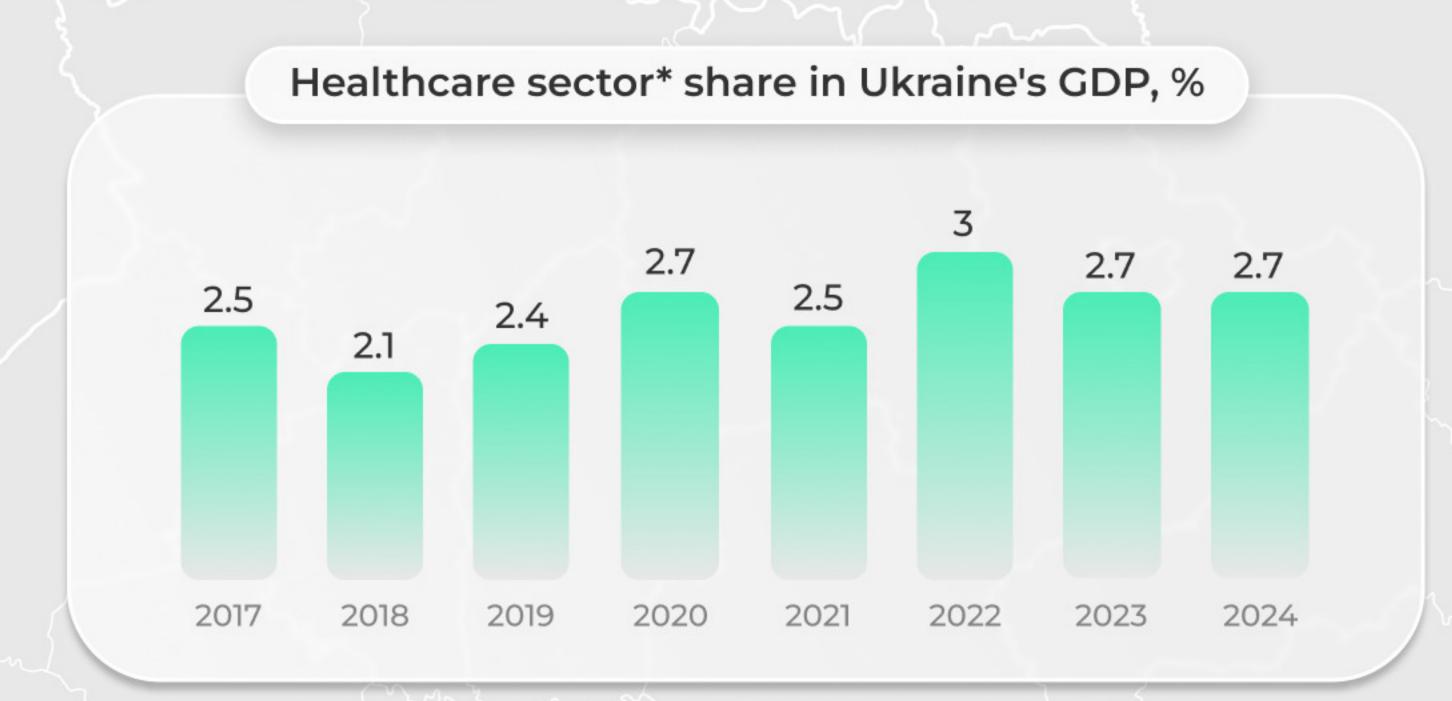




Macroeconomic overview



Healthcare spending in 2024



238.7
billion UAH
total healthcare
spending



157.3
billion UAH
Implementation of Medical
Guarantee Program



201.4
billion UAH
state budget
spending of Ukraine

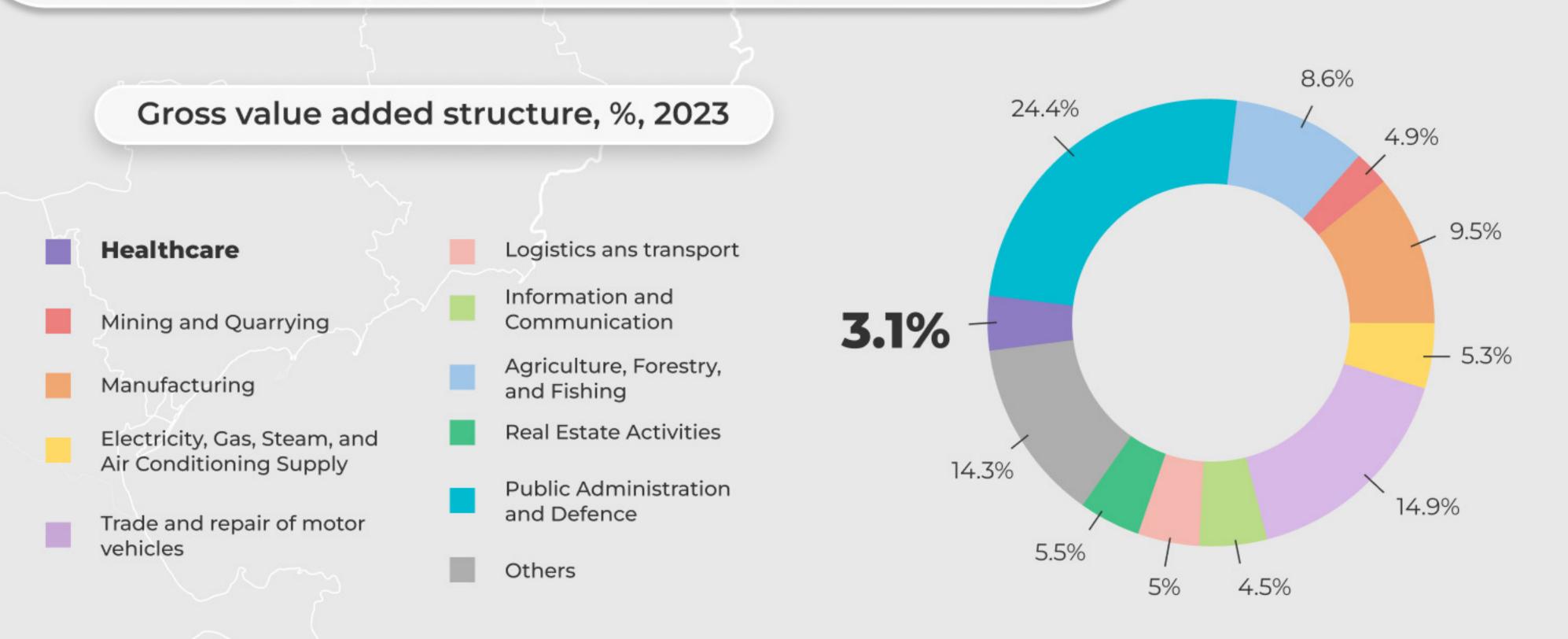


4.5% share of healthcare in all categories of state budget spending

Taxes paid in the healthcare sector, billion UAH 1.2% Share of healthcare* in total taxes

2023

2024



^{* -} health care and social assistance Further — healthcare

2021

2020

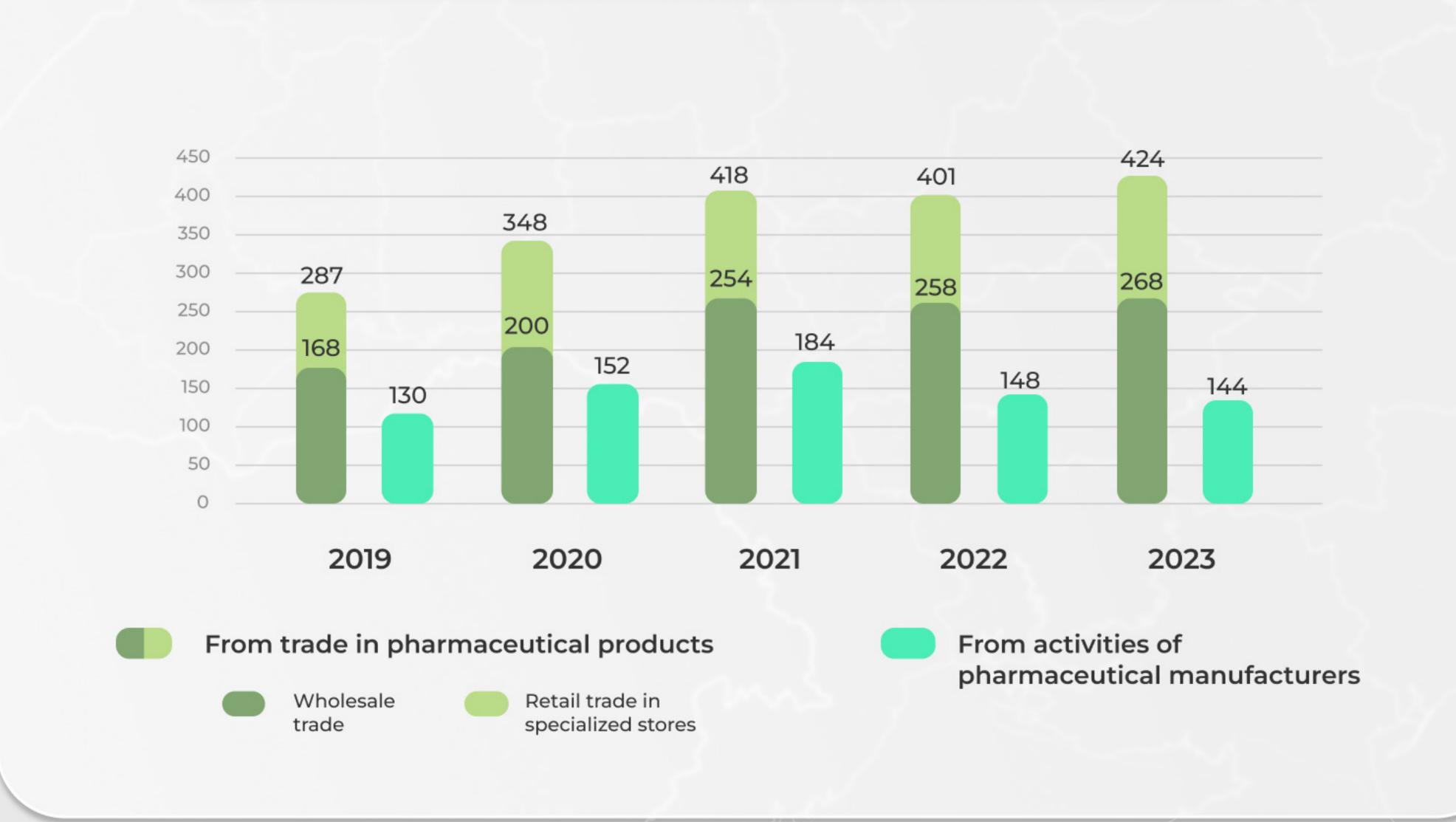
2022

2019

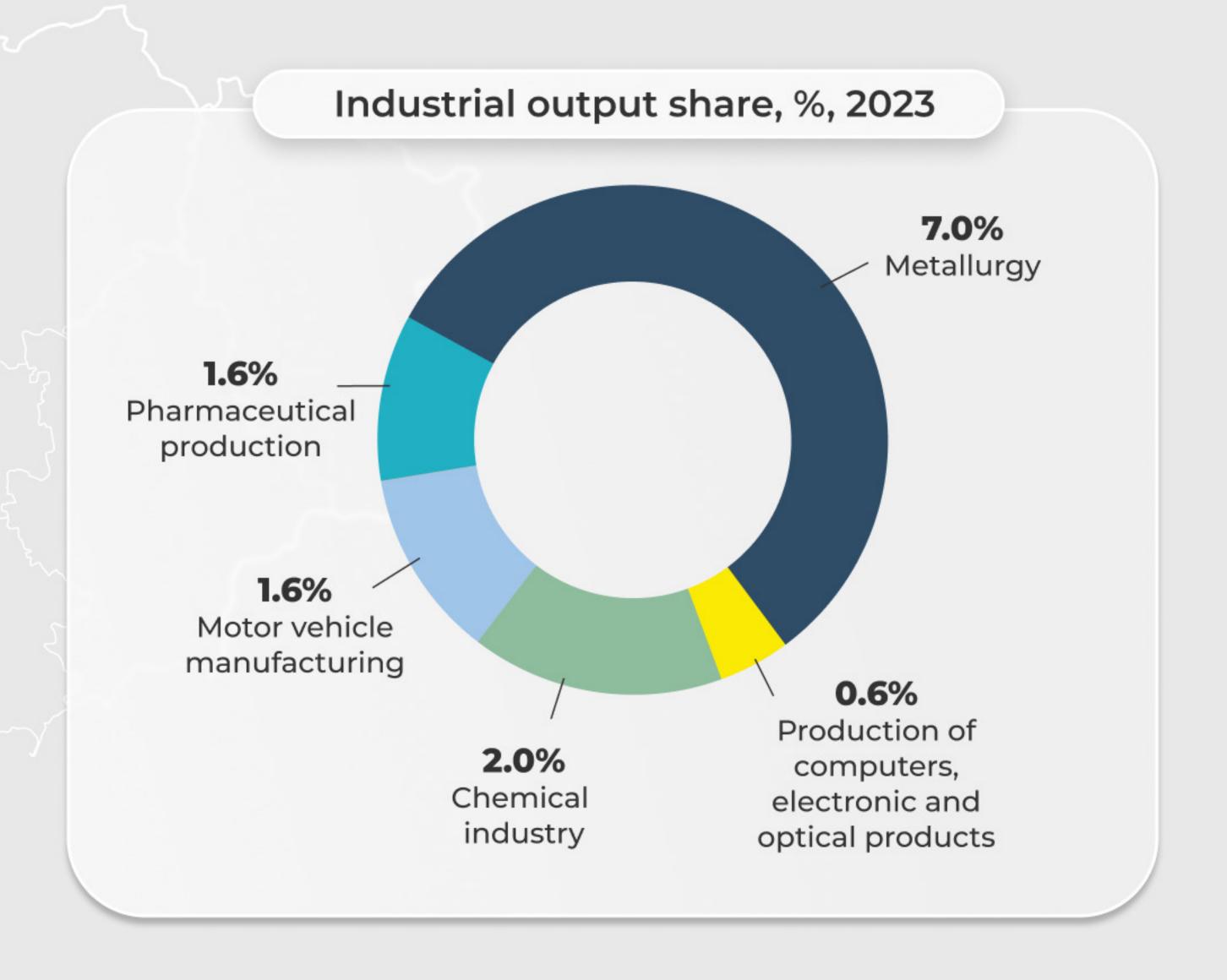


Macroeconomic overview: Pharmaceuticals

Taxes paid by the pharmaceutical industry, million USD*



Despite not being the largest industry in Ukraine, pharmaceuticals are an important part of the country's critical economy



^{* -} nomenclature of economic activities: 21.10 and 21.20

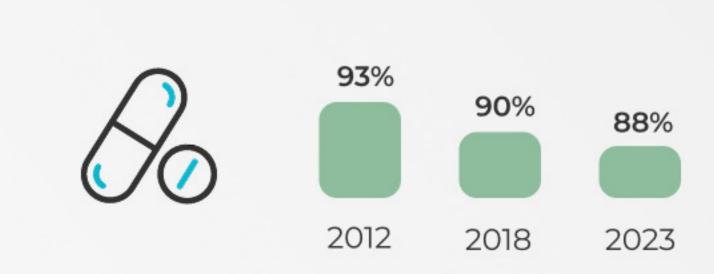


Pharmaceutical imports

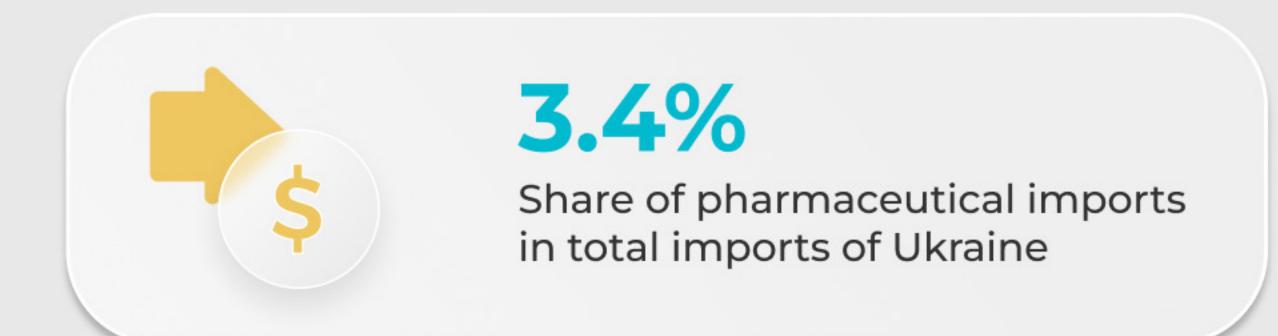
Pharmaceutical industry turnover, million USD



Import share



Import dependence is gradually decreasing, partly due to government policies that encourage the consumption of domestic products



Pharmaceutical imports to Ukraine by country, million USD, 2023

1 =	Germany	414.9	6	USA	96.7
2	India	184.5	7	Slovenia	94.0
3	France	177.3	8	Ireland	89.0
4	Italy	147.7	9	Hungary	68.3
5	Spain	99.7	10	Switzerland	67.7

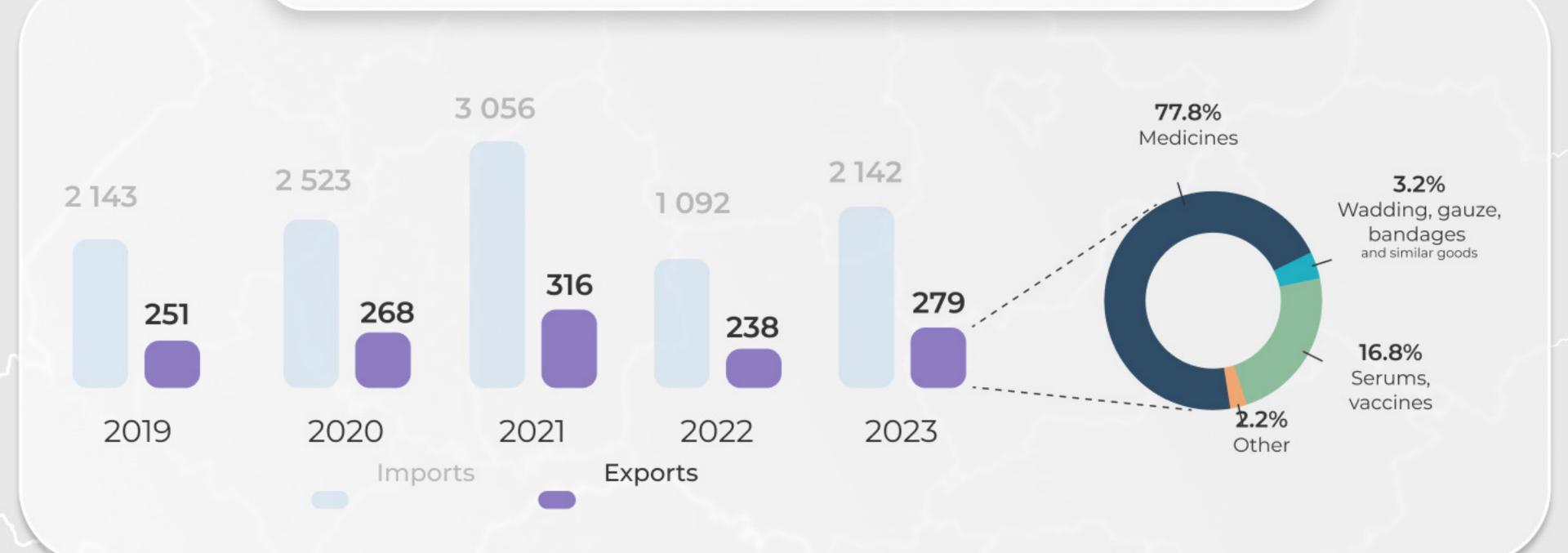
Despite the gradual decline in the share of imports in recent years, the pharmaceutical industry in Ukraine remains largely import-dependent: **imports** are almost 8 times higher than exports

Germany remains the main supplier of pharmaceutical products, accounting for about **20% of imports**, which indicates a high level of trust in European manufacturers and the potential for localization of production



Pharmaceutical exports

Pharmaceutical industry turnover, million USD



EU countries



Ukrainian pharmaceutical exports to **Europe** are taking up a growing share of total national exports



Pharmaceutical exports from Ukraine by country, million USD, 2023

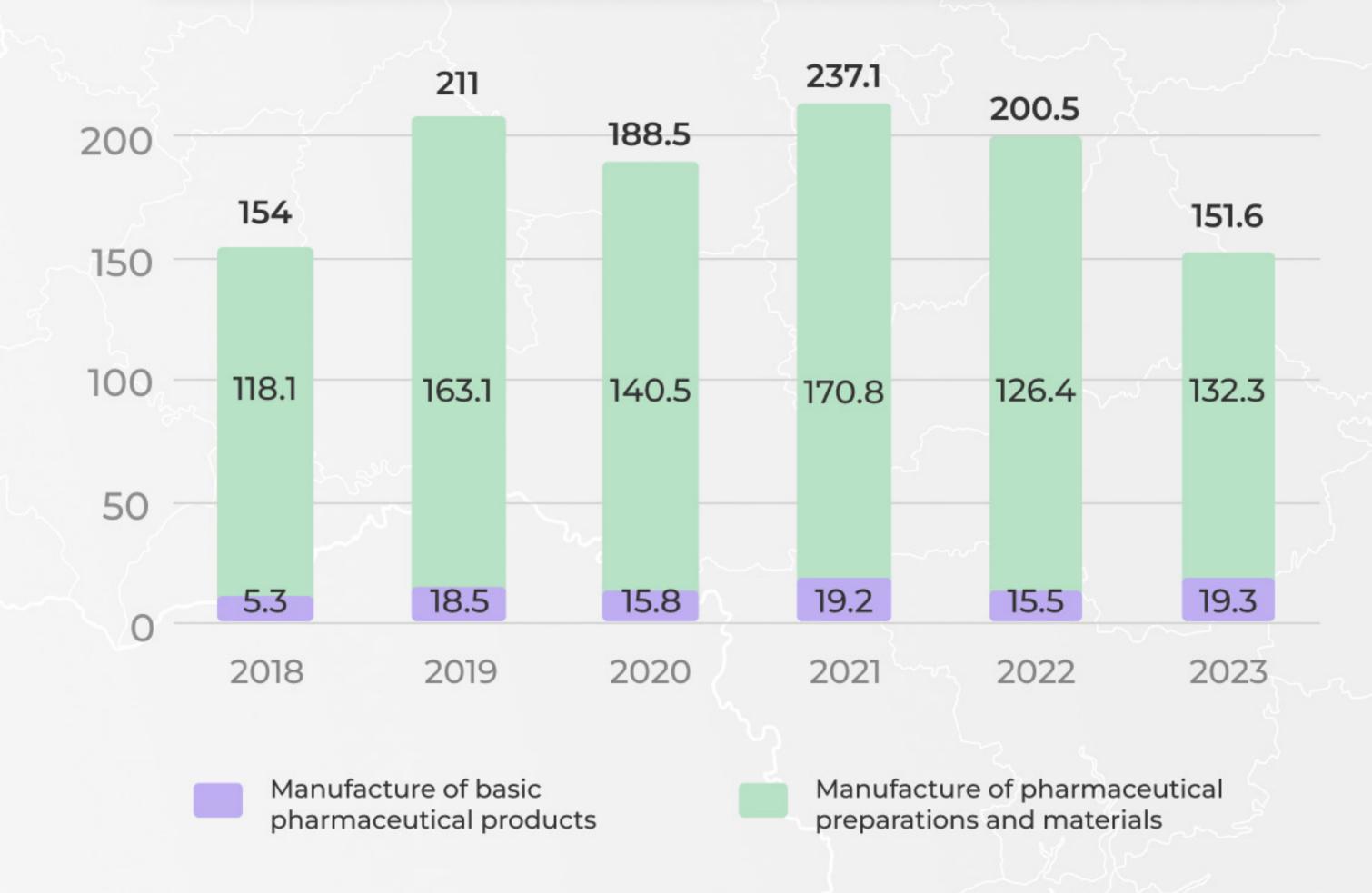
1		Uzbekistan	53.4	6	paint all.	Iraq	14.9
2		Lithuania	38.0	7	C·	Azerbaijan	14.1
3		Kazakhstan	28.0	8	©	Kyrgyzstan	10.2
4	***	Georgia	24.9	9		Switzerland	8.5
5		Moldova	15.2	10	3	Mexico	7.0

Main sales markets are the CIS and the Middle East, but in 2023 the share of **exports to the EU increased to 20.9%**, which indicates the growing integration of Ukrainian pharmaceuticals into the European market



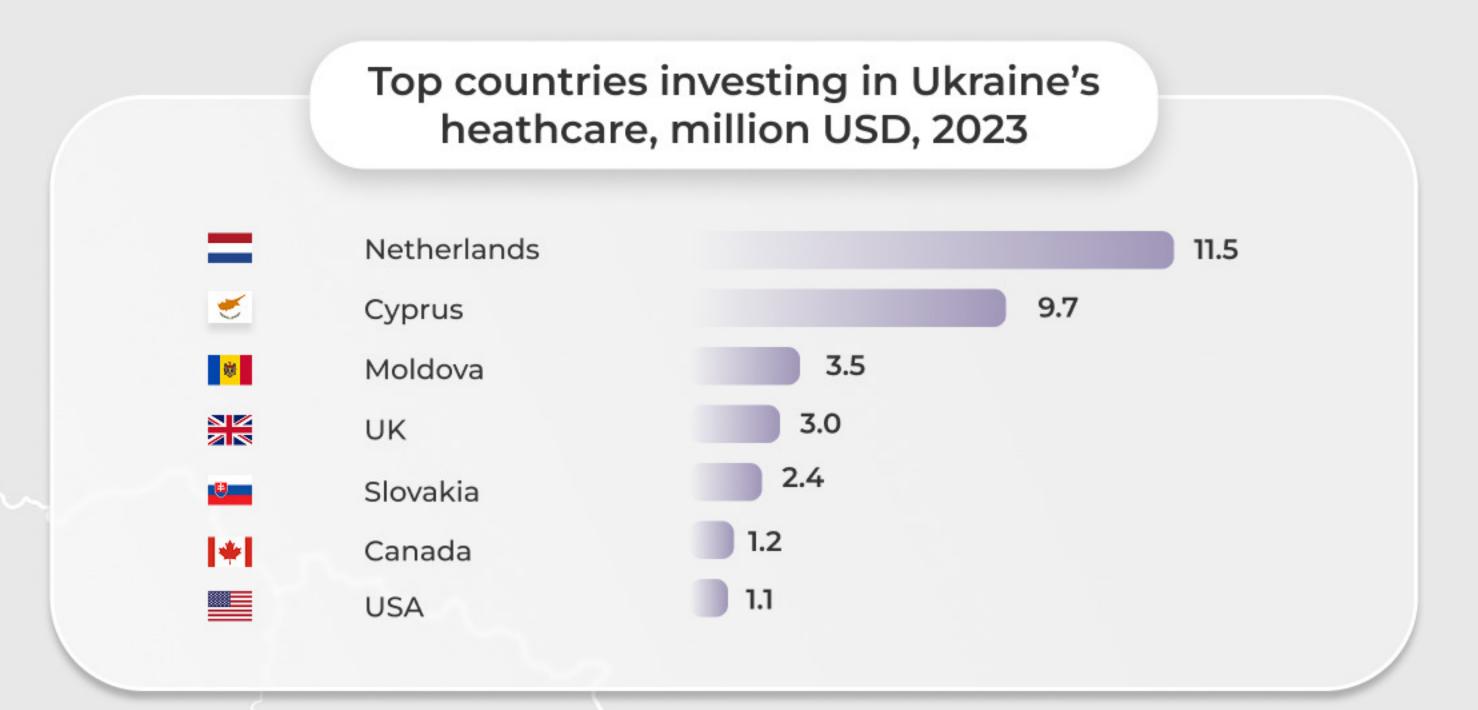


FDI stock in pharmaceuticals, million USD*

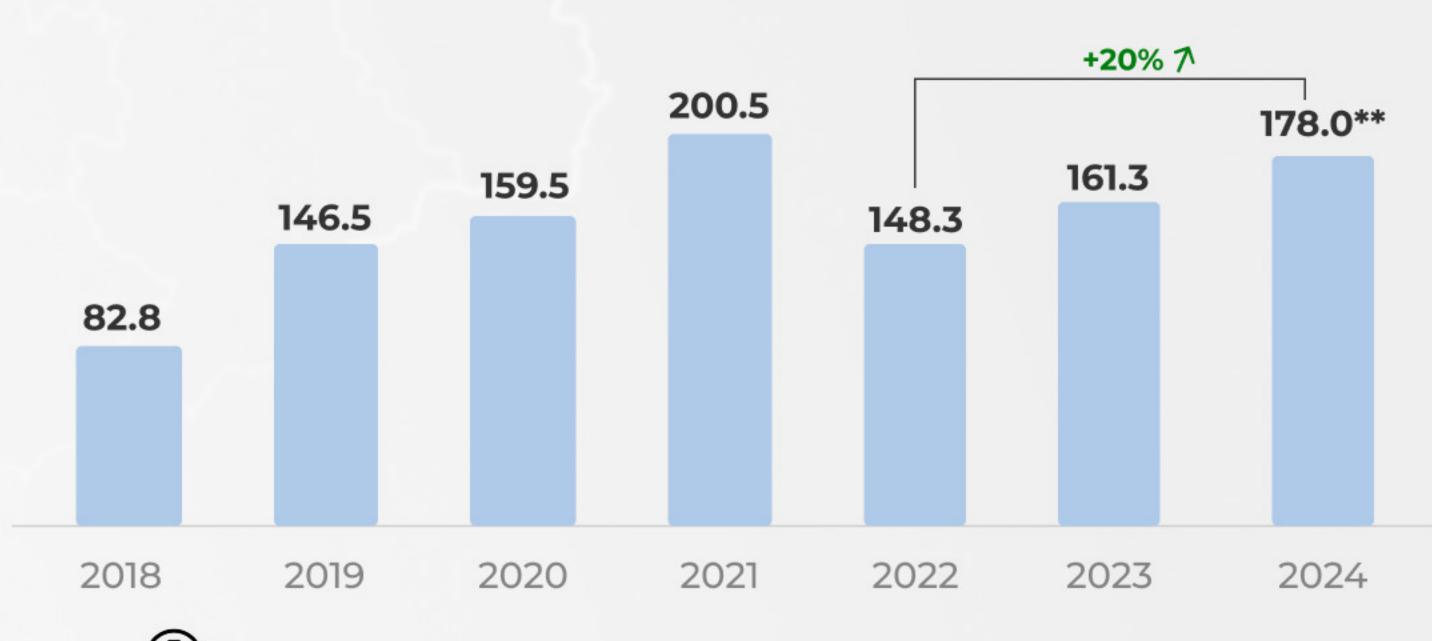




share of FDI stocks in pharmaceuticals in Ukraine, 2023 relative to other economic activities



Healthcare FDI flows, million USD





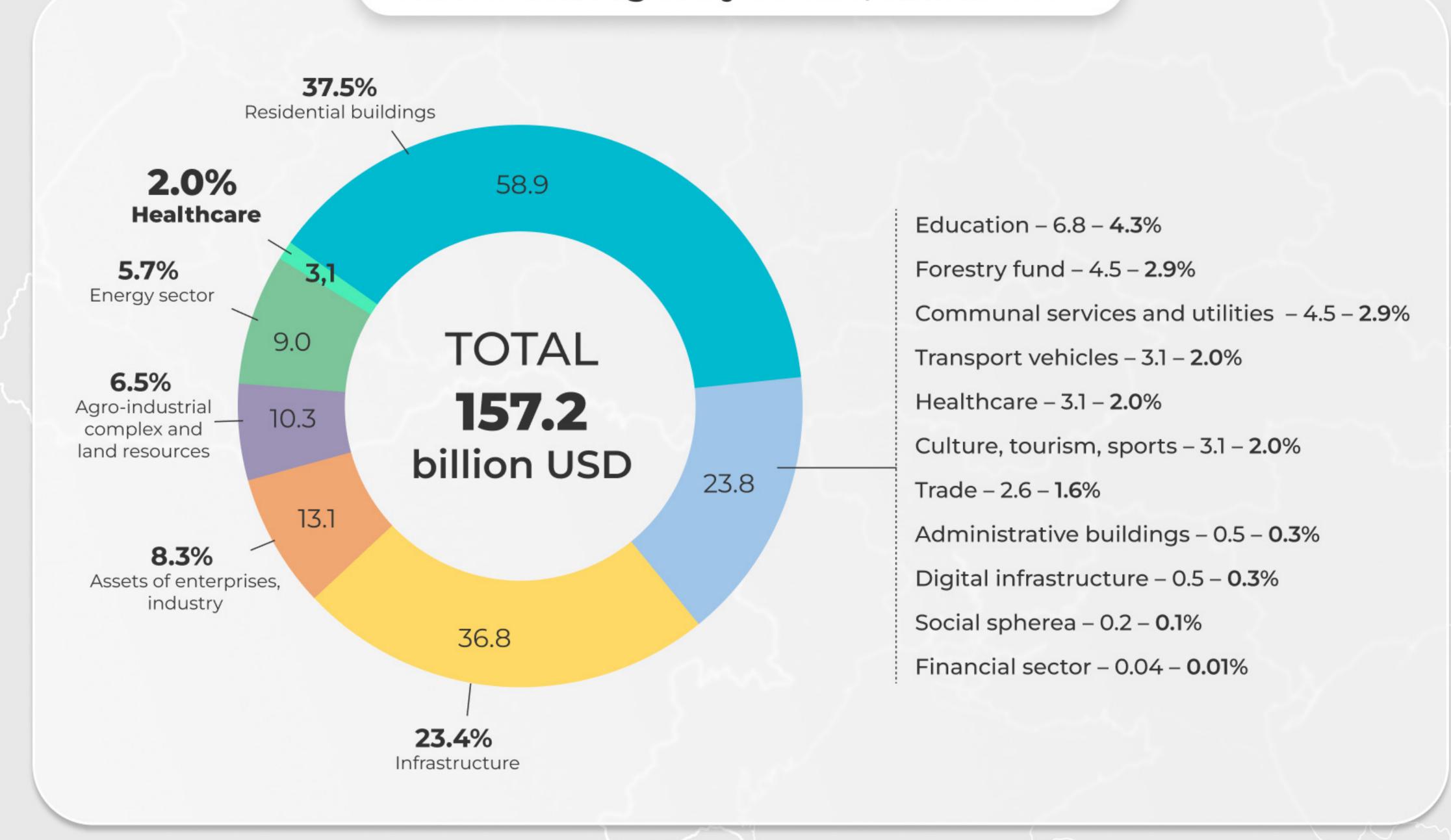
Ukraine's demand for medical care is expected to rise due to the war's long-term impact and population aging

^{* -} equity-based investment instruments, including selected segments of the manufacturing sector ** - data may be subject to clarification upon receipt of complete information

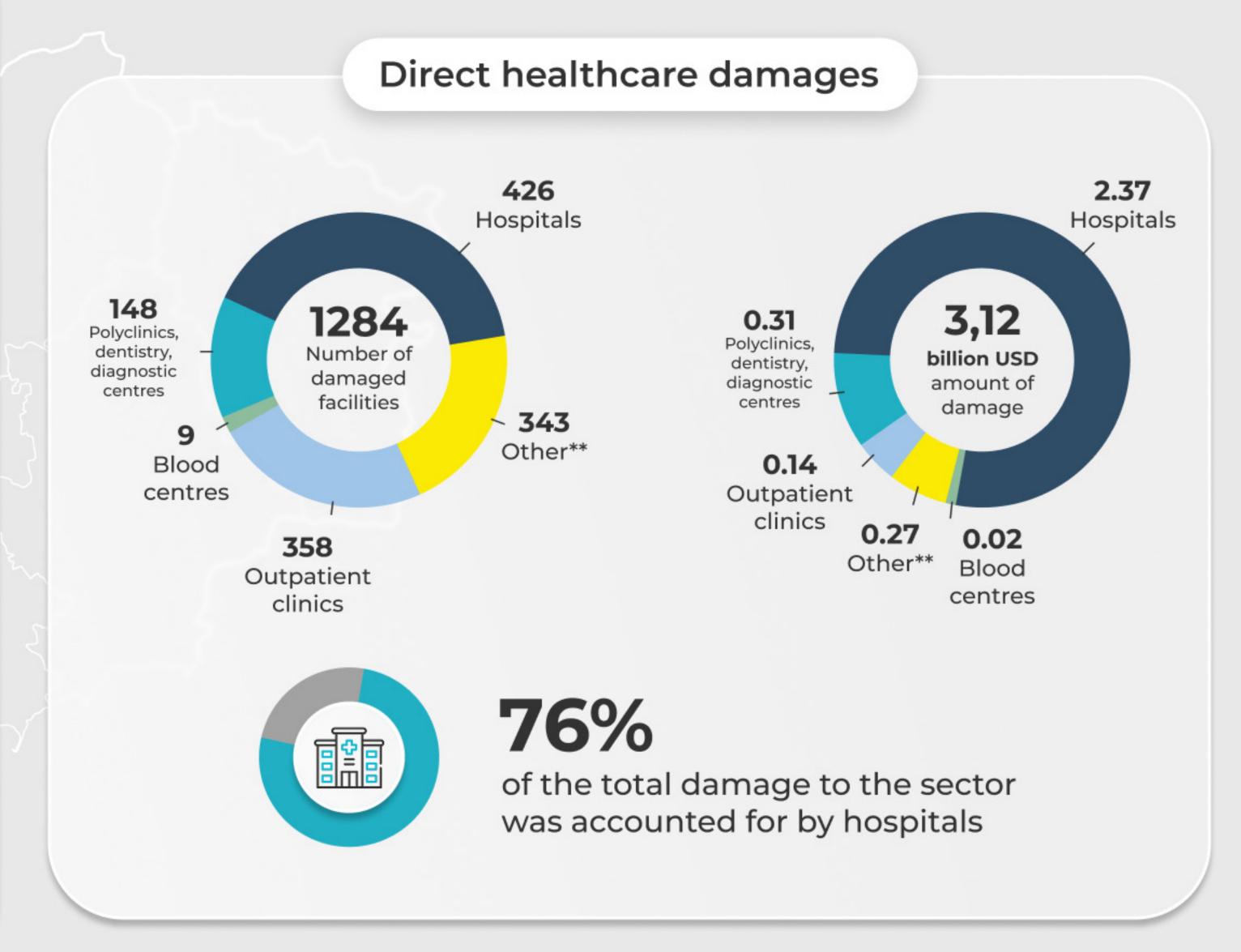


Helthcare losses and damages*

Direct damages by sector, billion USD



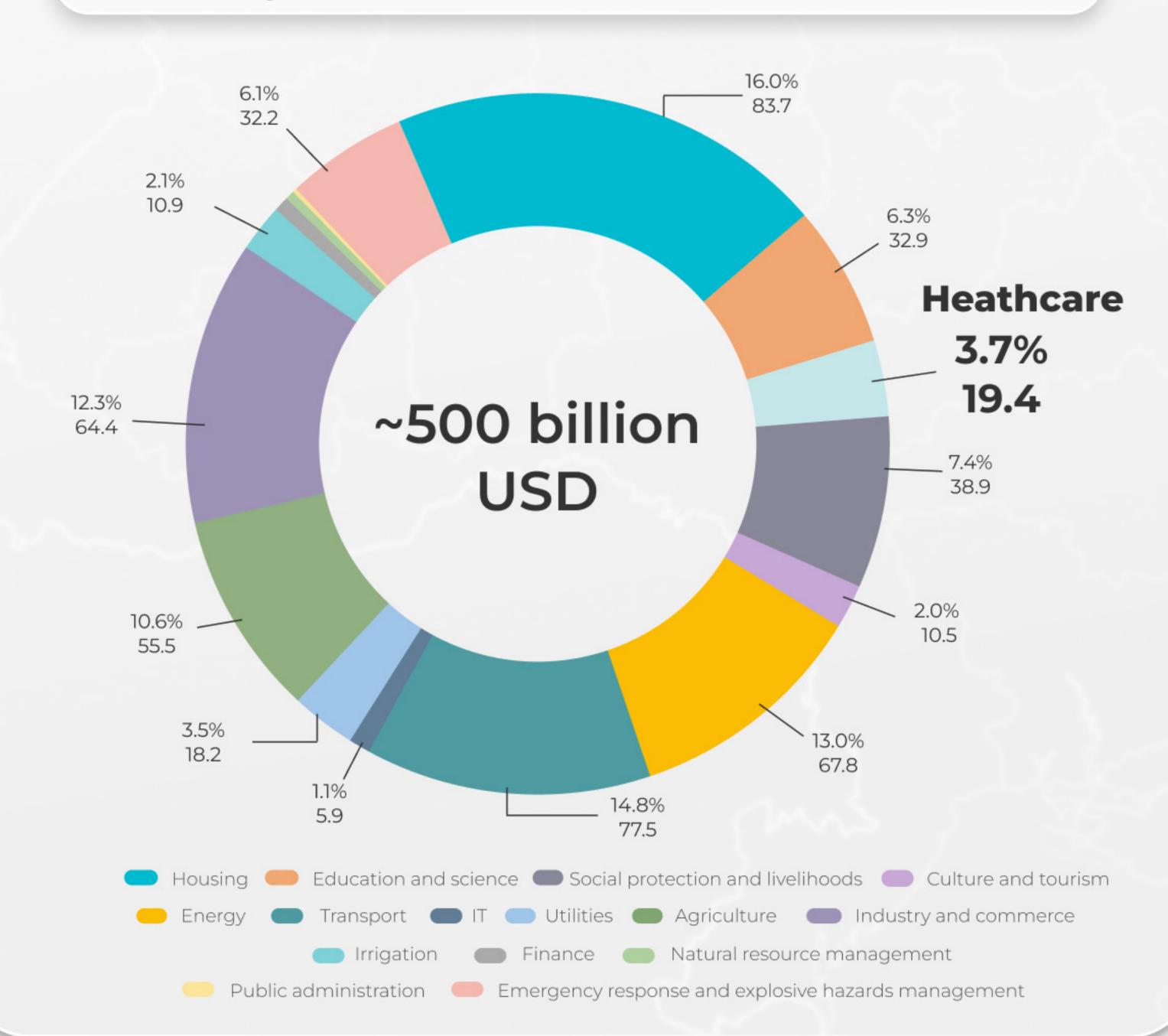
More than half of the damage to the healthcare sector is concentrated in Mykolaiv, Donetsk and Chernihiv regions





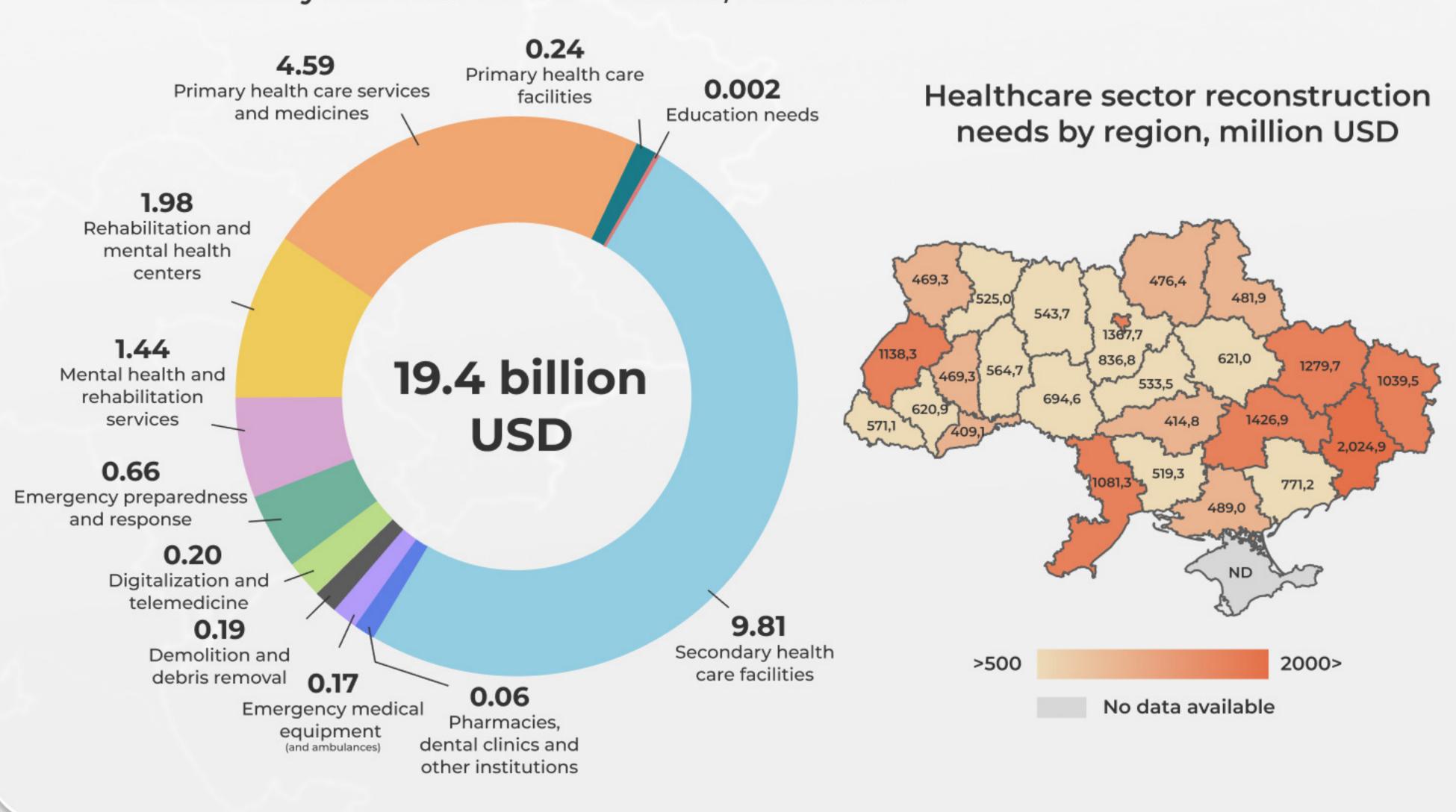
Recovery and reconstruction needs*





Healthcare recovery and reconstruction needs

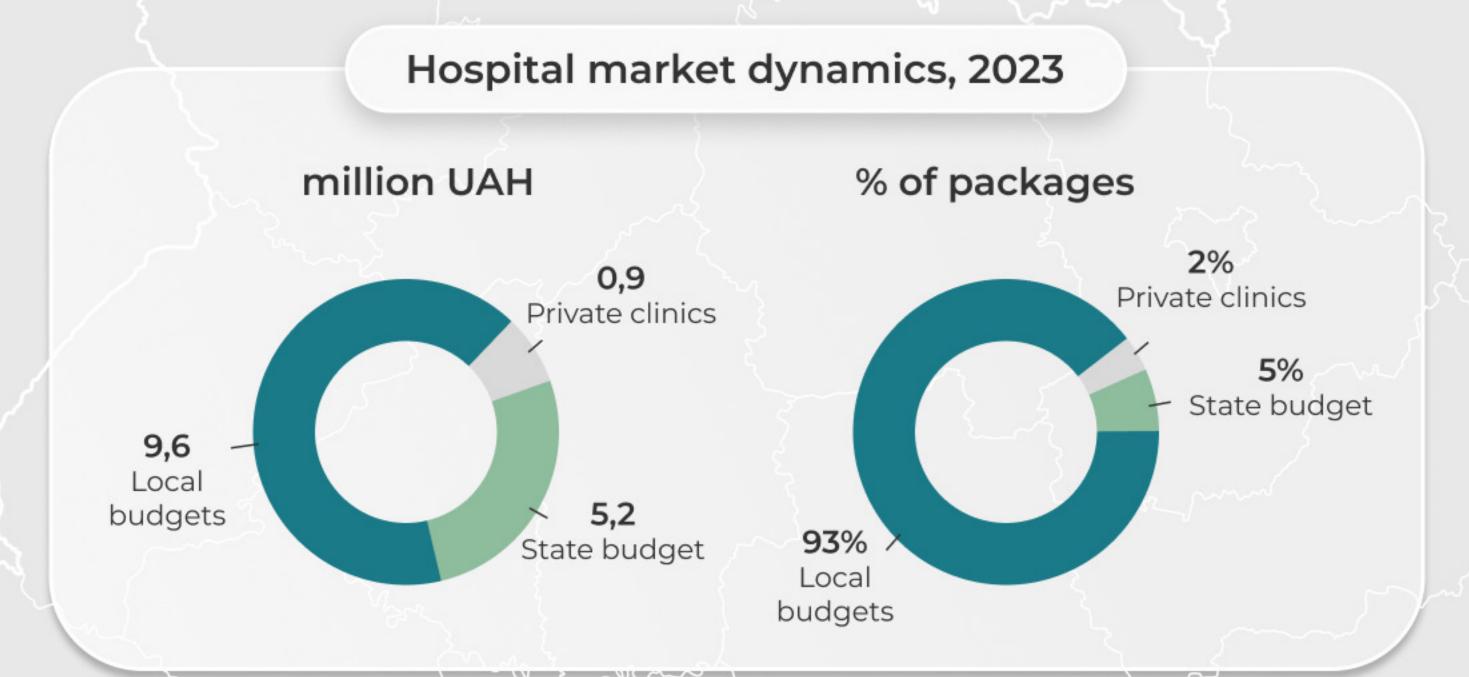
Total recovery and reconstruction needs, billion USD



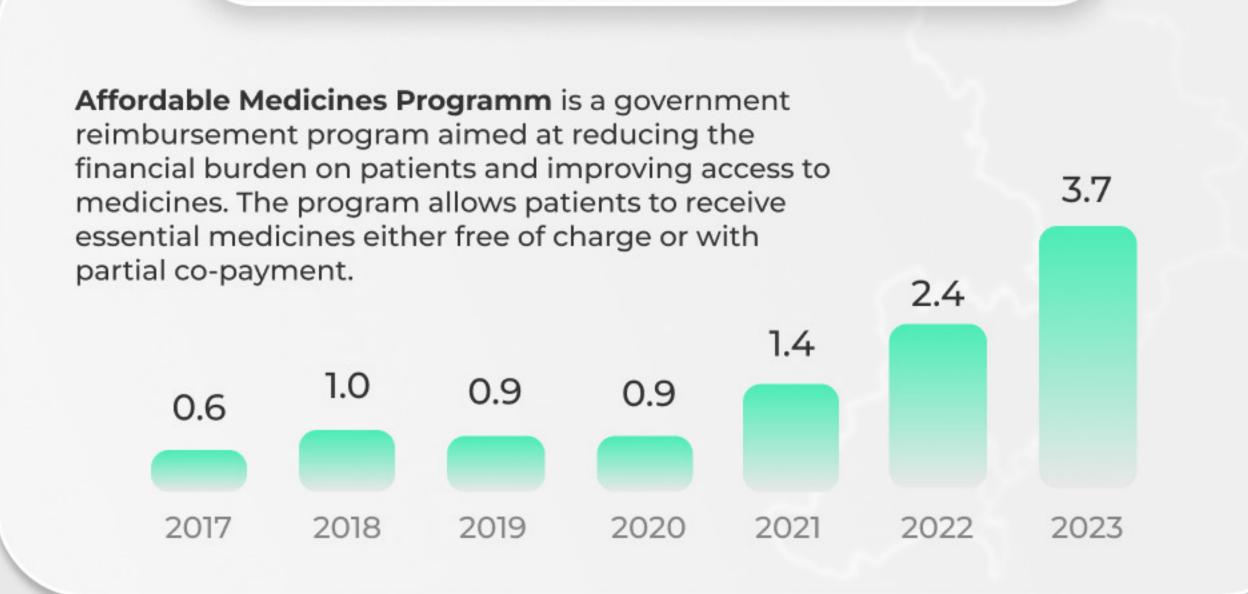


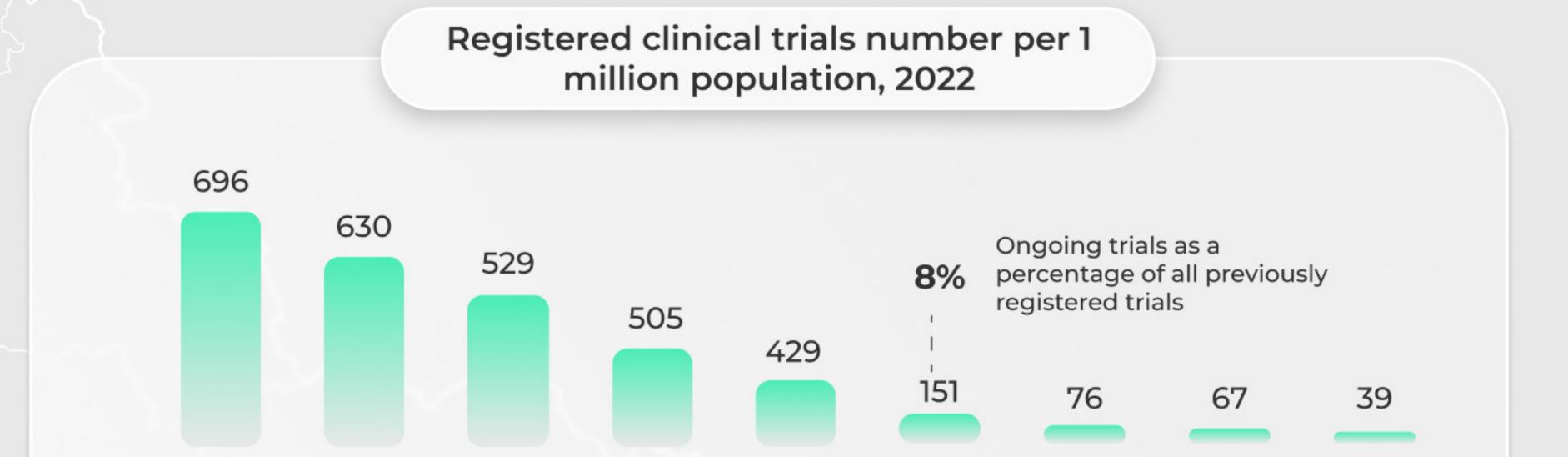
India

Healthcare landscape



Reimbursement under the Affordable Medicines Programme, billion UAH





Price regulation, 2023

Poland

Ukraine

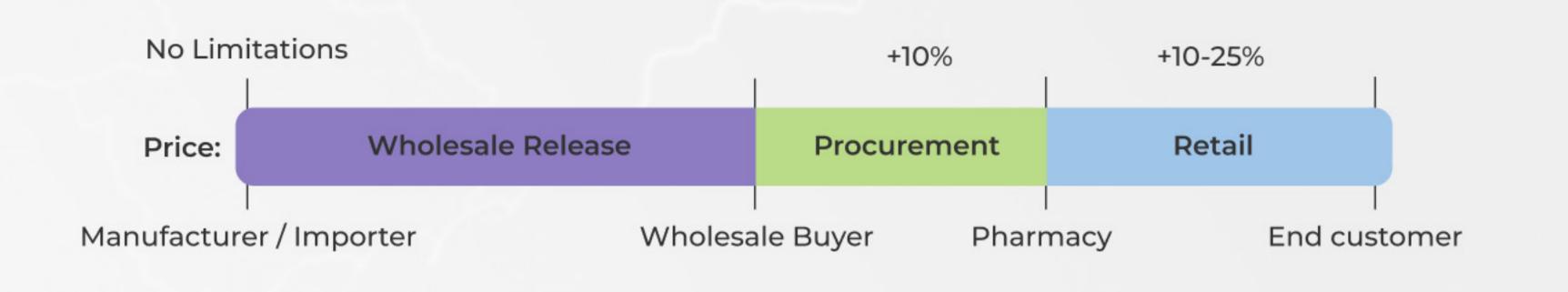
russia

USA

Italy

Germany

Legislatively Established Maximum Markup on Medicinal Products, %





above
16
billion UAH

of medical humanitarian aid has been received by Ukraine from 35 countries since the start of the full-scale war, as of the second half of 2023.



Healthcare landscape: state regulation



A full-scale transformation of the healthcare system began with the adoption of the Law of Ukraine "On State Financial Guarantees of Medical Services to the Population" in 2017

The National Health Service of Ukraine was established in April 2018 as a single national customer of medical services (NHSU)



Since April 1, 2020, the majority of public healthcare expenditures have been centralized and consolidated into the Medical Guarantees Program — a set of service packages that define the medical care and pharmaceuticals covered by the NHSU

4929 active contracts

have been concluded by healthcare providers under the Medical Guarantees Program with the NHSU as of February 2025

above

160 billion UAH The total amount of concluded contracts

GMP certification

GMP Certificates Issued by EU Regulatory Authorities by Country, 2019-2023, units

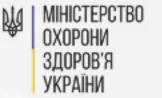
Moldova 2		Turkey	66
Ukraine	10	Finland	76
Estonia	25	Slovakia	99
Latvia	44	Romania	124
		Sweden	195

Ukrainian companies with GMP certificate from EU regulatory authorities

- Farmak
- Borshchahivskiy CPP
- Darnytsia
- Farma Start
- Ukrvetprompostach

Recognition of Ukrainian GMP (Good Manufacturing practice) certificates in the EU will allow Ukrainian pharmaceutical companies to export their products to the EU market with fewer regulatory barriers, and thus will contribute to the development of the pharmaceutical industry in Ukraine

Ukraininan pharmaceutical industry's main regulatory authorities



Ministry of Health of Ukraine



State Service of Ukraine on Medicines and Drugs Control



State Expert Center of the Ministry of Health of Ukraine

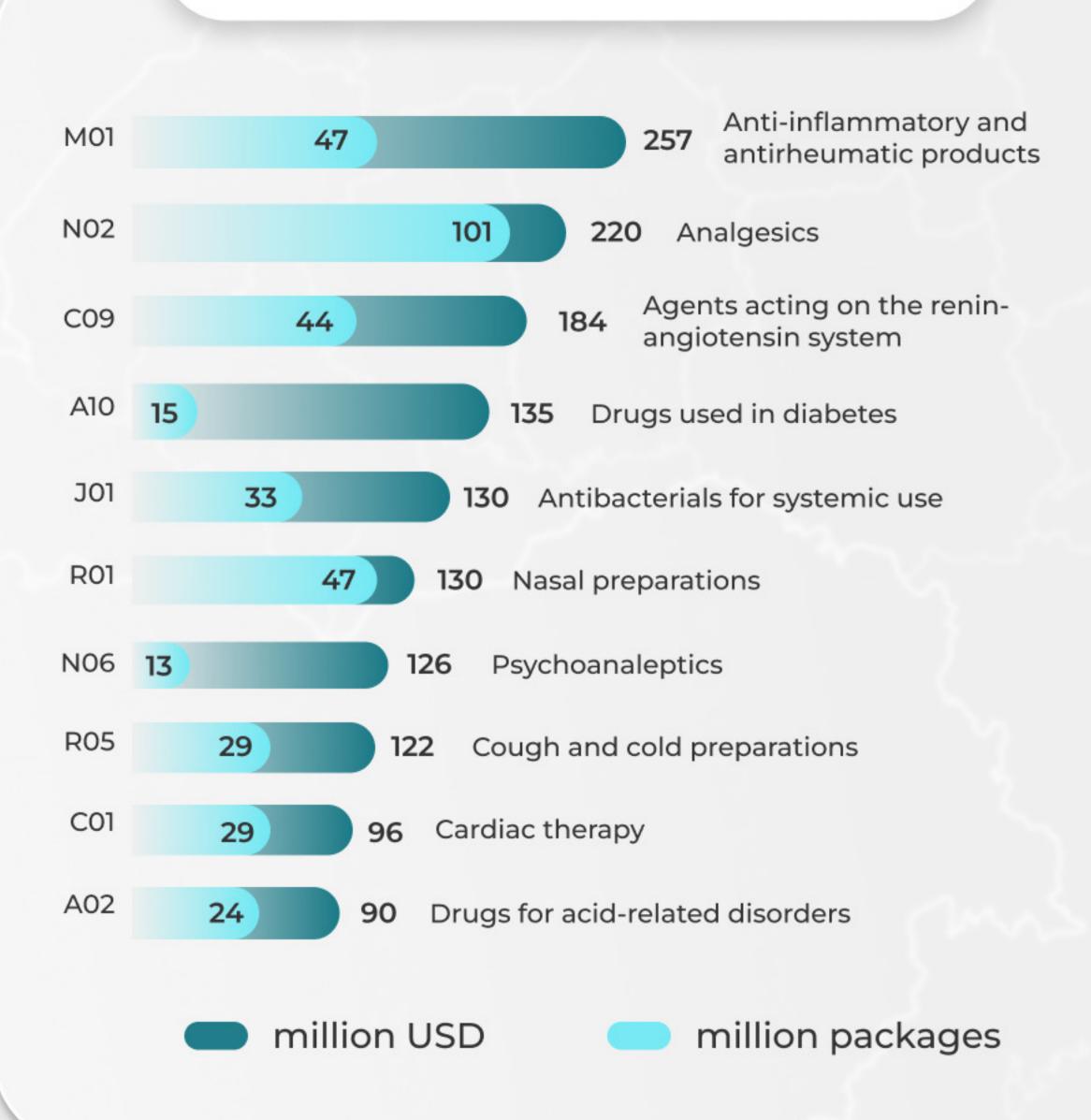


The Ukrainian Scientific Pharmacopoeial Center for Quality of Medicines (Pharmacopoeial Center)

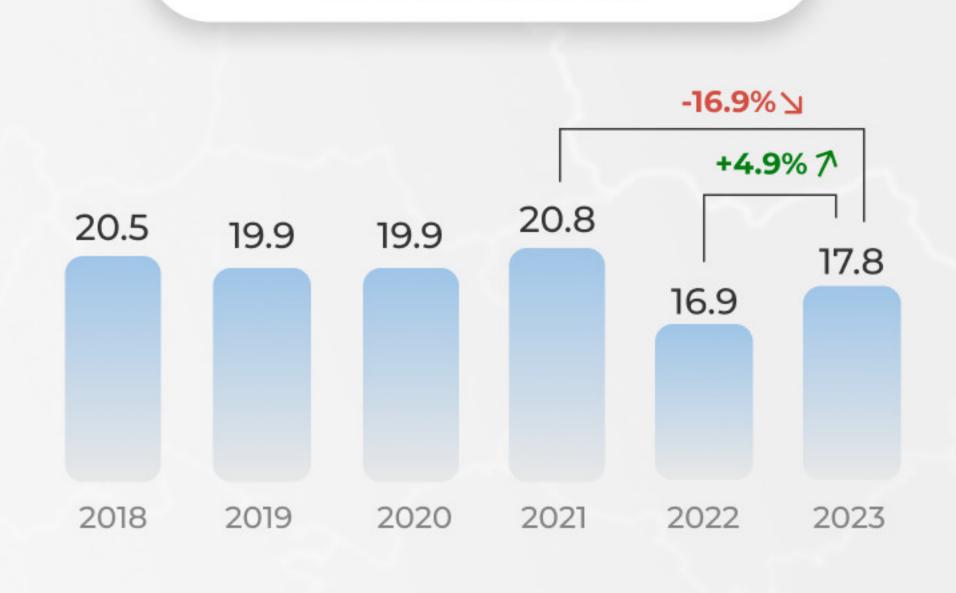


Pharmaceuticals

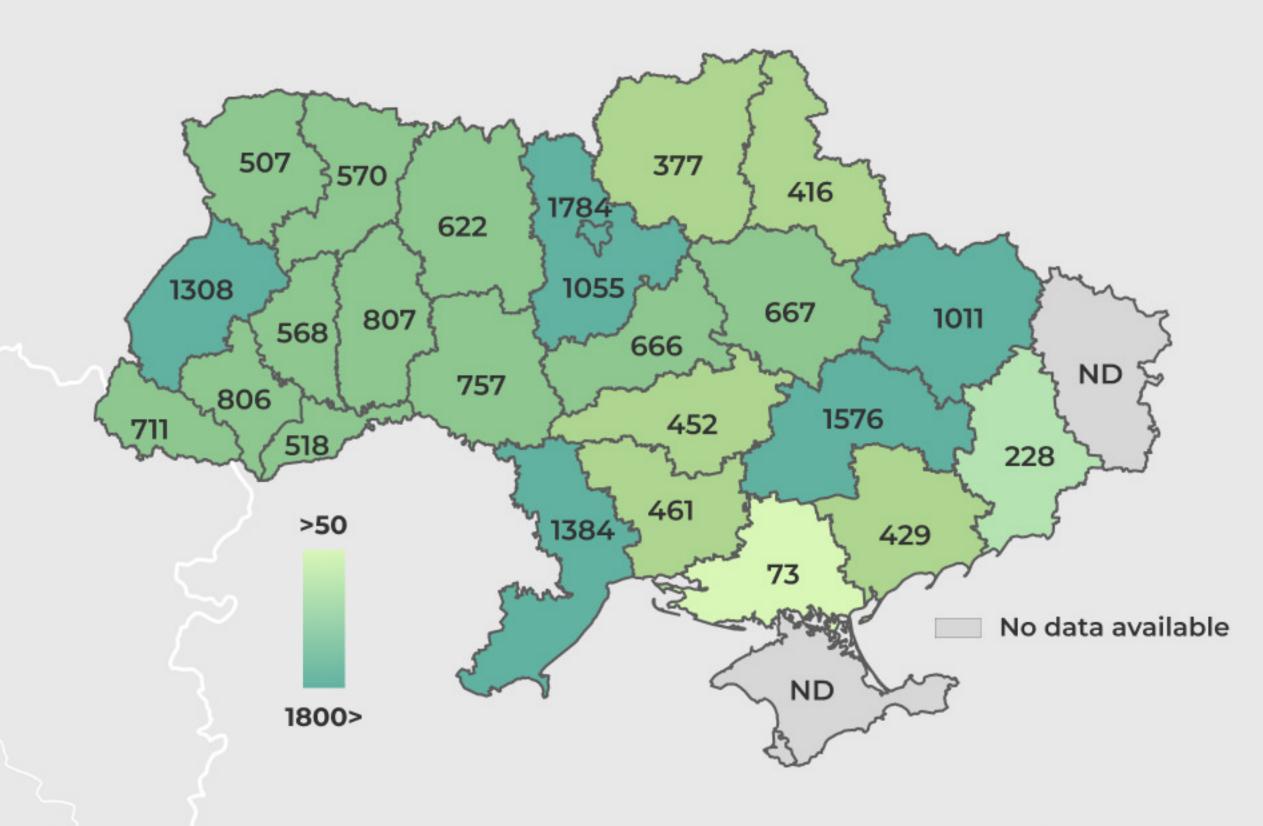
Top 10 medicinal products groups in the pharmaceutical market, 2023



Pharmacies total number, thousand units



Pharmacies number in Ukraine by region, units, 2023



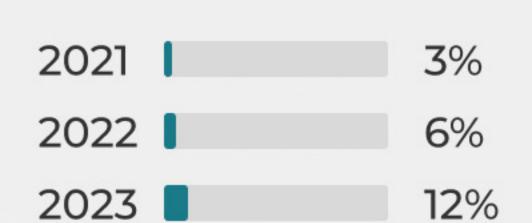
On September 17, 2020, the Law of Ukraine on Amendments to Article 19 of the Law of Ukraine 'On Medicines' regarding the implementation of electronic retail trade in medicines was adopted

By the Order of March 15, 2023, the Ministry of
 Health of Ukraine introduced access to electronic prescriptions for all prescription drugs

0.4 billion USD

digital pharmaceutical sales in Ukraine

Digital pharmaceutical sales share in Ukraine





Pharmacy sales statistics



Total pharmacy sales, 2024



1.3 billion packages

and

4.8
d billion USD
19% more

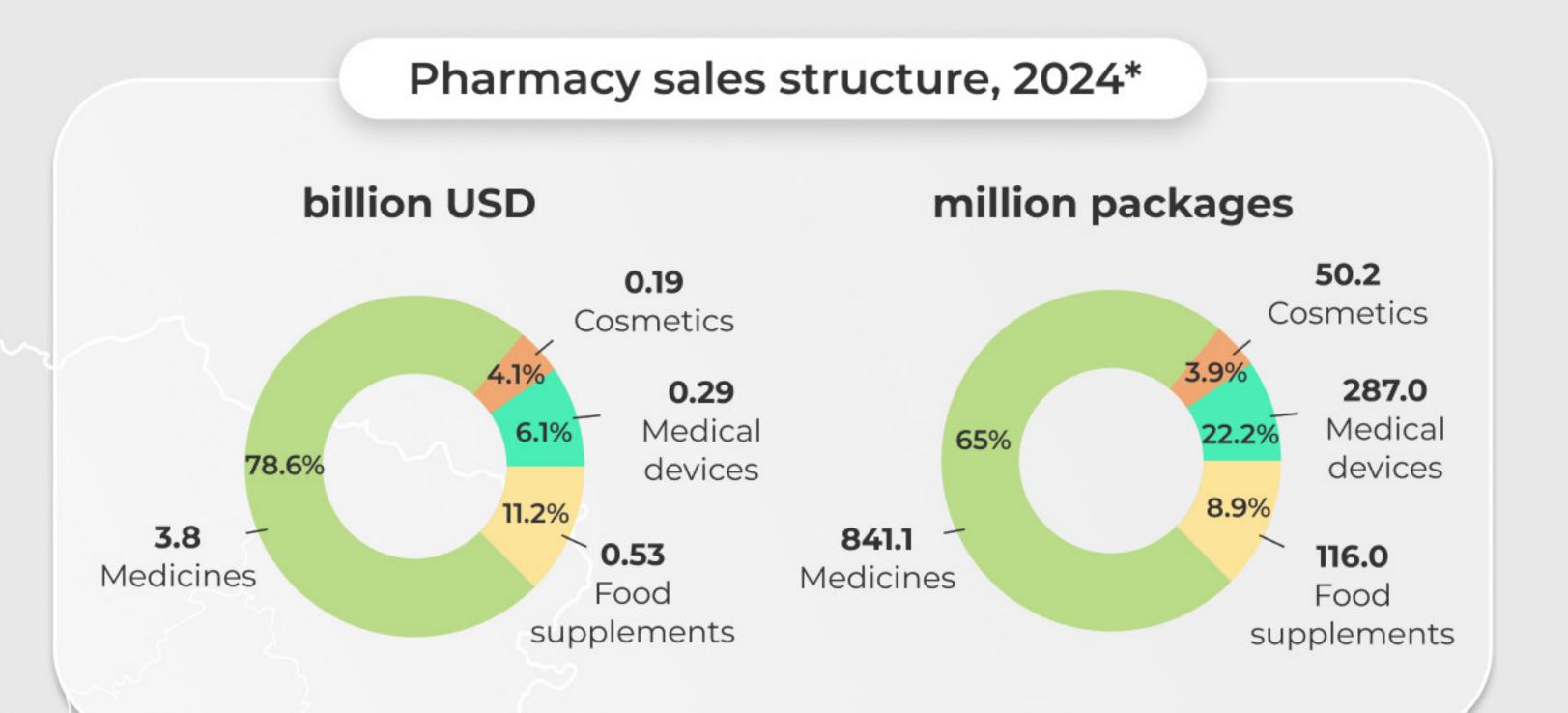
than in 2023



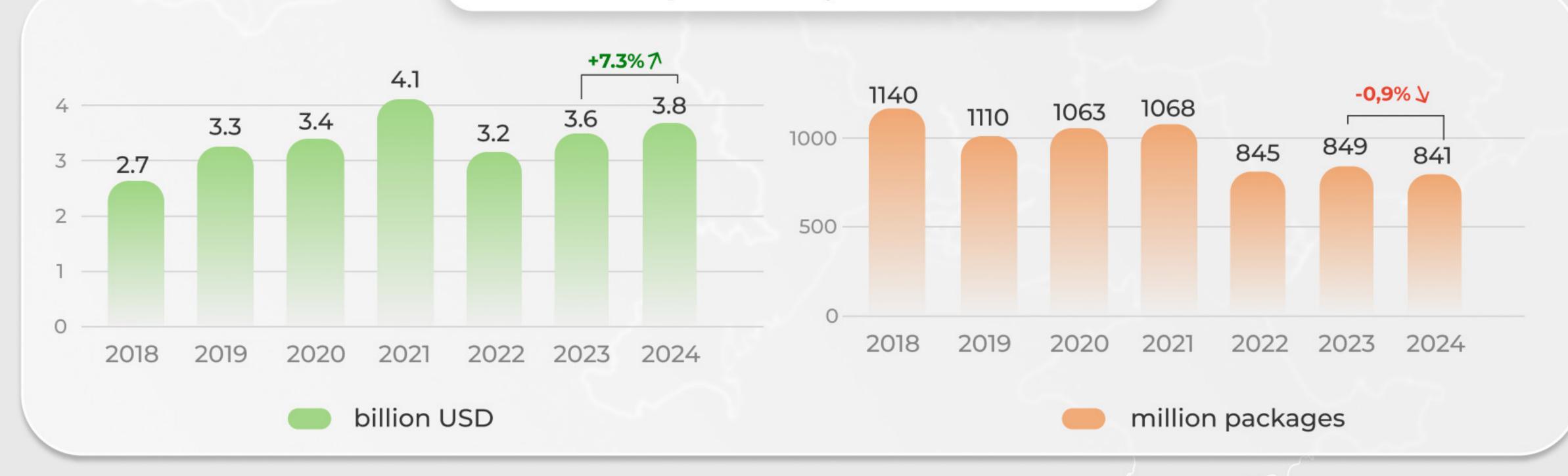
average cost of 1 package of product from a pharmacy

3,6 USD* 4,4 USD*

average cost of 1 package of **medicines**



Medicines pharmacy sales in Ukraine





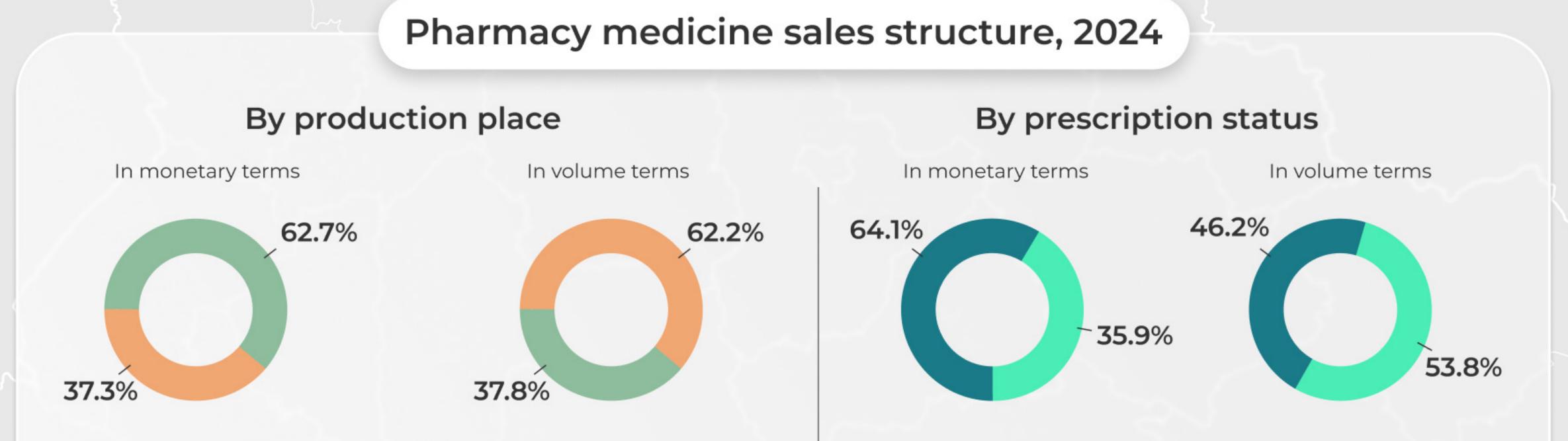
^{* -} at the exchange rate of 41.10 as of 2024



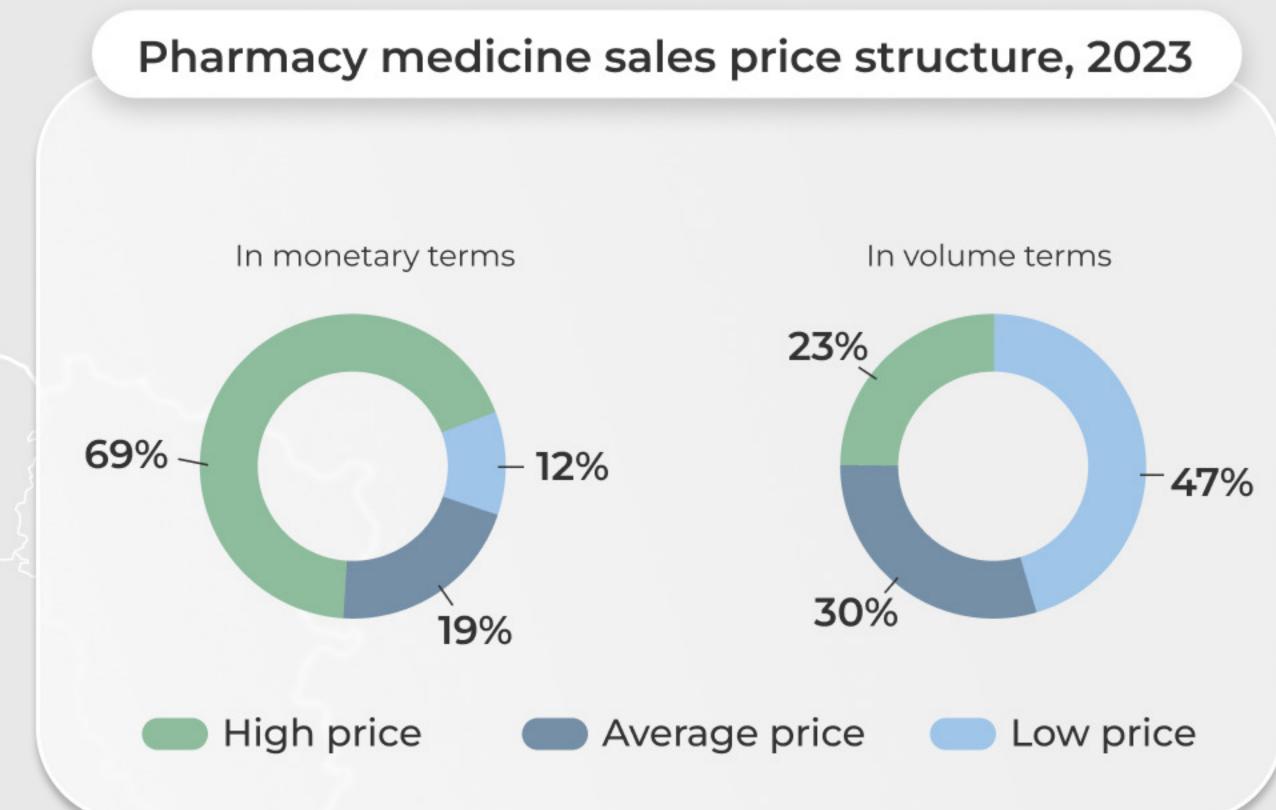
Pharmacy sales statistics: medicine

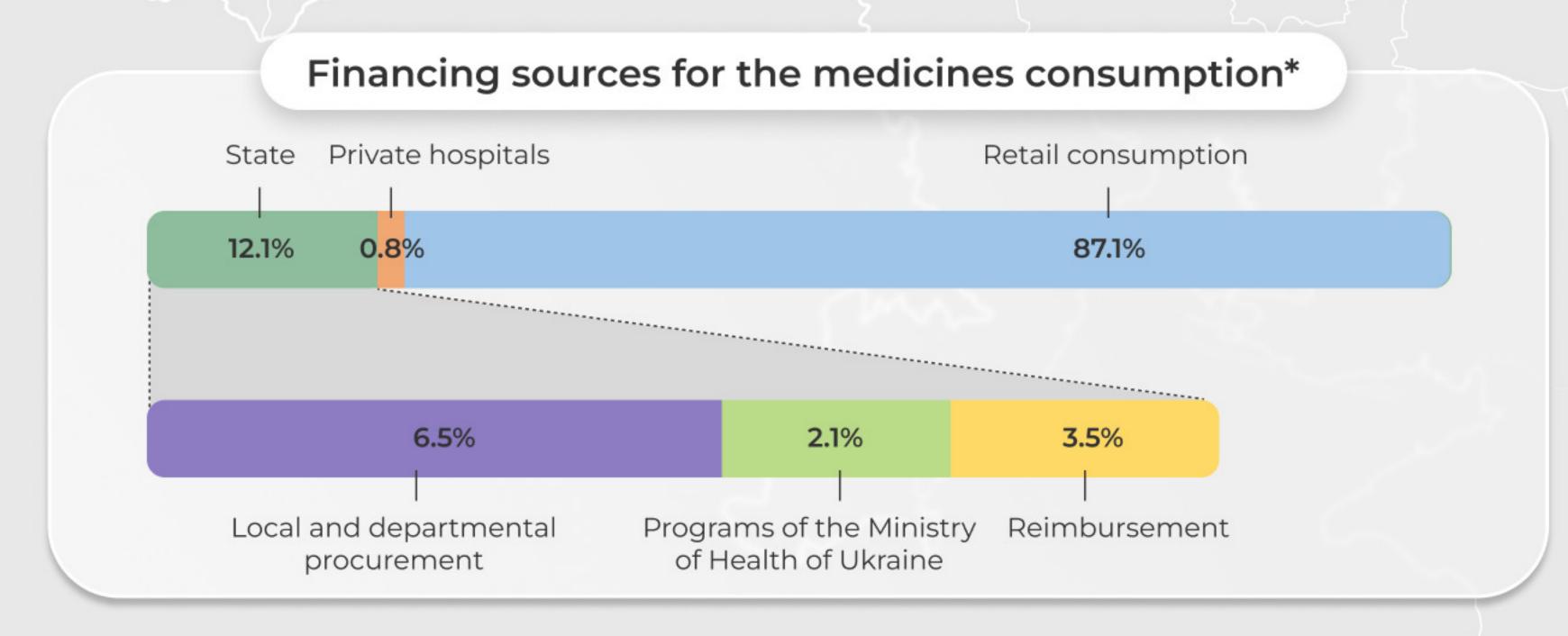
Foreign

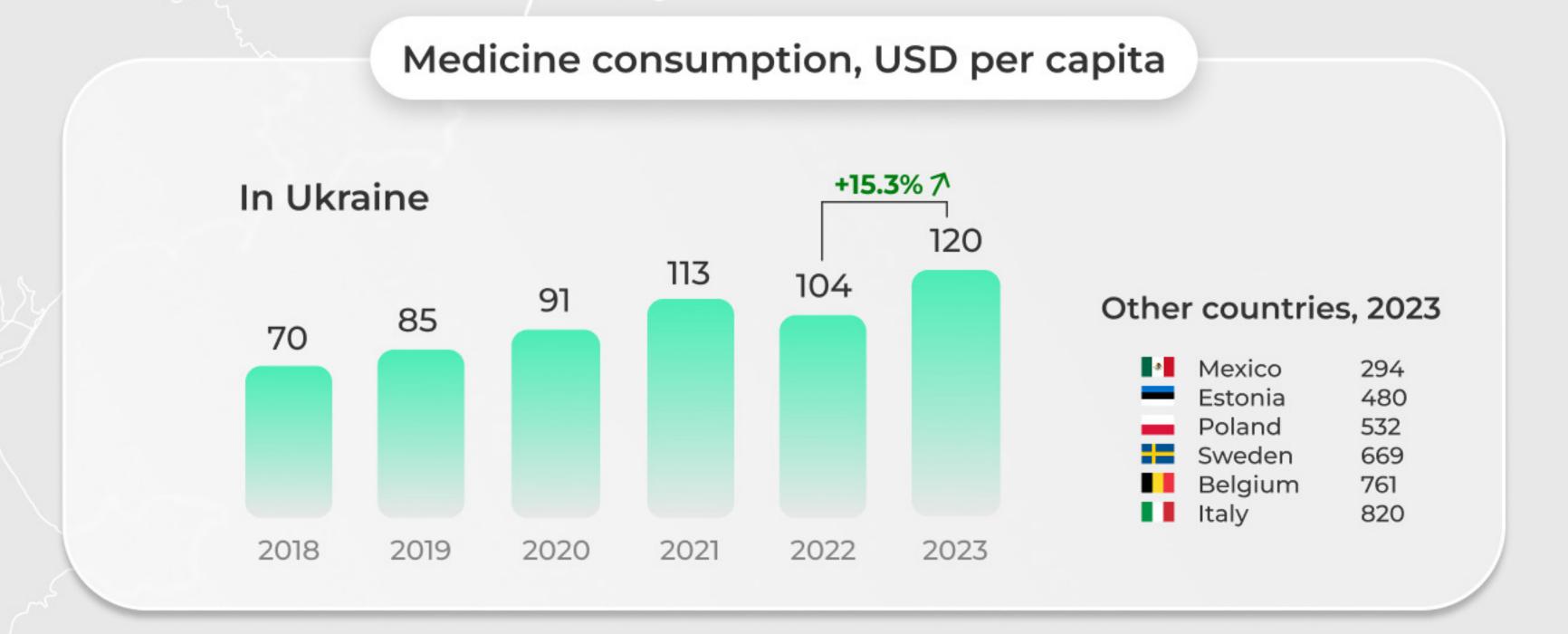
Ukrainian



Prescription







^{* -} for 9 months of 2024

Over-the-counter



Generics

A generic is a non-patented medicinal product that replicates the original medicine whose patent protection has expired



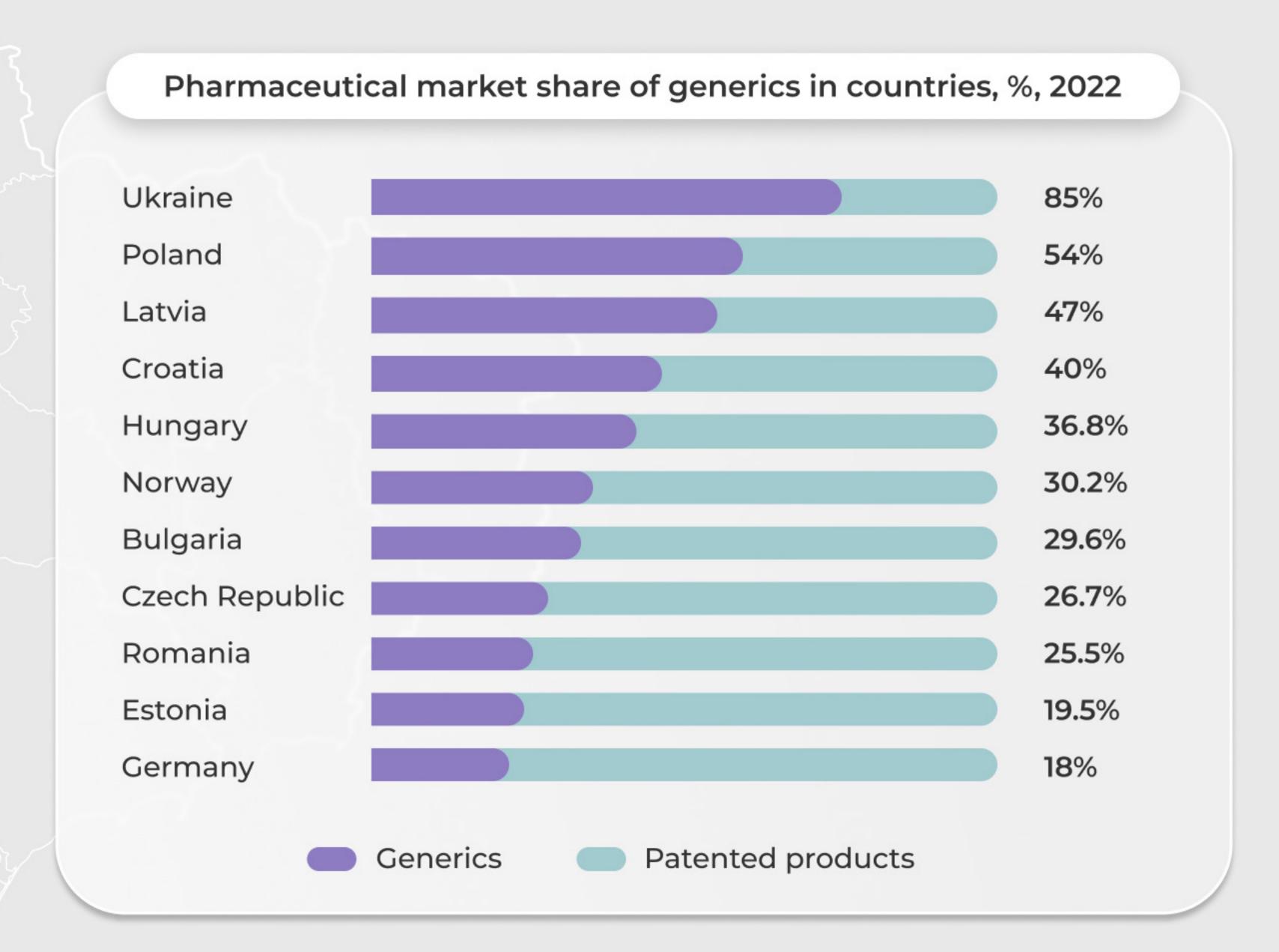
10 years of research



about 1-2 billion USD

are required for the development of a completely new medicine, while the development of a generic medicine takes 4-6 years and significantly lower costs

The Ministry of Health urges Ukrainians to choose medicines based on their active ingredient and availability in pharmacies, rather than the brand name of the medication





Education and specialists



Top medical higher education institutions of Ukraine, 2024



National Pirogov Memorial Medical University, Vinnytsya



**

Dnipro State Medical University



Bogomolets National Medical University



Bukovinian State Medical University



Danylo Halytsky Lviv National Medical University



Ivano-Frankivsk National Medical University



Kharkiv National Medical University



Donetsk National Medical University



I. Horbachevsky Ternopil National Medical University



Odesa National Medical University



15 000+ interns

higher education enrolled institutions of various subordination and forms of ownership as of September 2024

7 000+

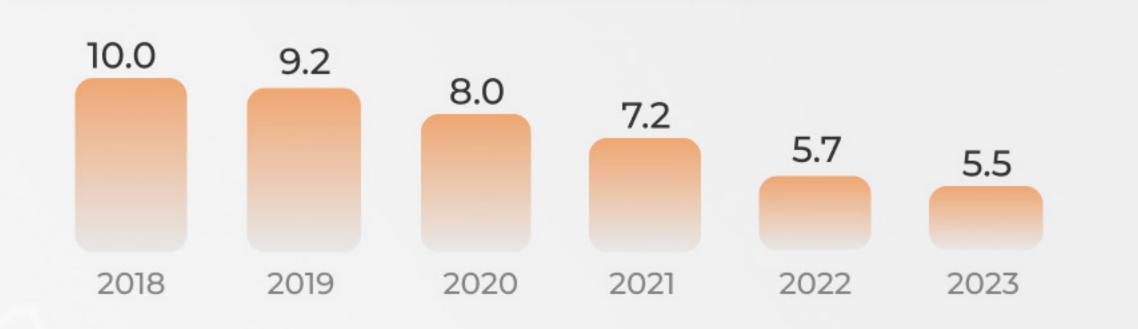
graduates

of higher education institutions majoring in healthcare were placed in internships in 2024

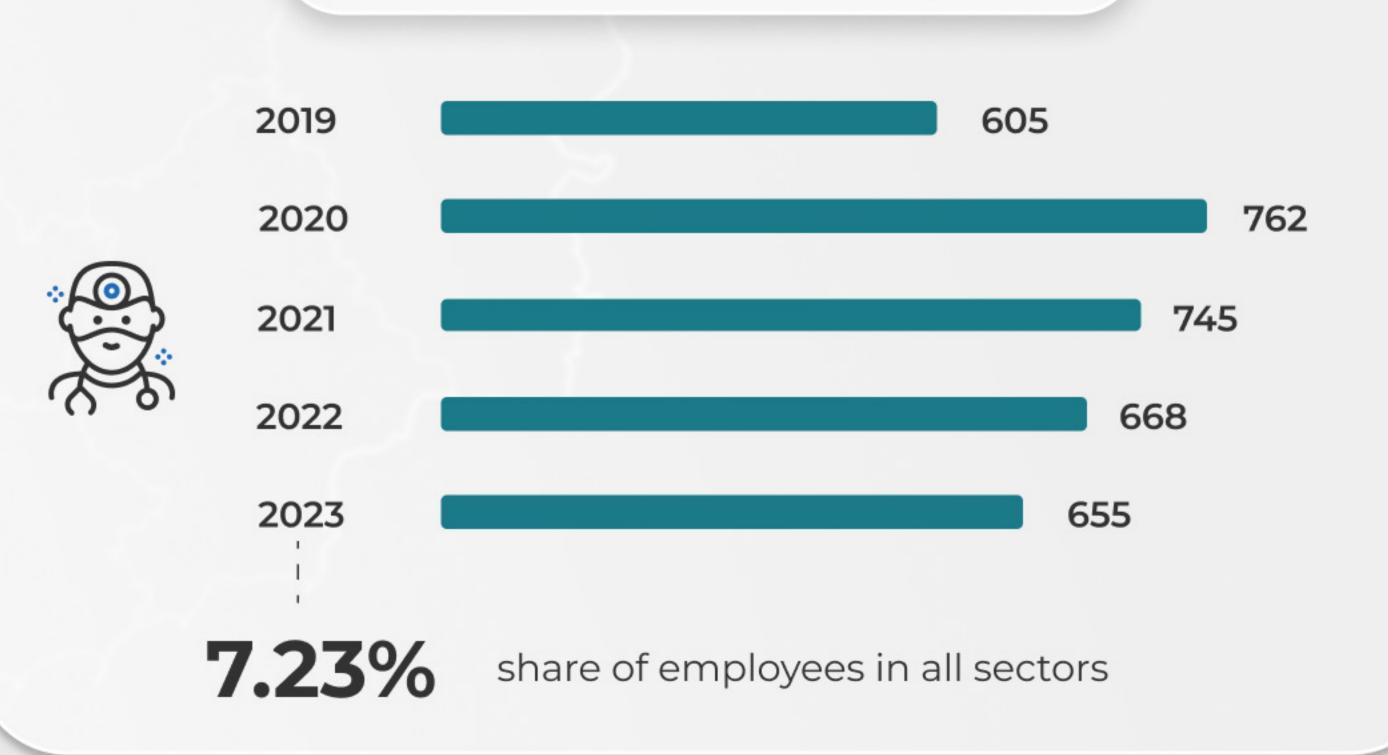
Popular specialties

- Pharmacy
- Dentistry
- Dentistry
- Anesthesiology and Intensive Care
- General Practice (Family Medicine)

Applicants number for the Speciality "Pharmacy, Industrial Pharmacy", thousands



Healthcare sector employees' number, thousand people



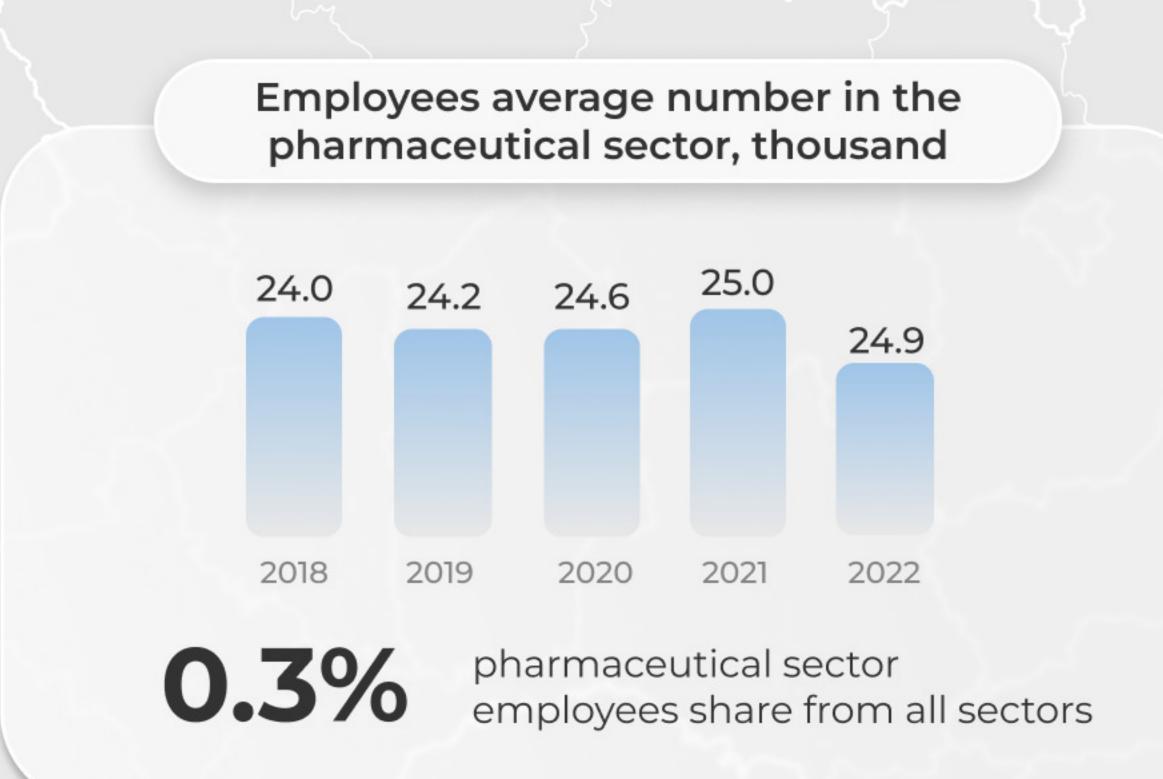


about

Average monthly salary of full-time healthcare workers in 2024



Employees and companies

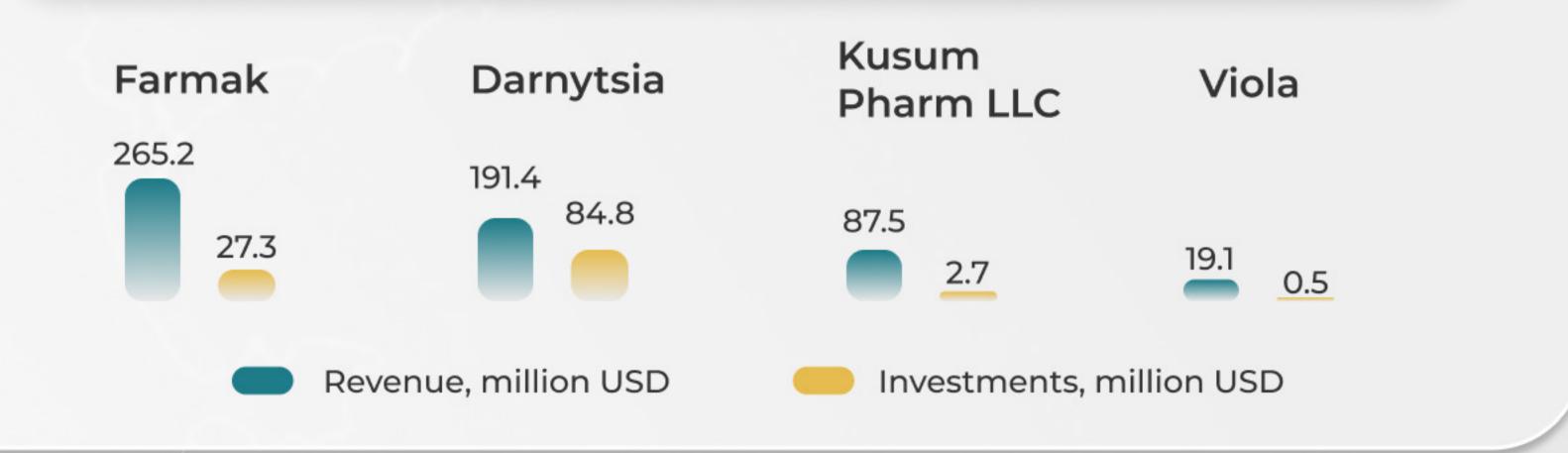




Top pharmacy sales leaders in Ukraine, 2024

Nº	Name		Country	Market share, %
1	Farmak	Farmak		5.77
2	Darnytsia	с дарниця		4.84
3	Kyiv Vitamin Factory	ки/вський втамінний завод Значин Тар по неправый		3.26
4	Arterium Corporation	ARTERIUM		3.19
5	Acino	🥠 acino		3.15
6	Teva	teva	*	3.13
7	KRKA	(KRKA		2.91
8	Berlin-Chemie	BERLIN-CHEMIE MENARINI		2.75
9	Sanofi	sanofi		2.50
10	Kusum Pharm LLC	Kusum		2.47

Ukrainian pharmaceutical companies investments, 2023



^{* -} by the volume of retail sales of pharmaceutical products and food supplements in monetary terms

^{** -} at the average annual exchange rate of UAH/USD



Innovation, prosthetics and rehabilitation

Digital Transformation of Ukraine's Healthcare System

A number of systemic changes and digital transformations have taken place in the healthcare sector in recent years. Foundational legislative acts have been adopted, recognizing eHealth (electronic healthcare) and digital tools as fundamental components for the development of the system





The Helsi app is an online service that helps users access all necessary medical services.

According to Ukraine's Digital Development Strategy for Innovation Activities until 2030, some of the priority areas include:

Biotech



Biotechnical research developments

- Biopharmaceuticals
- · Gene and cell therapy
- Biomaterials
- Pharmaceutical testing
- · Personalized medicine
- Bioinformatics

MedTech

Innovations in medical technologies

- Medical equipment
- Medical devices
- Remote monitoring devices
- Integration of advanced technologies
- Digitization of healthcare facilities
- In vitro diagnostics (biological sample testing conducted outside of a living organism)

Prosthetics and rehabilitation in Ukraine



above

80 prosthetics manufacturers

The highest concentration of prosthetic facilities is in the Lviv and Kyiv regions, 2023



above

50*
thousand people

has lost one or more limbs due to the war

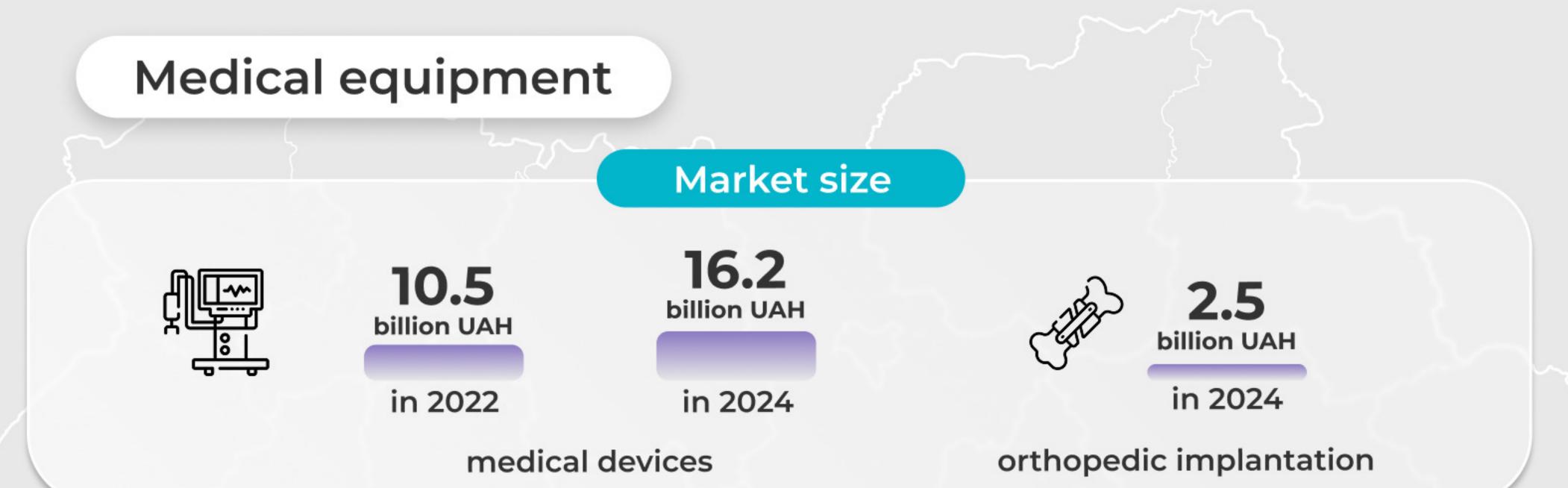
In 2023, the demand for prosthetics among the civilian population increased **by 15%**, while among the military, it grew fivefold

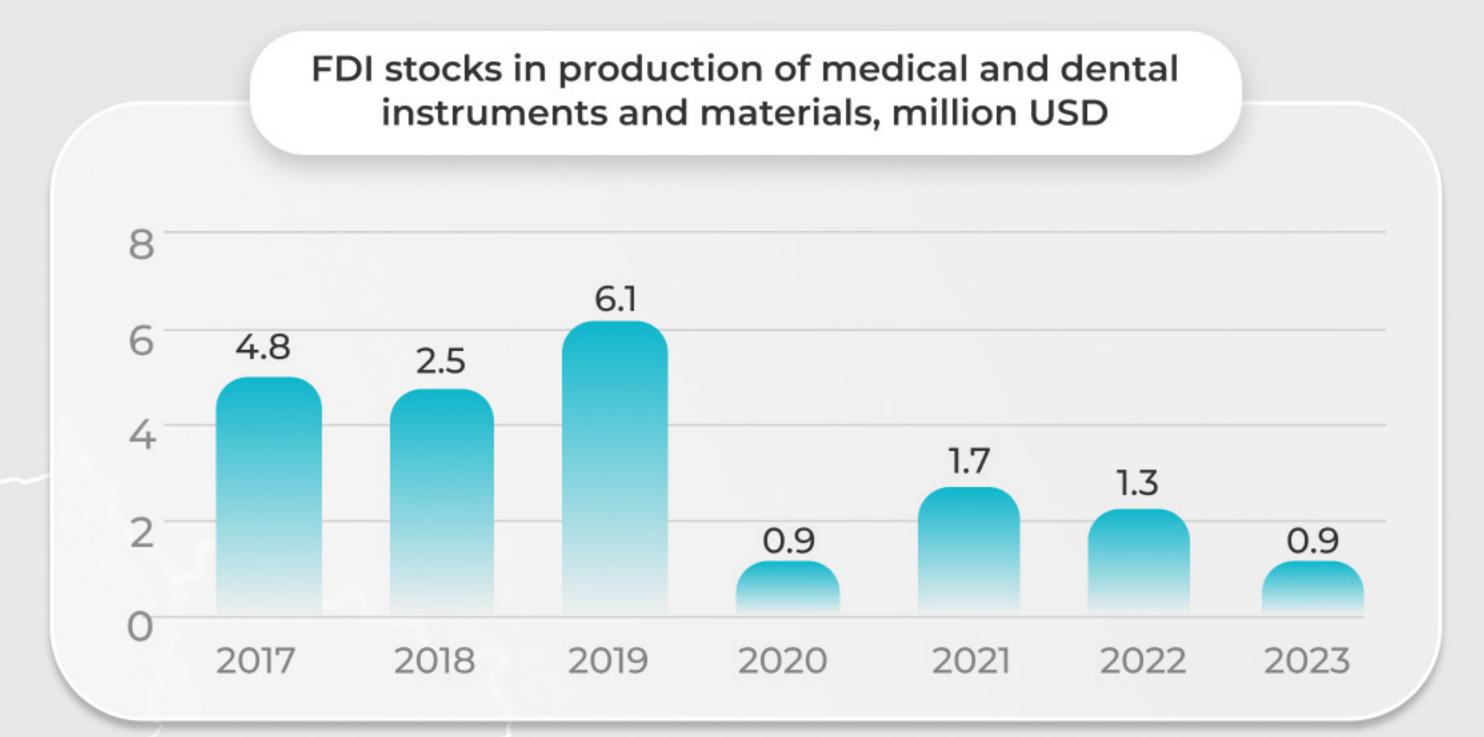


about

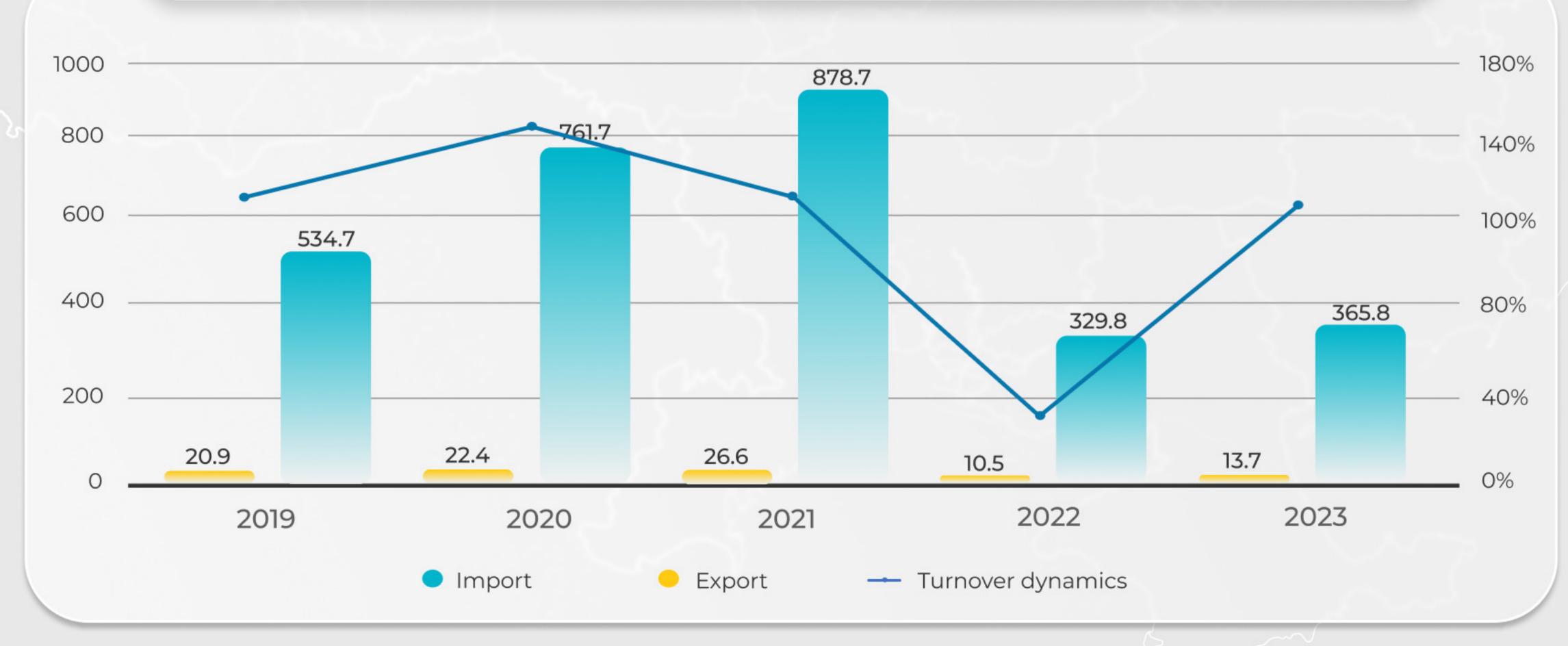
200 thousand people patients require quality rehabilitation assistance every year

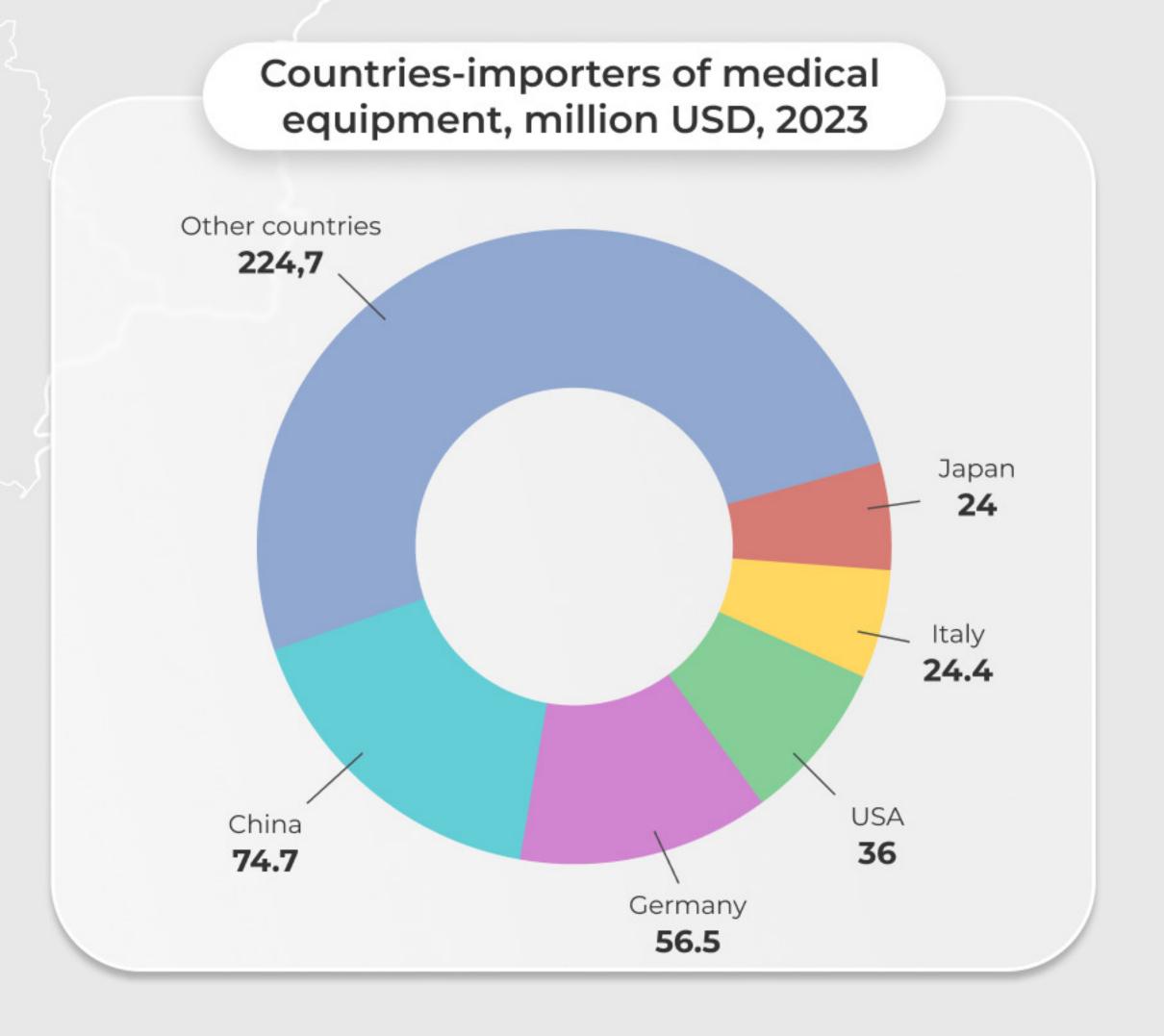








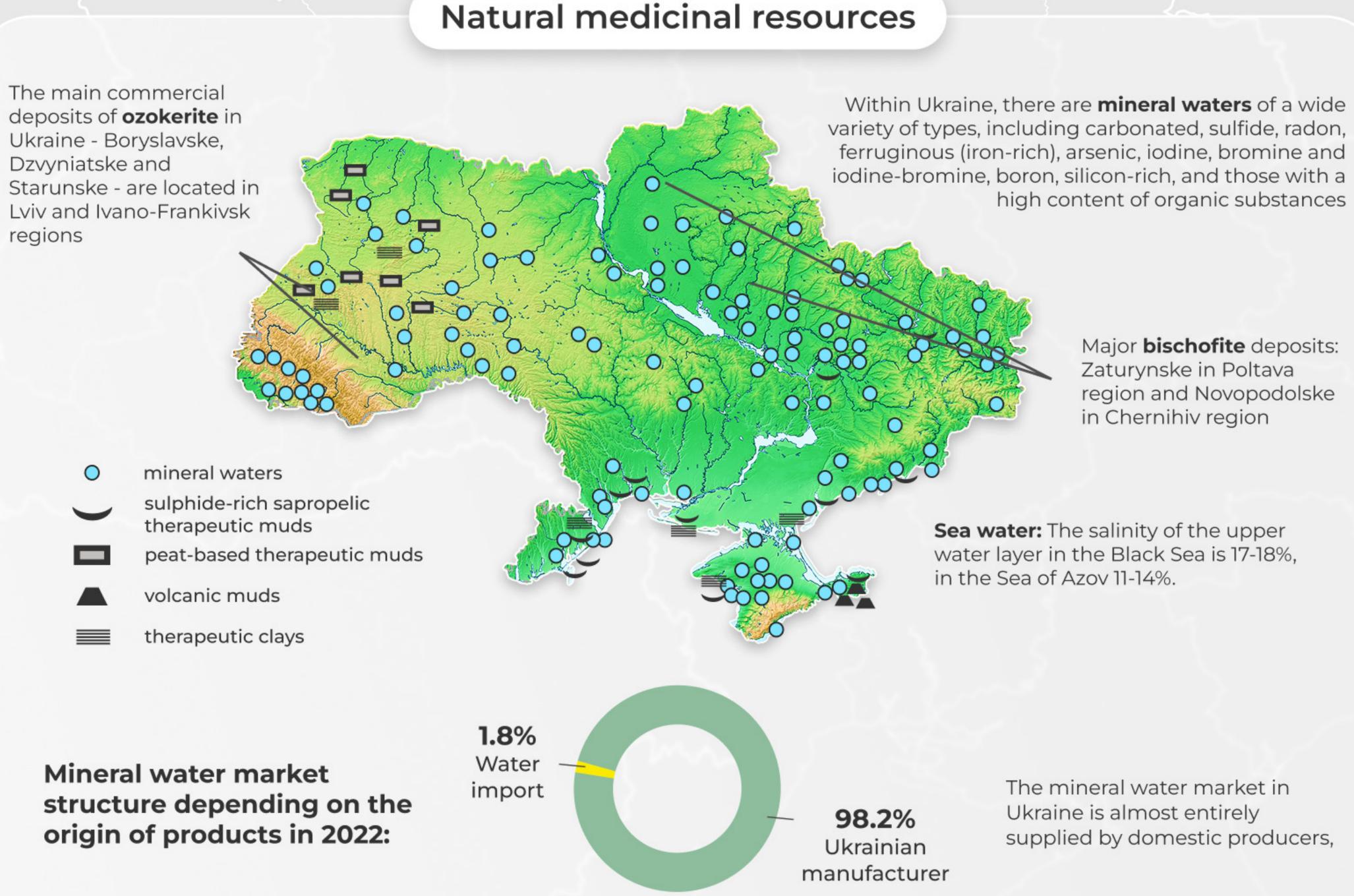






Recreational opportunities and resources

Natural medicinal resources



Nature Reserve Fund of Ukraine



8633* natural sites

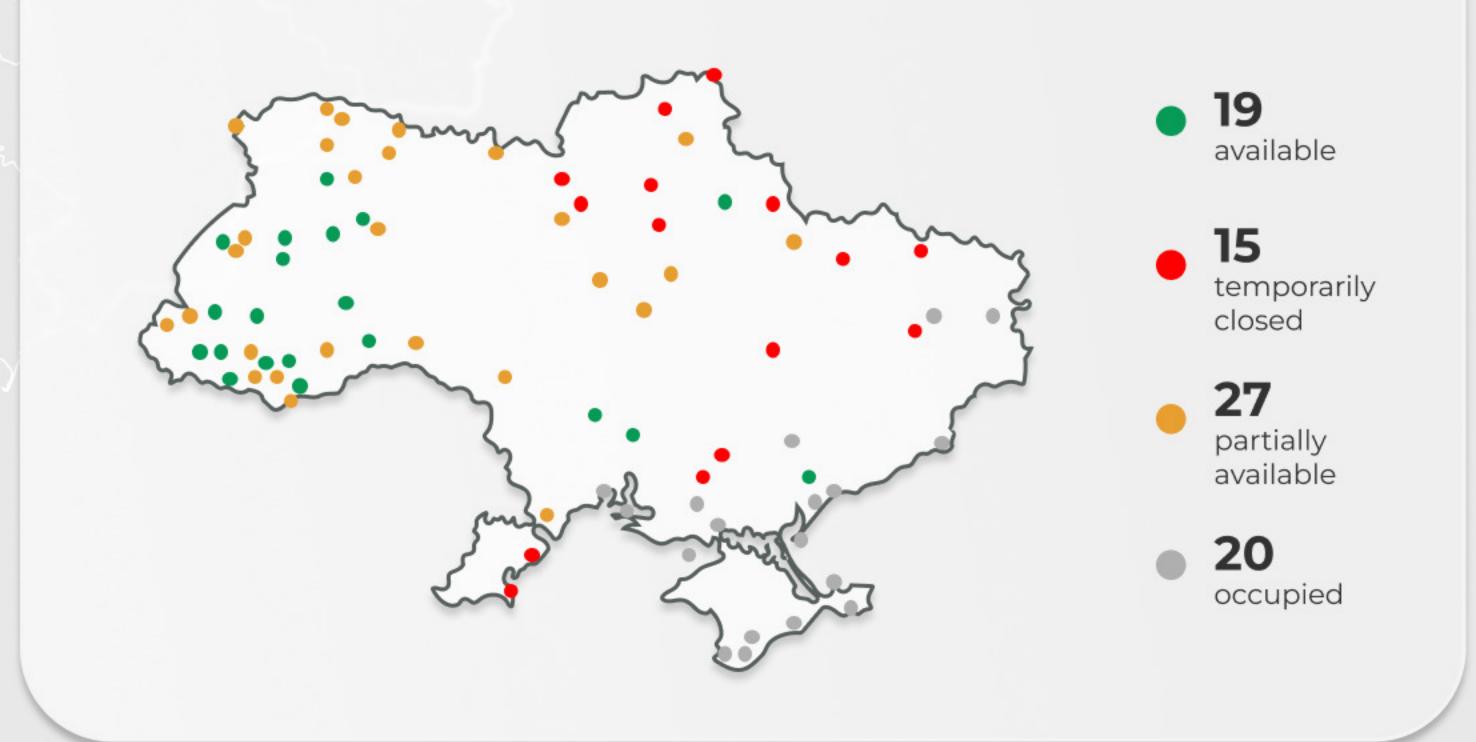
million hectares of NRF were available in 2021

2 million hectares of NRF area affected by the war

30% of the total area of the NRF

600 billion UAH are the total losses to the NRF and biodiversity

Map of parks and nature reserves in Ukraine, 2023



Sources: Nature Reserve Fund of Ukraine, Ukrainian Research Institute of Rehabilitation and Balneology of the Ministry of Health of Ukraine, Ministry of Environmental Protection and Natural Resources of Ukraine, ProConsulting

INVESTMENT INCENTIVES

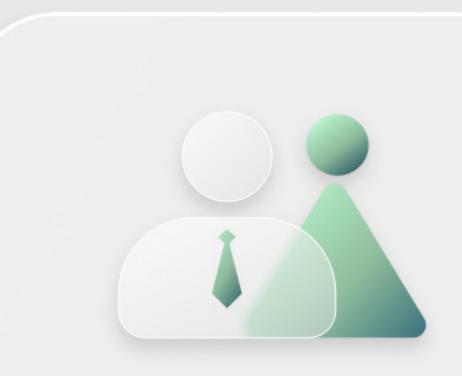
U

Significant investments

REQUIREMENTS FOR INVESTMENT PROJECT



12+ EUR mln of investment



10+ of new jobs



up to 5 years***
of project
implementation



construction, modernization

technical and/or technological reequipment of objects

FORMS OF SUPPORT



CIT exemption* (for 5 years by choice)

Lease of state or

communal land

plots without

land auctions



for importing new equipment and components to it **

Compensation for **costs**

of connection to

engineering and

transport networks

Exemption from



Exemption from import
duties for new
equipment
and components to it **



Construction/compensation for built **engineering and transport infrastructure** (highways, communication lines, utilities, etc.).



Land tax exemption/ reduced land tax rates



Exemption from compensation for losses of forestry production

AMOUNT OF SUPPORT

up to 30% CAPEX



For more detailed information, we recommend paying attention to the following regulatory acts

^{*} Not applicable to projects in the field of extraction for the purpose of further processing and/or enrichment of natural resources.

** List and volume of equipment is approved by the CMU for each project.

^{***} The applicant, not earlier than 18 months before the date of submission of the application to the authorized body, may make investments in investment facilities in the amount not exceeding 30% of the total amount of significant investments required for the implementation of an investment project with significant investments

INVESTMENT INCENTIVES

The implementation of investment projects on the territory of industrial parks does not exclude the opportunity to receive additional incentives, in particular, provided for by the Law of Ukraine "On State Support for Investment Projects with Significant Investments" or the legal regime of Diia.City.

U

Industrial parks



non-refundable financing for arranging an industrial park and/or construction of related infrastructure facilities* up to UAH 150 million**



exemption from compensation for losses of
forestry production***



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



compensation for connecting 1 to engineering and transport infrastructure **up to UAH 150 million** (during martial law - only to power grids 2)



exemption from **real estate tax** for industrial buildings



land tax exemption / reduced land tax rates



CIT exemption for 10 years (only if reinvestment)



exemption from **import duties** for new equipment



VAT exemption for importing new equipment





^{** -} According to the Procedure for the provision of funds for the arrangement of industrial parks, approved by the Resolution of the Cabinet of Ministers of Ukraine dated June 4, 2024 No. 644.



^{*** -} Regarding the use of land plots with a change in purpose for the establishment of industrial parks according to Article 208 of the Land Code..

^{**** -} During the period of martial law and for six months after it ends or canceled, the Procedure for providing full or partial compensation of interest rates on loans for the establishment and/or implementation of economic activities within industrial parks has been suspended.

PROJECTS AFTER 24.02.22





^{* -} the company continues to cooperate with russia and pay taxes to the terrorist country

INVESTMENT INSURANCE









A formalized agreement on the implementation of the investment insurance mechanism for foreign investments: 2022

Annual rate: 2-3%

Insurance period: 10 years

Coverage of the amount of losses: up to 90% Sure Trust Fund: USD 110 mln, goal - USD 330 mln



Law No. 9015 "On Amendments to the Law of Ukraine

"On financial mechanisms for stimulating export activity" regarding insurance of investments in Ukraine against military risks": 2023

Annual rate: 0.49% - 8.05%

Insurance amount: **UAH 200 mln**

Insured for 5 months in 2024: UAH 2.93 bln



Property insurance against war risks: 2024
Implemented cases: Grain elevators



Ship insurance in the Black Sea: 2023

Containers with grain, iron ore, and steel, electrical equipment, fodder

Annual rate: 0.75%

Coverage amount: USD 50 mln



U.S. International Development Finance Corporation



Memorandum on coverage of American, international and Ukrainian investments in Ukraine: 2023
Coverage of the amount of losses: up to 85%
Insurance for SMEs: USD 50 mln

Insurance of the agricultural sector, manufacture: USD 300 mln

22 export-import agencies: Germany, WB, USA, Japan, Canada, Italy, Poland, Norway, Slovakia, France, Bulgaria, Estonia, Latvia, Lithuania, Czech Republic, Austria, UAE, Portugal, Spain, Sweden, Finland, Denmark

Volume of the collected fund: **EUR 1 bln**

