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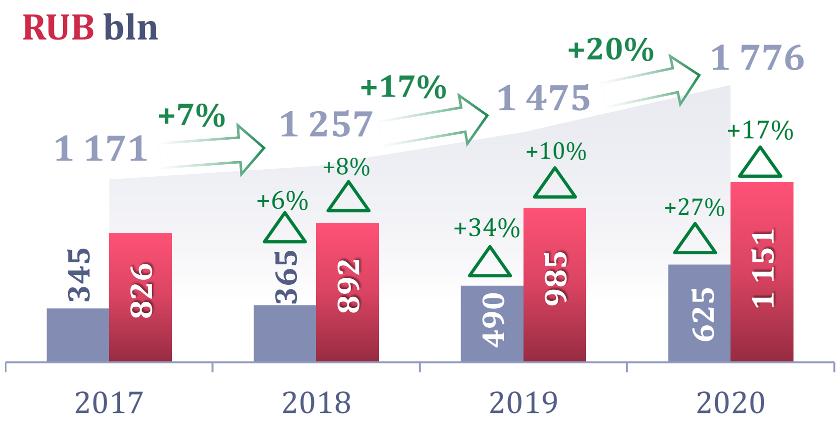
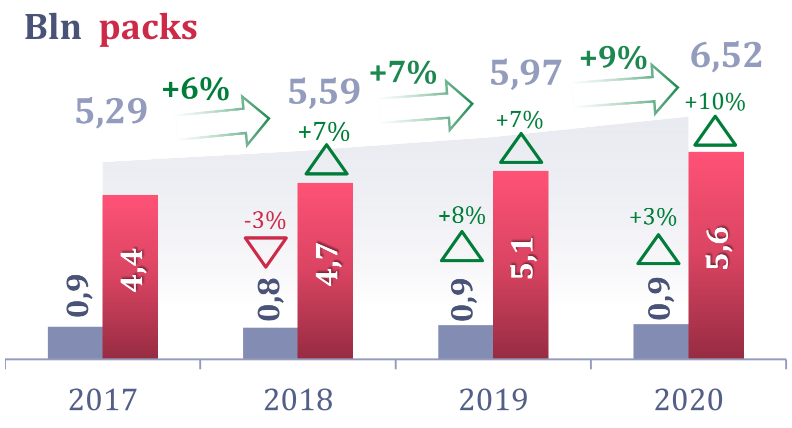
The Pharmaceutical Market 2020

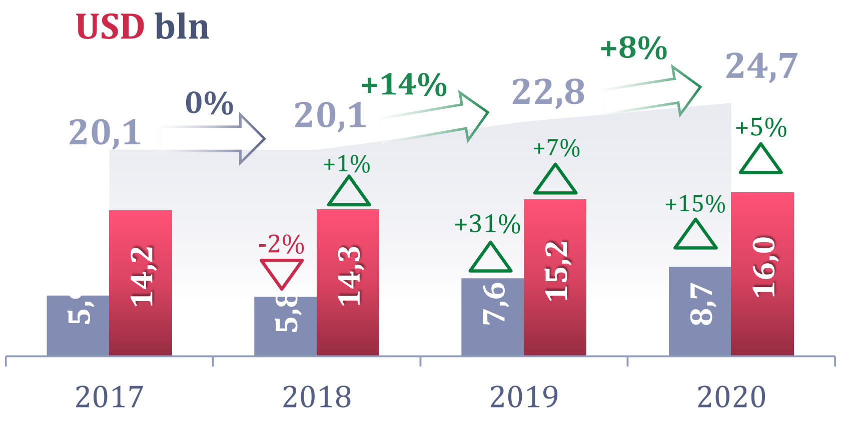
May 2021

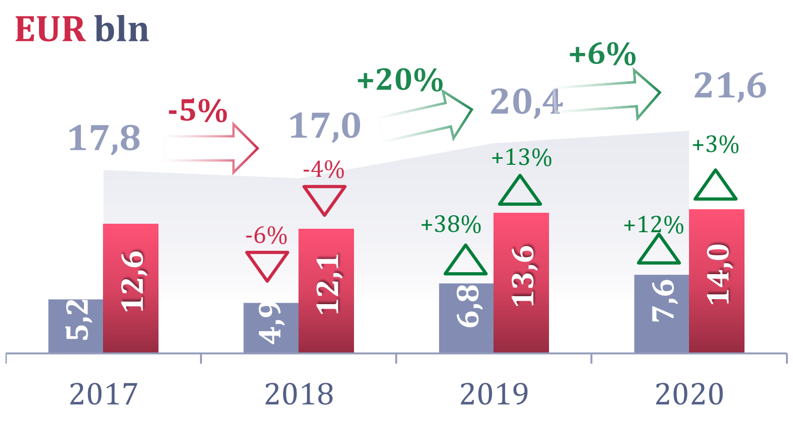
The Public Sector Remains a Major Growth Driver for the Pharmaceutical Market*

Including dietary supplements, medical accessories and other products ~ RUB 2,126 bln and 9.9 bln packs









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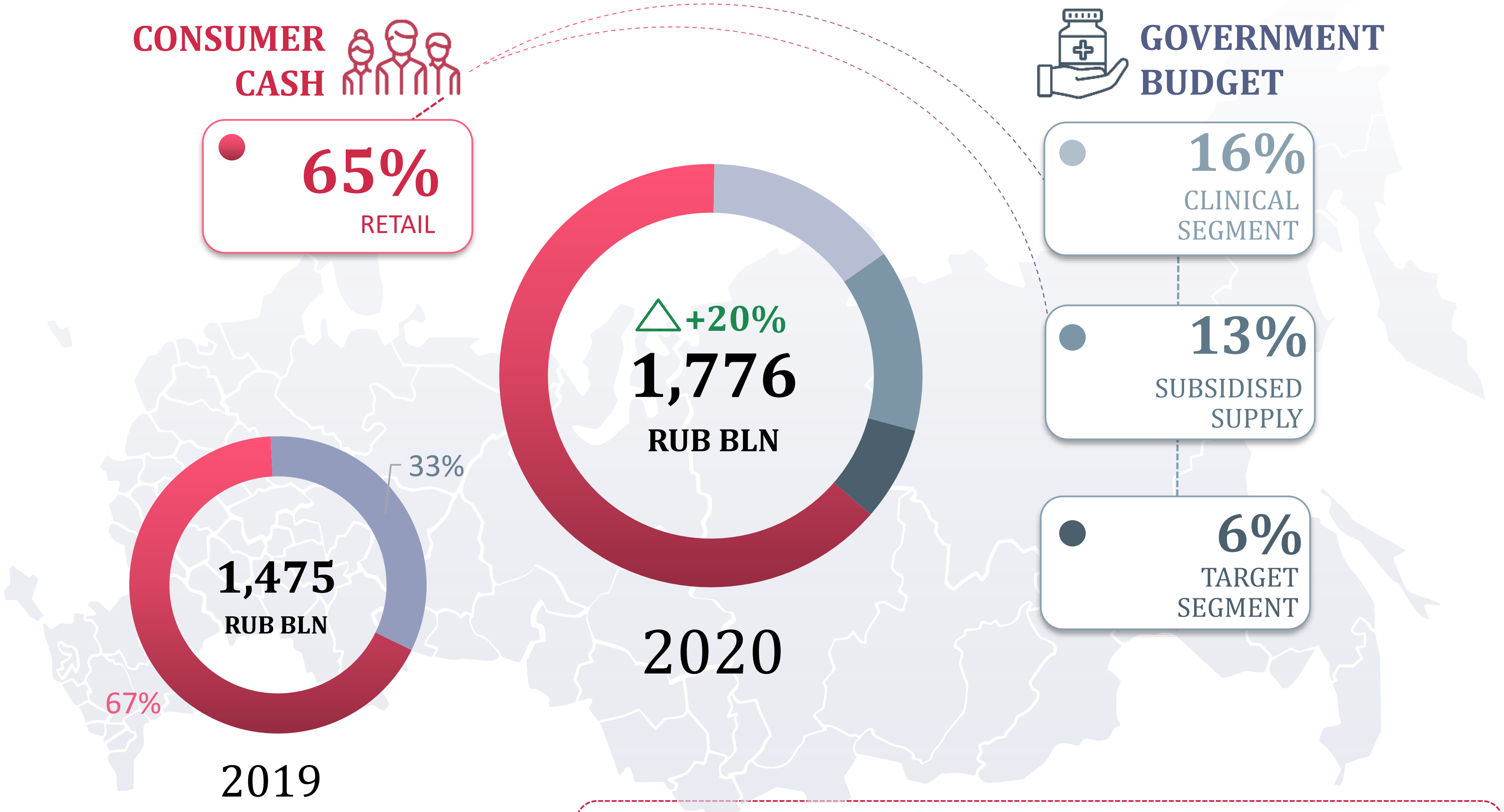
*Medicines only
According to AlphaRM analytics databases

■ Public Sector ■ Retail

Structure of the Russian Pharmaceutical Market*

By value, 2020 (RUB, sell out)



Including dietary supplements and miscellaneous other products 2,126 RUB BLN +18%

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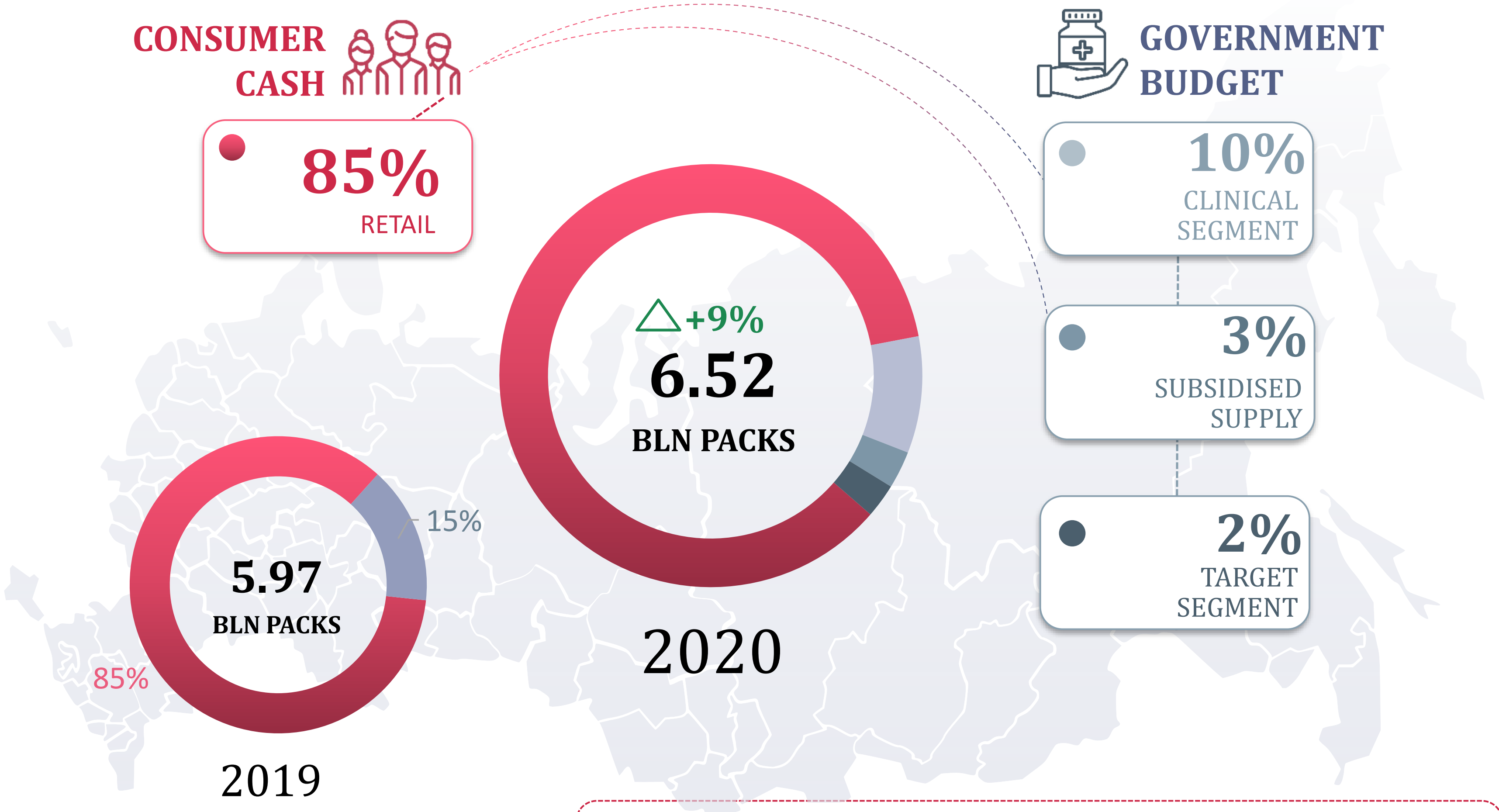
Structure of the Russian Pharmaceutical Market*

By volume, 2020 (packs, sell out)



Including dietary supplements and miscellaneous other products 9.9 BLN PACKS +9%

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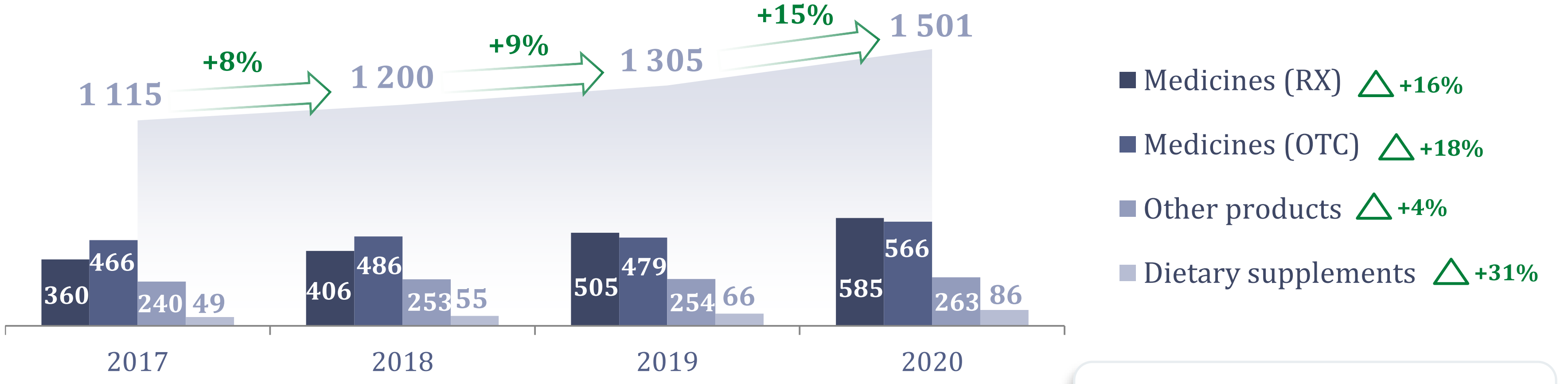
According to AlphaRM analytics databases

PHARMACY MARKET

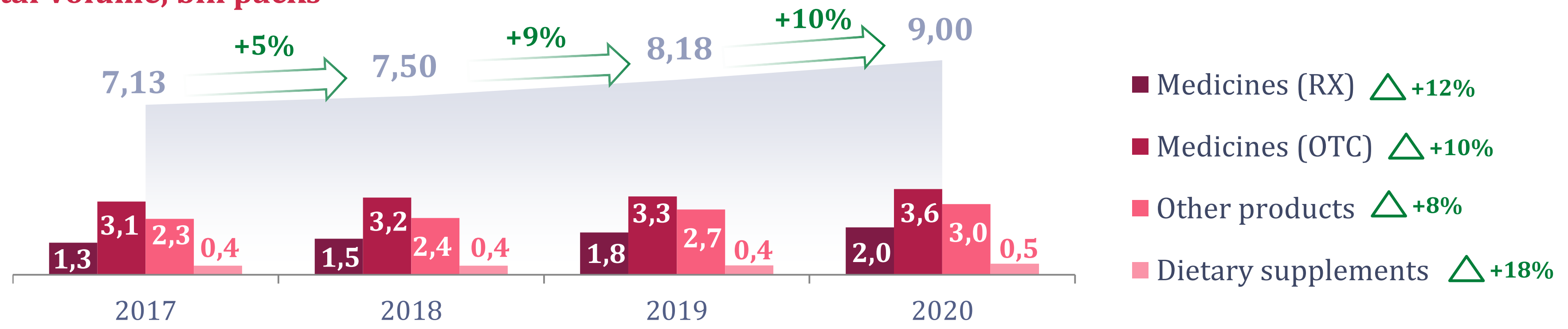
Russia's Retail Pharma Market in Consumer Prices, 2020 RUB ~1,501 billion* & ~9.00 billion packs

Total Value, RUB bln



Sales dynamic of pharmacy products

Total Volume, bln packs



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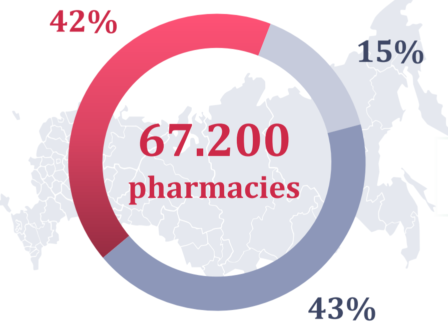
** including dietary supplements and miscellaneous other products*
According to AlphaRM analytics databases

Increment 2020/2019, %

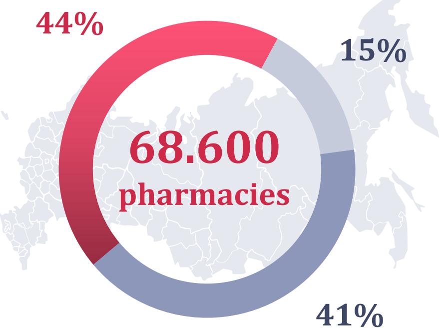
There are more than 68,600 pharmacies in Russia at the end of M'12 2020

M'12 2019 | M'12 2020

Breakdown by pharmacy chain type, no. of pharmacies

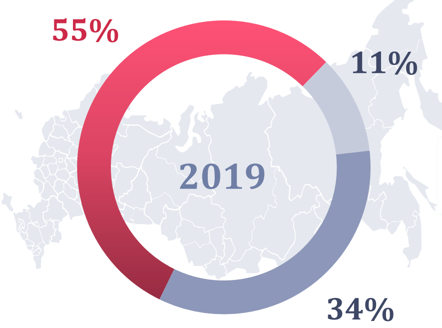


+2%

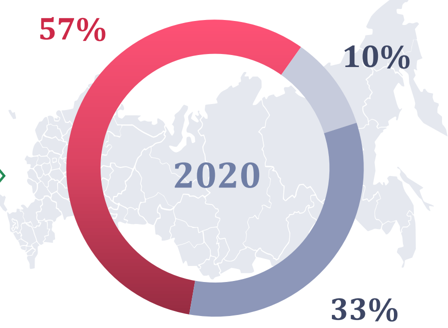


2019 | 2020

Breakdown by pharmacy chain type (sell out), % RUB*



+15%

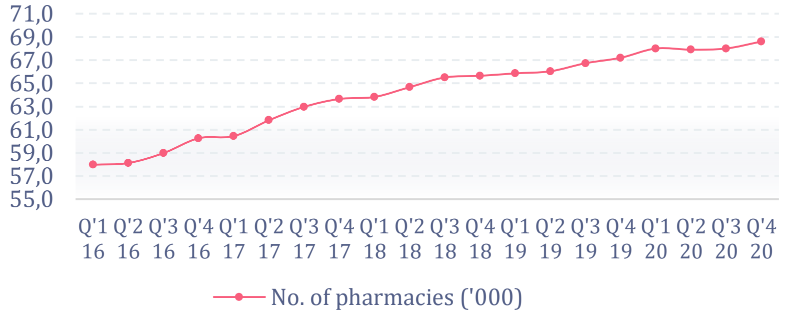


- Federal and regional chains
- Standalone pharmacies
- Local chains numbering 3 or more POS in 1–2 regions

POS growth leaders

- АПРЕЛЬ (Krasnodar)
- IMPLOZIA (Samara)
- РИГЛА (Moscow)

Growth dynamic in no. of pharmacies

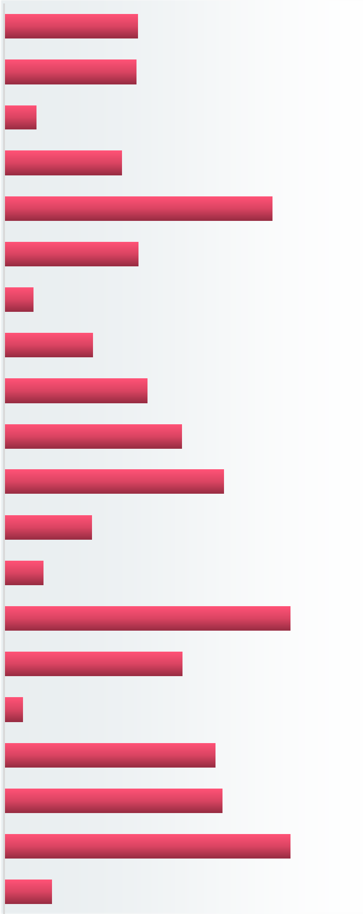


*including dietary supplements and miscellaneous other products
According to AlphaRM analytics databases

TOP 20 Pharmacy Chains in 2020

Ranking	Variation in ranking	Pharmacy chain	No. of pharmacies as at 1 January 2021	Share, 2020, %
1	-	Rigla (Moscow)	3,173	5.8%
2	+1	Implozia (Samara)	3,204	5.0%
3	-1	Erka Pharm Group	1,062	4.5%
4	-	Planeta Zdorovya (Perm)	1,859	3.8%
5	+3	Aprel (Krasnodar)	1,892	3.5%
6	-	Neopharm (Moscow)	820	3.4%
7	-2	GROUP 36.6 (MOSCOW)	1,496	3.2%
8	-1	Vita (Samara)	1,819	3.1%
9	-	Pharmland (Ufa)	1,321	2.4%
10	-	Melodiya Zdorovya (Novosibirsk)	860	1.6%
11	+3	36.7C&Maksavit (Nizhny Novgorod)	644	1.4%
12	+1	Pharmaimpex (Izhevsk)	668	1.4%
13	-1	Apteka ot sklada (Perm)	866	1.3%
14	+5	ZDOROV.ru (Moscow)	96	1.1%
15	*	Pharmakopeika (Omsk)	606	0.9%
16	-1	Pharmatsevt+ (Rostov-on-Don)	510	0.9%
17	+3	Gubernskiye apteki (Krasnoyarsk)	309	0.8%
18	-	Nevis (St. Petersburg)	555	0.8%
19	+7	Magnit (Krasnodar)	1,164	0.8%
20	-4	Novaya apteka & Apteka Minitsen…	174	0.8%

Growth in earnings 2020/2019 (%), RUB



46%

The TOP 20 pharmacy chains consolidated 45.1% of the retail market in 2019

**the Pharmakopeika & Tvoi Doktor chain split up in January 2020*
According to AlphaRM analytics databases

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Regions where the Leaders' Market Share Exceeds 20%, 2020

Pharmacy chain's share in the region

- above 20%
- 15% to 20%
- 10% to 15%
- below 10%

52/46 regions

39/33 pharmacy chains

TOP 10

61% – the chain's market share in the region, RUB (%)

646 – no. of POS operated by the pharmacy chain with a market share of over 20% in the region

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According to AlphaRM analytics databases

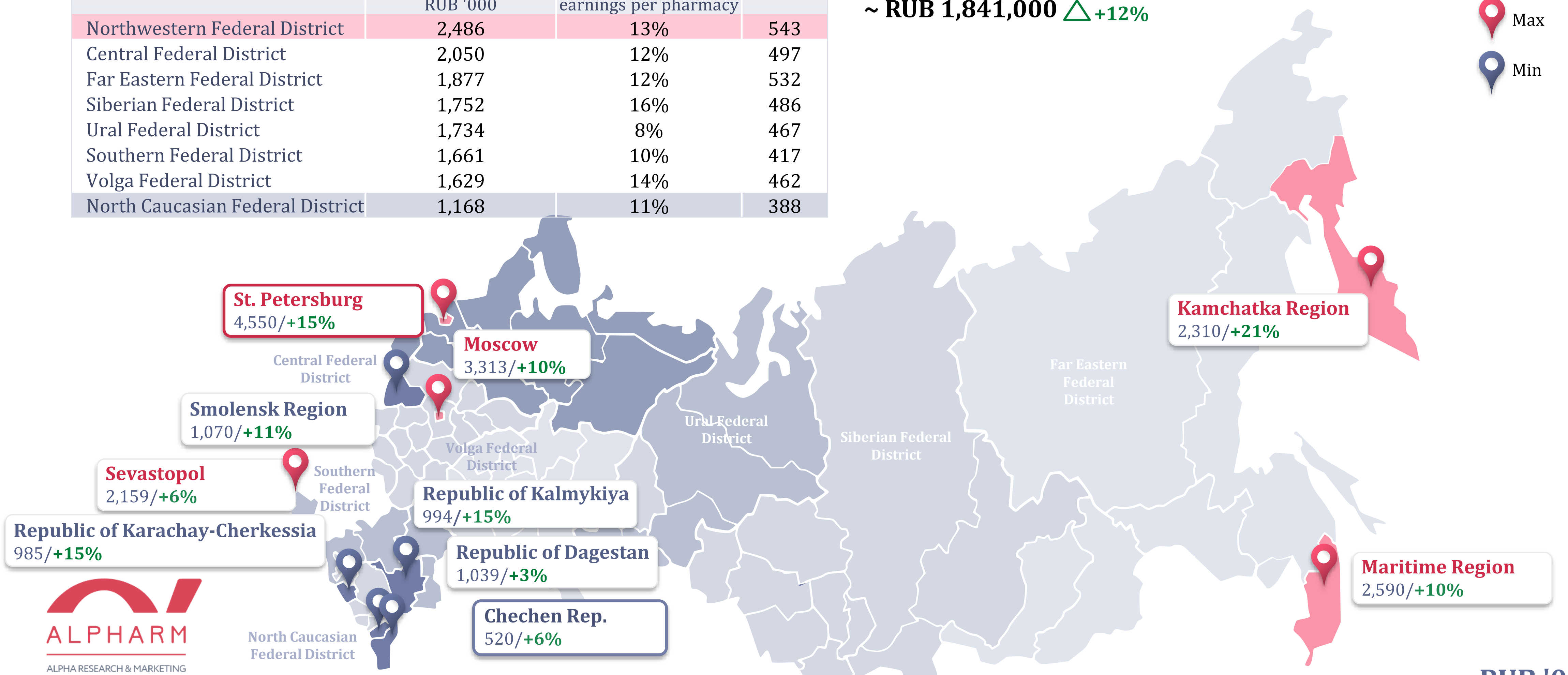
Average Monthly Earnings per Pharmacy by Region, 2020

Federal District	Average monthly earnings per pharmacy, RUB '000	Increment average monthly earnings per pharmacy	Average check
Northwestern Federal District	2,486	13%	543
Central Federal District	2,050	12%	497
Far Eastern Federal District	1,877	12%	532
Siberian Federal District	1,752	16%	486
Ural Federal District	1,734	8%	467
Southern Federal District	1,661	10%	417
Volga Federal District	1,629	14%	462
North Caucasian Federal District	1,168	11%	388

Russian Federation

Average monthly earnings per pharmacy:

~ RUB 1,841,000 △ +12%



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Concentration of Pharmacies by Region, M'12 2020

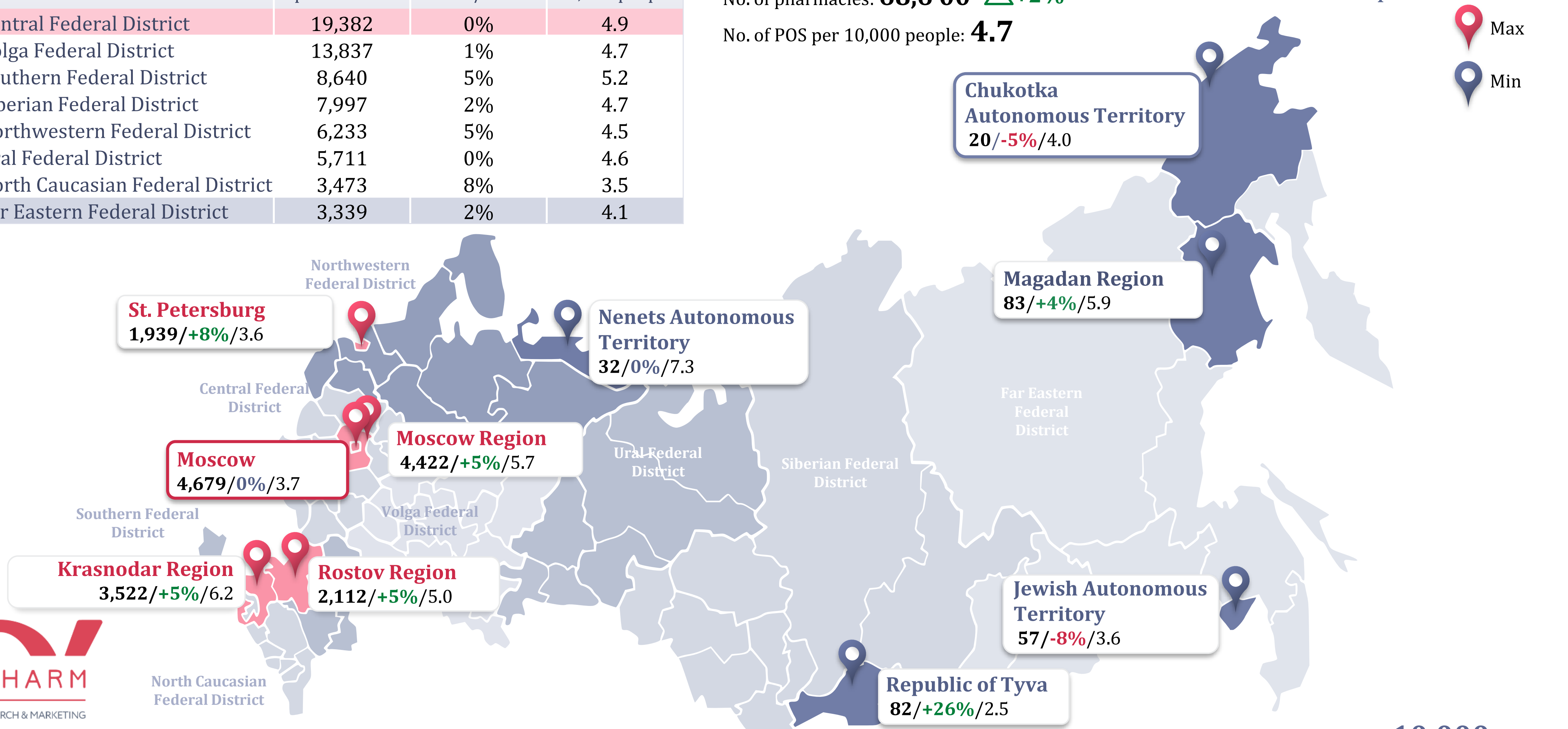
Federal District	No. of pharmacies	Increment 2020/2019	No. of POS per 10,000 people
Central Federal District	19,382	0%	4.9
Volga Federal District	13,837	1%	4.7
Southern Federal District	8,640	5%	5.2
Siberian Federal District	7,997	2%	4.7
Northwestern Federal District	6,233	5%	4.5
Ural Federal District	5,711	0%	4.6
North Caucasian Federal District	3,473	8%	3.5
Far Eastern Federal District	3,339	2%	4.1

Russian Federation

No. of pharmacies: **68,6 00** △+2%

No. of POS per 10,000 people: **4.7**

TOP 5 regions with threshold performance



per 10,000 people

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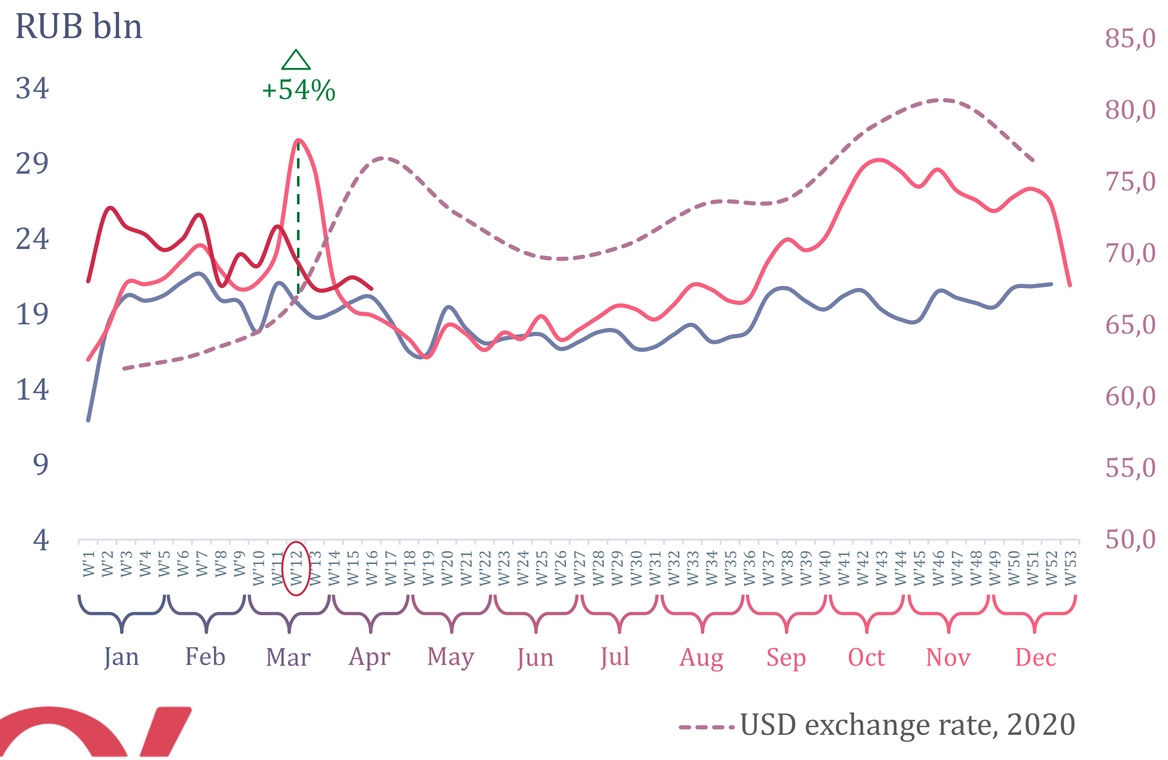
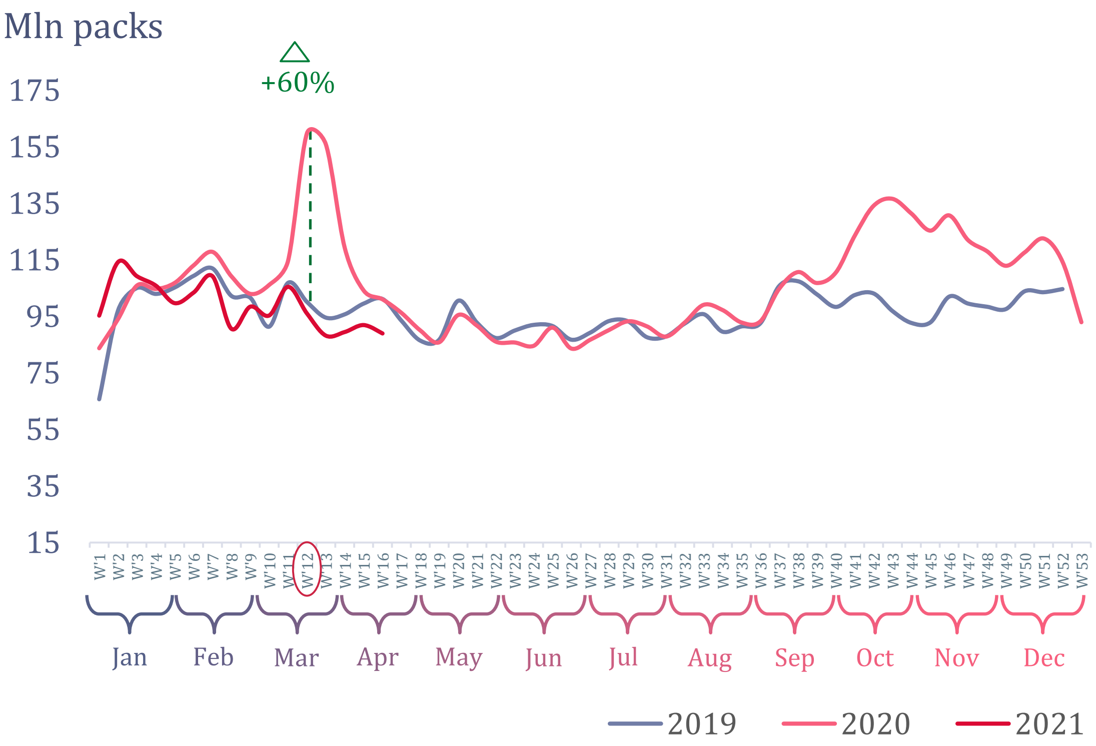
According to AlphaRM analytics databases

Weekly Dynamic of Medicine Sales by Pharmacies, 2019-W'16 2021

2020/2019 △ +17%
W'1-W'16 21/ W'1-W'16 20 △ +5%

2020/2019 △ +10%
W'1-W'16 21/ W'1-W'16 20 ▽ -12%





Week 1 of 2020 includes data from 30 December 2019 to 5 January 2020
Week 53 of 2020 includes data from 28 December 2020 to 3 January 2021
Week 1 of 2021 includes data from 4 to 10 January 2021
Medicines only
Extrapolated data
According to the DB 'Retail monitoring of pharmacy sales of drugs and dietary supplements in the Russian Federation'

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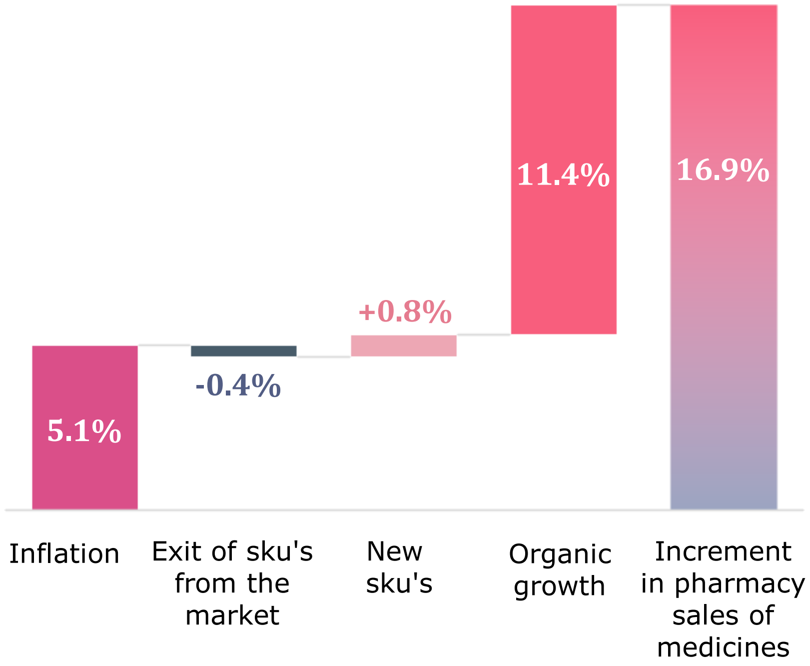
Pharmacy sales peaked during week 12 in 2020

Contributors to Medicine Sales Growth by Pharmacies by Value, 2020

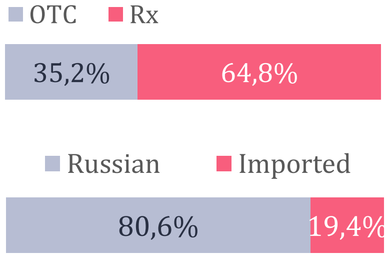
2020	RUB 71.94	RUB 82.84
2019	RUB 64.73	RUB 72.49
	+11%	+14%



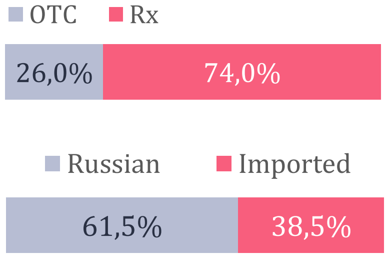
According to AlphaRM analytics databases

21,000 sku's of medicines on retail market

New products 972 sku's



Gone from market 1,390 sku's



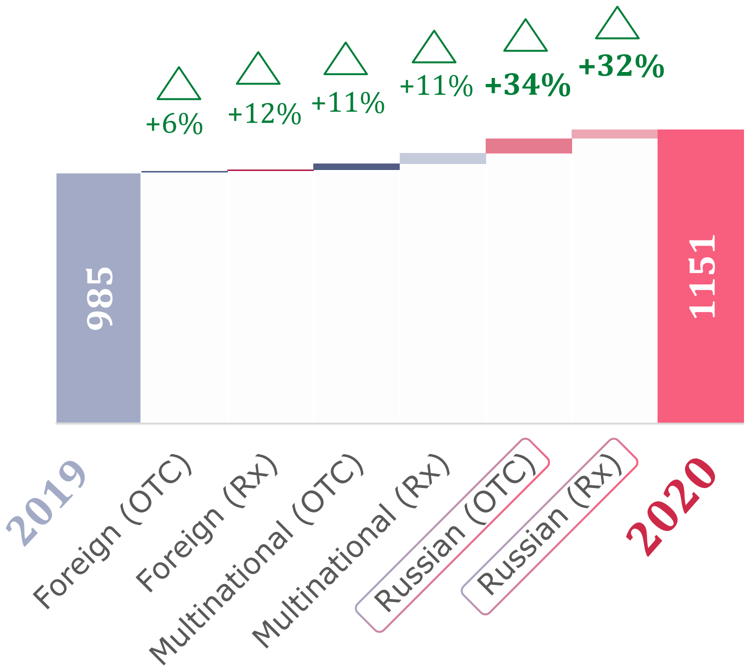
Top 3 EphMRA

EphMRA (level 2)	No. of sku's
J1 systemic antibacterial medicines	89
M1 inflammation suppressants and antirheumatics	84
V3 other therapeutic products	69

Top 3 EphMRA

EphMRA (level 2)	No. of sku's
J1 systemic antibacterial medicines	129
K1 intravenous preparations	101
L1 antitumorals	85

Pharmacy Sales of Medicines by Company Category and whether Sold OTC/RX by Value, 2020



TOP 3 Category Leaders, 2020

	Corporation	Share RUB	Increment 20/19
Multi national	Bayer	7,9%	+22%
	Novartis	7,3%	+23%
	Stada	6,3%	+6%
Foreign	Reckitt Benckiser	8,8%	+7%
	Bionorica	7,3%	+4%
	Bausch Health	7,2%	+11%
Russian	OTC Pharm	10,5%	+50%
	Valenta	5,2%	+69%
	Ozon	4,9%	+51%

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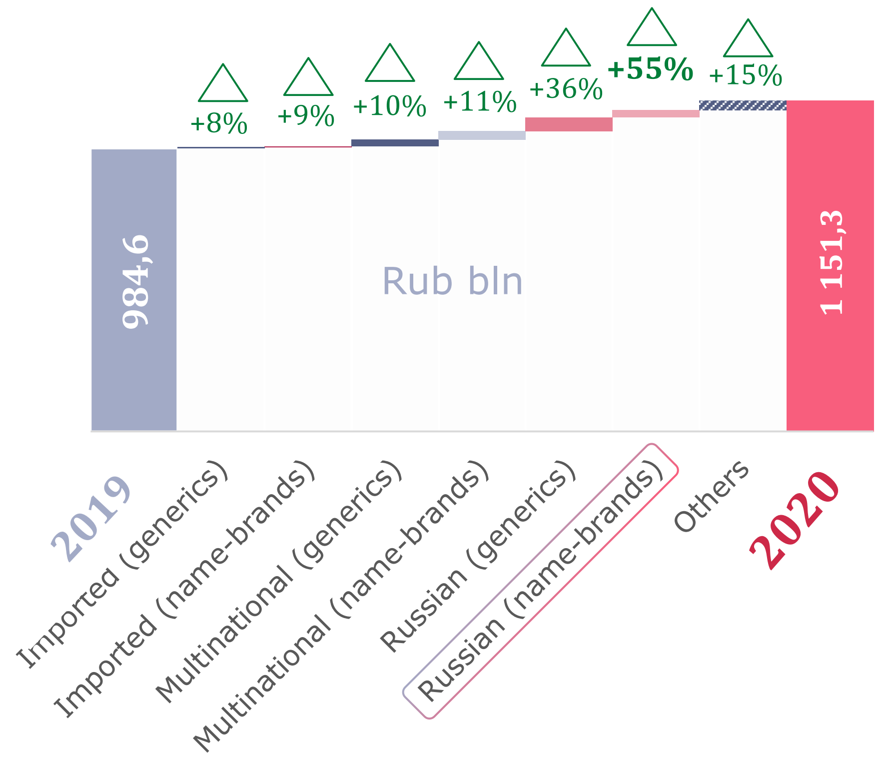
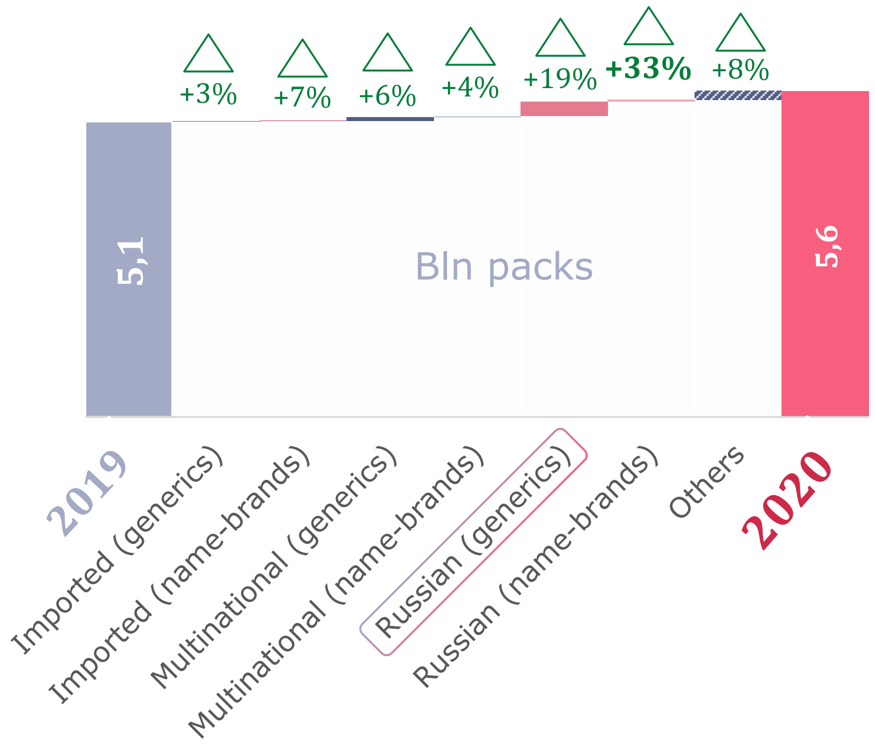
Multinational: pharmaceuticals manufactured in Russia and elsewhere.
Russian companies: over 20% of sales in RUB accounted for by medicines produced domestically.
According to AlphaRM analytics databases

Pharmacy Sales of Medicines by Company Category and whether Name-brand/Generic, 2020

Russian name-brand medicines saw the steepest sales growth





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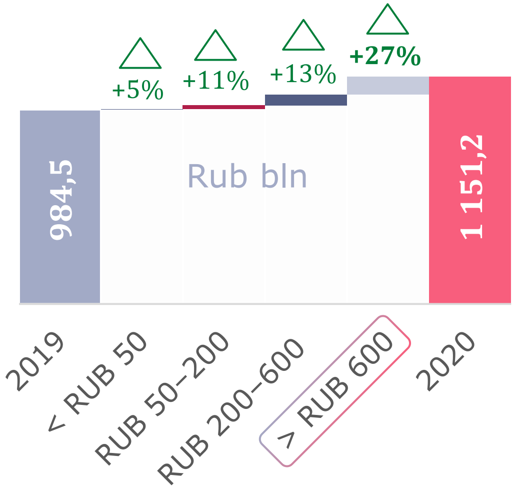
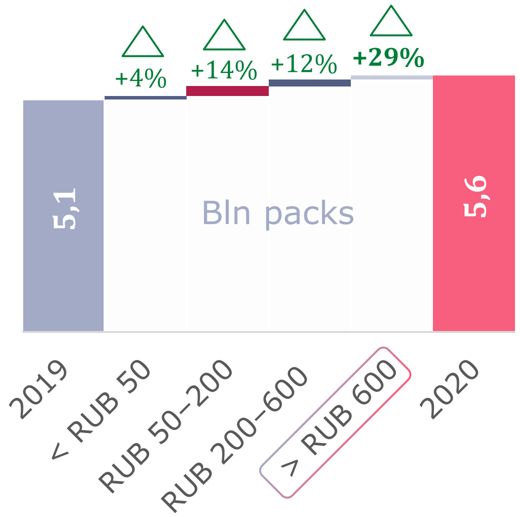
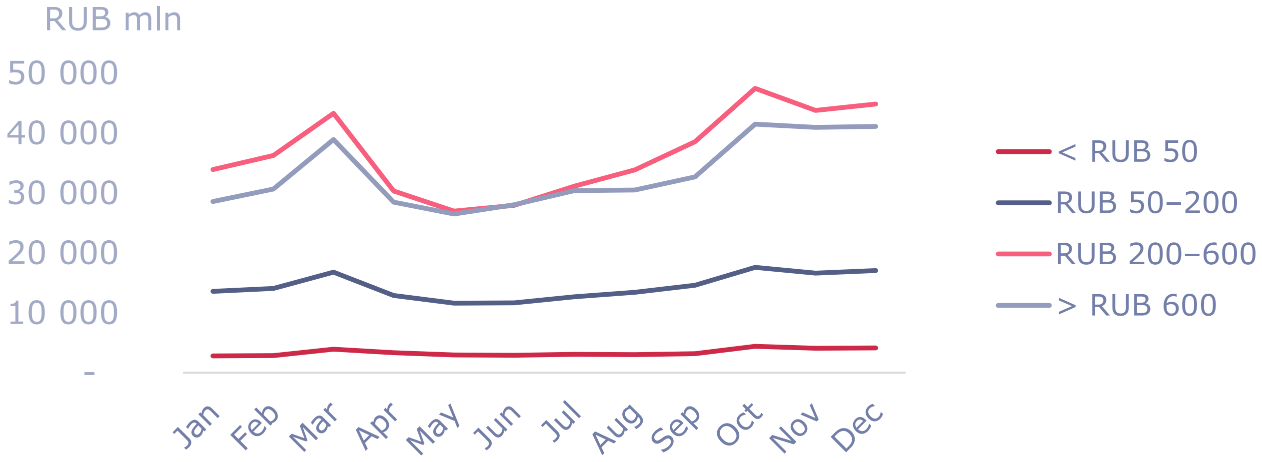
The rest are the long-familiar combinations of active ingredients and medicines of animal or herbal extraction
According to AlphaRM analytics databases

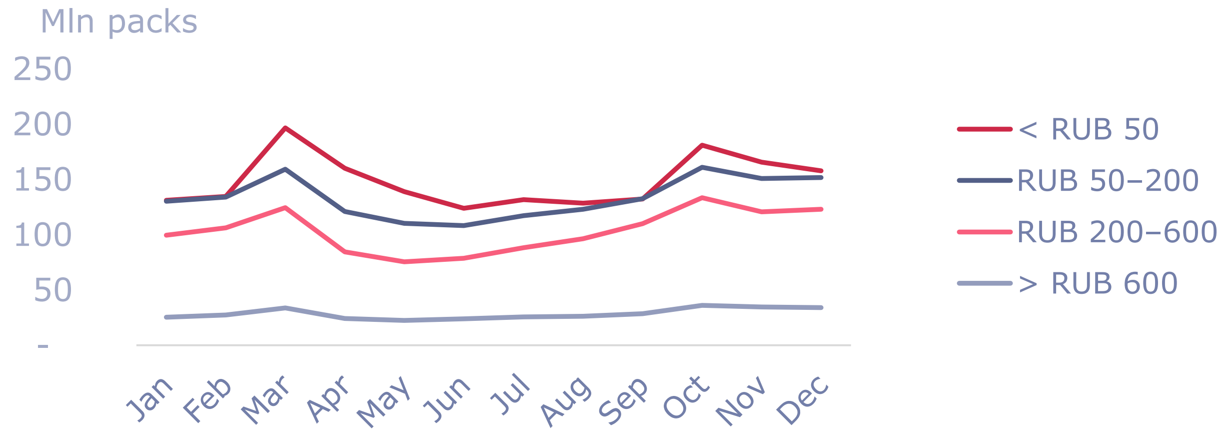
Structure and Dynamic of Pharmacy Sales of Medicines by Price Bracket, 2020





Medicine sales dynamic by price bracket*, 2020





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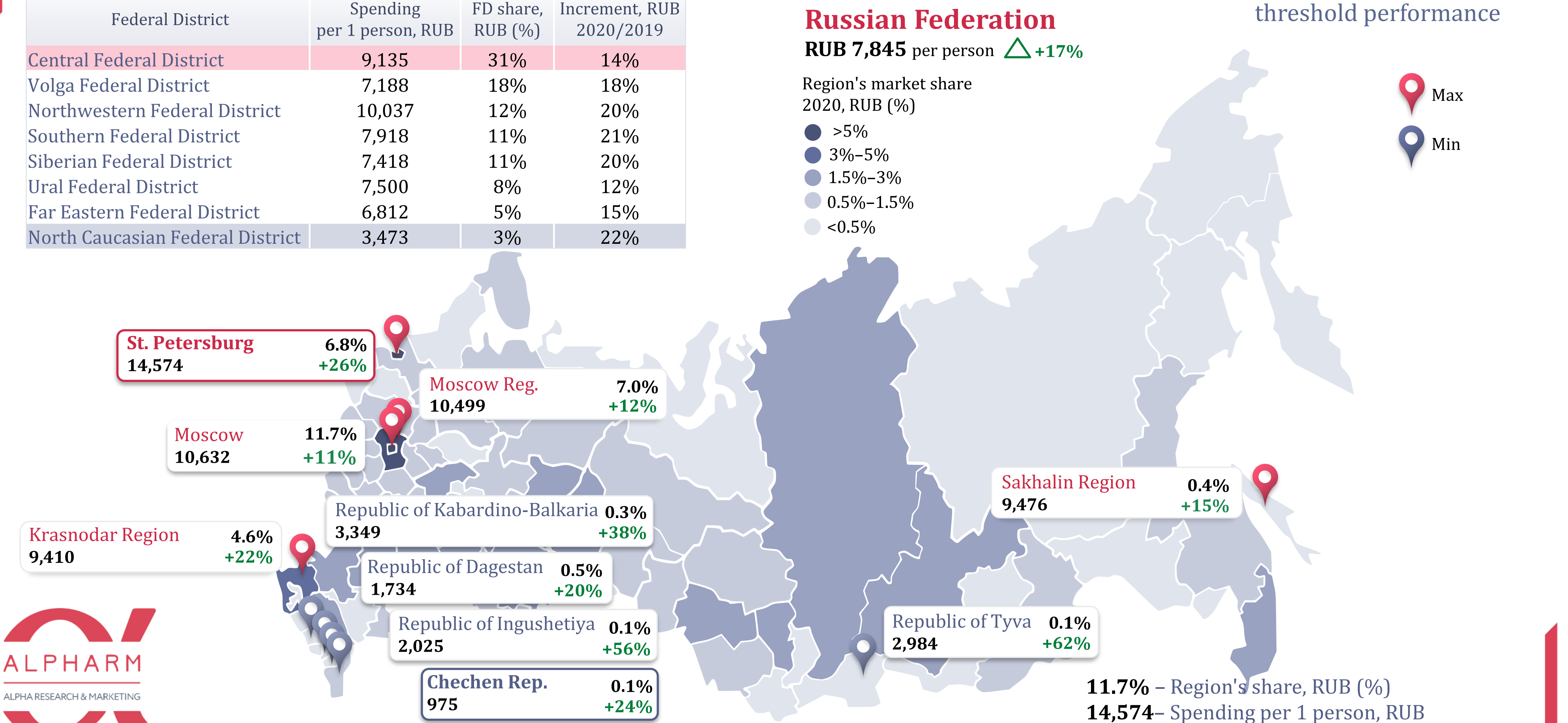
According to AlphaRM analytics databases

**Excluding SKUs that move between price brackets during the year*

Private Spending on Medicine Purchases, 2020

Federal District	Spending per 1 person, RUB	FD share, RUB (%)	Increment, RUB 2020/2019
Central Federal District	9,135	31%	14%
Volga Federal District	7,188	18%	18%
Northwestern Federal District	10,037	12%	20%
Southern Federal District	7,918	11%	21%
Siberian Federal District	7,418	11%	20%
Ural Federal District	7,500	8%	12%
Far Eastern Federal District	6,812	5%	15%
North Caucasian Federal District	3,473	3%	22%

TOP 10 regions with threshold performance



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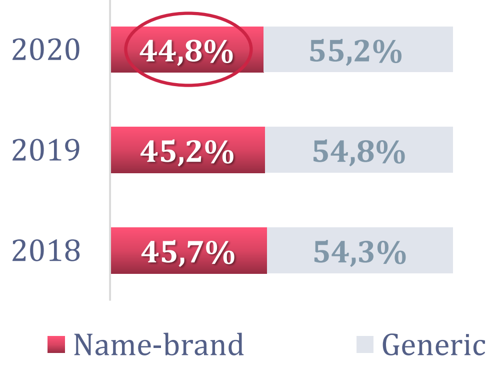
According to AlphaRM analytics databases

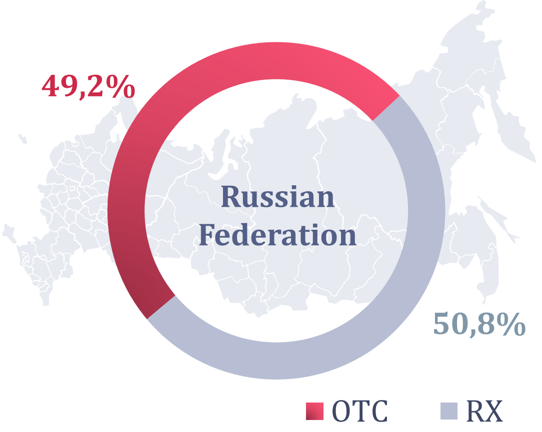
Key Indicators of the Retail Market Product Range

Share by value (RUB, sell out)

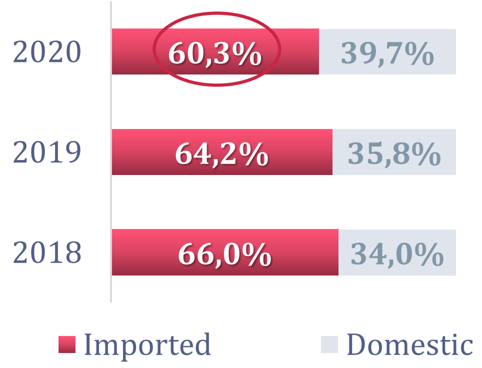
Name-brand/Generic



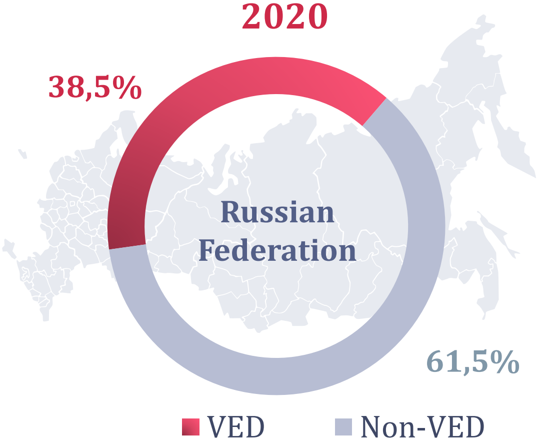
Prescription/Non-prescription medicines, 2020



Localisation of production



VED/non-VED, 2020



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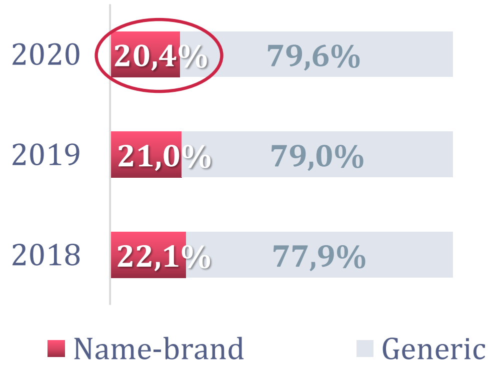
According to AlphaRM analytics databases

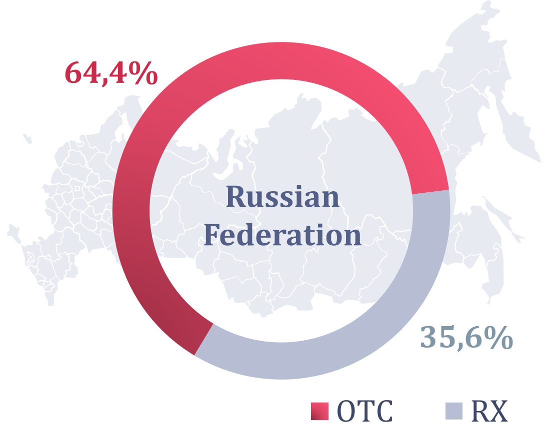
Key Indicators of the Retail Market Product Range

Share by volume (packs, sell out)

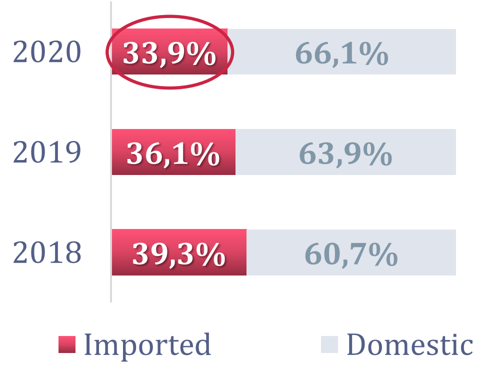
Name-brand/Generic



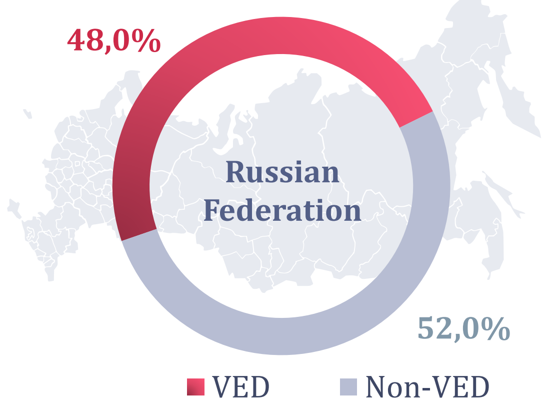
Prescription/Non-prescription medicines, 2020



Localisation of production



VED/non-VED, 2020



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Leading EphMRA Groups (Level 2) in the Retail Market by Value*, 2020

Ranking	Variation in ranking	EphMRA group (level 2)	Share, RUB (%) 2020	Increment 2020/2019, RUB (%)	Median price, RUB
1	-	**C9** ACE inhibitors	5,13%	18%	251
2	+13	**J5** antivirals for systemic use	4,73%	113%	464
3	-1	**R5** cough and cold medicines	4,46%	11%	176
4	+5	**J1** systemic antibacterial medicines	4,18%	53%	159
5	+1	**B1** anti-coagulants	4,12%	38%	631
6	-2	**M1** inflammation suppressants and antirheumatics	3,82%	14%	193
7	-4	**R1** nasal preparations	3,66%	6%	128
8	-3	**G3** reproductive hormones and products with similar effects (systemic action)	3,35%	6%	965
9	-2	**N6** psychoactivators, excluding anti-obesity drugs	3,02%	5%	320
10	-2	**G4** urological medicines	2,88%	4%	607

**Medicines only*

According to AlphaRM analytics databases

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Leading EphMRA Groups (Level 2) in the Retail Market by Value Growth, 2020

Ranking			Increment 2020/2019, RUB (%)	Median price, RUB (%)	Leading brand
1	**J5** antivirals for systemic use	4,7%	**113%**	464	
2	**L3** immunostimulants	2,8%	**58%**	474	
3	**J1** systemic antibacterial medicines	4,2%	**53%**	159	
4	**B1** anti-coagulants	4,1%	38%	631	
5	**D8** antiseptics and disinfectants	1,5%	30%	50	

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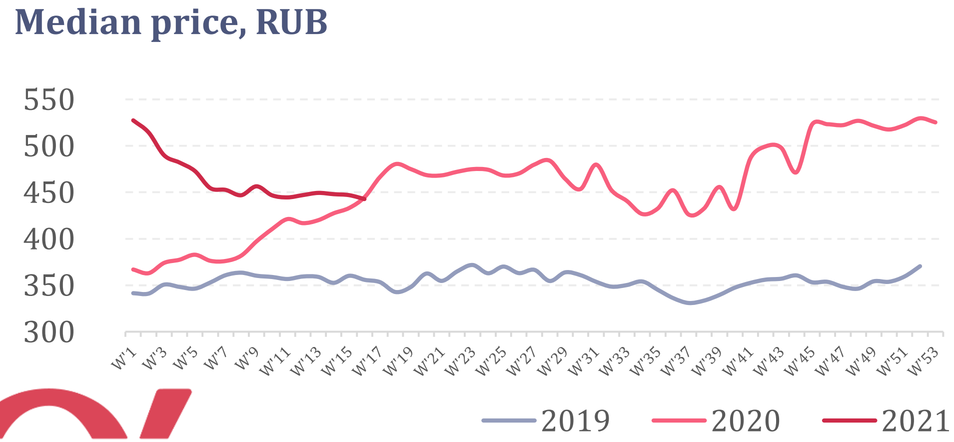
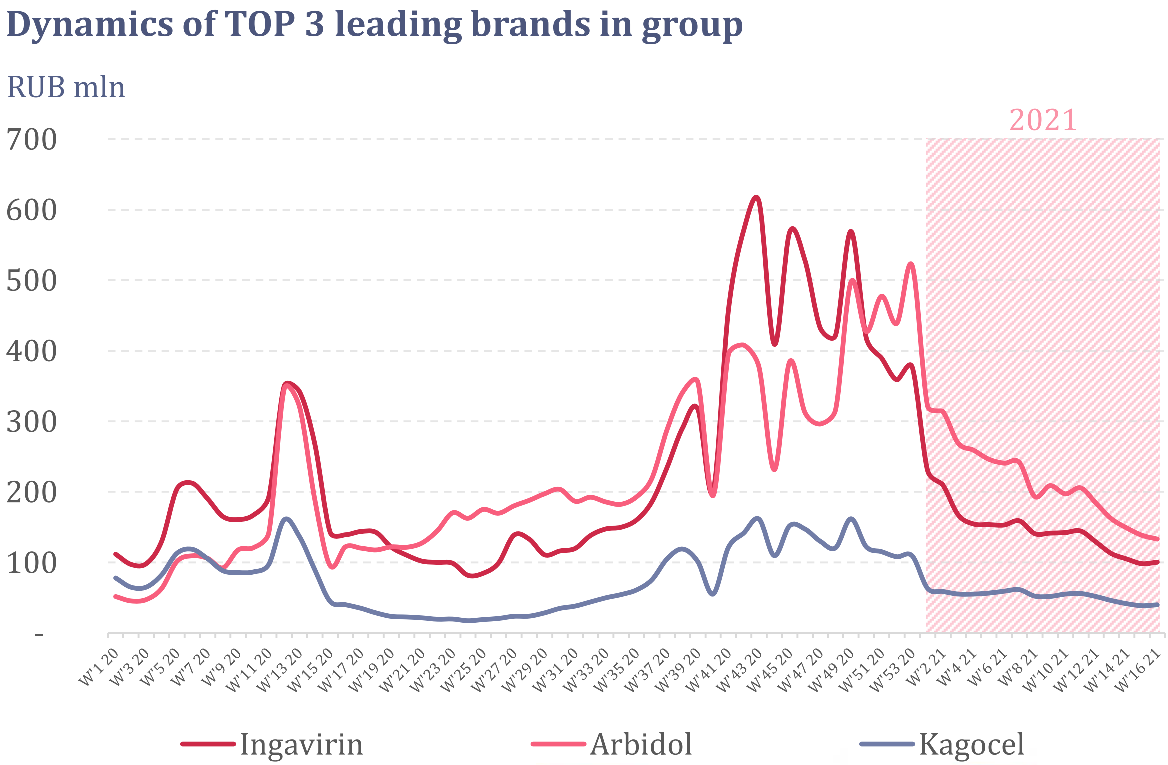
**Groups accounting for 90% of the retail market, RUB*
According to AlphaRM analytics databases

Group Analysis of Antiviral Medicines for Systemic Use*, 2019-W’16 2021





24,6%

21,0%

8,2%

Brands' shares in group, 2020

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Week 1 of 2020 includes data from 30 December 2019 to 5 January 2020
Week 53 of 2020 includes data from 28 December 2020 to 3 January 2021
Week 1 of 2021 includes data from 4 to 10 January 2021

**EphMRA group (level 2) J5*

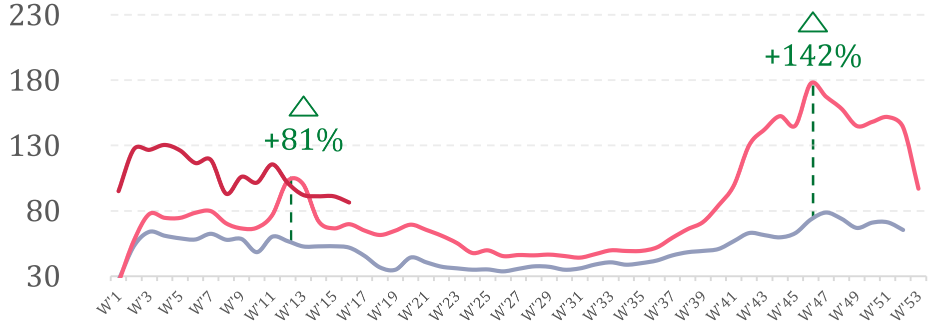
According to AlphaRM analytics databases

Analysis of Vitamin D Group Medicines*, 2019-W'16 2021

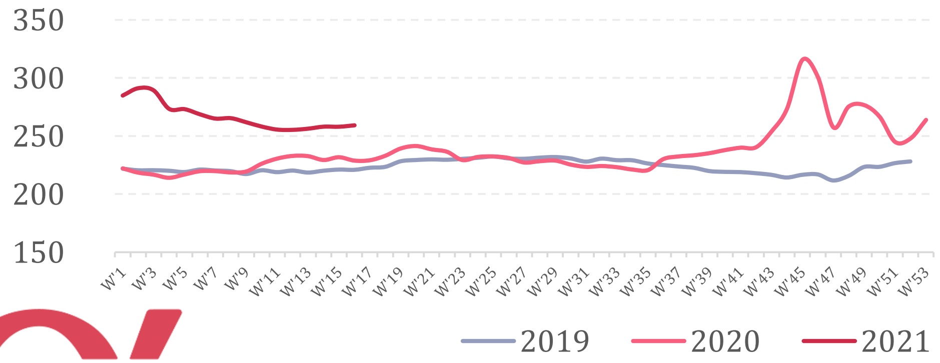
RUB mln

2020/2019 △ **+65%**

W'1-W'16 21/W'1-W'16 20 △ **+48%**



Median price, RUB



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Week 1 of 2021 includes data from 4 to 10 January 2021

**EphMRA group (level 4) A11C2*

According to AlphaRM analytics databases

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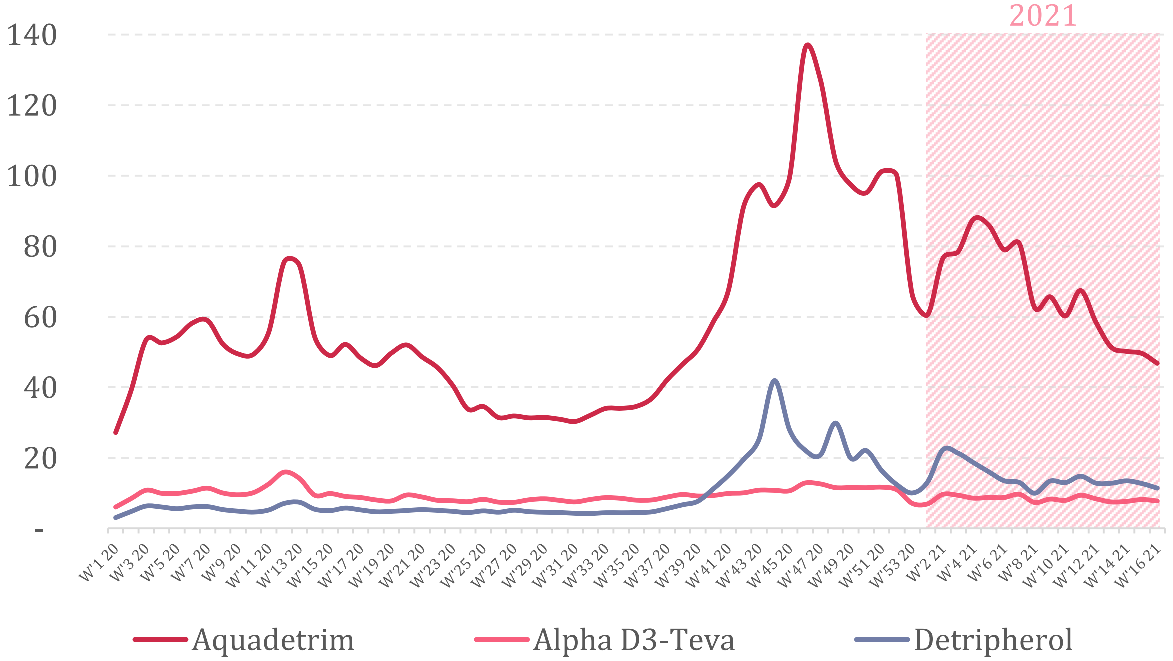
Dynamics of TOP 3 leading brands in group

RUB mln



73,1%

10,8%

10,1%

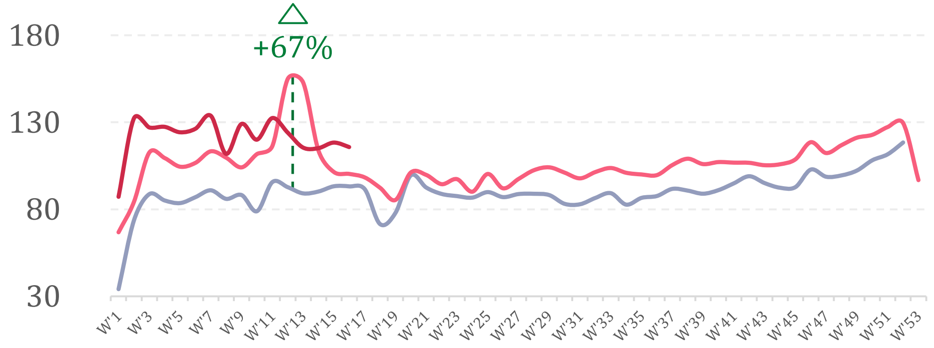
Brands' shares in group, 2020

Analysis of the Antidepressants and Mood Medication Group* by Value, 2019-W’16 2021

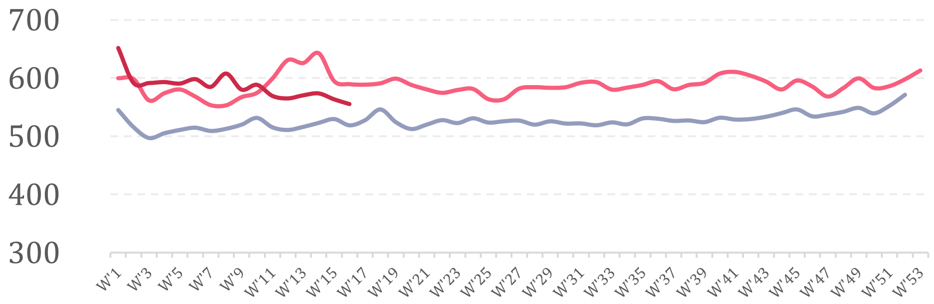
RUB mln

2020/2019 △ **+23%**

W’1-W’16 21/W’1-W’16 20 △ **+10%**



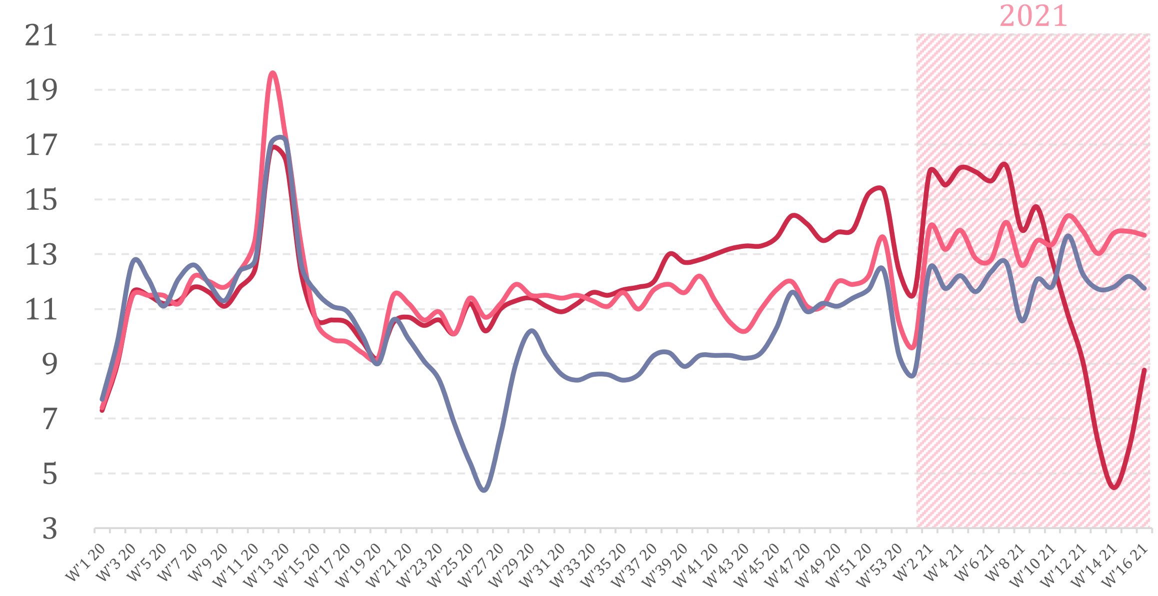
Median price, RUB



2019 2020 2021

Dynamics of TOP 3 leading brands in group

RUB mln



Zoloft Cipralex Fevarin

11,3%

11,2%

9,4%

Brands' shares in group, 2020

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Week 1 of 2020 includes data from 30 December 2019 to 5 January 2020
Week 53 of 2020 includes data from 28 December 2020 to 3 January 2021
Week 1 of 2021 includes data from 4 to 10 January 2021
**EphMRA group (level 3) N6A*
According to AlphaRM analytics databases

Corporations Leading the Retail Market by Value (sell out)*, 2020

Ranking	Variation in ranking	Corporation	Share, RUB (%) 2020	Increment 2020/2019, RUB (%)	Increment 2020/2019, packs (%)
1	-	BAYER	4,48%	22%	15%
2	-	NOVARTIS	4,14%	23%	17%
3	+5	otc pharm	3,67%	50%	15%
4	-1	STADA	3,55%	6%	2%
5	-1	SANOFI	3,49%	8%	1%
6	-	Abbott	3,16%	12%	5%
7	-	teva	3,07%	12%	8%
8	-3	SERVIER	2,99%	6%	2%
9	-	KRKA	2,66%	12%	0%
10	+1	БЕРЛИН-ХЕМИ МЕНАРИНИ	2,53%	15%	8%

*Medicines only
According to AlphaRM analytics databases

Leading Retail Brands by Value*, 2020

OTC medicines

Ranking	Variation in ranking	Brand of medicine	Share, RUB (%) 2020	Increment 2020/2019, RUB (%)	Increment 2020/2019, RUB (%)
1	+6	Ingavirin	2,37%	167%	105%
2	+37	Arbidol	2,02%	405%	299%
3	-1	Detralex	1,29%	9%	3%
4	-3	Nurofen	1,27%	5%	8%
5	-2	Miramistin	1,18%	17%	6%
6	-2	Pentalgin	1,10%	18%	6%
7	+1	Theraflu	1,07%	21%	11%
8	-3	Cardiomagnyl	1,02%	12%	6%
9	+8	ACC	0,85%	61%	38%
10	-	Linex	0,85%	29%	10%

RX medicines

Ranking	Variation in ranking	Brand of medicine	Share, RUB (%) 2020	Increment 2020/2019, RUB (%)	Increment 2020/2019, RUB (%)
1	-	Xarelto	2,41%	46%	40%
2	+3	Eliquis	1,51%	95%	92%
3	-1	Mexidol	1,13%	2%	0%
4	-1	Concor	1,06%	8%	8%
5	-1	Aktovegin	0,88%	-9%	-20%
6	+1	Lorista	0,85%	17%	9%
7	+8	Amoxiclav	0,84%	45%	35%
8	-2	Lozap	0,80%	4%	-6%
9	+92	Azithromycin	0,79%	299%	215%
10	-2	Nimesil	0,75%	15%	19%

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**Medicines only*
According to AlphaRM analytics databases

Retail Market Growth Leaders*, 2020/2019

By value

Ranking	Corporation**	Share, RUB (%) 2020	Increment 2020/2019, RUB (%)
1	FIRN	0,43%	188%
2	ПРАНАФАРМ	0,19%	70%
3	VALENTA	2,05%	69%
4	SOLOPHARM	1,01%	65%
5	Синтез фармацевтика	0,83%	60%
6	Research Institute of Medicine and Standardisation	0,18%	54%
7	OZON фармацевтика	2,04%	51%
8	Тульская Фармацевтическая Фабрика	0,41%	51%
9	otc pharm	3,72%	50%
10	novo nordisk	0,27%	48%

By volume

Ranking	Corporation**	Share, packs (%) 2020	Increment 2020/2019, packs (%)
1	VELPHARM	0,19%	370%
2	FIRN	0,27%	170%
3	alvils brand management	0,30%	142%
4	ЮжФарм	0,21%	80%
5	АО «Усолье-Сибирский химфарм завод»	0,16%	78%
6	ReplekFarm	0,22%	61%
7	Синтез фармацевтика	2,26%	58%
8	Тульская Фармацевтическая Фабрика	2,93%	55%
9	Lekar	0,34%	49%
10	ФармПроект	0,18%	39%

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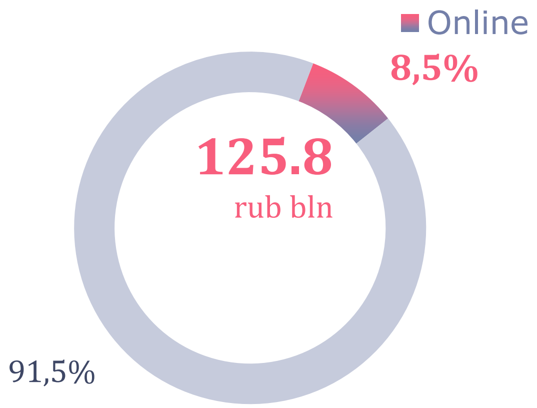
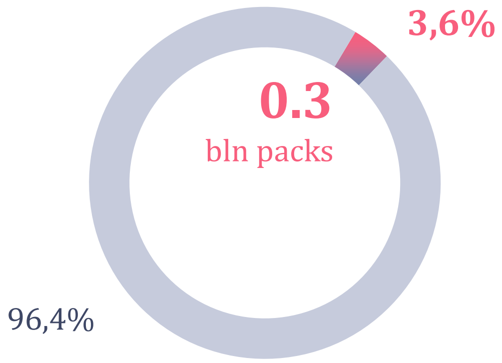
***Selected from the TOP 100 retail market players*
According to AlphaRM analytics databases

Market for Online Pharma Sales, 2020

68,6 00 pharmacies in total

29,400 pharmacies take online orders





Ranking of on-line sales platforms, 2020

Platform	Domain	E-commerce market share, RUB (%)
apteka.ru	apteka.ru	39,5%
СБЕР ЕАПТЕКА	eapteka.ru	6,6%
здравсити	zdravcity.ru	4,3%

Other leading pharmacy chains by online sales

асна · АПТЕКА ОТ СКЛАДА · ЭРКА ФАРМ группа компаний · Неофарм · РИГЛА

On-line and Off-line Retail Sales, 2020

	On-line	Off-line
Median price (All offerings)	RUB 395	RUB 167
Average check	RUB 1,551	RUB 472

PUBLIC SECTOR

Public Procurement Market Stage-by-Stage*, 2020

AUCTION NOTICE

Auctions announced at maximum contract starting price: **RUB 840 bln**

+17%

AUCTION

Auctions completed at maximum contract starting prices: **RUB 731 bln**

+16%

Auctions completed at minutes prices: **RUB 706 bln**

+16%

SIGNING OF GOVERNMENT CONTRACT

RUB **547** bln FZ-44

RUB **+100** bln FZ-223

+7%

BID DRAFTING BY SOLE VENDOR

RUB 10.7 bln

+27%

DELIVERY OF MEDICINES

RUB 625 bln

△▽ Increment 2020/2019, %

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**Procurement outside investment projects*
According to AlphaRM analytics databases

Structure of the Public Sector of the Russian Pharmaceutical Market*, 2020

Government budget
RUB **625.0** bln △ +27%

CLINICAL SEGMENT — 46.7%
RUB **291.8** bln △ +44%

Outpatient polyclinics	RUB **12.0** bln △+202%	4.1 %
Hospitals	RUB **279.7** bln △+41%	95.8 %
Mother and child health	RUB **0.1** bln △+33%	0.04 %

SUBSIDISED SUPPLY OF MEDICINES — 36.3%
RUB **226.9** bln △ +11%

Federal subsidised supply	RUB **44.9** bln △+11%	19.8 %
VZN	RUB **67.8** bln △+22%	29.9 %
Regional subsidised supply	RUB **114.2** bln △+5%	50.3 %

TARGET SEGMENT — 17.0%
RUB **106.4** bln △ +29%

Federal customers	RUB **56.5** bln △+13%	53.1 %
Regional customers	RUB **40.0** bln △+60%	37.6 %
Other institutions	RUB **9.9** bln △+30%	9.3 %

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** including dietary supplements and miscellaneous products*
According to AlphaRM analytics databases

Leading Corporations in the Public Procurement Sector by Value (sell out)*, 2020

Ranking	Variation in ranking	Corporation	Share, RUB (%) 2020	Increment 2020/2019, RUB (%)	Increment 2020/2019, packs (%)
1	+1	Pharmstandard	5,8%	35%	5%
2	+3	Roche	4,9%	52%	-5%
3	-	BIOCAD	4,7%	17%	-42%
4	-3	NOVARTIS	4,5%	4%	10%
5	+1	MSD	4,2%	38%	21%
6	-2	SANOFI	3,9%	6%	-1%
7	+2	Bristol-Myers Squibb Company	3,6%	55%	36%
8	-1	Pfizer	3,5%	19%	27%
9	-1	Johnson&Johnson	3,3%	24%	13%
10	+1	AstraZeneca	2,9%	46%	59%

*Medicines only
According to AlphaRM analytics databases

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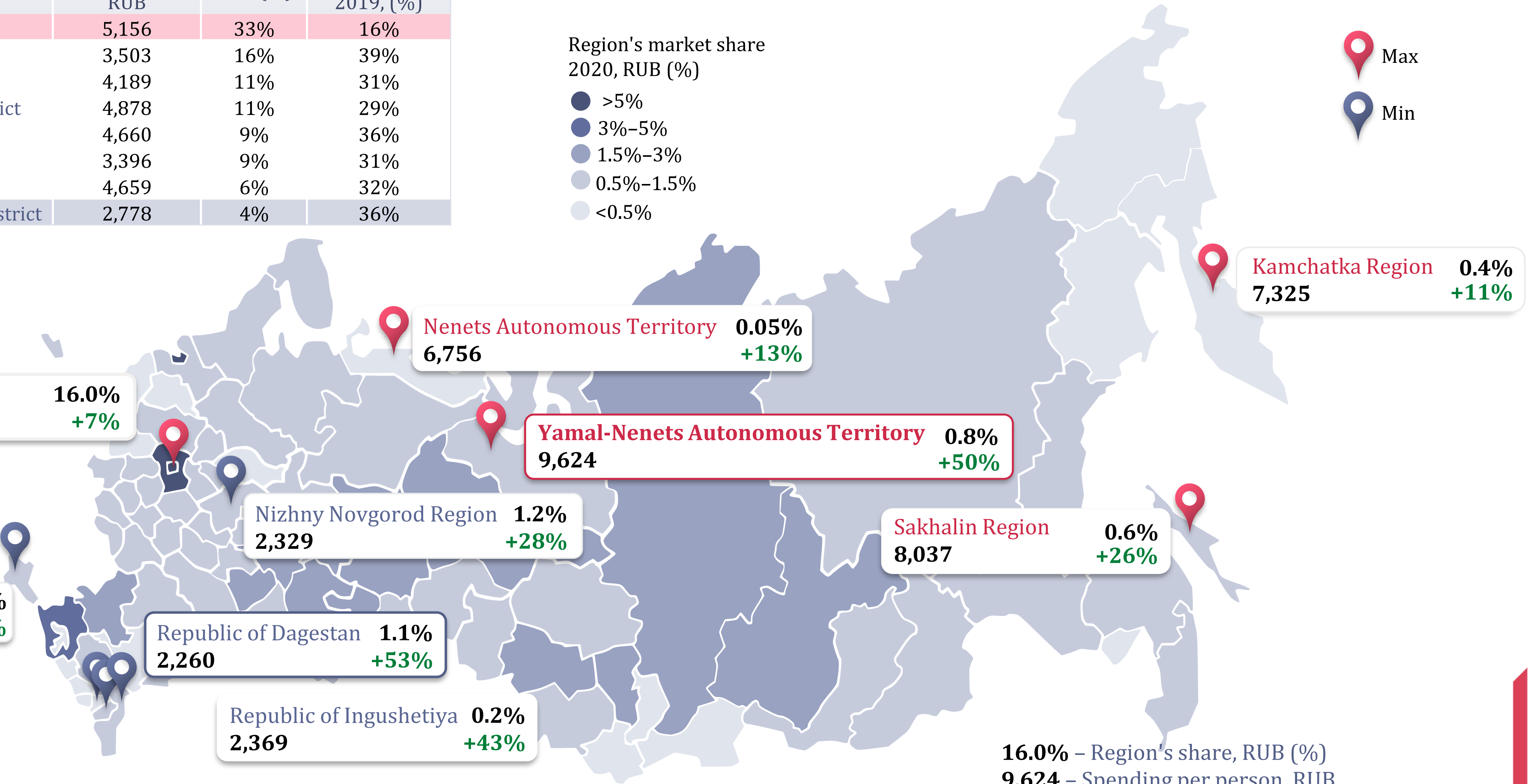
Public Spending on Medicine Procurement, 2020

Federal District	Spending per 1 person, RUB	FD share, RUB (%)	Increment, RUB 2020/2019, (%)
Central Federal District	5,156	33%	16%
Volga Federal District	3,503	16%	39%
Siberian Federal District	4,189	11%	31%
Northwestern Federal District	4,878	11%	29%
Ural Federal District	4,660	9%	36%
Southern Federal District	3,396	9%	31%
Far Eastern Federal District	4,659	6%	32%
North Caucasian Federal District	2,778	4%	36%

Russian Federation

RUB 4,259 per person △ +27%

TOP 5 regions with threshold performance



16.0% – Region's share, RUB (%)
9,624 – Spending per person, RUB
+53% – Increment 2020/2019, (%)

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According to AlphaRM analytics databases

Key Factors to Impact the Market in 2021

- Labelling
- Growth in pharmacy sales online
- Fines when no labelling
- Consumer behaviour changed in wake of pandemic
- Restrictions on marketing payments
- Deferred demand for medical services
- Restrictions on pharmacy chain market shares in regions

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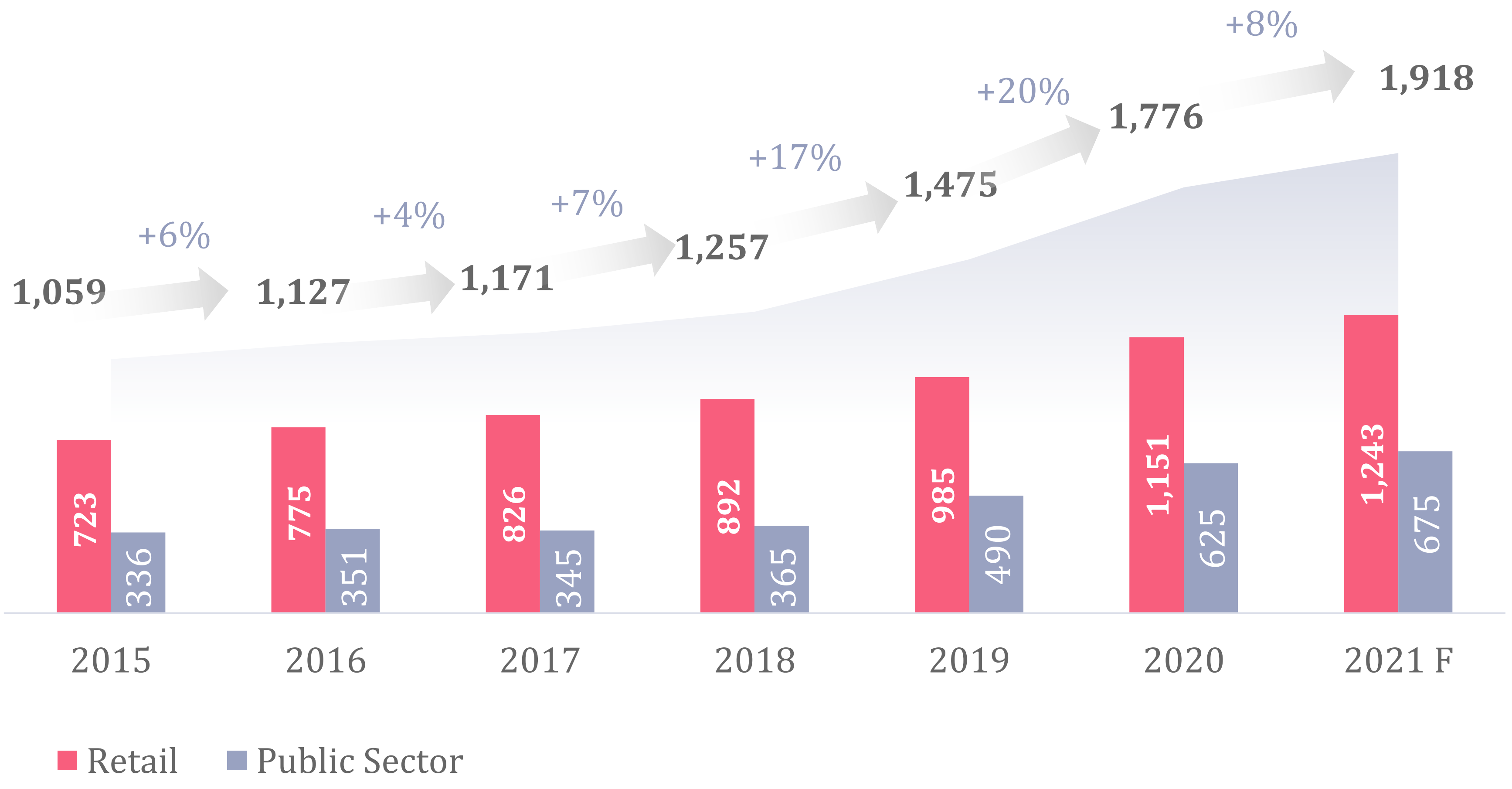
Pharmaceutical Market Forecast through 2021*



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Thank you for your attention!

Moscow, Obrucheva, 30/1 p. 2

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