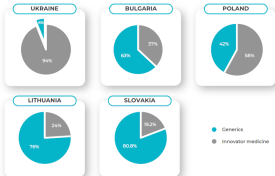


# PHARMACEUTICALS

# THE MAJORITY OF MEDICINES IN UKRAINE ARE GENERICS

Structure of medicine market by country\*, in monetary terms, %

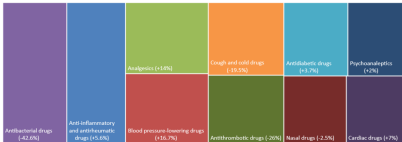


The majority of medicines in Ukraine are generics. Generics cost less and are identical to original drugs, thus make treatment affordable

# STRUCTURE OF MEDICINE CONSUMPTION





The biggest share in the structure of consumption is taken by anti-inflammatory and antirheumatic drugs. The largest increase in consumption in 2022 was displayed in blood pressure-lowering drugs share.

TOP 10 GROUPS OF MEDICINES ON THE PHARMACY MARKET AND DYNAMICS OF THEIR SALES STRUCTURE IN MONETARY TERMS IN 2022 AND INCREASE IN SALES COMPARING WITH 2021, %



# LEADERS OF THE PHARMACY MARKET

TOP PHARMA COMPANIES BY MARKET SHARE,  
Sales in monetary terms

|  |       |
|--|-------|
|  FARMAK               | 5.25% |
|  DARNITSA             | 4.45% |
| ACINO (SWISS)  | 3.60% |
| TEVA (ISRAEL)  | 3.45% |
| KRKA (SLOVAK)  | 3.11% |
| SANOFI (FRANCE)  | 3.06% |
|  KYIV VITAMIN FACTORY | 3.03% |
| BERLINCHEMIE (GERMANY)   | 2.95% |
|  KUSUM PHARM          | 2.57% |

According to the results of 2022, the companies "Farmak", "Darnytsia" and "Acino" became the leaders in terms of the volume of pharmacy sales of drugs.

The war had a different effect on the development of companies: some show growth, while others, on the contrary, decline. The war factor affects the development of manufacturers to a large extent. Decrease in sales experienced Farmak (-14.5%), Sanofi (-14.5%), Arterium (-6%).

## IMPORT SUBSTITUTION OPPORTUNITY

### EU share in Ukrainian imports by product (selected):

**73%** of medicaments

**77%** of provitamins and vitamins

**89%** corticosteroid hormones

**88%** hormones or steroids

**79%** antisera and other blood fractions

Dependence on imported medicines is a national security matter because high dependence can lead to a shortage of drugs in difficult times like the pandemic or war.

## OPPORTUNITIES FOR FOREIGN INVESTORS

The majority of pharmaceutical products consumed in Ukraine are imported

**65%** of imported pharma products are from EU countries

Top pharma goods imported by Ukraine from EU, by value, 2021



### E-commerce in the pharma market

- In 2021 the share of e-commerce in the Ukrainian pharma market was higher than in the world.

5% World

7% Ukraine

### Major pharma marketplaces in Ukraine

LIKI 24

LAB 24

 **apteka24.ua**

126 Healthtech product companies operating in Ukraine and may provide innovative solutions for businesses in the sector

- Digital healthcare products / services (e.g. wearables, clinical data solutions)
- AI applications in diagnostics and treatment
- Software
- CRM systems and others

# WHY INVEST IN UKRAINE

## Investment Incentives

### Incentives for significant investments



5-year corporate income tax (CIT) exemption



Value-added tax (VAT) exemption for import of new equipment and components to it



Exemption from import duty of new equipment and components to it



Construction of related infrastructure (highways, communication lines, utilities etc.)



Lease of state or communal land plots without auction



Land tax exemption / lower land tax rate

## AMOUNT OF STATE SUPPORT



up to 30%  
CAPEX

## PROJECT REQUIREMENTS

20+ mln EUR investments  
80+ jobs to be created

### Eligible Industries:

- processing industry
- extraction for the purpose of further processing and/or enrichment of natural resources (except hard coal, lignite, crude petroleum, natural gas)
- waste management
- transportation
- warehousing
- postal and courier activities
- logistics
- education
- R&D
- healthcare
- arts and culture
- sports
- tourism
- hospitality



Guide: Incentives for Significant Investments

### Incentives for industrial parks



full or partial compensation of interest rates on loans for arranging an industrial park, carrying out economic activity



10-year CIT exemption



exemption from import duties for new equipment



non-refundable financing for arranging an industrial park and/or construction of related infrastructure facilities



land tax exemption/  
lower land tax rate



exemption from real estate tax for industrial buildings



compensation for connecting to engineering grids



VAT exemption for importing new equipment



exemption from payment of forestry production losses



Guide: State support for industrial parks