CARE STAKEHOLDER

Servier is committed to society, to the environment, and to all of its stakeholders: patients, employees, and partners, etc. This is why the Group has adopted a proactive approach to Corporate Social Responsibility (CSR). This approach is structured around 4 CSR commitments that bring together 17 priority challenges, identified using a diagnosis based on ISO 26000 guidelines and interviews with stakeholders.

The Group's ambition: to make CSR a lever for performance and a means of engagement for its 22,000 employees. To achieve this, the Group has defined four areas of CSR commitments.

### A COMPANY COMMITTED TO HEALTH CARE

For Servier, being a committed health care provider means offering patients safe and quality therapeutic solutions, fighting against falsification and counterfeiting of medicines, and innovating by integrating the principles of ecodesign into the stages of the life cycle of medicines. These are all key issues that are at the heart of the Group's priorities and are based on taking patient expectations into account.

**> Concerns:** Product safety and quality (see page 27)/Fight against falsification and counterfeiting of medicines (see page 51)/Ecodesign/Global approach to health care (see page 20).

### CARING ABOUT PEOPLE

The men and women who form the Servier Group represent its greatest wealth. They are the guarantors of its commitment to work for and with patients. In order to foster employee development, the Group strives to provide a stimulating and inclusive work environment that combines skills

development, equal opportunity, health and safety and well-being in the workplace.

**> Concerns:** Health and safety of the teams/Quality of life at work/Diversity and equal opportunities/Managerial practices (see page 24).

### FOCUSED ON OUR BUSINESS PRACTICES

Servier has adopted best practices in business ethics, transparency, and compliance. The Group relies in particular on common rules set out in a Code of Ethics and a Code of Conduct that guide the actions of all its employees. These practices also extend to its stakeholders, with whom Servier aims to establish a balanced and cooperative relationship.

**> Concerns:** Business ethics/Responsible purchasing/Ethics and transparency of clinical trials (see page 26)/Responsible marketing and promotion/Stakeholder engagement (see page 58).

### AIMING FOR A POSITIVE FOOTPRINT

With 66 subsidiaries, 16 production sites, and 3 research centers around the world, Servier is aware of its responsibilities to the territories and local communities in which it operates. The Group strives to limit the impact of its activities on the environment in order to meet challenges such as the reduction of greenhouse gas emissions and waste management. Servier also makes every effort to promote access to health care for as many people as possible. The result? A positive economic, social, and civic impact on each of the territories where the Group operates.

**> Concerns:** Access to care (see page 56)/Territories and communities (see page 62)/Combating climate change and preservation of resources/Effluent and waste management. •

## SERVIER JOINS THE ACCESS ACCELERATED INITIATIVE

Since April 2019, Servier has been a member of Access Accelerated, an international partnership for improving access to non-communicable disease (NCD) prevention and care in low- and middle-income countries. This initiative brings together 26 pharmaceutical companies and draws on the global reach and local expertise of its members to combat this global scourge. Each year, NCDs are responsible for 71% of deaths worldwide.

INTERVIEW



# Optimizing our positive impact on society



VINCENT MINVIELLE, Director Group CSR

## WHAT DOES "HAVING A POSITIVE IMPACT" MEAN?

It means being aware that our responsibilities go beyond the scope of the company—our activities have repercussions on an entire ecosystem. We must be able to measure and anticipate them in order to optimize their impact. This includes our contribution to health care, the development of our employees' skills, respectful collaboration with our partners and suppliers, and more. We must also limit our negative impacts, such as energy consumption, for example.

## HOW DOES CSR CONTRIBUTE TO THE GROUP'S STRATEGIC OBJECTIVES?

It contributes in many ways. First of all, CSR builds solidarity and commitment among employees—it has meaning and is a source of motivation. Secondly, it contributes to the transformation of the Group because it implies a transversal, open, and innovative way of operating. CSR also contributes to the development of a performance culture: developing a credible CSR approach means setting objectives, measuring them, and launching

action plans to move forward. More generally, the Group includes, in its Vocation and Values, a very strong societal dimension, which our CSR challenges are aligned.

## WHAT ARE YOUR GOALS IN TERMS OF ENVIRONMENTAL FOOTPRINT?

Our objective is to reduce our CO<sub>2</sub> emissions by 25% by 2030, in comparison with the approximately one million tons of CO<sub>2</sub> equivalent emitted by the Group in 2016. This is essential to achieving the objectives set by COP21. We are also launching several initiatives within the Group to reduce emissions and our energy consumption: implementation of energy management systems at industrial and R&D sites to measure and reduce our energy consumption, integration of ecodesign principles in the development of future medicines, optimization of the supply chain, waste management, carbon compensation program for residual emissions, and reforestation and anti-deforestation projects.



PERSPECTIVE

## SERVIER LOCAL SHARED VALUE: TOWARD A MORE POSITIVE LOCAL FOOTPRINT



In 2019, Servier launched its first socio-economic impact study in the main countries where it operates. The goal? To measure the scope of its activity in order to optimize its long-term value creation in the territories in which it operates.

Servier creates economic and monetary flows inherent to its activity, which support the creation of wealth throughout the world. This includes flows injected directly into the economy (salaries and taxes paid, purchases, etc.), indirect flows generated by its chain of suppliers and service providers (purchases made by its suppliers in response to an order from Servier), and induced flows linked to household consumption (spending by Servier's employees and those of its suppliers). It is this overall value creation that the Group has sought to quantify using the recognized LOCAL FOOTPRINT® methodology. For this first diagnosis, Servier focused on its brand-name medicine business (excluding generics) in 18 of its main countries of operation\*.

### INCREASING AWARENESS

Servier cares about making a positive footprint in the countries where it operates. This is one of the four areas of its CSR approach. This study raises awareness among the Group's various subsidiaries

in order to optimize their impact on the territory, ultimately leading to the adoption of a more sustainable and virtuous model. How? By buying locally to create value for the territory and reduce the environmental footprint; by supporting local employment and employability to create wealth; by working hand-in-hand with its stakeholders. Or, more globally, through long-term presence linked to business development, social policy, therapeutic, and technological innovation.

### MEASURING FOR PROGRESS

In France, a study conducted using data from 2018 revealed that Servier's activities contributed to wealth creation of €1.7 billion and supported 27,734 jobs, including 4,344 direct jobs, i.e., a job multiplying factor of 6.4. In the 18 countries studied\*, 119,495 jobs were sustained by the Group, including 12,039 direct jobs (i.e., a multiplying factor of 10) and €4.3 billion in GDP generated. "These results reflect our culture and our strategy for establishing a presence in a country or region: a long-term commitment, a presence that is sustainable and based on a relationship of trust with local partners. For example, we have been present in Spain for 60 years and in Brazil and China for 40 years," underlines Vincent Minvielle, Director Group CSR. •

18

countries  
involved  
in the study\*



**119,495 jobs (FTEs)**  
supported by Servier in the study's  
18 countries\*

**3.8: multiplying factor  
of Servier's GDP**

in the 18 countries that were part  
of the LOCAL FOOTPRINT® study.

\* 18 countries in the 2018 Local Shared Value project: France, China, Russia, Canada, Spain, Italy, Germany, Brazil, Poland, Australia, Turkey, Romania, Argentina, Hungary, Japan, Egypt, Morocco, Ireland



## SUPPORTING SOLIDARITY PROJECTS

**M**écénat Servier Charity Fund is part of the Group's corporate social responsibility. Since 2016, the Mécénat Servier Charity Fund has been supporting general interest initiatives in France and abroad in the fields of health care, education and community life. This commitment fosters the Group's territorial foothold and its links with local communities, in addition to the solidarity projects and initiatives carried out by its subsidiaries and sites around the world. Mécénat Servier Charity Fund provides its partners with financial and human support through the voluntary contribution of the women and men who form the Group.

### A SKILLS-BASED SPONSORSHIP MISSION WITH THE "ORDRE DE MALTE"

In July 2019, nine of the Group's employees took part in a skills-based sponsorship day with the "Ordre de Malte". The objective was to offer a unique moment of joy to 15 children who don't have the opportunity to go on vacation. On the agenda: a tour of the "Cité des Sciences", a friendly lunch, and games in Paris's "Parc de la Villette".



### 4 POSSIBLE FORMS OF ENGAGEMENT FOR EMPLOYEES:

- **Skills-based sponsorship** to share, during their working time, their professional or personal expertise with associations on projects related to the fund's areas of commitment;
- **Congé Solidaire®** for international solidarity missions with Planète Urgence, financed by the Charity Fund for two weeks, taken by employees on their time off;
- **Solidarity seminars** to carry out a joint solidarity initiative with associations;
- **Rounding up salary** for Servier employees in France who wish to make a monthly micro donation to the association of their choice, deducted directly from their salary.



### JOINT INITIATIVES: MÉCÉNAT SERVIER CHARITY FUND MOBILIZES THE SUBSIDIARIES

In 2018, the Mécénat Servier Charity Fund launched the first call for subsidiary projects for Joint International Initiatives. The objective: to provide financial support to international associations of general interest while mobilizing employees on a long-term engagement project. Among the ten projects received, two winners were selected: the **Techo** Association for the construction of more than 30 emergency homes in eight Latin American countries, and the **Arithmetic of Good** Foundation for educational support for orphaned children in Russia.

28

**partner associations**  
since the creation of the Mécénat Servier Charity Fund

335 employees

involved in skills sponsorship, Congé Solidaire® and solidarity seminars

2

**days of skills-based sponsorship**

per year and per employee in France (1 day taken by the employee as part of their annual vacation and 1 day offered by the company)

**Servier – February 2020**

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