

Civica to Manufacture and Distribute Affordable Insulin

Americans with diabetes will have access to more affordable insulins through a transparent, cost-plus model

Drastically reducing out-of-pocket costs for insulin through transformative collaboration between Civica and dedicated partners representing nearly every corner of the diabetes ecosystem

LEHI, UTAH, March 3, 2022 – Civica, Inc. (Civica, Civica Rx) today announced plans to manufacture and distribute insulins that, once approved, will be available to people with diabetes at significantly lower prices than insulins currently on the market. The availability of affordable insulins will benefit people with diabetes who have been forced to choose between life sustaining medicines and living expenses, particularly those uninsured or underinsured who often pay the most out of pocket for their medications.

Civica, along with CivicaScript and The Civica Foundation, is collaborating on this effort with partners that represent nearly every corner of the diabetes ecosystem, including Arnold Ventures, Beyond Type 1, Blue Cross Blue Shield Association and 12 independent BCBS companies (Arkansas Blue Cross and Blue Shield, Blue Cross and Blue Shield of Alabama, Blue Cross and Blue Shield of Hawaii, Blue Cross and Blue Shield of Vermont, Blue Cross of Idaho, Blue Shield of California, CareFirst BlueCross BlueShield, Florida Blue, Highmark Blue Cross Blue Shield, Horizon Blue Cross Blue Shield of New Jersey, Independence Blue Cross), Gary and Mary West Foundation, Glen Tullman Family Foundation, Intermountain Healthcare, JDRF, Kaiser Permanente, Peterson Center on Healthcare, Providence, The Leona M. and Harry B. Helmsley Charitable Trust, Transcarent and Trinity Health.

“Diabetes is arguably America’s most expensive chronic condition, and it is heartbreaking that millions of people are rationing their care and putting their lives at risk because they can no longer afford insulin,” said Dan Liljenquist, Board Chair of Civica and the innovator behind Civica’s non-profit business model.

“Through mission-driven partnerships, we are choosing to create a new market reality where no one is forced to ration essential diabetes medications.”

Martin VanTrieste, President and Chief Executive Officer of Civica Rx, added, *“More than 8 million Americans rely on insulin to live, but many can’t afford to take the amount they need because of the historically high and prohibitive cost of insulin. We know that to really solve for the insulin cost and access challenges so many Americans face, we need a process – from manufacturing to setting a transparent price – that ultimately lowers the cost of the drug for those living with diabetes. In that spirit, we will ensure patients know where Civica’s low-cost insulin is available.”*

Civica will produce three insulins – glargine, lispro and aspart (biologics corresponding to, and interchangeable with, Lantus, Humalog and Novolog respectively) – each of which will be available both in vials and prefilled pens. Civica will co-develop and manufacture the drug product, complete the clinical trials, and file the necessary applications for FDA approval. Civica plans to set a recommended price to the consumer of no more than \$30 per vial and no more than \$55 for a box of five pen cartridges, a significant discount to prices charged to uninsured individuals today.¹

Civica plans to sell its insulins at one low, transparent price for all, basing the price on the cost of

¹ Based on a publicly available current average list price of glargine (Lantus), lispro (Humalog) and aspart (Novolog) on <https://www.goodrx.com/> on February 28, 2022.

development, production and distribution. CivicaScript's policy for pharmacies and others who choose to distribute Civica insulins reflects its philosophy that prices to consumers should be fair, reasonable and transparent, and be no more than the public, recommended price. A maximum recommended consumer price for outpatient prescription medications is a concept CivicaScript is pioneering in the generic market.

As many as one quarter of insulin users skip doses or take less than prescribed amounts due to high costs, according to a recent study published in *JAMA Internal Medicine*.² The drug has become inaccessible for many, causing debilitating and preventable illness. This disproportionately impacts people with diabetes who are Native American, Hispanic, or Black, since they are more likely to be uninsured and underinsured.³

"Bold philanthropic partners have made it possible, with committed funds to date of over two-thirds of our \$125M goal, for us to undertake this affordable insulin initiative," said Ken Boyden, Executive Director of The Civica Foundation. *"We are incredibly grateful for their leadership. They each have a passion for and commitment to building pathways to reliable drug access and affordability."*

Civica has entered into co-development and commercial agreement with GeneSys Biologics for these three insulin biosimilars. Civica will use drug substance produced in partnership with GeneSys and will have exclusive rights in the U.S. to market and sell these insulins at costs that are substantially lower than what is currently available in the U.S.

Commenting on the alliance with Civica, Mr. Rajender Rao, Chairman and Co-founder, GeneSys Biologics said, *"GeneSys was founded with the objectives of developing and manufacturing quality biosimilars that deliver meaningful affordability and access to patients. The partnership with Civica will help us achieve these objectives in support of people living with diabetes."* Mr. Venkat Reddy, Director, GeneSys Biologics, added, *"This is a significant milestone for GeneSys to bring affordable insulin to U.S. consumers, and we are excited to partner with Civica in delivering on this shared mission."*

The insulins will be manufactured at Civica's state-of-the-art 140,000 square-foot manufacturing plant, being built in Petersburg, Virginia. The facility, expected to be operational in early 2024, will ultimately have the capacity to produce a substantial amount of the insulin needed in the United States, with additional space to increase production if necessary. Contingent on FDA approval, Civica anticipates that the first insulin (glargine) will be available for purchase as soon as early 2024.

More information on this initiative, including commentary from partners and a fact sheet, can be found at <https://civicainsulin.org>.

About the Civica Family of Organizations

Civica, Inc. (Civica, Civica Rx) is a nonprofit generic pharmaceutical company. Civica was created by hospital systems and philanthropies in 2018 to reduce and prevent chronic drug shortages in hospitals and the unpredictable price spikes that often accompany them. Its mission is to make quality generic medicines accessible and affordable to everyone.

Today Civica is governed by leading hospital systems (CommonSpirit Health, HCA Healthcare, Intermountain Healthcare, Kaiser Permanente, Mayo Clinic, Memorial Hermann, Providence, SSM Health, and Trinity Health), representatives of the payer community (Blue Cross of Idaho and Blue Cross Blue Shield Association), and philanthropies committed to improving healthcare (Gary and Mary West Foundation,

² JAMA, [Cost-Related Insulin Underuse Among Patients with Diabetes](#), 2019; [CDC NHIS Study](#), 2020

³ CDC, [2020 National Diabetes Statistics Report](#); NCBI, [Diabetes in America](#)

Laura and John Arnold Foundation, and Peterson Center on Healthcare).

Hospital advisors—doctors and pharmacists—prioritize the essential medicines Civica provides for use in acute and critical care, emergency rooms, and surgery.

Civica by the Numbers

- Civica provides approximately 60 generic sterile injectable medicines in various dosage forms to over 55 hospital systems, representing more than 1,500 hospitals and one-third of all licensed hospital beds in the United States (Civica also supplies the U.S. Department of Veterans Affairs, the U.S. Department of Defense).
- To date, Civica has provided nearly 70 million vials or syringes of essential generic medications to hospitals, which have been used to treat approximately 28 million patients.
- Eleven Civica medications have been used to help care for COVID-19 patients, including neuromuscular blocking agents, sedatives, pain management medications, and blood thinners. Civica and its supply partners met surge hospital demand of up to 400 percent for some medications during COVID-19 and provided 2.1 million vials to the U.S. Strategic National Stockpile.
- Civica is building a 140,000 square-foot sterile injectable manufacturing facility in Petersburg, Virginia. The Civica finished dosage (vials and pre-filled syringes) manufacturing plant will include disposable technology and advanced technology filling lines to produce 90 million vials and 50 million pre-filled syringes a year (enough to meet the demands of approximately 50 million patients a year). The facility, expected to be operational in early 2024, is being built to accommodate future growth as well, and will be the future home of Civica Insulin.
- Learn more at www.civicarx.org.

CivicaScript

CivicaScript is the new Civica operating unit dedicated to lowering the cost of select high-cost generic medicines at the pharmacy counter. Using a cost-plus and price transparent model, CivicaScript, with its founding members including Blue Cross Blue Shield Association (BCBSA) and 18 Independent BCBS health plans, Anthem and others, will transform prescription drug distribution to lower the cost of prescription medicines and ensure that consumers benefit from these medicines at a fraction of their current cost.

The Civica Foundation

The Civica Foundation is a newly established 501(c)(3) organization that fosters philanthropic support to manufacture and distribute affordable generic medications. Its mission is to ensure quality generic medications are available and affordable to everyone. The Foundation seeks bold philanthropic partners who are:

- Passionate about improving and saving the lives of millions of people across the United States
- Committed to building pathways to reliable drug access and affordability
- Inspired by the opportunity to innovate for life

About GeneSys Biologics

GeneSys Biologics is a biopharmaceutical company based in Hyderabad, India. GeneSys has successfully developed a range of insulin biosimilars. The GeneSys Biologics mission is to expand patient access to quality insulin biosimilars with meaningful affordability.

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