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a PHOENIX service

MAGAZINE

LogiPharma



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Live Licensing - Blurring the lines between Clinical and Commercial Supply Chain

Mai Loan Le, Sandra Schomburg and Hugh Adams
PHOENIX group

PHOENIX group

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THANK YOU TO OUR SPONSORS:





Dear reader,

The fiscal year 2016/17 ended with record figures for PHOENIX group achieving a total operating performance of €30.2 billion, with a growth of 6.1 per cent. As your trustful and perfect partner in Europe, our company is well positioned.

To offer you high-quality services along the entire value chain, we constantly develop our European service brand PHOENIX All-in-One further.

To stay on top of the development in healthcare logistics, PHOENIX group invests more than €75 million in its new state-of-the-art warehouse in Denmark. Apotek1, our Norwegian pharmacy chain, was awarded the best pharmacy for the sixth year in a row, and at LogiPharma in Montreux, we presented our European Clinical Trial Supply Services.

Our goal is to make your business grow!

Kind regards

Stefan Jung

Head of Pharma Services

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Cover picture: PHOENIX group presentation at LogiPharma 2017.

The All-in-One magazine is published by PHOENIX Pharmahandel GmbH & Co KG, Pharma Services, Pfingstweidstraße 10-12, 68199 Mannheim, Germany. Editorial team: Olaf Christiansen (Chief Editor; o.christiansen@phoenixgroup.eu), Benjamin Baranyai, Hrvoje Barlovic, Hanne Bergholm, Walter Fortunat, Stephan Künzler, Mai Loan Le, Kjersti Solberg Ofstad, Thomas Sommereder, Casper Koch Villumsen.

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PHOENIX GROWS ABOVE MARKET

The PHOENIX group has had a successful business year 2016/17. In the fiscal year 2016/17 (31/01/17), the total operating performance of the pan-European pharmaceutical trader rose by 6.1 per cent to a record figure of €30.2 billion.

PHOENIX group

The total operating performance of PHOENIX group comprises revenue and handled volume. The group revenue increased by 5.1 per cent to €24.4 billion. The growth was thus more than twice as high as the overall European market (plus 2.3 per cent). This was primarily attributable to increases in revenue due to acquisitions such as Mediq Apotheken Nederland B.V. – one of the largest acquisitions in company history.



The PHOENIX group board (from left to right): Frank Große-Natrop (Operations/Logistics), Stefan Herfeld (Retail), Oliver Windholz (CEO) and Helmut Fischer (CFO).

PHOENIX group 2016/17 at a glance

- Record figures in 2016/17 with total operating performance of €30.2 billion and revenue of €24.4 billion
- Expansion to over 2,000 own pharmacies throughout Europe
- Largest European cooperation network for independent pharmacies
- Fiscal year 2017/18: planned growth in revenue in almost all markets as well as increase in EBITDA

Overall, the revenue of PHOENIX group rose throughout Europe. In most of the 26 countries, the company was able to expand its market position.

Oliver Windholz, Chief Executive Officer of PHOENIX, was confident about the current year at the presentation of the balance sheet in Mannheim: *“For 2017/18, we again expect revenue growth above the European pharmaceutical markets and revenue increases in almost all markets despite a challenging market environment.”* The EBITDA is also expected to rise substantially and exceed this year’s value.

In the past year, the EBITDA before non-recurring items fell to €472.3 million. This was essentially owing to increased pressure on margins in Germany, and regulatory interventions in the United Kingdom, which PHOENIX counters with result optimisation measures.

“We intend to continue our profitable growth, even if the pressure on healthcare budgets in the countries persists and the requirements on pharmaceutical distribution increase”, says Windholz. The PHOENIX group CEO believes that the company is more broadly positioned than most of the competition. PHOENIX intends to drive forward the integration of the acquired companies and to continue its integrated expansion of the Wholesale, Retail, and Pharma Services business.

Scan the QR-Code to read the complete press release and download the annual report with all figures.



BIG EVENT IN MONTREUX

Many fruitful discussions with you, our industry partners, took place at our PHOENIX All-in-One stand at LogiPharma Europe in Montreux (Switzerland), one of the biggest and the longest-running supply chain events in Europe.



Hugh Adams, Head of Sales Pharma Services Europe, and the Clinical Trial Experts Sandra Schomburg, European Clinical Trial Manager, PHOENIX group (left), and Mai Loan Le, Head of Nomeco CTSM, our Danish affiliate (right), during the presentation about Live Licensing.

Since its inception 17 years ago, thousands of supply chain professionals from the top pharma, generics and animal health companies have taken their careers to new levels by learning new skills and establishing new onsite contacts. LogiPharma is the largest global event for supply chain leaders and their teams from top pharma companies. Each year, the industry gathers there to get new

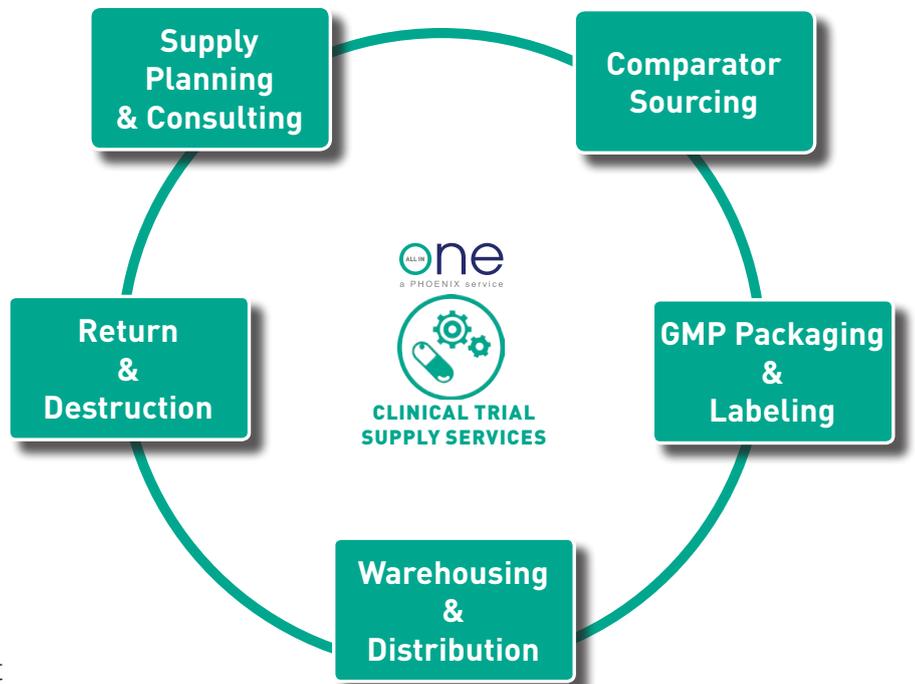
perspectives on how to add value to their business and their customers.

LogiPharma is customised to meet the specific needs of every supply chain function – uniquely bringing together supply chain leaders with their logistics, transportation and distribution, planning, IT, quality and procurement teams.



Participants learn through real-life case studies, small interactive working groups and head-to-head debates how to tackle every current challenge including digitalisation, the Falsified Medicines Directive, and how to achieve a customer-first strategy throughout the entire value chain.

Over the years, the LogiPharma network established by previous attendees has grown further providing new participants access to senior pharma supply chain leaders for unique professional development opportunities.

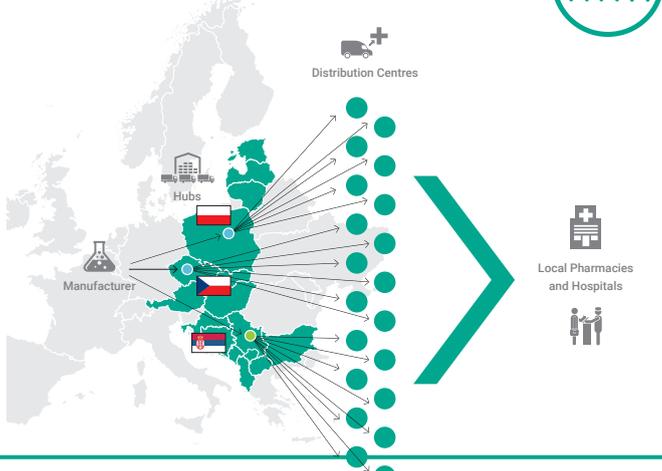


PHOENIX All-in-One has been participating in the LogiPharma for several years, presenting our growing service portfolio, with special focus on the Healthcare Logistics Network CEE Bridge and the modern warehouse in Vienna providing perfect access to Central and Eastern Europe.

Another focus topic at LogiPharma was Clinical Trial Supply Services, a European solution offered by PHOENIX group. It combines existing experiences e.g. from Nomeco in Denmark and PHOENIX in Croatia and Serbia. Many LogiPharma delegates joined our presentation about this topic on Wednesday afternoon.



CEE BRIDGE: One network with unlimited solutions.



AMEDIS PARTNERTAGUNG



More than 150 decision-makers from the pharmaceutical industry were welcomed at the 2nd Amedis Partner Meeting to gather specific information about the impact of the new legislation to the pharmaceutical logistics. Amedis is the Swiss PHOENIX group company.

Based on the continuously stormy times and the market movements caused by new legislations which provide a climate of uncertainty, the motto of this event in Zurich remained the same: "Safe havens, new worlds".



„First-class, first-hand information, presented by top-class speakers“ was the aim of this

Interesting panel discussions with (from left to right) René Jenny (pharmalog), Dr. Enea Martinelli (GSASA), Dr. Sven Bradke (APA), moderator Dr. Markus Meier, Didier Rey (PharmaSuisse) and Kaspar Niklaus (Amedis).

meeting, as Kaspar Niklaus, Managing Director of Amedis-UE AG, pointed out in his opening. He was pleased about the full house and was looking forward to some hopefully controversial debates. The audience was asked to retrieve as much useful information as possible as the legal situation will „keep us busy and will have a strong impact on all of us“.

Who will pay for all the additional costs?

Kaspar Niklaus explained, based on his personal experience, that a lot of efforts still have to be made in regards to the pharmacists and to calm their disquiet. His result: We have to defend ourselves more! The big opponent is the increasing governmental influence. If this continues, the government will stipulate everything. It may also be asked who will bear the increasing healthcare costs.



Niklaus: *“Do you as industry partners contribute to the GDP? These costs are currently payed by us, the logistics providers.”*

Once again, Dr. Markus Meier led through the program and the panels in a competent and charming manner. As he said: *“The weather today is not as good as last time which goes with the stormy times we are facing”*. But there were also good news: Many of last year’s issues have already been implemented by Amedis.

The 150 guests benefited from up-to-date information and specific knowledge about „burning“ issues. René Jenny, President pharmalog.ch, made projections on how the market will develop in terms of legislation and regulation. On behalf of the GSASA (Swiss Pharmacist Society), Dr. Enea Martinelli spoke about the impact of the new provisions on the hospital pharmacies. Dr. rer. publ. HSG Sven Bradke, Director APA (Dispensing Doctors Association), explained the consequences of the HMG-Revision for the self-dispensing doctors and Didier Ray, Board pharmaSuisse, analysed the new legislations for pharmacists. After the serious business topics, comedian Florian Schröder provided as “surprise guest” a relaxed atmosphere and targeted the funny bone of the audience.

EVENTS FOR STAKEHOLDERS



For the ninth year in a row, PHOENIX Austria organised in cooperation with industry partners an event called „PKA-Tage“ for pharmacists and their teams. Out of four events 2017, the first two took place in Graz and Vienna earlier this year – and have been successful for participants and industry partners alike.



The two events in Graz and Vienna set a new record with 300 participants, an outstanding spread of knowledge and a pleasant atmosphere. The “PKA-Tage” focuses on the personal development of pharmacists and their team regarding one specific theme with a top-class keynote speaker. Whether the focus topic is communication, body language, manners or rhetoric – the diversity of themes is huge and this year we focus on sales competence.

By establishing the event in 2009, PHOENIX Austria put the focus on a very important pharmacy group – the PKA (*Pharmazeutische Kaufmännische Angestellte(r), a Certified Pharmaceutical Clerk in pharmacies*). On the basis of further education, strengthening of the self-consciousness of our participants and increasing competence and efficiency was our goal. One reason these events are highly appreciated by the participants.

Our twelve industrial partners remained nearly the same since the events started in 2009 – a trustful cooperation for almost a decade. The planning for 2018 has already started, and all industrial partners will participate again. The Austrian success story with the “PKA Tage” is continuing.

Healthcare Get Together

More than 50 guests from different manufacturers joined the HEALTHCARE GET TOGETHER in Hagenbrunn near Vienna, Austria with PHOENIX Austria Group Logistics Director Mag. Hubert Neurauter and keynote speaker Dr. Rudolph Schwarz, Managing Director of “Die Presse” and experienced Consultant.

The event took place in our new Hagenbrunn Healthcare Logistics warehouse. Vienna is the perfect gateway to Central and Eastern Europe. PHOENIX Austria has built a modern, state-of-the-art healthcare logistics warehouse in Hagenbrunn, centrally located on the highway 12km east of Vienna. The guests were impressed by the culinary delights according to the local Austrian motto „Ausg‘steckt is“ and by the modern facility they visited during guided warehouse tours.

“It was a great event and a perfect opportunity to show our industry partners our capabilities in the healthcare logistics sector and our connection with the CEE Bridge network to position ourselves as gateway to Eastern Europe”, said Hubert Neurauter, Group Logistics Director PHOENIX Austria.



TOPPING-OUT IN KØGE



The new 100,000 square meters healthcare logistics warehouse in Køge near Copenhagen in Denmark is taking shape. On 22nd June 2017, the internal topping ceremony took place. Take-in-Operation is planned for summer 2018.



When the bus from Copenhagen leaves the E20 motorway in the small coastal town of Køge, you can already see the huge walls of the newest healthcare logistics warehouse of PHOENIX group. The impressive high-bay area with a height of 30 meters is only one part of the modern facility opening in a year from now.

On 22nd June 2017, Nomeco, the Danish PHOENIX group company, celebrated the topping-out ceremony of the warehouse. From sum-

mer 2018 onwards, more than 60,000 pallet places will be available in the facility close to Copenhagen Airport and all major roads. With high-bay, high-bay cool area, case warehouse, manual storage area and cuby warehouse, the modern warehouse and gateway to the Nordics will set standards. *"I simply can't wait to open-up this new site – which in only one year will become not only the largest, but best in class in regards to efficiency and quality"*, said Per Hansen, Group Logistics Director of Nomeco Denmark at the topping-out ceremony.



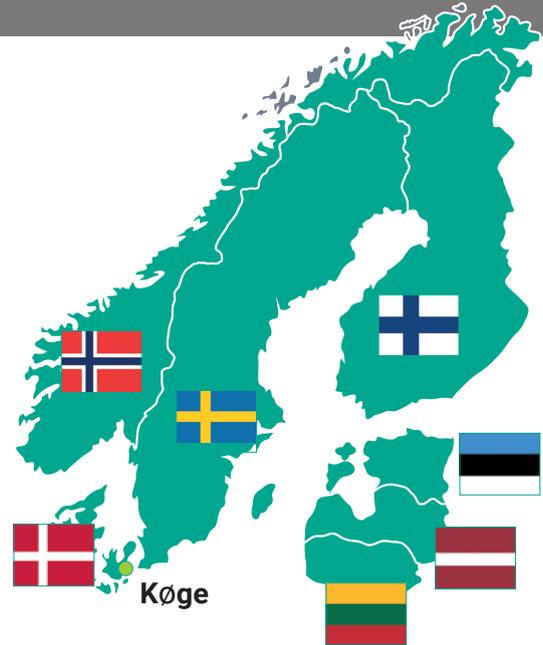


Frank Große-Natrop, PHOENIX group board member, and Nomeco Group Logistics Director Per Hansen (right).

"We are grateful to have such a dedicated crew here on the site and I am confident that, a year from now, we can welcome the first customers in this brand new place".

Frank Große-Natrop, PHOENIX group board member, stated that "PHOENIX group has the vision to become the best integrated healthcare provider – here in Køge, this vision becomes very concrete in a double sense with so much concrete used to build our 100,000 square meters warehouse".

The Køge warehouse with state-of-the-art equipment, quality management and optimised automated processes brings our healthcare logistics services in the Nordics to a new level and offers you, our industry partners, more options and services for the entire region.



High-bay warehouse



Huge high-bay warehouse part for primary storage of pallets

- Two self-supporting fireproof walls of 110 x 30 meters
- 16 automatic cranes move the pallets, which are controlled by the new warehouse management system, WAMAS
- Possibility of expansion to three additional cranes with three extra pallet aisles
- The high-bay is **fully automated** and operates without human interaction (technicians have access in case of maintenance / unexpected failures)
- The entire high-bay is subject to the highest level of security on the site

Special handling and special goods

- Restrictions for placement of high risk goods
- Manual area for expired products, returned goods, and recalled products

APOTEK1 BEST PHARMACY



With more than 2,000 own pharmacies in Europe, PHOENIX group is strong in retail as well. In Norway, our Apotek1 pharmacies are market leaders – and once again, for the 6th year in a row, ranked best pharmacies in Norway when it comes to customer satisfaction and loyalty in Norway.



NORWEGIAN PHARMACIES		
PLACE	COMPANY	STARS
1	Apotek 1	★★★★★
2	Ditt Apotek	★★★★
3	Vitusapotek	★★★★
4	Boots	★★★

On 15th May 2017, the BI Norwegian Business School published its annual survey “Norsk Kundebarometer”, which focuses on the relations between consumers and businesses (see green box on the right). Apotek1, PHOENIX group’s pharmacy chain in Norway, is at the top again.

“Clearly, this survey says a great deal about how much we value our customers” (Knut Arne Colbjørnsen, Apotek1)

Knut Arne Colbjørnsen, Group Retail Director, says he is extremely proud to see that Apotek 1 is appreciated by its customers.

Colbjørnsen emphasises the importance of the staff in all 350 pharmacies all over Norway who work hard every day to make sure the customers are taken care of. *“Clearly, this survey and our 48% market share say a great deal about how much we value our customers”,* says Colbjørnsen.

In addition to being the best pharmacy, Apotek 1 is also ranked number 17 on the overall list when

compared with the 160 evaluated companies within 30 different fields, and it is the only pharmacy that can pride itself with 5 out of 5 stars, which require a satisfaction rate above 80 per cent. These results are a good reason for celebration, because even though Apotek 1 is Norway’s largest pharmacy chain, it can never be taken for granted that it remains the chain with the most satisfied customers.

Norwegian Customer Barometer

Norsk Kundebarometer (Norwegian customer barometer) is a research program run by BI Norwegian Business School, with a focus on relations between customers and businesses. Based on an annual survey of Norwegian households (9,300 consumers), it collects data that may be used for comparison between businesses, comparisons between various industries, and comparisons over time.

TAMRO ACQUIRES MEDAFFCON



The acquisition of Medaffcon by Tamro in Finland, a PHOENIX company, gives PHOENIX group new opportunities for utilising health information in business development in the Nordic country. In April, Tamro signed an agreement with Medaffcon to acquire the entirety of the research and consulting company in the field of pharmaceutical industry and healthcare.



From left to right: Petri Kansi, CFO Tamro Corporation, Kristiina Pelli, Development Director/ Sr. Scientific Project Manager Medaffcon, Tatu Miettinen, Medical Director Medaffcon, Jaana Ahlmaa, Director Medical Affairs Medaffcon, Jarmo Hahl, Managing Director Medaffcon, Kai Kaasalainen, Managing Director Tamro Corporation.

Medaffcon has strong expertise in medical and health-economic services. As a pioneer, the company has carried out Finland's first commercial biobank researches and developed methods for evaluating the effectiveness of treatments.

In the future, knowledge-based products and services are one of the key factors for success in the health sector. This transaction will offer both Tamro and Medaffcon strategic support for utilising health information in a versatile manner, for the use of different operators in the sector.

"This strengthens our ability to provide pharmaceutical companies comprehensive service, and we can offer our customers new business development opportunities. It becomes ever more important to be able to utilise people's health information as comprehensively as possible, and, in particular, the effectiveness of healthcare has to be measured

and assessed extensively. Medaffcon is the leader in its field, making it an excellent partner for Tamro", says Kai Kaasalainen, Tamro's Managing Director.



"Our expertise in the utilisation of health information will expand Tamro's service portfolio for the benefit of pharmaceutical companies. Also, we can rely on Tamro's support for our growth and internationalisation objectives. It feels great to bring Finnish expertise on health information to the world together", says Jarmo Hahl, Medaffcon's Managing Director.

"We are well on track towards becoming the leading integrated health care provider in Finland, offering services for the entire pharmaceutical supply chain," said Oliver Windholz, CEO of the PHOENIX group, with regards to the acquisition.

ALL-IN-ONE NEWSFLASH

PHOENIX group

Launch of new category brand
LIVSANE for all pharmacies in Europe



The PHOENIX group launches LIVSANE, its first Europe-wide category brand for all pharmacies. From July 2017 onwards, LIVSANE health products will gradually become available in ten European countries.



As part of the PHOENIX Pharmacy Partnership, this range is designed for independent pharmacies within the PHOENIX cooperation programmes as well as for individual pharmacies supplied by the company as pharmaceutical wholesale customers. The healthcare provider will also market LIVSANE products in its own BENU pharmacies.

Nomeco CTSM

Highest Quality in Clinical Supply



In May 2017, the Danish Medicines Agency performed the regular inspection of Nomeco CTSM, the Clinical Trial Supply Branch of our Danish company Nomeco.



Due to our continuous efforts in maintaining a high quality level within EU Good Manufacturing Practice (GMP), we were **not given any observations** by the health authorities. Our philosophy is doing it right, even when no one is watching.

Visit www.ctsm.eu if you want us to deliver quality to your clinical trials.

PHOENIX Croatia

First year of successful cooperation with Omega Pharma in Croatia



In the beginning of June 2016, PHOENIX Farmacija, a PHOENIX company, and Omega Pharma (formerly known in Croatia as Adriatic BST) started a close cooperation on the Croatian market, which includes exclusive distribution partnership, marketing services and sales force support.

As the Omega team, that consists of one KAM and three sales representatives, has already been a part of PHOENIX for one full business year, the PHOENIX Croatia team has received positive feedback from customers, other partners and the market in general. Effective communication regarding the reporting and planning of sales and marketing activities has been maintained with the regional Omega pharma team from the very start, and this is surely one of the key factors for our mutual business success. The main products of Omega pharma portfolio on the Croatian market are Coldrex, Wartner, Paranit and Jungle Formula and since the start of our cooperation most of these products have kept and even improved their position as market leaders in related categories.



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If you want to start a similar cooperation with us, Dario Mitric, Business Development Manager, is happy to discuss any possibilities with you: D.Mitric@phoenix-farmacija.hr, phone +385 1 3650 106.