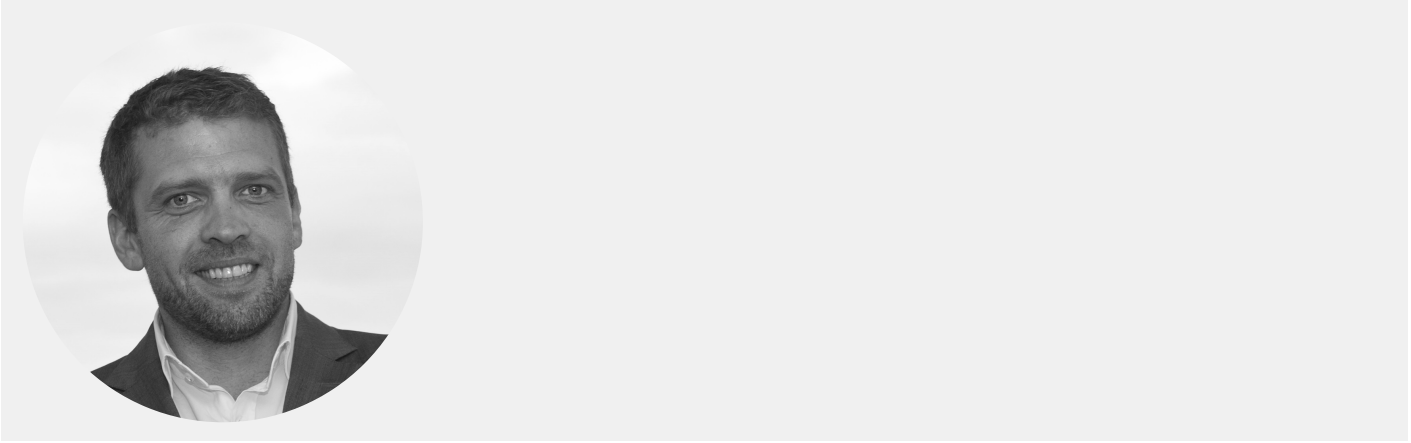
Interview: Kristian Hart Hansen, General Manager, LEO Pharma, Spain



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Owned completely by the LEO Foundation, LEO Pharma is an extremely patient-centric company focused primarily in the dermatology area. Kristian Hart-Hansen, general manager of LEO Pharma Spain, discusses the challenges in adapting to the country's regional peculiarities and the subsidiary's greater commitment to a much more stakeholder-focused approach.

What were the characteristics of Spain that attracted you to come here in 2012?

Spain has always been a fascinating country in that you have 17 countries within one country with very different cultures; in that sense, you will never fully learn Spain, which makes it fantastic place to live for a foreigner. From the economic perspective, Spain has been under pressure over the last years and has undergone significant change in many areas, this makes it challenging to do business, but on the other hand it also brings opportunities – if you manage to find them. The Pharma sector has not changed a lot over the last 20 years – both here in Spain but in general in the whole of Europe and when the environment changes you need to revise your business model and if you manage to do that – which is not easy here in Spain as well in other countries – the opportunities will arise. The question is – do you dare to do it?

One thing is certain, you need to move from a national to a regional perspective in terms of everything you do; there is no one-product strategy for Spain anymore. We are not there yet, but it has been an exciting part of the journey and it will continue.

What are some of the specific challenges regarding these regional differences?

We were used to have one strategy for the whole country for each of our business areas. The first challenge is to understand the differences in the 17 regions and understand the needs of our different customers within each region in order to be able to adapt our plans and strategies to each stakeholder in each region. This is not an easy task to change the total mindset and way of working in an organisation, but it is amazing to see what you can do when you get everybody in an organisation to work as one team.

LEO Pharma is specialising its field force to become the scientific partner for dermatologists and other healthcare specialists. This is also the reason that we are currently expanding our “medical science liaisons” and Market access (which we call patient access) teams as well as many other positions in the field. Due to the many changes in the Spanish health care environment, we now have people dedicated entirely to look at new business models that can better benefit the patients as in the end that is why we are here. As I said before LEO Pharma is owned by a foundation, and this means that we have a special obligation towards the patients. I know that most companies say that they are patient centric, but literally everything we do must and should have an impact on improving the lives of people living with a disease. This means that part of the changes we have been through has been to re-evaluate where and how we spend our resources. Being true to our mission about patient centricity we have look at how we help patients in the best possible way and this have meant that we look at certain aspects like congresses and travel slightly differently, but also to expand our collaboration with patient associations and doctors to support more patients. This has been the driving factor for the changes we have done to our business. This might not also result in “profit optimisation” but it will certainly result in “patient benefit” in the long run – that I am totally convinced about, but yes it can be a little bit scary sometimes because you can never foresee the full impact when you begin.

How was Spain affected by LEO Pharma’s EU restructuring?

In 2012, LEO Pharma created five new regions: US, EU5+ (EU big 5 + Australia and Canada), LAMEA (Latin America/Middle East/Africa), Asia and Eastern Europe/Russia. Our region, EU 5+, consists of big markets with full in house capacity locally. Simultaneously, with the creation of the regions we decided on 9 focus markets in LEO: US, France, UK, Germany, Brazil, South Korea, China, Japan and Russia. We looked at, what is driving the business now, and where will the growth opportunities come from in the future This means that Spain is not a focus market in LEO and some might say that this is a downgrade for Spain, but the changes we have experienced over the last two years in the market, not being a focus market has given us more freedom to adapt to the

changing environment and I believe that we have come out as a stronger company, more focused on our real customers – the patients. In other words we are ready for the future.

How did the launch of PicatoÒ go in Spain?

Spain experienced one of the best launches in LEO for PicatoÒ, but still not living up to our expectations, in terms of the number of patients untreated in Spain, and having a product that is by far superior to any other treatments available in terms of short treatment durations in two to three days which gives more or less a 100% adherence, dual mode of action and extremely predictable and thereby it has the potential to really improve the life of people living with Actinic Keratosis. Actinic Keratosis (AK) is a pre-cancerous disease and there is still a big gap in terms of awareness in the population here in Spain but in general all over the world. We hope that with Picato® we can help bring this pre-cancerous disease more in the spotlight to the benefit of the people living with AK. About 60 to 80 percent of us with light skin will get AK at some point in time due to UV exposure as many of us were not used to using sunscreen when we were kids, but also because of the thinning of the ozone layer which permits more UV radiation. The most used treatment globally is cryotherapy, but you treat one spot and the exposure is not only one spot but the whole field.

How is the rest of the product portfolio represented in Spain?

LEO Pharma Spain essentially has the full portfolio available. Our biggest area by far is psoriasis, and we have developed solid relationships with Spanish dermatologists during many years. InnohepÒ has been in the market since 1998 and has also grown well; the product is currently ranked third in its class in the market but is the fastest-growing. Apart from this we have a range of smaller products available, but we are constantly looking for new solutions both in Spain and around the world so we can offer people better and more optimal treatments.

LEO Pharma has boosted its investment in research over the last five years. How is that reflected in Spain?

The Spanish affiliate has increased its R&D spending over the last year by 56 percent. We are involved with many clinical studies, but from a societal perspective we are also obliged to look at what we are delivering to the societies in which we are working. In general we are trying to support and collaborate in more basic research around Spain with universities and hospitals and not only in clinical studies. In this way, we believe we deliver something back to the Spanish society in terms of disease understanding. Due to this societal perspective we are currently delivering 97 percent of the Spanish social security cost to LEO back to the society. And I am actually quite proud of that;

97 percent of what the Spanish government pays, we pay back.

How is this patient-centricity useful in Spain?

As a truly patient-centric company that is fully owned by a foundation, we are trying to make partnerships that are win-win in terms of knowledge sharing and development. In fact, LEO Pharma has opened up its full clinical data package from 1990 until the present, which is now open for global societal research. This database consists of many clinical studies with thousands of patients that researchers around the world can learn from. Being foundation owned means 100 percent of the profit is reinvested into LEO in R&D or expanding our presence globally. The better year we have, the more profit we have, the more people we can help.

What are your ambitions for the next few years?

I want people to know what LEO Pharma stands for, rather than just knowing our products. That is the most significant contribution we can give. We place integrity and safety. Having a disease like psoriasis is not just a visible condition but a psychological one as well. You can never cure psoriasis, but if you control it you can live a perfectly normal life. Being able to learn to control it means lots of effort from you and your surroundings. If families do not understand how quality of life is impacted, this can lead to greater pain. To give an example, we have had patient interviews where some patients have said that they sometimes consider putting boiling water on their skin to make the itch go away. The psychological impact and the non visible impact for many people living with a skin disease are much bigger than we can imagine and it is our obligation to make sure that the society knows this so we can help more people live a normal life. When we say we are patient centric we mean that we put equal emphasis on all aspects that can help people live a better life, this means that for us are the product, the doctors, the nurses, the pharmacies, the families, the media, the wholesaler, and the authorities equally important as they all have a very important role to play to help people.

Putting all this together, I want people to know that LEO is there for them. We promise a 100 percent commitment to deliver what patients need, and to listen to them through patient advisory boards. That means we are delivering products and services that benefit the patients. We will sometimes launch solutions that will lower our profits in some areas but we are willing to do this in order help more people. That is who we are and that I am proud of.

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