

The 29th of November 2018

## PRESS RELEASE

### OBSERVIA ANNOUNCES THE OPENING OF ITS REGIONAL SUBSIDIARY IN SHANGHAI, CHINA



*Workshop organized by Observia in a Chinese hospital*

*Observia is excited to announce the opening of its regional subsidiary in Shanghai, China, and its continued development across the Asian continent.*

*The establishment of this regional presence is at the heart of Observia's internationalization strategy and will help better meet the health challenges facing China.*

*China is now the world's second largest pharmaceutical market and the government is intent on reforming its healthcare system to better meet the growing demand for medical care. Within this context, the "Healthy China 2030" plan was launched in 2016.*

### **New challenges facing the Chinese population in the area of healthcare and a booming pharma industry**

The aging of the population<sup>1</sup>, high pollution rates, changes in lifestyle - especially due to the dietary changes of a formerly rural population, who have now become urban citizens - has led to an important **increase in the demand for medical care**, modified the range of medical conditions requiring treatment and thus has required rethinking the overall organization of the healthcare eco-system. In fact, for instance, diabetes now affects 11%<sup>2</sup> of the Chinese population (compared to 10% in the United States) and fully a quarter of all global cancer cases are now reported to occur in China.

**The Healthy China 2030 plan** is therefore characterised by a number of new health measures, a desire to facilitate access to innovative care solutions and a desire to simplify market access for pharmaceutical companies. Also, and since 2017, new drugs can be launched in the Chinese market within the space of six months, after they have been approved in Europe, the United States or Japan.

In consequence, **the pharmaceutical industry has been booming** these last years. As an example, China has become the second biggest market for Sanofi in 2018 and the first driver of annual growth. Mature princeps are particularly appreciated by the Chinese population, offering a second life to these drugs highly in competition with generic drugs in their traditional markets.

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<sup>1</sup> According to World Bank statistics, in 2015, over 65-year-olds accounted for 10% of the Chinese population. By 2030, they are calculated to reach 230 million individuals, or 16% of the population.

<sup>2</sup> A study published in JAMA highlights alarming statistics on the state of health of the Chinese population. <https://jamanetwork.com/journals/jama/article-abstract/2633917?resultClick=1>

## The necessity of developing digital and innovative solutions for healthcare

China is facing a highly specific market situation:

- China's geographical size is quite simply immense
- China possesses the world's largest population (1.4 billion citizens) which is unequally distributed across its vast landmass
- Digital technology usage is strongly influenced by the practices of everyday life habits and behaviour, especially in urban settings
- Healthcare system strongly organized around public hospitals (very limited existence of local care)

On the strength of these insights, development of care alternatives and **access to healthcare via digital and automated solutions appears a key success factor to better support patients suffering from chronic diseases** as well as ensuring these services are available to the greatest possible number of patients, doctors and caregivers.

In addition, there exists an **undeniable need for high quality patient services**. Indeed, behind each patient is an individual, with a unique personality of their own. Eating better, playing sports, being more adherent, managing side effects of medication...these are some of the many behaviours that patients exhibit, that thus require a hyper-personalized approach based on patients' specific behavioural profiles, if the end goal is to **impact the behaviour** of patients in a sustainable way over the long term, in a population of almost a billion and half individuals.

## How Observia intends to respond to these phenomena

Thanks to 8 years of experience in improving the lives of chronically ill patients, an intensive focus on internationalization since 2016<sup>3</sup> and its **unique approach to the behavioural understanding of patients and the personalization of patient services**, Observia has a strong and proven bedrock of expertise and a background enriched with achievements allowing us to confidently approach this new market.

Observia has developed an approach for understanding the drivers of patient behaviour at an individual level (called the SPUR<sup>4</sup> model) integrated, when required, with customization algorithms that offer each patient a fully personalized solution (Personalized Patient Engagement Plan). This approach to the personalization of patient services appears to us particularly adapted to the challenges and the stakes within the Chinese market. To date, three Observia projects have already been conducted for three Chinese customers leveraging SPUR, confirming the **market's interest in this innovative approach**.

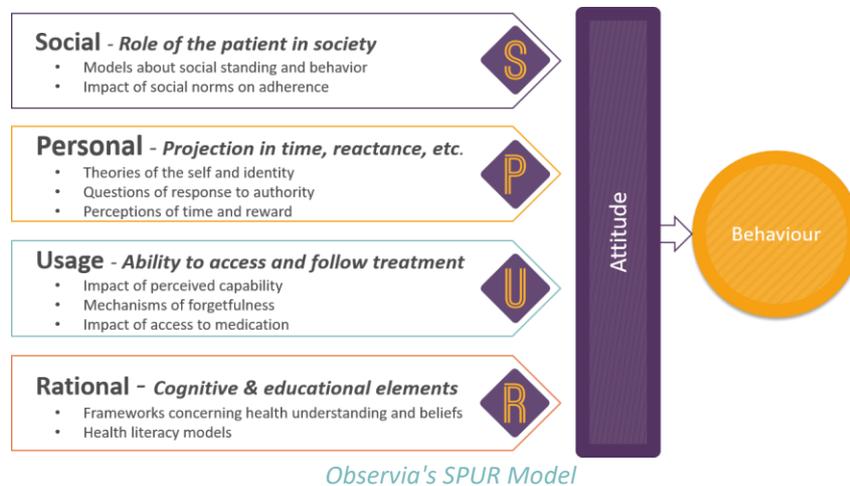
*In the Chinese market, Observia's differentiating value proposition involves the sophistication we bring to program design and the deep level of personalization and messaging relevance we are able to provide to patients. Hong Hua, Country Manager, China, Observia*

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<sup>3</sup> In 2017-2018, Observia experienced global revenue growth of 84%, expanded its European commercial footprint (Switzerland, Germany & the Nordics) and established its Chinese subsidiary.

<sup>4</sup> To learn more, please visit <https://www.observia-group.com/en/news/37-publication/168-spur-the-next-generation-of-profiling>

In order to further reinforce its model, Observia is currently launching **real-life studies** to measure the applicability of its SPUR model to the Chinese market. The studies, commenced in July 2018 in the United States will run until **2020 in the United States, England, France and China**, in the therapeutic areas of **diabetes** and **respiratory disease**. Initial results will be communicated during 2019.



## Meet the Observia team

Opened during the summer of 2018, the Chinese subsidiary is based in Shanghai and is led by **Hong Hua**<sup>5</sup>, our Country Manager, who brings extensive experience from his former roles in the region with IQVIA, Veeva and HP. Hong Hua is seconded by Mrs. **Marion Heriveau**, Chief Operations Officer, and one of the very first individuals to join Observia's European adventure in our Paris HQ.

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## About Observia

Observia is a European e-Health company that combines its expertise in the behavioural sciences, its technology know-how and its understanding of the workings of healthcare ecosystems to improve the quality of life of patients and help increase the efficiencies of the activities of healthcare professionals. Of special note, Observia offers "next generation" programs to support patients with chronic diseases and real-world impact studies to measure the value and success of patient-facing programs.

A trusted partner to the healthcare professional community, patient associations, pharmaceutical and public health organizations in the field of digital health, Observia was created in 2011 and is headquartered in Paris, France.

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<sup>5</sup> Read Hong Hua's interview: <https://observia-group.com/en/news/our-news/162-meet-hong-hua-our-new-china-general-manager>