

Updates on Abbott pricing and service

Integrated Diagnostics Consortium

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by

EGPAF and CHAI

Overview

- Where we started
- Where we are
- Eswatini offer
- Going forward


Where we started

Key features of current Abbott pricing and S&M terms:

Item	Terms
mPIMA analyser price	USD 25,000
EID Cartridge price	USD 25.00
Volume price breaks	\$22.50 for 200,000 – 400,000 tests \$19.95 for 400,000 – 600,000 tests
Extended warranty price	<ul style="list-style-type: none">• \$9,000 (Four Year Extended Care Package if purchased in single transaction) OR• \$2,500 per instrument per year to extend the warranty beyond one (1) year
Negotiated Service & Maintenance terms	<ul style="list-style-type: none">• Warranty takes effect from the date of instrument installation at a facility• Installation and training included• No additional distributor costs• List and contact information of service hubs and/or distributors for service queries• Remote trouble shooting• Free of charge software and firmware upgrades and updates• Instrument replacement• The cost of spare parts included within the price of the warranty.• Transfer of the full terms of the S&M agreement when machines are transferred to the new owner.

Where we are

Recent offers from Abbott for the following products:

	Product	Part Number
Instrument	<p>m-PIMA Analyser, together with accessories, including the power drum and connection pack (“m-PIMA Complete”)</p>  <p>The image shows three components of the m-PIMA Complete kit. On the left is the m-PIMA Analyser, a black and grey machine with a sample slot and a control panel. In the top right is a small black connection pack with a vertical antenna. In the bottom right is a large black power drum with a silver-colored rim.</p>	27030R002
Cartridges	<p>m-PIMA HIV 1/2 Detect cartridge</p> <p>m-PIMA HIV 1/2 VL cartridge (ROW)</p> <p>m-PIMA HIV 1/2 VL cartridge (CE)</p>	27011R050 27015-W50 270150050

Where we are

Recent price offers from Abbott

1. Instrument and Cartridge Purchase Model

Terms	CAPEX Model	
Duration of commitment	None	3 years
Minimum annual cartridge purchase requirement	Optional	1,000
Price per instrument	USD 15,000	USD 15,000
Price per cartridge (EID or VL)	USD 30	USD 20
Included in price of instrument	<ul style="list-style-type: none">• Delivery and installation of instrument• Instrument accessories• Access to Data Point software, enabling instrument connectivity and data management, with access to future software upgrades• Full service and maintenance• Monthly reporting and dashboards• Instrument warranty on parts and labor during term• Vendor managed inventory with monthly resupply of cartridges is included when customer commits to 3 years and minimum volumes	

Cont'd: Where we are

Recent price offers from Abbott

2. Instrument Reagent Rental Model

Term	Reagent Rental Model	
Duration of commitment	1 year	3 years
Minimum annual cartridge purchase requirement per leased instrument	1,000 cartridges	1,300 cartridges
Price per instrument	USD 0	USD 0
Price per cartridge (EID or VL)	USD 30	USD 20
Included in price of instrument	<ul style="list-style-type: none">• Delivery and installation of instrument• Rental fee for instrument, including accessories• Access to Data Point software, enabling instrument connectivity and data management, with access to future software upgrades• Full Service and maintenance• Vendor managed inventory with monthly resupply of cartridges to health facilities in line with agreed volume commitments• Monthly reporting and dashboards	

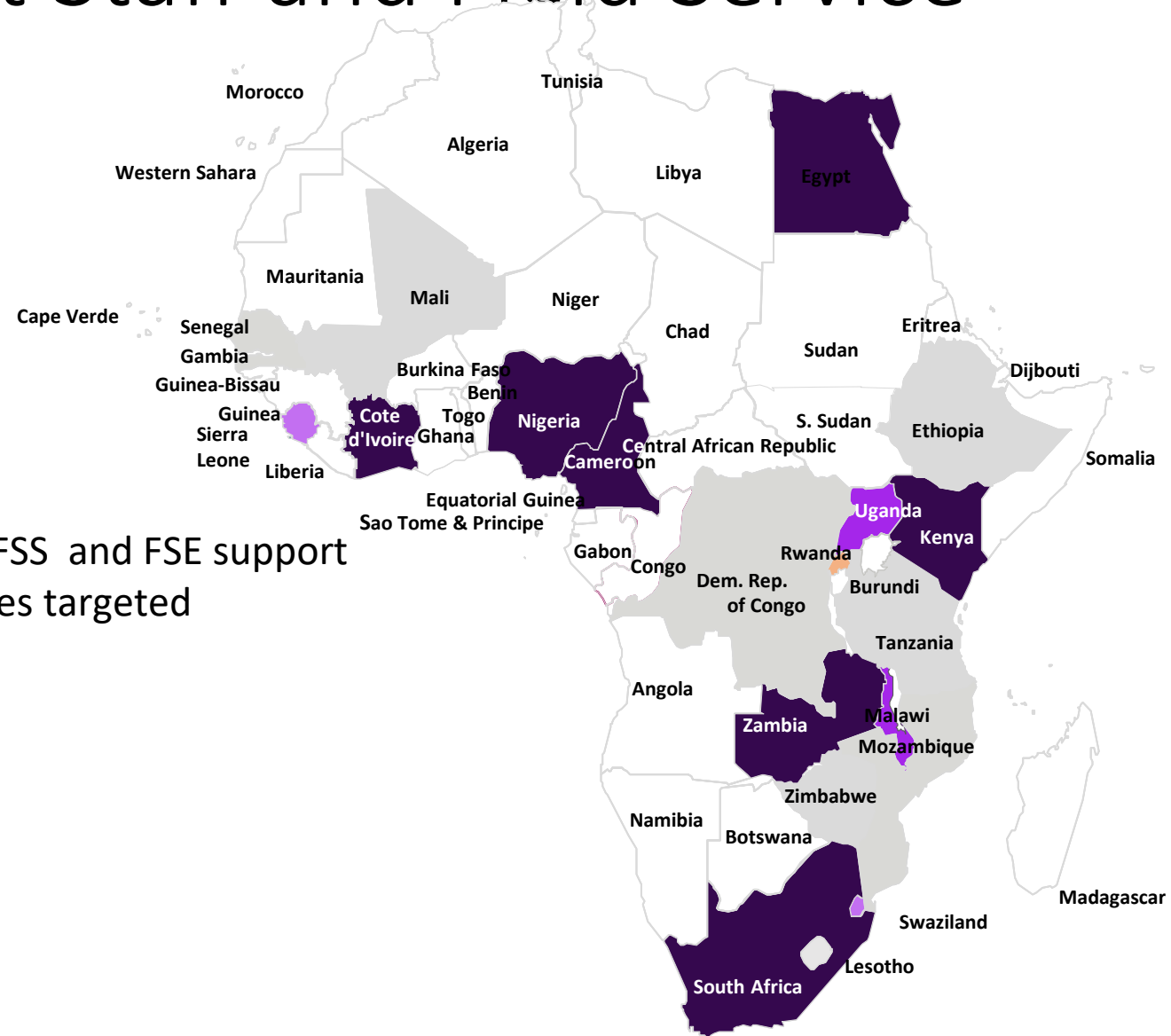
Cont'd: Where we are

Important Notes from Abbott:

- This instrument and cartridge purchase model is available only in select countries.
- The potential terms referenced herein are not comprehensive or exhaustive. ALL reserves the right to withdraw, supplement or otherwise modify any proposed terms of supply at any time prior to the execution of a written agreement.
- Services may be performed by AIL or an affiliate or third-party subcontractor appointed by AIL.
- The models assumes a customer intent to maintain instrument connectivity throughout the term. Access to, and use of, Data Point software subject to separate terms of use.
- Customer responsible for customs clearance / import waiver.

Field Support Staff and Field Service Engineers

13 Countries with FSS and FSE support
Additional countries targeted



Field Service And Support Activities

Country	No of FSS	No of FSE	Pima Site Visits	Data Point and Connectivity	M-Pima	TB Lam	Determine HIV	AHC	Abon HIV	Determine Syphilis	SD Duo	SD HCV	EQA Support	QA Site readiness	Group training and workshops	Software Updates PIMA	Software updates m-PIMA
Cameroon	9	0	√	√	√	√	√			√	√				√	√	√
Guinea	4	1	√	√				√			√		√				
Ivory Coast	8	1	√	√	√		√						√			√	√
Kenya	8	0	√		√											√	
Malawi	0	2	√		√	√	√	√		√	√				√	√	
Nigeria	1	1	√												√	√	√
South Africa	3		√	√		√			√				√	√	√		√
Rwanda	0	1	√	√	√	√	√	√		√	√				√	√	√
Swaziland	2	0	√		√	√	√						√	√			√
Uganda		4	√	√		√					√		√		√	√	
Zambia		1	√	√	√												√

Very recent Eswatini Offer

Item	Terms
EID Cartridge price	USD 20.00
Instrument purchase/leased	No. Using current install base of 19 mPIMA platforms. Extended warranties procured at time of instrument purchase
Volume commitment	No. EGPAF to procure 3,900 cartridges
Delivery	Delivery to sites included

Going forward

Proposed changes to Abbott offer

- **Target price: ≤\$20 per test all-inclusive**, DAP (including instrument placement, reagents and consumables, service and maintenance, connectivity, accessories, inventory) for all tests procured, across ALL instruments in country (previously purchased and newly placed).
- **Focus on existing install base.** Most countries, at least in a first phase, will try to utilize and transition the current footprint, therefore an all-inclusive price offer that does not include instrument placement, hence <\$20, would be useful to facilitate the decision to adopt and support VL on mPIMA, and increase utilization of current devices.
- **No hidden costs.** Example, costs associated with device removal and shipment to the capital, or logistic costs of field staff repairing the instruments.
- **Placements based on minimum expected volume, without commitment.** Placements selected collaboratively with the MoH based on shared site assessments and expected volume. Periodically, Abbott and the MoH review the testing volume at the sites where mPIMA has been placed and discuss the actions to be taken to increase the demand whenever this might fall below minimum yearly volume agreed (actions include instrument reallocation or other demand generation activities)
- **One year contract.** The contract will be for one year and will automatically extend to the next year unless is cancelled at the end of year 1
- Replacement of tests due to IQC failures* (optional)

Questions and answers