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The only critical success factor in moving forward and getting innovative products reimbursed is for pharmaceutical companies to be seen as a real partner; a real stakeholder

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Werner De Prins oversees Bayer's operations in Benelux, a significant region for the global group with over 2000 employees, a turnover of around EUR 1.2 billion and 10 different sites across pharmaceuticals, crop science and consumer health, covering marketing & sales, R&D, and production with a global reach. De Prins outlines the challenges and synergies that have emerged from bringing the Dutch and Belgian affiliates together, the work underway to prepare the ground for Bayer's entry into the cell and gene therapy space, and what continues to motivate him after almost a quarter of a century with the company.

How would you characterize Benelux's significance to Bayer on a European and global level?

We have a significant footprint in the sense that we are in the top ten pharmaceutical companies, according to IQVIA, within Benelux. Sales is one part of the story, but we have many other activities, including around 50 clinical trials in both Belgium and the Netherlands.

In the short term, it is important to create value through generating capital which is needed to reinvest into research and development. For the future, we plan to continue to run many clinical

trials if the EU climate stays supportive. We can attribute this to the quality of the centers in Benelux, especially those specializing in oncology, ophthalmology, and cardiovascular.

Physicians here are interested in innovation and like to participate in clinical trials. In most cases, the bigger hospitals and universities are well equipped to run clinical trials.

How do Bayer's operations and strategy differ between Belgium and the Netherlands?

In the past, we had two separate organizations in the two countries. However, over the last two months, we have implemented an integrated approach, and now have one Benelux management team under my leadership.

The rationale behind the move was that the data showed an 80 to 90 percent overlap in the drivers for each market. We moved to one, integrated team, to allow colleagues with the same expertise to work more closely together and come up with better solutions for customers and patients in both countries. We already see clear progress in terms of people, but also processes and knowledge around products.

Were there any challenges to this multi-country integration on a management level?

It has definitely been a challenge. However, we have been careful to utilize a '50/50' approach, with 50 percent of staff across the whole organization, but crucially the leadership team, coming for 50 percent from Belgium, and the other half from the Netherlands. There are also cultural differences to be aware of. That is one of the reasons we have implemented necessary change workshops to educate people on these cultural differences.

Your role covers pharmaceuticals, but also the crop science and consumer healthcare business. Can you talk about how you manage and prioritize those different fields in this big organization?

I am the CEO of Bayer Benelux which covers eight sites and roughly 2000 people with different levels of activities, from R&D in vegetable seeds in Bergschenhoek, to the crop science manufacturing plant in Antwerp. Then, also the commercial organizations. To be clear, across the three divisions of Bayer – pharmaceuticals, crop science and consumer health – I only have profit

and loss responsibility for pharmaceuticals. However, I am the public face for the group. Also, all enabling functions report to me, whether HR, communication, finance, or accounting. We deliver the necessary services to the three commercial organizations.

The company has announced a global refocusing of its research efforts on oncology, cardiovascular, neurology, rare diseases, and immunology. How are these global shifts playing out in Benelux, and how might they influence operations moving forward?

One thing is for sure, which is the company's move into cell and gene therapy, as shown in the words and actions of the CEO of our pharmaceutical division, Stefan Oelrich. These therapies will hit the market between 2028 and 2030. We must prepare both the internal organization as well as external stakeholders proactively. That is the reason why we have established rules and new functions within the organization that are much more focused on external stakeholders such as patient associations and regulatory bodies. Laying the ground for these new innovations is crucial as we may face tough negotiations to get them on the market at an acceptable price.

Furthermore, we are establishing the nucleus concept in the organization. It is a role, rather than a function, that changes every two years. We also established a nucleus of rare disease, a person who is also a member of the leadership team.

There is, however, a balance to be struck between these exciting new therapies which are not yet on the market and our existing revenue-generating product lines. I must keep my organization focused on the latter to a certain extent to generate the needed capital to re-invest in innovation.

Historically, companies have had difficulty getting very innovative cell and gene therapies to market in Belgium. What is your assessment and what are your expectations for Bayer's entry into this field in the country?

For Europe, in general, and Belgium (and the Netherlands), it will be essential that patients have access to these innovative therapies. Because otherwise, compared to other more innovation-friendly countries, like the US, we risk going back to the stone age. My hope is that the different stakeholders in the pharmaceutical industry, but also all other stakeholders such as patient associations, health authorities, health care professionals get together to create an integrated approach. However, such an approach will only be possible when trust is in place. Currently, trust between the different stakeholders is sub-optimal, which can make complex negotiations very

difficult.

During the COVID-19 pandemic, I thought we were entering a new era, where there was much more transparency between the authorities and the pharmaceutical industry. However, based on our experience with new dossiers filed over the last few months, I unfortunately have seen that this is not the case.

It is not just big leaps of disruptive innovation, such as cell and gene therapies, but even incremental innovation, answering the patients' needs, is extremely difficult to get reimbursement for. I get the impression that we are moving further away from science and focusing only on a price discussion without considering the added value or the cost-effectiveness.

Additionally, ten to 15 years ago, the Belgian authorities promised a push towards greater generic and biosimilar penetration, thereby freeing up funds for innovation, but we are yet to see this happen.

We have heard apocryphally that there is a slightly more antagonistic relationship between the pharmaceutical industry and the government in the Netherlands, while Belgium is slightly more open to debate. Do you see that characteristic as fair?

I have the impression that these authorities are speaking more and more to each other. The authorities want to strengthen the collaboration via Beneluxa [an initiative on pharmaceutical policy involving health services in Belgium, the Netherlands, Luxembourg, Austria and Ireland – Ed.] and the regular exchange of ideas.

The access situation is becoming difficult in the Netherlands, but also in Belgium. My feeling is that in the past, there was a greater openness and willingness towards negotiations, but there seems to be an increasing focus on price and cost at the expense of all else, and a decreasing appreciation for the value of incremental cost-effective innovation even if through compassionate use programs the medical need was recognized by the Health Authorities

Incremental innovation is essential. For example, the survival rates of breast cancer have increased thanks to incremental innovation. That is dosage form, in combination with other therapies, doing the correct clinical trials, etc. But I have the impression that combining therapies and comparing them with standard of care is no longer recognized as innovation.

What is your take on the new medicines roadmap in Belgium and its potential impact?

I think that the authorities are sitting around the table, listening to the industry's arguments, but not moving forward to something concrete. The only critical success factor in moving forward and getting these innovative products reimbursed is for pharmaceutical companies to be seen as a real partner; a real stakeholder. From the moment they establish these working groups at the level of the authorities, they should bring in the pharmaceutical industry and keep them until the final conclusions, so that they are much more embedded in the process.

What do you hope to achieve with the Bayer Benelux in the coming years?

Oncology is at the top of my priority list. As a pharmaceutical company, you cannot permit yourself to move out of oncology. Another important priority is cardiovascular, where we already have an important product on the market with a successor coming soon. Bayer is also present in women's health and wants to remain active in this business. Finally, we also have the cell and gene platforms. In the past, our strategic priorities were not linked to platforms, but to trial and error. However, now, with these cell and gene platforms, working on the level of the genome, we can generate products in ophthalmology, oncology, hematology, or cardiovascular. There are plentiful possibilities.

After almost a quarter of a century with Bayer, what keeps you engaged and motivated to work with the company on a day-to-day basis?

What really motivates me is that Bayer is always on the move. When I started at the company, we had three divisions: pharmaceuticals, diagnostics, and material science. So, over the years, the company has transformed from a purely chemical company to one focused more broadly on health and nutrition.

The company's focus on its people also motivates me. Recently, many new starters joined Bayer in an onboarding event, and they all commented on how it felt like coming into a family, which is special.

Furthermore, Bayer's drive towards innovation, whether in nutrition or health, is vital. There is a focus on innovation, and on trying to make things better, for the Health Care Providers and the patients. This is motivational for me and makes me happy to work for such a company. Whatever I do or touch within the company, indirectly, I am adding value to all patients, Health Care providers

and pharmacists.

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