

TRANSPARENCY DISCLOSURE FOR TRANSFERS OF VALUE (ToV) TO HEALTHCARE PROFESSIONALS (HCP) AND HEALTHCARE ORGANISATIONS (HCO)

Country of Disclosure: Switzerland

Year of Disclosure: 2023 for 2022-year data

This document is intended to guide the readers in understanding how Dr. Falk Pharma AG derived and calculated the amounts presented in their 2022-year disclosure.

1. Why a Disclosure of Transfer of Value Code?

A transparent approach to our collaboration with Healthcare Professionals (HCPs) and Healthcare Organisations (HCOs) is important for Dr. Falk Pharma AG and we systematically track the cooperation activities with the related expenses with physicians, medical scientists, hospitals, and other HCPs as well as with HCOs. Collaborative working between healthcare professionals (HCPs) and commercial life sciences organizations has long been a positive driver for advancements in patient care and progression of innovative medicines. The continuous involvement of HCPs and HCOs, in educational programs and receiving medical advice from experts, will finally have the aim to deliver positive outcomes for patients and advancing high quality patient care. In some cases, HCPs and HCOs may be compensated for providing these services to the industry and these payments are referred to as Transfers of Value (ToV).

2. Introduction to Transparency Disclosure and the Purpose of this Document

Dr. Falk Pharma AG publicly disclose the financial support and/or significant indirect/non-financial support to Patient Organizations (PO) on its corporate website (www.drpharmach.com).

As the primary point of contact with patients, the medical profession can offer invaluable and expert knowledge on patients' behavior and management of diseases. This plays an important part in informing the pharmaceutical industry's efforts to improve patient care and future treatment options – and is essential in improving health outcomes.

A healthy working relationship between the pharmaceutical industry and HCPs/HCOs is in the best interest of patients. The EFPIA Disclosure Code was created to protect the integrity of these relationships and represents a step towards fostering greater transparency and building greater trust between the pharmaceutical industry, the medical community and society across Europe.

In line with this Code, Dr. Falk Pharma AG believes that relationships and collaborations between healthcare professionals and the pharmaceutical sector are mutually beneficial and have a profound and positive influence on the quality of patient treatment and the value of future research. Increasingly, experienced HCPs are called upon to inform product development and explain why therapies and innovations are necessary and demonstrate value to patients.

Dr. Falk Pharma AG reviews its business code, compliance policies and procedures regularly and makes changes as appropriate based on both external and internal factors, to ensure its business practices reflect all relevant laws, regulations and industry codes that govern the company's business, while always maintaining patient safety.

Dr. Falk Pharma AG will disclose all Transfers of Value to HCPs and HCOs in accordance with its commitment to Swiss Pharma-Kooperations-Kodex (PKK) which is in alignment with the EFPIA Disclosure Code except some national modifications for Switzerland.

The term 'transfer of value' means a direct or indirect transfer of value, whether in cash, in kind or otherwise, made, whether for promotional purposes or otherwise, in connection with the development or sale of medicines. A direct transfer of value is one made directly by a company for the benefit of a recipient. An indirect transfer of value is one made on behalf of a company for the benefit of a recipient or through an intermediate and where the company knows or can identify the recipient that will benefit from the transfer of value.

In Switzerland, the PKK requires that pharmaceutical companies which have signed the PKK document and publicly disclose certain transfers of value made directly or indirectly to HCPs, HCOs and PO located in Switzerland or Europe.

Transfers of Value to Swiss HCOs and HCPs that occurred between 1st January to 31st December 2022 will be made public by 1st July 2023; data will be disclosed on the Dr. Falk Pharma AG corporate website (www.dr.falkpharma.ch).

For non-monetary transfers of value, a perceived equivalent value to the recipient is stated.

3. Definitions

Dr. Falk Pharma AG has kept the EFPIA Code definitions of HCP and HCO and taken the ABPI Code definition for Other Relevant Decision Makers (ORDM).

HCP: Any natural person that is a member of the medical, dental, pharmacy or nursing professions or any other person who, in the course of his or her professional activities, may prescribe, purchase, supply, recommend or administer a medicinal product and whose primary practice, principal professional address or place of incorporation is in Europe. For the avoidance of doubt, the definition of HCP includes: (i) any official or employee of a government agency or other organization (whether in the public or private sector) that may prescribe, purchase, supply or administer medicinal products and (ii) any employee of a Member Company whose primary occupation is that of a practicing HCP, but excludes (x) all other employees of a Member Company and (y) a wholesaler or distributor of medicinal products.

For the purposes of disclosure, Dr. Falk Pharma AG regards all employees of the national public health service or any private Healthcare Provider as HCPs regardless of their professional status. In addition, Dr. Falk Pharma AG regards all registered or qualified healthcare professionals as within the scope of disclosure regardless of their national public health service status. Thus, retired HCPs fall within scope and academic staff who provide clinical services and support too.

Any Dr. Falk Pharma AG employee whose primary occupation is that of a practicing HCP are in scope of this disclosure. Transfers of value to that group will therefore be disclosed, including their salary from Dr. Falk Pharma AG.

Healthcare Organization (HCO): Any legal person (i) that is a healthcare, medical or scientific association or organization (irrespective of the legal or organizational form) such as a hospital, clinic, foundation, university or other teaching institution or learned society (except for patient organizations within the scope of the EFPIA PO Code) whose business address, place of incorporation or primary place of operation is in Europe or (ii) through which one or more HCPs provide services.

Dr. Falk Pharma AG collectively refers to HCP, HCO, and PO as healthcare customers.

Donations and Grants: Donations and Grants, collectively, means those donations and grants (either in cash or benefits in kind or otherwise) to institutions, organizations or associations that are comprised of healthcare professionals and/or that provide healthcare or conduct research. Grants are provided to fulfil a specific purpose, but for which the specific activities

needed to undertake it have not been defined. They are only allowed if: (i) they are made for the purpose of supporting healthcare or research; (ii) they are documented and kept on record by the donor/grantor; and (iii) they do not constitute an inducement to recommend, prescribe, purchase, supply, sell or administer specific medicinal products. Donations and grants to individual healthcare professionals are not permitted.

4. Data Privacy & Consent

Dr. Falk Pharma AG fully supports the concepts of transparency and data privacy. Data Privacy law requires that all pharmaceutical companies, and therefore Dr. Falk Pharma AG, obtain permission from individual HCPs prior to disclosing personal data such as individual transfers of value made to them and attributable by name.

Dr. Falk Pharma AG does not enter into agreement with HCPs, HCOs or ORDMs (Other Relevant Decision Makers) who refuse to abide by the principles of transparency. Note that HCPs have the right to opt out from individual disclosure and revoke their consent at any time, and Dr. Falk Pharma AG must abide by their preferences. Dr. Falk is strongly committed to fulfill a 100% transparency and holds out the possibility of not concluding contracts supporting projects in case of unwanted disclosure.

Every time Dr. Falk Pharma AG enters into an agreement with an HCP or HCO for a given interaction (e.g., project work, meeting, event, grant, consultancy fee), the contractual agreement clearly indicates the type of disclosure agreed (i.e., consented to) by the healthcare stakeholder. Dr. Falk reserves the right to review the collaboration and not to conclude a contract in case HCP do not opt to have some transfers of value published individually (via individual disclosure). Dr. Falk Pharma AG seeks consent to disclose transfers of value made to an HCP or HCO for each transaction or interaction they are contracted for.

Where permission has not been obtained or where the individual HCP has refused to provide consent on an individual basis, Dr. Falk Pharma AG has declared the total spend as an aggregate figure. In the spirit of transparency, Dr. Falk Pharma AG seeks the consent to disclose all its transfers of value at an individual level so new consent is sought for each new interaction or project.

5. Transactions

Transaction Date versus Service Delivery Date

Dr. Falk Pharma AG handles and declares the transfers of value from the time of payment to the healthcare customer, i.e., the transaction date, rather than when the service, interaction or event actually occurred. This means that there could be some instances where the transfers of value disclosed in 2022 are reported in 2023, and transfers of value related to 2021 made in 2022.

Transfers of value will always be paid after the engagement has taken place, except for grants (see definition). Grants will be paid before the event takes place, or the purchase to what the grant is for.

Management of Multi-Year Contracts

In a similar spirit to the above point, where projects run for several years, Dr. Falk Pharma AG declares the amount paid relevant to the year in which each part of the payment was made. Thus, a project which spans 2 calendar years and includes several individual transfers of value during that time will have two associated disclosures (i.e., one for each calendar year showing the value of the transfer made in that specific calendar year).

VAT

Fees and honoraria consultancy exclude VAT and recoverable local taxes.

Expenses related to an event or meeting (travel, accommodation, taxi) may include VAT or local taxes where applicable.

VAT, if included, is the national VAT of the country where the spend is incurred, i.e. 8% in Switzerland.

Handling of Currency and Exchange Rates

The values in the disclosure template are expressed in local currency, i.e. in Swiss Francs for Swiss data.

Where values had to be converted into Swiss Francs from another currency, the exchange rate used was the Actual Conversion Rate at the time of the transaction.

6. Medical Grants

From time to time, independent companies running medical education projects may request a grant from Dr. Falk Pharma AG to sponsor or fund their work. In such case, Dr. Falk Pharma AG has no influence over the detail of the project and might not know whether or which HCP has been contracted. Transfers of value are disclosed accordingly against the HCO.

7. Grants and Donations

When Dr. Falk Pharma AG is asked to provide a grant or make a donation to an HCO to assist its employees to attend medical or scientific meetings (i.e., that could include the contribution to registration fees, or travel and accommodation), the associated transfers of value will be disclosed accordingly against the HCO, unless the request is associated with named individuals. If the request is associated with a named HCP, the disclosure is made as if the named HCP directly benefitted from the transfer of value. Where Dr. Falk Pharma AG is not aware of the names of the HCPs receiving the support, the grant is declared against the HCO that made the request.

8. Contributions to Meetings

Dr. Falk Pharma AG disclose all payments made to medical associations and HCOs in relation to meetings. This includes direct funding such as sponsorship fees or the right to erect an exhibition stand, and indirect support such as providing a logistics agency or subsidizing the cost of registration fees, travel and accommodation. Expenses to attend company-arranged meetings are also disclosed, and the detail of all these transfers of value are provided in the relevant line entry.

Costs related to subsistence are outside the scope of the disclosure since the meal costs are regulated by strict industry guidelines. Occasionally, subsistence may have to be included when it is not possible to single out the cost of the food because it is included as part of a general receipt containing other costs that must be disclosed.

In Switzerland, stand space provided to HCOs are calculated and disclosed per individual HCO. Dr. Falk Pharma AG supports the attendance of HCPs at medical and scientific meetings. Where costs are not individually itemized (e.g., the cost of a bus transferring a group of HCPs from an airport to a conference venue), the total cost is split equally between all those receiving the benefit.