Jakob Tellgren – VP Nordic and Baltic Countries, MSD



Sweden continues to be an ideal environment for clinical research, early launches and follow-up of new vaccines

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Jakob Tellgren recently returned from MSD's US headquarters to his home country of Sweden to take the helm of the Nordic and Baltic countries. He shares the importance of Sweden and the Nordics for the group and his plans to continue driving the outstanding performance of the affiliate while bringing value to both patients and the healthcare system at large. He also talks about how MSD leverages the excellent Swedish academic ecosystem through collaboration with the Karolinska Institute on patient-centric outcomes-based research.

Jakob, you joined MSD in Sweden back in 2001 and eventually became CEO of MSD Sweden, before taking on global responsibilities at the US headquarters. From this vantage point, could you tell us about the importance of Sweden for the group?

Sweden and the Nordic region as a whole have played and continue to play a very important role for MSD. Back in the 1990s, MSD sponsored the Scandinavian Simvastatin Survival Study, also known as the 4S study, which became a milestone in cardiology and evidence-based medicine. Since then, Sweden and the Nordics have been crucial in generating data for our medicines. Sweden, in particular, presents an ideal controlled environment for performing high-quality clinical trials and real-world studies. The personal identification numbers allow us to track patients through time which is, of course, important when conducting clinical trials to prevent drop-out.

Moreover, the national quality registries provide a wealth of information on treatment outcomes and allow to gather new insights by linking data from different registries.

In addition, in the case of MSD, the Nordic region is significant from a financial perspective, roughly equivalent to the UK, Canada or Australia. I believe Sweden has a strategic role to play in finding the synergies between all the Nordic countries and become an even more important player within the group to effectively compete internally and draw resources for research, patient engagement and early launches.

While MSD is ranked the fourth biggest pharma company globally, in Sweden it holds the second place and is one of the fastest-growing companies in the top 25. How do you plan to sustain this outstanding performance?

Both at the global and local level, immuno-oncology has been the engine behind our strong growth and will continue to be a critical component of our future development. In Sweden, MSD is now clearly ranked as the number one player in immuno-oncology. In oncology in general, MSD is ranked number two or three. However, the paradigm shift towards immuno-oncology is inescapable and we are quickly outpacing companies that have been active in the oncology field for a long time. Immuno-oncology is definitely the space to be in these days, and the promise that comes with this technology is just fantastic. As the leader in immuno-oncology, we are blessed with the opportunity to turn diseases that in many cases were a death sentence into manageable chronic conditions.

There are other examples of such paradigm shifts in MSD’s history, for instance in HIV/AIDS. As a matter of fact, the first Swedish patient to survive thanks to our therapy still visits our office from time to time and was here a couple of weeks ago. We are now re-entering HIV/AIDS by launching two new products and developing promising drug candidates.

Another important area for future growth is our portfolio of HPV vaccines offering protection against cervical cancer. A recently published retrospective population study in Scotland showed that routine vaccination of girls aged 12 or 13 with the HPV vaccine has led to a dramatic reduction in cervical cancer in later life. Vaccines also have a crucial role to play in tackling the growing issue of antimicrobial resistance.

All these examples make me passionate about the future ahead of us, not only from a business standpoint but more importantly from a social perspective. They highlight the crucial role of the

research-based pharmaceutical industry in its ability to make a difference for patients, the healthcare system and society.

Globally, immuno-oncology is the main driver of MSD's growth. In the EU, MSD's flagship product is currently approved as a monotherapy for eight indications across five tumour types, with new approvals on the way. What are your plans to continue its successful implementation in Sweden?

In Sweden, we have signed a multi-year and multi-indication agreement with the 21 regions and the Dental and Pharmaceutical Benefits Agency (TLV). This three-party agreement is a perfect example of a win-win-win situation. Cancer patients are now able to access this breakthrough treatment. Regional authorities benefit from knowing what to expect in their budget processes. And we benefit from having predictability and a level playing field. This kind of collaboration is the foundation for continued growth in immuno-oncology.

Even though vaccination is not mandatory, Sweden is considered to be a vaccine friendly country. What opportunities does this present for MSD's vaccines franchise?

The vaccine-friendly environment in Sweden presents a lot of opportunities. Even though vaccination is not mandatory, previous national immunization programs have demonstrated the high level of trust between citizens and health authorities. As a result, Sweden continues to be an ideal environment for clinical research, early launches and follow-up of new vaccines.

Recently, the Swedish government commissioned the Public Health Agency to evaluate a new model to secure the availability of important antibiotics for patients with multi-resistant bacteria. How can MSD be a driving force in this endeavor?

The new model the Public Health Agency will evaluate in this pilot is actually the result of discussions initiated about three years ago when I was managing director of MSD Sweden. The current payment model where the pharmaceutical company gets paid per pack sold is not suitable for antibiotics. In order to generate a return on investment for R&D costs and risks, companies need to sell their products. However, when a new antibiotic comes on the market, which rarely happens, the healthcare system rationally tends to save it for the most severe cases in order to

avoid the risk of antimicrobial resistance. This situation is somewhat of a catch 22.

In the new model, the pharmaceutical company guarantees the delivery within a certain timeframe of a special and medically important type of antibiotic used for patients with certain severe infections caused by multi-resistant bacteria. Against this guarantee, the company receives a fixed annual compensation. It is similar to an insurance plan where you pay a yearly premium to receive health coverage.

Two weeks ago it was announced that the authorities will pilot this model. This is a fantastic example of how the industry and the government can collaborate to find solutions to complex issues.

We see international companies forming closer ties with Swedish academic institutions. For instance, Bayer has recently opened new headquarters at the Karolinska Insitute's campus, and Chiesi is opening research facilities there. How is MSD leveraging Sweden's world-class academic ecosystem?

MSD was actually the initiator of the industry's move towards the life science hub made up of the Karolinska Institute, the Karolinska University Hospital, the KTH Royal Institute of Technology and Stockholm University. Life sciences clusters such as the San Francisco Bay Area, Boston and Cambridge have been extremely beneficial to both the industry and academia. Evidence shows that cooperation between the two is a fruitful model. This is the reason why we moved our headquarters closer to Karolinska. I am extremely glad to see that other companies are now doing the same.

Soon after moving our headquarters, we deepened our research collaboration with the Karolinska Institute. Since November 2016, MSD's global department for outcome research (CORE) has a long-term partnership with the Karolinska Institute on real-world evidence and patient-driven research. The collaboration is built upon a flexible model where new projects are created together and where the patient is in focus. Sweden is a pioneering country when it comes to collecting patient experiences via digital tools and strengthen healthcare via outcomes research. That is one of the reasons why we address research issues together with Swedish experts and that we invest in Sweden. Today, there are ongoing research projects within oncology, vaccines, diabetes, cardiovascular diseases and neurology, and the first results are processed for publication in scientific journals.

A recurrent theme throughout our interviews is the high-level of digitalization. Other companies are leveraging this ecosystem. How are you taking advantage of this ecosystem to drive the digital transformation of MSD?

At the local level, we have just finalized a collaboration with one of the largest pharmacy chains in Sweden designed to explore and evaluate the role of the pharmacist for treatment adherence in their digital and real-world interactions with patients.

At the global level, the collaboration between the Karolinska Institute and our CORE research laboratories is a perfect example of how the group leverages the digital infrastructure and the data contained in quality registries. The possibility to gather real-world-evidence that exists in Sweden opens up tremendous opportunities moving forward, not only for MSD but for the entire research-based pharma industry. Traditional clinical trials do not offer much of a competitive advantage anymore as payers are requesting more evidence due to the increase in costs. Sweden offers the perfect environment to develop version 2.0 of clinical studies by generating high-quality real-world evidence.

You are just beginning your tenure as Head of Nordics, what milestone would you like to achieve in the next three to five years?

I want to continue on the fantastic journey that we are on in immuno-oncology and keep strengthening our leadership position in the field. In vaccines, we have an unprecedented opportunity to prevent cancers which also opens up growth opportunities. I also wish to conduct the successful launch of our new HIV products, an area where we have shown the difference we can make. Finally, antibiotic resistance is another important area where we will continue collaborating closely with authorities to find innovative solutions to complex issues.

I would like us to evolve from the traditional process of development and launch. As we are expanding in so many different exciting areas, we must constantly adapt and find new ways to add value. We are really crafting a new model of how to be a successful biopharmaceutical company.

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