

strategy&

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360° Barometer of France's Attractiveness for the Pharmaceutical Industry

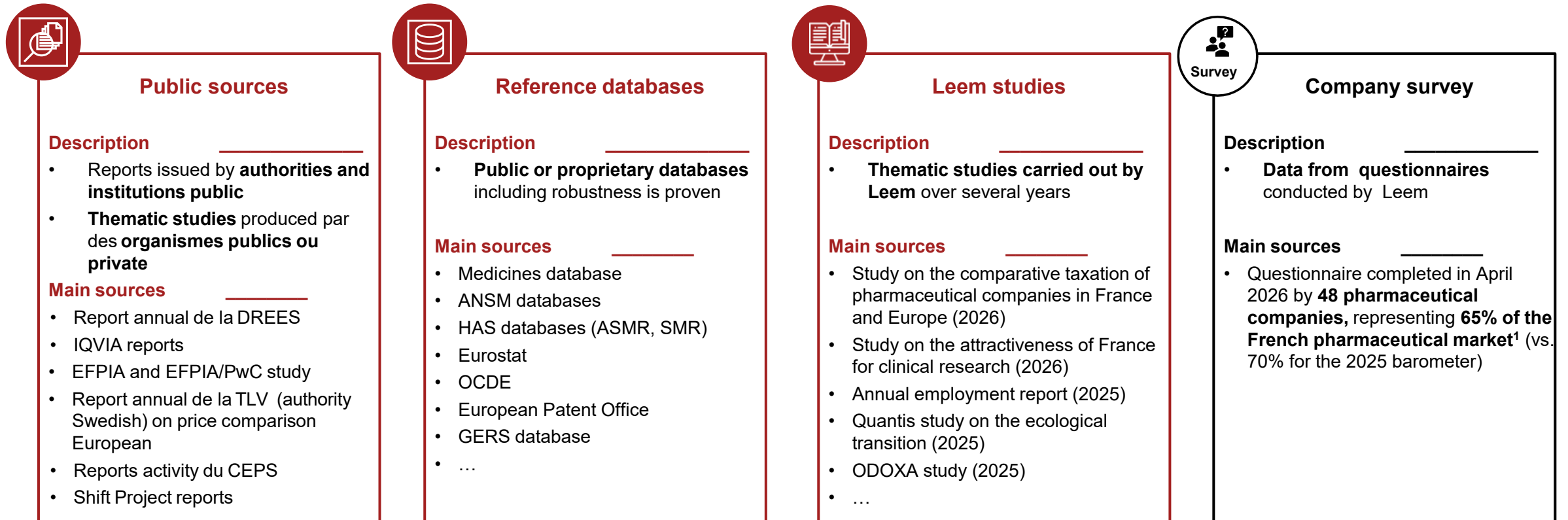
2026 edition produced by PwC Strategy& for Leem
(Translated version)

Press conference
June 2026

pwc

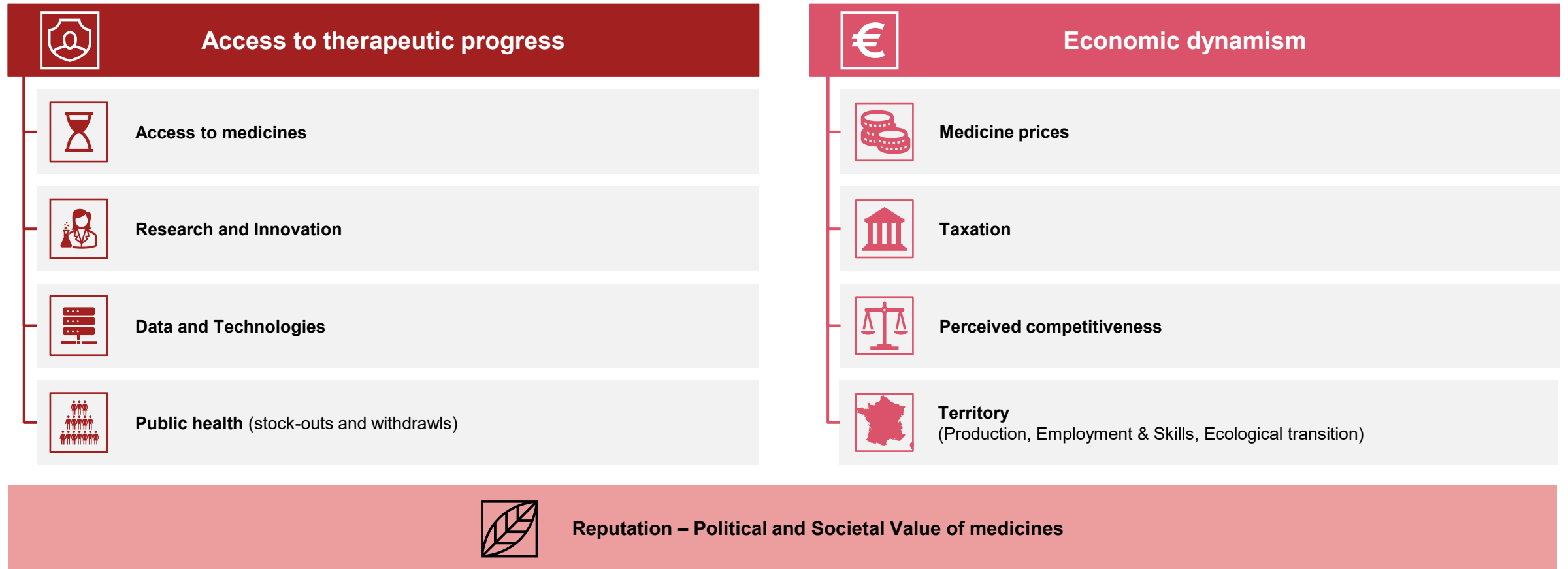
The 2026 Barometer covers approximately 80 indicators and is based on more than 70 data sources

Mapping of selected data sources



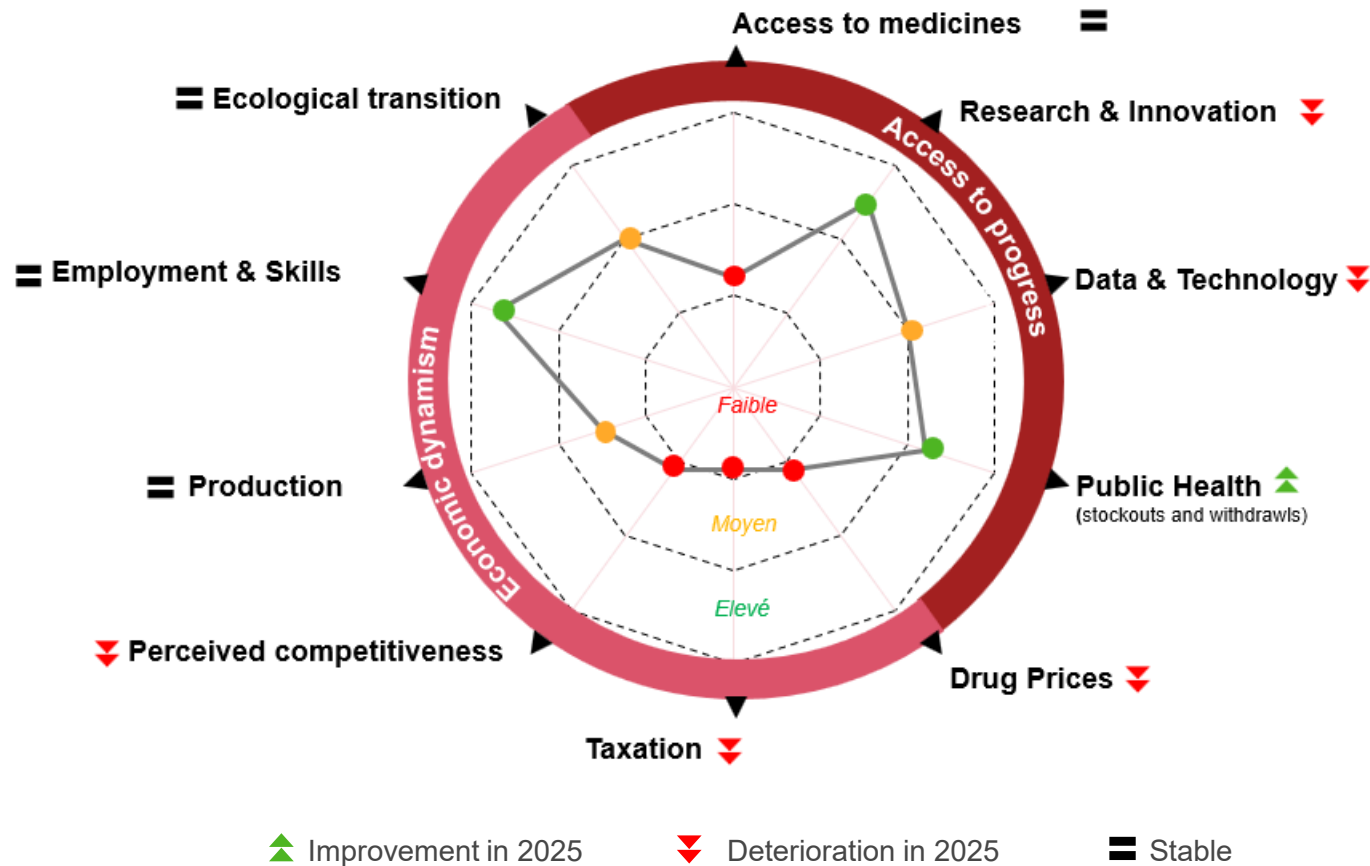
The 2026 barometer is structured around 2 pillars and a foundational layer covering all indicators

Structure of the 2026 360° barometer



In 2025, While France holds steady on several indicators, it is losing ground on others in the face of strong international competition

2025 vs 2024 trends on the 2 main pillars



A woman with dark hair, wearing a yellow top, is working at a table. She is holding a small white folder with a pink and orange stripe. The table is covered with various documents, folders, and papers, some with colorful tabs. The background is slightly blurred, showing other people and a bright, indoor setting.

1. A France that holds steady ...

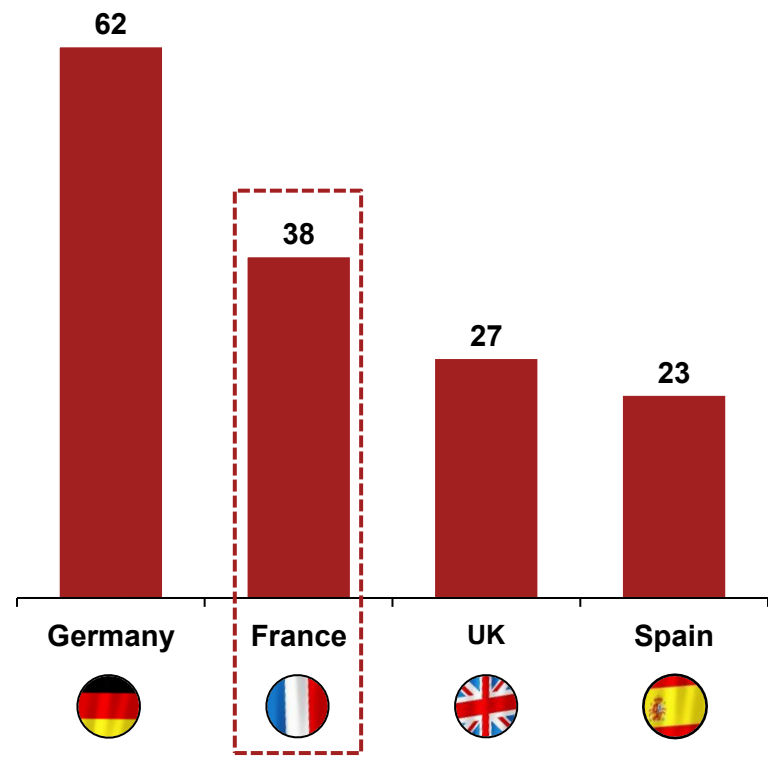
In absolute terms, France remains at the same level as last year ...

...but is losing ground in the face of stronger international competition

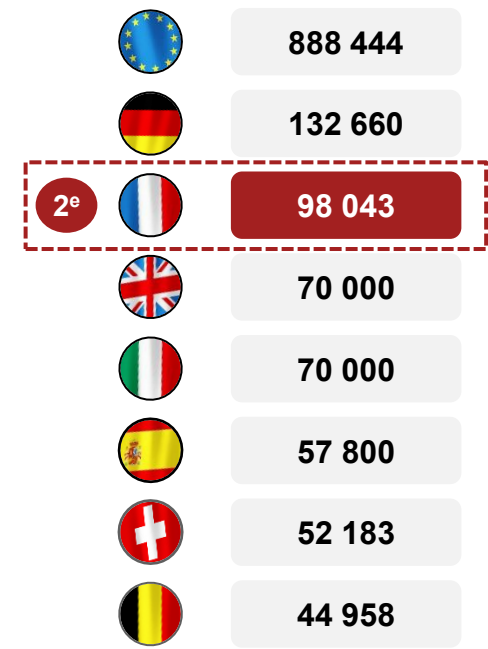
France remains the 2nd largest pharmaceutical market in Europe and the 2th employer

Market size

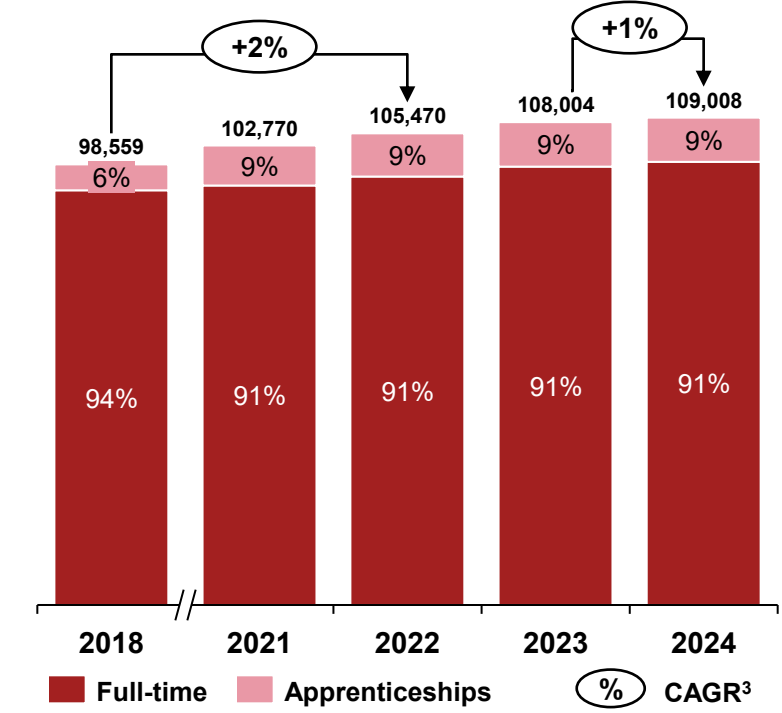
European comparison of expenditure pharmaceuticals (excl hospitals) ¹²
Billions of current €, 2023



Number of people employed by l'pharmaceutical industry in Europe
(Fulltime employment), 2023



Evolution de l'emploi de l'industrie pharmaceutical in France
#, 2014-2024



Notes: 1) Pharmaceutical expenditure is defined according to the OECD nomenclature as the sum of prescribed medicine expenditure (HC511) and non-prescription medicine expenditure (HC512). Consumables (HC513) are not taken into account ; 2) Pharmaceutical expenditure includes wholesaler and retailer margins and value added tax. Pharmaceutical products consumed in hospitals and other care establishments are excluded 3) Compound annual growth rate
Sources: OCDE, Employment situation report 2025 (Leem), EFPIA, PwC Strategy&

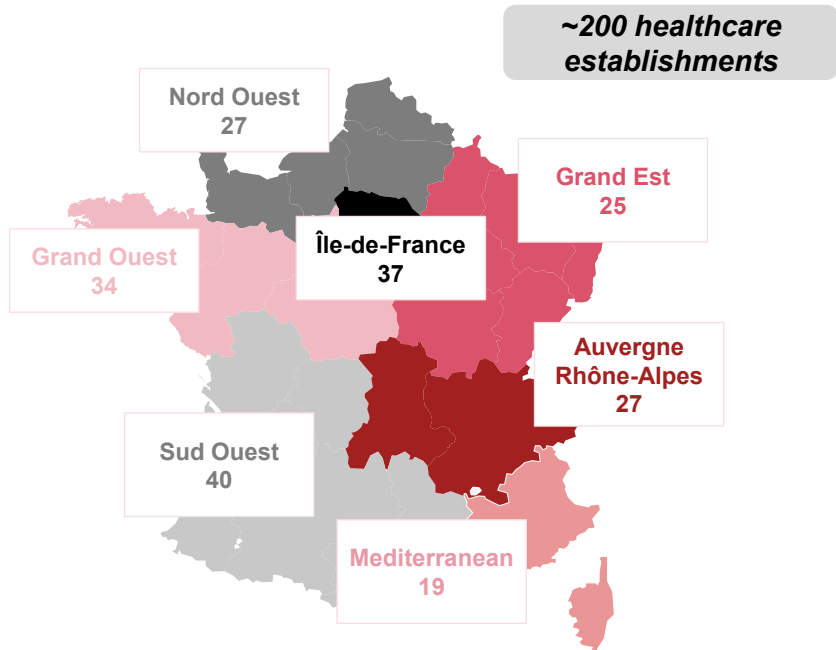
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France remains attractive for R&D thanks to its scientific excellence, a solid ecosystem and incentive schemes

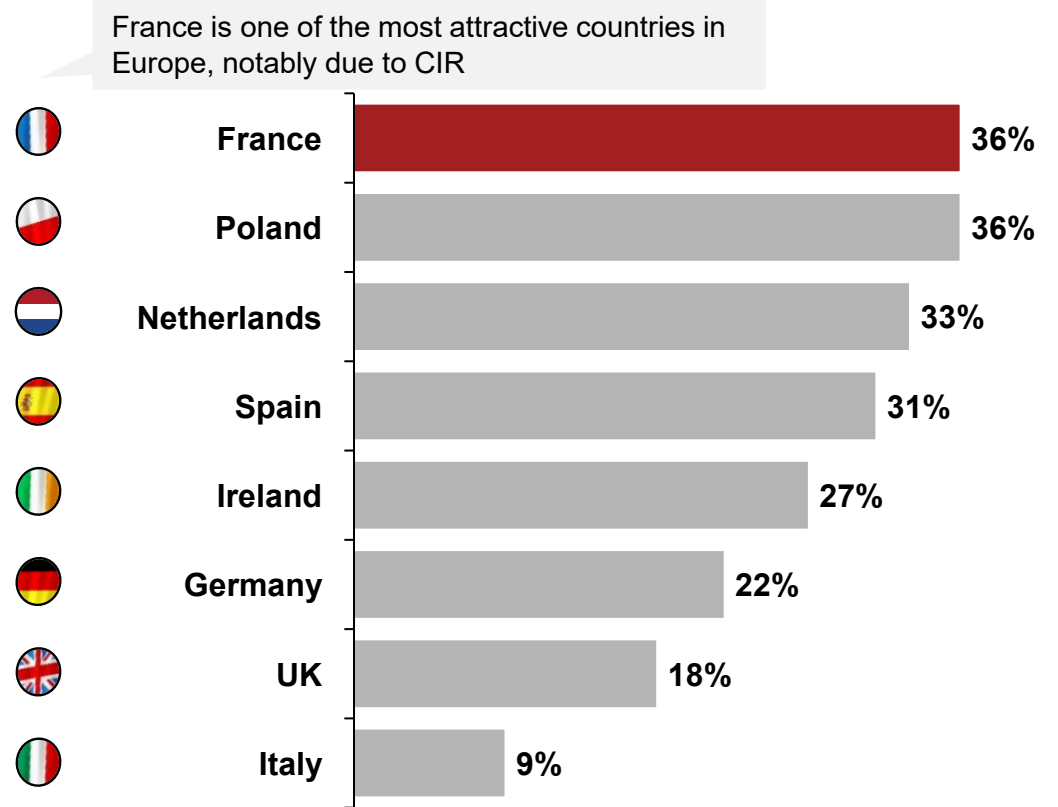
Structure of the R&D ecosystem in France

France has academic excellence as well as infrastructure conducive to pharmaceutical research and ...



Clinical trials contribute €6.2bn to the French economy in 2025 (EFPIA)

...tax incentive schemes among the most competitive in Europe



Tax incentives for R&D investments (% , 2024)

In absolute terms, France remains at the same level as last year ...

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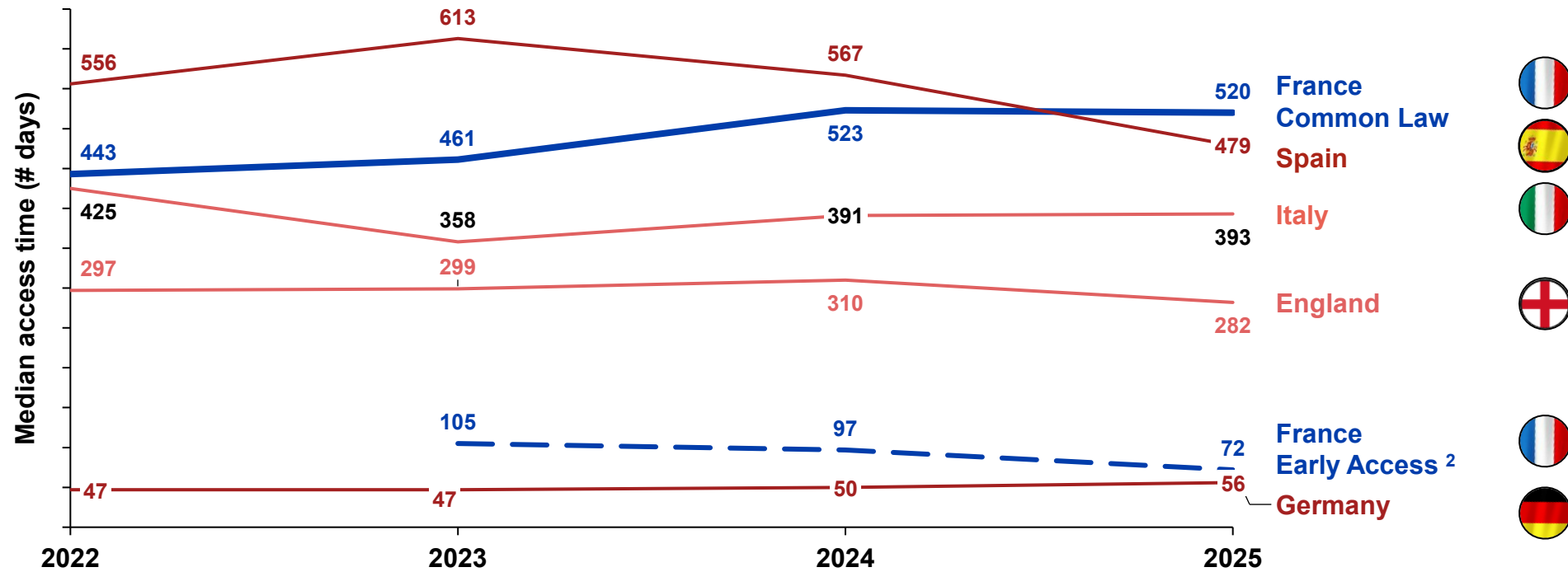
Access times for new medicines are stable and remain among the longest in Western Europe

Median medicine access times

Median Access times for new medicines¹ in Europe (first approvals)

days, MA 2018-2021, MA 2019-2022, MA 2020-2023, MA 2021-2024²

The median access time is the number of days between market authorisation and the date at which the medicine is available to patients (listed on the reimbursable medicines list)



The access time is **633 days on average and 520 days median** for all medicines that obtained an MA between 2021 and 2024, going through the standard pathway (all ASMR levels).

Notes: 1) The median time for each year is calculated for initial listings on MAs from the 3 preceding years (e.g. the 2025 figure is based on MAs 2021-2024)
2) The median time for early access is calculated for each year by including early access requests for initial listings on MAs from the 3 preceding years (e.g. the 2025 figure is based on MAs 2021-2024)
Sources: EFPIA Patients WAIT Indicator 2026, Survey, OMEDIT, PwC Strategy&

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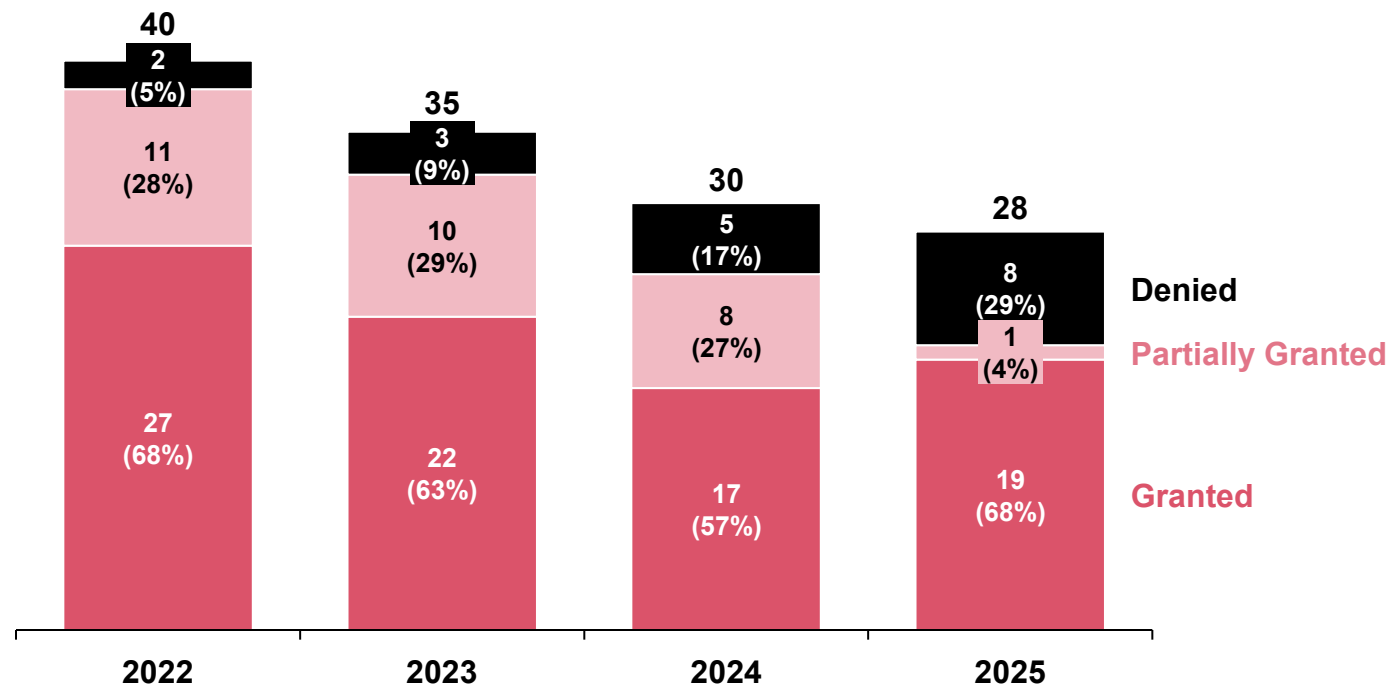
...but is losing ground in the face of stronger international competition

The number of early access grants for innovative medicines (ASMR I-IV) is stabilising in 2025

Use of early access

Proportion of grants for first early access requests for ASMR I-IV indications

#, %, 2022-2025



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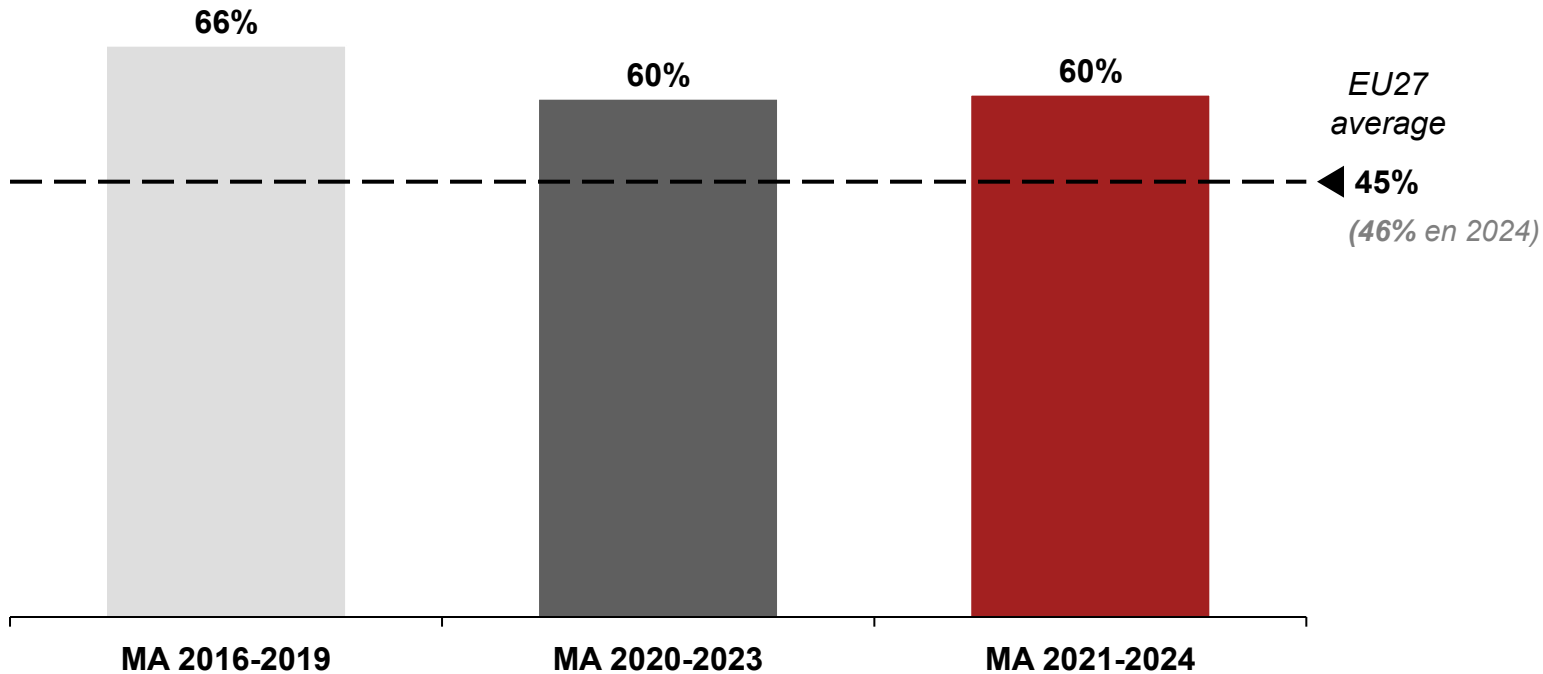
The availability rate of new medicines which are reimbursed remains at 60%, at the same level as in 2024

Medicine availability

Proportion of medicines available and reimbursed in France

% of total European MAs

The medicine availability rate is defined as the number of medicines with a European market authorisation that are accessible and reimbursed to patients in a given European country, **including derogatory access**



Sources: EFPIA Patients WAIT Indicator 2026 Survey

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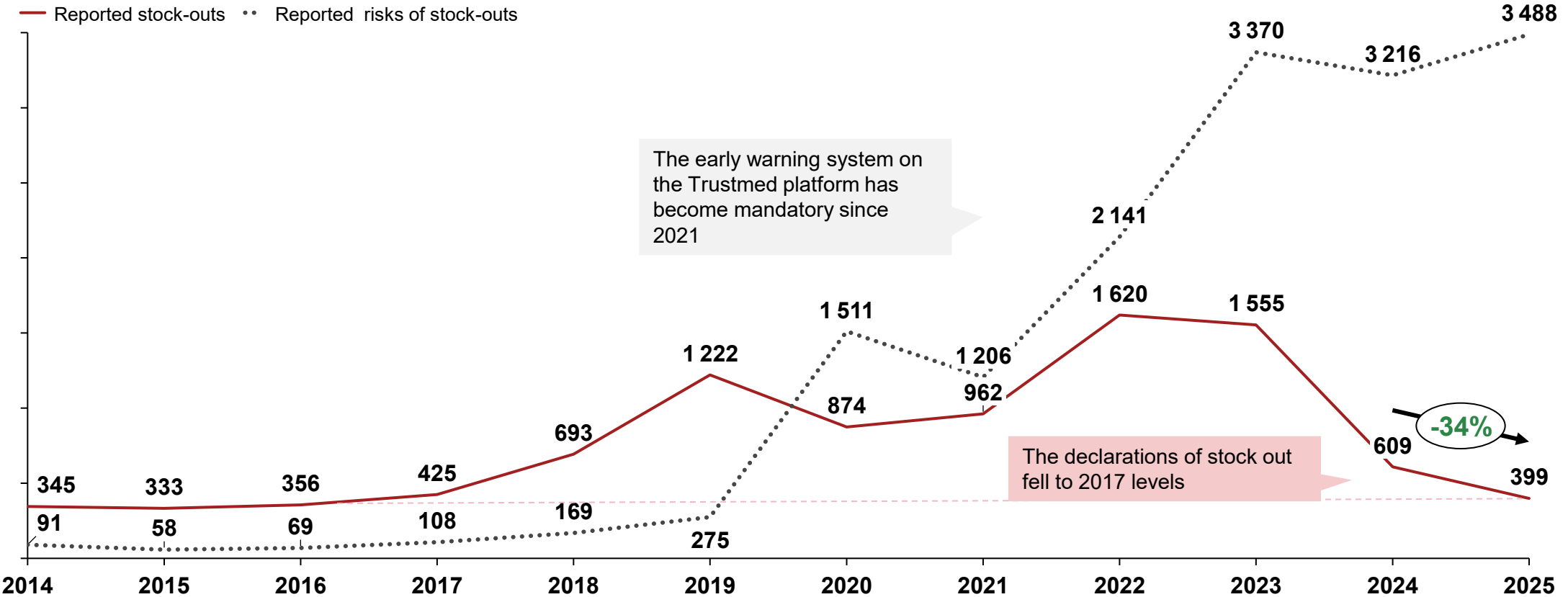
...but is losing ground in the face of stronger international competition

Medicine stock outs continue their decline to reach 2017 levels

Stock outs and risk of stock outs

Declarations of medicine stock outs and risks of stock outs

#, 2014-2025



In absolute terms, France remains at the same level as last year ...

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Production investments remain at a stable level compared to last year

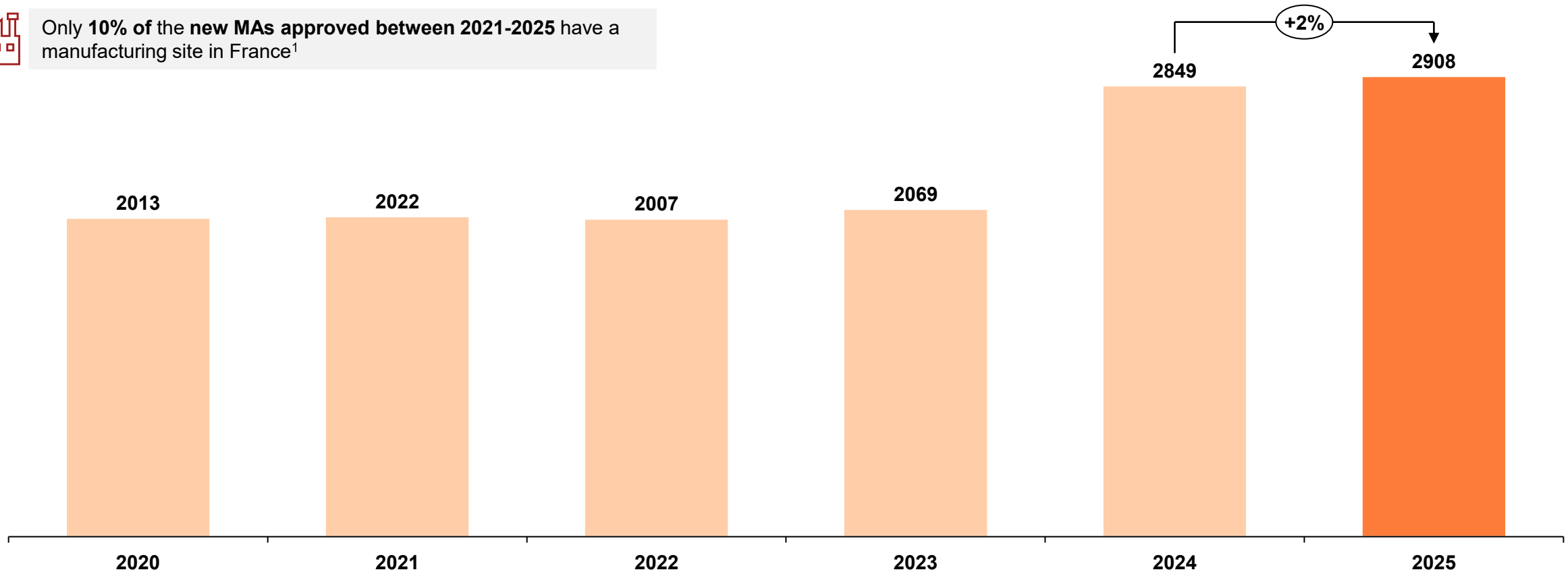
Production investments

Production investments in France

Millions of €, 2025, France



Only 10% of the new MAs approved between 2021-2025 have a manufacturing site in France¹



In absolute terms, France remains at the same level as last year ...

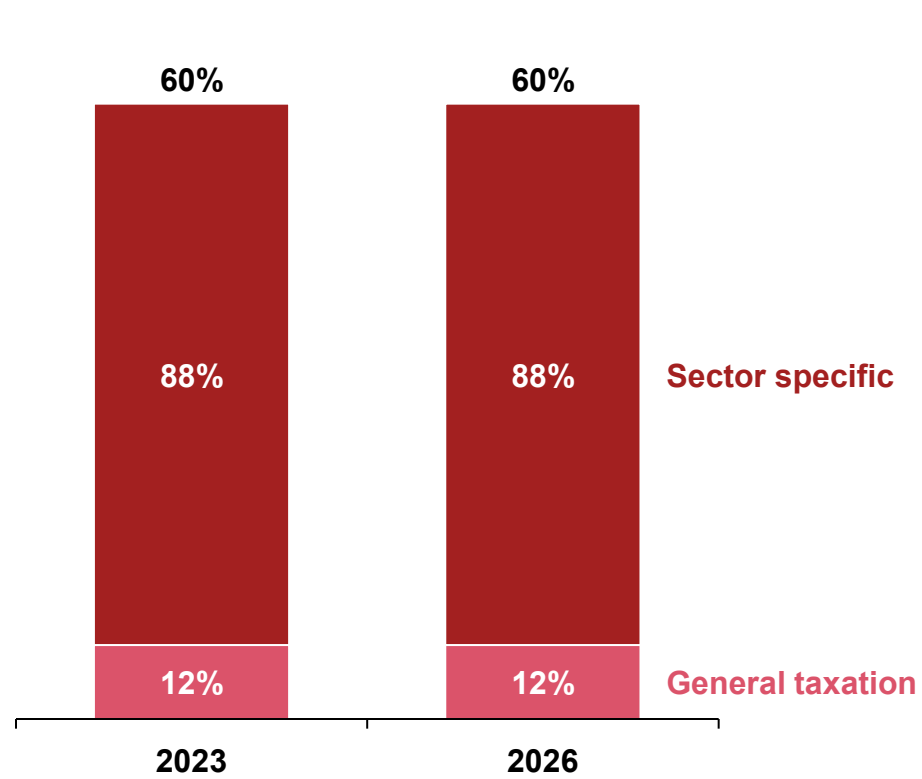
...but is losing ground in the face of stronger international competition

The taxation rate for pharmaceutical companies still stands at 60% of operating profit

Taxation rate

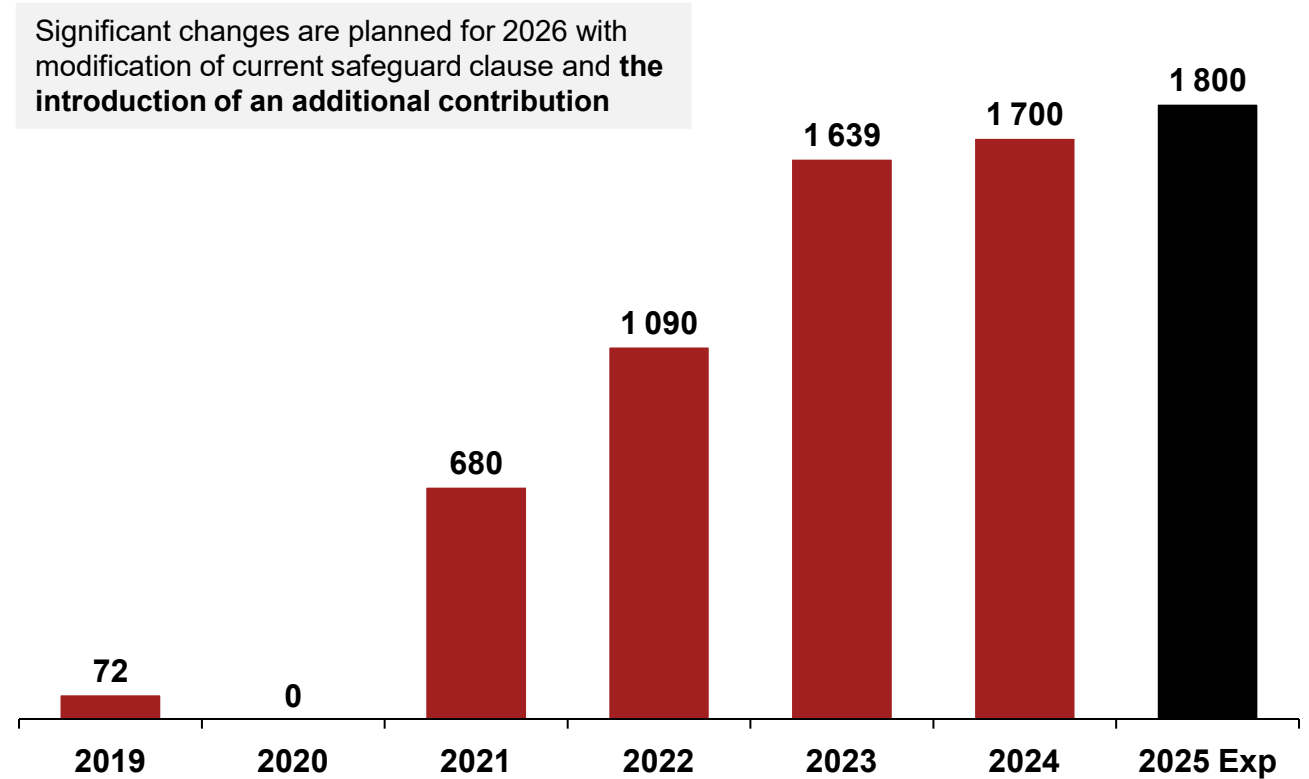
Mandatory taxation rates on the pharma sector¹

% of operating profit, 2026




Evolution of the safeguard clause amount² between 2019 and 2025

Millions of €, %, 2019-2025



Significant changes are planned for 2026 with modification of current safeguard clause and the introduction of an additional contribution

Notes: 1) The tax rate is that of the 'entrepreneur' profile as per the study carried out by PwC & Leem (2026) comprising general taxation, the sector-specific taxation including regulation. The profile 'entrepreneur' considered is defined as having of intangible assets, of activities de R&D, de production and distribution de pharmaceutical products ; 2) The safeguard clause is triggered when the turnover net of medicines exceeds a certain threshold, called 'Montant M' voted during the Social Security Financing Act
Sources: Leem PwC study on comparative taxation of pharmaceutical companies in France and Europe (2026), Leem calculation based on GERS, PLFSS 2026, PwC Strategy&

A woman with dark hair is in a meeting room, holding a sticky note. The room is filled with a wall of sticky notes and papers, some of which are purple and orange. The scene is dimly lit, with a soft glow from the sticky notes.

2. But a France that is losing ground in the face of international competition

In absolute terms, France remains at the same level as last year ...

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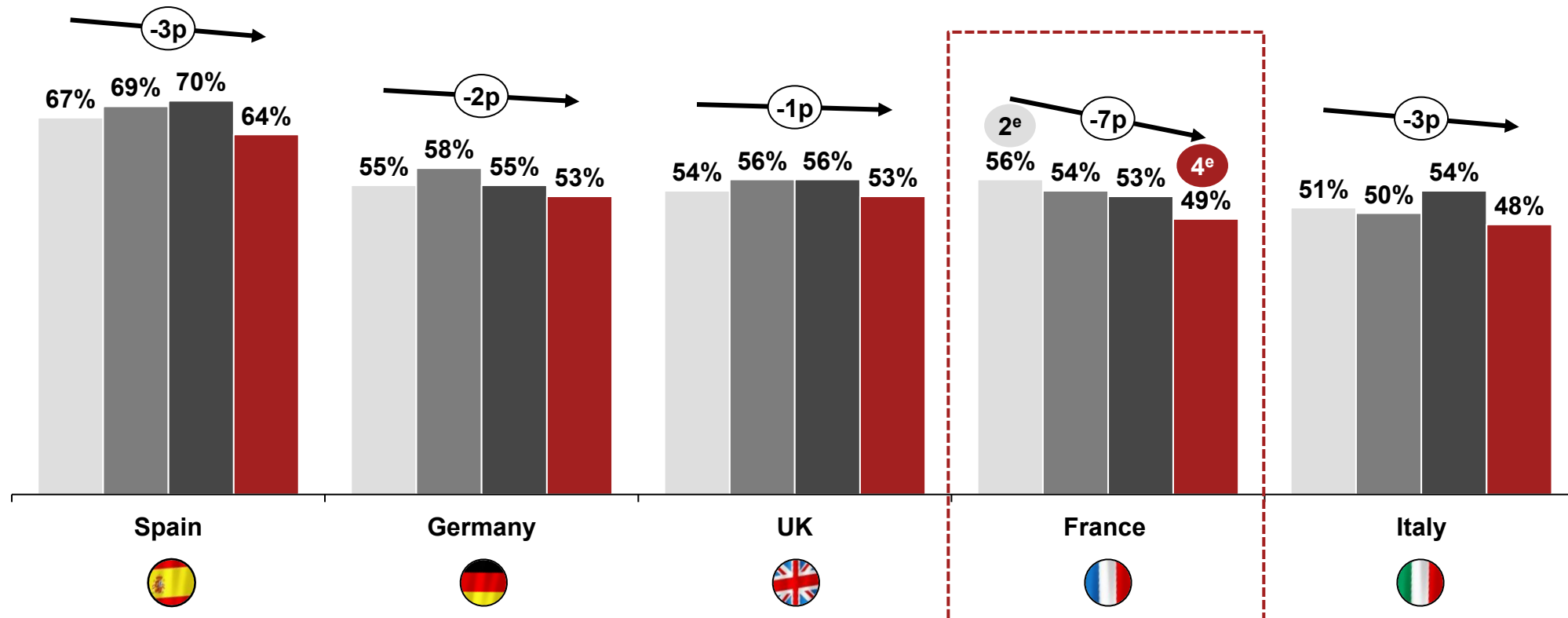
In multinational clinical trials, France ranks 4th place in Europe in 2025 while it ranked 2nd in 2022

Clinical trials

Evolution of the share of multinational clinical trials with patients in Europe between 2022-2025 over a 12-month period

% of multinational clinical trials in Europe conducted in the country

2022 2023 2024 2025



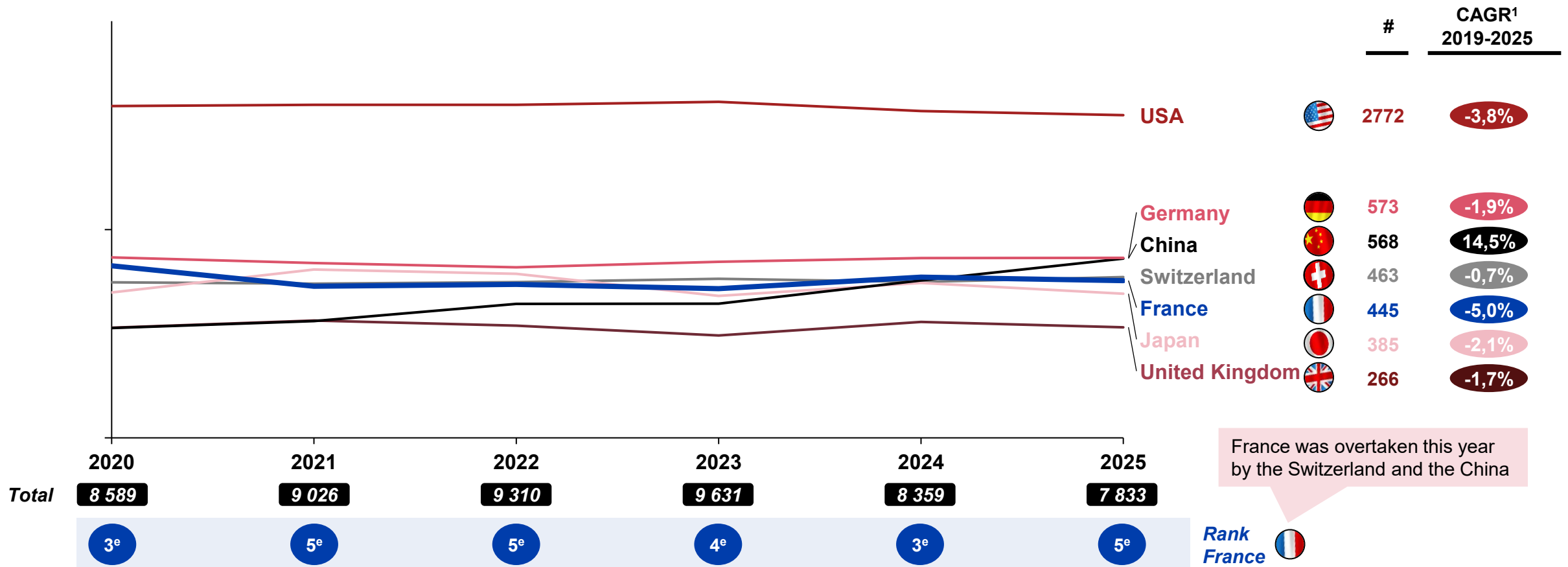
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France drops to 5th place worldwide in the number of patents filed in Europe

Number of patents filed in Europe

Top 7 countries of origin for patent filings for pharmaceuticals in Europe
%, 2020-2025



1) CAGR : Compound annual growth rate
Sources: European Patent Office, PwC Strategy&

In absolute terms, France remains at the same level as last year ...

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The availability rate of new medicines being reimbursed remains stable at 60% in France

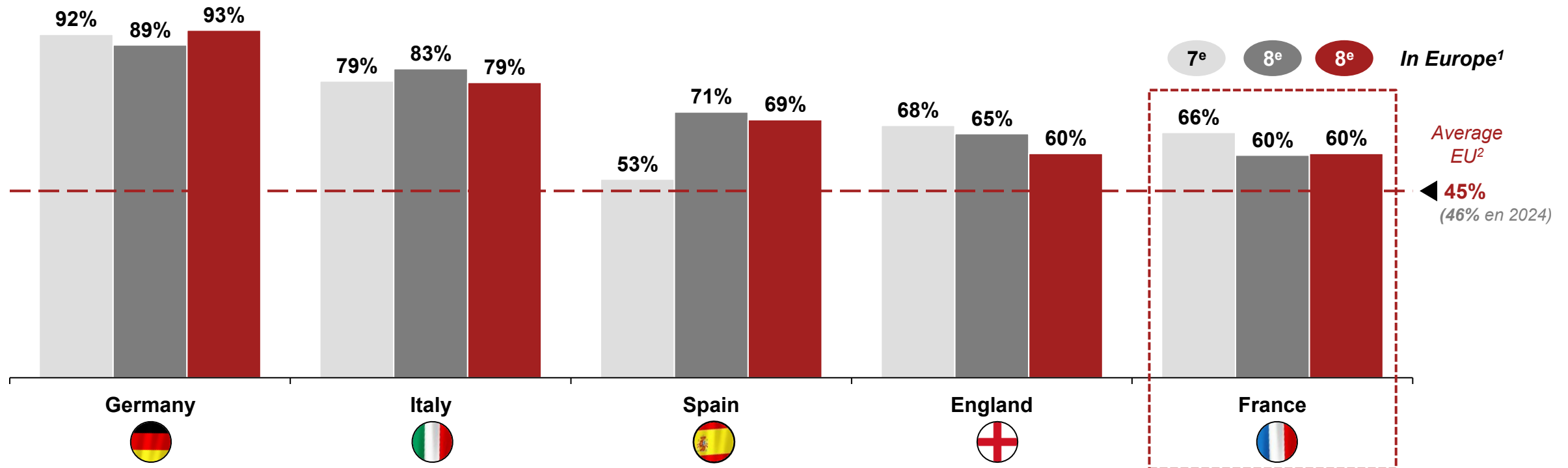
Medicine availability

Proportion of medicines available and reimbursed in France and in Europe

% of total European MAs

MA 2016-2019 MA 2020-2023 MA 2021-2024

The medicine availability rate is defined as the number of medicines with a European market authorisation that are accessible and reimbursed to patients in a given European country, including derogatory access



Note: 1) Wider Europe; 2) EU27 average for MAs 2021-2024 and wider Europe for other periods

Sources: EFPIA Patients WAIT Indicator 2026 Survey, Spanish Ministry of Health, Putnam study for Leem on French patient access to new medicines (2026), PwC Strategy&

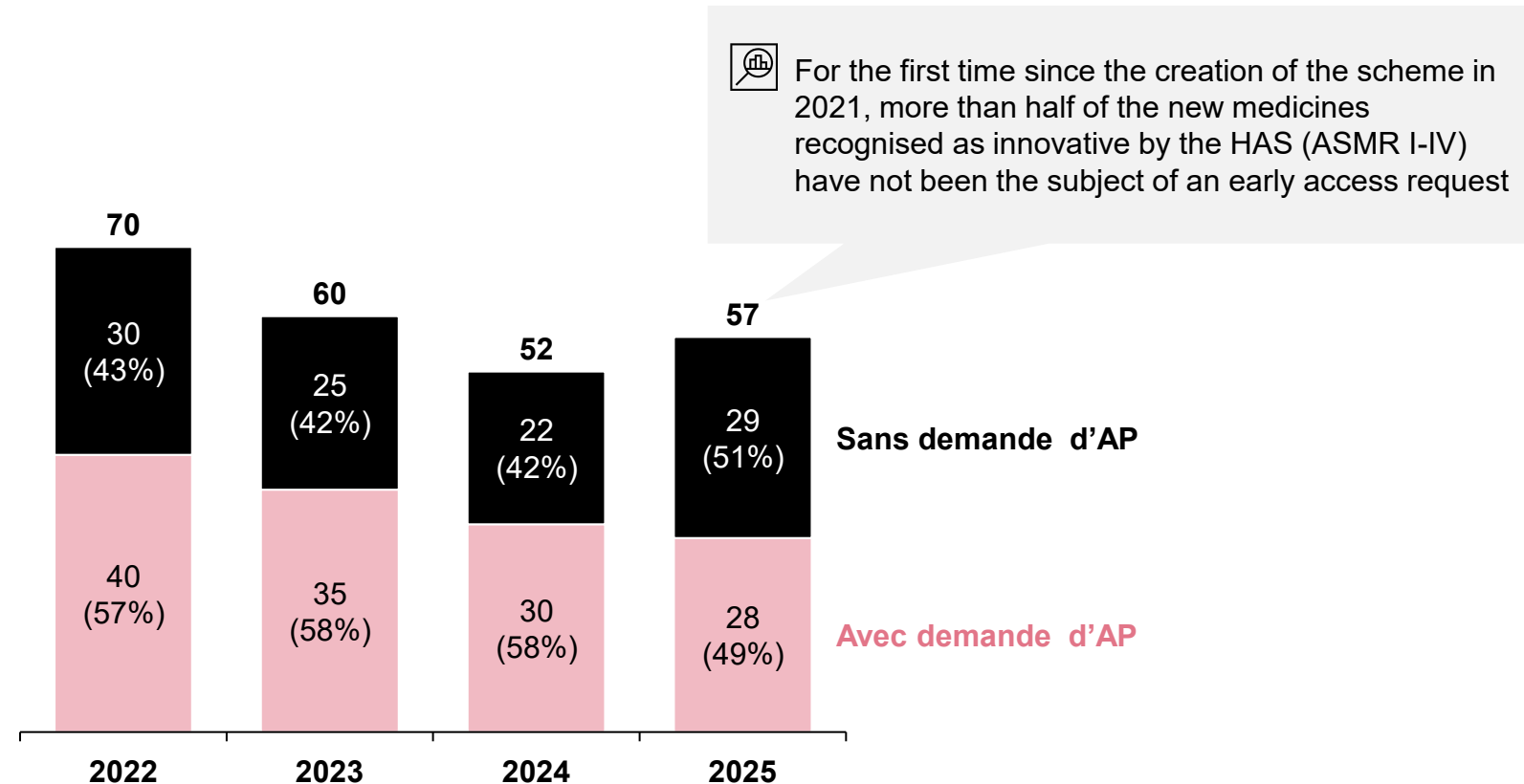
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Among the ASMR I-IV indications, the share of early access requests is declining

Use of early access

Number of first access requests for ASMR I-IV indications
#, %, 2022-2025



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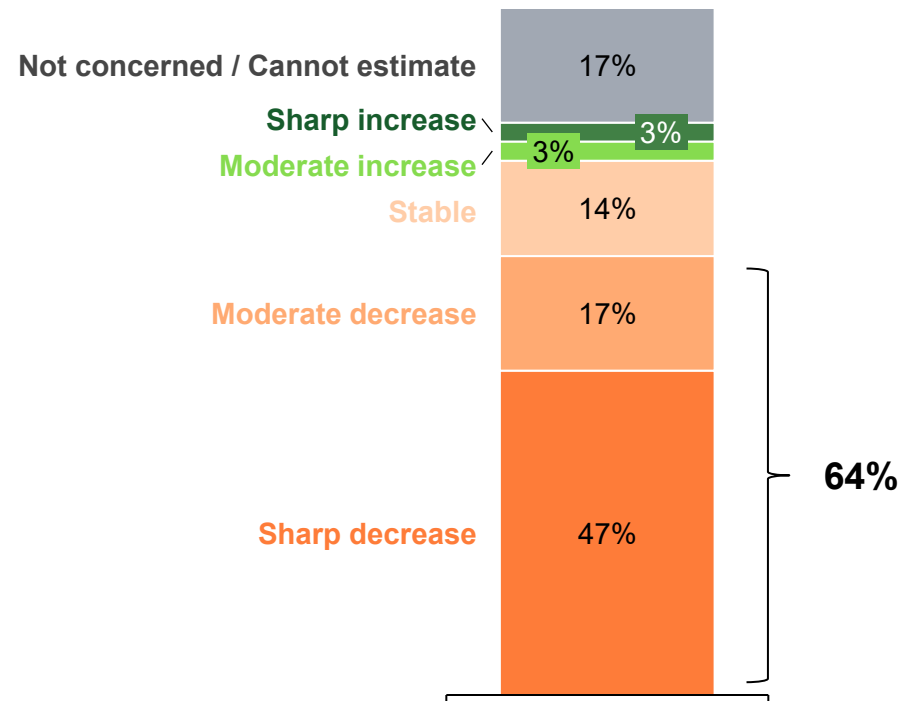
64% of companies surveyed anticipate an impact of the MFN policy on the launch of new products in France

MFN Impact

Impact of “Most favoured Nation” policy of United States

%, 2026

What impact will the MFN clause have on the launch of your new products in France over the next 3 years on a scale of 1 (sharp decline) to 5 (sharp increase) ?



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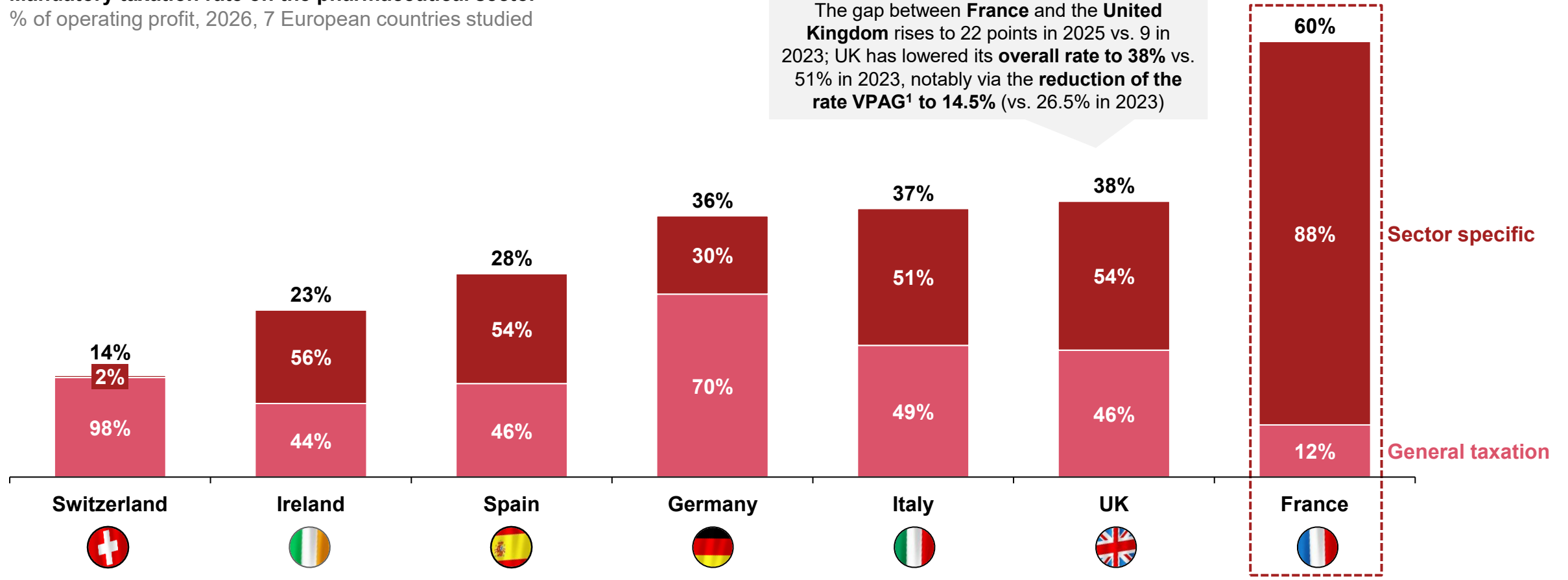
When it comes to taxation, the disparity between France and its European counterparts continues to grow

Taxation rate

Mandatory taxation rate on the pharmaceutical sector

% of operating profit, 2026, 7 European countries studied

The gap between **France** and the **United Kingdom** rises to 22 points in 2025 vs. 9 in 2023; UK has lowered its **overall rate to 38%** vs. 51% in 2023, notably via the **reduction of the rate VPAG¹ to 14.5%** (vs. 26.5% in 2023)



Note: 1) VPAG (*Voluntary Pricing and Access Scheme*) is a voluntary agreement in the United Kingdom that limits the rise in NHS expenditure on branded medicines. If sales exceed the set ceiling, manufacturers must reimburse a portion of their revenue to protect the NHS budget, a mechanism similar to the safeguard clause in France
Sources: Leem & PwC study on comparative taxation of pharmaceutical companies in France and Europe (2026), PwC Strategy&

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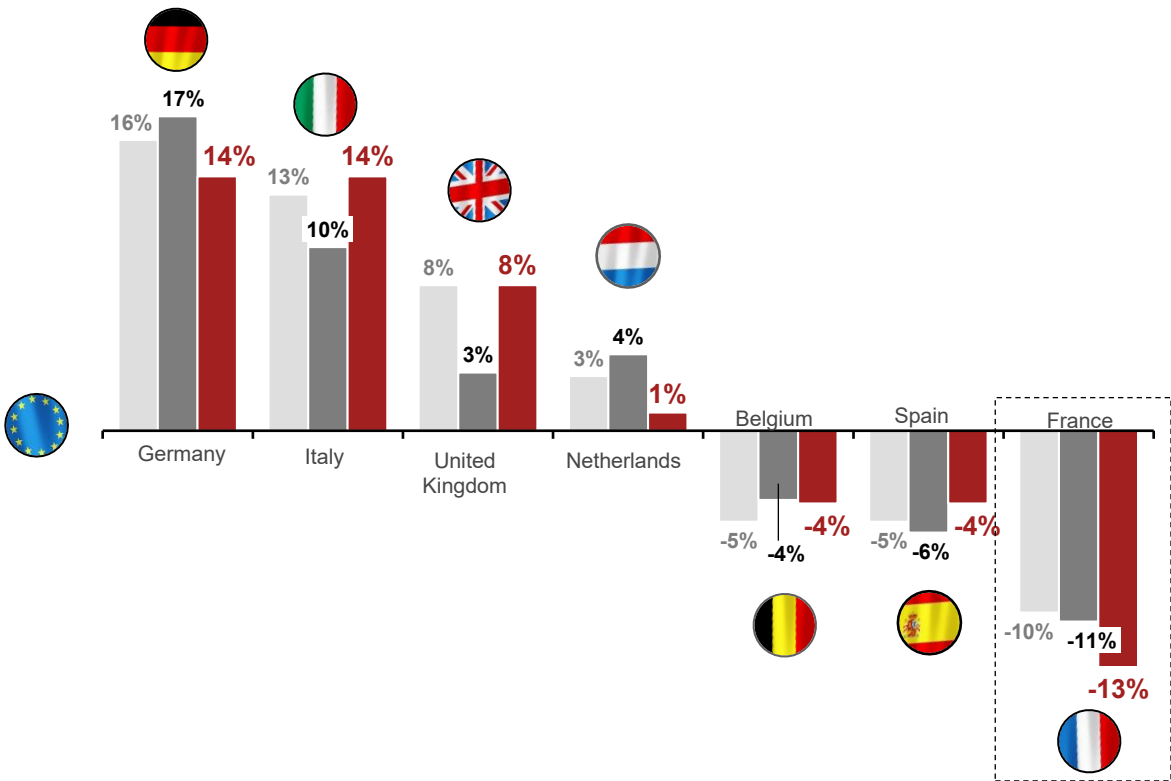
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List prices of medicines in France increase their gap with the European average

List price of medicines in Europe

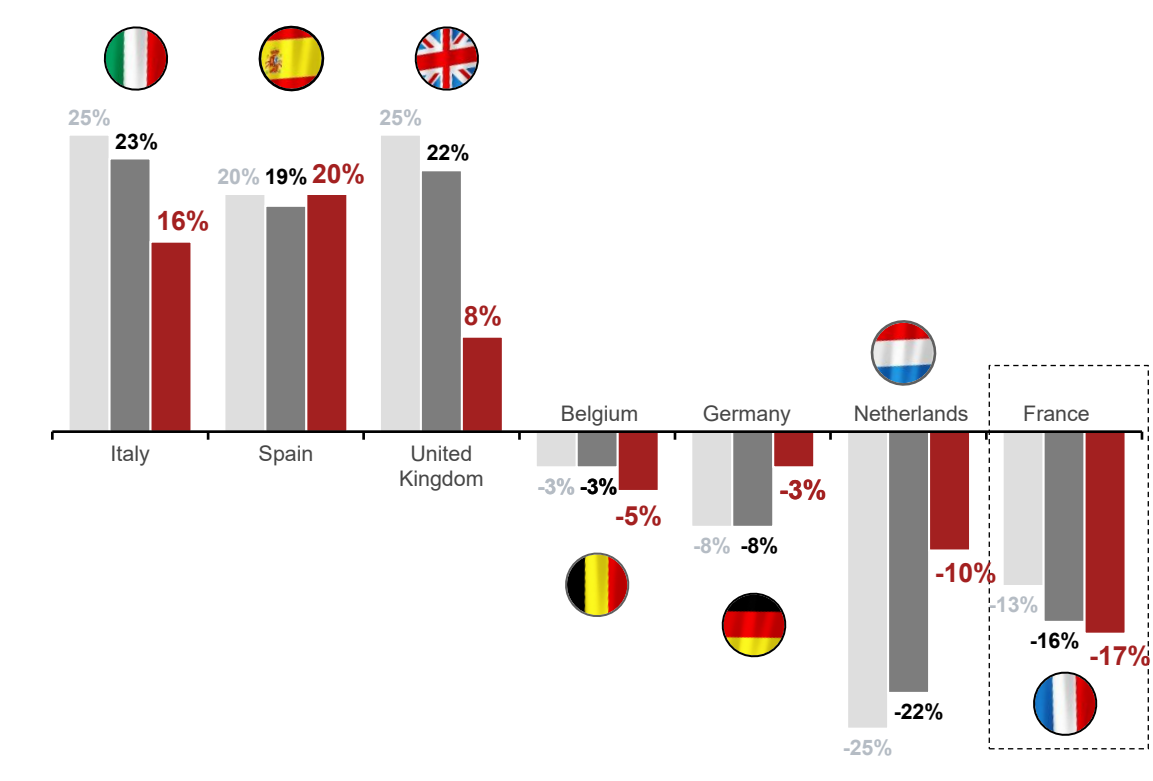
European comparison of list prices of medicines **without generic competition**¹²⁴

%, 2023-2025



European comparison of list prices of medicines **with generic competition**²³⁴

%, 2023-2025



Notes: * The analysis excludes confidential rebates ; 1) The TLV study is based on a panel of 870 substances and 5,573 medicines in 2025 to establish the average price per country of medicines without generic competition ; 2) Community medicine prices are those from the first quarter of 2025 ; 3) The TLV study is based on a panel of 254 substances and 785 medicines in 2024 to establish the average price per country of medicines with generic competition ; 4) 20 countries are included in the study for comparison : Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Switzerland, Slovakia, Spain, United Kingdom, Sweden, Czech Republic, Germany, Hungary, Austria
Sources: Internation Price Comparison - TLV 2025

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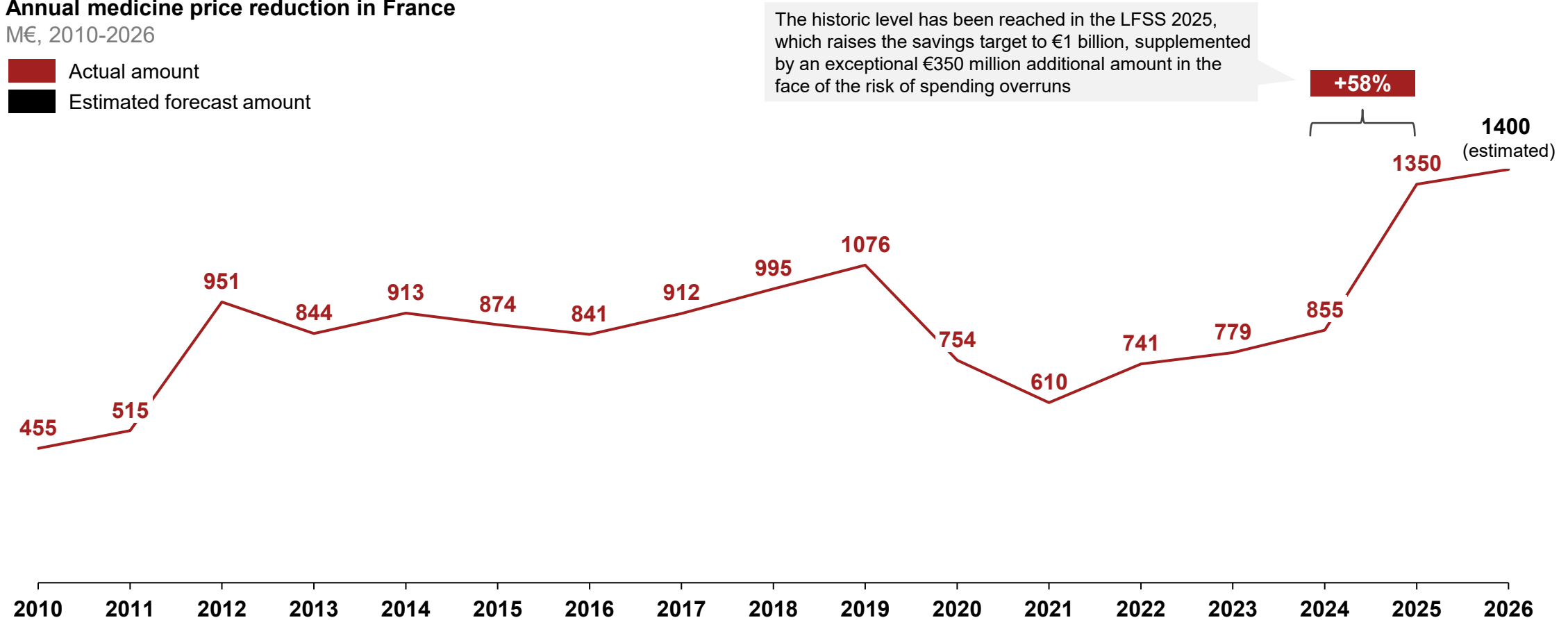
Furthermore, the annual negotiated price reductions reached a historic level in 2025 at €1.35bn

Annual medicine price reduction

Annual medicine price reduction in France

M€, 2010-2026

- Actual amount
- Estimated forecast amount



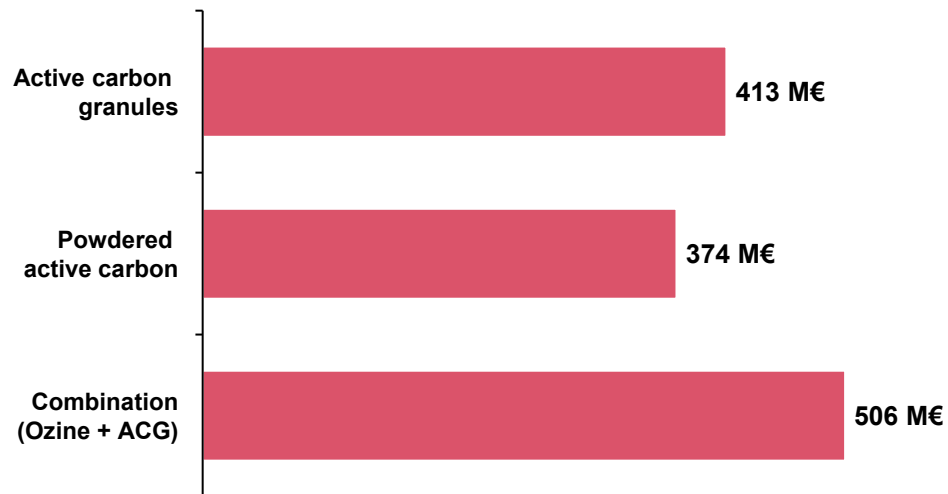
The revised UWWTD would impose an additional burden of €7-9bn on the pharmaceutical and cosmetics sectors between 2028-2045

Impacts of the revised UWWTD on pharmaceutical and cosmetics companies



- A new version of the directive came into force in December 2024 to strengthen the protection of aquatic environments against the flow of micropollutants
- EU Member States must transpose the text by 01/07/2027 for effective implementation by 31/12/2027

Estimation of average annual costs¹ for the pharmaceutical and cosmetics industry in France, by technology used⁽¹⁾
€m, spread over 2028-2045



7-9
bn€ over
18 yrs
(2028-2045)

The pharmaceutical and cosmetics sectors in France are expected to contribute €7-9 billion between 2028 and 2045 depending on the technology used

Scope: 645 STEP² in France treating 63 million population equivalents and 59% of national effluent. The list of sensitive zones, and therefore the number of WWTPs to be equipped, will be submitted in 2030 by the French government

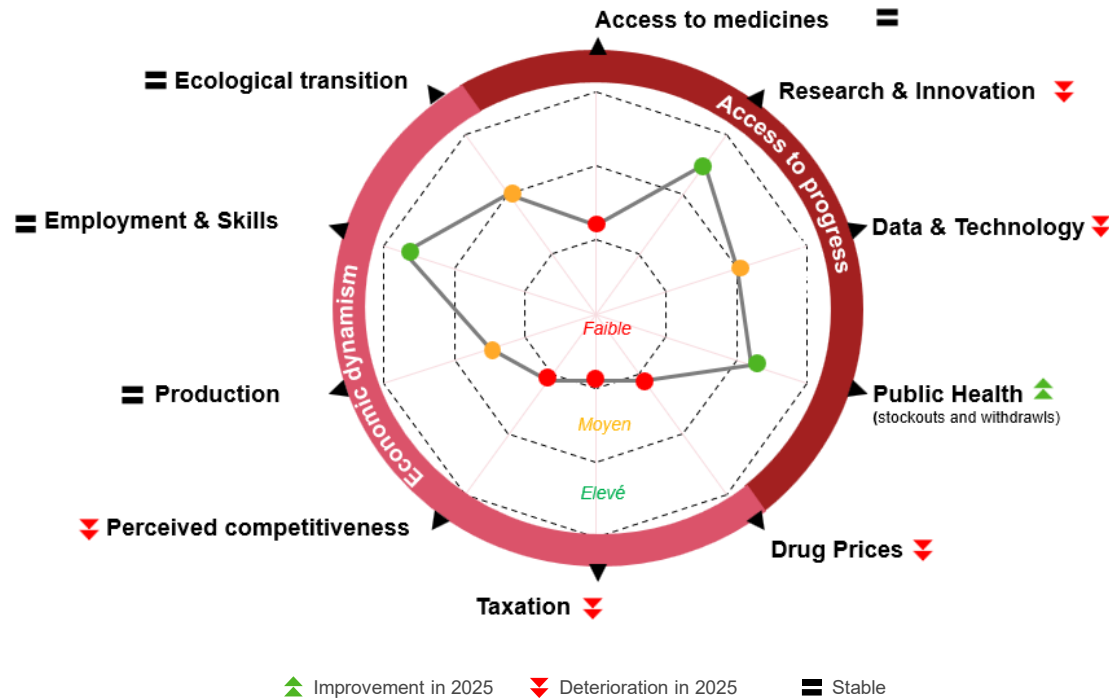

Notes: The objective of the (RE)SET study is to provide an initial estimate of the costs of implementing and operating quaternary treatments as provided for by the new version of the European Directive (based on data for France). Methodology and assumptions: Identification of relevant WWTPs, modelling of future sensitive zones, 4 technologies, cost estimation (CAPEX, OPEX) by technology, period of 2028-2045 i.e. 18 years, inflation of 2.0% (ECB target); 1) Total cost divided by the 18 years of the period (2028-2045), includes OPEX and CAPEX (not amortised); 2) Wastewater treatment plant
Sources: European Parliament, (RE)SET study 2025⁽¹⁾, PwC Strategy&



In summary, France remains stable in absolute terms on several indicators but is losing ground in the face of stronger international competition

2025 vs 2024 trends on the 2 main pillars



-  A major sector rooted in the regions and recognised in R&D, with stable production investments
-  Access indicators at the same level as 2024 and substantial progress on combating stock-outs
-  A stable tax environment that remains one of the most taxed in Western Europe

-  A loss of ground to other countries' progress on innovation, access, taxation and prices
-  A national context complicated by economic and financial pressures

Reputation: The pharmaceutical industry is perceived by the French as the 4th most strategic sector for sovereignty, and public trust has returned to its pre-Covid level

Thank you

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Disclaimer: Due to time constraints related to meeting the required deadlines, this report does not cover all subjects that may need to be considered. Our conclusions were drawn based on information and data collected as of May 2026. However, we cannot guarantee that we had access to exhaustive documentation relating to the pharmaceutical sector. This presentation is for general information purposes only and cannot substitute for professional advice.