

INFOGRAPHICS MARATHON

How has the pharma changed because of the war

PHARMA

Pharma as a component of national security

DURING

Import dependence in pharmaceuticals

THE WAR

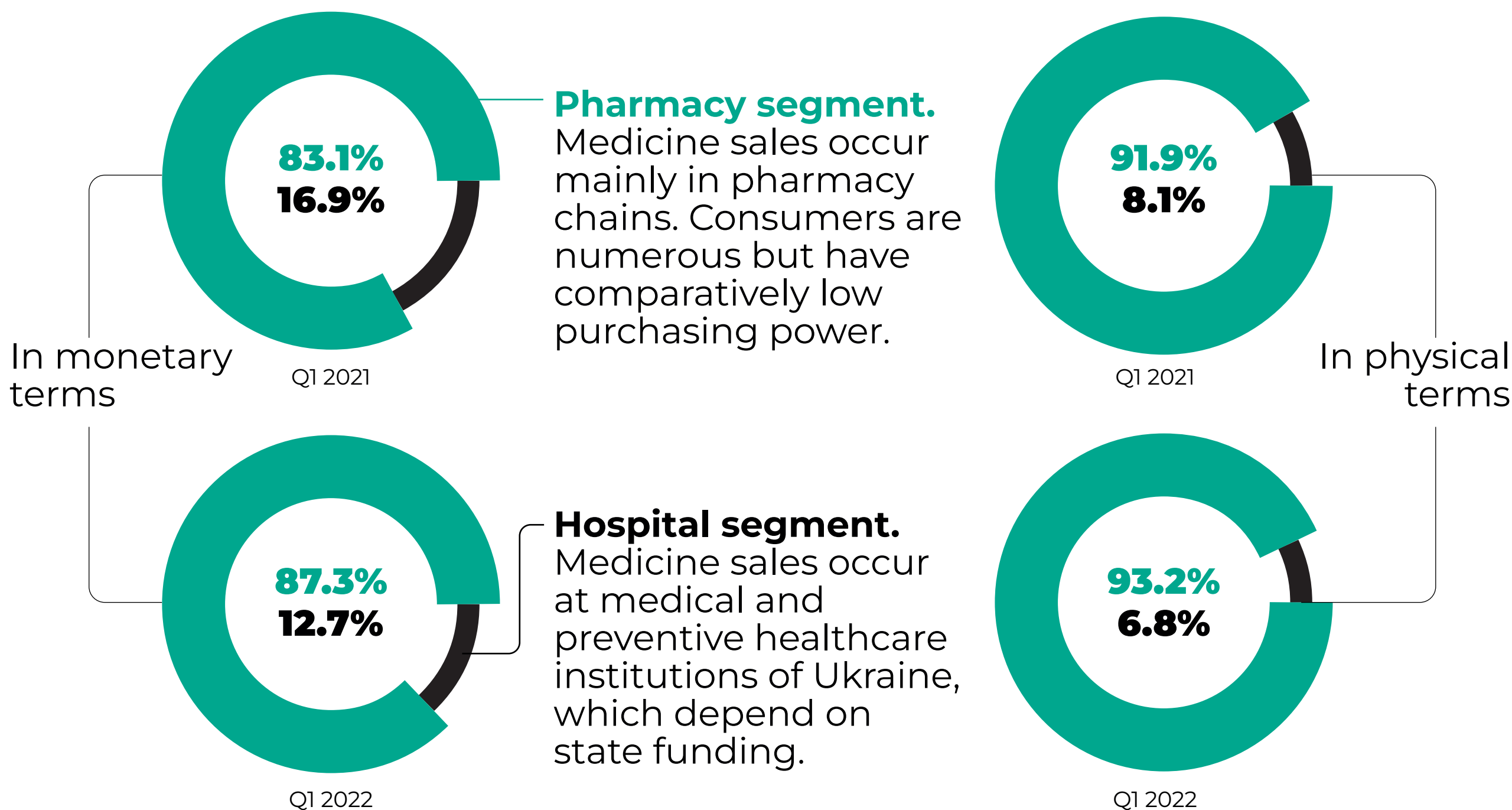
Export potential of pharma

MEDICINE MARKET IS CHANGING

PHARMA DURING THE WAR

The **medicine** market consists of two segments. The key difference between them is the medicines buyer - **the population** or **the state**. The war led to a change in the market structure - the state's share of it is decreasing.

Structure of the medicine market in Q1 2022 compared to Q1 2021



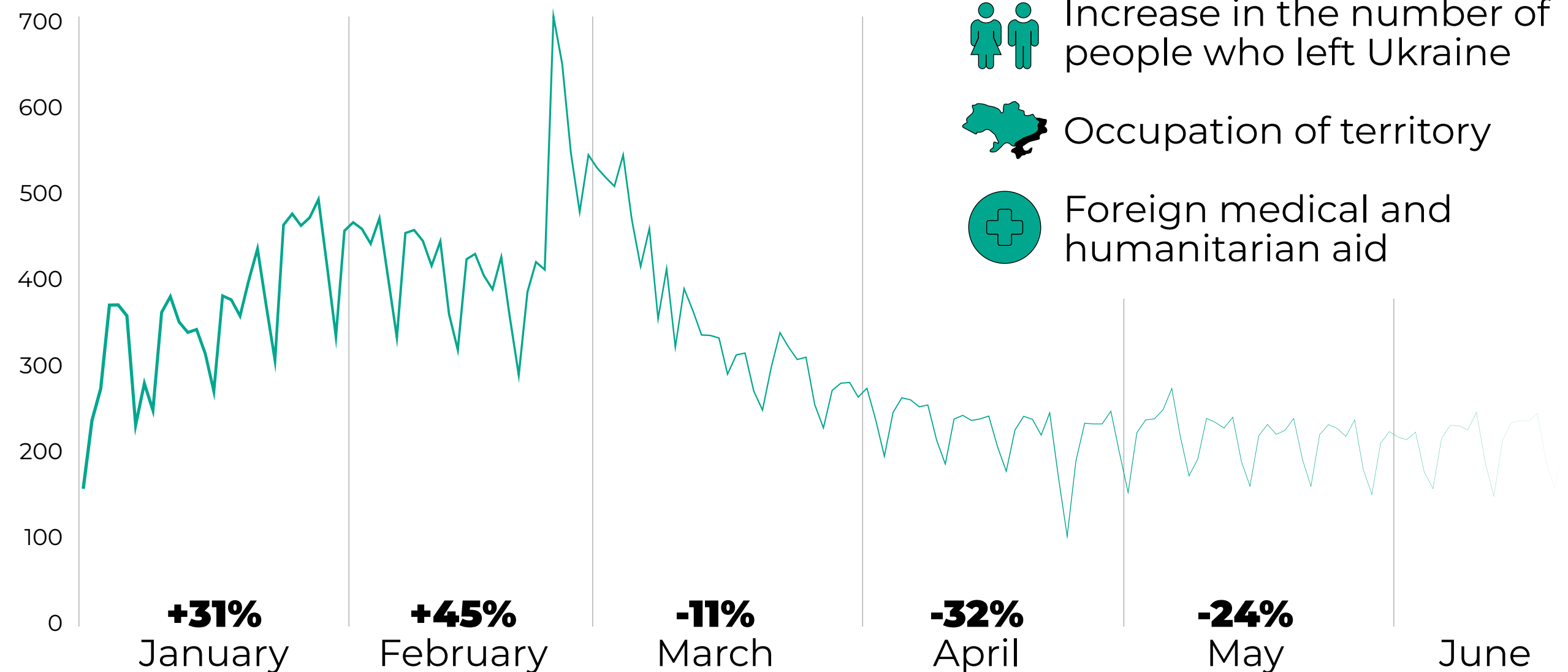
Source: Proxima Research

MEDICINES SALES DOUBLED ON THE FIRST DAY OF THE WAR




PHARMA DURING THE WAR

In the first days of the war, medicines sales grew at a high rate. Later, sales began to decline and showed a negative trend compared to last year.

Volume of the pharmacy market of medicines since the beginning of 2022, UAH million



What caused the decrease in drug sales?

-  Increase in the number of people who left Ukraine
-  Occupation of territory
-  Foreign medical and humanitarian aid

Source: Proxima Research

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PROXIMA RESEARCH
ANALYSE ACT ACHIEVE


DARNITSA

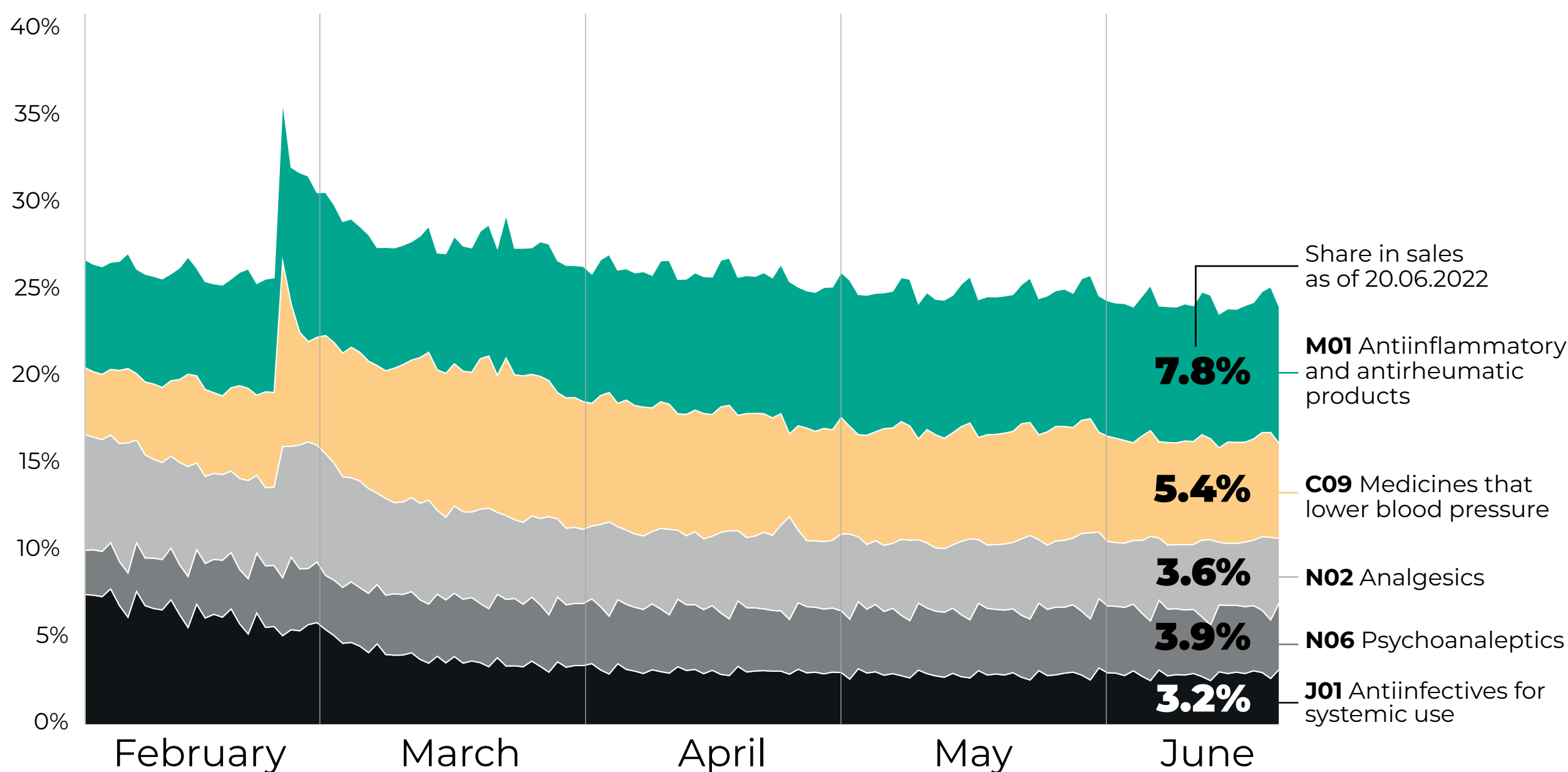
TOP LEAD

ANTIINFLAMMATORY AND ANTIRHEUMATIC DRUGS IS A TOP SALES

PHARMA DURING THE WAR

The war affects the consumption of medicines. In the first month, the consumption affects the cardiovascular system (+23%) and nervous system, especially antiepileptics (+56%) and psychoanaleptics (+51%), increased the most.

Dynamics of sales of the top 5 groups of medicines on the pharmacy market in 01.02.2022-20.06.2022*, %



Source: Proxima Research

*structure of the medicine sales in monetary terms

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PROXIMA RESEARCH
ANALYSE ACT ACHIEVE

DARNITSA

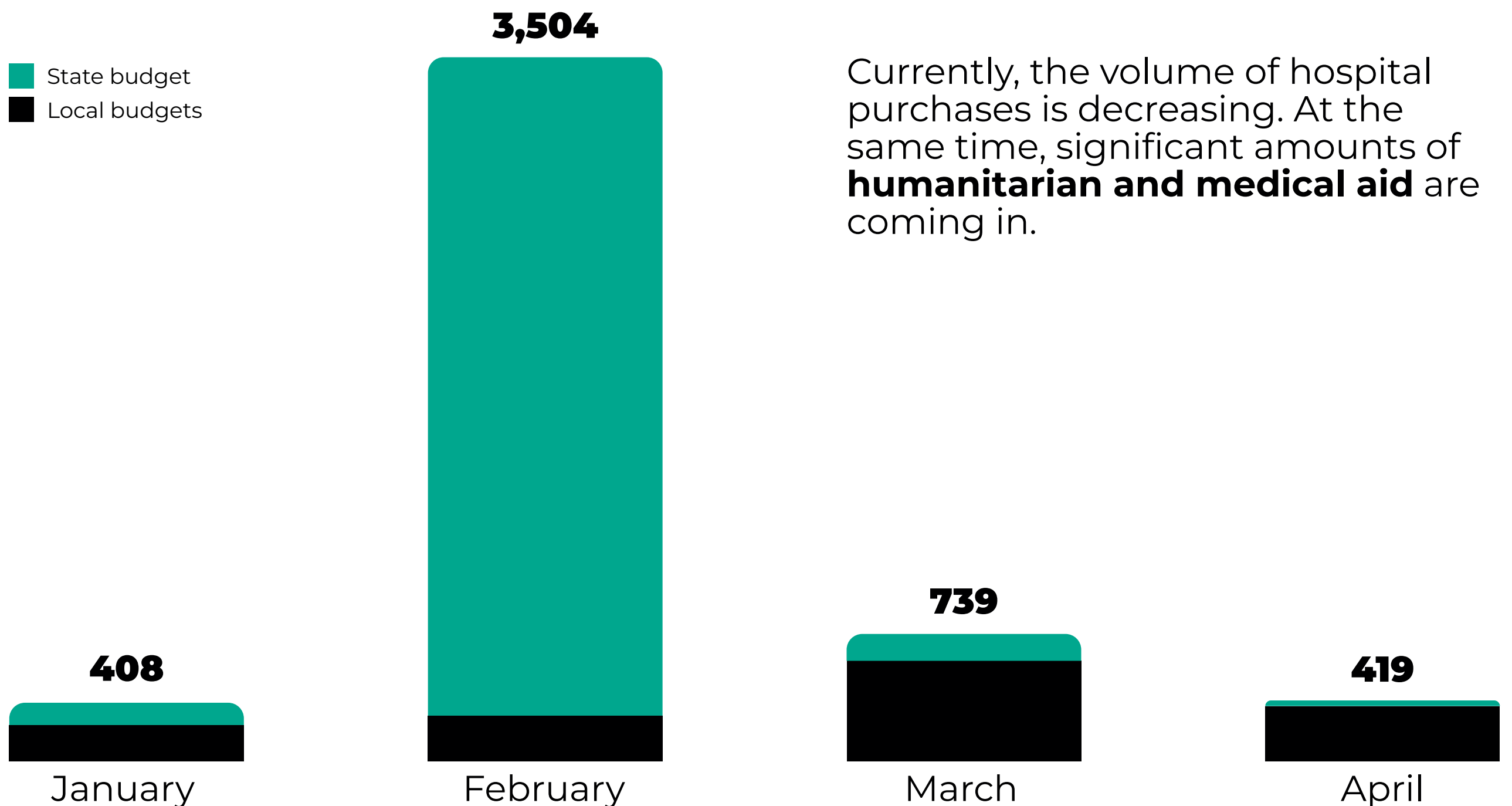
TOP LEAD

THE STATE BOUGHT ≈5+ BLN WORTH OF MEDICINES

PHARMA
DURING
THE WAR

There was a substantial increase in hospital purchases in February, even before the war began. Because of the **COVID-19** surge, the state purchased significant medicines to prevent and treat coronavirus disease.

Volume of the hospital purchases of medicines for January-April 2022, %



Source: Proxima Research

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PROXIMA
RESEARCH
ANALYSE ACT ACHIEVE


DARNITSA

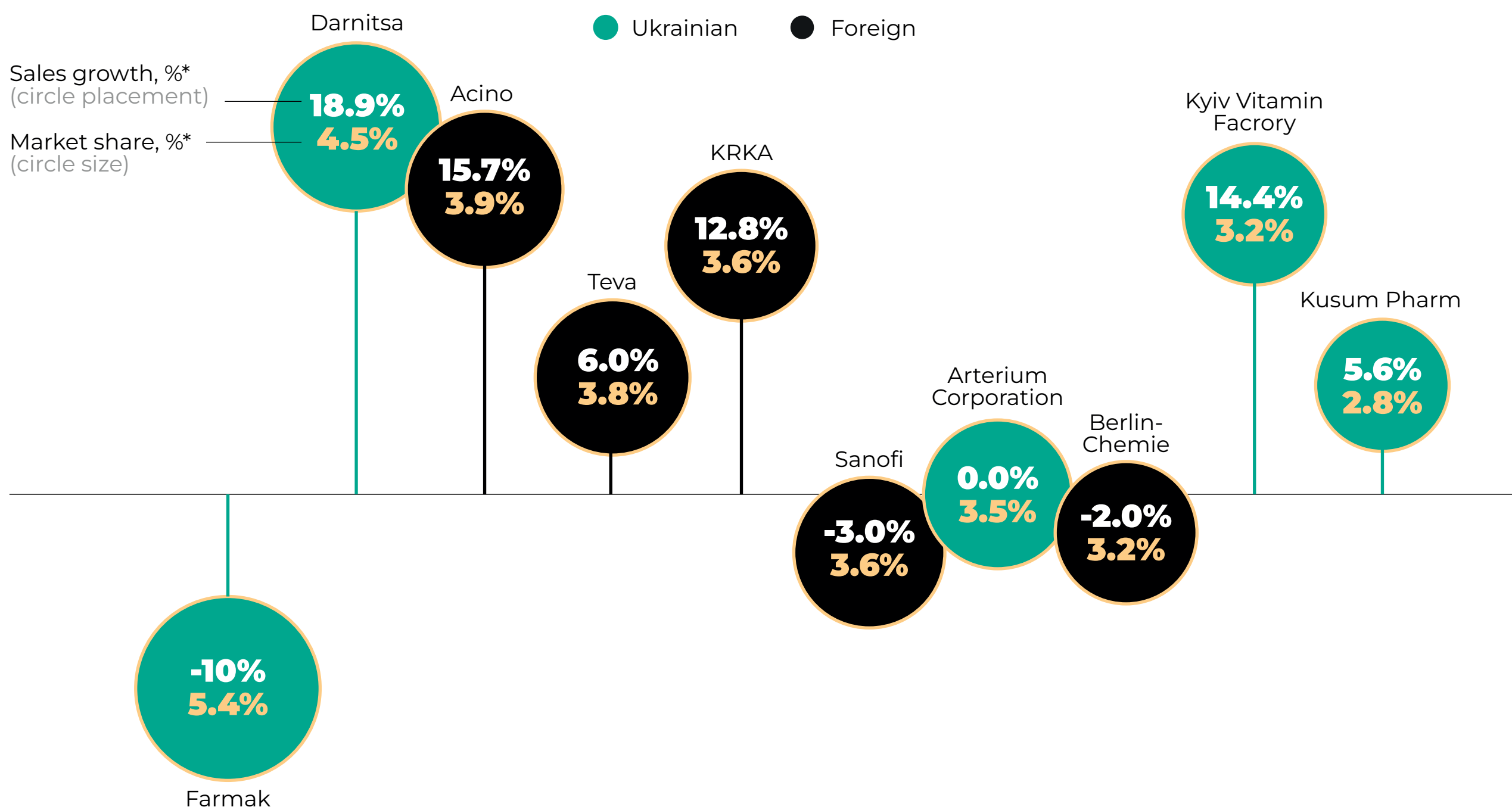
TOP
LEAD

THE TOP COMPANIES ARE GROWING

PHARMA DURING THE WAR

In January-May, most of the top 20 companies reported **sales growth**. However, the panic, bombed warehouses, lack of advertising, and migration of employees affected each company differently.

Top 10 companies on the pharmaceutical market in January-May 2022

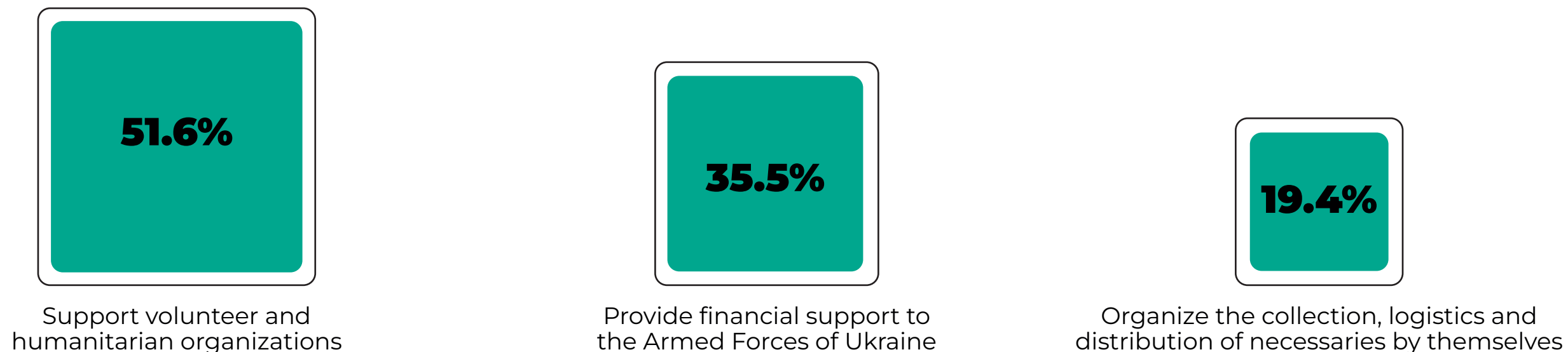


Source: Proxima Research *based on sales in monetary terms

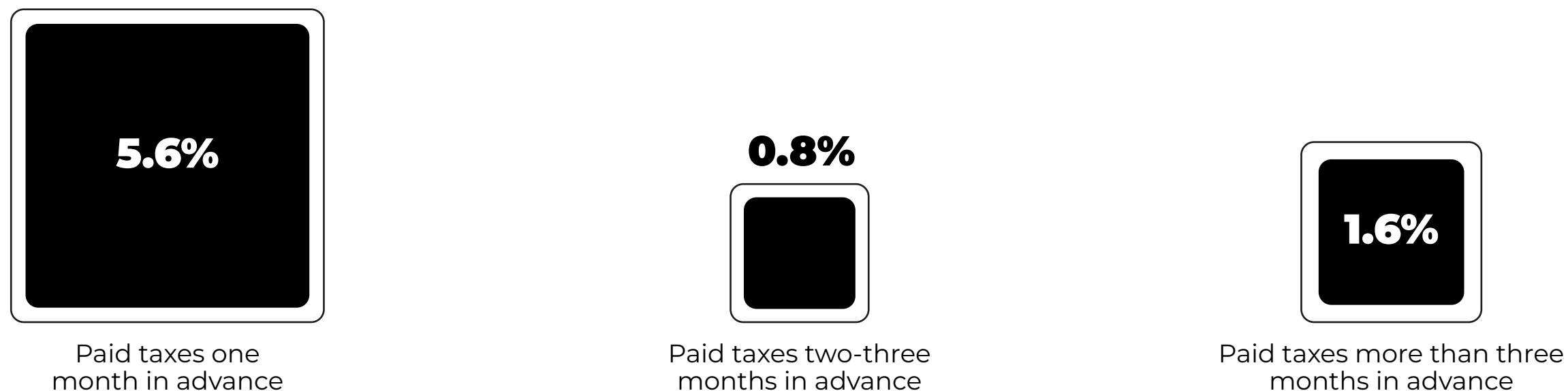
71% OF PHARMA COMPANIES ARE VOLUNTEERING

According to the May survey of robota.ua, **71%** of pharma companies support volunteer and humanitarian organizations or organize the collection, logistics and distribution of necessary medicines, food and others. Almost **36%** of companies support the Armed Forces of Ukraine, and **8%** support the state.

How do pharmaceutical companies help the population and army?*



How do pharmaceutical companies help the state?



Source: robota.ua

*there is an opportunity to choose several options, so the sum exceeds 100%.

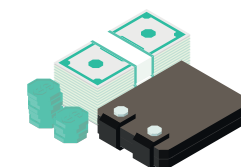
«DARNITSA» DURING THE WAR

PHARMA
DURING
THE WAR

«Darnitsa» is a Ukrainian pharmaceutical company, the market leader. Since the beginning of 2022, it has maintained its leading position:

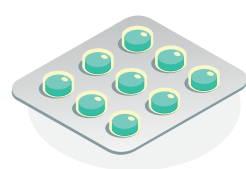


Nº1
by sales in physical
terms (14.7%*)



Nº2
by sales in monetary
terms (4.5%*)

Already in April, the company reached the pre-war production level. Since the beginning of the war**, «Darnitsa» has produced 59 mln packages of medicines. The largest categories of production:



42 mln
packages of tablets



7 mln
ampoule packages



3.5 mln
infusion packages

«Darnitsa» supports the state

€204.2 mln

taxes have been paid since
the war began

1.4 mln packages

of medicines were donated to the state,
medical organizations and volunteers

5.8 mln doses

of strategic medicines** were
donated to the state

«Darnitsa» looks ahead to the future

In March, the company received a license to develop and produce a generic version of Pfizer's oral COVID-19 treatment PAXLOVID™, with the right to sell in 95 countries worldwide. In March, the WHO officially recognized «Darnitsa» as the only company in Ukraine to have received mRNA-based vaccine production technology.

Sources: Proxima Research, «Darnitsa»

*according to Proxima Research data

**as of 30.06.2022

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RESEARCH
PROXIMA
ANALYSE ACT ACHIEVE


DARNITSA

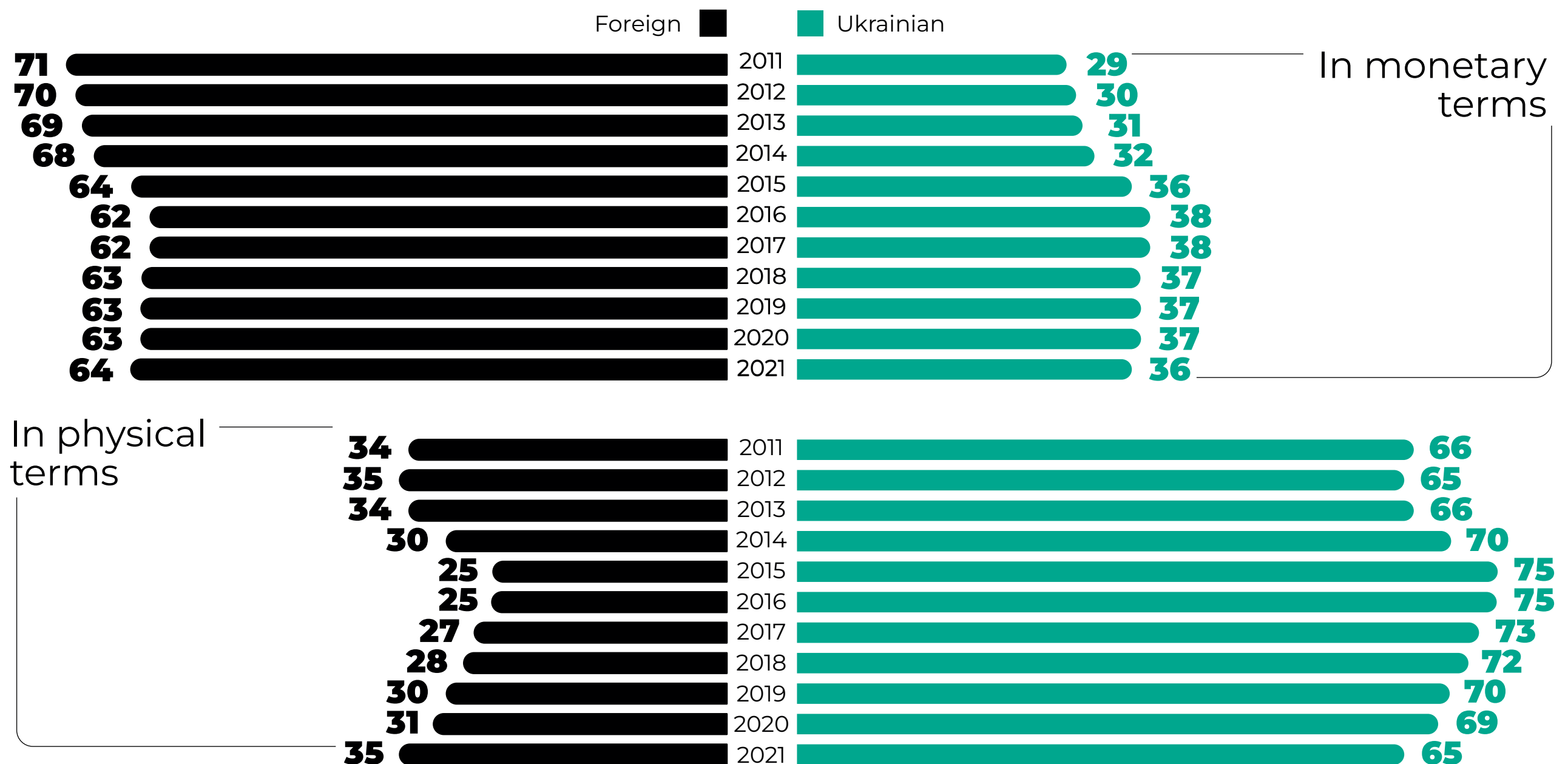
TOP
LEAD

PHARMA IS PART OF THE NATIONAL SECURITY

PHARMA DURING THE WAR

Dependence on imported medicines is a **national security matter** because high dependence can lead to a shortage of drugs in difficult times. First, **the pandemic** proved this, and now **the war**.

Structure of pharmacy sales of medicines by the place of manufacturing, %

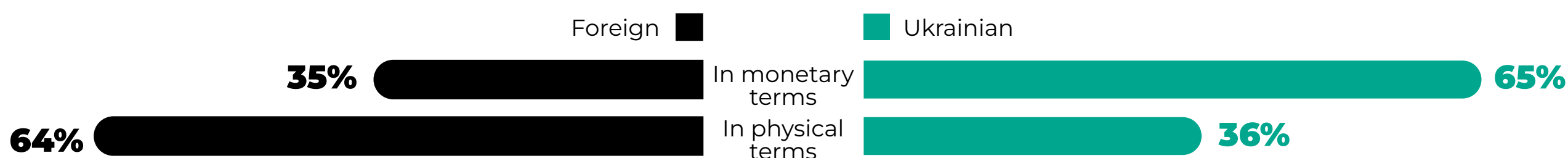


Sources: weekly online media Apteka (No. 2 (1323) as of 24.01.22), infographic guide «Pharmaceutics of Ukraine 2021»

THE PHARMA MARKET IS READY TO REDUCE IMPORT DEPENDENCE

PHARMA DURING THE WAR

Even though national manufacturers have a major market share in physical terms, they have a small share in monetary terms, as imported medicines are often more expensive. **Market structure** for January-May 2022:



Ukrainian pharma companies have the potential to increase production

Ukrainian manufacturers produce only **61%** of the **National List of Medicines**. However, Ukraine has sufficient production capacity (**113 factories**), and manufacturers say they are ready to expand the assortment if the Ministry of Healthcare guarantees orders for Ukrainian medicines.

The Ministry of Healthcare encourages Ukrainians to rely on active ingredients and availability rather than brand name.



Sources: Kyiv School of Economics, «Darnitsa», Proxima Research

INNOVATION IS THE WAY TO REDUCE IMPORT DEPENDENCE

PHARMA DURING THE WAR

Pharmaceuticals is the most innovative sector in Ukraine. According to 2020 data, **53%** of pharmaceutical companies are innovation-active. They used modern technologies in production and spent money on innovations.

E-commerce in the pharma market

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



The pandemic has accelerated the development of e-commerce. In September 2020, a law was adopted to legalize distance selling and delivery of medicines in Ukraine.

Industry transformations

Digitalizing the manufacturing: beginning storage spaces and manufacturing lines to distribution and promotion.

Introduction of the e-system of healthcare, which acts as a digital medical record and makes the whole patient's history of treatment accessible.

Start of digitalizing the cooperation manufacturer – government, aimed at making it smoother, easier and more efficient.

Sources: State Statistics Service of Ukraine, infographic guide «Pharmaceuticals of Ukraine 2021»

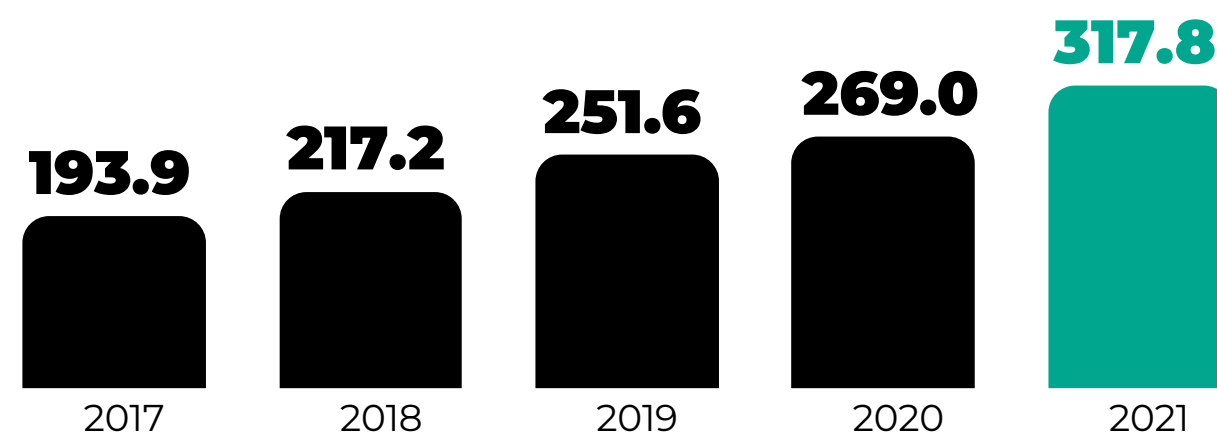
EXPORT POTENTIAL OF PHARMA

PHARMA
DURING
THE WAR

The **export** of pharmaceutical products from Ukraine is increasing. It grew by **64%** over the past five years.

It is crucial to continue exporting medicines even in **war conditions** to provide for Ukrainians who were forced to leave the country.

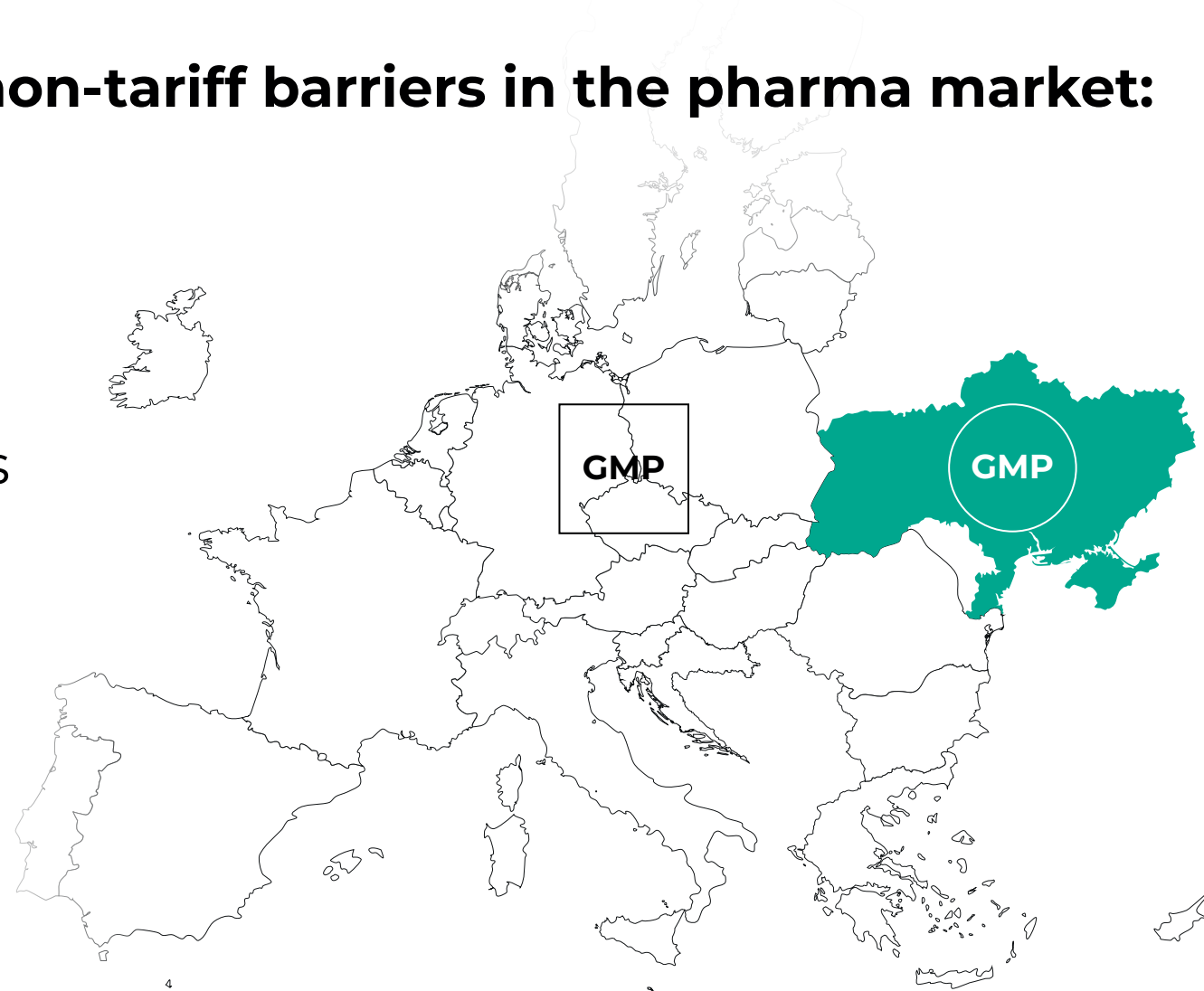
Export of pharmaceutical products,
USD million



The main steps needed to eliminate non-tariff barriers in the pharma market:

- Recognition of Ukrainian Good Manufacturing Practice (GMP) certificates in the EU
- Joint recognition of drug registrations (Marketing Authorization)

EU candidate status of Ukraine may help eliminate barriers on Ukrainian medicines exports.



Sources: State Customs Service of Ukraine, «Darnitsa»