ASCENDING TO THE PEAK OF BIOPHARMACEUTICAL INNOVATION

BCI Survey 2017 – Overall Scores

Comparison to Newcomer Markets

<table>
<thead>
<tr>
<th></th>
<th>Chile</th>
<th>Top scorer, Newcomer Markets (Singapore)</th>
<th>Latin America average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>69.39</td>
<td>87.36</td>
<td>59.19</td>
</tr>
</tbody>
</table>

Chile vs Top scorer, Newcomer Markets (Singapore)

Most likely to secure investment
Losing out on investment

BCI Survey 2017 – Category Scores

<table>
<thead>
<tr>
<th>Category</th>
<th>Chile</th>
<th>Top scorer, Newcomer Markets (Singapore)</th>
<th>Latin America average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scientific Capabilities &amp; Infrastructure</td>
<td>72%</td>
<td>100%</td>
<td>67%</td>
</tr>
<tr>
<td>Clinical Research Conditions &amp; Framework</td>
<td>73%</td>
<td>80%</td>
<td>66%</td>
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<tr>
<td>Regulatory System</td>
<td>67%</td>
<td>80%</td>
<td>66%</td>
</tr>
<tr>
<td>Market Access &amp; Financing</td>
<td>66%</td>
<td>80%</td>
<td>66%</td>
</tr>
<tr>
<td>Effective IP Protections</td>
<td>70%</td>
<td>80%</td>
<td>66%</td>
</tr>
</tbody>
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ECONOMY-SPECIFIC FINDINGS AND PROFILES - NEWCOMER MARKETS
BCI Results In Depth: What helps and what hinders Chile’s biopharmaceutical competitiveness?

Scientific Capabilities & Infrastructure
✓ Despite a per capita R&D spending below the OECD average, executives see resources being invested strategically and consistent with an overall plan to turn Chile into a regional R&D hub.
✓ While biopharmaceutical R&D partnerships and infrastructure are considered nascent, they are seen as developing steadily.

Clinical Research Conditions & Framework
✓ Respondents rate the clinical trial environment fairly highly, with good CRO infrastructure and streamlined approval process, though the main hospitals and clinics are seen as lacking clinical research centers.
✗ Some aspects of the recent “Ricarte Soto” law (including lengthy sponsor liability) have created significant uncertainty, with executives voicing concern that it may hamper investment in clinical research.

The Regulatory System
✓ Executives rate positively the regulatory environment, noting high regulatory standards relating to biopharmaceuticals, and welcome the fact that Chile is seeking to become a Level 4 PAHO/WHO accredited regional authority.
✗ Concerns remain, however, over what are considered to be low approval standards for biosimilars.

Market Access & Financing
✓ Respondents report that heavy discounts negotiated in public tenders by CENABAST weigh down investment attractiveness.
✓ Executives are optimistic about efforts to increase the level and scope of funding for high-cost treatments under the Ricarte Soto Law, as well as what they consider an openness to value-based models by the health regulator.

Effective Intellectual Property Protections
✓ Respondents view slow implementation of RDP and the recent threat of compulsory licensing based on pricing considerations as hindering an otherwise promising national efforts to turn Chile into a hub of innovation.
✓ The patenting process is viewed fairly strongly, with executives welcoming the Patent Prosecution Highway with ProSur and hiring of additional skilled examiners.
BCI 2017 Overall Results

Newcomer Market

Singapore, Israel, Taiwan, Korea, UEA, Chile, Mexico, Malaysia, India, China, Saudi Arabia, Colombia, Brazil, Turkey, Russia, Argentina, Egypt, South Africa, Thailand, Indonesia, Vietnam

Most likely to secure investment

Losing out on investment