25 DSM GROUP

Russian pharmaceutical market 2024

Introduction

Sergey Shulyak
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Table of contents

DSM Group

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Analytical Report
Russian Pharmaceutical Market
Results of 2024

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Summary

The government segment's share of the total pharmaceutical market capacity had been declining for the past 4 years: from 42% in 2021 to 33% in 2024. In 2023, the reason for the decline was the lack of additional burden after the end of the Covid-19 pandemic, but in 2024, all programmes were funded as planned, and the limiting factor was already the pricing of vital and essential drugs (VEDs) and the impact of the tender system.

2024 was the last year of the national project (NP) "Healthcare". Therefore, new national projects were presented throughout the year, which will be its extensions. The state framework programme "Healthcare development", which defines the main directions of state policy in healthcare and supports all existing national and federal projects, will continue at least until 2036. The NP "Healthcare" will be replaced in 2025 by the NPs "Long and active life", "Family" (the federal project "Protection of motherhood and childhood") and "New health-saving technologies", which will be financed with a total of more than 400 billion roubles in 2025 and at least 2.2 trillion roubles in 2025–2030.

Each of these projects includes, among other things, funding for the purchase of drugs. As a result, the government segment's share of the market should begin to grow again.

The main achievement of 2024 is that life expectancy in Russia reached 73.4 years, the highest level in the country's history. The targets of the state programme "Healthcare development" are life expectancy of 78 years by 2030 and 81 years by 2036.

Discussions on the initiatives that began in 2024 will continue into 2025. Many of them involve addressing the challenge of drug safety: these are the traceability of substance production, the introduction of the "one's company, two's none" rule for government purchases and the creation of a list of strategically important drugs. In addition, at the end of December 2024, the simplified procedure for state registration of certain drugs and the most needed medical devices was extended until the end of 2027.

The 2024 Russian pharmaceutical market was worth 2,850 billion roubles, which is 10% more than in 2023. Growth in the reporting year was driven by pharmacy sales, while government purchases showed poor positive dynamics.

In 2024, the market in dollars and euros remained at the 2023 level. In dollars, the value was 30.9 billion dollars, which is the same as in 2023. In euros, the market dynamic was -0.5% and the total value was 28.4 billion euros.

The total market share of imported drugs in 2024 was 54.6% in roubles and 31% in packages. In 2024, the top 20 manufacturers had a combined share of about 44.1%. The 2024 leader was AstraZeneca, which had the highest growth rate among the top 20. The other two of the top three were the foreign companies Bayer and Novartis. There are now six Russian companies in the ranking, up from five last year.

In total, purchases in the government segment grew by 3% in value terms to 819 billion roubles, but fell by the same 3% in packages to 438 million packages. For the first time, the amount of funding for reimbursement programmes decreased in 2024. Purchases were reduced for the federal High-Cost ICD programme (-4%), regional benefits (-10%) and orphan drug coverage (-2%). In 2024, funding for hospital purchases increased by 9%. All subprogrammes except “palliative care” showed positive dynamics. The “Krug Dobra” (“Circle of Kindness”) children’s aid foundation continues to receive more and more funds: in 2024, 84 billion roubles was spent on drug purchases (+79% compared to 2023).

Pharmacy market behaviour returned to typical “seasonal” trends: consumption of prescription drugs remains consistent throughout the year, while the demand for OTC drugs depends on the level of acute respiratory viral infection and influenza morbidity in the autumn and winter period. High drug inflation (7.8%) allowed pharmacy sales to grow at double-digit rates (+13.8%). At the end of 2024, the size of the commercial pharmaceutical market was about 4.4 billion packages or 1,635 billion roubles.

Pharmacy sales of parapharmaceuticals increased by 14.6% to 396 billion roubles. All pharmacy categories showed positive dynamics, with groups such as repellents, medical devices, hygiene products and medical dressings having the strongest growth. Groups whose sales were growing faster in other sales segments (in particular, on marketplaces) had the lowest dynamics (e.g. diagnostic devices only +3% in roubles, barrier contraceptives +8%).

At the beginning of 2025, there were 80,700 pharmacies operating in Russia, which is 1,800 more than at the beginning of 2024. The rate of growth in the number of operating pharmacies slowed and even turned negative in the second half of the year.

The year 2024 was rife with the number of deals to buy and sell chains. The leader of this process was the pharmacy chain Rigla – 16 deals (over 800 acquired pharmacies). It also topped the ranking based on growth in the number of pharmacies within a chain: +1,418 pharmacies during the year.

The main question and suspense on the pharmacy market was resolved in favour of the pharmacy chain Rigla. The sales of the acquired companies (from the date of acquisition) in 2024 allowed it to maintain the first place in the ranking with a share of 9.58%.

The pharmacy chain Aprel remains the leader in terms of the number of pharmacy outlets – 8,643 pharmacies (an increase of 1,209 pharmacies during the year). The company’s share reached 9.55% year-on-year. Therefore, the battle for the top spot will continue in 2025.

Pharmacy eCom sales in 2024 were approximately 283 billion roubles (drugs and parapharmaceuticals combined), accounting for 14% of the pharmacy market. The Apteka.ru service remains the leader among websites used by consumers to order pharmacy products – its share was still about 32% in 2024.

Concentration in the distribution segment continued to grow in 2024. The combined share of the top 10 distributors on the pharmaceutical market was about 81.6%. Compared to 2023, this figure increased by 4.1%. Growth in concentration on the pharmaceutical market is driven by two factors: a vacated share due to some companies “exiting” Russia in 2022-2023 and an increase in the size of the commercial segment.

The leaders of the ranking remained unchanged. In 2024, the top spot was retained by the distributor Puls with 16.8%. The distributor Protek was in second place with a share of 16.2%, while Katren was in third place with a share of 14%. The top three in the commercial segment mirror the overall market ranking, whereas the government segment is dominated by other companies: Irwin 2, R-Pharm, BSS.

The market size in 2025 will exceed 3 trillion roubles for the first time. The planned funding of state programmes in the amount of 1 trillion roubles should allow this segment to grow by more than 20% and increase the share of state drug coverage to 36%. The commercial segment is expected to grow by 9-10%, mainly due to the inflationary component. In total, the pharmaceutical market may reach 3.2 trillion roubles (+14%). Sales in packages will continue to stagnate (due to a shift to larger package sizes).

1. Russia's pharmaceutical market

When evaluating the performance of the pharmaceutical market in 2024, there are two aspects to consider: the impact of external factors and legislative changes that have an effect on the market participants, on the one hand, and the final results, on the other hand. Substantially, if we were to describe it in one word, we could say that nothing went bad enough to be considered a crisis.

Indeed, according to the estimates of the Russian Ministry of Economic Development, the GDP grew in 2024 by 4.1%, one of the highest growth rates over a long period of time (the rate was higher only back in 2021 (+4.7%) but then the growth was driven by the GDP fall in the first Covid-19 year). The gross domestic product is increasing for the second year in a row. A collateral indicator of the "normalization" of the industry's performance is the share of the pharmaceutical market in the GDP. According to 2024 data, it was as little as 1.4%. Let us note that it is at its lowest since 2012 (when the estimated figure was the same). At its highest, 1.9%, it was in 2020 when amid the spread of Covid-19 the provision of drugs became vitally important.

The minimum unemployment rate (2.5%), the growth of real household disposable income (+8.4%), and a notable increase in retail turnovers (+7.2%) are positive trends in the country's economy and, therefore, in the development of the pharmaceutical market.

At the same time, according to preliminary data, as at January 1, 2025 Russia's population was estimated at 146,028,325 people. Over 2024, Russia's population declined by 0.08% (almost by 600 thousand people). According to Rosstat (the Federal State Statistics Service), 1,222.4 thousand children were born in 2024 Russia, which is 3.4% less than in 2023. There were 1,818.6 thousand deaths, which is 3.3% more than in 2023. Yet, a positive trend is observed in one of the basic indicators of the Pharma-2030 strategy: as at January 2025, life expectancy in Russia is nearly 73 years. This figure grew over 2024 by 2.66 years.

Another economic factor that influenced the pharmaceutical market was the increase in the Bank of Russia's key rate. In 2024, the key rate was raised thrice, which made loans for businesses too costly. One of the practicable ways to raise investment capital today is to come in the stock market.

In 2024, two pharmaceutical manufacturers conducted IPOs. For several years before that, the pharmaceutical sector did not exist in the Russian stock market: Pharmstandard delisted its stock in 2017, and Protek — in 2020. The companies removed their stock because the value of their assets was much higher than their shareholder value, and new companies chose not to come in the stock market because the rates that banks offered to many of them were lower than the market ones.

In July, Promomed announced a successful IPO at the upper range limit (400 roubles per share). The offering was worth 6 billion roubles, and the market capitalization of the company following the initial public offering was 85 billion roubles. The pharmaceutical manufacturer plans to allocate the raised funds for developing, registering and launching new innovative drugs.

In October, Ozon Pharmaceuticals went public. The offering price was 35 roubles per share, which means that the company's market capitalization is around 38.5 billion roubles, including the funds raised in the IPO. During the IPO, Ozon Pharmaceuticals raised 3 billion roubles. The manufacturer is going to allocate the raised funds for implementing a long-term strategy of the company's development and easing its debt burden, as well as for other company-wide objectives. Specifically, funds will be invested to extend the range of generics and biosimilar drugs, and to launch new production facilities.

Worthy of particular mention are the legislative initiatives, those that have already got underway and those that are still under debate but, if adopted, can significantly change the trading volumes of drugs.

The initiative to introduce by the end of 2025 a single market for drugs within the Eurasian Union set, in many respects, the main regulatory trends of 2024. Harmonized regulation is still trending.

According to the Harmonization Law, from January 1, 2025 the Ministry of Health will keep track of registered drugs by entering them in a register. It means that the registration of a drug will be certified not by a paper registration certificate but by a record in the State Register of Medicines. The register extract format has been approved by the ministry, it will take effect from January 1.

Much effort has been applied for the transition to a union-wide regulatory system, yet, there are still doubts and apprehensions about whether the market will be fully operable. In the middle of November 2024, it was proposed to renew registration certificates if their holders did not have enough time to bring them into harmony with the unified regulations. It will apply only to those drugs, for which applications for harmonization will be submitted before the end of 2025. Registration certificates for such drugs will be renewed for the term of the procedure, but maximum for two years — in reference member states, and for three years — in concerned member states. Such drugs will be allowed to be traded in the market until the expiry date.

Following the transition to the single market for drugs, similar procedures will be launched and approved for the market of medical devices. The whole process is expected to be completely finalized by the end of 2026. But only during 2025 manufacturers of medical devices will be allowed to apply for their registration according to national regulations.

The pharmaceutical industry is developing according to Pharma-2030, the strategy of the development of the pharmaceutical industry through to 2030, which was adopted in June 2023. The primary objective of the strategy is building the capacity of Russian companies for self-sufficiency in drugs. "One's company, two's none" remains the main mechanism of support in this respect.

From January 1, 2025, the "one's company, two's none" principle will be used in respect of foreign drugs whose manufacturing is not localized in Russia. Bids of such drugs will be rejected, regardless of their price, if there is at least one proposal from a Russian manufacturer.

From September 1, 2025, the "one's company, two's none" mechanism will apply to local manufacturers of active pharmaceutical ingredients (APIs). From the said date, in the procurements of strategically important drugs preference will be given only to fully integrated Russian manufacturers.

As at the beginning of 2025, listing strategically important drugs and the viability of a system for record-keeping and traceability in the manufacturing of drugs, from substance to finished dosage forms, remain pending issues.

The Russian Government proposed to the State Duma a draft law to bring legal meaning to the concept of the "list of strategically important drugs". If the law is passed, it will come into effect as from March 1, 2025. Approving the list of strategically important drugs as well as the listing procedure and criteria will be the responsibility of the government. "Strategically important" will be drugs that provide for needs of the healthcare system for the prevention and treatment of diseases that prevail in Russia's incidence patterns.

Preference to strategically important drugs will be given after putting in place the drug traceability system that will help to validate the Russian origin of a substance. The pilot project on its testing is scheduled to be completed by June 30, 2025.

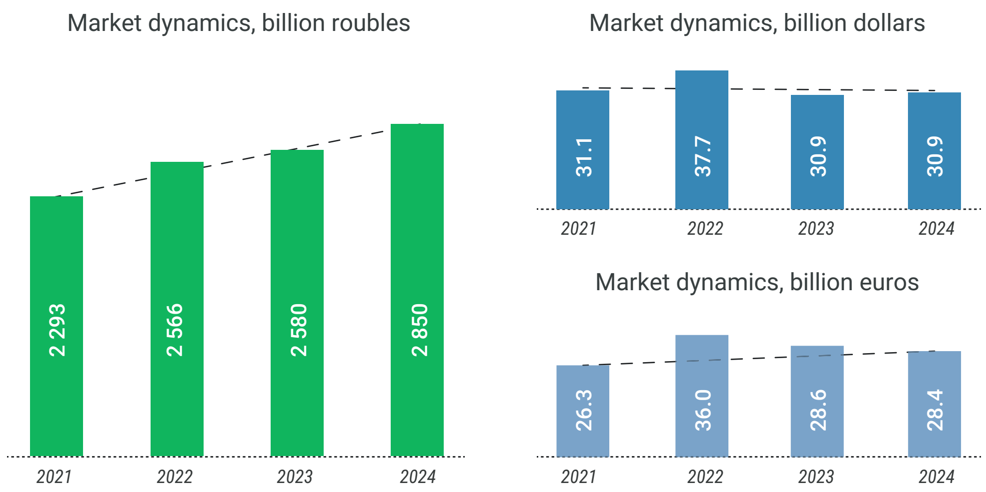
As ever, during the year the drug market saw local shortages, in some cases, due to the re-registration of drugs or the low profitability of the production of VEDs and impossibility to re-register prices, in other cases, because of the lack of the necessary substance for production. But those were, generally, single occurrences that were dealt with within a relatively reasonable time.

The risks of shortages are reduced through the ongoing "Produkty na polku" ("Available on Shelves") programme. According to the programme, a Russian manufacturer is given a subsidy for developing and registering equivalents of drugs, patents for which are held by foreign manufacturers; such drugs can only be marketed when the patent expires or if the foreign company stops supplies to Russia. Another proposed measure to mitigate the risks of shortages was to allow fast-track state registration of drugs that are not produced in Russia (whether or not in shortage).

Many of the initiatives that got underway already in 2024 are still under debate in 2025. It should be noted that drafting, discussing and agreeing on new norms and standards often takes more time than enforcing them. In this context, the market participants are forced to implement legislative initiatives in an accelerated mode.

Figure 1

Pharmaceutical market dynamics



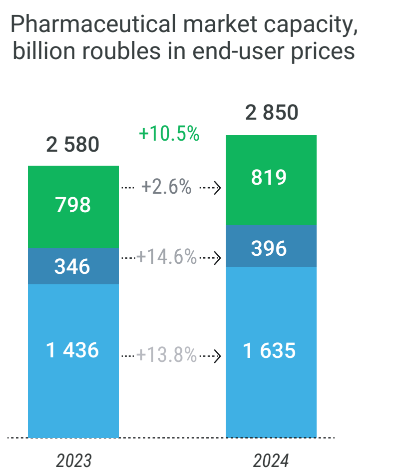
At the end of 2024, the pharmaceutical market volume amounted to 2,850 billion roubles, which is 10% more than in 2023. The growth observed in the reporting year was driven by pharmacy sales, with modest positive trends in the public procurement.

In dollars and in euros, in 2024 the market did not change compared to 2023. The gain in roubles was completely suppressed by changes in the exchange rates. For example, in 2024 the average USD to RUB rate was RUB 92 per US dollar, which is 10% more than a year earlier (RUB 84); the EUR to RUB rate grew by 11% from RUB 90 to RUB 100 per Euro. With this background, the market volume in dollars is even lower than in 2021, and in euros it is just a little upward. In dollars, the 2024 volume was 30.9 billion dollars, which is equal to the figures for 2023. In euros, the market demonstrated -0.5%, to account for a total of 28.4 billion euros.

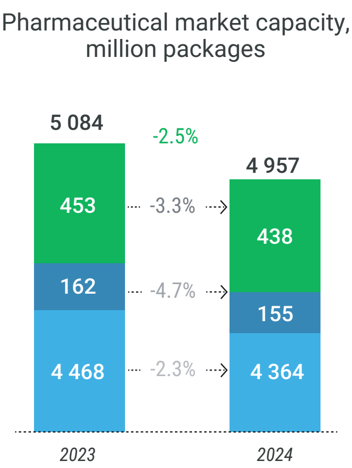
In packages, drug consumption remained negative. In 2024, the market dropped in volume by 2.5% to come to 4.96 billion packages. Sales of packages declined also in the commercial segment (-2%). In the public procurement segment, all sub-segments were observed to decline — by -4% on average.

Figure 2 shows the dynamics of the volume of the Russian pharmaceutical market in 2023-2024, by segment.

The state sector — the publicly-funded market — hospital purchases, pharmaceutical benefits (including High-Cost ICD and Essential Drug Coverage programmes) and regional benefits — accounts for 33% of the drug market volume. This figure has been dropping for 4 years (nearly 42% in 2021). One of the reasons for the drop is that for the second year in a row the rates of growth in the public procurement sector are lower than in the commercial market. The moderate rates of growth in the provision of drugs are due to the low indexability of drugs because most of them are on the VED list; in addition, the ultimate price is affected also by tender mechanisms that also restrain the growth.



● Public sector of drugs (Hospital purchases + High-Cost ICD + EDC + RDR)
● Commercial sector of parapharmaceuticals
● Commercial sector of drugs



● Hospital purchases
● High-Cost ICD + EDC + RDR
● Commercial segment of drugs

Figure 2

Pharmaceutical market capacity

For the first time, the funding allocations for reimbursement programmes were reduced in the reporting year Less money was spent on purchases under the federal High-Cost ICD programme (-4%), in the segment of regional benefits (-10%), and in the provision of orphan drugs (-2%) because some of the patients were funded by the "Krug Dobra" foundation for support of children. Funding of purchases under the Essential Drug Coverage programme remained as in 2023 and as had been budgeted. A total of 316 billion roubles were spent in 2024 on providing drugs to benefit-entitled social categories.

Funding of hospital purchases increased in 2024 by 9%. The "Covid-19" factor that was the determinant in 2020-2023 no longer affected the structure of hospital purchases of drugs. All the sub-programmes, except for palliative care, showed growth. More and more funds continued to be allocated to the "Krug Dobra" foundation for support of children: in 2024, 84 billion roubles were spent on drug purchases (+79% to 2023).

The pharmacy market patterns got back to the normal "seasonal" trends: consumption of prescription drugs remains smooth throughout the year, and the demand for OTC drugs depends on the level of incidence of acute respiratory viral infection and influenza in autumn and in winter. Pharmacy sales grew at a double-digit rate due to high inflation for drugs.

At year-end 2024, the size of the commercial pharmaceutical market was about 4.4 billion packages, or 1,635 billion roubles. Compared to 2023, the volume of sales of drugs in packages shrank by 2.3%. In value terms, sales grew by 13.8% against the previous year.

Pharmacy sales of parapharmaceuticals increased by 14.6% to 396 billion roubles. Positive dynamics were observed in all pharmacy categories; the highest growth was in repellents, medical devices, hygiene products, and medical dressing. The pharmacy cosmetics segment resumed growth, both in roubles and in packages. Dietary supplements (DS), on the contrary, showed negative dynamics, for the first time in years. The lowest dynamics were observed in those categories where sales are growing faster in other segments (specifically, on marketplaces) (for example, diagnostic devices (only +3% in roubles), barrier contraceptives (+8%)).

Figure 3

Market structure, various sections, 2024

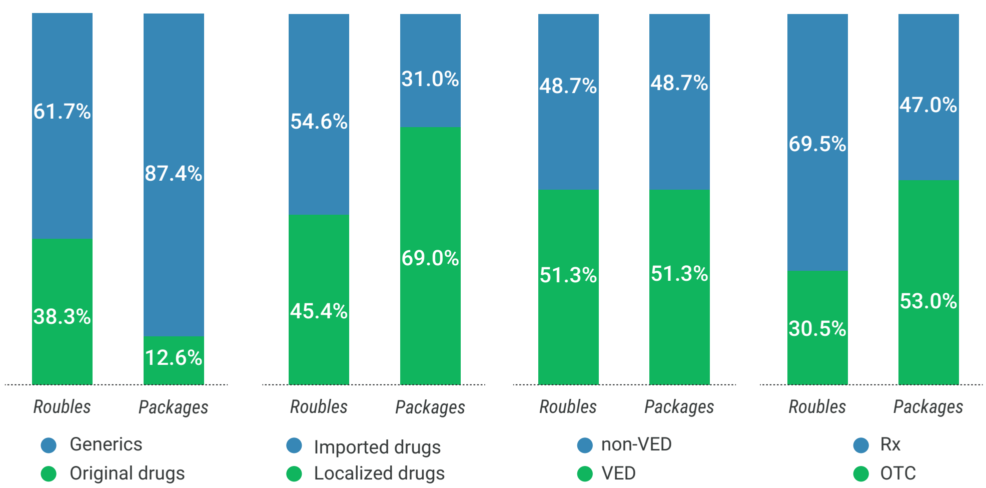


Table 1

Structure of sales of drugs by ATS codes, 2024

ATS code 1st level	Share in value terms	Share in volume terms
ALIMENTARY TRACT AND METABOLISM (A)	**16,57%**	**16,67%**
ANTINEOPLASTIC AND IMMUNOMODULATING AGENTS (L)	**15,65%**	**1,81%**
CARDIOVASCULAR SYSTEM (C)	**10,22%**	**14,77%**
GENERAL ANTIINFECTIVES FOR SYSTEMIC USE (J)	**9,47%**	**8,17%**
RESPIRATORY SYSTEM (R)	**9,36%**	**14,81%**
NERVOUS SYSTEM (N)	**8,75%**	**13,88%**
MUSCULO-SKELETAL SYSTEM (M)	**8,39%**	**8,11%**
BLOOD AND BLOOD FORMING ORGANS (B)	**7,15%**	**4,21%**
GENITO URINARY SYSTEM AND SEX HORMONES (G)	**5,27%**	**2,49%**
DERMATOLOGICALS (D)	**3,88%**	**7,65%**
SENSORY ORGANS (S)	**2,15%**	**2,95%**
VARIOUS (V)	**1,19%**	**1,17%**
Without ATS	**1,13%**	**2,12%**
SYSTEMIC HORMONAL PREPARATES, EXCLUDING SEX HORMONES (H)	**0,65%**	**0,82%**
ANTIPARASITIC PRODUCTS,INSECTICIDES AND REPELLENTS (P)	**0,16%**	**0,38%**

Market in figures

At the end of 2024, imported drugs in the overall market accounted for 54.6% in roubles, and for 31.0% in packages. In volume terms, the market growth was negative both for made-in-Russia drugs (-2.2%) and foreign-made ones (-3.1%). In rouble terms, localized drugs increased by 9.6%, whereas imported ones — by 10.1%.

By the type of dispensing, the market structure changed towards prescription drugs. Rx drugs account for 69.5% in money terms. In packages, this category grew by 1.5% to 47%. In roubles, both categories gained equally, approximately +10%, but in packages OTC drugs fell by 5% whereas Rx drugs grew by 0.6%.

Vital and Essential Drugs (VEDs) are a list of drugs, approved by the Russian Government for the state regulation of drug prices. The drugs put on the list are annually revised, so, their share can change for a variety of reasons. In 2024, the market share of VEDs dropped from 54% to 51% in value. In packages, the share of VEDs remains at 51-52%. Non-VEDs grew in roubles by 15%, partly due to a higher rate of inflation for this category of drugs.

In 2024, the share of original drugs was 38.3% in value terms, and 12.6% in volume terms. Compared to 2023, their share continues shrinking due to increased volumes of generics in pharmacy sales.

The ATC rating is headed, as before, by ATC code [A] Alimentary tract and metabolism, with a 16.6% share. The main channel, through which drugs of this code are sold, is the pharmacy segment: 77% in roubles are from purchases of drugs at the expense of the population. In 2024, there was a noticeable increase in purchases in ATC code [A] by the "Krug Dobra" foundation for support of children (7 drugs are from this category, the top three are Gattestive, Vimizaim, and Strensiq).

ATC code [L] Antineoplastic and immunomodulating agents rank second in 2024, with a 15.6% share. The main channel of funding the dispensing of ATC code [L] drugs is public procurement – 89%. Funding of purchases of antineoplastic agents remains as scheduled.

Third in 2023 was ATC code [C] Cardiovascular system. The basic growth was in the retail market, +14%, accounting for 94% of the ATC code [C] sales.

Only one group, ATC code [H] Systemic hormonal preparations suffered a decline (-6%) due to decreased public purchases. Other ATC codes showed positive dynamics. The highest growth owing to the commercial segment was in:

- ATC code [M] Musculoskeletal system (+19.3%);
- ATC code [P] Antiparasitic products, insecticides and repellents (+18.1%);
- ATC code [D] Dermatologicals (+14.9%).

2. Commercial drug segment

In 2024, the size of the commercial pharmaceutical market was about 4.36 billion packages or 1,635 billion roubles. Compared to 2023, drug sales decreased by 2.3% in volume terms, but increased by 13.8% in value terms, which is significantly higher than our company's forecast at the beginning of the year (+7.1%).

To put that into perspective: the growth was only 6.6% in 2023. However, this was more due to demand anomalies in 2022, when there were very serious consumption imbalances.

"Additional" market growth is driven by high incidence of "seasonal" acute respiratory viral infection and influenza at the turn of 2023-2024. From October 2023 to February 2024, the market grew over 20% in roubles and over 10% in packages on a monthly basis compared to the same period of the previous year. This allowed the market to grow in 2023 and gave it a good "head start" for double-digit growth in January-February 2024 at the end of the period. It should be noted that from March 2024, consumption of drugs sold in pharmacies returned to the usual indicators, and the dynamics were influenced by other factors: to a greater extent, by price factors. Meanwhile, consumption in packages even remained below the 2023 level through the end of the year.

Notably, the morbidity factor had no impact on year-end consumption. Besides, during the first months of 2025, the incidence of acute respiratory viral infection and influenza remains well below the epidemiological threshold of the 2024-2025 season and, most importantly, even lower than the incidence of the 2023—2024 season (according to the Smorodintsev Research Institute of Influenza). This means that the pharmacy market will be growing at a low rate at the beginning of the year.

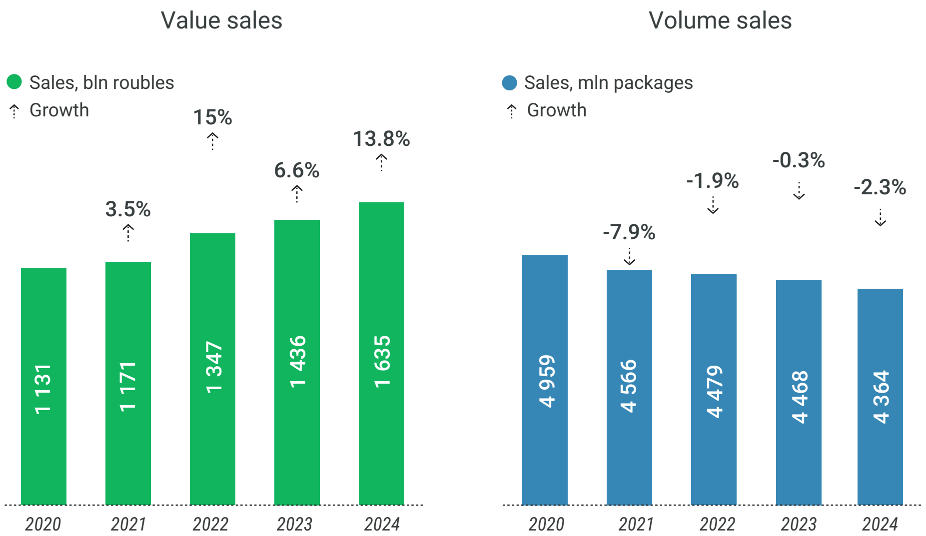


Figure 4

Dynamics of retail sales of drugs, 2020-2024

This is more evident in the dynamics of OTC drugs. Prescription drugs have been growing at a more even pace for the second year, and as for sales in packages, growth is virtually flat, which indicates that the market is not influenced by external factors and that it is possible to predict pharmacy drug sales more accurately.

According to our forecasts, in 2025, drug sales growth will be around 9-10% in rouble terms and will continue to "stagnate" in packages.

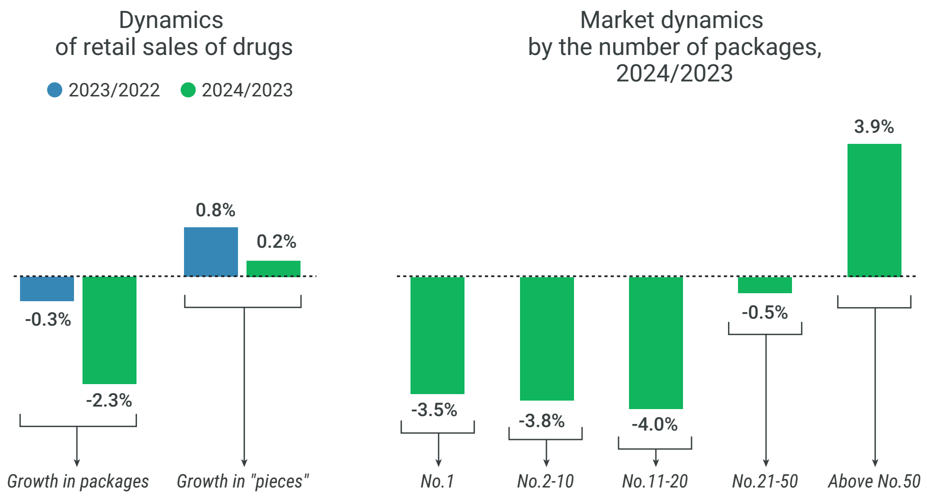
The positive dynamics in roubles will be primarily driven by drug price inflation. It was 7.8% at the end of the year. Moreover, a high level of the price index has been observed for the last three years. It should be noted in particular that inflation for VED-listed drugs has been around 5% for two years in a row. Thus, the manufacturer has been using every possible tool to offset the rising cost of production since 2022.

The second "price" factor worth mentioning is the consumer shift to packaging with a "larger" number. When translated to sales in pieces, i.e. taking the package number into account, the market still continues to grow. In 2023 the difference between the growth in packages and in pieces was 1.1%, and in 2024 it increased to 2.6%. Therefore, this factor became somewhat more significant.

Finally, there is a change in the price consumption structure. On the one hand, the pharmacy consumer is becoming more selective and prefers larger packages and more expensive effective drugs. On the other hand, the manufacturer optimizes its product portfolio by replacing cheap drugs and releasing "new products" in a different price segment, slightly changing the package (number, dosage, etc.). As a result, the pharmacy segment of drugs from 2024 can be called a "high-cost market". Demand for drugs costing more than 1,000 roubles per package is growing fastest. For the first time, this segment took the maximum share in value sales – 34.4%, overtaking the segment "from 100 to 500 roubles", which is the most popular segment in packages.

Figure 5

Market dynamics by the package number



Imported/localized drug sales ratio

The structure of the commercial drug market by degree of localization is shown in Figure 6.

During the year, the ratio of sales by degree of localization remained virtually unchanged. Drugs manufactured in Russia accounted for 48.4% of value sales and 66.4% of volume sales in 2024.

Localized drugs (+14.1% in roubles compared to 2023) grew slightly faster than imported drugs (+13.6%). If we analyse the monthly sales trend, we can see that localized drugs began to grow more rapidly than imported drugs starting from the second quarter.

In volume terms, the opposite situation is observed: both groups are falling, with the rate of decline in sales of localized drugs (-2.4%) also slightly higher than that of imported drugs (-2.2%).

The weighted average cost of a package of a localized drug (+17%) grew more than that of an imported drug (+16.1%). Yet, it remains more than twice as low. In 2024, one package of a localized drug cost on average around 273.1 roubles, whereas an imported drug cost 575.4 roubles.

In general, the number of Russian manufacturers in pharmacies slightly exceeded the number of foreign manufacturers (505 and 405 companies, respectively). The gap between the brands present narrowed. At the end of the year, pharmacies sold 2,793 brands of drugs from foreign companies (7,200 SKUs) and 2,769 brands of drugs from Russian manufacturers (10,400 SKUs). As before, foreign manufacturers sell more “unique” items — original drugs and branded generics. Large quantities of Russian drugs are unbranded generics produced by several companies at once.

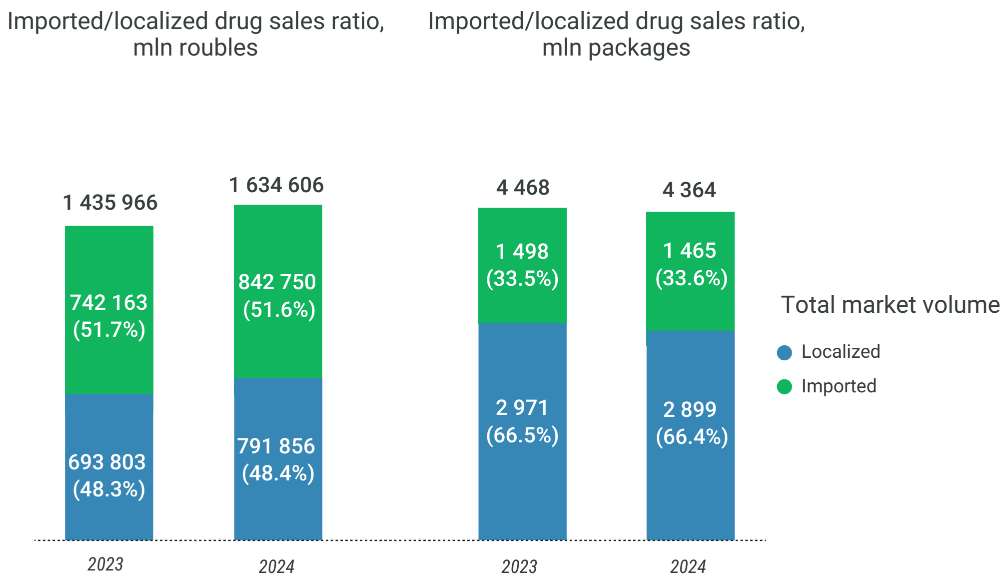


Figure 6

Imported/localized drug sales ratio Russian retail market, 2023-2024.

Note:
Localized drugs are drugs produced in the territory of Russia.

Rx/OTC drug sales ratio

The ratio of pharmacy sales by type of dispensing is shown in Figure 7.

Compared to the previous year, the market structure changed in favour of OTC drugs (+1.5% in roubles and +1.5% in packages), which hold the largest share in the market value sales (54.6%). In volume sales, the distribution of drug shares by type of dispensing shifted in favour of OTC drugs, which accounted for 59.2% at year-end 2024.

The dynamics over the last 5 years show a trend of the market structure shifting towards Rx drugs: compared to 2020, their share increased by 6.5% in roubles and by 6.2% in packages.

In 2024, Rx drug sales increased by 17.1% in roubles and 1.3% in packages compared to 2023. The growth rate of OTC drug sales was significantly lower: +10.2% in value terms, while sales in packages fell as much as 4.7%.

The average price of an Rx drug was 501 roubles, an OTC drug cost 288 roubles on average in pharmacy retail prices. Weighted average prices for both categories rose year-on-year, by 15.5% and 15.6%, respectively.

Original/generic drug sales ratio

The ratio of pharmacy sales of original and generic drugs is shown in Figure 8.

From 2020, the share of generics was falling year over year. However, in 2023-2024, the trajectory changed. The share of generic drugs increased by 0.4% in roubles, but decreased by 0.3% in packages compared to 2023. Nevertheless, generics still lead the drug market, accounting for 71.4% of value sales and 86.7% of volume sales at year-end 2024.

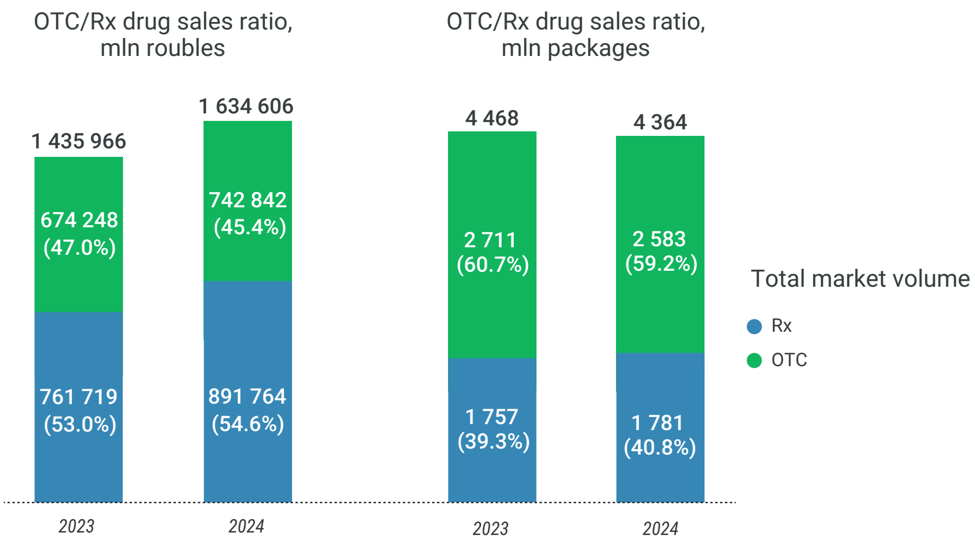
Looking at the absolute figures, we can see that both categories showed positive dynamics in roubles compared to last year's figures: value sales of generics increased by 14.4%, while value sales of original drugs grew by 12.3%. Volume sales of generics fell by 2.7%, while volume sales of original drugs dropped by 0.2%.

The average price of an original drug was 804 roubles per package (+12.5% against 2023); a generic drug was sold on average at 308 roubles (+17.6%).

Figure 7

OTC/Rx drug sales ratio, Russian retail market, 2023-2024.

Note:
Shares of Rx and OTC drugs have been calculated on the basis of the official classification according to the List of Over-the-Counter Drugs, without taking into account that Rx drugs are often dispensed in pharmacies on an unrestricted basis.



Structure of retail drug sales by ATC codes

The ratio of Russia's pharmacy sales of drugs by ATC codes, 1st level, is shown in Table 2. During the year, the structure of sales by ATC codes did not change.

ATC code [A] Alimentary tract and metabolism is always on top (+17% compared to 2023) with a 19.2% share of value sales. The best sellers in this ATC code were the hepatoprotectors Heptral (2.8% of the code's sales) and Ursosan (2.4%), and the oral antidiabetic Forxiga (2.6%). All top brands in ATC code [A] grew in sales. The drugs that saw the maximum growth were the antidiabetic drug Forxiga (+64.5% compared to 2023), the hepatoprotector Essentiale (+25.9%) and the magnesium drug Magne B6 (+20.5%). The analog of Ozempic, the Russian antidiabetic drug Semavic, with a turnover of more than 6.2 billion roubles, ranked 4th in the ATC code.

As a result of 44.5% sales growth, subcode [A10] Drugs used in diabetes moved to the top position in ATC code [A]. At the end of the year, antidiabetic drugs already accounted for about 13.6% of value sales.

In 2024, Russian companies were actively registering new generics of antidiabetic drugs.

In late 2023, the Russian government granted two Russian manufacturers, Geropharm and Promomed, a compulsory license for semaglutide (the anti-obesity and anti-diabetes drugs Ozempic and Rybelsus). This decision was prompted by the fact that in the fall of 2022, Novo Nordisk notified the Federal Service for Surveillance in Healthcare (Roszdravnadzor) that it would stop selling Ozempic in Russia.

The drugs registered in October 2023 performed well in the commercial segment of the market by the end of 2024: Semavic was ranked in the top 25 and Quincenta was ranked in the top 150. In the online segment of the pharmacy market, Semavic is in the top 3 and ranks second in terms of value sales. In July, another generic from PSK Pharma was registered under the brand name Insudive.

In early 2025, updated clinical guidelines for the treatment of obesity in adult patients will come into effect; they will include semaglutide at 2.4 mg and a combination of metformin and sibutramine.

Figure 8

Original/generic drug sales ratio, Russian retail market, 2023-2024

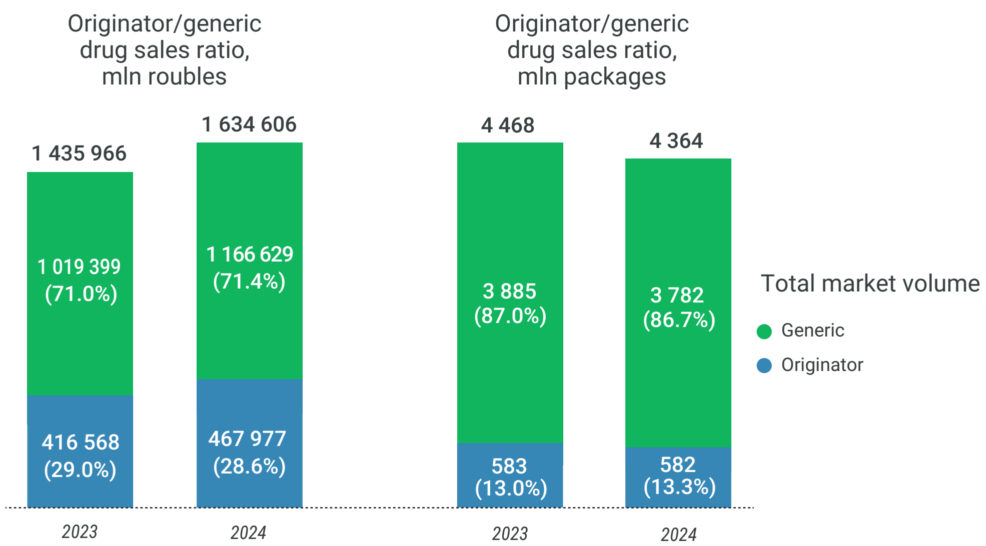


Table 2

Drug sales structure, Russian retail market, by ATC codes, 2024

Note:
Non-ATC drugs, drugs not assigned ATC codes (homeopathic medicines, vegetable drugs, animal-extracted products, substances, etc.)

ATC codes 1st level	Sales, bln roubles	Growth in roubles	Sales, mln packages	Growth in packages
[A] Alimentary tract and metabolism	313.8	17.0%	712.9	-2.1%
[C] Cardiovascular system	234.7	13.6%	629.9	-0.8%
[R] Respiratory system	197.4	10.9%	713.1	-3.0%
[N] Nervous system	192.5	13.4%	617.8	-3.7%
[M] Musculo-skeletal system	145.2	15.2%	384.8	1.0%
[G] Genito urinary system and sex hormones	127.3	13.7%	120.3	1.1%
[J] General antiinfectives for systemic use	106.1	5.9%	297.5	-4.6%
[D] Dermatologicals	90.4	15.6%	365.0	-5.0%
[B] Blood and blood forming organs	86.6	17.9%	138.7	-1.2%
[S] Sensory organs	47.3	12.2%	140.5	0.4%
[L] Antineoplastic and immunomodulating agents	43,0	15,5%	57,8	-7,7%
~ Non-ATC	23.5	8.1%	105.1	-3.7%
[V] Various	14.0	27.9%	27.1	1.0%
[H] Systemic hormonal preparates, excluding sex hormones	8.7	5.6%	34.7	4.9%
[P] Antiparasitic products, insecticides and repellents	3.9	18.2%	18.4	-7.3%

The leader by sales in ATC code [A10] is Forxiga, with a 19% share in roubles. Semavic and Glucophage rank 2nd and 3rd in value terms, with 14.7% and 7%, respectively. In terms of packages sold, 30% of ATC code [A10] is accounted for by low-cost drugs Metformin and Diabeton, which are mainly produced in Russia.

Positive dynamics of antidiabetic drugs were ensured by the growth in demand for the key drug of the ATC code – sodium-dependent glucose transporter type 2 inhibitor Forxiga (+64.5%), as well as by the appearance on the market of Russian analogs of glutides based on semaglutide and liraglutide: Semavic (sales of 6.2 billion roubles in 2024) from Geropharm, Quincenta (2.6 billion roubles) and Enligria (1.2 billion roubles) from Promomed Rus.

Second-best in value terms is ATC code [C] Cardiovascular system (a 14.4% share in roubles). The top brands of ATC code [C] are the following drugs: the angioprotector Detralex (4.4%), the angiotensin II receptor blocker Edarbi (4.2%), and the beta-adrenergic blocking agent Concor (2.8%). The main contributors to the ATC code's 13.6% year-on-year sales growth were the antihypertensive agents Triplixam (+40.4%) and Edarbi (+25.8%), and the hypolipidemic drug Rosuvastatin (+17.4%). The year was least successful for the brand Lorista (-1.5%).

The third in the top three is ATC code [R] Respiratory system, with a 12.1% share in roubles. The main drugs in the ATC code are: the inhalation drug for bronchial asthma, COPD and stenotic laryngotracheitis Pulmicort (4.9% share), the antimicrobial drug for treatment of throat diseases Grammidin (3.8%) and the symptomatic sore throat reliever Strepsils (2.8%). Sales of ATC code [R] drugs grew by 10.9% compared to 2023. The best results for the reporting period were shown by the brands Pulmicort (+78.8%), AnviMax (+22.1%) and Sinupret (+14.9%).

Increase in the volume and average prices per package in ATC codes is shown in Figure 9. Every single ATC code showed an increase in sales compared to 2023.

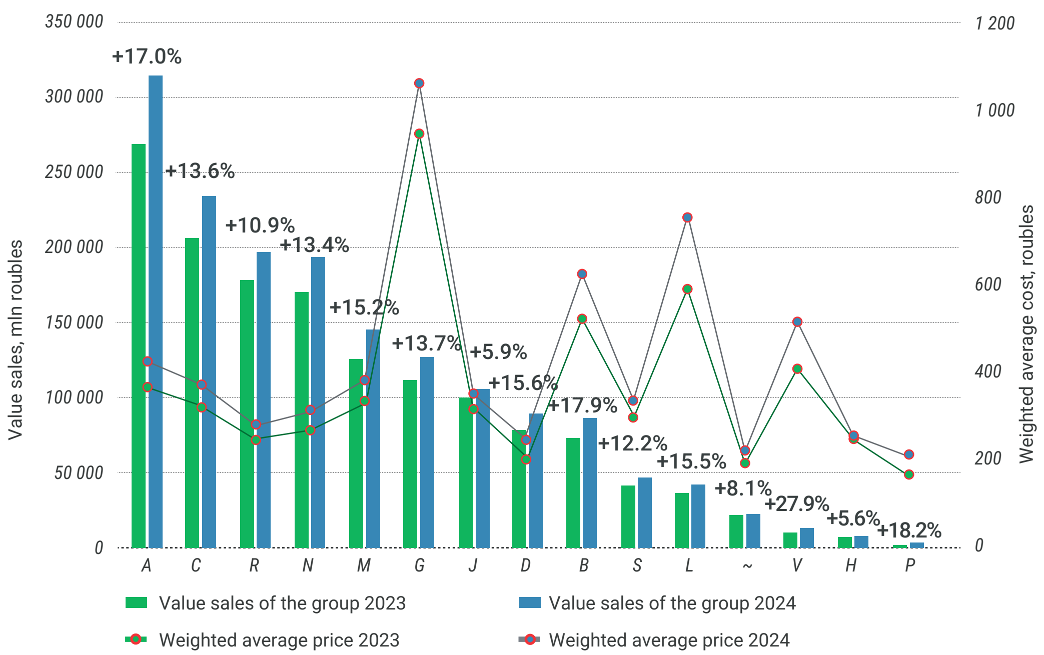


Figure 9

Structure of the retail drug market by ATC codes, 2023-2024

The top three ATC codes have double-digit growth rates. The highest growth in 2024 was observed in minor ATC codes: Various (+27.9%), Antiparasitic products, insecticides and repellents (+18.2%) and Blood and blood forming organs (+17.9%).

In terms of volume sales, the leaders in consumption growth were ATC codes [H] Systemic hormonal preparations, excluding sex hormones (+4.9%), [G] Genitourinary system and sex hormones (+1.1%) and [M] Musculoskeletal system (+1%). Meanwhile, 10 out of 15 ATC codes had a negative year-on-year trend. The largest decreases in pharmacy sales in packages were recorded for Antineoplastic and immunomodulating agents (-7.7%), Antiparasitic products, insecticides and repellents (-7.3%) and Dermatologicals (-5%).

The highest weighted average price per package at the end of 2024 was 1,058 roubles for drugs in ATC code [G] Genitourinary system and sex hormones. The price is so high because the price per package for certain drugs in this ATC code is 10,000-30,000 roubles and more. The most expensive drugs in the ATC code are: drugs prescribed in the combination therapy of spermatogenesis disorders (for oligoasthenozoospermia), Testiwell lyophilizate for preparation of solution for intramuscular injection 5 mg No. 10 (32,800 roubles per package) and Fertiwell lyophilizate for preparation of solution for intramuscular injection 5 mg No. 10 (30,400 roubles per package); anti-climacteric drug Melsmon solution for subcutaneous injection 2 mL No. 10 (27,700 roubles).

A high weighted average package price is also observed in ATC codes [L] Antineoplastic and immunomodulating agents – around 745 roubles, and in [B] Blood and blood forming organs – 624 roubles. The weighted average price for antiparasitic drugs, insecticides and repellents is, on the contrary, the lowest – 214 roubles per package.

How much various ATC codes contributed to the overall commercial market growth has been measured on the basis of the weighted average increase: the value showing the share of the ATC code multiplied by its growth rate (Figure 10).

The ATC codes that contributed the most to the growth of the commercial drug market in 2024 were: [A] Alimentary tract and metabolism, [C] Cardiovascular system and [R] Respiratory system, which totalled 6.5% or 46.9% of the market growth on the whole.

Drug manufacturers on the retail market

Table 3 shows the top 20 manufacturers leading by value sales on the Russian commercial market in 2024.

In 2024, there were about 896 players on the pharmacy market. Cumulatively, the top 20 manufacturers account for 49.3% of value sales of drugs. Compared to 2023, the total share of the top 20 fell by 0.3%. The ranking of companies is more stable than the ranking of drugs.

The market leader in the pharmacy segment is traditionally the German corporation Bayer (4% share in roubles), which showed a 13.3% increase in sales compared to 2023. The sales growth was also influenced by the expansion of the manufacturer's portfolio to 55 brands sold in pharmacies. The main share in the company's retail sales belongs to the anticoagulant Xarelto (26.4% in roubles), the sales of the key brand increased by 16.9% compared to 2023. The strongest performers among the company's top 10 brands were the hormonal intrauterine device Mirena (+74.5% compared to 2023) and the anti-climacteric drug Angeliq (+28.7%). The leaders by volume sales are such

Table 3

Top 20 drug manufacturers by value sales, 2024

Note: *«manufacturer» means the parent company that may incorporate several production sites.*

Ranking	Change compared to 2023	Manufacturer	Sales, mln roubles	Share	Growth compared to 2023
1	-	Bayer	**64,597**	**4.0%**	**13.3%**
2	-	Nizhpharm	**59,809**	**3.7%**	**11.2%**
3	+1	Servier	**51,448**	**3.1%**	**16.3%**
4	+1	Abbott	**46,979**	**2.9%**	**12.5%**
5	+2	Sanofi	**46,315**	**2.8%**	**13.9%**
6	-	KRKA	**45,997**	**2.8%**	**10.9%**
7	+1	Teva	**45,723**	**2.8%**	**12.7%**
8	-5	Otcpharm	**44,362**	**2.7%**	**-1.0%**
9	+1	Binnopharm Group	**42,742**	**2.6%**	**19.3%**
10	-1	Novartis	**42,437**	**2.6%**	**18.1%**
11	-	Pharmstandart	**36,789**	**2.3%**	**13.5%**
12	+1	Ozon Pharmaceuticals	**36,423**	**2.2%**	**19.8%**
13	-1	Gedeon Richter	**35,805**	**2.2%**	**10.5%**
14	+6	AstraZeneca	**33,326**	**2.0%**	**45.6%**
15	-	Polpharma	**32,309**	**2.0%**	**16.3%**
16	-2	A.Menarini	**32,203**	**2.0%**	**6.6%**
17	-	Haleon	**28,597**	**1.7%**	**7.1%**
18	-2	Vertex	**28,296**	**1.7%**	**5.0%**
19	-	Dr.Reddy's	**27,322**	**1.7%**	**15.2%**
20	+1	Grotex	**25,095**	**1.5%**	**10.1%**

best sellers as Relief, Xarelto and Bepanthen.

Nizhpharm ranked second (3.7% share in roubles) as a result of an 11.2% increase in sales. The manufacturer's product line in the pharmacy segment of the pharmaceutical market includes over 100 drug brands. A number of the company's key drugs achieved significant sales growth. These are the antihypertensive agent Edarbi (+25.8% compared to 2023 sales), the digestive enzyme drug Ermital (+23.8%) and the tissue repair stimulator for osteoarthritis of the peripheral joints and spine Artra (+19.6%).

The manufacturer that rounded out the top three in 2024 is Servier (3.1% share in roubles), whose sales grew by 16.3% compared to 2023. Over the year, the company moved up one notch in the ranking. Russian pharmacies sell 60 brands of the company, among which the most significant growth in demand in the reporting period was recorded for the antihypertensive agent Triplixam (+40.4% compared to 2023), the iron deficiency drug Sorbifer (+21.9%) and anxiolytic (tranquilizer) Grandaxin (+16.8%).

The highest growth rates among the top 20 were achieved by the following companies: AstraZeneca (+45.6% compared to 2023), Ozon Pharmatsevtika (+19,8%) and Binnopharm Group (+19,3%).

AstraZeneca's product range in the retail segment of the pharmaceutical market expanded from 25 to 34 brands during the year. Increased demand for the inhalation drug for bronchial asthma, COPD and stenotic laryngotracheitis Pulmicort (+78.8%), the oral antidiabetic Forxiga (+64.5%) and antiaggregant Brilinta (+52.1%) allowed AstraZeneca to move up 6 places in the ranking of leading manufacturers.

Sales of the NSAID Meloxicam (+64.5%), the erectile dysfunction drug Sildenafil (+58.5%) and the beta-adrenergic blocking agent Bisoprolol (+23.9%) grew significantly year-on-year. As a result, Ozon Pharmatsevtika, which had an IPO in 2024, improved its position in the ranking to No. 1.

The throat drug Lorothricin (+258.4%), the hepatoprotective drug Urdoxa (+41.5%) and the non-steroidal anti-inflammatory drug Diclofenac (+35.7%) brought Binnopharm Group up one place in the ranking.

Among the top 20 drug manufacturers, only the Russian company OTCPharm had a decrease

Figure 10

Weighted increase in retail market drugs, by ATC codes, 2024

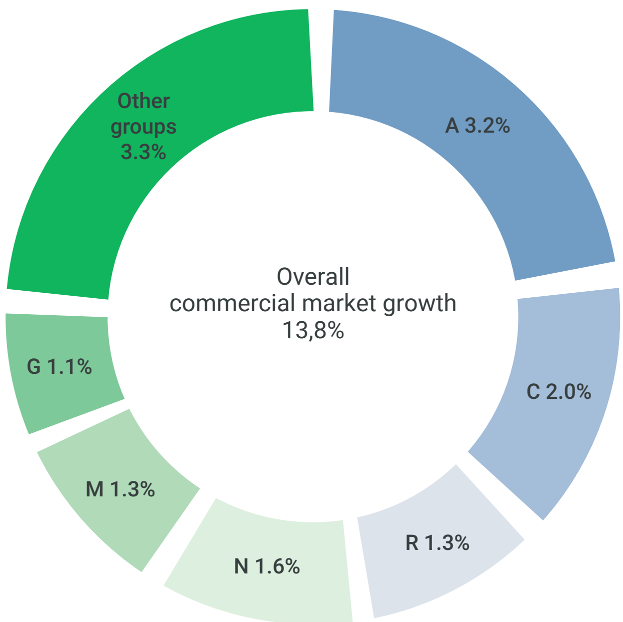


Table 4

Top 20 drug manufacturers by volume sales, 2024

Note:
«manufacturer» means the parent company that may incorporate several production sites.

Ranking	Change compared to 2023	Manufacturer	Sales, mln packages	Share	Growth compared to 2023
1	-	Pharmstandart	**278**	**6.4%**	**-8.9%**
2	-	Ozon Pharmaceuticals	**177**	**4.1%**	**-3.1%**
3	-	Nizhpharm	**167**	**3.8%**	**-5.9%**
4	+2	Obnovlenie MPC	**158**	**3.6%**	**18.9%**
5	-1	Otcpharm	**156**	**3.6%**	**-6.3%**
6	-1	Binnopharm Group	**153**	**3.5%**	**-0.7%**
7	-	Teva	**124**	**2.8%**	**-3.6%**
8	+1	Dr.Reddy's	**105**	**2.4%**	**0.4%**
9	-1	Polpharma	**101**	**2.3%**	**-8.1%**
10	-	Vertex	**95**	**2.2%**	**-3.6%**
11	-	Grotex	**95**	**2.2%**	**-2.6%**
12	+2	Sanofi	**85**	**2.0%**	**2.7%**
13	-	KRKA	**83**	**1.9%**	**-5.4%**
14	+1	Servier	**83**	**1.9%**	**1.0%**
15	+2	Novartis	**75**	**1.7%**	**3.1%**
16	-	Genel	**72**	**1.7%**	**-7.0%**
17	+2	A.Menarini	**71**	**1.6%**	**2.4%**
18	-	Abbott	**69**	**1.6%**	**-2.9%**
19	1	Gedeon Richter	**67**	**1.5%**	**-3.6%**
20	-8	Tulskaya Farmatsevticheskaya Fabrika	**66**	**1.5%**	**-26.6%**

in sales (-1%). The manufacturer continues losing its ranking positions: -5 places during the year. The corporation's negative dynamics were caused by the antiviral drug Arbidol (-24.9%), the vitamin-mineral complexes Complivit (-13.6%) and the cough drug Codelac (-10%).

Most of the ranked companies are foreign drug manufacturers. In 2024, there were 7 Russian companies in the top 20: Nizhpharm ranking 2nd (3.7% share in roubles), OTCPharm ranking 8th (2.7%), Binnopharm Group ranking 9th (2.6%), Pharmstandard ranking 11th (2.3%), Ozon Pharmatsevtika ranking 12th (2.2%), Vertex ranking 18th (1.7%) and Grotex ranking 20th (1.5%).

In packages, as before, among the leaders are Russian and foreign companies with a large proportion of generics in their product mix. The maximum share is held by Pharmstandard (6.4%). Ozon Pharmatsevtika accounts for around 4.1% of pharmacy sales in packages and ranks second. The third in the top three is Nizhpharm, with a 3.8% share.

The top 20 ranked manufacturers hold more than fifty percent of the pharmacy market (52.3%) in packages, which exceeds the concentration in value terms (49.3% held by the top 20 corporations).

The dynamics of PFK Obnovlenie companies (+18.9% compared to 2023) should be mentioned separately. Over the year, the manufacturer moved up two places to rank 4th. The most successful brands in PFK Obnovlenie's portfolio were Acetylsalicylic Acid (+334.3%), Dexamethasone (+44.4%) and Paracetamol (+24.9%).

Retail market drugs

Table 5 shows the top 20 brands leading by sales on the Russian commercial market in 2024.

At year-end 2024, over 5,100 drug brands could be found in pharmacies. The top 20 drug brands accounted for 11.1% of the market in roubles. There are considerable changes in the ranking of the brands leading by value sales on the retail market, except for the leaders.

The anticoagulant drug of the German corporation Bayer under the brand name Xarelto (1% share in roubles), which showed a 16.9% increase in sales compared to 2023, still holds the first place. In December, patent protection for the original drug containing the INN rivaroxaban, which has been the leader in terms of value sales in Russian pharmacies for the last several years, expired. In 2024, Russian and foreign pharmaceutical companies were actively registering their generic drugs in Russia. As of early 2025, the Russian Ministry of Health issued registration certificates for drugs containing rivaroxaban to 30 manufacturers. Therefore, whether Xarelto, which has been in the lead for many years, will keep its first place is a big question.

Sales of another leading anticoagulant Eliquis from Pfizer increased by 24.7%. The brand ranks second with a 0.9% share of the pharmacy drug market.

The non-steroidal anti-inflammatory drug Nurofen (0.6% share in roubles) from Reckitt Benckiser Group ranked third, with brand sales up 15.3%.

The Russian antiviral drug Ingavirin from Valenta Pharm moved down 6 places in the ranking during the year, showing a 6.8% drop in sales.

The brands with notable positive changes are: the topical glucocorticosteroid Pulmicort with +16 places (+78.8% compared to 2023),

Table 5

Top 20 brands by value sales, 2024

Ranking	Change compared to 2023	Brand	Sales, mln roubles	Share	Growth compared to 2023
1	-	Xarelto	**17,067**	**1.0%**	**16.9%**
2	-	Eliquis	**15,458**	**0.9%**	**24.7%**
3	-	Nurofen	**10,607**	**0.6%**	**15.3%**
4	-	Detralex	**10,391**	**0.6%**	**13.5%**
5	+4	Edarbi	**9,823**	**0.6%**	**25.8%**
6	+16	Pulmicort	**9,735**	**0.6%**	**78.8%**
7	-2	Theraflu	**9,571**	**0.6%**	**4.8%**
8	-1	Heptral	**8,774**	**0.5%**	**9.9%**
9	+1	Pentalgin	**8,722**	**0.5%**	**11.9%**
10	+24	Forsiga	**8,096**	**0.5%**	**64.5%**
11	-	Mexidol	**8,019**	**0.5%**	**8.4%**
12	-6	Ingavirin	**7,799**	**0.5%**	**-6.8%**
13	-	Ursosan	**7,458**	**0.5%**	**10.9%**
14	-2	Grammidin	**7,458**	**0.5%**	**2.5%**
15	+1	Canephron	**7,300**	**0.4%**	**16.9%**
16	-2	Nimesil	**7,136**	**0.4%**	**12.2%**
17	+2	Femoston	**7,099**	**0.4%**	**17.9%**
18	-1	Actovegin	**7,055**	**0.4%**	**14.9%**
19	+1	Cardiomagnyl	**6,722**	**0.4%**	**13.8%**
20	-5	Concor	**6,672**	**0.4%**	**6.4%**

the sodium-dependent glucose transporter type 2 inhibitor Forxiga with +24 places (+64.5%) from AstraZeneca Corporation and the antihypertensive agent Edarbi with +4 places (+25.8%) from Nizhpharm.

The brands that left the ranking of key drugs are the contraceptive Yaz (ranked 21st in 2024) and the antiviral drug Arbidol (ranked 28th).

In packages, the leaders are the same: "age-old" cheap drugs such as Omeprazole (1.4% share in packages), Citramon (1.1%), and Naftizin (1.1%) made by several manufacturers at once. Most of the drugs (13 brands) out of the top 20 by volume sales demonstrated negative dynamics. The drugs with the highest decrease rates were the NSAID Acetylsalicylic Acid (-14.2% compared to 2023), the analgesic Paracetamol (-13.5%) and the enterosorbent Activated Carbon (-12.9%).

The drugs with the highest sales growth were the NSAID Nurofen (+7.4%), the solvent and rehydrating agent Sodium Chloride (+3.6%) and the local anesthetic Menovazin (+2.9%).

The top 20 brands account for 17.6% of retail sales in volume terms, i.e. their concentration is somewhat higher than in value terms. The weighted average package price for the top 20 in volume terms is 105 roubles.

Vital and Essential Drugs (VED)

Vital and Essential Drugs (VED) are a list of drugs approved by the Government of the Russian Federation for the state regulation of drug prices.

In August, the Russian Ministry of Health Commission held 4 meetings (August 22, 23, 27 and 28), at which 48 applications to change the drug lists were considered. As a result, 22 applications were approved.

On August 22, the Commission recommended that 4 antineoplastic agents be included in the VED list: zanubrutinib for the treatment of patients with mantle cell lymphoma, polatuzumab vedotin for diffuse large B-cell lymphoma, nurulimab + prolgolimab for melanoma, daratumumab (inclusion of the 'concentrate' dosage form for subcutaneous administration) for multiple myeloma. Daratumumab in its new form was also included in the High-Cost ICD list.

On August 23, 4 more drugs were recommended for inclusion in the list: monoclonal antibody inotuzumab ozogamicin for acute lymphoblastic leukemia, antineoplastic agent alpelisib for breast cancer, immunosuppressants anifrolumab for systemic lupus erythematosus and ravulizumab for paroxysmal nocturnal hemoglobinuria, atypical hemolytic-uremic syndrome, generalized myasthenia gravis and opticonuromyelitis spectrum disorders (also included in the High-Cost ICD list).

On August 27, 6 drugs were included in the list: human insulin analog insulin lispro (inclusion of the 'solution' dosage form for subcutaneous administration (dosage 200 IU/mL)) for diabetes, antidiabetic drug alogliptin + pioglitazone, anticoagulant N-(5-Chloropyridin-2-yl)-5-methyl-2- (4-(N-methylacetimidamido) benzamido)benzamide hydrochloride, beta-adrenoblocker esmolol, hypolipidemic drug inclisiran, anemia drug roxadustat. It was recommended that the monoclonal antibody isatuximab for multiple myeloma be added to the High-Cost ICD list.

On August 28, 8 more applications were approved for inclusion in the VED list: antibiotic biapenem, antiviral [HIV] drug atazanavir + ritonavir, schizophrenia drug brexpiprazole, agent for the symptomatic treatment of walking impairment in adult patients with multiple sclerosis fampridine, glycopyrronium bromide + indacaterol + mometasone, beclometasone + glycopyrronium bromide + formoterol, budesonide + glycopyrronium bromide + formoterol, tezepelumab. Amoxicillin powder for oral suspension was excluded from the list of mandatory drugs to be sold in pharmacies.

All the above-mentioned drugs were included in the draft order on amendments to Order No. 2406-r issued by the Russian Government on October 12, 2019. However, in the end, only 18 drugs were included in the VED list in early 2025, and new dosage forms were added to 4 INNs already on the list (these are insulin lispro, daratumumab, diclofenac and piribedil); one drug (isatuximab for multiple myeloma) was included in the High-Cost ICD program; amoxicillin in the 'powder for oral suspension' dosage form was excluded from the list of mandatory drugs to be sold in pharmacies (Order No. 10-r issued by the Russian Government on January 15, 2025). In total, there are more than 800 drugs on the VED list.

The next meeting of the Russian Ministry of Health Commission on drug lists was held in November. At the meeting, the Commission approved the inclusion of the antibiotic ceftobiprole medocaril for the treatment of pneumonia and the drug goflikicept for the pathogenetic therapy of idiopathic recurrent pericarditis in adult patients over 18 years old in the VED list. Meanwhile, the application for inclusion of anagrelide, an antiplatelet agent, was rejected. However, these drugs are not yet on the updated list.

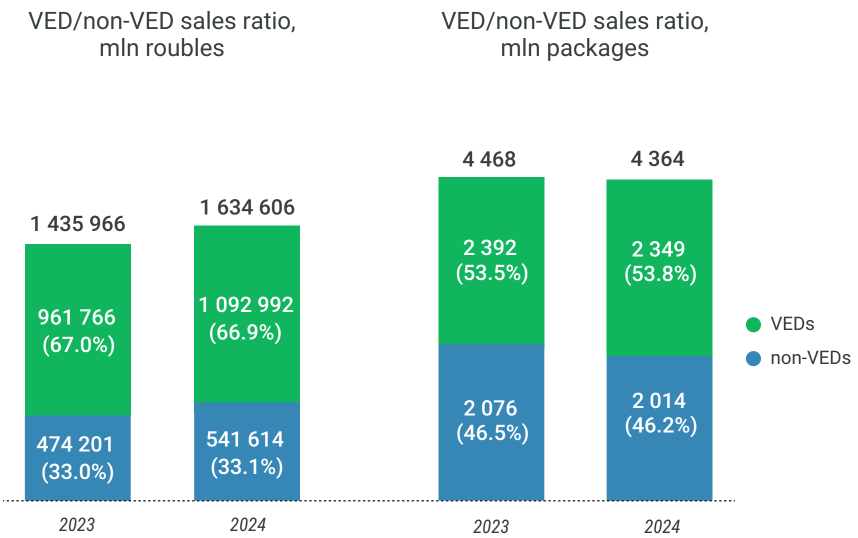
At the end of 2024, more than 730 INNs from the VED list (1,780 brands) were recorded to be sold through pharmacies. VED sales were worth 541.6 billion roubles or 2,014 million packages. (Figure 11).

The growth rate in value sales of VEDs was slightly higher than in value sales of other drugs (+14.2% for VEDs, +13.6% for non-VEDs). Volume sales of VEDs dropped by 3%, whereas volume sales of non-VEDs decreased by only 1.8%.

The share of localized (produced in the territory of the Russian Federation) vital and essential drugs was 66.8% of volume sales and 53.5% of value sales.

Figure11

VED/non-VED sales ratio, 2023-2024



At the end of 2024, the weighted average price of VEDs was 269 roubles; the price per package of localized drugs was 215 roubles while that of imported drugs was 1.7 times higher (376 roubles).

The average price of VEDs (269 roubles) was lower than the weighted average price of other drugs (465 roubles). It shows that the shift in sales towards expensive drugs in the VED segment was less perceptible than across the whole market.

Figure 12 shows the price index for various drug groups. In 2024, the drug inflation rate was 7.8%, which is lower than in 2023 (8.6%). The inflation factor had a greater impact on drugs that are not on the VED list and exceeded 9.2% by the end of 2024. At the end of the year, price growth for VED drugs reached 4.9% for the second year in a row.

At year-end 2024, the top 20 INNs on the VED list were again headed by xylomethazoline under the leading brand name Snup. Sales of drugs containing this active ingredient increased by 8.8% compared to the previous year.

The balance of power in the ranking noticeably changed, with two new INNs for diabetes entering the top 20. The antidiabetic drug semaglutide moved up 169 places in the ranking due to its sales growth of 2707.4% over the year. The best seller in the INN is Semavik, a brand of the Russian company Geropharm.

Another antidiabetic drug dapagliflozin moved up 8 places (+64.5% compared to 2023), which allowed the INN to rank No. 16. The INN is represented by only one drug, Forsiga, manufactured by AstraZeneca.

The top three in terms of growth also included glucocorticosteroid budesonide (+73.1%). As a result, drugs containing this active ingredient strengthened their positions by moving up 7 places.

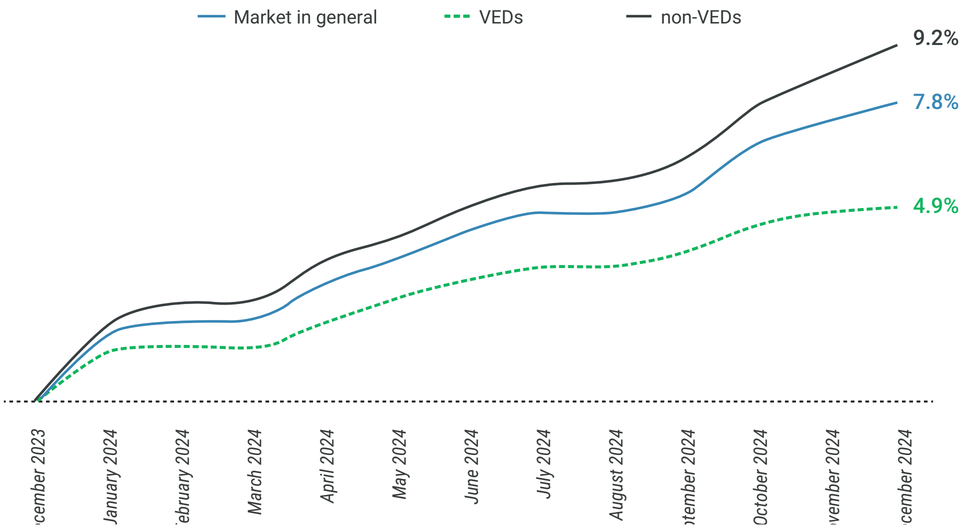
Meanwhile, there was a noticeable decrease in sales of the antiviral agents umifenovir (-19.1%; -5 places) and imidazolyl ethanamide pentandioic acid (-8.3%; -4 places).

Price segmentation of retail market drugs

The weighted average price per package was 374.6 roubles, which is 16.6% higher than in 2023. The share of low-cost drugs in the sales structure is declining, and pharmacy customers

Figure 12

Price index dynamics on the retail market, 2024



are shifting to higher-priced products and larger packages.

Figure 13 shows the commercial market structure and the average price per package for different price segments in 2023-2024.

Over the year, the market structure in roubles changed as compared to the previous year, by shifting towards drugs priced over 1,000 roubles. The share of the high price segment increased by 5% in monetary terms compared to 2023. Positive sales dynamics were observed for three categories "over 1,000 roubles" (+33.1% in roubles and +27.4% in packages), "from 500 to 1,000 roubles" (+16.6% and +14.5%) and "from 300 to 500 roubles" (+2% and +2.1%).

In packages, the largest drop was for the cheapest drugs, by 4.8% to 27.9%, due to a significant decline in consumption (-16.8% in packages and -12.7% in roubles). When measured over a number of years, the drop is yet more appar-

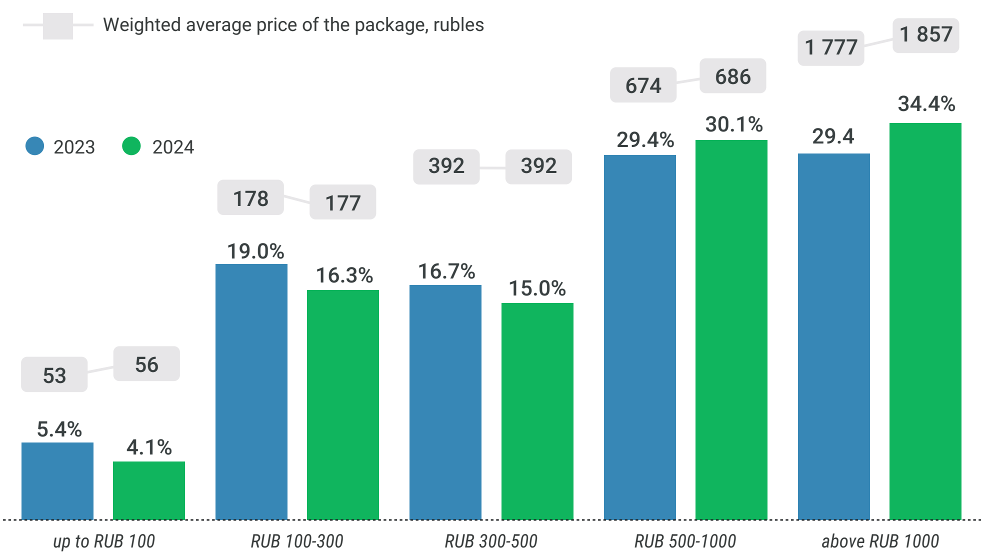


Figure 13

Structure of retail drug sales in value, by price segment, 2023-2024

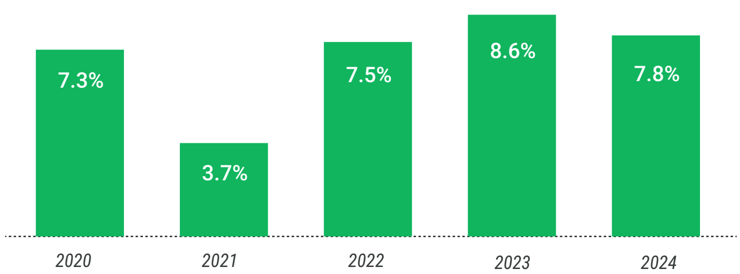


Figure14

Change in prices for drugs on the Russian retail market, 2024

Table 6

Drugs included in the government order on changes to the drug lists from 2025

№	INN	Indications of the drug	Dosage form	List
1	Alogliptin + pioglitazone	Diabetes mellitus	Tablets	VED list
2	Alpelisib	Hormone receptor positive (HR+), human epidermal growth factor type 2 receptor negative (HER2-) advanced or metastatic breast cancer with a mutation of the PIK3CA gene (PIK3CA+)	Tablets	VED list
3	Amoxicillin	Antibacterial drug	Powder used to prepare suspension	Excluded from the list of mandatory drugs to be sold in pharmacies
4	Anifrolumab	Additional therapy for active moderate to severe systemic lupus erythematosus with autoantibodies	Infusion solution	VED list
5	Atazanavir + ritonavir	HIV infection	Tablets	VED list
6	Beclometasone + glycopyrronium bromide + formoterol	Chronic obstructive pulmonary disease, bronchial asthma	Aerosol for inhalation dosed	VED list
7	Biapenem	Antibacterial drug	Powder used to prepare infusion solution	VED list
8	Budesonide + glycopyrronium bromide + formoterol	Chronic obstructive pulmonary disease	Aerosol for inhalation dosed	VED list
9	Glycopyrronium bromide + indacaterol + mometasone	Bronchial asthma	Capsules containing powder for inhalation	VED list
10	Daratumumab	Multiple myeloma	Solution for subcutaneous injection	Inclusion of the dosage form in VED list and High-Cost ICD program
11	Zanubrutinib	Mantle cell lymphoma	Capsules	VED list
12	Isatuximab	Multiple myeloma, refractory multiple myeloma	Concentrate for preparation of infusion solution	High-Cost ICD program

№	INN	Indications of the drug	Dosage form	List
13	Inotuzumab ozogamicin	Recurrent or refractory CD22-positive B-cell acute lymphoblastic leukemia from progenitor cells	Lyophilizate for concentrate for preparation of infusion solution	VED list
14	Inclisiran	Primary hypercholesterolemia (familial heterozygous and non-familial hypercholesterolemia)	Solution for subcutaneous injection	VED list
15	Insulin lispro	Diabetes mellitus	Solution for subcutaneous injection (dosage 200 IU/ml)	Inclusion of the dosage form in VED list
16	Nurulimab + prolgolimab	Unresectable or metastatic melanoma	Concentrate for preparation of infusion solution	VED list
17	Polatuzumab vedotin	Diffuse B-large cell lymphoma	Lyophilizate for concentrate for preparation of infusion solution	VED list
18	Roxadustat	Anemia in patients with chronic kidney disease	Tablets	VED list
19	Tezepelumab	Bronchial asthma	Solution for subcutaneous injection	VED list
20	Fampridine	Impaired walking in adult patients with multiple sclerosis	Tablets	VED list
21	Esmolol	Supraventricular tachycardia, atrial fibrillation and atrial flutter	Solution for intravenous injection	VED list
22	Diclofenac	Diseases of the musculoskeletal system	Film-coated enteric tablets with prolonged release	Inclusion of the dosage form in VED list
23	Piribedil	Parkinson's disease	Film release coated sustained release tablets	Inclusion of the dosage form in VED list
24	N-(5-chlorpirydin-2-yl)-5-methyl-2-(4-(N-methyl-acetimidamido)benzamide hydrochloridum	Prevention of thrombotic complications of COVID-19	Tablets of intestinal substitute coated by film shell	VED list

ent: by 19% in packages and by 4.7% in roubles against 2020.

Price index for drugs on the retail market

For an objective analysis of changes in the prices for drugs in the retail segment of the pharmaceutical market, we have studied the price index measured on the basis of a fixed list of finished pharmaceutical products.

In December 2024, prices rose by 7.8% against December 2023, whereas a year earlier that indicator was at 8.6%. Drug price inflation was observed throughout the year. There was even no traditional summer price reductions to stimulate demand for drugs. The price index growth was highest in February (+1.8%) and in October (+1.2%).

In 2024, inflation for drugs was lower than the overall consumer price index reported by Goskomstat (the State Statistics Service) (9.52%).

Figure 15 shows the overall consumer price index and price indices for individual categories of goods and services.

In 2024, the State Statistics Service estimated inflation at 9.52%. Price growth was significantly higher than the official forecasts of the Ministry of Economic Development in September (7.3%) and the Bank of Russia in October (8-8.5%); and at the beginning of the year, the indicator was at the level of 4-4.5%. However, both agencies revised their estimates by December; the Central Bank was even more pessimistic and expected prices to rise by 9.6-9.8%.

The consumer price index increased again in 2024 but failed to exceed the 2022 figure (2019 – 3%; 2020 – 4.9%; 2021 – 8.4%; 2022 – 11.9%; 2023 – 7.4%).

According to the State Statistics Service, the highest growth was in prices for services, by 11.5%, for food and gasoline, by 11.1%. These figures were 3.2%, 2.9% and 3.9% above the level

Figure 15

Consumer price index in Russia

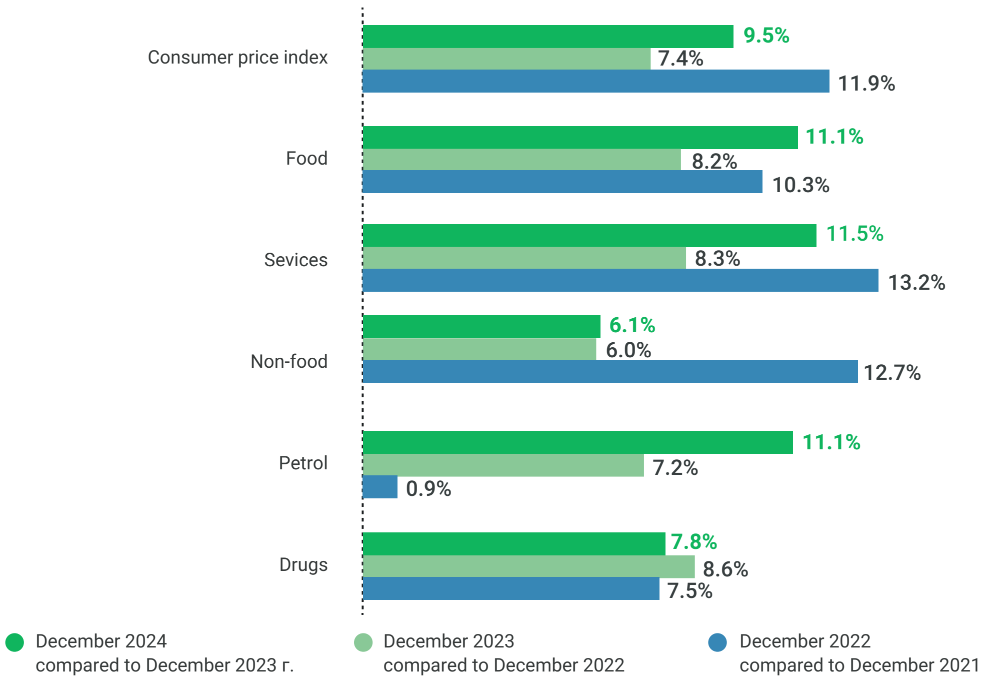


Table 7

Top 20 INNs on the VED list, by value sales, 2024

Ranking	Change compared to 2023	INN	Sales, billion roubles	Share in sales of VEDs, roubles	Leader among brands within INN
1	-	Xylometazoline	**23.0**	**4.2%**	Snup
2	-	Ibuprofen	**17.5**	**3.2%**	Nurofen
3	-	Rivaroxaban	**17.1**	**3.2%**	Xarelto
4	+1	Apixaban	**15.5**	**2.9%**	Eliquis
5	-1	Pancreatin	**14.2**	**2.6%**	Kreon
6	+1	Ursodeoxycholic acid	**12.9**	**2.4%**	Ursosan
7	-1	Bisoprolol	**12.2**	**2.2%**	Concor
8	+1	Ademetionine	**11.2**	**2.1%**	Heptral
9	+7	Budesonide	**10.2**	**1.9%**	Pulmicort
10	+169	Semaglutid	**9.6**	**1.8%**	Semavik
11	-1	Omeprazole	**9.5**	**1.8%**	Omeprazole
12	-1	Ethylmethylhydroxypyridine succinate	**9.1**	**1.7%**	Mexidol
13	-5	Umifenovir	**8.5**	**1.6%**	Arbidol
14	-2	Atorvastatin	**8.3**	**1.5%**	Atorvastatin
15	+3	Amoxicillin + [Clavulanic acid]	**8.3**	**1.5%**	Amoksiklav
16	+8	Dapagliflozin	**8.1**	**1.5%**	Forsiga
17	-4	Imidazolyl ethanamide pentandioic acid	**7.0**	**1.3%**	Ingavirin
18	-4	Losartan	**6.9**	**1.3%**	Losartan
19	+1	Tamsulosin	**6.2**	**1.1%**	Omnic
20	-3	Moxonidine	**6.1**	**1.1%**	Moxonidine

Table 8

Top 20 new brands by value sales on the commercial market, 2024

Ranking	Brand	Manufacturer	Sales, million roubles	Date of appearance in pharmacies
1	Semavik	Gerofarm	**6 241.6**	January 2024
2	Lumykras	Amgen	**102.3**	July 2024
3	Biotinal B7	Polpharma	**98.6**	May 2024
4	Aklief	Galderma	**59.5**	July 2024
5	Welgia	Promomed Rus	**51**	December 2024
6	Slabiprokt	Binnopharm Group	**37.4**	July 2024
7	Akrimicol	Polpharma	**34.2**	April 2024
8	Kombonefron	Obnovlenie MPC	**31.5**	April 2024
9	Stezium	Valenta Pharm	**29.9**	February 2024
10	Eladis	Valenta Pharm	**29.4**	May 2024
11	Muslaxin	Dr.Reddy's	**27.7**	July 2024
12	Magaplon	Pharmacy Service Plus	**26**	February 2024
13	Telinstar	KRKA	**26**	May 2024
14	Doneepesil	Canonpharma Production	**21.1**	February 2024
15	Skimazol	SK Meditek	**20.6**	June 2024
16	Novekskold	Herbion Pakistan	**18.5**	April 2024
17	Sertraline	Canonpharma Production	**16.9**	January 2024
18	Soligamma	Woerwag Pharma	**16.9**	July 2024
19	Glipvilo	KRKA	**16.7**	March 2024
20	Ftortiazinon	NRCEM named after N.F. Gamaleya MH RF FSBI	**16.4**	July 2024

of the previous year, respectively. The lowest growth was in prices for non-foods (6.1%).

New drugs on the retail market

In 2024, about 400 new drug brands (300 INNs and 28 non-INN brands) appeared on the retail pharmaceutical market. At the end of the year, the sales of new drugs totalled 7.8 billion roubles or 2.7 million packages, which is 0.5% and 0.1% of the total pharmacy sales of all drugs by value and volume, respectively. The weighted average price per package of new drugs was 2,854 roubles. Compared to 2023, more new drugs appeared and their sales were higher.

New items include 145 brands of imported drugs, 243 brands of Russian drugs and 14 brands of localized drugs. Among new drugs, the share of those produced in Russia was 91.6% in value terms and 81.8% in volume terms.

Most new brands are prescription drugs. Rx drugs account for 94% of all new product sales in value terms; however, their share in volume terms is slightly lower at 67.2%.

Of the 400 brands, 36 are original drugs, 4 of which were among the top 20 new products. These are the antineoplastic agent Lumykras from Amgen, the acne treatment drug Aklief from Galderma, the cough medicine Eladis from Valenta Pharm, and the antibiotic Fluorothiazinone from the Gamaleya National Center of Epidemiology and Microbiology of the Ministry of Health of the Russian Federation.

Most (11 names) of the presented top 20 2024 new brands on the commercial market in value terms are new drugs from Russian manufacturers.

For the first time, 3 drugs for type 2 diabetes were in the top 20 at the same time: Semavik from Gerofarm (No. 1 in the ranking), Welgia from Promomed Rus (No. 5) and Glipvilo from KRKA (No. 19). The active ingredient of Semavik and Welgia, semaglutid, is prescribed in the therapy of type 2 diabetes, but is most often used for weight loss. Semavik was registered in October 2023 and has been selling well in pharmacies since January 2024, setting a record for retail sales in value terms: with a weighted average price of 5,607 roubles per package, annual sales exceeded 6 billion roubles.

Welgia was registered a year later than Semavik, in October 2024, and did not appear on pharmacy shelves until December 2024. Due to high consumer demand, sales of the drug reached 51 million roubles in a short period of time, with a weighted average price comparable to analogs – 5,747.25 roubles per package. It is worth noting that Welgia is not the first drug with semaglutid as an active ingredient sold by Promomed Rus. Sales of Queensenta, a generic version of Ozempic, began in late 2023. Welgia can be called a generic version of the drug Wegovy, which has never been registered in the Russian Federation. The main difference between Wegovy and Ozempic and, by extension, Welgia and Queensenta or Semavik is the increased dosage of semaglutid, which allowed for a change in indications for use. Previously, drugs containing semaglutid were indicated to improve glycemic control and reduce the risk of cardiovascular disease in patients with diabetes, but now Welgia is primarily indicated for weight control.

Glipvilo from KRKA, which contains the active ingredient vildagliptin, has been used successfully in the treatment of type 2 diabetes for more than fifteen years. The weighted average price of Glipvilo is 529.57 roubles, which gives it an advantage over other drugs with the same active ingredient, the prices of which range from 543.44 to 1,134.53 roubles.

The fact that three drugs for the treatment of type 2 diabetes are in the top 20 new brands at the same time is a natural reflection of the global problem of recent decades – a steady increase in the number of overweight people who, as a result, develop type 2 diabetes. According to 2024 statistics of the Ministry of Health, about 40 million Russians are obese, more than 5.3 million are in follow-up care for diabetes, including 4.9 million with type 2 diabetes.

In the second place of the top 20 is Lumykras, an original drug produced by the Dutch company Amgen. Its active ingredient sotorasib is designed to treat advanced stage non-small cells lung cancer with KRAS mutations when it has spread to other organs. Lumykras is the first drug registered in Russia that inhibits KRAS mutations, and its sales reached 102.3 million roubles.

From 2020 to 2023, new drugs in the pharmaceutical market always included antivirals, but in 2024, the focus shifted to drugs targeting conditions that negatively affect appearance. This is evidenced by the fact that weight loss and body shaping products, vitamins for alopecia and retinoids for acne appear in the top 20.

Thus, the third place in the ranking is held by the brand Biotinal B7 owned by the company Polpharma. The drug contains biotin, a water-soluble B vitamin, and belongs to vitamin products. The main indication is the correction of biotin deficiency, which is characterized by diffuse alopecia, impaired hair and nail growth and degenerative hair changes. Currently, Biotinal is the only registered monopreparation of biotin in Russia.

Aklief is an original drug developed by the Swiss company Galderma. It is a topical cream intended for the treatment of moderate to severe acne. Its active ingredient is tripharotene, a fourth-generation retinoid. Although the drug was registered in September 2022, it did not become commercially available until July 2024, showing relatively strong sales. Aklief ranks 4th with sales totalling 59.5 million roubles.

In 2024, after a three-year break, Valenta Pharm had 2 drugs in the top 20 new brands at the same time: Stezium and Eladis. The former belongs to the group of centrally acting muscle relaxants, has an analgesic effect and is prescribed for diseases of the musculoskeletal system. Eladis is an original drug, contains the active ingredient N-[2-(1H-Imidazol-4-yl)-ethyl]-6-oxo-delta-lactam and is prescribed for a dry and non-productive cough. The drugs entered the market 3 months apart, but rank next to each other in terms of sales (29.9 and 29.4 million roubles, respectively).

Apart from Eladis, another top-selling original drug developed in Russia is worth mentioning. Fluorothiazinone, which is developed by the Gamaleya National Center of Epidemiology and Microbiology of the Ministry of Health of the Russian Federation, is intended to treat infections caused by multidrug-resistant bacteria. According to the manufacturer, fluorothiazinone has a different mode of action from other antibiotics because it suppresses the virulence of bacteria instead of killing them. The drug is available in tablet form, which makes it convenient to take.

The drug whose appearance in the top 20 should not go unnoticed is Sertraline from Canonpharma Production. It belongs to the group of selective serotonin reuptake inhibitors and is prescribed for the treatment of depression and anxiety disorders. Sales of antidepressants have been growing since 2022, which causes new drugs of the group to appear on the Russian market. Sertraline is a generic version of the original Zoloft, which periodically disappears from the shelves of Russian pharmacies due to logistical problems.

3. Drug reimbursement programme (DRP)

Provision of life-saving drugs for free to benefit-entitled social categories is part of welfare plans. In 2024, the number of contracts performed under subsidized programmes was 5.5% lower in value terms than in the previous year, and the share of the subsidized segment in the total volume of the pharmaceutical market also declined, from 15% in 2023 to 12.9% at the end of 2024.

The provision of drugs to benefit-entitled social categories is financed from budgets at different levels:

- at the federal level – under two programmes, the Essential Drug Coverage (EDC) and the High-Cost ICD.
- at the regional level – purchases regulated by Order No. 890 of the Government of the Russian Federation dated July 30, 1994 "Concerning the State Support for the Development of the Medical Industry and the Enhancement of Provision of the Population and Health Care Institutions with Medicines and Medical Products", as well as purchases of orphan drugs, which are subject to the regulatory and legislative acts of the subjects of the Russian Federation (Regional Drug Reimbursement Programmes).

Back in 2021, there were plans to accumulate all data on those who are entitled to drug reimbursements. The Russian Ministry of Health was expected to come with a federal register of benefit-entitled categories before the end of 2024.

Most of the federal funds are allocated for the "High-Cost ICD" sub-programme. Now it covers 14 codes and drugs under 46 INNs.

Previously, each sub-programme had its own list of drugs to be procured, but since 2021, all lists except for the High-Cost ICD have been eliminated. It became difficult to put new drugs on the lists. In 2022-2023, none of the recommended drugs was added under the High-Cost ICD programme. In August 2024, the Russian Ministry of Health Commission recommended that daratumumab in a new dosage form (solution for injection) and the monoclonal antibody isatuximab to treat multiple myeloma be added to the High-Cost ICD list. Both drugs were added to the list at the beginning of 2025 (Government Order No. 10-r of January 15, 2025).

In 2024, 124.7 billion roubles were budgeted by the government for the federal programmes on centralized purchasing of drugs for HIV infected patients and 14 High-Cost ICD Codes and preventive vaccination programmes. The draft law did not specify the ratio of the allocation of costs among the programmes.

In 2024, 82.8 billion roubles were actually spent on the High-Cost ICD programme, 3.6% less than in the previous year. Volume sales were 4.3 million packages (-10.3% compared to 2023). Some of the patients aged 18-19 years old were now under care of the "Krug Dobra" foundation and the expenditures on High-Cost ICD stopped increasing annually.

The Essential Drug Coverage (EDC) programme is governed by Federal Law No. 178-FZ dated July 17, 1999 «Concerning the Government Social Assistance" and encompasses 9 social categories: disabled, disabled children, disabled war veterans, World War II participants, combat veterans, and others.

More recently, the rates of expenditures on social assistance to benefit-entitled categories are indexed every year. In 2023, the government changed the indexing approach. Now, the rates are increased pro rata to the consumer price inflation – accordingly, in 2024, they were increased by the 2023 inflation index (7.4%). From February 1, 2024, the amount of compensation grew by 83.5 roubles to 1,211.3 roubles per person a month (Government Order No. 454 of April 11, 2024). In 2025, it is expected to increase by 9.5%.

The funds are allocated to purchase medical devices and drugs for benefit-entitled categories and special foods for disabled children. In June 2023, the government revised the rules of making a list of special medical foods for disabled children. It was ordered that the list be now updated twice a year, and not only once a year as before. In September 2024, three new product items were added to the list of special foods for disabled children, and the list comprised as many as 114 names. The list was last updated last December. It comprised the Alfare Gastro formula with human milk oligosaccharides, the Frebini Energy Drink used in tube-feeding of children with cystic fibrosis, and Bephenilan used in the dietetic medical nutrition of patients with phenylketonuria.

Medical foods and substitution of imported foods are one of the prioritized objectives in the pharmaceutical industry. Hence, in the summer 2023 the government put companies providing medical foods and specializing in enteral nutrition techniques for patients with orphan and other severe diseases on the list of manufacturers entitled to concessional investment loans.

At the beginning of 2024, it was reported that Tekhnologii Biosinteza (Biosynthesis Technologies) (65% are owned by Skopinpharm) was going to set up special medical parenteral and integral nutrition production facilities in Krasnogorsk (a few miles of Moscow), within the Nakhabino Industrial Park. Investments in the project are estimated to be worth 1.3 billion roubles. A 2.8 ha site for the construction of the plant was allocated under the "Land for One Rouble" programme. The plant is projected to be commissioned in 2026.

Operations under another project that was supposed to be launched in the Moscow Oblast as far back as 2020 were also resumed. 11.2 billion roubles will be invested in setting up a hi-tech site for the full-cycle production of powdered infant formulas to substitute for breast milk and to be made of ingredients produced in Russia. The facility is projected to be completed and commissioned in 2027.

All in all, 57.9 billion roubles were budgeted in 2024 at the federal level for providing benefit-entitled categories with free drugs, medical devices and medical foods.

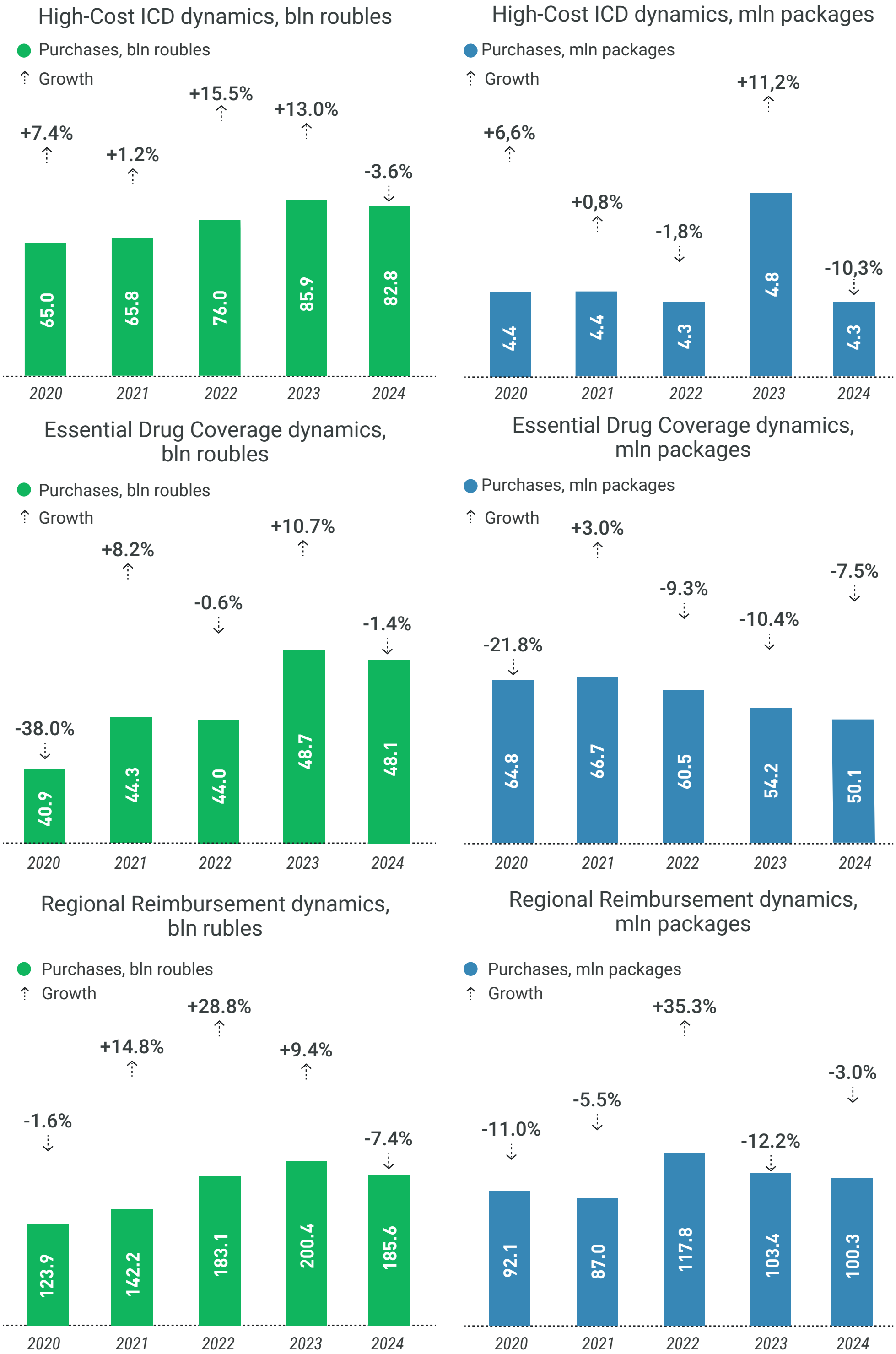
Drugs purchased in 2024 under the EDC programme were worth a total of 48.1 billion roubles (-1.4%). Decline was observed in volume terms, the number of purchased packages was 7.5% lower than in 2023 and the segment shrank in the end to 50.1 million packages.

Regional subsidized programmes are regulated by the laws of the subjects of the Russian Federation. According to the DSM Group's estimates, the scope of the regional programmes is comparable to that of the federal programme, and in the last 5 years goes beyond it. A considerable proportion of the regional funding is allocated to orphan diseases.

In 2024, the Russian Ministry of Health updated the list of orphan diseases and extend-

Figure16

Dynamics of costs under reimbursement programmes, 2020-2024



ed it to 296 names. In May, 4 new diseases were added to the list: Miller-Dieker syndrome, Bloch-Sulzberger syndrome, Pfeiffer syndrome, and Smith-Magenis syndrome; in June: microscopic polyangiitis; and December — another three ICD codes: eosinophilic esophagitis, STXBP1 encephalopathy with epilepsy, and Phelan-McDermid (22q13 deletion) syndrome.

It is common practice that federal-level benefit-entitled patients opt for monetary payments rather than compensations in kind. At the same time, they remain entitled to regional benefits and, therefore, must be provided with expensive drugs. This issue is periodically discussed by the government: it is proposed to federalize expenditures on the treatment of orphan diseases.

It must be said that a partial solution has been found. In the last few years, it has become easier for orphan patients to get expensive innovative drugs with benefits thanks to the "Krug Dobra" foundation established in 2021 (for more detail, see the next section of the report). The rate of incidence of orphan diseases

Figure 17

Drug Reimbursement Programme dynamics, 2020-2024

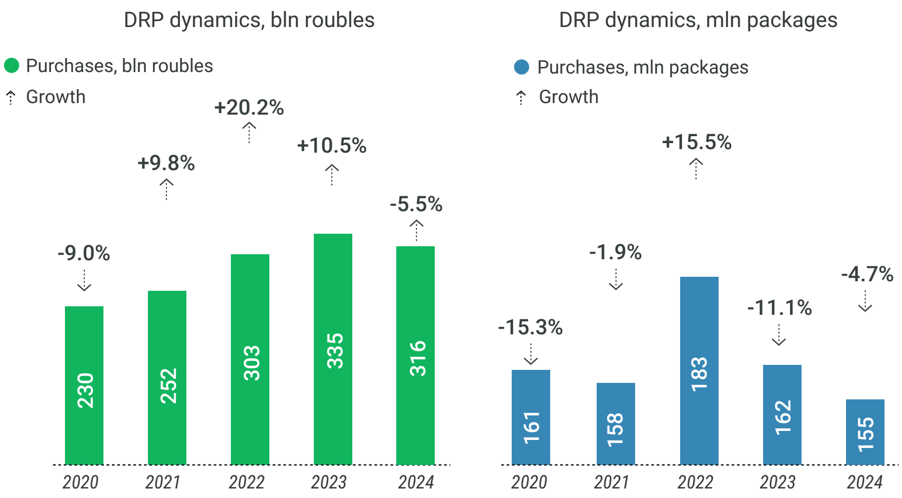
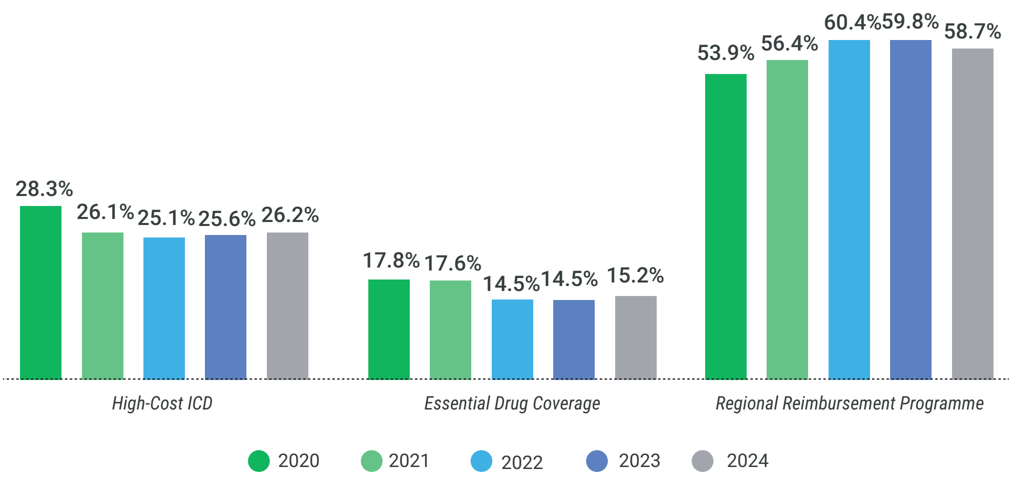


Figure 18

Proportion of costs under High-Cost ICD, Essential Drug Coverage and Regional Reimbursement programmes in the total value of spending in the subsidized drug segment, 2020-2024



in children grows from year to year, yet, most of such children survive into adulthood. But when a patient reaches the age of 19 years old, his or her treatment can no longer be financed by the foundation, and this affects the continuity of drug therapy for such patients.

In 2023-2024, patients made an intensive effort to sue out for the drugs they need. In September, the Constitutional Court (the CC) ordered to set up a mechanism for providing patients with orphan diseases with drugs when the regional government lacks public funds to purchase the drugs. The CC's order was in response to the complaint of the State Council of Tatarstan about provisions of the law on the fundamental healthcare principles. As a result, the Ministry of Health came up with draft amendments to Federal Law No. 323 "Concerning the Fundamental Healthcare Principles". Now, if a region lacks funds to pay for the treatment of patients with rare diseases, expensive drugs for them will be federally funded.

In 2024, drugs purchased in the regional drug reimbursement segment were worth 185.6 billion roubles (-7.4% compared to 2023), which makes 100.3 million packages (-3%).

Among the reasons for the decline are the optimization of purchases and activities of tender commissions. Let us note that in packages the decline was only 3%, i.e. the rate of consumption varied little from that in 2023.

At year-end 2024, the total volume of drug purchases for benefit-entitled social categories was 155 million packages worth 316 billion roubles. By value, the subsidized segment of the pharmaceutical market decreased by 5.5% compared to 2023. The volume of purchased packages also dropped off – by 4.7%. The analytical data show payments and supplies under contracts performed in the specified period.

By analysing reimbursement programmes individually, we can see that the market trend of the recent years towards an increase in the share of regional reimbursement was no longer observed in 2024. Now it accounts for 58.7% of the total subsidized segment funding. The shares of High-Cost ICD and EDC grew in 2024 to 26.2% and 15.2%, respectively.

Imported/localized drug ratio in drug reimbursement

Drug reimbursement programmes largely procure expensive original drugs, most of which are imported. In 2024, we can see that the share of imported drugs in total purchases increased by 1.8% in roubles and by 0.5% in packages.

Imported drugs prevail in value (64.8%), while in volume drugs made in the territory of Russia account for 82.6% of sales (Figure 19).

In absolute terms, consumption of localized drugs decreased by 10.1% in roubles and by 5.3% in packages. The cost of purchasing imported drugs was also 2.9% lower than in 2023 in value terms, the volume purchases decreased by 2.1%.

Excluding foreign drugs made in Russia, domestic drugs would have accounted only for 27.9% in roubles. Thus, the process of "localization" drives the indicator up by 7.3%.

According to the 2024 data, the price of a localized drug was about 871.2 roubles whereas the average price of an imported drug was 7,632.9 roubles.

The ratio of sales of imported and localized drugs under 14 ICD Codes, Essential Drug Coverage

Figure 19

Imported/localized drug purchases ratio, 2024

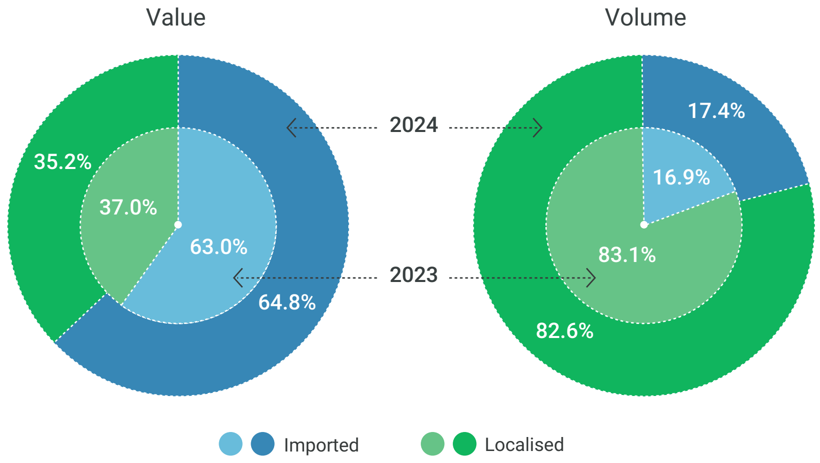
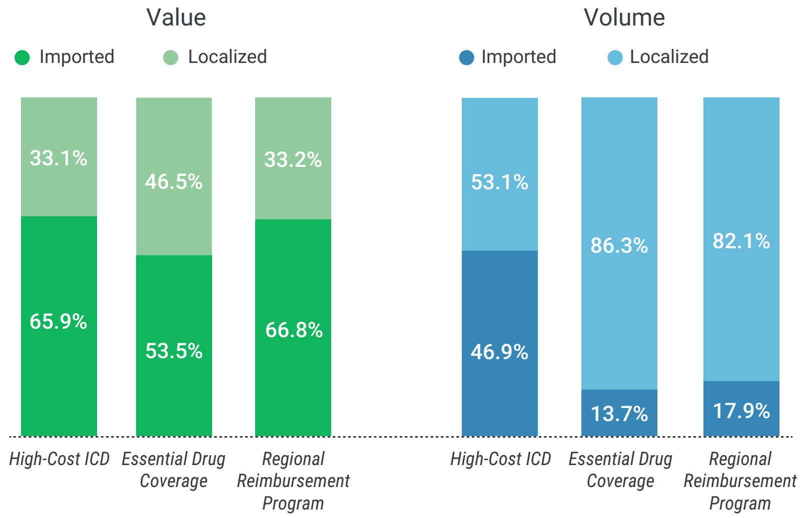


Figure 20

Imported/localized drug purchases ratio under sub-programmes, 2024



and Regional Drug Reimbursement programmes is shown in Figure 20.

In the DRP corresponding to high-cost codes, the volume share of localized drugs increased by 7.9% compared to 2023, to make for 53.1%. So, it is localized drugs that now prevail in the segment with the highest share of imported drugs in packages (in roubles, their share is much lower – 33.1%).

Under the Essential Drug Coverage programme, the share of localized drugs increased by less than 1% and amounted to about 46.5% in value, and to 86.3% in packages.

In the regional disbursement programmes, imported drugs prevail in terms of value (66.8%), with a considerable increase in their share – by 2.7% compared to the previous year. In packages, localized drugs account for 82.1% (-1.2% compared to 2023).

Below are the top 10 INNs (out of the top 100 by sales in roubles), with respect to which a noticeable shift from imported to localized drugs was observed.

Two INNs that were represented already mainly by localized drugs (highlighted in green) rank in 2024 by the growth of the share of drugs made in Russia. It means that within these INNs Russian drugs were already far ahead by purchase volumes last year. These are interferon beta-1a and insulin lispro.

For the second year in a row, among the ranked drugs are: eltrombopag, with a 23.1% increase in the share of localized drugs, and insulin lispro, with an 8.5% increase.

The ranking includes drugs in the following therapeutic groups: haemostatic agents for the treatment of type A hemophilia (clotting factor 8) and idiopathic thrombocytopenic purpura (romiplostim and eltrombopag); immunodeficiency disorders (human normal immunoglobulin); immune system disorders such as rheumatoid arthritis and psoriasis (etanercept); multiple sclerosis (interferon beta-1a); cancer (goserelin, nilotinib, and ruxolitinib); and diabetes (insulin lispro).

Rx/OTC drugs ratio in drug reimbursement

Drug reimbursement programmes offer mainly Rx drugs that are prescribed strictly according to indications.

In 2024, Rx drugs made for 99.4% in value terms (+0.3% compared to 2023), and for 93.5% (+0.6%) in volume terms.

Structure of sales of drugs under drug reimbursement programmes (DRP) by ATC codes

The ratio of drug purchases in Russia under DRP by ATC codes, 1st level, for 2024 is shown in Table 10.

The ATC code ranking in terms of sales under the DRP is quite stable. ATC code [N] Nervous system went 2 position lines down in the ranking due to a 37.2% decline in purchases compared to 2023. In value terms, the market is fairly highly concentrated – the top three ATC codes account for 80.3% of the market.

ATC code [L] Antineoplastic and immunomodulating agents remains the most funded code under the DRP. In 2024, around 45.8% of the total public funds were spent on their purchas-

Table 9

Top 10 INNs in terms of import substitution, 2024

INN	Share of localized drugs in roubles		Share growth	Leader in 2023 (manufacturer)	'Shift' drug in 2024 (manufacturer)
	2023	2024			
Nilotinib	3.7%	78.3%	+74.6%	**Tasigna** (Novartis)	**Nilotinib** (Amedart)
Coagulation factor VIII	0%	47.2%	+47.2%	**Nuvik** (Octapharma), **Emoclot** (Kedrion)	**Eitoplazm** (Pharmstandart)
Romiplostim	3.9%	49.7%	+45.8%	**Enpleyt** (Amgen)	**Steamplate** (Generium)
Eltrombopag	33.9%	57.1%	+23.1%	**Revoleyd** (GlaxoSmithKline)	**Eltrombopag** (February 29), **Elbigem** (Pharmasyntez)
Ruksolitinib	0%	18.8%	+18.8%	**Jakavi** (Novartis)	**Ruksolitinib** (Repart)
Goserelin	25.3%	43.1%	+17.8%	**Zoladex** (AstraZeneca)	**Goserelin** (Pharmstandart)
Immunoglobulin human normal	20.9%	35.7%	+14.8%	**Immunoglobulin** (Sygardis Laboratories), **Privigen** (CSL Behring)	**Immunoglobulin** (Natsimbio), **Gabreglobine** (Immuno-Gem)
Interferon beta-1a	51.3%	61.6%	+10.3%	**Teberif** (Biokad)	**Teberif** (Biokad)
Etanercept	24.3%	33.7%	+9.3%	**Enbrel** (Pfizer)	**Rivia** (Rus Biopharm)
Insulin lispro	83.3%	91.8%	+8.5%	**Rinliz** (Gerofarm)	**Rinliz** (Gerofarm)

Table 10

Drug purchases structure, by ATC code, DRP market, 2024

ATC codes 1st level	Value purchases, mln roubles	Share in value terms	Volume purchases, mln packages	Share in volume terms
[L] Antineoplastic and immunomodulating agents	144,949	45.8%	9.2	5.9%
[A] Alimentary tract and metabolism	61,593	19.5%	60.8	39.3%
[B] Blood and blood forming organs	47,620	15.1%	10.9	7.1%
[R] Respiratory system	15,458	4.9%	9.2	6.0%
[J] Antiinfectives for systemic use	11,215	3.5%	1.7	1.1%
[M] Musculoskeletal system	8,987	2.8%	2.1	1.4%
[C] Cardiovascular system	8,939	2.8%	40.3	26.1%
[N] Nervous system	7,690	2.4%	15.6	10.1%
[H] Systemic hormonal preparations, excluding sex hormones	4,068	1.3%	1.2	0.8%
[V] Various	2,685	0.8%	0.9	0.6%
Non-ATC	1,602	0.5%	0.1	0.0%
[D] Dermatologicals	1,070	0.3%	0.2	0.1%
[G] Genitourinary system and sex hormones	284	0.1%	0.8	0.5%
[S] Sensory organs	225	0.1%	1.5	1.0%
[P] Antiparasitic products, insecticides and repellents	20	0.0%	0.1	0.1%

es. This the most high-priced drug group in DRP — the average weighted price per package was 15,752 roubles. Costs on the purchases of these drugs remained at the level of 2023. At the same time, their purchases in packages grew by 5.1%. In 2024, Russian Generium's Elizaria (INN-Eculizumab) ranks first, accounting for 8.4%, the purchases of the immunosuppressant decreased by 12.2%. Second- and third-ranking are F.Hoffmann-La Roche's Ocrevus (INN-Ocrelizumab) for patients with multiple sclerosis, and Astellas' antineoplastic antiandrogen Xtandi (INN-Enzalutamide). The drugs account for approximately 6.3% and 5.6%, respectively, of the value sales in ATC code [L].

The purchases of the second-ranking ATC code are less than half the leader's. In 2024, it is [A] Alimentary tract and metabolism (19.5% in roubles). The drugs of this code dispensed in packages exceed by 2.1% those recorded in the previous year. At the same time, the spending dropped by 2.4% in roubles. About 76.4% in the code are drugs used in diabetes [A10]. In 2024, the leader in this sub-group in terms of value sales was AstraZeneca's Forxiga (INN-Dapagliflozin). Sanofi's Toujeo SoloStar (INN-Insulin glargine) and Boehringer Ingelheim's Jardiance (INN-Empagliflozin) ranked second and third, respectively.

The third-ranking is ATC code [B] Blood and blood forming organs (15.1%). In 2024, the volume of [B] code shrank by 13.9% in value terms. In packages, the purchases decreased by 3%. The year-end major drugs in the code were the haemostatic agents F.Hoffmann-La Roche's Hemlibra (INN-Emicizumab) and Swedish Orphan Biovitrum's Eloctate (INN-Efmoroctocog alfa), and Bayer's anticoagulant Xarelto (INN-Rivaroxaban).

The share of the 5 key codes in value grew by 1.7%, to come to around 88.8%. All the key codes dropped in purchase volumes. The biggest drops in sales were in ATC code [B] (-13.9%), its share also shrank over the year by 1.5%. Drugs in the ATC code Blood and blood forming organs are sold mainly under the High-Cost ICD programme. On the whole, the structure of purchases changed in favour of antineoplastic and immunomodulating agents: their share grew by 2.5% though the allocated funding did not change compared to the previous year.

Let us see how much money is spent under DRP for the treatment of main diseases groups. For this purpose, we correlated drugs with indications. This resulted in the following ranking of DRP costs by disease (Table 11).

For several years in a row, the top-ranking are drugs used to treat malignant tumours since oncology is, as before, a priority area. The leader accounts for 26.5% of the value purchases in the entire DRP segment. 75.8% of drugs are dispensed under the Regional Drug Reimbursement programme. In 2024, this group went negative but insignificantly, having lost 1.6% compared to the previous period.

Drugs for the treatment of immunologic diseases rank second with a 19.3% share, their purchases increased by 2.2%. Most of costs fall within the High-Cost ICD segment (58.2%).

In 2024, antidiabetic drugs moved up to rank third (their share grew by 0.3% to 15.2%): they were dispensed mainly under the regional programmes (83.1%). At the same time, sales of drugs used in diabetes declined by 3.5% compared to 2023.

Worth mentioning by an increase in purchases are drugs used to treat skin diseases (+9.4%): their purchases grew much more than purchases of other drugs thanks to the increased spending on the interleukin inhibitor Dupilumab (+30.6%), which is indicated to treat atopic dermatitis, prurigo nodularis, eosinophilic esophagitis, as well as an add-on maintenance treatment for bronchial asthma, COPD, and rhinosinusitis with nasal polyps. Its INN is Sanofi's Dupixent.

Table 11

DRP costs ranking by disease, 2024

Disease	Purchases, mln roubles	Growth compared to 2023	Share		
			High-Cost ICD	Essential Drug Coverage	Regional Drug reimbursement
Oncological diseases	**83,973**	**-1.6%**	**15.0%**	**9.2%**	**75.8%**
Immunologic diseases	**60,976**	**2.2%**	**58.2%**	**10.4%**	**31.4%**
Diabetes mellitus	**48,077**	**-3.5%**	**-**	**16.9%**	**83.1%**
Diseases of blood and blood forming organs	**47,554**	**-12.8%**	**53.7%**	**15.6%**	**30.7%**
Respiratory diseases	**15,458**	**-1.3%**	**6.7%**	**16.6%**	**76.7%**
Gastrointestinal diseases	**14,274**	**-1.6%**	**54.3%**	**12.7%**	**33.0%**
Diseases caused by various infectious agents	**11,228**	**-10.6%**	**-**	**25.6%**	**74.4%**
Musculoskeletal disorders	**8,987**	**-16.4%**	**-**	**20.4%**	**79.6%**
Cardiovascular diseases	**7,948**	**0.5%**	**-**	**40.2%**	**59.8%**
Nervous disorders	**7,690**	**-37.2%**	**-**	**29.1%**	**70.9%**
Other	**4,843**	**-8.9%**	**-**	**38.8%**	**61.2%**
Hormonal disorders	**4,068**	**-21.5%**	**9.1%**	**41.6%**	**49.2%**
Skin diseases	**1,070**	**9.4%**	**-**	**22.0%**	**78.0%**
Eye diseases	**224**	**-30.0%**	**-**	**17.0%**	**83.0%**
Male and female reproductive disorders	**34**	**-86.6%**	**-**	**19.4%**	**80.6%**

Table 12

Top 20 drug manufacturers by DRP consumption, 2024

Ranking	Change compared to 2023	Manufacturer	Purchases, mln roubles	Share	Growth compared to 2023
1	+1	F. Hoffmann-La Roche	26,045	8.2%	11.3%
2	+3	AstraZeneca	22,930	7.2%	16.1%
3	-2	Johnson & Johnson	21,966	6.9%	-7.0%
4	-1	Generium	19,513	6.2%	-13.6%
5	-1	Novartis	16,898	5.3%	-22.5%
6	-	Sanofi	12,818	4.1%	-14.5%
7	-	Takeda	12,561	4.0%	-11.3%
8	+1	Astellas	11,210	3.5%	20.9%
9	+2	Boehringer Ingelheim	9,644	3.0%	9.6%
10	-2	Pfizer	8,878	2.8%	-13.0%
11	+1	Biokad	8,866	2.8%	1.0%
12	+2	Bayer	7,884	2.5%	10.8%
13	-3	Novo Nordisk	6,907	2.2%	-22.8%
14	+4	AbbVie	6,628	2.1%	33.0%
15	-2	Pharmasyntez	6,383	2.0%	-15.2%
16	+3	Pharmstandart	6,013	1.9%	21.2%
17	-2	Rus Biopharm	5,936	1.9%	-15.4%
18	-1	Gerofarm	5,714	1.8%	-1.8%
19	-3	GlaxoSmithKline	5,046	1.6%	-25.7%
20	+6	Vertex Pharmaceuticals	4,988	1.6%	43.5%

The brand is largely purchased by the regions.

The heaviest decline was for drugs used in the treatment of male and female reproductive disorders (-86.6%) due to the decreased purchases of the hormone progesterone (-99.4%) and the follicle-stimulating hormone follitropin alfa (-99.8%).

Purchases of drugs used to treat nervous disorders declined by 37.2%: paliperidone for the treatment of schizophrenia, which was the leader in the group a year earlier, saw an eight-fold decrease in sales (-87.6%).

Manufacturers in the DRP segment

Table 12 shows the top 20 manufacturers leading in 2024 by the consumption volume in DRP in value terms.

In 2024, drugs under the Drug Reimbursement Programme were purchased from 381 manufacturers. Only 37 companies are involved in the High-Cost ICD programme; 249 participate in the Essential Drug Coverage schemes; regionally subsidized drugs are purchased from 372 companies. This is due to the fact that lists of drugs under High-Cost ICD programmes are legislatively regulated whereas other schemes offer benefits according to the needs of each patient.

There are significant changes in the ranking: only 2 companies managed to maintain their last year's positions. The ranks of the others changed. Owing to a 11.3% increase in purchases, F.Hoffmann-La Roche (8.2% in roubles of reimbursed drugs) moved up from the second position to rank first. Almost all of the manufacturer's drugs are original. In total, the government purchases about 26 drug brands from the company. The growth in sales was mainly on account of the increased spending on the purchases of the monoclonal antibody Enspryng (+75.2% compared to 2023) to treat neuromyelitis optica, the antineoplastics Erivedge (+54.2%) to treat metastatic or locally advanced basal cell carcinomas and Alecensa (+51.1%) to treat non-small cell lung cancer. Negative trends were observed in: the monoclonal antibody Actemra (-37.3%) indicated for the treatment of a variety of diseases such as rheumatoid arthritis, giant

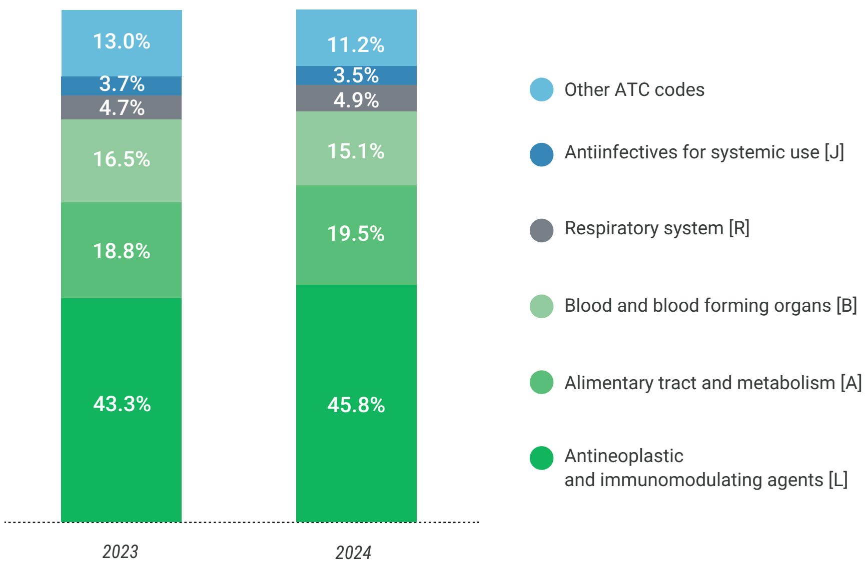


Figure 21

DRP costs ratio, by ATC code, 2024

cell arteritis, polyarticular and systemic juvenile idiopathic arthritis, the novel coronavirus infection COVID-19, and the cytokine release syndrome; the erythropoiesis-stimulating agent Mircera (-26.5%) used to treat symptomatic anaemia associated with chronic kidney disease; the antineoplastic Zelboraf (-19.3%) indicated to treat unresectable or metastatic melanoma and the Erdheim-Chester disease with BRAF V600 mutation. Though F.Hoffmann-La Roche supplies under the High-Cost ICD programme only 4 brands, they account for 67.5% of the manufacturer's overall sales in the subsidized segment.

Over the year, AstraZeneca (7.2% in roubles) moved three position lines up to rank second. Compared to 2023, the company's sales grew by 16.1%. The number of the company's purchased drugs decreased from 34 to 30 brands, most of which are original. Greater demand was for the company's major drugs: the monoclonal antibody Enhertu (+351.2% compared to 2023) used in the treatment of several different cancer types, the protein tyrosine kinase inhibitor Koselugo (+153.4%) to treat symptomatic, unresectable plexiform neurofibromas in children of 3 years old and older with neurofibromatosis type 1, antiviral Daklavizar (+113.3%) to treat chronic hepatitis C. At the same time, there was a decline in the purchases of the gonadotrophin-releasing hormone analogue Zoladex (-21.7%) indicated to treat prostate cancer in men and breast cancer, endometreosis, and uterine fibroids in women, to thin the lining of the uterus before an endometrial ablation, for IVF; the antiplatelet agent Brilinta (-16%) to prevent atherothrombotic complications; the protein tyrosine kinase inhibitor Tagrisso (-9.7%) to treat non-small cell lung cancer. AstraZeneca is found only in two subsidized market segments – EDC and the regional drug reimbursement segment, with the regional expenditures making for 86.9% of the company's overall sales.

Last year's leader, Johnson & Johnson (7% in roubles), moved down to the third position. The manufacturer's sales decreased by 7% over the year. The range of drugs purchased under subsidized and reimbursement programmes comprised 29 brands. There was an increase in sales of 6 out of the 10 key brands of the company. The most purchased drugs were the antiandrogen Erleada (+67.6% compared to 2023) to treat prostate cancer, the interleukin inhibitor Tremfya (+55.6%) to treat plaque psoriasis and psoriatic arthritis, and Stelara (+29.8%) indicated for patients with Crohn's disease, ulcerative colitis, plaque psoriasis and psoriatic arthritis. The largest drop was in the purchases of the neuroleptic Rispolept (-69.2%) to treat and prevent acute forms of schizophrenia and schizoaffective disorders, the monoclonal antibody Darzalex (-30.3%) to treat multiple myeloma, and the immunomodulator Plegridy (-14.9%) to treat relapsing forms of multiple sclerosis. The highest share of the company's sales is in the regional drug reimbursement segment (50.8%) and High-Cost ICD (41.5%).

The manufacturers that gained in the ranking most of all were Vertex Pharmaceuticals (+6 position lines; +43.5% compared to 2023), AbbVie (+4 position lines; +33%), and Pharmstandard (+3 position lines; +21.2%).

Vertex Pharmaceuticals' portfolio comprises only 5 drugs. A significant increase compared to the previous year was in Trikafta's key brand (+207.6% compared to 2023) for patients with cystic fibrosis.

Argentina's Tuteur's Trilexa brand, an equivalent of the original drug Trikafta, was registered in November 2024. The day before the registration, FAS (the Federal Antimonopoly Service) refused to endorse the conclusion of 3 government contracts for supply of Trikafta, pleading that the purchase had been overpriced by the Ministry of Health and that an equivalent expected to be registered shortly would be much cheaper. The Federal Centre for Planning and Organisation of Drug Provision to Citizens that is supervised by the Ministry of Health and is in charge of purchases of drugs filed 3 lawsuits to the Moscow Arbitration Court to challenge FAS's decisions. As a result, one of the three challenges was successful.

After that, the Federal Centre for Planning and Organisation of Drug Provision to Citizens conducted six more tenders, upon which it was announced that the "Krug Dobra" foundation would be supplied with the already registered equivalent, Trilexa. Patients who had filed complaints did not agree to that. Also, FAS investigated six complaints from Sanofi Russia (representing Trikafta's manufacturer in Russia) against the decisions of the Federal Centre for Planning and Organisation of Drug Provision to Citizens that had purchased a generic drug, and held that the complaints were not adequately substantiated.

Out of AbbVie's 11 brands purchased under subsidized programmes, the overall performance is thanks to three key drugs: the cancer drug Venclexta (+33.9%) indicated for patients with leukemia, the immunosuppressant Rinvoq (+37.7%) to treat rheumatoid and psoriatic arthritis, axial spondylarthritis, atopic dermatitis, ulcerative colitis, and Crohn's disease, and the antiviral Mavyret (+86.3%) to treat chronic hepatitis C in children and adults.

75 brands of Russian Pharmstandard are purchased under subsidized programmes. A 21.2% increase in the purchases of the company's products was primarily on account of the new haemostatic agent Eightoplasm in the company's portfolio: its purchases under the High-Cost ICD programme in 2024 were worth over 1.3 billion roubles. Consumption of the brands such as Goserelin (+81.1%), Ipraterol (+49.2%), and Phosphogliv (+28.3%) increased, too.

In 2024, six Russian manufacturers entered the top 20 by value sales thanks to the import substitution scheme.

Table 13 shows the ranking of manufacturers participating in the 14 ICD Codes, Essential Drug Coverage and Regional Drug Reimbursement programmes.

Top-rated in all the programmes were foreign companies: in the 14 ICD Codes programme – F. Hoffmann-La Roche, in the EDC programme – Bayer, and in the Regional Drug Reimbursement programme – AstraZeneca. Several Russian manufacturers participate in each of the sub-programmes; most Russian manufacturers are found among the top 20 drug manufacturers in the Essential Drug Coverage segment (8 companies) and in the High-Cost ICD segment (6 companies). In Regional Drug Reimbursement programmes, five Russian manufacturers were among the top twenty.

Drugs in the DRP segment

Table 14 shows the ranking of brands leading by the value of purchases under DRP in 2024. In 2024, the top 20 brands accounted for 33.4% of the value volume, which is 2.9% more than a year earlier.

Table 13

Top 20 drug manufacturers by purchase volumes in the DRP segment under High-Cost ICD, Essential Drug Coverage and Regional Drug Reimbursement programmes, 2024

Ranking	High-Cost ICD		Essential Drug Coverage		Regional Drug Reimbursement	
	Manufacturer	Purchases, mln roubles	Manufacturer	Purchases, mln roubles	Manufacturer	Purchases, mln roubles
1	F. Hoffmann-La Roche	**17.593**	Bayer	**3.023**	AstraZeneca	**19.925**
2	Generium	**10.624**	AstraZeneca	**3.005**	Novartis	**11.695**
3	Takeda	**10.024**	Novartis	**3.002**	Johnson & Johnson	**11.167**
4	Johnson & John-son	**9.108**	Boehringer Ingelheim	**2.322**	Sanofi	**9.500**
5	Biokad	**5.580**	Sanofi	**2.188**	Astellas	**8.642**
6	Swedish Orphan Biovitrum	**4.038**	Pfizer	**2.071**	Generium	**8.438**
7	Octapharma	**3.648**	Rus Biopharm	**1.744**	Boehringer Ingelheim	**7.322**
8	Merck KGaA	**2.768**	Johnson & Johnson	**1.692**	F. Hoffmann-La Roche	**7.149**
9	Novartis	**2.202**	Novo Nordisk	**1.570**	Pfizer	**6.790**
10	Pharm-Sintez	**1.908**	AbbVie	**1.552**	Novo Nordisk	**5.337**
11	Pharmstandart	**1.701**	Pharmstandart	**1.534**	AbbVie	**5.068**
12	Astellas	**1.684**	Pharmasyntez	**1.522**	Vertex Pharmaceuticals	**4.887**
13	Cinnagen	**1.260**	Gerofarm	**1.334**	Bayer	**4.861**
14	R-Pharm	**1.246**	F. Hoffmann-La Roche	**1.303**	GlaxoSmithKline	**4.532**
15	Dr.Reddy's	**1.201**	Ipsen	**983**	Gerofarm	**4.380**
16	CSL Behring	**1.175**	Ozon Pharma-ceuticals	**944**	Pharmasyntez	**4,048**
17	Sanofi	**1.130**	Astellas	**884**	Ipsen	**3.941**
18	Catalent	**1.079**	Protek JSC GC	**878**	Rus Biopharm	**3.658**
19	Pharmasyntez	**813**	Biokad	**857**	Pharmstandart	**2.778**
20	Baxter	**785**	Canonpharma Production	**827**	Biogen	**2,488**

Over the year, the ranking of drugs changed more than the ranking of the top 20 companies. Only 4 drugs maintained their ranking, among them the top-ranking Elizaria and Ocrevus.

The top spot belongs to the immunosuppressant Elizaria (-12.2% compared to 2023) from Russian Generium that appeared on the market 5 years ago. As before, second-best is F. Hoffmann-La Roche's Ocrevus to treat multiple sclerosis (+23%). Ranking third this year is AstraZeneca's oral antihyperglycaemic agent Forxiga, a SGLT2 inhibitor. The drug used in diabetes demonstrated high growth not only in the pharmacy market but also in the subsidized segment (+31.6%). As a result, over the year the brand moved 1 position line up.

The most represented in the drug ranking were the foreign companies Johnson & Johnson (4 brands), F. Hoffmann-La Roche and AstraZeneca (3 brands each), and Novartis (2 brands).

Four out of the top twenty are new drugs that gained most of all in the ranking:

- Vertex Pharmaceuticals' Trikafta that is used in the treatment of cystic fibrosis and targets CFTR protein defects (+50 position lines; +207.6% compared to 2023);
- Johnson & Johnson's antineoplastic Erleada used in the treatment of prostate cancer in men (+24 position lines; +67.6%);
- Swedish Orphan Biovitrum's haemostatic agent Eloctate to treat and prevent bleeding in patients with haemophilia A (+14 position lines; +42.6%);
- Takeda's enzyme drug Elaprase that is used in the enzyme replacement therapy for children and adult patients with Hunter syndrome (mucopolysaccharidosis type II) when the level of iduronate-2-sulfatase is insufficient, and helps to reduce the severity of symptoms (+13 position lines; +41.2%).

The weighted average price in the top 20 brands was 12,116 roubles per package. The most expensive was the powder for oral solution Evrysdi for SMA (spinal muscular atrophy) patients: the weighted average price is 669 thousand roubles per package. The cheapest brand among the top twenty was the oral antihyperglycaemic agent Forxiga (2,607 roubles).

More than half of the leading drugs belong to ATC code Antineoplastic and immunomodulating agents (11 brands). Next in the ranking is ATC code Alimentary tract and metabolism (4 brands). The third-ranking in this respect is ATC code Blood and blood forming organs, with 3 brands.

Most of the ranked brands (13 brands) are drugs dispensed mainly under the regional reimbursement programme. Release of drugs under the regional reimbursement programme does not exclude their dispensing under High-Cost ICD or Essential Drug Coverage schemes. That is why top brand rankings correlate by programmes.

DRP price segmentation

BIn 2024, the average per package price under DRP decreased over the year by 0.9% to 2,045 roubles. In terms of sub-programmes, the most expensive drugs are in the High-Cost ICD segment: one package is purchased by the state on average for 19.2 thousand roubles. Compared to 2023, the increase in the price under the High-Cost ICD sub-programme was much more notable than in the other

Table14

Top 20 brands by value of purchases under DRP, 2024

Ranking	Change compared to 2023	Brand	Manufacturer	Purchases, mln roubles	Share	Growth compared to 2023
1	-	Elizaria	Generium	**12,130**	**3.8%**	**-12.2%**
2	-	Ocrevus	F. Hoffmann-La Roche	**9,104**	**2.9%**	**23.0%**
3	+1	Forsiga	AstraZeneca	**8,853**	**2.8%**	**31.6%**
4	-1	Gemlibra	F. Hoffmann-La Roche	**8,220**	**2.6%**	**20.8%**
5	-	Xtandi	Astellas Pharma	**8,079**	**2.6%**	**21.1%**
6	+3	Imbruvica	Johnson & Johnson	**6,062**	**1.9%**	**28.8%**
7	-1	Tudzheo Solostar	Sanofi	**5,075**	**1.6%**	**-14.4%**
8	+2	Jardiance	Boehringer Ingelheim	**4,822**	**1.5%**	**20.1%**
9	+2	Xarelto	Bayer	**4,656**	**1.5%**	**18.2%**
10	+5	Lynparza	AstraZeneca	**4,368**	**1.4%**	**21.4%**
11	+14	Elocate	Swedish Orphan Biovitrum	**4,038**	**1.3%**	**42.6%**
12	-	Evrisdie	F. Hoffmann-La Roche	**3,881**	**1.2%**	**-1.0%**
13	+13	Elaprase	Takeda	**3,740**	**1.2%**	**41.2%**
14	+50	Tricaft	Vertex Pharmaceuticals	**3,724**	**1.2%**	**207.6%**
15	-8	Darzalex	Johnson & Johnson	**3,648**	**1.2%**	**-30.3%**
16	+2	Tizabri	Johnson & Johnson	**3,441**	**1.1%**	**1.1%**
17	+2	Risarg	Novartis	**3,255**	**1.0%**	**-2.0%**
18	-4	Jakavi	Novartis	**2,951**	**0.9%**	**-18.1%**
19	+1	Tagrisso	AstraZeneca	**2,933**	**0.9%**	**-9.7%**
20	+24	Erleada	Johnson & Johnson	**2,855**	**0.9%**	**67.6%**

segments of the drug reimbursement market – it grew by 7.5%. The price of regionally subsidized drugs fell by 4.5% to 1,851 roubles. The cheapest are the drugs purchased under the Essential Drug Coverage programme: 958 roubles (+6.6% compared to 2023).

The structure of consumption of drugs under DRP by price segment is shown in Figure 22.

DRP purchases grew only for high-cost drugs priced "above 50,000 roubles" (+0.6% in roubles compared to 2023). As a result, their share grew over the year by 2.4% to 56.6%.

A similar trend was in the EDC segment: only the most expensive drugs demonstrated a double-digit growth (+13.4%). In the aggregate, the share of drugs priced over 50,000 roubles grew by 3.4%, compared to the previous year, to come to 25.9%. As before, most funded were the drugs priced at "500 to 10,000 roubles" (46.8%). Purchases of drugs priced at less than 500 roubles declined by 15.5% compared to 2023 (their share dropped over the year from 9.3% to 7.9%).

In the regional drug reimbursement segment, where most of the purchased drugs are drugs for patients with orphan diseases, half of the purchases are purchases of expensive drugs (51.7%). Compared to 2023, purchases in this price segment declined by 10.7%. No growth was recorded for any of the categories.

Figure 22

DRP costs ratio, by price segment, 2024

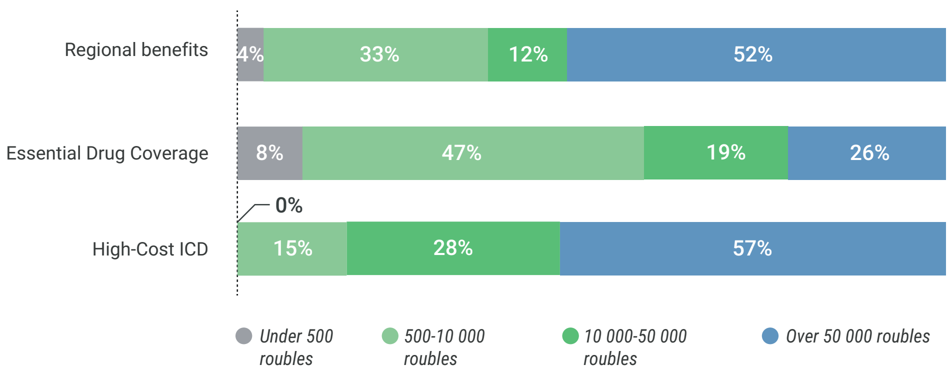


Table 15

Top 20 brands by value of purchases in DRP under High-Cost ICD, Essential Drug Coverage and Regional Drug Reimbursement programmes, 2024

Ranking	High-Cost ICD		Essential Drug Coverage		Regional Drug Reimbursement	
	Brand	Purchases, mln roubles	Brand	Purchases, mln roubles	Brand	Purchases, mln roubles
1	Ocrevus	**9.093**	Xarelto	**2 392**	Forsiga	**7.670**
2	Gemlibra	**8.138**	Yuperio	**1 186**	Xtandi	**7.286**
3	Elizaria	**4.713**	Forsiga	**1 183**	Elizaria	**7.070**
4	Elocate	**4.038**	Eliquis	**1 139**	Imbruvica	**5.676**
5	Elaprase	**3.740**	Vargatef	**1 091**	Jardiance	**4.344**
6	Darzalex	**3.567**	Tudzheo Solostar	**996**	Tudzheo Solostar	**4.079**
7	Tizabri	**3.441**	Xtandi	**793**	Lynparza	**4.054**
8	Mavenklad	**2.768**	Brilinta	**750**	Tricaft	**3.686**
9	Advate	**2.434**	Eralfon	**693**	Evrisdie	**3.294**
10	Infibeta	**2.334**	Evrisdie	**587**	Risarg	**3.066**
11	Atsellbiya	**2.269**	Tresiba	**573**	Tagrisso	**2.737**
12	Ilaris	**2.191**	Levemir	**570**	Erleada	**2.691**
13	Vilate	**2.184**	Ranvec	**557**	Jakavi	**2.576**
14	Plegridi	**2.100**	Adempas	**553**	Cabometyx	**2.571**
15	Teberif	**2.036**	Rinfast	**524**	Spinraza	**2.488**
16	Myelanix	**1.864**	Octreotide	**511**	Tafinlar	**2.472**
17	Advagraf	**1.684**	Cosentyx	**508**	Venclexta	**2.400**
18	Ninlaro	**1.551**	Stelara	**488**	Itulsi	**2.267**
19	Eitoplazm	**1.329**	Jardiance	**478**	Xarelto	**2.264**
20	Sinnoveks	**1.260**	Acidoketan	**472**	Culquens	**2.067**

4. Volumes of purchases of drugs for needs of HCI

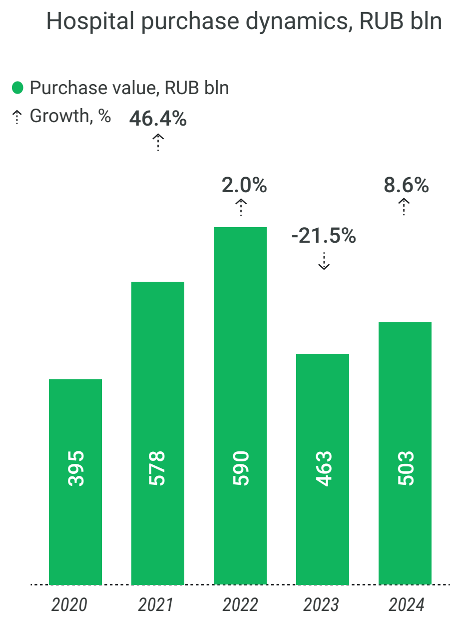
In terms of packages, the hospital market shows negative dynamics due to a shift to larger packages (-3.3% compared to 2023). Moreover, this trend is more pronounced in this segment than in the commercial one: while in 2023 the decline in volume terms was -17%, or -4% if package size numbers are considered, in 2024, with package "size numbers" taken into account, there was actually a 1.8% increase in consumption. It should be noted that this calculation does not take into account the volumes and dosages of "liquid" forms of drugs, which are important for some INNs.

Overall, drugs in liquid forms account for about 48% in value terms and 51% in packages of HCI purchases. Compared to 2023, purchases in volume terms fell by 15%, but, when the "package size number" and "weight per mL" are considered, there is a +6% increase. These dynamics look even more impressive when compared to 2020: -56% in packages, but only -15% with the package "size number" and "weight in mL" taken into account.

In 2024, the national project "Healthcare" came to an end, and a new national project "Long and active life" was launched in January 2025.

The national project "Healthcare" ranked eighth among all 15 national projects in terms of the federal budget expenditure execution. According to the preliminary estimates of the Ministry of Finance, in 2024 the cash execution of the national project "Healthcare" was 98.7% of the budget (280.6 billion vs. 284.3 billion roubles). The parameter was 97.9% the year before and 96.36% in 2022.

In 2024, the budget for three federal projects (FPs) was fully disbursed. Among them was the most financially intensive FP "Fighting



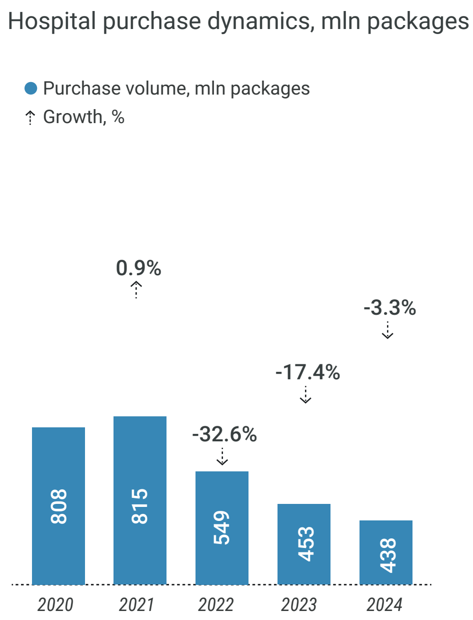


Figure 23

Hospital purchase dynamics, 2020-2024

cancer" (146.3 billion roubles), as well as "Providing medical institutions of the healthcare system with qualified personnel" (1.2 billion roubles) and "Developing exports of healthcare services" (28.3 million roubles).

The remaining projects had a slight "underrun": the actual costs of the federal project "Primary healthcare" amounted to 98.7% of the budget (7.5 billion vs. 7.6 billion roubles), "Fighting heart diseases" – 99.3% (22.3 billion vs. 22.4 billion roubles), "Developing a network of national medical research centres and implementing innovative medical technologies" – 99.6% (9.94 billion vs. 9.98 billion roubles), "Modernising the primary healthcare system of the Russian Federation" – 96.4% (80 billion vs. 83 billion roubles), "Creating a single digital circuit in healthcare based on the integrated state information healthcare system (ISIHS)" – 98.1% (10.1 billion vs. 10.3 billion roubles).

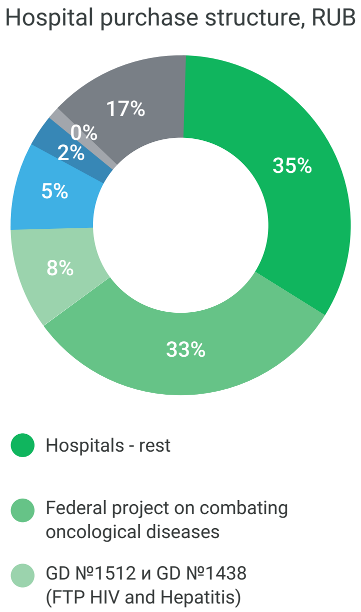
1.86 trillion roubles has been allocated to healthcare in the approved federal budget for 2025, which is 10.3% more than in 2024. In 2025, the budget for the state-sponsored programme "Healthcare development" is planned to be 1.5 trillion roubles, which is 15% more than last year.

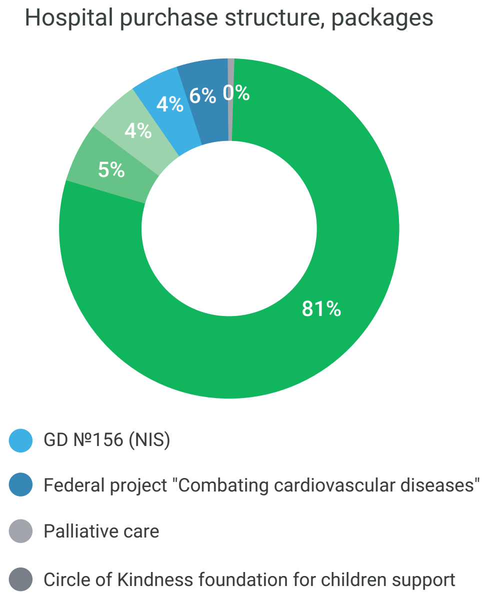
All major FPs will continue to get funded in 2025: 149.1 billion roubles has been allocated to the project "Fighting cancer" (including 140 billion roubles to provide medical care to cancer patients in accordance with clinical guidelines and 9.1 billion roubles to implement specific measures), 11.6 billion roubles – to the project "Fighting heart diseases" and 9.5 billion roubles – to the project "Fighting diabetes". Almost 121.1 billion roubles will be spent to modernise the primary healthcare system (polyclinics, day hospitals, etc.).

A new FP to fight hepatitis C is planned to be implemented in 2025 as part of the national project "Long and active life". The project will include 5 targets. Specifically, the goal is to cure 334,000 chronic viral hepatitis C (CHC) patients by 2030. In 2023, this figure was only 34,000 people cured. The project will be implemented, among other things, through reimbursement programmes. According to the FP,

Figure 24

Hospital purchase dynamics, by programme, 2023-2024





the goal is to provide 154,700 CHC patients, who will be included in the Federal Register of Viral Hepatitis, with drugs purchased at the expense of the federal budget in outpatient settings by 2030 (no budget funds for such drugs were allocated in 2023). 4.5 billion roubles has been allocated in the federal budget for the federal programme **"Fighting hepatitis C and minimising the risks of spreading the disease"** in 2025.

All programmes, except palliative care, showed positive trends by the end of 2024 (Figure 24).

The programme **"Fighting cancer"** has been in place for many years, and for the first time the funds for the purchase of necessary drugs were cut as planned for 2024. However, under the executed contracts, funding of drug purchases in monetary terms remains at the same level (+0.3%). In 2023, 162.2 billion roubles was spent on drug purchases, while in 2024, the amount was 162.7 billion roubles.

The one-year mortality rate from cancer in Russia in December 2024 was 17.3%. This figure was down 22.1% compared to 2018. In addition, the detection rate of stage I-II cancers also increased – 61.2% in December 2024.

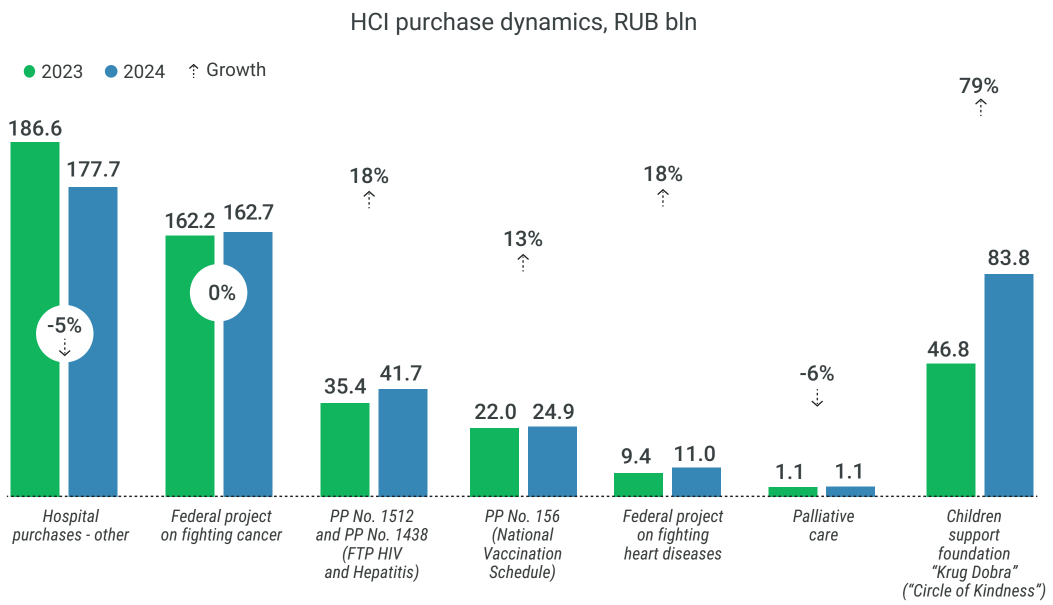
Since 2021, the availability of medical care for cancer patients had grown by nearly a third. It means that the implementation of the FP increased the availability of medical care for cancer patients by almost 30%: in 2021 only 63% of cancer patients were covered by regular medical checkup or diagnostic services, while in 2024 that number was already 83%.

The national project "Healthcare" helped to establish 569 outpatient care centres for cancer patients in the regions.

In 2024, 11 billion roubles was spent on the federal project **"Fighting heart diseases"** to purchase drugs, which is 18% more than the year before. Since 2021, there had been an increasing trend in the number of patients receiving free drugs under this FP. Reimbursed drugs are available to patients who have suffered an acute cerebral circulatory disorder, myocardial infarction, coronary artery bypass surgery, etc.

Figure 25

Hospital purchase dynamics, 2023-2024



They receive drugs for 2 years from the date of diagnosis and (or) surgery. In 2024, atrial fibrillation patients became eligible for the federal drug reimbursement programme.

Purchases under the **“National preventive vaccination schedule”** (NPVS) increased by 13% compared to 2023 and amounted to 24.9 billion roubles in 2024.

The structure of vaccine purchases varies from year to year depending on a number of factors: epidemic situation, fertility rate, planned vaccination coverage, etc.

No less important is the “Development strategy for the immunoprophylaxis of infectious diseases through to 2035”, which provides for the expansion of the list of infectious diseases to be prevented by vaccination and at least 95% coverage of the population with preventive vaccinations.

The deadline for including new vaccines in the NPVS was already postponed in 2023: inclusion of rotavirus vaccinations in the national schedule was postponed until 2025, HPV vaccinations – until 2026, varicella vaccinations – until 2027 (Order No. 343-r issued by the Government of the Russian Federation on February 15, 2023). The meningococcal vaccine (quadrivalent vaccine against serogroups A, C, W, Y), according to the action plan for the strategy implementation, is to be included in the schedule as planned – in 2025.

The biopharmaceutical company Nanolek submitted an application to the Russian Ministry of Health in November to conduct a clinical trial (CT) of a new varicella vaccine developed through collaboration with the South Korean biopharmaceutical company GC Biopharma. Registration of the new vaccine is expected within a year after its completion, in late 2026 or early 2027. In December 2024, Nanolek’s application was approved by the Ministry of Health.

Nanolek has also received authorization from the Russian Ministry of Health to conduct a Phase III CT of the human papillomavirus (HPV) vaccine on children and adolescents from 9 to 17 years of age. The trial will be the final stage before the drug enters the Russian market and will last until October 2025.

An increase in the incidence of the highly contagious infectious disease caused by the measles virus was first recorded in 2022. Measles is one of the most contagious airborne diseases in the world. According to a report from the World Health Organization (WHO) and the U.S. Centers for Disease Control and Prevention (CDC), the number of measles cases worldwide in 2022 increased by 18% compared to 2021, and the number of deaths from the infection increased by 43%. According to the Federal Agency for the Oversight of Consumer Protection and Welfare (Rospotrebnadzor), the incidence of measles in Russia broke a 30-year record in 2023; more than 12,000 people were infected with measles (89.2 cases per 1 million people or 8.92 cases per 100,000 people). Previously, growth had been constrained by covid prevention restrictions; once they were lifted, the incidence went up. In 2023, compared to 2022, the incidence increased by 127 times (2022: 0.07 cases per 100,000 people, or about 100 people) and was 3 times the incidence in 2019 when a measles outbreak was reported worldwide (2019: 3.06 cases per 100,000 people, or about 4,500 people).

Clinical guidelines for the treatment of measles in children and adults were approved in 2024 and will become effective in 2025.

Two other diseases whose incidence increased manifold in 2023 are pertussis and parotitis. The incidence of pertussis in Russia reached a 30-year high: in 2023, the infection was detected in 52,800 people, which is 16 times more than the year before (3,200 people). Higher figures were recorded only in 1993 – then pertussis was detected in 74,500 people.

The total amount of the executed contracts under the **federal target programme “HIV and hepatitis”** increased by 18% – at the end of 2024, it was 41.7 billion roubles.

The Government amended the state programme “Healthcare development” by adding rules for distributing subsidies among regions for the treatment of hepatitis C patients in the outpatient care segment. There are about 700,000 people with this diagnosis in Russia. Some patients receive treatment at the expense of federal funds, regional programmes and the compulsory health insurance fund, children – at the expense of the “Krug Dobra” (Circle of Kindness) foundation. Patients at a certain stage of disease progression may be eligible for inpatient care under the compulsory health insurance scheme. In the outpatient care segment, patients’ treatment should be covered by the regions, which, however, was only possible if they had their own funds for this purpose, but specialized patient communities regularly complained about the lack of such funds. In March 2024, the Government signed an order that set a target for the federal budget to co-finance the treatment of patients in the outpatient care segment by the regions – 4.5 billion roubles annually.

In 2023, the fight against diabetes was given the status of a federal project. Over the next three years, the government plans to allocate 9.5 billion roubles per year to finance the new FP **“Fighting diabetes”**, including over 5 billion roubles to provide children with type 1 diabetes between the ages of 2 and 17 inclusive and over 3 billion roubles to provide pregnant women suffering from diabetes with continuous blood glucose monitors.

In 2024, Russian blood glucose meter manufacturer Elta completed construction of a new plant at the Alabushevo site, SEZ Technopolis Moscow. The plant will produce Russian smart blood glucose meters, continuous blood glucose monitors, cancer screen testers, portable devices for determining prothrombin time and blood cholesterol levels and laboratory DNA analysers. Production is expected to begin in late 2024. Investments in the project exceeded 2.2 billion roubles.

Changes in the programme **“Krug Dobra”** (Circle of Kindness) should be considered separately. The foundation concluded contracts and agreements for medical care, purchase of drugs and medical devices in the amount of 413.6 billion roubles: 30.9 billion roubles in 2021, 61.4 billion roubles in 2022, 120.9 billion roubles in 2023 (including 21 billion roubles under the programme “14 High-Cost ICD”) and 200.3 billion roubles in 2024 (including 21 billion roubles under the programme “14 High-Cost ICD”).

The powers of the foundation expanded considerably: in December 2022, the age limit for the foundation’s patients was raised to 19, and in 2023, 15,000 children with diseases from the “14 High-Cost ICD” list were placed under the foundation’s care.

In 2024, the foundation’s List of Diseases continued to expand:

- in February, it was supplemented with chronic GVHD (graft versus host disease) and Leber’s optic atrophy (Leber’s hereditary optic neuropathy);
- in March – with atypical hemolytic uremic syndrome and cerebrotendinous xanthomatosis;

- in April – with Laron syndrome, Duchenne muscular dystrophy (DMD), congenital heart block, first-degree / second-degree / complete atrioventricular block;
- in May – with aromatic L-amino acid decarboxylase deficiency and hemophilia B;
- in July – with peripheral arteriovenous malformations;
- in August – with secondary hemophagocytic lymphohistiocytosis;
- in September – with primary familial intrahepatic cholestasis;
- in October – with acquired limb deformities, bone sarcomas;
- in December – with pathology of heart valves in children requiring prosthetics.

Thus, given the «14 High-Cost ICD», the number of diseases has increased to 100 (cystic fibrosis, hemophilia and hemolytic uremic syndrome with different drugs are on both lists). In early 2025, the total number of children who have been or will be provided with medical care based on approved applications is over 28,000. They include: 12,000 children who have been provided with medical care through individual applications and 16,000 children – through the programme "14 High-Cost ICD".

The foundation provides children with 117 drugs, medical devices and technical means of rehabilitation.

In the spring of 2024, the foundation received the right to form a non-personalised reserve of unregistered drugs. The first was belumosudil, which is prescribed to patients to prevent chronic graft-versus-host disease, and the second was emapalumab for the treatment of primary and secondary hemophagocytic lymphohistiocytosis.

In 2024, drug purchases for the "Krug Dobra" Foundation almost doubled (+79.1% compared to 2023). The value of executed contracts placed by the foundation was 83.8 billion roubles. Purchased packages increased by 97.5% to 166,600.

The number of manufacturers whose drugs are purchased for the "Krug Dobra" Foundation continued to grow: from 17 to 21 companies during the year. The new names in the ranking are 4 manufacturers, three of which are Russian: Generium, which supplies the spinal muscular atrophy (SMA) drug Lantesens (the INN nusinersen); Pharmstandard with growth hormone Rastan (the INN somatropin); Alexion Europe with the immunosuppressant drug Ultomiris (the INN ravulizumab); and Mir-Pharm, which supplies carglumic acid (not included in the top 20).

The main brands of the top three – F.Hoffmann-La Roche (17% share in roubles), PTC Therapeutics (13.9%) and Novartis (12.1%) – are expensive gene-therapy drugs for the treatment of musculoskeletal diseases (SMA and DMD). Over 34 billion roubles was allocated to purchase drugs of these three brands alone – Evrysdi, Translarna and Zolgensma. The portfolio of the leaders F.Hoffmann-La Roche (Rozlytrek) and Novartis (Ilaris, Afinitor and Luxturna) includes drugs for other diseases as well.

The highest increase in sales was observed for the following companies: Recordati (+834.4% compared to 2023) with its key antineoplastic agent Qarziba (+1420.1%); Waymade (+574.4%), which supplies carglumic acid; CSL Behring (+559.3%), which added to its portfolio the hemostatic agent Idelvion for the treatment and prevention of bleeding in patients with hemophilia B.

The largest decrease in purchases for the "Krug Dobra" Foundation was observed for Gilead Sciences (-68.3%) with its antiviral drug for the treatment of chronic viral hepatitis C Epclusa. As a result, the manufacturer moved 4 places down.

The manufacturer AbbVie (-30.2%) with its drug for the treatment of chronic hepatitis C Maviret moved down three places; Biogen (-6.7%) with its drug for the treatment of SMA Spinraza (the INN nusinersen), whose Russian generic Lantesens mentioned above was registered in 2024, moved down two places.

Table 16 below shows the top 20 key drug brands purchased in 2024 for the "Krug Dobra" foundation that supports children. They are all imported drugs that are dispensed strictly on doctor's prescription according to the indications, most of the brands presented are original drugs.

In 2025, the foundation's financing will be 202.7 billion roubles. Of this amount, 90.6 billion roubles will be allocated for the purchase of unregistered drugs, medical devices, and payment for certain types of treatment.

Analytical data given below do not include the «Krug Dobra» Foundation for support of children.

Imported/localized drugs ratio

In 2024, purchases in the HCI segment shifted to localized drugs. During the year, the share of made-in-Russia drugs grew by 0.8% to 47.2% in roubles and by 3% to 88.4% in packages.

At the same time, both the amount of purchased packages and the amount of spent funds in the category of localized drugs remained at the level of the previous year: +2.4% in roubles and +0.04% in packages. Meanwhile, purchases of imported drugs fell by 23.3% in packages at the same level of financing (-0.9% in roubles compared to 2023).

In 2024, the weighted average purchase price of one package of imported drugs increased by 29.3% to 4,368 roubles. The average price of one package of a localized drug became only 2.3% higher during the year and still lags behind (almost 9 times) the average price of a foreign drug: 511 roubles.

In 2024, the processes aimed at import substitution continued. Below are the top 10 INNs with a maximum rate of shift to localized drugs from the top 100 by purchase volumes (these INNs account for 68.4% of all hospital purchases in money).

The INNs put on the list in 2024 differed from those listed a year earlier. Although half of the INNs (eribulin, pembrolizumab, omalizumab, fulvestrant and sodium heparin) were already in the ranking last year, the process of "import substitution" includes an additional volume of product nomenclature each year.

The top 10 included 3 INNs under which localized drugs had already taken the largest share in purchases the year before (highlighted in green). The share growth was due to increased purchases of the leading drug or inclusion of several other Russian drugs in the procurement list.

The INN valsartan + sacubitril is highlighted in blue – its share growth was due to localization of the imported drug Uperio at the Russian plant Novartis Neva of Novartis Corporation.

No new INNs were included in the top 100 in 2024. The most successful new product ranked only in 305th place. This is a combination antineoplastic agent for the treatment of non-resectable or metastatic melanoma Nurdati (the INN nurulimab + prolgolimab) from the Russian manufacturer Biocad.

Table 16

Top 20 manufacturers supplying drugs for the "Krug Dobra" foundation to support children, in value, 2024

Note:
«manufacturer» means the parent company that may incorporate several production sites.

Rating	Change by 2023	Manufacturer	Value, billion rubles	Share, rubles	Growth by 2023
1	+1	F. Hoffmann-La Roche	**14 249.1**	**17.0%**	**85.7%**
2	+1	PTC Therapeutics	**11 690.0**	**13.9%**	**63.8%**
3	-2	Novartis	**10 163.8**	**12.1%**	**19.7%**
4	+1	Vertex Pharmaceuticals	**9 646.8**	**11.5%**	**68.1%**
5	+1	AstraZeneca	**8 846.5**	**10.6%**	**179.9%**
6	-2	Biogen	**6 498.7**	**7.8%**	**-6.7%**
7	new	GENERIUM	**6 028.5**	**7.2%**	**new**
8	+1	Takeda	**5 084.6**	**6.1%**	**198.9%**
9	-1	Biomarin Pharmaceutical	**4 115.1**	**4.9%**	**103.8%**
10	-3	Alexion Pharma	**3 196.2**	**3.8%**	**11.9%**
11	-1	Recordati	**3 013.0**	**3.6%**	**834.4%**
12	+2	Waymade	**387.1**	**0.5%**	**574,4%**
13	-1	Sanofi	**263.8**	**0.3%**	**23.7%**
14	-3	AbbVie	**223.5**	**0.3%**	**-30.2%**
15	+1	CSL Behring	**194.9**	**0.2%**	**559.3%**
16	-3	Johnson & Johnson	**134.2**	**0,2%**	**126,6%**
17	new	PHARMSTANDART	**41.2**	**0.0%**	**new**
18	-1	Pfizer	**25.4**	**0.0%**	**102.5%**
19	-4	Gilead Sciences	**16.6**	**0.0%**	**-68.3%**
20	new	Alexion Europe	**3.6**	**0.0%**	**new**

Table 17

Top 20 drug brands purchased for the "Krug Dobra" foundation for support of children, in value, 2024

Rating	Change by 2023	Brands	Value, billion rubles	Share, rubles	Growth by 2023
1	+1	EVRISDIE	**14 214.0**	**17.0%**	**85.4%**
2	+1	TRANSLARNA	**11 690.0**	**13.9%**	**63.8%**
3	+3	COSELUGO	**8 846.5**	**10.6%**	**179.9%**
4	-3	ZOLGENSMA	**8 415.0**	**10.0%**	**7.7%**
5	new	TRICAFT	**8 072.6**	**9.6%**	**new**
6	-2	SPINRAZA	**6 498.7**	**7.8%**	**-6.7%**
7	new	LANTESENS	**6 028.5**	**7.2%**	**new**
8	+1	GATTESTIVE	**4 650.0**	**5.5%**	**227.8%**
9	-2	WIMESIM	**4 115.1**	**4.9%**	**103.8%**
10	+6	QARZIBA	**2 922.4**	**3.5%**	**1420.1%**
11	-3	STRENSIG	**2 516.1**	**3.0%**	**41.3%**
12	-7	ORCAMBI	**1 574.2**	**1.9%**	**-72.6%**
13	-2	ILARIS	**796.3**	**0.9%**	**116.9%**
14	-4	CANUMA	**680.0**	**0.8%**	**-36.8%**
15	-2	AFINITOR	**655.5**	**0,8%**	**111,5%**
16	-2	TAKZAIRO	**434.7**	**0.5%**	**53.9%**
17	+2	CARGLUMIC ACID	**390.6**	**0.5%**	**580.5%**
18	new	LUKSTURNA	**297.0**	**0.4%**	**new**
19	-4	MYOZYME	**263.8**	**0.3%**	**23.7%**
20	-8	MAVIRET	**223.5**	**0.3%**	**-30.2%**

According to the data for 2024, localized drugs exceed 90% in 948 INNs out of 1,922 INNs purchased by hospitals. And there are 620 INNs in which imported drugs prevail (accounting for over 90% in purchases); 52 INNs of them are in the top 100 by volume. The largest INNs represented only by imported drugs are the monoclonal antibodies nivolumab, pertuzumab and trastuzumab emtansine – these three active ingredients account for 7.4% of hospital purchases.

Price segmentation

The structure of HCI purchases by price segments is shown in Figure 26. In 2024, there was little change in the price structure of hospital purchases. In roubles, the structure of purchases shifted to the high price segment (+1.7%), while in packages a 3% increase was observed in the share of drugs priced under 100 roubles.

The largest price category in value terms remains drugs priced over 1,000 roubles – they accounted for 88.5% at the end of 2024.

In packages, as before, the largest segment includes drugs priced under 100 roubles – its share is 60.6%. Here, the most frequently purchased items are radiopharmaceutical diagnostic products with the INN fludeoxyglucose [18F] (5.7% of purchases in volume terms in the category "under 100 roubles") and solvents and rehydrating agents with the INN sodium chloride (5.6%). Purchases of sodium chloride significantly dropped – by 54.1% in packages compared to 2023. However, when the "package size number" and "weight in mL" are considered, the drop shrinks to 36%.

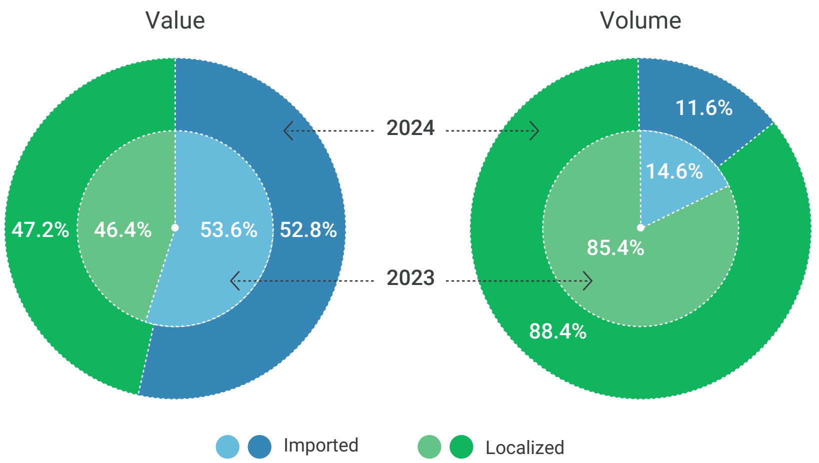
The shift in the structure of purchases in packages to the "under 100 roubles" segment was due to increased consumption of the INNs ethylmethylhydroxypyridine succinate (+179.2%), atorvastatin (+131.3%) and fludeoxyglucose [18f] (+106%) by hospitals.

The highest share among imported drugs is held by drugs priced over 1,000 roubles: 97.2% (Figure 27). Among localized drugs, the share of the price segments "under 100 roubles" (5%), "from 100 to 500 roubles" (9.2%) and "from 500 to 1,000 roubles" (7.0%) is insignificant; the largest sales, amounting to 78.8%, were in the "over 1,000 roubles" category.

In the segments where the price per package

Figure 26

HCI segment structure by localization degree, 2023-2024



is under 1,000 roubles, the difference between the weighted average price for imported and for localized drugs is not so perceptible whereas in the largest segment of drugs priced "over 1,000 roubles", the difference between Russian and imported drugs is still significant: almost three-fold.

Structure of sales of drugs by ATC codes

The ratio of hospital purchases in Russia at the end of 2024, by ATC codes, 1st level, is shown in Table 18.

The ranking of drugs in the HCI segment by ATC codes is much different from that on the commercial market. The 2024 top lineup is also different from last year's, although key ATC codes maintain their positions.

In recent years, ATC code [L] Antineoplastic and immunomodulating agents has held the leading position in the hospital purchases segment (43.6% share in roubles). In value terms, purchases of the ATC code increased by 3.5% year-on-year, but remained below the 2021-2022 levels. Positive dynamics were ensured by ATC subcode [L04] Immunosuppressants (+46% compared to 2023), namely by the brands Ocrevus (+11704.9%) from F.Hoffmann-La Roche, Kajendra (+785.7%) and Ilaris (+575%) from Novartis. In volume terms, purchases of ATC code [L] also grew – by 3.5% compared to 2023. It should be noted that due to increased purchases, the share of antineoplastic and immunomodulating agents increased by 1.2% in roubles and by 0.3% in packages.

Drugs of ATC code [J] Antiinfectives for systemic use (27.4%) rank second. The ATC code's purchases increased by 4.9% compared to 2023. While consumption of antitubercular agents (+25.8%; key brands - Sirturo, Deltyba and Terizidone), antisera and immunoglobulins (+20.6%; key brands – Immunoglobulin, Synagis, Privigen) and vaccines (+13.5%; key brands – Sovigripp, Ultrix, Pentaxim) grew significantly, purchases of antibacterials for systemic use (-12.2%), on the contrary, fell.

The situation is similar for drugs affecting blood and blood forming organs (3rd place with a 9.7% share) – purchases of ATC code [B] in value terms increased by 2.8% compared to 2023. At the same time, their purchases in packages dropped – by 22.2% year-on-year.

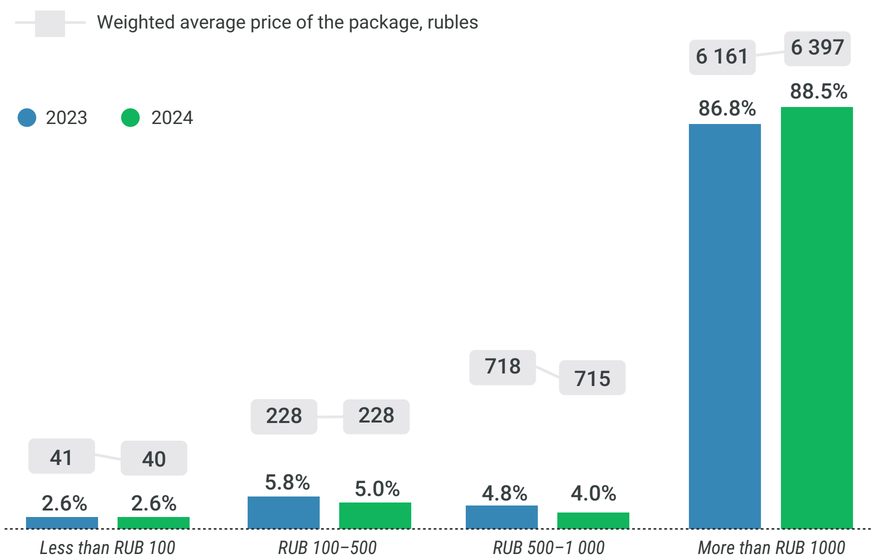


Figure 27

Structure of hospital purchases, by price segments, in value, 2023-2024

Table 18

Top 10 INNs in terms of import substitution, in value, 2024

Rating	INN	The share of localized drugs, rubles. 2023	The share of localized drugs, rubles. 2024	Share change	The leader drug (manufacturer), 2023	The «switching» drug (manufacturer), 2024
1	ETRAVIRINE	**0.1%**	**92.4%**	**+92.2%**	**INTELENS** (Johnson & Johnson)	**RAVERTIR** (PHARMASYNTEZ), **ETRAVIRINE** (RUS BIOPHARM)
2	ROMIPLOSTIM	**1.4%**	**60.7%**	**+59.4%**	**ENPLEYT** (Amgen)	**STEAMPLATE** (GENERIUM)
3	ERIBULIN	**15.9%**	**62.8%**	**+46.9%**	**HALAVEN** (Eisai Europe)	**ERIBULIN** (PROMOMED RUS, PHARMASYNTEZ)
4	PEMBROLIZUMAB	**44.9%**	**91.3%**	**+46.4%**	**KITRUDA** (Merck & Co)	**PEMBRORIA** (BIOKAD), **ARFLEYDA** (R-PHARM)
5	OMALIZUMAB	**50.3%**	**85.0%**	**+34.7%**	**GENOLAR** (GENERIUM)	**GENOLAR** (GENERIUM)
6	RUKSOLITINIB	**0%**	**23.6%**	**+23.6%**	**JAKAVI** (Novartis)	**RUXOLITINIB** (REPART)
7	FULVESTRANT	**79.3%**	**98.7%**	**+19.4%**	**FAZOTIKAD** (BIOKAD)	**FULVESAN** (PHARMASYNTEZ)
8	VALSARTAN+ SAKUBITRIL	**73.5%**	**91.5%**	**+18.0%**	**YUPERIO** (Novartis)	**YUPERIO** (Novartis)
9	HEPARIN SODIUM	**76.2%**	**91.0%**	**+14.8%**	**HEPARIN** (VELPHARM GROUP)	HEPARIN (VELPHARM GROUP)
10	IOHEXOL	**31.8%**	**45.7%**	**+13.8%**	**OMNIPAQUE** (GE HealthCare)	**RINGASCAN** (PHARMASYNTEZ)

The share of the key ATC subcode, which includes blood substitutes and perfusion solutions, in terms of packages decreased from 73.4% to 57.8% as a result of a 38.8% decline in sales. Purchases of drugs containing sodium chloride dropped twofold (-52.8%).

Drugs of ATC code [P] Antiparasitic drugs, insecticides and repellents showed good results in the reporting period. 38.8% growth in value terms was mainly due to increased demand for anthelmintics containing the INN praziquantel (+16.7%) and antimalarials containing the active ingredient hydroxychloroquine (+419%).

Manufacturers in the hospital purchases segment

Table 19 shows the ranking of the top 20 manufacturers in the HCI segment at the end of 2024; it is different from the previous year, both in terms of manufacturers and their positions. The top 3 manufacturers are companies with a high proportion of drugs for the treatment of oncological diseases.

The Russian company Biocad (7.9% share in roubles) retained the first place in the 2024 ranking. HCI spent 12.9% more on the purchase of this manufacturer's drugs than in 2023. During the year, 37 brands were purchased for hospitals under the import substitution program to replace foreign counterparts. The key brand of the Russian company is the generic version of Keytruda – the monoclonal antibody Pembroria with the active ingredient pembrolizumab (purchases increased by 40.2% year-on-year). In addition, Biocad's good performance was ensured by the monoclonal antibody Acellbia (+103.9%) and the leukopoiesis stimulator Extimia (+34.5%). Meanwhile, hospitals' costs for the antineoplastic hormonal drug Fazotikad (-45.5%) and the immunosuppressants Infliximab (-28.8%) and Ilsira (-26.9%) declined compared to 2023.

In second place is the manufacturer F.Hoffmann-La Roche (7.4%). The company's hospital portfolio was reduced from 38 to 29 brands, including 21 brands related to antineoplastic and immunomodulating agents. The company's 9.5% growth for the year was ensured by the multiple sclerosis drug Ocrevus, the monoclonal antibodies Avastin (+82.9%) and Polaivi (+41.4%). A decrease in consumption among the leading brands was observed only for the antineoplastic agent Herceptin (-34.5%) based on trastuzumab for the treatment of gastric and breast malignant neoplasms.

In third place is AstraZeneca (5.2%), due to a 10.6% increase in sales compared to 2023. The manufacturer supplied 33 brands to hospitals. The drugs with the largest increase in supplies were the antineoplastic agent Enhertu (+101.5%), the anti-inflammatory antibronchoconstrictor for severe bronchial asthma Fasenra (+80.3%) and the antiviral drug active against hepatitis C virus Daclavizar (+50.3%). The manufacturer's portfolio also included a group of drugs whose purchases declined. They are the antidiabetic drugs Forxiga (-38.4%) and Onglyza (-21.5%), as well as the antineoplastic agent Tagrisso (-23.9%) for non-small cell lung cancer (NSCLC).

The 2022 leader, Merck & Co, continued to lose its position in the ranking. As a result of a 54.7% decrease in sales, the manufacturer moved down to the 10th place (-7 places during the year). The number of brands purchased in the hospital segment from Merck & Co decreased from 51 to 38. Although the production of the antiretroviral drug Isentress (-96%) in the 400 mg dosage is localized at R-Pharm's facilities, there is a shift in purchases to Russian drugs with the INN raltegravir (first of all, these are Rolnavir from Promomed Rus and Raltegra from Pharmasyntez). The Russian generics Pembroria from Biocad and Arfleyda from R-Pharm "displaced" the monoclonal antibody Keytruda in purchases (-86.6%). Instead of the

Table 19

Hospital purchase structure, by ATS codes, 2024

ATS code 1st level	Value, billion rubles	Share in value terms	Volume, million pack.	Share in volume terms
ANTINEOPLASTIC AND IMMUNOMODULATING AGENTS (L)	182.8	43.6%	22.7	5.2%
GENERAL ANTIINFECTIVES FOR SYSTEMIC USE (J)	114.9	27.4%	105.9	24.2%
BLOOD AND BLOOD FORMING ORGANS (B)	40.6	9.7%	59.1	13.5%
ALIMENTARY TRACT AND METABOLISM (A)	18.6	4.4%	52.4	12.0%
NERVOUS SYSTEM (N)	14.4	3.4%	54.4	12.4%
VARIOUS (V)	12.5	3.0%	30.1	6.9%
RESPIRATORY SYSTEM (R)	7.2	1.7%	11.5	2.6%
CARDIOVASCULAR SYSTEM (C)	7.1	1.7%	61.9	14.1%
SENSORY ORGANS (S)	5.3	1.3%	4.2	1.0%
MUSCULO-SKELETAL SYSTEM (M)	5.0	1.2%	14.8	3.4%
DERMATOLOGICALS (D)	3.9	0.9%	13.7	3.1%
SYSTEMIC HORMONAL PREPARATES, EXCLUDING SEX HORMONES (H)	3.1	0.7%	4.7	1.1%
Without ATS	2.3	0.6%	0.2	0.0%
GENITO URINARY SYSTEM AND SEX HORMONES (G)	1.7	0.4%	2.2	0.5%
ANTIPARASITIC PRODUCTS,INSECTICIDES AND RE-PELLENTS (P)	0.0	0.0%	0.2	0.0%

pneumococcal vaccine Pneumovax (-41.6%), HCI switched to the localized vaccine Prevenar from Pfizer and the Russian vaccine Pnemotex from Nanolek.

There are 6 Russian manufacturers in the top 20 by value of hospital purchases: Biocad (1st place), Nacimbio (5th place), Pharmasyntez (6th place), Promomed Rus (16th place), ChemRar Group (17th place) and R-Pharm (19th place). Each of them had a significant increase in sales compared to the previous year. The growth rate of Promomed Rus (+162.8%) was the highest in the top 20, which allowed the manufacturer to move up 10 places to No. 16. Promomed Rus supplies 153 brands to hospitals, with the largest sales of antiretroviral drugs. In 2024, the company added over 20 new brands to its hospital portfolio, the most successful of which was Dolutegravir (year-end purchases totalled 3.2 billion roubles) for the treatment of HIV infection in adults and children. The fastest growing in the top ten were: the HIV antiviral drug Rolnavir (+3500.1%), the antineoplastic agent – antiestrogen Fulvestrant-Promomed (+1596.1%) and combination antibiotic Cefotaxime + Sulbactam (+1073.1%).

In terms of growth compared to 2023, we should also mention the following foreign companies: Gilead Sciences (+46.7% and up 2 places) and AbbVie (+33.3% and up 1 place). The key drugs from these companies are the hepatitis C antiviral agents Epclusa and Maviret.

Drugs in the hospital purchases segment

Table 20 shows the top 20 brands in the HCI segment at the end of 2024. The top 20 brands account for 32.4% of hospital purchases, just like in the previous year.

The changes in the ranking are significant: in 2024, only one of the top 20 drugs retained its position from the year before. 5 new brands joined the ranking.

The 2024 leader was the original brand Opdivo (+21.5% and +1 place during the year) from

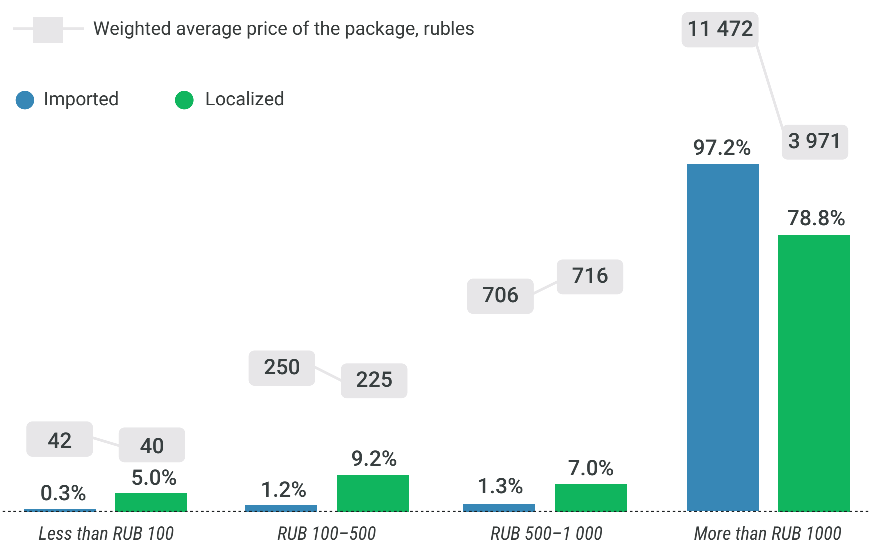


Figure 28

Structure of hospital purchases, by price segments, imported and localized drugs, in value, 2024

Table 20

Top 20 manufacturers in the HCI segment in value, 2024

Note: *«manufacturer» means the parent company that may incorporate several production sites.*

Rating	Change by 2023	Manufacturer	Value, billion rubles	Share, rubles	Growth by 2023
1	-	BIOKAD	**33 039.9**	**7.9%**	**12.9%**
2	-	F.Hoffmann-La Roche	**31 052.6**	**7.4%**	**9.5%**
3	+1	AstraZeneca	**21 868.5**	**5.2%**	**10.6%**
4	+1	Swixx Biopharma	**21 711.2**	**5.2%**	**9.9%**
5	+2	NATSIMBIO	**19 685.5**	**4.7%**	**9.5%**
6	+2	PHARMASYNTEZ	**16 658.0**	**4.0%**	**23.0%**
7	+5	Sanofi	**13 716.8**	**3.3%**	**17.9%**
8	-2	GlaxoSmithKline	**12 732.8**	**3.0%**	**-30.0%**
9	-	Bayer	**12 285.6**	**2.9%**	**-5.6%**
10	-7	Merck & Co	**12 143.0**	**2.9%**	**-54.7%**
11	+2	Pfizer	**12 046.1**	**2.9%**	**8.8%**
12	-1	Novartis	**11 602.9**	**2.8%**	**-2.9%**
13	+2	Gilead Sciences	**11 557.0**	**2.8%**	**46.7%**
14	-4	Johnson & Johnson	**9 685.7**	**2.3%**	**-24.4%**
15	+1	AbbVie	**9 643.9**	**2.3%**	**33.3%**
16	+10	PROMOMED RUS	**8 649.4**	**2.1%**	**162.8%**
17	+1	CHEMRAR	**7 363.6**	**1.8%**	**30.4%**
18	-4	Astellas	**6 430.3**	**1.5%**	**-18.9%**
19	+1	R-PHARM	**5 519.6**	**1.3%**	**11.2%**
20	-3	Amgen	**5 449.8**	**1.3%**	**-8.9%**

Table 21

Top 20 brands in the HCI segment in value, 2024

Rating	Change by 2023	Brands	Value, billion rubles	Share, rubles	Growth by 2023
1	+1	OPDIVO	**14 100.9**	**3.4%**	**21.5%**
2	+3	PEMBRORIA	**12 073.4**	**2.9%**	**40.2%**
3	+1	SOVIGRIPP	**8 851.4**	**2.1%**	**-14.0%**
4	+3	PERJETA	**8 831.8**	**2.1%**	**13.2%**
5	+4	KADCYLA	**8 069.8**	**1.9%**	**13.0%**
6	-	AVEGRA	**7 970.4**	**1.9%**	**-4.8%**
7	-6	TIVIKAY	**7 625.4**	**1.8%**	**-37.6%**
8	+2	TECENTRIQ	**7 146.8**	**1.7%**	**10.2%**
9	+6	ULTRIX	**7 143.9**	**1.7%**	**49.7%**
10	+4	ELPIDA	**6 525.6**	**1.6%**	**30.4%**
11	-3	XTANDI	**5 829.0**	**1.4%**	**-18.6%**
12	-1	ERBITUX	**5 583.4**	**1.3%**	**-6.3%**
13	+14	PENTAXIM	**5 363.9**	**1.3%**	**72.6%**
14	+4	BRILINTA	**4 760.6**	**1.1%**	**32.4%**
15	+18	MAVIRET	**4 579.5**	**1.1%**	**78.4%**
16	-3	SODIUM CHLORIDE	**4 533.8**	**1.1%**	**-15.0%**
17	-1	XARELTO	**4 489.9**	**1.1%**	**17.1%**
18	+11	LYNPARZA	**4 172.0**	**1.0%**	**39.0%**
19	+5	IMFINSI	**4 091.6**	**1.0%**	**28.9%**
20	+42	EPCLUSA	**3 967.9**	**0.9%**	**199.3%**

Swixx Biopharma Corporation. Opdivo (the INN nivolumab), a concentrate for preparing an infusion solution with the 10 mg/mL dosage, is purchased by HCI for patients with cancer of various localizations. Currently, this drug has no analogues in Russia.

The Russian generic Pembroria (the INN pembrolizumab), produced by Biocad, moved up three places during the year to No. 2 in the brand ranking due to a 40.2% increase in purchases. The monoclonal antibody in the concentrate form for preparing an infusion solution is indicated for the treatment of a variety of malignant neoplasms: melanoma, NSCLC, head and neck squamous cell carcinoma, classical Hodgkin lymphoma (cHL), esophageal cancer and many others.

In third place is the Russian flu vaccine produced by Nacimbio under the brand Sovigripp (-14%). The drug is available in the form of a solution for intramuscular injection. The drop is due to hospitals switching to other flu vaccines: Ultrix (+49.7%), Flu-M (+1263.2%).

The highest growth rate is observed for the combination antiviral agents active against hepatitis C virus. The brand Epclusa (+199.3%) is available in film-coated tablets in the 400 mg+100 mg dosage; the drug, which is manufactured by Gilead Sciences, moved up 42 places during the year. The brand Maviret (+78.4% and +18 places during the year) is manufactured by AbbVie in coated granules for children (50 mg+20 mg dosage) and in film-coated tablets (100 mg+40 mg) for adults and children aged 12 years and older (or for children under 12 years of age with a body weight of 45 kg or more).

In July, the Russian manufacturer Pharmasyntez registered the first generic version of the hepatitis C drug Maviret (AbbVie, the INN glecaprevir+pibrentasvir) under the brand Pigleria in a dosage of 100 mg of glecaprevir and 40 mg of pibrentasvir. The active pharmaceutical ingredient (API) for the drug from the VED list will be produced by BratskChemSyntez. However, the original drug is still under patent protection until 2033.

Positive dynamics were also demonstrated by the vaccine for the prevention of diphtheria, pertussis, poliomyelitis, tetanus and infections caused by haemophilus influenzae type b under the brand Pentaxim (+72.6% and +14 places) from Sanofi.

Purchases of the previous year's leader – the HIV antiviral drug Tivicay (-37.6% and -6 places) from GlaxoSmithKline – fell sharply due to the switch in the INN dolutegravir to the Russian generic Dolutegravir from Promomed Rus.

The ranking includes the following drugs: antineoplastic agents, including hormonal drugs – 10 brands; antiviral agents – 4 brands; vaccines – 3 brands; an anticoagulant – 1 brand; an antiaggregant – 1 brand; a solvent for preparing dosage forms and a solution affecting water-electrolyte balance – 1 brand.

Besides high-cost imported drugs, the top twenty also include the low-cost rehydrating and solvent agent Sodium Chloride (-15% and -3 places). Despite a significant drop in purchases of sodium chloride (-47.6% in packages), the drug continued to be in the top of the ranking in 2024 in volume terms with a 4.7% share of all packages purchased in the hospital segment (the share decreased almost twofold). 30 manufacturers are marketing drugs under this brand. In 2024, the leaders in terms of sales in roubles were Pharmasyntez, Eskom and Grotex.

5. Dietary Supplements

The dietary supplement (DS) market is undergoing a structural transformation. It is caused by both internal and external factors. It is difficult to say which of these factors is the most important and how it will affect the market in the future. But first, we should look at the changes in dietary supplement distribution channels and their contribution to overall sales and dynamics.

Currently, the dietary supplement distribution channels that are transparent for analysis are pharmacies and marketplaces. Channels such as network marketing, sales through importers' websites and non-pharmacy retail sales are poorly digitized and still represent insignificant shares of the overall dietary supplement sales structure. For this reason, we will take a look at the key trends occurring in pharmacies and marketplaces.

So, the pharmacy market remains the most important segment for dietary supplements. However, as of January 1, 2021, the Government of the Russian Federation lifted all restrictions on the sale of dietary supplements, including distance selling. Since then, the importance of marketplaces in sales of dietary supplements has been steadily growing. At the same time, we see that there is also a process of consumers switching from one channel to the other. This process has been particularly noticeable since 2023, when we observed negative dynamics in dietary supplement sales in packages in the pharmacy segment. This situation continued and got worse in 2024.

Total sales of dietary supplements through pharmacies and marketplaces were about 185.6 billion roubles by the end of 2024. That was an 18.3% increase from 2023. But if the pharmacy segment grew by 13%, sales on marketplaces (4 websites Ozon, Wildberries, YandexMarket, MagnitMarket) exceeded 42.6 billion roubles and showed a 40% growth. Thus, the share of marketplaces in sales of dietary supplements increased from 19.4% to 23%.

As mentioned above, pharmacy sales fell by 3.4%; at the same time, marketplace sales in packages grew by 21%, showing positive dynamics here as well. Still, cumulatively, sales in the two channels are still slightly down (450.7 million packages in 2024 and -1.3% compared to 2023). The nature of online marketplaces is such that the items sold there mostly belong to the high price segment. As a result, the weighted average price of a package is 354 roubles in pharmacies and 913 roubles on marketplaces. The share of marketplaces in packages is twice lower than in roubles, only 10%.

At the same time, pharmacies and marketplaces have very different product offerings. In total, there are more than 31,000 different dietary supplements on the market, and only about 10,000 SKUs are available in both pharmacies and marketplaces simultaneously. The number of manufacturers of dietary supplements is already approaching 2,000, which is twice the number of drug manufacturers. This makes the dietary supplement market a highly competitive segment.

Table 22

Key data on the 2 distribution channels for dietary supplements, 2024

Indicator	Pharmacy market	Marketplaces	TOTAL
Value, billion rubles	**143.0**	**42.6**	**185.6**
Growth by 2023	**13%**	**40%**	**18%**
Share, rubles	**77%**	**23%**	
Volume, million pack.	**404.0**	**46,7**	**450.7**
Growth by 2023	**-3.4%**	**21.4%**	**-1.3%**
Share, pack.	**90%**	**10%**	
Weighted average cost, rub.	**354.0**	**912.2**	**411.8**
Number of manufacturers	**1 509**	**1 395**	**1 919**
Number of SKUs	**over 21 thsd**	**20.4 thsd**	**over 31 thsd**
Share of Russian dietary supplements, rubles	**63.0%**	**66.3%**	**65.7%**

Value, billion rubles. Growth by 2023 Share, rub. Volume, million pack. Growth by 2023 For, pack. Weighted average cost, rub. Number of manufacturers Number of SKUs The share of Russian dietary supplements, RUB.

The overall growth of the dietary supplement market and the development of alternative distribution channels have caught the attention of regulators, who are developing a system of transparency and harmonization of dietary supplement sales. One of the tools used is unscheduled on-site inspections of market players. Violation risk indicators developed by the Federal Agency for the Oversight of Consumer Protection and Welfare (Rospotrebnadzor) will serve as a basis for them. It is not uncommon for dietary supplements to be sold under the guise of food additives or sports nutrition products, which have lower requirements. Apart from pharmacies, delivery services and marketplaces, the products began to be distributed via messengers.

Rospotrebnadzor will also be able to block Internet resources without a court order for disseminating information with offers to retail banned dietary supplements.

In November, Rospotrebnadzor banned pharmacies from selling dietary supplements containing melatonin and simethicone, which are used for insomnia, among other things. It should be noted that drugs containing the same active ingredients are not subject to any bans, plus they are over-the-counter drugs that can be freely dispensed in pharmacies. Therefore, in this case, Rospotrebnadzor seems to be gradually sorting out the previously registered dietary supplements. A month earlier, Rospotrebnadzor also revoked the state registration certificate for a number of dietary supplements containing banned substances that should not be present in them. Apparently, this process is ongoing and we will see more revocations of registration certificates for dietary supplements that do not meet the criteria required for their registration.

Nevertheless, sales of supplements containing melatonin (+40.6% in roubles) and simethicone (+18.6%) increased significantly year-on-year in 2024.

Another tool to control sales of dietary supplements is “labelling”, which was extended to dietary supplements after it was applied to drugs. In 2024, the Government extended the transition period for labelling dietary supplements, disinfectants and skin antiseptics until February 28, 2025. However, “labelling” only applies to dietary supplements that have a State Registration Certificate (SRC). If a manufacturer has registered its products as food additives/complex food additives, consumers will not always be able to recognise that such a product is not an official dietary supplement, especially if it is sold on marketplaces in the “theme” section. This situation is not possible in pharmacies because the pharmacy sales market is by far the most traceable and controllable.

According to Rospotrebnadzor, between 8% and 20% of Russians regularly use dietary supplements, while research by the Moscow Agency of Innovations shows that up to 60% of Russian people buy them on a regular basis. If we calculate the market value of dietary supplements per capita, we will see that the average per capita consumption is about 3 packages per year. Compared to European countries, this is quite low. It may have a chance to grow if a bill is passed to allow doctors to prescribe dietary supplements from a special list for drug therapy. The list will include registered quality and safe food additives, the criteria will be set by the government based on the impact of dietary supplements on human health.

Meanwhile, the bill is still in the process of improvement. Doctors will only be able to prescribe dietary supplements that meet quality standards, such as those that have been reviewed by experts and proven to be effective. In addition, a list of dietary supplements and conditions for which doctors can prescribe them will be developed.

If we look at internal structural changes, we see that the trends here are very similar to what is happening with drug consumption:

- Consumer awareness;
- Switching to a package with a larger number;
- New forms of dietary supplements that make them more convenient and enjoyable for consumers (while tablet consumption is declining, formats such as lollipops, hard candies, sachets, chewables are showing strong growth);
- Growth in the share of Russian dietary supplements;
- Growth in consumption and offerings of dietary supplements in the high price segment.

The pharmacy market has its own drivers in addition to those described.

Pharmacy market for dietary supplements

In 2024, dietary supplement sales in pharmacies were 143 billion roubles and 404 million packages. The pharmacy market for dietary supplements has been growing at double-digit rates for the past five years. In 2024, the market growth rate was 13% year-on-year. Sales in packages have been falling for the second year in a row: consumption decreased by 3.4% as compared to 2023. Taking into account the size numbers of packages, we get about 11.1 billion pieces of dietary supplements sold, with dynamics of only -0.4%.

Analysing the monthly dynamics compared to the previous year, we can see that the most successful period for the pharmacy market of dietary supplements was the third quarter (+21% in roubles and +6.9% in packages compared to the same period of 2023). While sales in roubles grew each month, sales in packages showed growth only in Q3.

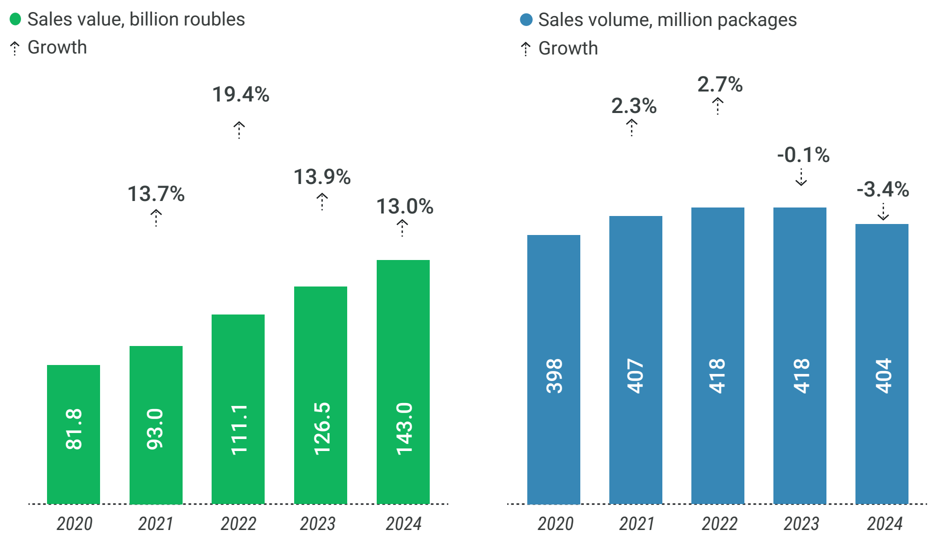
On average, in 2024, one package of dietary supplements cost pharmacy customers 354 roubles (retail price), which is 17% more than a year earlier. The weighted average cost for pharmacies increased by 18.4% to 269 roubles per package.

One of the factors contributing to the growth in the number of stock keeping units (SKUs) is the development of private labels (PLs) by pharmacies. Dietary supplements are just the right category of pharmacy products to capitalize on this trend. In 2024, the top brands are represented not only by manufacturers' branded products but also by PLs of individual pharmacy chains. For example, the Consumed brand is one of the top three.

In 2024, the share of PLs decreased for the first time and accounted for 23.6% of pharmacy sales in roubles and 36.3% in packages. A PL is a tool to increase profits and a high-margin product. The average markup in the category of dietary supplements was 31.6%. Compared to 2023, this indicator decreased by 1.6%. At the same time, the average markup on dietary supplements promoted as private labels is considerably higher – at the end of 2024, it was 85.8% (+7.8% compared to the previous year). There are more and more offerings on the PL market.

Figure 29

Dynamics of DS pharmacy sales in Russia, 2020-2024



Compared to 2020, the range of private label products offered by pharmacies has quadrupled: in 2024, 3,600 SKUs of PLs were already available on pharmacy shelves.

136 pharmaceutical companies manufacture PL dietary supplements for pharmacy chains. Leaders among them are Russian Kvadrat-C, Mirrolla, VTF, Evalar and Polaris accounting for over half of the traded PLs.

The shift of consumers to marketplaces has also been driven by the development of pharmacy eCom, which continues to grow at a high rate. In 2024, the category of dietary supplements again leads in terms of eCom share among the main types of pharmacy products – 27.9% of the total pharmacy market for dietary supplements at the end of 2024 (excluding PLs).

Price growth and consumer shift to more expensive dietary supplements had a noticeable impact on the sales structure by price segments in favour of dietary supplements priced over 500 roubles. Considerable growth was shown by two segments: "over 1,000 roubles" (+33.6% in roubles and +29.2% in packages) and "from 500 to 1,000 roubles" (+16.6% and +12.8%, respectively). As a result, the DS market structure in terms of the price categories changed giving predominance to supplements priced over 1,000 roubles, the share of this supplement group grew by 5.4% in value and by 1.9% in volume. Ultimately, the share of high-cost supplements grew to 35.4%.

In 2024, low-cost dietary supplements (38.1% share in packages) lost their advantage to dietary supplements priced between 100 and 500 roubles (38.7%) with a difference of less than 1%. As a result, items priced "under 100 roubles" are being gradually pushed off from shelves: in 2024, their share shrank by 3% to 38.1% of sold packages. Due to the low value in roubles, the share of the lower segment is under 5% (-0.7% compared to 2023). The Hematogen and Guslitsa brands account for 23.1% of sales in packages in the "under 100 roubles" segment.

The highest share of PLs is in the segment "from 100 to 500 roubles" (about 36.9% of the price category sales in roubles and 37.1% in packages).

When buyers want to save money, they choose to use online channels: at the end of last year, the number of high-priced DS packages sold

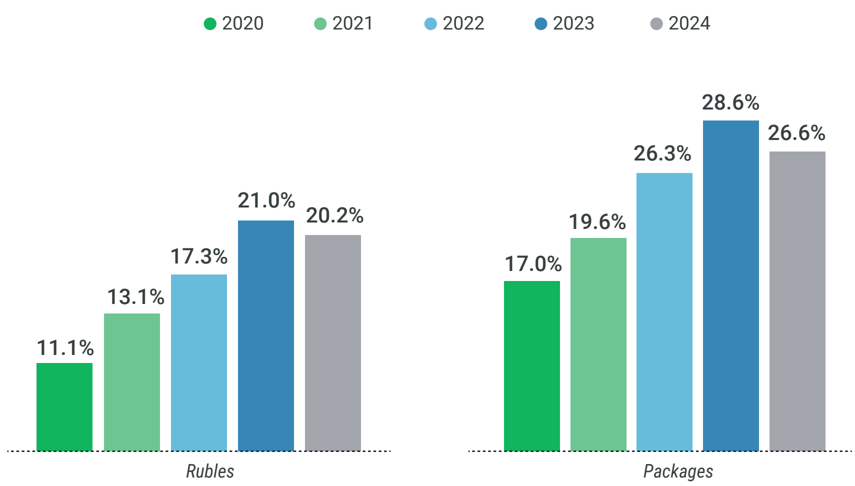


Figure 30

Private labels in pharmacy sales of DS, 2020-2024 through online channels was approximately three times the number sold through pharmacies. The decisive factor for this choice is often a price offer, and not convenience.

The changes in prices for dietary supplements have been analysed by using the Laspeyres price index. One of the reasons for the rise in the weighted average prices was the DS inflation rate. In 2024, DS prices in roubles rose by 8.8%, which is still lower than in 2023. However, the largest price increases were in February, July and December – more than 1% per month.

Dietary supplements are marketed by manufacturers as food additives that help prevent various diseases. The DS classifier by effect, which is developed by DSM Group, contains 16 chapters, most of which have the 2nd sub-level and some of which have the 3rd sub-level.

After a year, the ranking remained almost the same. Supplements supporting immune system function (+19.9%), due to higher dynamics, knocked supplements used to eliminate various skin and hair problems (+9.2%) from 8th place.

Multi-purpose supplements of group [V] “DS affecting the whole body” (a 28.7% share in roubles) are traditionally the most in-demand on the market. Compared to 2023, sales in this DS group grew by 11.4%. The main DS brands in group [V] are: Solgar (share in group sales – 13.7% in roubles) and Evalar (8.3%) from corporations of the same name.

As before, ranking second is group [A] “DS affecting the digestive system” (19.5%), its sales grew by 11.1%. The most popular brands in this group were Evalar (share in group sales – 15.7% in roubles) from Evalar and Bak-Set (11.9%) from PharmaMed.

Figure 31

Pharmacy eCom share, by product type, 2024

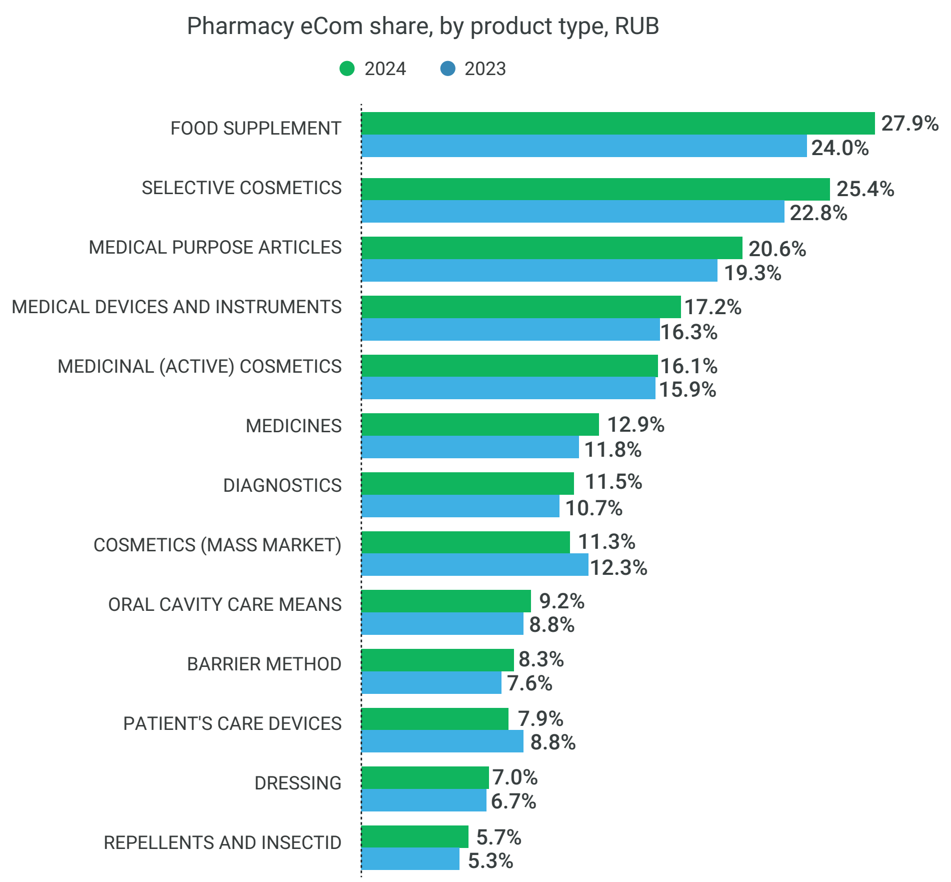


Table 23

Sales ranking according to the DS classifier chapters, 2024

Rating	Change by 2023	Group	Value, billion rubles	Share, rubles	Growth by 2023
1	-	[Food suplement, reacting on an organism as a whole. (V)	**41 083**	**28.7%**	**11.4%**
2	-	Food suplement, reacting on the alimentary system. (A)	**27 929**	**19.5%**	**11.1%**
3	-	Food suplement, influencing functions of the central excitatory system. (N)	**15 358**	**10.7%**	**18.8%**
4	-	Food suplement, applied at diseases of osteal system. (M)	**12 014**	**8.4%**	**19.2%**
5	-	Food suplement, influencing genesial system. (G)	**10 614**	**7.4%**	**13.0%**
6	-	Food suplement for maintenance of functions of cardiovascular system. (C)	**7 504**	**5.2%**	**13.9%**
7	-	Food suplement, applied at diseases of respiratory system. (R)	**5 932**	**4.1%**	**4.4%**
8	+1	Food suplement, bolstering function of immune system. (I)	**3 978**	**2.8%**	**19.9%**
9	-1	Food suplement, applied to elimination of various problems with a skin and a hair (D)	**3 735**	**2.6%**	**9.2%**
10	-	Food suplement, reacting on hemopoietic system. (B)	**3 306**	**2.3%**	**13.8%**
11	-	Food suplement, reacting on sense bodys. (S)	**2 696**	**1.9%**	**2.1%**
12	-	Food suplement, reacting on urinary execretion system system. (U)	**2 623**	**1.8%**	**14.7%**
13	-	Food suplement for growing thin and organism purification. (W)	**2 325**	**1.6%**	**16.1%**
14	-	Food suplement, applied at venenatings and intoxi-cations. (T)	**2 198**	**1.5%**	**29.5%**
15	-	Food suplement, influencing function of hemadens. (H)	**1 517**	**1.1%**	**9.6%**
16	-	Food suplement, applied at virus, bacteriemic and fungus diseases. (J)	**169**	**0.1%**	**7.5%**

Ranking third is group [N] "DS affecting the central nervous system function" (10.7%), also with positive sales dynamics: +18.8%. The group was topped by supplements of the lines: Evalar (share in group sales – 19.8% in roubles) from Evalar and Vitamir (5.9%) from Kvadrat-C.

- All groups showed positive dynamics. The maximum growth rates were observed in the following groups:

- dietary supplements used in case of poisoning and intoxication (+29.5%): positive dynamics for group [T] were ensured by supplements Sorbipol (+97.7%) from Pharmacor Production, Evalar Transit Lymphotransit (+92.2%) from Evalar and Sorbigel (+79.1%) from Mirrolla;

- dietary supplements supporting the immune system function (+19.9%): sales of Group [I] brands Supradyn from Bayer, Aqua D3 from Mirrolla and Vitateka from Protek increased by 608.9%, 175.7% and 98.4%, respectively;

- dietary supplements used for treatment of skeletal system conditions (+19.2%) ranked third by the annual growth rates: the brands Polaris Vitamin D3 (+372.1%) from Polaris, Theraflex (+301%) from Bayer and Evalar Revmaflex (+108%) from Evalar were the main contributors to the group's positive dynamics.

TOP 20 DS brands leading in sales volumes on the Russian market

In 2024, pharmacies offered about 4,000 DS brands (20,100 SKUs) from 1,400 manufacturers. More than 500 new brands emerged on the market during the year. Earlier, it was easy for

Figure 32

Change in DS prices on the Russian pharmacy market

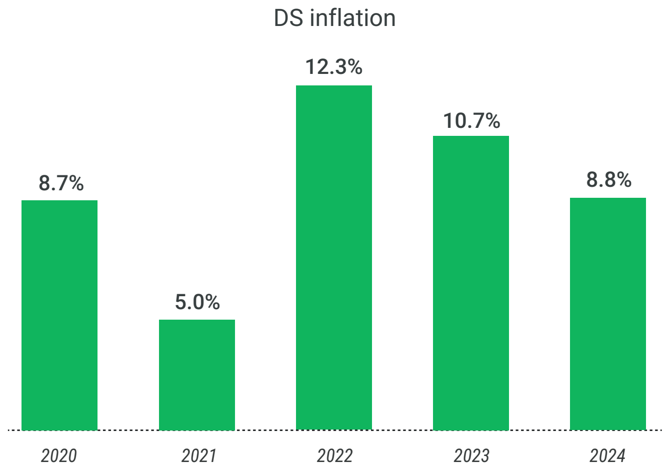
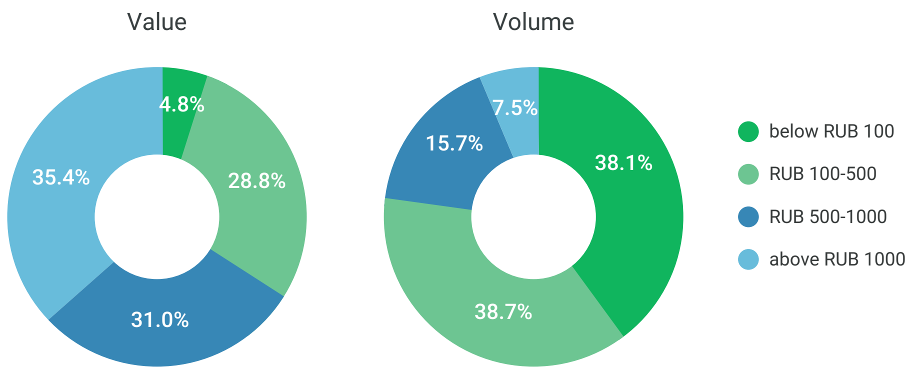


Figure 33

DS Sales Structure by Price Segments in 2024



new products to get to the top in rankings thanks to their adequate promotion; now, it is more difficult to launch «attractive» products.

The most successful new product was the supplement improving brain function, Choline Strong (manufactured by CSC); its year-end sales were 49.8 million roubles. The line includes 3 SKUs of the supplement in capsules with different package sizes – No. 10, 30 and 60. The item in the highest demand was the product in a large package Choline Strong Capsules No. 60.

Several significant changes can be seen in the ranking of the top DS brands by value sales. The top five brands are last year's leaders.

The ranking is still topped by the brand Evalar (13.3% share in roubles) from the Russian manufacturer Evalar with a growth of 21.8%. In second place is the line Solgar (6.2%) from the company of the same name, whose sales increased by 7.2%. In third place, with a share of 3.2%, in 2024 is the PL Consumed (+15.8%), which is produced by several manufacturers at the same time.

The PL lines Gross Hertz (-49.9%), PL (-30.8%) and Vivacia (-33.4%), as well as Hematogen (+1.6%), a popular "pharmacy candy" for children, left the ranking in 2024.

There are four new ranked brands: Allvit (annual sales of about 2 billion roubles), GLS (+99.5% and +16 places), Now Foods (+69.3% and +9 places) and Elevit (+5.5% and +2 places).

The least successful brands of the year were Doppelherz (-19.5% and -1 place), Natures Bounty (-12.5% and -4 places) and Detrimax (-6.2% and -3 places).

The DS market is dominated by products manufactured in Russia. Russian dietary supplements account for 84.2% of volume sales and for 66.3% of value sales. During the year, the DS market structure shifted in favour of Russian products: their share grew by 2.6% in roubles and by 2.1% in packages.

In absolute terms, both categories grew in value sales, though at greatly varying rates: Russian supplements increased by 17.7% compared to 2023, while imported ones – by only 4.9%. In packages, sales of products of foreign manufacturers declined by 14.8%. Consumption of Russian dietary supplements changed little, if at all, compared to the previous year (-0.9%).

Figure 34

DS sales dynamics by classifier chapters, roubles

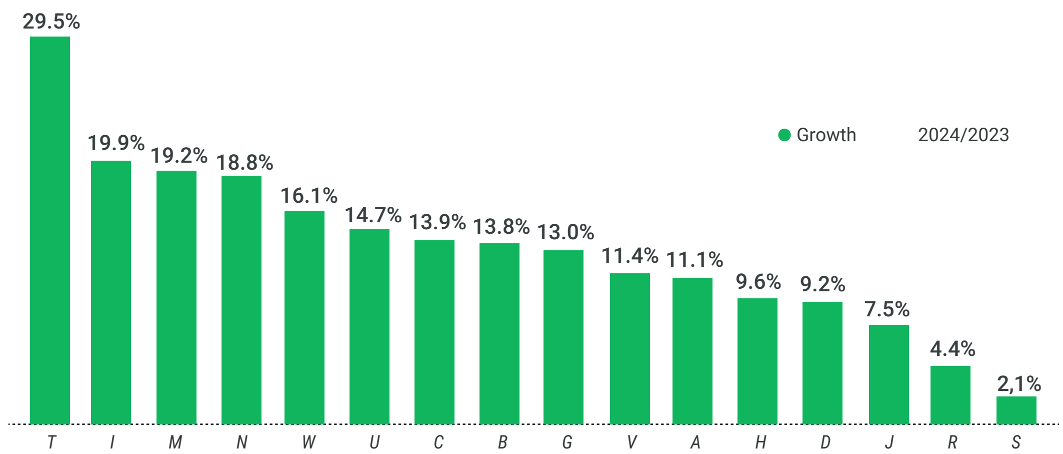


Table 24

TOP 20 food supplement brands in Russia in 2024

Rating	Change by 2023	Brands	Value, billion rubles	Share, rubles	Growth by 2023
1	-	EVALAR	**19 077**	**13.3%**	**21.8%**
2	-	SOLGAR	**8 824**	**6.2%**	**7.2%**
3	-	CONSUMED	**4 620**	**3.2%**	**15.8%**
4	-	VITAMIR	**3 958**	**2.8%**	**8.6%**
5	-	BAC-SET	**3 575**	**2.5%**	**8.0%**
6	+2	BE HEALTHY!	**2 882**	**2.0%**	**37.5%**
7	-1	DOPPELHERZ	**2 524**	**1.8%**	**-19.5%**
8	+9	MIRROLLA	**2 418**	**1.7%**	**168.4%**
9	-2	MAXILAC	**2 252**	**1.6%**	**1.3%**
10	-1	FEMIBION	**2 241**	**1.6%**	**7.7%**
11	-	IMPLOVIT	**2 039**	**1.4%**	**17.1%**
12	new	ALLVIT	**1 975**	**1.4%**	**new**
13	-3	DETRIMAX	**1 800**	**1.3%**	**-6.2%**
14	-2	VITRUM	**1 596**	**1.1%**	**0.4%**
15	+9	NOW FOODS	**1 106**	**0.8%**	**69.3%**
16	-2	BIFICIN	**1 104**	**0.8%**	**-1.9%**
17	+16	GLS	**1 066**	**0.7%**	**99.5%**
18	-	PHYTOMUCIL	**907**	**0.6%**	**8.9%**
19	+2	ELEVIT	**840**	**0.6%**	**5.5%**
20	-4	NATURES BOUNTY	**839**	**0.6%**	**-12.5%**

In 2024, the average price per package of a Russian DS was 279 roubles (+18.7% compared to 2023), which is 3 times lower than the price per package of an imported supplement – 754 roubles (+23.2%).

The leaders among foreign DS manufacturers are the US (43.2%), Germany (12.8%) and India (8.8%). The most popular US dietary supplements are from Solgar (Solgar DS line), PharmaMed (Bak-Set and Phytomucil) and Unipharm (Detrimax). The leaders among German manufacturers are Queisser Pharma (Doppelherz DS line) and Bayer (Elevit and Supradyn). The top-ranking among Indian manufacturers are Dr. Reddy's (Femibion DS), Sun Pharmaceutical (Neotravisil) and Ipca Laboratories (Cartiflex).

TOP 20 DS manufacturers, leading in sales volumes on the Russian market

The dietary supplement market is very competitive – there are 1,400 manufacturers operating on the market. The number of items that are available only in pharmacies has already exceeded 20,000 SKUs. The success of a new product depends on the company's ability to secure agreements with pharmacy chains to place the product on their shelves. This is the best way to promote it.

DS manufacturers' concentration on the pharmacy market is quite high – the top 20 companies hold 61% of the market.

For many years Russian Evalar has remained the market leader (15.1% in roubles). The company more than twice outperforms its nearest competitor, Solgar, in rouble turnovers. In 2024, the manufacturer's sales grew notably, by 14.7% compared to the previous year, yet, Evalar's market share grew by less than 1%. In 2024, Evalar's portfolio comprised about 400 various DS product names, grouped in 2 one-brand product lines: Evalar (+20.4%) and Evalar Laboratory (+177.6%), both of which showed positive dynamics. Moreover, the company produces PLs for pharmacy chains (more than 200 product names). The company's positive dynamics were ensured by the growth in consumption of the dietary supplement used for skeletal system conditions Evalar Revmaflex (+108% compared to 2023), the dietary supplement accelerating the elimination of toxic substances from the body Evalar Transit Lymphotransit (+92.2%) and the dietary supplement normalizing the processes of excitation and inhibition in the central nervous system Evalar Magnesium Chelate Anti-Age (+54.5%). Sales of the dietary supplement affecting brain activity Evalar Glycine Forte (-8%) and the effervescent vitamin C Evalar Vitamin C (-7.2%), on the contrary, decreased. Each year, the company launches new products on the market. In 2024, pharmacies started offering more than 30 new dietary supplements in terms of dosage forms. The most successful new product is calcium in chelate form Evalar Calcium chelate+D3+K2 tablets 1.3 g No. 60 for skeletal system conditions. Sales of the new product were 100.5 million roubles. During the year, the company's eCom share increased from 20.1% to 25.6%.

US Solgar (6.2%) steadily retains its second position. Holding the highest online sales share (49.3%), the company has only one "umbrella" brand, Solgar, that offers a variety of broad-spectrum dietary supplements: from DS affecting the whole body to DS supporting individual organ systems. While the manufacturer's sales growth in the market as a whole was only 7.2%, its online sales were signifi-

Figure 35

Domestic to imported DS sales, 2023-2024

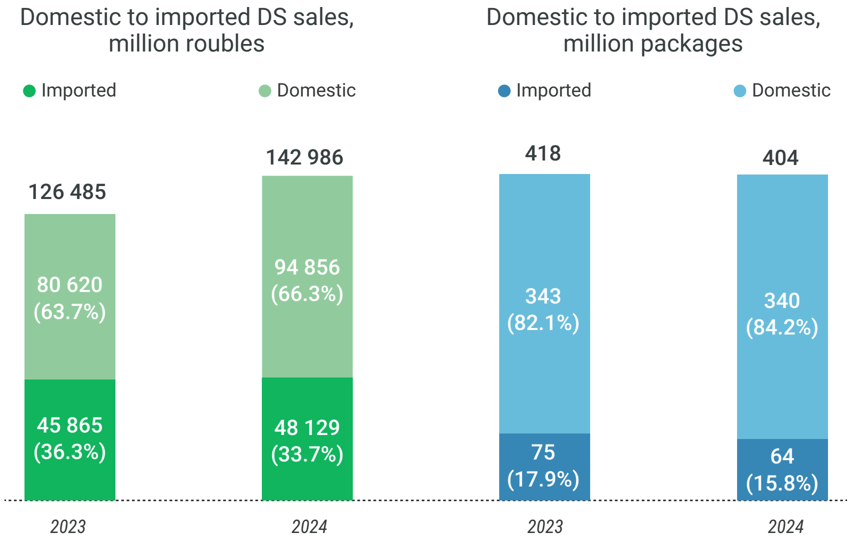
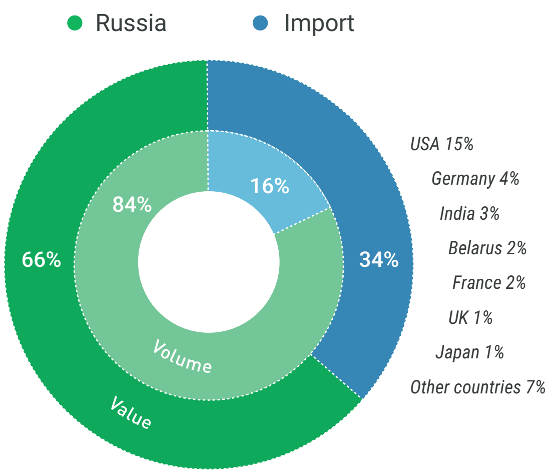


Figure 36

Domestic to imported DS sales by countries, 2024



Rating	Change by 2023	Manufacturer	Value, billion rubles	Share, rubles	Growth by 2023	The share of the online segment in the company's sales
1	-	EVALAR	**21 548**	**15.1%**	**14.7%**	**25.6%**
2	-	SOLGAR	**8 824**	**6.2%**	**7.2%**	**49.3%**
3	-	KVADRAT-C	**8 721**	**6.1%**	**10.0%**	**7.8%**
4	+1	MIRROLLA	**7 518**	**5.3%**	**64.9%**	**8.0%**
5	-1	PHARMAMED	**6 210**	**4.3%**	**5.8%**	**24.1%**
6	-	VTF	**3 980**	**2.8%**	**9.6%**	**10.7%**
7	+4	POLYARIS	**3 221**	**2.3%**	**36.3%**	**9.7%**
8	+1	NIZHPHARM	**3 200**	**2.2%**	**9.0%**	**24.7%**
9	-1	UNIPHARM	**2 760**	**1.9%**	**-11.9%**	**26.2%**
10	-	DR.REDDY'S LABORATORIES	**2 565**	**1.8%**	**4.2%**	**29.4%**
11	-4	QUEISSER PHARMA	**2 524**	**1.8%**	**-19.5%**	**36.3%**
12	+3	GREEN SIDE	**2 476**	**1.7%**	**56.2%**	**9.4%**
13	-1	BINNOPHARM GROUP	**2 252**	**1.6%**	**1.3%**	**14.9%**
14	+2	ERZIG	**1 989**	**1.4%**	**32.6%**	**8.2%**
15	+7	BAYER	**1 859**	**1.3%**	**83.4%**	**27.7%**
16	-3	BAUSCH HEALTH	**1 829**	**1.3%**	**7.2%**	**15.8%**
17	+31	GUSLITSA	**1 575**	**1.1%**	**195.3%**	**3.2%**
18	-1	OTCPHARM	**1 460**	**1.0%**	**5.8%**	**23.8%**
19	+5	PHARMACOR	**1 395**	**1.0%**	**41.5%**	**10.8%**
20	-2	LABORATOIRES INELDEA	**1 353**	**0.9%**	**6.1%**	**15.5%**

Table 25

TOP 20 DS manufacturers in Russia in 2024

Note: *«manufacturer» means the parent company that may incorporate several production sites.*

cantly higher – 17.9%. In total, 122 product names were sold in pharmacies with a weighted average price of 1,700 roubles. Nine of the company's ten major product names showed sales growth. The highest growth rate was observed for items recommended by the manufacturer as a supplementary source of zinc – Solgar Zinc Picolinate (+27.7% compared to 2023), folic acid – Solgar Folate (Metafolin) (+24.7%) and magnesium – Solgar Magnesium Citrate (+21.3%). At the same time, sales of the vitamin-mineral complex Solgar Multi I fell by 1.2%. In 2024, the company launched about 20 new products on the pharmacy market, among which the most successful was the children's nutrient line in gummy form Solgar U-Cubes Multi-Vitamin & Mineral Gummies 2,179 mg No. 60 (14.4 million roubles).

In third place in 2024 is the manufacturer Kvadrat-C (6.1%), which showed a 10% sales growth. The company's portfolio comprises two major lines: Vitamir (+8.6% compared to 2023) and Tetralab (+16.4%). In total, pharmacies sold about 260 product names. The strongest growth was observed for the varicose veins supplements Vitamir Venoprim Forte (+291.6%), Vitamir Vitamin Complex A to Zn for Women (+208.3%), the urinary system supplements Vitamir Urefron (+194.8%). Of the top 10 key product names, only Vitamir Bronchoactive Sage (-37%), which improves the respiratory tract in general, saw a decline in sales. In addition, the company produces 335 PL product names for pharmacy chains. The share of online sales in the manufacturer's total sales was 7.8% at the end of the year.

High growth rates are shown by the following manufacturers: Guslitsa (+195.3%), which produces dietary supplements in the form of hard candy caramel and showed the most significant movement in the ranking (+31 places); German Bayer (+83.4%), which expanded its Supradyn vitamin-mineral complexes and Theraflex joint pain supplements; Mirrolla (+49.8%), which experienced a significant increase in demand for its products that help maintain and restore normal intestinal microbiome, Mirrolla Synbiotic Max and Mirrolla Synbiotic Immuno.

The largest year-on-year decrease in sales was shown by foreign companies Queisser Pharma (-19.5%) with the line Doppelherz and Unipharm (-11.9%) with the main brand Detrimax (-6.2%). As a result, the manufacturers moved down 4 places and 1 place in the ranking, respectively.

6. Cosmetics (pharmacy sales)

Parapharmaceuticals accounted for 19.5% of pharmacy sales in 2024. While their share has not declined, it has remained consistently below 20% since 2020. However, there have been periods when it was significantly higher, for example, in 2006-2007 when it was 24%. One of the main reasons for the continued momentum remains the "migration" of consumers to other sales channels (primarily marketplaces and the non-pharmacy online segment).

Currently, there are groups of goods that are traditionally considered pharmacy products, but their sales on marketplaces significantly exceed their sales in pharmacies. For example, 4 platforms (Yandex Market, Ozon, Wildberries, Magnit Market) collectively sell 10 times more irrigators than pharmacies. Pharmacies are still the main point of sale for blood pressure monitors, inhalers and thermometers, but a large number of Chinese suppliers are competing with the major manufacturers on marketplaces. If pharmacy sales of blood pressure monitors are 8 billion roubles, their sales on marketplaces additionally amount to 2.8 billion roubles; sales of inhalers are 3.7 billion roubles and 1 billion roubles, respectively; sales of thermometers are 2.6 billion roubles and 0.76 billion roubles.

Apparently, online sales are the reason why not all pharmacy product categories are highly dynamic. Diagnostic devices, barrier contraceptives and dietary supplements are vivid examples of where competition between pharmacies and marketplaces is strongest.

Cosmetics fall into this list of products too. However, the trend reversed for "selective cosmetics" in 2024. The increase in household incomes contributed to the positive growth of this category in roubles. The credibility of pharmacies as a point of sale for "products with therapeutic effects" allowed the category to grow in packages.

According to INFOLine's forecasts, cosmetics sales in Russia are generally estimated at 1.1 trillion roubles in 2024. Therefore, cosmetics sold in pharmacies account for about 5.1% of the total self-care market. The cosmetics market is growing at double-digit rates and is recovering faster than any other non-food retail market.

Pharmacy consumers spent 14% more on cosmetics in 2024 than they did the year before. The value sales were 56.1 billion roubles. The increase in cosmetics sales was mainly driven by higher demand for premium cosmetics, which grew by 18.1% in value terms.

The negative trend of consumption in packages that we had observed in recent years was broken in 2024 (+1.6%). During the year, pharmacies sold a total of 148.1 million packages.

If we compare sales on a monthly basis with the previous year's figures, we can see that the most successful quarter for the market was the third quarter (+21.6% in roubles and +8.2% in packages compared to Q3 2023).

According to 2024 results, cosmetics sales share is the third-largest (after medications and dietary supplements) in the pharmacy sales structure.

Pharmacies continue to expand their range of cosmetic products, both through the introduction of new brands and the expansion of existing product lines. In 2024, Russian pharmacies already sold 3,200 various cosmetic brands (38,600 SKUs). Manufacturers offered consumers over 340 new brands. However, none of the new products made it into the top 300 by sales. The most successful among them was a Russian brand of active cosmetics, which ranked 304th – a solid men's cream Polifit (from the company Alfit Plus) in packages of 20 pieces of 1.5 g each. The cream is recommended for pathologies of the male genital system (such as chronic prostatitis, decreased potency, prostate adenoma), hemorrhoids, anal fissures, inflammatory processes in the large intestine. Total sales of the solid cream for the reporting period exceeded 22.4 million roubles.

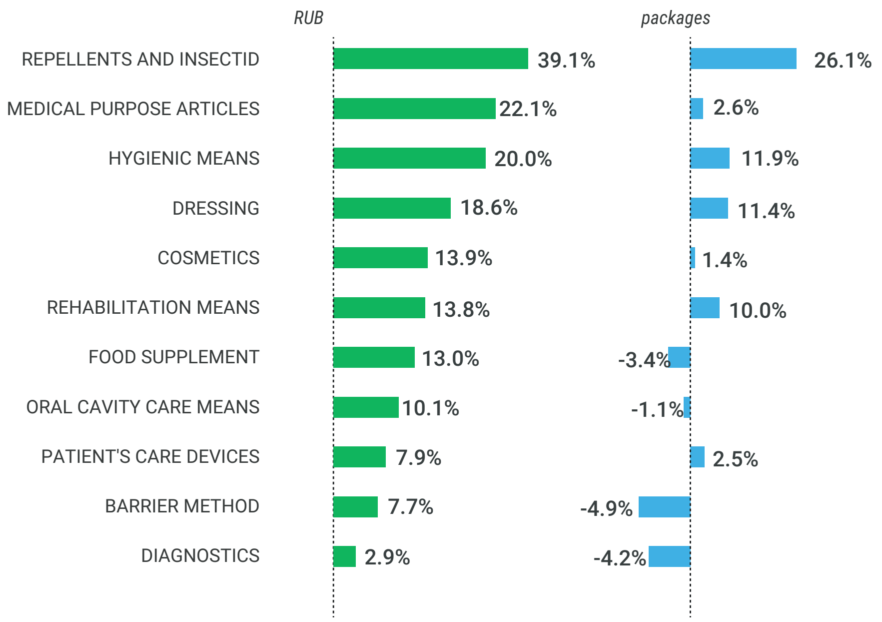
The expansion of the product range also leads to an increase in the proportion of counterfeit products. This is especially true for marketplaces because they have little quality control over the products they offer for sale. One of control instruments here is the labelling of certain types of perfumes, cosmetics and household chemicals:

- On May 1, 2025, mandatory labelling will be introduced for soaps and detergents.
- On July 1, 2025, mandatory labelling will apply to hair products, shaving products and deodorants.
- On October 1, 2025, labelling will be required for cosmetics, toothpastes and other oral care products.

Figure 37

Dynamics of parapharmaceutical sales in pharmacies

Dynamics of parapharmaceutical sales in pharmacies 2024/2023



Cosmetics rank high in terms of the eCom share in pharmacies' non-pharmaceutical product ranges. The combined share of cosmetics ordered through online pharmacies in 2024 was 18% or 10.1 billion roubles, 1% higher than the same figure in 2023 (in absolute terms, online sales increased by +20.5%, exceeding the overall market indicator). The products most frequently booked online are selective cosmetics (eCom share 25.4%), which are mainly available in pharmacies (brands such as La Roche-Posay, Vichy, Bioderma, etc.). This is also due to the fact that consumers are looking for more affordable prices on online marketplaces. It is luxury cosmetics that have the highest weighted average price per package (1,347.5 roubles – in the pharmacy market as a whole, 1,344 roubles – in the pharmacy eCom segment), so price sensitivity is higher in this category.

When it comes to the cosmetics market as a whole, according to NielsenIQ, more than a third of cosmetics were already sold online in the 12 months through August 2024 inclusive: the share of online sales in self-care categories reached 34.2%. The year before, it was only 26.9%. Selective cosmetics sold in pharmacies have a similar figure.

Cosmetics can be classified according to various parameters: price, intended use, age and social group, effect or indications for use. The **DSM Group** analysed the items and proposed its classification of cosmetic products according to purpose, effect and price. Cosmetics sold through pharmacy chains were divided into three key groups:

Selective cosmetics (premium and luxury) are luxury, upmarket products with specialised lines that are clearly differentiated and designed for specific skin or hair conditions (e.g., La Roche-Posay, Vichy, Bioderma brands). These are mostly high-priced products.

Therapeutic (active) cosmetics are products used for the treatment and prevention of specific diseases, containing biologically active substances (these include brands such as Boro Plus, Lipobase, 911 Vasha Sluzhba Spaseniya (911 Your Emergency Service), etc.).

Mass market cosmetics are affordable skin, hair and nail care products sold in both pharmacies and other retail outlets (EVO, Nivea, Floresan, etc.).

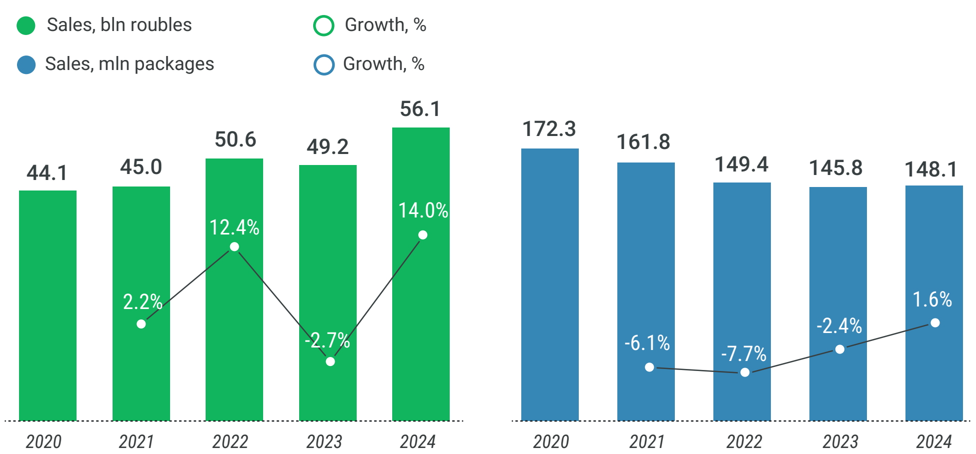


Figure 38

Pharmacy cosmetics sales dynamics in Russia, 2020-2024

Over the year, the market structure shifted in favour of **selective cosmetics**: their share grew by 1.2% in roubles and by 0.7% in packages. If we look at the dynamics in absolute terms, it is the premium cosmetics that showed the most significant growth compared to the 2023 figures. Value sales grew by 18.1%, while volume sales grew by 9.2%. Among the top 10 dermocosmetics brands, the highest growth rate was observed for Bioderma (+41% in roubles), Librederm (+21.8%) and Uriage (+20.6%). Thus, the year-end share of selective cosmetics was 35.9% in roubles and 10.1% in packages.

Active (therapeutic) cosmetics remain the most popular segment, accounting for nearly half of all cosmetics sales in pharmacies. Therapeutic cosmetics play a vital role in the overall performance of the market: +10.1% in roubles and -1.9% in packages. Its share decreased by 1.5% in value terms and by 1.7% in volume terms. During the year, pharmacies sold 1,156 active cosmetics brands produced by 562 companies (5,600 SKUs). This category of cosmetics is in demand because they can be marketed as both non-pharmaceutical and pharmaceutical products and are reasonably priced.

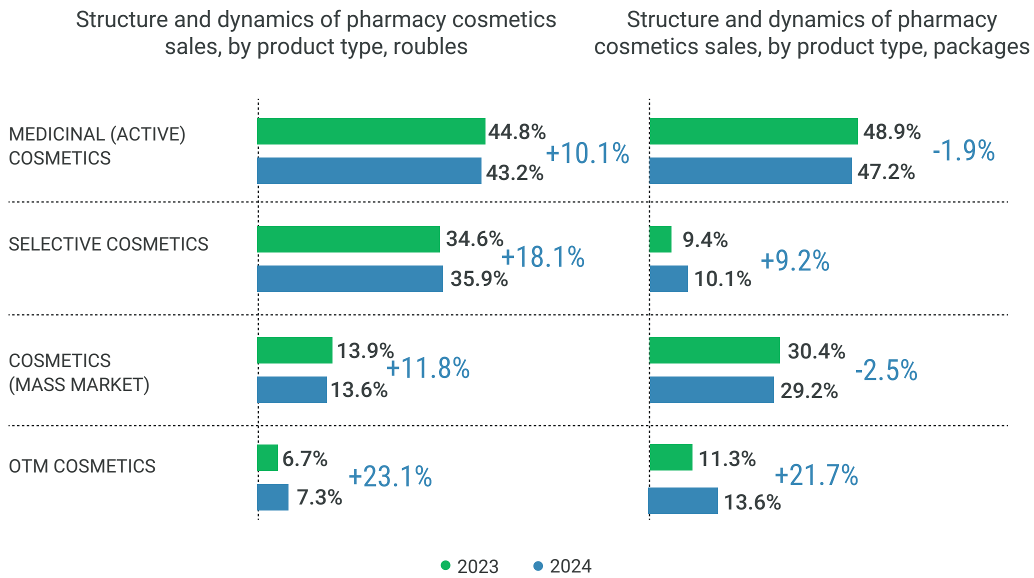
Sales of **mass market cosmetics** also increased by 11.8% in roubles, but their share in monetary terms decreased by 0.3% to 13.6%. Sales in packages decreased by 2.5%. Therefore, the growth in value terms is only due to inflationary processes. It should be noted that pharmacies are not the main distribution channel for mass market cosmetics. Most sales of mass market cosmetics in pharmacies are made due to either impulse buying or cross-selling.

The share of **private label cosmetics** grew by 0.5% in roubles and by 2.2% in packages. However, at the end of the year, private label products accounted for only 7.3% in value terms and 13.6% in volume terms of the total sales of cosmetics (which is already higher than the share of selective cosmetics in packages). This category continues to grow strongly, with growth rates exceeding the overall market levels (+23.1% and +21.7%, respectively).

In 2024, the average weighted price of a cosmetic product in retail pharmacy prices was 379 roubles per package. The price rose by 12.1% against 2023. If we look at the market

Figure 39

Structure of pharmacy cosmetics sales by type of cosmetic product



segment by segment, we can see that prices in all the categories have increased. Mass market cosmetics saw the largest increase, with the weighted average price per package rising 14.6% to 177 roubles compared to 2023. The price of active cosmetics per package increased by 12.3%, while the price of premium cosmetics was up 8.1%.

Looking at cosmetics in terms of intended use, the most popular are still multi-purpose cosmetics (31% of sales in packages), intended for all types of consumers. In terms of roubles, multi-purpose products ranked 3rd in 2024 again, while face care (23.9%) and body care (22.4%) products had the largest share.

Five top-ranking groups showed positive sales dynamics. The groups that stand out in terms of growth rate compared to 2023 are intimate care products (+26.4% in roubles), multi-purpose cosmetics (+18.4%) and body care products (+14.7%).

Sales of the three major groups increased in volume terms, with multi-purpose cosmetics showing the strongest growth (+4.9% in packages). At the same time, sales of hair and scalp care products and lip care products decreased by 3.7% and 0.3%, respectively.

The largest share in the cosmetics sales structure by age belongs to cosmetics for all age groups (over 80% in value and volume terms). Next come cosmetics for babies and children (from 0 to 14 years old): 7.9% in roubles and 13.7% in packages. In third place are cosmetics for young adults (over 25), with a market share of 5.5% in roubles. There is a preponderance of high-priced premium and luxury cosmetics in this category – 77.4% of value sales come from selective cosmetics.

A large share of therapeutic cosmetics belongs to the categories: for the elderly (over 60) (90.6%) and for pregnant and nursing women (79.4%).

Russian cosmetics are more in demand on the pharmaceutical market than foreign cosmetics: Russian products account for more than 81.1% of volume sales. As for value sales, it

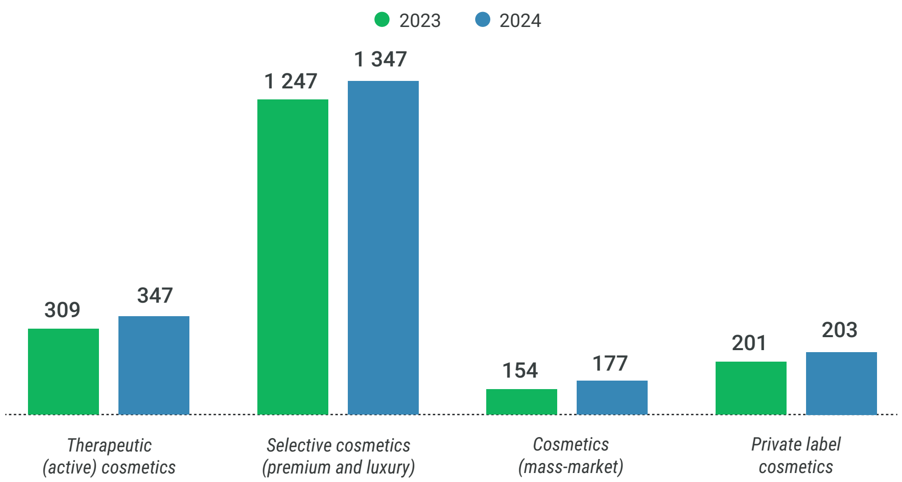


Figure 40

Weighted average price of a cosmetic product in pharmacies, 2023-2024 should be noted that the market is almost equally divided, but Russian products are slightly ahead (around 56.2% of sales).

Within segments, the ratio of Russian to foreign cosmetics varies considerably (Figure 43).

In 2024, premium cosmetics were mostly represented by imported cosmetic products, which hold 87% of the market in roubles and 71% in packages. The Russian brands Librederm and 8.1.8 Beauty Formula account for 93.8% of Russian selective cosmetics sales in roubles.

The segment of therapeutic (active) cosmetics is represented, on the contrary, mostly by Russian brands that lead both in value (79%) and in volume (85%).

The share of Russian cosmetics, which prevail in the mass market segment, increased by another 2% to 75% in roubles and by 0.9% to 87% in packages over the year. The key made-in-Russia brands are EVO, Moyo Solnyshko (My Sunshine) and Detskiy Krem (Baby Cream), which together hold a 16.7% market share in roubles.

Selective cosmetics

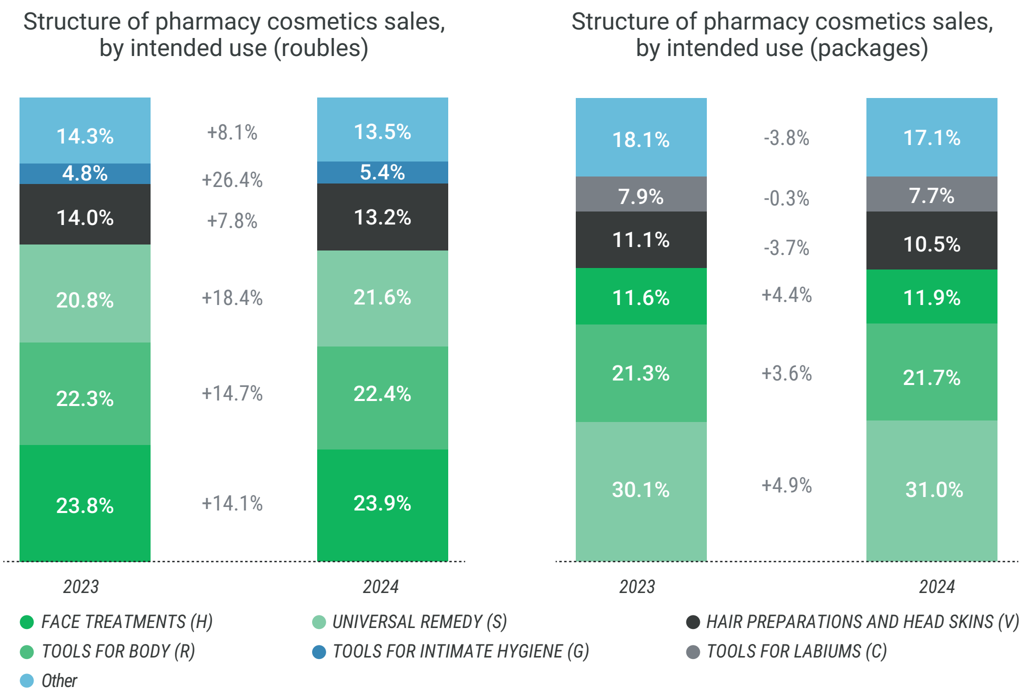
In 2024, pharmacies sold 14.9 million packages of premium cosmetics for over 20.1 billion roubles. Compared to 2023, the number of packages sold increased by 9.2% and the amount of money spent grew by 18.1%. There were no changes in the top 10 brands in the selective cosmetics segment during the year.

L'Oreal's brand La Roche-Posay (+19.2% compared to 2023) holds the top spot. The market share of the French brand increased by 0.3% to 29.4%. La Roche-Posay cosmetics based on thermal spring water are specifically designed for problem skin, which is why 41.3% of the brand's sales come from the lines Effaclar (a special range of products for oily and acne-prone problem skin) and Lipikar (care products for dry, dehydrated and sensitive skin prone to atopic dermatitis). In total, there are more than 300 SKUs in the brand's portfolio (on average, a package of the product line costs 1,629 roubles).

In second place is another of L'Oreal's cosmetics products, Vichy (+18.6%), which is designed to maintain healthy and beautiful skin. Vichy's share of the selective cosmetics segment in-

Figure 41

Cosmetics sales structure by intended use, 2024



creased by 0.1% to 17.3%. 26.7% of the brand's sales come from the anti-ageing category (code [A13] Ageing skin, wrinkles): the Neovadiol range for menopause, Liftactiv anti-wrinkle and skin tightening products, Slow Age products for the first signs of ageing, and Capital Ideal Soleil sunscreens (the anti-ageing products in the range). In total, 442 SKUs were sold in pharmacies with a weighted average price of 1,855 roubles per package.

The third place in the selective cosmetics category belongs to the most "fast-growing" brand Bioderma produced by Naos: the brand's market share significantly increased from 12.8% to 15.3% in value terms as a result of a 41% growth in sales compared to 2023. The line includes 176 products (the weighted average price is 1,601 roubles per package), the largest share of which (more than 50%) belongs to face care products. The key lines within the brand are: Sensibio (37.2%) for sensitive skin prone to redness, irritations, allergies, couperosis, rosacea and dermatitis; Atoderm (26.5%) for atopic, dry, very dry and sensitive face and body skin; Sebium (20.3%) for oily and combination face skin prone to acne, which helps normalise sebum production, shrinks pores and reduces oily shine.

A strong growth was also observed for Uriage dermocosmetics (+20.6%), which soothe irritated skin, reduce redness and improve the skin's barrier function. Sales of Librederm, a cosmetics brand offering modern solutions in the field of dermatology and trichology, increased by 21.8%; sales of 8.1.8 Beauty Formula, skin prevention and protection products, increased by 19.4%.

The leading premium brands have quite a high level of online sales. The largest eCom shares were recorded by Eucerin (56.3% share in roubles), Ducray (43.3%) and Bioderma (32.8%).

Therapeutic cosmetics

Active cosmetics are skin care products that are positioned by manufacturers as having therapeutic properties in addition to solving aesthetic problems. This group's products are leaders in the pharmacy market. Unlike premium cosmetics, which are mainly aimed at solving face skin problems, active cosmetics have a wider range of applications. The largest share of sales in this product group belongs to products for sprains, bruises, inflammatory joint diseases (9.6% share in roubles), for dry

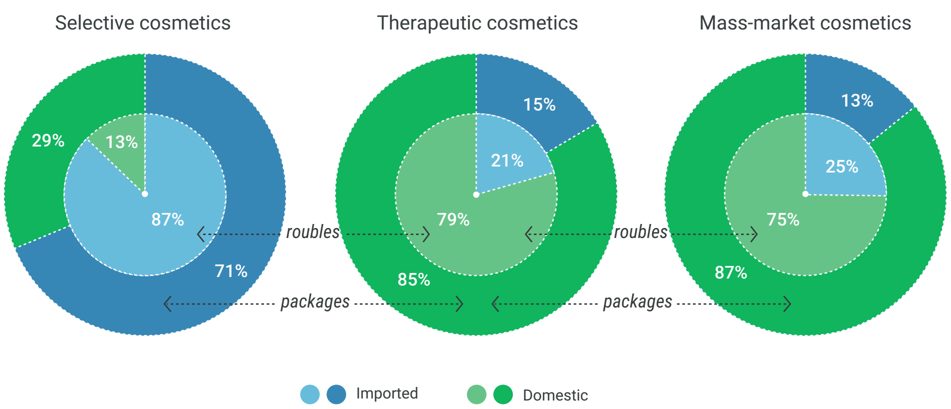


Figure 42

Pharmacy cosmetics sales by origin, according to type of cosmetic product, 2024 and very dry, irritated skin (9.2%), for various skin injuries and diseases (fissures, abrasions, lacerations, burns) (9.2%).

The top 10 brands account for 29.2% of active cosmetics sales, which is significantly lower than in the luxury brands segment (91.4%). This is partly due to the fact that selective cosmetic ranges are very broad and aim to accomplish several tasks at once. As for active cosmetics brands, they are usually marketed as products that address a specific issue. Consequently, the category range is quite wide: pharmacies offer 1,156 brands of therapeutic cosmetics.

The ranking has changed significantly compared to 2023, with only three brands retaining their position from last year. Two new brands joined the top 10 – the diaper cream Sudocrem (+2 places) and a range of products for relieving symptoms of itching, irritation and inflammation based on synthetic tannin and polidocanol Neotanin (+2 places).

The intimate hygiene gel Epigen (11th place) and the line of various products Dry Dry (12th place), including long-acting antiperspirants, deodorants, hair care products, intimate care products and pocket-sized protective sprays, left the ranking.

The ranking is led by brands with a high share of online sales. The cosmetics for dry, very dry and atopic skin Lipobase (+30.1%) from Pharmtek still ranks No. 1 in 2024. Lactacyd (+9.7%), a daily intimate care line based on natural lactic acid that gently cleanses and protects women's health by preventing odour and discomfort, is in second place. The top three is rounded out by Zinovit (+2 places), zinc-based products for skin prone to irritation and flaking, for dandruff and for acne, with the brand's sales up 24.3% compared to 2023.

Apart from the leading brand, the "newcomers" mentioned above, Neotanin (+30.7%) and Sudocrem (+29.9%), showed strong results compared to the previous year.

The worst performer of the year was the brand Alerana (+1.3% and -1 place) – a range of hair loss treatments and professional hair growth, treatment and restoration products for men and women. 72.5% of the products manufactured under this brand are shampoos.

The brands Lipobase (17.8% share in roubles), Zinovit (17.8%) and Lactacyd (16.7%) account for the largest share of online sales.

Mass market cosmetics

Reshuffling only affected the "lower" part of the ranking, a new brand Smart Enamel (+2 places) entered the top 10. Ullex complex skin care cosmetics also improved their position, moving up one place.

Face and body skin care products under the Novosvit brand (13th place in 2024) left the ranking.

The top three are represented by the brands of the Russian company Avanta. For the third year in a row, the EVO range of specialised products, which provide special and daily care to restore and maintain healthy skin and hair, showed strong growth (+12.1% compared to 2023). As a result, the brand holds the number one spot. The second and third places belong to children's cosmetics brands Moyo Solnyshko (My Sunshine) (+13%) and Detskiy Krem (Baby Cream) (+7.3%). Four manufacturing companies produce products under the Detskiy Krem (Baby Cream) brand, but the cosmetic cream made by Avanta accounts for 83.7% of the sales.

Table 26

Top 10 selective cosmetics brands, 2024

Rating	Brands	Brands	Value, billion rubles	Share, rubles	Growth by 2023	The share of the online segment in the company's sales
1	-	La Roche-Posay	5 921.7	29.4%	+19.2%	24.2%
2	-	Vichy	3 484.4	17.3%	+18.6%	24.8%
3	-	Bioderma	3 073.4	15.3%	+41.0%	32.8%
4	-	Librederm	2 208.4	11.0%	+21.8%	13.1%
5	-	Avene	1 224.3	6.1%	+9.0%	30.7%
6	-	Uriage	1 071.2	5.3%	+20.6%	26.9%
7	-	Topicrem	405.1	2.0%	+11.8%	31.2%
8	-	Ducray	352.4	1.8%	+4.0%	43.3%
9	-	Eucerin	338.8	1.7%	+9.2%	56.3%
10	-	8.1.8 Beauty Formula	306.8	1.5%	+19.4%	10.6%

Table 27

Top 10 active (therapeutic) cosmetics brands, 2024

Rating	Change by 2023	Brands	Value, billion rubles	Share, rubles	Growth by 2023	The share of the online segment in the company's sales
1	-	LIPOBASE	1 279.4	5.3%	+30.1%	17.8%
2	-	LACTACYD	904.2	3.7%	+9.7%	16.7%
3	+2	CINOVIT	825.9	3.4%	+24.3%	17.8%
4	-1	HORSE FORCE	748.9	3.1%	+9.3%	8.3%
5	-1	ALERANA	681.6	2.8%	+1.3%	13.0%
6	-	911 VASHA SLUZHBA SPASENIYA	645.2	2.7%	+7.1%	8.2%
7	+1	SULSEN	524.7	2.2%	+19.8%	10.9%
8	-1	BORO PLUS	515.7	2.1%	+5.3%	7.4%
9	+2	SUDOCREM	488.2	2.0%	+29.9%	13.6%
10	+2	NEOTANNIN	464.4	1.9%	+30.7%	12.4%

Eight of the top ten brands showed growth. In addition to the EVO and Moyo Solnyshko (My Sunshine) brands mentioned above, the Gynocomfort brand products (+18.5%) manufactured by Vertex should be mentioned: a line of intimate hygiene gels. During the year, the brand with the largest share of online sales (13.4%) showed the highest growth and secured the 4th place.

The most significant decline in the mass market cosmetics segment was recorded by the brands Klinsa (-9.7%) and Kora (-9.1%).

A distinctive feature of the ranking of mass market cosmetics sold in pharmacies is the variety of babies' and children's brands. 22.5% of products sold are for babies and children (0-14 years old). There are two children's brands in the 2024 ranking, Moyo Solnyshko (My Sunshine) and Detskiy Krem (Baby Cream). They are the main brands in this category (they account for 34.8% in roubles of all mass market children's cosmetics sold through pharmacies).

The largest share of online sales belongs to the following brands: Gynocomfort (13.4% share in roubles), Nivea (12.7%) and EVO (10.6%).

Table 28

Top 10 mass market cosmetics brands, 2024

Rating	Change by 2023	Brands	Value, billion rubles	Share, rubles	Growth by 2023	The share of the online segment in the company's sales
1	-	EVO	355.3	4.6%	+12.1%	10.6%
2	-	MOE SOLNYSHKO	317.5	4.2%	+13.0%	7.5%
3	-	CHILDREN'S CREAM	280.8	3.7%	+7.3%	6.3%
4	-	GINOCOMFORT	232.3	3.0%	+18.5%	13.4%
5	-	FLORESAN	195.9	2.6%	+4.9%	10.2%
6	-	NIVEA	183.2	2.4%	+5.2%	12.7%
7	+1	ULLEX	160.6	2.1%	+8.8%	4.9%
8	-1	KLINSA	149.5	2.0%	-9.7%	5.1%
9	+2	UMNAYA EMAL	133.3	1.7%	+9.7%	7.3%
10	-1	KORA	120.5	1.6%	-9.1%	10.1%

7. Pharmacy chains

Activity in the pharmacy segment in 2024 exceeded all expectations. This applies both to legislative initiatives and to the actions of participants in this supply chain link themselves. As a result, the changes that are taking place lead to consolidation and amalgamation.

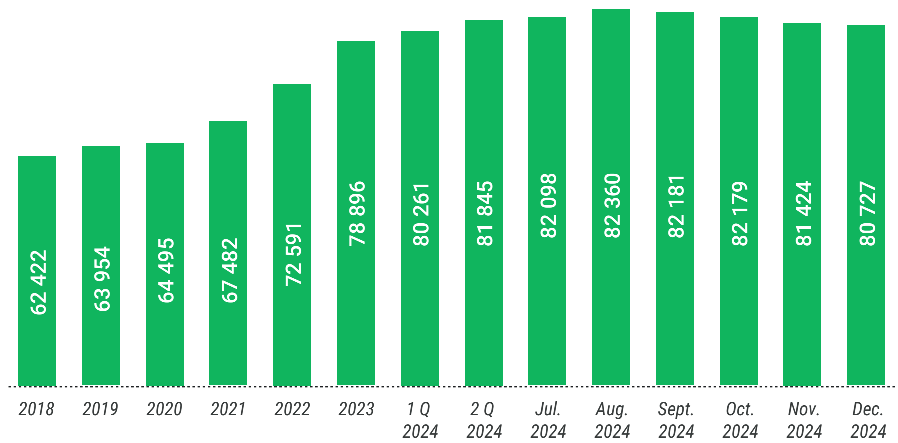
Taking a closer look at the pharmacy market, we can see that it has a large number of players: both chains and independent pharmacies. The number of legal entities operating in 2024 is still in the thousands – last year there were about 10,600 legal entities. However, there are 900 fewer of them than in 2023. The main reason for the decrease is a decline in the number of independent pharmacies. In 2023, there were about 9,950 independent pharmacies, but by the end of 2024, their number fell to 9,180. This is a drop of 770 pharmacies. However, over the past 5 years, the number of independent pharmacies has generally remained in the range of 9,000 to 10,000 outlets. But the share of independent pharmacies in the retail pharmacy market structure is declining more dramatically, in part due to the organic growth of chain players: from 12.6% in 2023 to 11.4% in 2024.

At the beginning of 2025, there were 80,700 pharmacies operating in Russia, which is 1,800 more than at the beginning of 2024. In absolute terms, growth was only 2%, meaning that the pace of opening new outlets decelerated. Since September 2024, there has even been a negative trend. The average sales of one outlet increased by 13% and amounted to 2.15 million roubles by the end of the year.

The share of federal chains in the number of pharmacies on the market increased from 43% in 2023 to 47% in 2024 (which amounts to 37,700 outlets, +3,700 compared to 2023). This is not surprising, as these are the market players with the highest development momentum.

Figure 43

Number of pharmacies in Russia



The **pharmacy chain Rigla** became the leader in the number of deals to acquire other players. During the year, the company absorbed more than ten regional pharmacy chains:

- In March 2024, Rigla acquired pharmacies under the brand name Narodnaya Apteka in St. Petersburg and the Leningrad Oblast (15 outlets) and the chains Tverskaya Optika and Apteka-Optika in the Tver Oblast (16 outlets).
- In August 2024, the company started taking over the pharmacy chain operating under the brand names Aptechestvo and Farmani (Nizhegorodskaya Aptechnaya Set LLC) in eight Russian regions with 375 outlets, as well as closed a deal to acquire outlets of the Moscow suburb chain Feola (13 outlets) and the Saratov chain Pharmsklad (47 pharmacies).
- In December, Rigla grew by acquiring 293 outlets of the combined chain Novaya Apteka & Apteki Minitsen (Khabarovsk) located in 10 regions of the Far Eastern Federal District. The company also became the owner of the Novocherkassk local pharmacy chain Norma in the Rostov Oblast (23 pharmacies).
- These deals allowed the company to not only significantly increase the number of pharmacy outlets, but also substantially expand its geographic presence. The chain added more than 800 pharmacies through acquisitions alone. Furthermore, due to organic growth, the number of outlets in the chain Rigla reached 5,518 pharmacies by the end of 2024, which is 1,418 more than in 2023. Rigla also became the leader in terms of growth of pharmacies within the chain.

For the last three years, the first place in the number of outlets has belonged to **the pharmacy chain Aprel** – at the end of 2024 it consisted of 8,643 pharmacies. This is 1,209 more outlets than the year before. Unlike Rigla, the company's growth strategy was to open new pharmacies on its own. Back at the beginning of 2020, the number of outlets in the chain did not exceed two thousand, while in the last 5 years at least one thousand outlets have been added each year. In 2025, the number of pharmacies in the chain Aprel will most likely reach 10,000.

The pharmacy chains Rigla and Aprel were the only ones to add over one thousand pharmacies. The growth rates of other players were much more modest. In third place in terms of growth is the Samara company Vita – +430 pharmacies.

Some deals in 2024 were the result of deteriorating market conditions. The pharmacy chain **Monastyrev.rf** found itself in a crisis: due to debts to distributors, deliveries to its pharmacies had been stopped since August, and the outstanding amount exceeded 3 billion roubles. As a result, a deal was struck to acquire Monastyrev.rf (about 260 outlets) by the Perm company **Planeta Zdorovya**, which, among other things, assumed all obligations to repay debts and maintain supplies. It should be noted that the purchase of the failed chain is only the first step in Planeta Zdorovya's expansion in the Far East. Nothing is known about the fate of the chain's online store, which previously accounted for 40% of revenue, but Planeta Zdorovya is going to develop its own website in cities and towns of the region.

In 2024, the history of the chain **Aptechnye Traditsii** came to an end. The company **Neo-Pharm** bought the last 98 outlets in the Kursk Oblast. This is the third deal to sell outlets of the chain Aptechnye Traditsii (in 2021, Neo-Pharm acquired 72 pharmacies of the chain in Moscow, the Moscow Oblast and

Obninsk in the Kaluga Oblast; in 2022, Pharmaimpex Group bought another 64 pharmacies in cities and towns of Central Russia).

The oldest pharmacy chain **Valeta** closed in Yekaterinburg. All of the company's outlets (31 pharmacies) have now been leased to **Pharmland**, and the staff is employed by the same federal chain. The reason for this decision was the changes in the Tax Code, which came into effect in 2025.

According to the changes approved by the President, from January 1, 2025, companies with incomes of over 60 million roubles will not be able to use the simplified taxation scheme (STS), the rate of value added tax (VAT) will be:

- 5% for companies with an income of 60 million to 250 million roubles;
- 7% for companies with an income of 250 million to 450 million roubles.

Increased tax burdens and audits of prior years' financial statements for small and medium-sized chains will be an additional reason to sell the business. Therefore, the number of deals to acquire regional players is predicted to increase in 2025.

In 2024, Pharmland also acquired two Moscow pharmacy retailers – Ekonom (20 outlets) and Solnyshko (5 outlets).

In third place in terms of growth through acquisitions of other players is **Aptechnaya Set 36.6**. The company started to actively acquire chains as early as 2023 (these are Lekopttorg and Rodnik Zdorovya). Several significant agreements were also announced in 2024: a deal for the purchase of the Murmansk chain Apteka dlya Berezhlivykh (185 outlets) was completed in the autumn; a deal with the pharmacy chain Mitsar-N (73 outlets) was finalised in December. In June 2024, Aptechnaya Set 36.6 also acquired a small chain of pharmacies in Ramenskoye, which is located in the Moscow suburbs.

All of the above events are accelerating the consolidation processes. In 2024, the combined share of the top 20 chains was 69%, 6% higher than in 2023. The capacity of the pharmacy market in 2024 was 2,031 billion roubles, which is +14% compared to the previous year. Dynamics are even higher for the top 20 chains – +25% in aggregate.

Figure 44

Concentration of the top 20 pharmacy chains

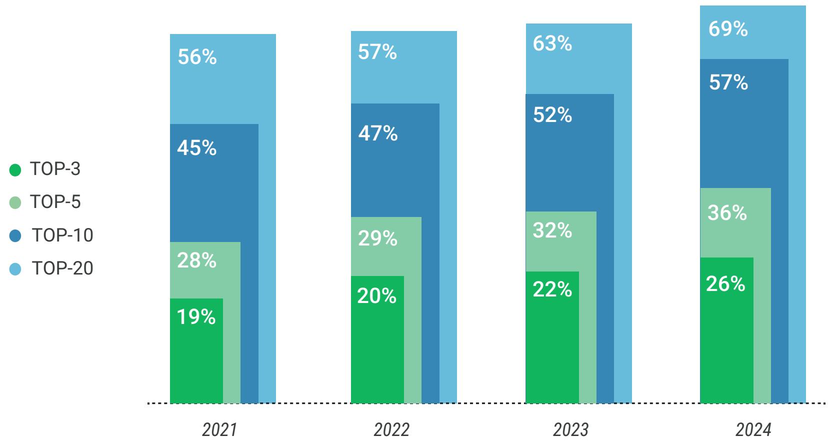


Figure 46 shows the growth in sales and the number of outlets for the top 20 pharmacy chains in 2021-2024. In 2024, the top 20 had 44,200 pharmacies, only 15% more than in 2023. In the 2024 ranking, 12 chains had over 1,000 outlets, and all were ranked No. 1 through No. 10, as well as No. 12 and No. 14.

In general, the chains present in more than 20 regions showed positive dynamics (only Eapteka had a decrease in the number of its own pharmacies). By the end of the year, there were 16 such players. The total number of pharmacies increased from 31,900 to 35,800, i.e. Ъby almost 3,900 outlets.

There are about 240 inter-regional and regional chains operating on the market. This segment also experienced active development: in terms of growth in the number of pharmacies, there were about 60 pharmacy chains with positive dynamics (increased by 5 outlets or more), while there were only 35 with negative dynamics (decreased by 5 outlets or more).

The main question and suspense on the pharmacy market was resolved in favour of the pharmacy chain Rigla. The sales of the acquired companies (from the date of acquisition) in 2024 allowed it to maintain first place in the ranking.

The pharmacy chain Aprel remained in second place with a minimal gap (only 0.03%). It should be noted that in Q2 and Q3 2024, the company's sales were higher than Rigla's. But cumulatively for the year, this lead did not allow it to take first place.

The notable movements in the ranking include: Aptechnaya Set 36.6 +2 spots to 5th place; Antey +3 spots to 22nd place; Garmoniya Zdorovya +4 spots to 23rd place.

The idea of returning the dispensing and advisory function to pharmacies, while reducing the marketing component, is raised with surprising regularity. It is most often expressed in the proposal to limit pharmacy chain bonuses from manufacturers. Such a bill was first introduced in 2020, then in May 2023. Both documents proposed a 5% cap on pharmacy compensation for drug promotion. In October 2024, once again, a bill was introduced to the State Duma (the lower house of the Russian parliament) to eliminate marketing payments to pharmacy chains. In February 2025, once again, the State Duma rejected the proposal with this initiative.

The top 20 pharmacy chain growth (commerce)

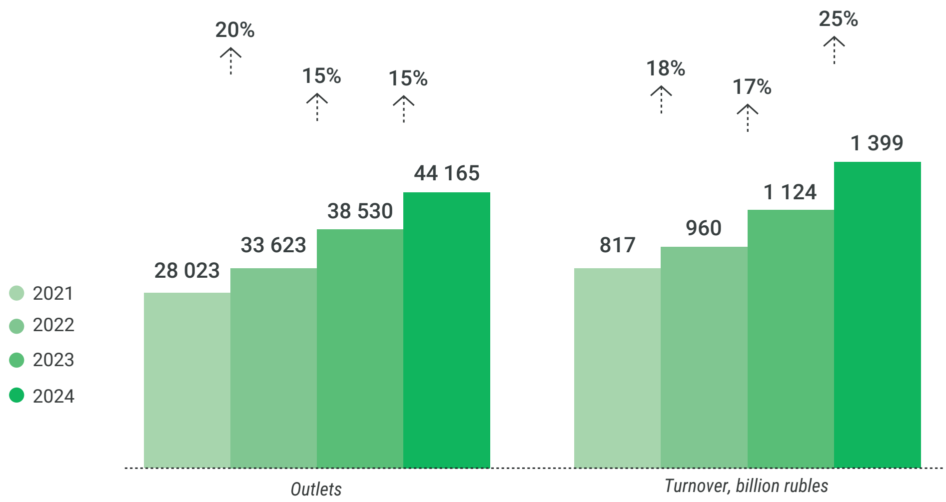


Figure 45

Dynamics of growth in sales and the number of outlets of the top 20 pharmacy chains

Table 29

Ranking of marketing associations by sales in 2024

Source:
DSM Group's estimates. ISO 9001:2015, own data of companies

Note:
** Оборот приведен по итогам 1-3 кварталов 2024 года*

Ranking	Pharmacy chains	Sales, billion roubles	Share in commercial segment, 2024	Sales increase compared to 2023	Number of outlets
1	Rigla	194.5	9.58%	26%	5 518
2	Aprel	194.1	9.55%	56%	8 643
3	Planeta Zdorovya	134.0	6.60%	21%	2 764
4	Implosia	114.1	5.62%	20%	5 992
5	Aptechnaya Set 36.6	97.0	4.78%	30%	2 554
6	United AS ERKAFARM and MELODIYA ZDOROVYA	95.8	4.72%	4.0%	2 362
7	Neo-Pharm	91.4	4.50%	21%	1 581
8	IRIS	84.7	4.17%	25%	2 737
9	Pharmland	80.2	3.95%	29%	2 464
10	Vita (Samara)	77.9	3.84%	22%	3 018
11	E-apteka	36.2	1.78%	11%	212
12	Maxavit	29.2	1.44%	18%	1 119
13	Pharmaimpex	26.0	1.28%	14%	826
14	Magnit	24.5	1.21%	38%	1 084
15	Zdorov.ru	24.1	1.19%	10%	107
16	Social'naya Apteka	23.4	1.15%	34%	700
17	Aloe	19.4	0.95%	13%	616
18	Gubernskiye Apteki	18.8	0.93%	11%	358
19	Apteka Nevis	18.4	0.91%	14%	691
20	Antey	15.6	0.77%	19.9%	819
21	Zdorovye (Ust'-Labinsk)	14.3	0.70%	27.0%	289
22	Edelweiss	13.6	0.67%	26.0%	444
23	Garmoniya Zdorovya	12.3	0.61%	42.0%	430

Ranking	Pharmacy chains	Sales, billion roubles	Share in commercial segment, 2024	Sales increase compared to 2023	Number of outlets
24	Nadezhda-Pharm	10.9	0.54%	23%	515
25	Vasha No. 1	10.8	0.53%	5,1%	119
26	Pharmeconom	9.9	0.49%	20%	228
27	Vita-plus	9.4	0.46%	37%	473
28	Vash doctor	7.0	0.34%	25%	265
29	Peterburgskiye Apteki	6.8	0.33%	8.5%	86
-	Monastyrev.rf *	6.6	0.32%	-	258
30	Sovetskiye Apteki	6.6	0.32%	6.4%	386
31	Economnaya Apteka	6.5	0.32%	20%	210
32	Lucky-Pharma	6.0	0.30%	50%	323
33	Oblastnoy Aptechnyi sklad (Chelyabinsk)	5.7	0.28%	4.0%	256
34	Fitopharm	5.7	0.28%	40%	379
35	SHAKH	5.6	0.27%	35%	169
36	Volgopharm	5.5	0.27%	2.1%	153
37	Aliya-Pharm	5.1	0.25%	14%	172
38	Pharmia	5.0	0.25%	62%	383
39	Nizhegorodskaya Oblastnaya Pharmatsiya	4.4	0.21%	9,0%	244
-	Apteka dlya berezhlivykh *	4.3	0.21%	-	191
40	Semeynaya Apteka (Blagoveshchensk)	4.1	0.20%	19%	352
41	Apteka25.rf	4.1	0.20%	38%	48
42	Dialog	3.8	0.19%	15%	91
43	Bashpharmatsiya	3.4	0.17%	-13%	223

Ranking	Pharmacy chains	Sales, billion roubles	Share in commercial segment, 2024	Sales increase compared to 2023	Number of outlets
44	O'Vita	3.3	0.16%	12%	110
45	Floria (Chita)	3.2	0.16%	1.3%	147
46	Zdorovie (Belovo)	3.2	0.16%	10%	98
47	Trika (Moscow)	3.1	0.15%	8.7%	46
-	Arnika (DNR)	2.9	0.14%	33%	95
48	Vita Nord	2.8	0.14%	9.5%	96
49	Dobroteka (Tomsk)	2.8	0.14%	41%	96
50	Lara (Ulan-Ude)	2.8	0.14%	5.9%	71
51	Deshevaya Apteka	2.8	0.14%	3.6%	79
-	ZDRAViYa/Glavnaya apteka (LNR)	2.8	0.14%	37%	81
52	Leka (Tomsk)	2.7	0.13%	4.5%	70
53	Serdtse Rosii	2.6	0.13%	6.0%	194
54	Mir Lekarstv	2.5	0.13%	6.0%	138
55	Tabletochka	2.2	0.11%	-5.5%	101
56	Mosoblmedservis	2.2	0.11%	16%	299
57	Cardio	1.9	0.10%	7.0%	68
58	Industria Zdorovia	1.9	0.09%	24%	32
59	Apteka Pharma	1.8	0.09%	62%	109
60	Bryanskpharmatsiya	1.8	0.09%	-0.5%	130
61	LipetskPharmacia	1.8	0.09%	0.4%	107

Ranking	Pharmacy chains	Sales, billion roubles	Share in commercial segment, 2024	Sales increase compared to 2023	Number of outlets
62	Pharmatcia Sakhalina	1.8	0.09%	6.3%	50
63	MEDSI	1.7	0.08%	32%	32
64	Dobraya apteka	1.6	0.08%	10%	86
65	Tattechmedpharm	1.6	0.08%	2.0%	178
66	MFK Severo-Zapad	1.6	0.08%	5.0%	100
67	Evalar	1.5	0.07%	7.0%	47
68	Moskovskie apteki	1.5	0.07%	7.0%	24
69	AB & K	1.4	0.07%	3.6%	28
70	PharmaT	1.2	0.06%	25%	64
71	Omskoe lekarstvo	1.2	0.06%	1.5%	88
72	GUPAO «Pharmacia» (Arkhangelsk)	1.2	0.06%	14%	108
73	Donskaya apteka	1.0	0.05%	9.5%	164
74	Omnipharm	0.9	0.04%	6.0%	18
75	Saulyik	0.8	0.04%	13%	48
76	Novgorodpharmacia	0.7	0.03%	-0.5%	53
77	SO Pharmacia Ekaterinburg	0.6	0.03%	24%	108
78	Pharmservis	0.6	0.03%	46%	21
79	Pharmleader Sibiri	0.5	0.03%	-4.0%	30
80	Smolenskpharmacia	0.4	0.02%	8.0%	33

The changes could have triggered an increase in prices for pharmacy products, as pharmacies would have had to find additional ways to boost their income (now part of it is made up by the back margin received from suppliers).

On the other hand, it could have led to the closure of outlets due to decreasing profitability, especially small and medium-sized businesses would have suffered. If passed, the bill would have jeopardised the existence of marketing associations, which allow smaller regional players to receive bonuses from manufacturers alongside large pharmacy chains that contract directly with suppliers.

ДThis form of association continues to be in demand by market participants. For the first time in many years, we see new names in the ranking. For example, in seventh place is Aptechnyi Soyuz 36.6, which was created in the autumn of 2023 and managed to bring together about 3,600 pharmacies in one year. Interest in Aptechnyi Soyuz 36.6 is greatest where the chain Aptechnaya Set 36.6 is not present – in the Volga, Siberian and Southern Federal Districts.

Next year, the association Serdtse Kontinenta, which is being developed by FC Grand Capital, will be added to the ranking.

The pharmacy chain partnership IRIS announced that there will be more opportunities to enter its structure. During the year, the IRIS membership underwent some changes: some of the participants left the company because they were bought by federal chains. IRIS therefore had to revise the conditions of entry: Now, without equity participation, all that is needed is an annual chain turnover of at least 3 billion roubles. The first new pharmacy chains that already joined IRIS were Apteka Pharma, Table.Tochka, Ekonomnaya Apteka, Semeynaya Apteka, Dezhurnaya Apteka – chains with a total turnover of 10 billion roubles.

The growth trend in the share of online sales continued in 2024, but the growth rate was significantly lower. Pharmacy eCom sales in 2024 were approximately 283 billion roubles (drugs and parapharmaceuticals combined), accounting for 14% of the pharmacy market. While sales growth in the market as a whole

Figure 30

Ranking of remote ordering services by sales in 2024

Note:
** Sales are shown only for the range of products ordered online.*
*** Sales are shown only for the drugs ordered online.*

Source:
DSM Group's estimates. ISO 9001:2015, own data of companies

Ranking	Marketing Association	Sales, billion roubles	Number of outlets	Share in total turnover of the association's outlets
1	ASNA	**161,4**	**18 252**	**44,1%**
2	ProApteka	**138,1**	**14 470**	**42,9%**
3	Sozvezdiye	**39,2**	**10 354**	**31%**
4	MFO	**22,6**	**12 932**	**6,8%**
5	VESNA	**15,8**	**6 042**	**14%**
6	PharnHub Platform	**8,9**	**5 160**	**7,6%**
7	ANNA	**0,8**	**1 802**	**3,7%**
8	Aptechnyi Souz 36.6	**new**	**3 638**	

was around 14%, online sales were 25% higher than in 2023. eCom's share is forecast to reach 15-16% in 2025, driven by the growing share of online ordering in the regions. In Moscow, the share has not increased in the last two years, after reaching the psychological level of 19—20%.

In 2024, online sales generated through pharmacy aggregators grew faster. Therefore, the share of online ordering through this channel increased from 7% in 2023 to 15% in 2024. There was a decline in online ordering through pharmacy chains' own websites. One of the reasons for this decline is the disappearance of several operators (Monastyrev.rf, Apteka ot Sklada). Another possible reason is that companies sometimes run not one but several platforms, depending on the number of formats offered in the chain. For example, Aptechnaya Set 36.6 has the websites Apteka 36.6 and Gorzdrav, the pharmacy chain Rigla has the website of the same name, as well as the websites Zhivika and Bud Zdorov.

The share of pharmacy marketplaces is still 56%. Meanwhile, the major players continue to expand and introduce new tools.

For example, the marketplace **Zdravcity** increased the number of participants to 33,000 outlets. Among large chains, we can name Gubernskiye Apteki, which became its partner in 2024. The company also joined the delivery service Kuper. Orders are delivered the next day after they are placed, this service is available for residents of Moscow and the Moscow suburbs. However, there are plans for cooperation between the platforms to scale up to other regions of Russia. In the summer, Zdravcity and the patient project "My Health" launched a service of free telemedicine consultations via a single platform.

The platform Polza.ru started cooperation with the marketplace Wildberries. The company launched a pilot service for ordering drugs and picking them up at retail outlets. In this case, Wildberries acts as an online showcase, Polza.

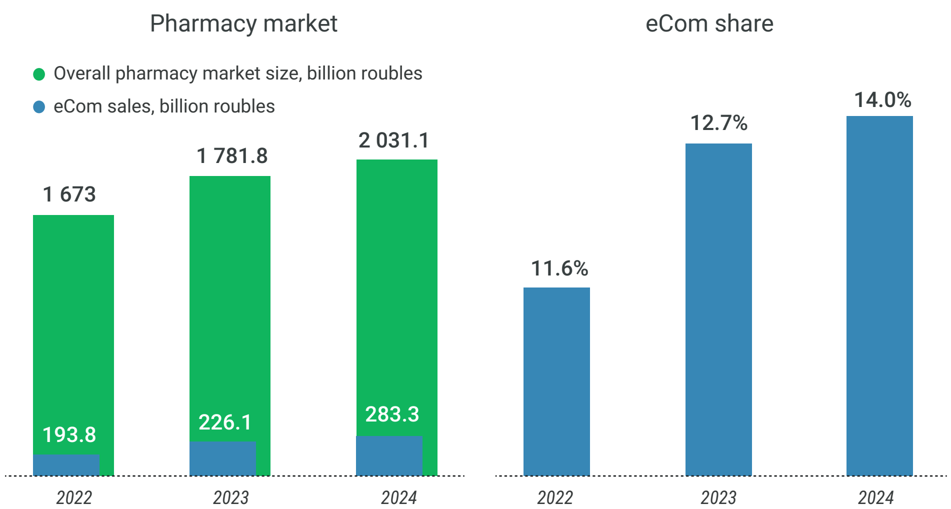


Figure 46

Online drug ordering structure

ru with the help of the distributor Puls allows customers to purchase products from stock and have them delivered to a partner pharmacy.

An increase in the number of pharmacies operating in Russia does not always mean an increase in the availability of drugs. There are about 155,800 populated places in Russia, but pharmacies are present in 6,400 of them. And, of course, they are more concentrated in big cities. Therefore, initiatives that aim to provide drugs to sparsely populated areas are always well received.

Until September 2024, only outpatient clinics, feldsher/midwifery stations and general medicine (family) practice centres could sell drugs in rural communities if they had a pharmacy license. In accordance with the amendments to Federal Law 61-FZ "On the Circulation of Drugs" and 323-FZ "On the Fundamentals of Citizens' Healthcare", such a right was granted to district hospitals from September 1.

In the spring of 2024, the Federal Service for Surveillance in Healthcare (Roszdravnadzor) began the experiment "Mobile pharmacy stations" in three regions: Krasnodar Krai, Krasnoyarsk Krai and the Republic of Khakassia. A "mobile pharmacy" will be a structural subdivision of a finished dosage form pharmacy, which will be able to operate

Table 31

Ranking of remote ordering services by sales in 2023

Source: *DSM Group's estimates.* ***ISO 9001:2015,*** *own data of companies*

Note:
** The sales are shown only for the products ordered online.*
*** The sales are shown only for the drugs ordered online.*

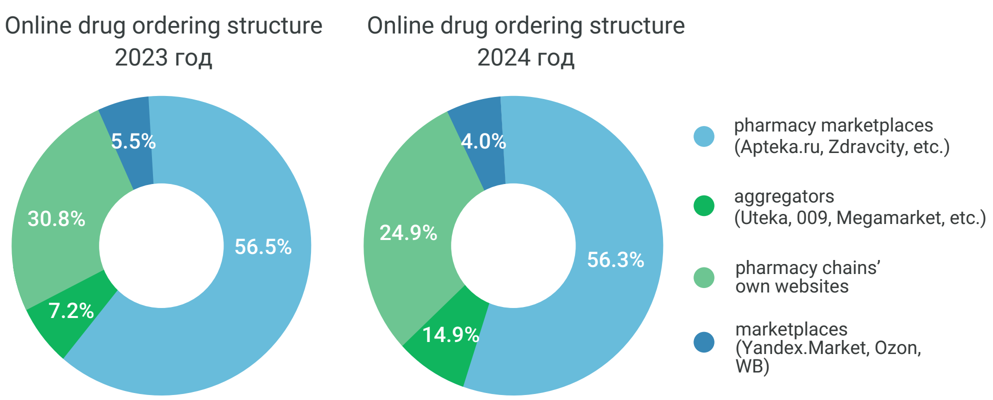
Ranking	Distance selling service	Sales, billion roubles	Share in commercial segment, 2023	Sales increase compared to 2022	Number of pickup points
1	Apteka.ru	**91.9**	**4.5%**	**25.6%**	**39 176**
2	Eapteka *	**32.1**	**1.6%**	**9.0%**	**11 680**
3	ZdravCity	**26.9**	**1.3%**	**64.0%**	**33 292**
4	Uteka	**24.5**	**1.2%**	**71.8%**	**50 353**
5	Megapteka	**10.1**	**0.5%**	**57.0%**	**39 000**
6	Polzaru	**8.6**	**0.4%**	**179.0%**	**32 090**
7	Ozon**	**5.2**	**0.3%**	**173.7%**	**42 000**
8	Asna.ru	**5.2**	**0.3%**	**36.0%**	**13 000**
9	009.РФ	**1.7**	**0.08%**	**9.5%**	**41 000**
10	Internet-Apteka Legko	**0.8**	**0.04%**	**101.9%**	**430**
11	Yandex.Market **	**0.5**	**0.02%**	**12.5%**	**-**

specifically in those populated areas where there are no stationary pharmacies or feldsher/midwifery stations. The project is currently under approval by the Russian Ministry of Health. The mobile pharmacy is expected to carry a specific list of drugs in compliance with all the necessary rules of storage and transportation. In addition, patients will be able to pre-order delivery through the digital service.

The problem of availability of drugs in sparsely populated areas and shortage of pharmacy staff is proposed to be solved with the help of vending machines. The experiment will be conducted in Moscow. According to the authors of the initiative, its participants will be pharmacies, and the list of drugs will be limited. Drug vending machines may be installed where it is not economically feasible to open a pharmacy.

Figure 47

Online drug ordering structure



8. Distributors

The question of whether there is a need for an intermediary between the manufacturing and the pharmacy segments is raised on a regular basis. Direct contracts between chains and manufacturers, the use of logistics companies' services, even the participation of manufacturers in public tenders – all these are attempts to eliminate the distributor link from the distribution chain on the pharmaceutical market. However, so far these actions have not had a noticeable impact on the position of distributors. A large number of factors, such as the geographical spread of the country, the low level of consolidation on the pharmacy market, the large number of small and single point retailers and the financial risks taken by wholesalers, have a "protective" effect on this market segment. Though, a number of the top 50 pharmacy chains already have their own logistics facilities.

In 2024, the "mood" in the media changed, including for distributors. In 2023, the main topic was the bankruptcy of wholesale companies and its consequences for the market, but in the reporting year, most of the news was about the investment activity of the participants, which manifested itself both in the attraction of investments and in the boom of various projects.

However, it should be noted that there was still information about a possible bankruptcy in 2024. Otkritie FC Bank filed for bankruptcy of the pharmaceutical distributor Cosmopharm LLC and its owner Igor Varlamov. Problems began after Cosmopharm was included in the register of bad-faith suppliers in July 2023. Then the Rostov Oblast Ministry of Health unilaterally terminated the state contract with the distributor. Cosmopharm was unable to fulfil the contract for the supply of the drug for chronic heart failure Digoxin (Usolye-Siberian Chemical and Pharmaceutical Plant) due to difficulties with the supply of standard samples for the state control of Digoxin.

The story with the bankruptcy of the company Godovalov LLC was not completely over either. During 2024, proceedings to sell off the bankrupt distributor's assets were underway.

In general, the dynamics and development of the pharmaceutical market allowed the leading distributors not only to show positive growth, but also to increase their market share.

The value of the pharmaceutical market in distributor prices was 2,419 billion roubles in 2024, which is 11% higher than in 2023. The market showed positive dynamics throughout the year. However, its segments had opposite trends: quarter-on-quarter growth decreased due to sales in the commercial segment (+23% in the first quarter and +15% at the end of the year), but increased due to sales in the government segment (-7% in the first quarter and +3% at the end of the year). As mentioned above, pharmacy sales at the beginning of the year were affected by the high incidence of "seasonal" acute respiratory viral infection and influenza. The public segment in 2024 is characterised by restrained purchases for all major programmes; in subsidised segments due to the nature of "tenders" there are even negative dynamics in roubles.

The combined share of the top 10 distributors on the pharmaceutical market was about 81.6%. Compared to 2023, this figure increased by 4.1%. Growth in concentration on the pharmaceutical market is driven by two factors: a vacated share due to some companies "exiting" Russia and an increase in the size of the commercial segment.

If we compare the top 10 distributors in the commercial segment of the market, their average growth rate is 12%, for the public segment the top 5 distributors are growing on average by 33%. Growth in the commercial segment ranges from -9% to +33%, while in the public segment the range is much wider – from -1% to +130%. Concentration in government procurement increased. Three distributors are included in both rankings: BSS, Protek, FC Grand Capital.

In 2024, the company Puls retains the top spot, with Protek in second place and Katren in third. The top three remain unchanged.

The distributor Puls has been leading the annual ranking for 5 straight years. In 2024, the growth rate was 21% and the company's share increased by 1.4%. It should be noted that the gap between first and second places grew to 0.6%.

Puls continues focusing on the commercial market, enhancing its solutions for the pharmacy segment. The distributor showed the maximum dynamics among the top 5 companies in 2024. This is the result of competent relationships with retailers and, to a certain extent, the fruit of active development of an additional set of services – Sozvezdiye and Polza.ru.

By the end of the year, more than 32,000 pharmacies joined the marketplace Polza.ru. This is comparable to the long-term operating platforms Apteka.ru (39,000) and Zdravcity (33,000). Sales of pharmacy products through the service grew 2.8 times to 8.6 billion roubles. In the distributor's turnover, sales through Polza.ru account for only 2.1%.

In the summer of 2024, Puls partnered with the retailer Magnit, which is launching its own marketplace for online drug sales. The new business unit will be based on a subdivision of the Magnit Apteka grocery chain that sells drugs. Cooperation with Puls will allow Magnit Apteka to increase the number of items from 4,000 to 15,000.

Another partner of the distributor is Wildberries. The company is launching a pilot service for ordering drugs and picking them

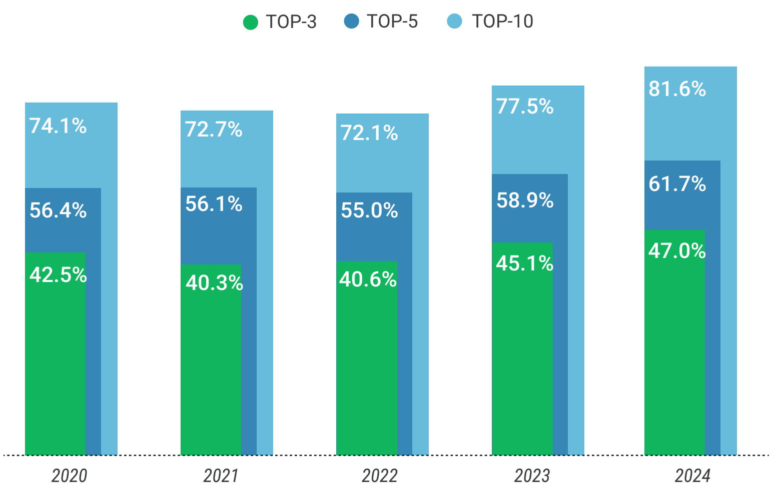


Figure 48

Concentration in the distribution segment

Table 32

Ranking of distributors on the pharmaceutical market, 2024

Source: *DSM Group's estimates.* ***ISO 9001:2015,*** *own data of companies*

Note: *sales are given in purchase prices with VAT (including sales in the pharmacy segment taking into account non-pharmaceutical products, public procurement market – only drugs).*

Ranking	Distributor	Value, billion roubles	Growth	Share
1	Pulse	406.1	21.0%	16.8%
2	Protek	391.1	17.0%	16.2%
3	Katren	339.2	7.8%	14.0%
4	Grand Capital	188.3	20.0%	7.8%
5	R-Pharm	168.1	15.8%	6.9%
6	BSS	119.4	10.4%	4.9%
7	Irwin 2	114.4	42.8%	4.7%
8	Pharmcomplect	108.3	17.8%	4.5%
9	Pharmimex	82.1	13.5%	3.4%
10	Lancet	56.6	5.4%	2.3%
11	Agroresursy	52.7	32.8%	2.2%
12	Avesta Pharmaceuticals	45.5	8.2%	1.9%
13	ZdravServis	34.2	30.0%	1.4%
14	Interlek	26.9	15.0%	1.1%
15	GC Euroservice	26.5	14.0%	1.1%
16	Medipal-Onco	21.8	26.7%	0.9%
17	Severo-Zapad	18.6	34.0%	0.8%
18	Pharmstore	18.5	-2.0%	0.8%
19	Medintorg	17.1	12.2%	0.7%
20	Primapharm	16.3	129.6%	0.7%
21	Medexport	15.6	2.5%	0.6%
22	Pharmservice	14.8	0.0%	0.6%
23	VITTA	14.3	24.0%	0.6%
24	Asti	14.2	-19.0%	0.6%
25	Inteltrade	13.6	40.2%	0.6%
26	Medical Leasing-Consalting	10.0	35.0%	0.4%
27	Trading house BF	6.7	33.9%	0.3%
28	Pharmline	6.5	14.0%	0.3%
29	ArchiMed	5.2	8.0%	0.2%
30	Rinpharm	3.5	34.0%	0.1%

up at retail outlets. In this case, Wildberries acts as an online showcase and the distributor takes care of storing, assembling and delivering the order to a partner pharmacy, where the customer pays for the goods at the checkout.

In 2024, Protek remained in second place with a share of 16.2% – 0.9% more than in 2023. The company achieved significant sales growth of 17%, outpacing both the commercial segment and the overall market.

In the reporting year, the company launched the second and third labelling lines (side and top application) at the Transservis terminal site. The capacity of the equipment is from 12,000 to 22,000 packages per shift (12 hours) for each line, depending on the characteristics of the goods, including box and pallet aggregation. By the end of 2024, the fourth line for labelling drugs and dietary supplements was to be launched at the Transservis-2 terminal site.

In order to optimise and speed up processes, CV Protek began testing the use of electronic consignment notes with pharmacies. The project involves 11 of the company's 12 warehouses.

One of the distributor's fastest-growing divisions is the pharmacy marketplace Zdravcity. Its dynamics in 2024 were noticeably higher than in 2023 (+64%, while a year earlier this indicator was around 21%). The service Zdravcity accounted for 6.9% of the company's sales by the end of the year.

Moreover, Protek Group is turning 35 years old in 2025! DSM Group congratulates the company on its anniversary and wishes it breakthrough business solutions and consistently high performance!

The distributor Katren remained in third place in 2024 with a 7.8% increase in sales. Katren is one of the few companies in the pharmaceutical market that are assigned a credit rating. On October 1, 2024, the Analytical Credit Rating Agency (ACRA) confirmed the credit rating of NPK Katren JSC at the level of "AA-(RU)". The outlook is stable. The decision was based on a high valuation of the company's business profile, strong market position, geographic diversification and minimal debt burden.

The company operates exclusively in the commercial segment of the pharmaceutical market and continues to develop the online platform Apteka.ru, having expanded the list of project participants to 39,000 pharmacies (+5,600 per year). 27% of the company's sales in value terms come from orders generated through the Apteka.ru service.

Some of the top 10 players have improved their ranking positions: the share of the distributor FC Grand Capital increased by 0.6%, the share of Irwin 2 – by 1%.

The St. Petersburg distributor BSS (also represented on the market by a holding company) announced the absorption of the pharmacy chain Murmansk Pharmatsiya. The company already had a retail segment – the pharmacy chain Aloe.

Irwin 2 ranks first among the "classic" public segment distributors (excluding manufacturers who may also be winners and suppliers in tenders), with its share rising from 10.1% in 2023 to 14.2% in 2024. The company is actively involved in deliveries under the government programme "Krug Dobra" (Circle of Kindness) and the supply of orphan drugs.

R-Pharm is in second place among public procurement companies. The company is more focused on the production segment. In 2024, R-Pharm became the owner of the Baltpharm site in the special economic zone (SEZ) Saint Petersburg. This purchase was an important step to kick-start the offset contract, a tender for which the company won back in early 2023 but was unable to proceed.

Bidding for public tenders not only provides a guaranteed volume of supplies, which is high risk. For example, the Federal Antimonopoly Service (FAS) suspected Primapharm and Propharm of collusion in the public procurement of drugs. They kept bid prices high and refused to compete in tenders in 54 regions of Russia. The total amount of contracts exceeded 1 billion roubles. If proven guilty, distributors will face turnover-based fines.

In December, the government submitted to the State Duma a bill on the creation of an information system for the prevention, detection and suppression of cartel agreements. It proposes amendments to the Federal Law "On Protection of Competition". Earlier, the government commission for draft legislation approved a bill on the digitalisation of the antimonopoly service. The document provides for the creation of the state information system "Anticartel". The launch of the system and its integration with the databases of agencies and legal entities is scheduled for 2025.

In 2024, the dynamics of the public sector were rather low (3%); however, some "winners" in tenders managed to show good results. It should be noted that there are systemic factors that will further restructure the format of relations in the public procurement market in the future. For example, a number of regions are actively promoting a centralised procurement approach. It should help to optimise a number of drug procurement issues; however, the formation of unified suppliers somewhat changes the competitive environment within these federated entities.

Table 33

Top 10 distributors by segment

	Pharmacy segment		Public procurement	
Ranking	**Distributor**	**Share**	**Distributor**	**Share**
1	Pulse	**23.9%**	Irwin 2	**14.2%**
2	Katren	**20.4%**	R-Pharm	**8.7%**
3	Protek	**20.3%**	BSS	**7.7%**
4	Grand Capital	**9.4%**	Pharmimex	**7.3%**
5	Pharmcomplect	**6.1%**	Protek	**4.4%**
6	BSS	**3.6%**	Lancet	**3.3%**
7	Agroresursy	**3.2%**	Medipal-onco	**2.7%**
8	Avesta Pharmaceuticals	**2.4%**	Severo-Zapad	**2.3%**
9	Zdravservis	**1.4%**	Grand Capital	**2.1%**
10	Interleck	**1.3%**	Primapharm	**2.0%**

9. Production

Today's challenges and problems have created conditions for structural changes in the pharmaceutical manufacturers market. Of course, the main questions that need to be answered are about the effectiveness of existing instruments to support domestic production, about changes in the structure of supply and demand, about inventory shortages, about the development of the industry and its ability to be resource independent of foreign components.

In general, 2024 showed that the impact of sanctions and economic factors has been levelled off, and drug production in Russia has positive dynamics.

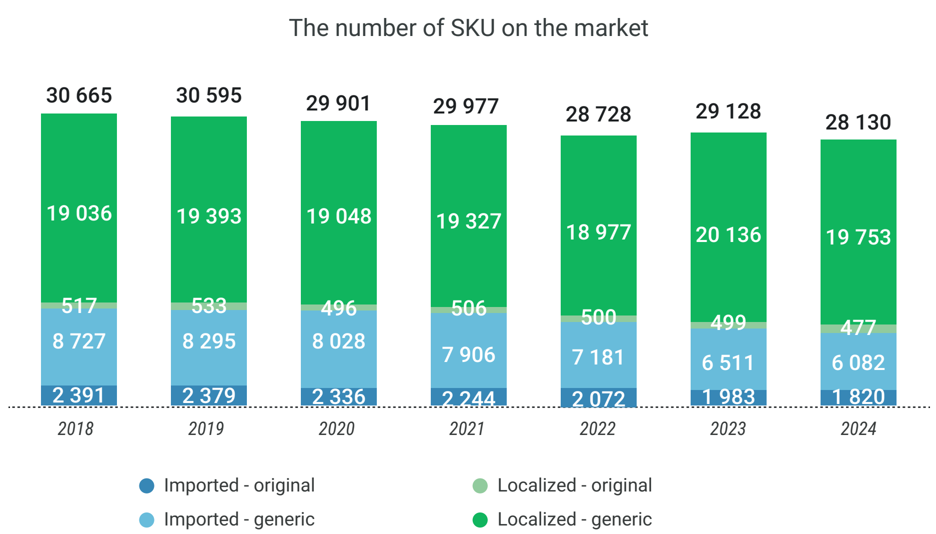
According to the Federal State Statistics Service (Rosstat), in 2024 the production of drugs and materials for medical and veterinary purposes in Russia increased by 18% compared to the previous year (in 2023 the increase was less than 2%).

Looking at the market as a whole, drugs from 1,075 different manufacturers were available for sale at the end of 2024. This number has remained the same for many years, and even the sanctions have not brought it down. However, there are changes in the companies' brand portfolios. The share of generics from Russian manufacturers in the product mix is increasing. The range of imported products is shrinking as a result of tools that support localization and Russian businesses: advantages in public procurement, additional opportunities in indexing drugs from the VED list.

Over the last 6 years, the number of SKUs that were purchased on the market has decreased by almost 2,500 units. The main contribution to this decline was made by imported SKUs: original drugs decreased by 570 units, and generics fell by 2,600 units. It should be noted that the largest decrease in foreign generics was due to the units included in the VED list. Companies stopped importing drugs that have analogues produced in Russia. No positive dynamics have yet been observed for Russian original drugs, while Russian generics have grown by more than 1,000 SKUs during this period.

Figure 49

Dynamics of the number of drug SKUs on the market



Another factor contributing to the negative dynamics of the number of foreign SKUs is the refusal of foreign players to conduct new clinical trials since 2022. We will see more and more of this effect moving forward.

In 2024, based on the clinical trials registry, the Ministry of Health approved 626 trials – 18% fewer than the year before. Compared to 2021, the number of approved drugs was 31% lower. The trend of the last two years continues: 89% of the total number of trials are for generics (analogues of original drugs). Russian companies account for 79% of clinical trials. The country with the largest share of approved clinical trials among foreign countries is India.

Large international pharmaceutical companies practically no longer register new drugs in Russia, although they maintain a presence on the Russian market. We can cite examples of companies that have exited, but have also transferred business to Switzerland-based Swixx BioPharma's partner: US-based Bristol-Myers Squibb and Eli Lilly. Only Finland-based Orion Pharma has ceased operations in Russia, but some of its products have been re-registered by Russia-based Finn Pharma.

In October 2024, the Russian authorities tightened the rules for the sale of foreign assets. Now, a foreign company must give the buyer a discount of at least 60% of the asset's market value (previously 50%) and pay another 35% (previously 15%) to the budget as a "voluntary contribution". All such transactions must be approved by the government's commission for supervision of foreign investments, and if the amount of a transaction exceeds 50 billion roubles, it must be approved by the President of Russia. Germany-based Bionorica was able to sell its plant in Voronezh. It was purchased by VTF, a manufacturer of dietary supplements and pharmaceuticals.

To keep vital and essential drugs on the market, the government introduced a compulsory licensing mechanism in 2022, which allowed Russian companies to start producing drugs after their imports were halted.

The manufacturer Pharmasyntez-Nord became the fourth Russian company to be granted a compulsory license to sell semaglutide. Before that, compulsory licenses to produce analogues of Ozempic had already been granted to: Geropharm (the brands Semavic and Semavic Next), Promomed (Quincenta and Velgia) and PSK Pharma (Insudive).

The Russian company Generium has developed and registered the first biosimilar of tocilizumab under the brand name Complarate. The drug is indicated for the treatment of rheumatoid arthritis, including systemic juvenile idiopathic arthritis; it is also used in severe cases of COVID-19 and life-threatening cytokine release syndrome. Earlier, in April, the manufacturer registered an analogue of Spinraza – the drug Lantesens (the INN nusinersen) for the treatment of SMA.

On the other hand, misuse of drug analogues in Russia leads to legal disputes. Akrikhin launched an analogue of dapagliflozin before patent renewal litigation with Anglo-Swedish AstraZeneca was resolved. Axelpharm began bidding for public tenders with its generic cancer drugs – as a result, in 2024 it became a defendant in the Moscow Arbitration Court in four lawsuits filed by international pharmaceutical companies. After that, the Federal Antimonopoly Service (FAS) ordered Axelpharm and Akrikhin to return about 2 billion roubles to the budget in October 2024 – the amount they received from selling generic versions of the original drugs from Pfizer, Novartis and AstraZeneca in public tenders before their patents expired.

In general, the driving force for the localization of drug production in the Russian phar-maceutical industry was set by the federal target programme "Pharma 2020" and supported by the programme "Pharma 2030", which puts additional emphasis on import substitution of pharmaceutical substances. Therefore, many of the projects announced in 2024 involve the production of pharmaceutical substances or full-cycle production that includes the synthesis of active pharmaceutical ingredients (APIs).

For example, Rostec State Corporation, Spetskhimiya JSC and the Federal Center for Dual-Use Technology "Soyuz" signed an agreement to produce a pharmaceutical substance of 4% nitroglycerin in ethanol. At the time of the agreement, no similar pharmaceutical substances were produced in Russia. The planned production capacity will be at least 2 tonnes of medical nitroglycerin per month (at least 24 tonnes per year), which will ensure independence from foreign supplies. The first batch of the drug is scheduled to be produced in late 2025 – early 2026.

Production of its own APIs in Russia is the most important component in achieving import substitution in the pharmaceutical market. One of the measures that stimulate the development of such APIs is the support mechanism "one's company, two's none". The "one's company, two's none" rule implies that if at least one supplier of a drug that is manufactured in Russia or in the EAEU countries on a full cycle basis, including synthesis of APIs, bids on a tender, all other bids will be rejected. If several Russian suppliers bid on a tender, the drug will have a 15% price advantage.

In 2022, the mechanism was scheduled to be operational in the autumn of 2024. This did not happen, however, because the pharmaceutical labelling experiment was not completed. According to the latest data, it has been extended until June 30, 2025. Also at the end of 2024, amendments were made to Federal Law FZ-44, which introduced the national regime in public procurement. Once the labelling experiment is completed and the list of strategically important drugs (SIDs) is approved, the preferential treatment will only apply to drugs produced from Russian substances. Russian drugs made from a foreign substance will be considered foreign.

The "one's company, two's none" mechanism in drug procurement has already been in place since 2025:

- Since January 1, 2025 – when purchasing drugs included in the list of vital and essential drugs (VEDs). Priority will be given even to those Russian drugs that are not localized in Russia up to the molecule synthesis stage, but compete with foreign drugs.
- Since July 1, 2025 – when purchasing drugs included in the list of strategically important drugs (SIDs). However, the mechanism will be applied to this group of drugs only after the launch of the drug traceability system. It will trace the Russian origin of the substance.
- With regard to new drugs included in the SID list for the first time, the Ministry of Finance proposes to apply the "one's company, two's none" rule only after two years. This will allow manufacturers to localize production and adapt to the new rules.

Transparency in determining the origin of a substance remains a major challenge. Now it is necessary to produce at least one stage of molecule modification in the territory of the EAEU for a substance to be considered Russian. This can be exploited by unscrupulous manufacturers who may, for example, use a substance of Chinese origin, refine it and thus gain an unfair advantage in a tender. At the end of 2024, a draft law was published proposing the introduction of a point system to confirm the localization of production of Russian industrial products, including drugs. The new requirements affect all stages of production, including APIs and officinal drugs.

In order to gain maximum preferences, there was also a change in the degree of localization of foreign drugs in Russia. For example, the

Table 34

Key production sites launched on the Russian pharmaceutical market in 2024

Initiator	Region	Description	Capacity	Investments
Active Component JSC	Pushkin, Saint Petersburg	Construction of new laboratory and manufacturing projects. The manufacturer intends to renovate and expand the production site by 50%. Construction is scheduled to be completed in late 2025 – early 2026.		3.8 billion roubles
Alpharma Group (the company Altegra JSC)	SEZ Dubna, Dubna, Moscow Oblast	Expansion of the production of antibacterial drugs in solid dosage form. The site is scheduled to be launched in Q1 2025	Up to 6 million capsules and up to 8 million tablets monthly	About 150 million roubles
Alpharma Group	SEZ Dubna, Dubna, Moscow Oblast	Establishment of a modern high-tech complex for the development and production of drugs, including antibacterial, hormonal and antineoplastic agents, in the SEZ. The investor plans to start construction of the first stage of the complex in Q1 2025, and to put the whole complex into operation in H1 2028.	At least 400 million tableted drugs, including 15 million antineoplastic capsules and tablets, over 3 million antineoplastic hormones and at least 40 million inhaled drugs annually	Over 1.2 billion roubles
Argumentum Pharma LLC	SEZ Dubna, Dubna, Moscow Oblast	Construction of a plant to produce drugs for cancer, rheumatic and heart diseases. The plan is to install and configure the equipment in 2025, this will allow the 1st stage of the complex to be launched	In the initial phase: about 60 million units of drugs annually	1.8 billion roubles
Binnopharm Group (Alium JSC plant)	urban district Serpukhov, Moscow Oblast	Upgrading of the production facilities in Serpukhov, Moscow Oblast. Production is scheduled to start in early 2026.	Implementation of the project will increase the drug output by 935,000 packages monthly	190 million roubles, including a concessional loan of 150 million roubles from the Industrial Development Fund
Binnopharm Group	Zelenograd Administrative Okrug, Moscow	Establishment of full-cycle production of drugs based on monoclonal antibodies. The first batches of drugs will be available to the public in early 2026		Over 2 billion roubles

Initiator	Region	Description	Capacity	Investments
Vertex JSC	Novoorlovskaya site, SEZ Saint Petersburg, Saint Petersburg	Erection of the first phase of the second complex, which includes a 22,000 sq. m. production and warehouse building that will be used to develop, manufacture and store cosmetics and pharmaceuticals. The second phase – in 2029		8.2 billion roubles through 2040 (major expenditures are planned through 2031)
Vertex JSC	Novoorlovskaya site, SEZ Saint Petersburg, Saint Petersburg	Two of the three sections of the new hormonal drug workshop to be launched in the autumn of 2024. The third section for the production of hormonal drugs in solid dosage forms is scheduled to be launched in 2025	At full load, it will double	Over 870 million roubles
Firm Vips-Med LLC	urban district Fryazino, Moscow Oblast	The company opened a workshop for the production of Bar-VIPS, a radiopaque contrast agent used for GI tract examinations	Annual output is planned to increase to 200 tonnes	80 million roubles
Generium JSC	Alabushevo site, SEZ Technopolis Moscow, Moscow	The final phase of plant construction. The facility will produce drugs for the treatment of bronchial asthma, heart diseases, genetic diseases, including orphan diseases (Gaucher disease and cystic fibrosis). The drugs will be produced mainly from Russian raw materials, the level of localization will be 90%	150,000 units of production annually	Total investments in the project: about 5 billion roubles including a loan of 2 billion roubles from the Industrial Development Fund under the programme “Priority Projects”
Homeopathic Pharmacy LLC	Krasnogvardeysky district, Saint Petersburg	In 2025, launch of production of homeopathic products		According to experts, the cost of the project will exceed 300 million roubles
Sever Pharmaceuticals LLC (Izvarino Pharma LLC) jointly with Kazan Federal University (KFU)	Kazan, Republic of Tatarstan	Launch of the production site for the manufacture of pharmaceutical substances (tacrolimus) in Q1 2025		1.1 billion roubles

Initiator	Region	Description	Capacity	Investments
Kulakov National Medical Research Center of Obstetrics, Gynecology and Perinatology	Moscow	The plan is to build a pharmaceutical production facility to manufacture high-tech drugs based on somatic cells and cell secretome at the medical institution by December 2027		The project is state-funded: 1.3 billion roubles 2024: 394.4 million roubles 2025: 203.9 million roubles 2026: 196.7 million roubles 2027: 519.7 million roubles
NIOPIK JSC	urban district Dolgoprudny, Moscow Oblast	The manufacturer is renovating and re-equipping the NIOPIK pilot plant which produces industrial chemicals, disinfectants, active pharmaceutical ingredients (APIs) and the only drug – Alacens. Among the APIs produced at the plant are drotaverine, fonturacetam, fabomotizole, umifenovir, taurine, picamilon and myristamed. The work is scheduled to be completed in Q4 2025		3.4 billion roubles
Ozon Pharmatsevtika Group	SEZ Togliatti, Samara Oblast	The first phase of the production site construction has been completed. There will be 3 such sites in the end. Construction is expected to be fully completed and production is scheduled to start in 2027. The facility will produce cytostatics and cytotoxics		Investments in the 1st site will total 3.5 billion roubles, including 1.1 billion roubles already invested
Petrovax Pharm LLC	Podolsk, Moscow Oblast	The final phase of the investment project to establish biotechnological production on the basis of its own plant. The line will start operating in 2025. The new complex will synthesize active pharmaceutical ingredients (APIs) and produce genetically engineered drugs, including drugs for the treatment of rare diseases		2 billion roubles
STPF Polysan LLC	Sofiysky Industrial Park, Pushkinsky District, Saint Petersburg	Construction of a plant for the production of drugs		3.5 billion roubles
Rossium Bio JSC	Alabushevo site, SEZ Technopolis Moscow, Moscow	Construction of a pharmaceutical production facility in Zelenograd. The plant will produce drugs for the treatment of orphan, genetic and oncological diseases in accordance with 13 INNs. The production is scheduled to start in Q1 2028, and output of products is expected not later than Q2 2028		43.7 billion roubles

Initiator	Region	Description	Capacity	Investments
Rus Biopharm Group	SEZ Dubna, Dubna, Moscow Oblast	The company plans to commission the first stage of API production by 2026	Over 150 tonnes of APIs annually	1.5 billion roubles
Rus Biopharm Group	SEZ Dubna, Dubna, Moscow Oblast	In Q3 2025, the company plans to complete the construction of a pharmaceutical complex consisting of 3 functional blocks: oncology block, FFS block and storage block	Oncology block: 3.7 million tablets, 1.3 million capsules, 70,000 bottles annually. FFS block: filling of hormonal drugs – 22 million pcs and injectable drugs – 7.8 million pcs annually	
Pharmasyntez Group (BratskChemSyntez LLC plant)	Bratsk, Irkutsk Oblast	The third stage of the plant is scheduled to be commissioned in 2024-2025. The stage includes 5 production workshops for the deep synthesis of APIs of different therapeutic groups	Up to 140 tonnes of APIs annually	About 2 billion roubles
Pharmasyntez Group (BratskChemSyntez LLC plant)	Bratsk, Irkutsk Oblast	The fourth stage of the API production plant is under construction. The complex is scheduled to be commissioned before 2027	About 500 tonnes of APIs annually Capacity should grow to 760 tonnes of APIs annually by 2028	3 billion roubles
Pharmasyntez Group (Pharmasyntez-Kama LLC plant)	Naberezhnye Chelny Advanced Development Territory	Construction of a production complex to manufacture the pharmaceutical substance heparin	2 tonnes annually	About 267.5 million roubles
PHARM DV LLC	Primorsky Krai	A resident of the Free Port of Vladivostok (FPV) under an agreement with the Far East and Arctic Development Corporation (FEDC) will set up production of drugs. The company plans to start producing antibacterial and oral hygiene products, lotions, tonics and emulsions in 2025		1.7 million roubles
Pharmstandart JSC	Alabushevo site, SEZ Technopolis Moscow, Moscow	A facility for the production of basic agents from human blood plasma – albumin and immunoglobulin. Production is scheduled to start in 2027		18 billion roubles

first transfer of the technology for the synthesis of an orphan drug substance (agalsidase beta for the treatment of Fabry disease) took place in April 2024. The first batches of the substance were produced at the Gamaleya National Center of Epidemiology and Microbiology facility. The final phase of the project will be the production of the finished dosage form of the drug Fabagal from the Russian substance at Petrovax. The market launch of the Russian drug was scheduled for the end of 2024.

Foreign companies are also more actively considering joint investments in the pharmaceutical market:

- The Russian Direct Investment Fund (RDIF) and Cadila Pharmaceuticals Ltd., one of India's leading private pharmaceutical corporations, have agreed to jointly invest in a project to create an innovative pharmaceutical complex and an injectables plant in Russia. Investments in the project in the first phase will be 10 billion roubles. The RDIF will invest up to 1.5 billion roubles under the signed agreement. The expected capacity of the complex is estimated to be over 1 billion units of drugs (including drugs for the treatment of heart diseases, gastrointestinal diseases and diabetes) and about 1,500 tonnes of APIs annually, with the possibility of expanding production in the future. The plant is expected to be commissioned in 2027.
- The RDIF and BioCubaFarma, a state pharmaceutical holding company of the Republic of Cuba, have announced cooperation in the development and production of innovative drugs for age-related and oncological diseases in the Russian Federation with an initial investment of up to 1 billion roubles, with the possibility of increasing it up to 10 billion roubles.
- The construction of a large-scale production facility for the pharmaceutical substance heparin sodium will be completed in the Moscow Oblast by May 2026. The agreement to build the plant was signed at SPIEF-2023 by the Governor of the Moscow Oblast and the co-founder of Northern Ocean LLC (China). Total investments are estimated to be 1.7 billion roubles.
- The Indian pharmaceutical company Panbio Pharm plans to start production of painkillers and joint disease drugs for the hospital market in Reutov, Moscow Oblast.
- The Russia-based company Velpharm LLC and the India-based company Swati Spentose Pvt. Ltd. signed an agreement to promote the pharmaceutical substances of sodium heparin and sodium enoxaparin produced by Velpharm in the Republic of India and to establish a joint venture in Russia for the production of APIs.

Figure 50

Drug sales by origin

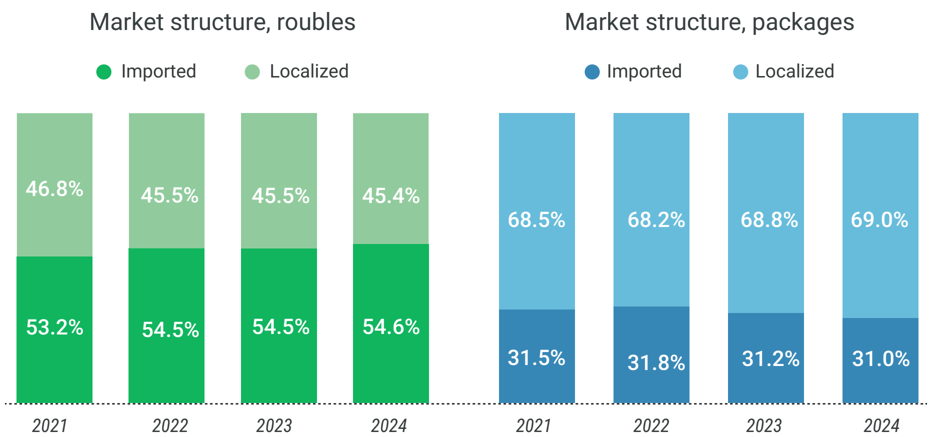


Table 35

Top 20 manufacturers by sales value on the Russian pharmaceutical market in 2024

Note:
sales value is in end-user prices including VAT.

Rating	Change by 2023	Manufacturer	Value, billion rubles	Share, rubles	Growth by 2023
1	+3	AstraZeneca	**86 970.2**	**32.6%**	**3.5%**
2	-	Bayer	**84 766.9**	**9.9%**	**3.5%**
3	-2	Novartis	**81 102.6**	**3.8%**	**3.3%**
4	+1	F.Hoffmann-La Roche	**74 943.2**	**21.1%**	**3.1%**
5	-2	Sanofi	**73 113.7**	**8.3%**	**3,0%**
6	+1	NIZHPHARM	**62 435.3**	**10.7%**	**2.5%**
7	-1	Johnson & Johnson	**55 596.6**	**-4.7%**	**2.3%**
8	+2	Servier	**51 736.4**	**15.3%**	**2.1%**
9	-1	Abbott	**50 242.5**	**7.5%**	**2.0%**
10	+1	KRKA	**47 477.5**	**10.1%**	**1.9%**
11	+4	PHARMSTANDART	**47 008.7**	**15.9%**	**1.9%**
12	+2	BINNOPHARM GROUP	**46 699.1**	**14.9%**	**1.9%**
13	-1	Teva	**46 646.3**	**10.0%**	**1.9%**
14	-5	OTCPHARM	**44 803.9**	**-1.7%**	**1.8%**
15	+1	BIOKAD	**43 818.7**	**10.5%**	**1.8%**
16	+1	OZON PHARMACEUTICALS	**42 982.5**	**16.0%**	**1.8%**
17	+1	Pfizer	**39 419.8**	**8.8%**	**1.6%**
18	+2	Gedeon Richter	**36 179.2**	**9.8%**	**1.5%**
19	+4	Polpharma	**33 808.4**	**16.6%**	**1.4%**
20	+1	Takeda	**33 401.3**	**6.0%**	**1.4%**

As we can see, the activity of Russian companies to develop their own drug production facilities is very high. But it often has more to do with the production of generics. Therefore, we can see that the share of localized drugs in the total market volume not only does not grow in certain periods, but even tends to decrease. Since 2021, the share of foreign drugs in the structure has increased in roubles from 53.2% to 54.6%. However, the same indicator in packages has dropped from 31.5% to 31%.

To a greater extent, such dynamics are influenced by purchases in the public segment. The nature of import substitution in the public segment affects the structure of purchases of specific INNs, and the appearance of a Russian drug leads to almost complete displacement of foreign analogues. But new original drugs that are introduced to the market are more expensive and most often turn out to be imported. Therefore, the overall results of the shift to localised drugs are offset in monetary terms. Thus, the share of foreign drugs in the public segment in roubles was 53% in 2021, but 61.5% at the end of 2024. In packages, the situation is just the opposite: 17.6% in 2021, but only 13.1% in 2024.

In the commercial segment, the results of import substitution are more evident: An aggressive marketing policy by Russian companies and a decline in the activity of foreign manufacturers are contributing to a growing share of Russian-made drugs in pharmacy sales. At the end of 2024, the share was 48.8% (+1.1% in the share compared to 2021) in roubles and 66.6% (+1.1% in the share compared to 2021) in packages.

In 2024, the top 20 manufacturers had a combined share of 44.1%. The 2024 leader was AstraZeneca, which had the highest growth rate among the top 20. It should be noted that sales growth was in both the hospital segment and retail sales. In second place is the manufacturer Bayer, which is only 0.09% away from the first place in terms of the share. In third place is Novartis Corporation with a 3.3% share.

There are now six Russian companies in the ranking, up from five last year. The status of a “Russian company” was regained by the manufacturer Nizhpharm, which began operating as an independent legal entity at the end of 2023, having separated from Stada.

In terms of packages sold, Russian and foreign manufacturers are almost equally represented in the ranking, with 11 and 9 companies, respectively. However, unlike the ranking by sales value, the top three are all Russian companies. The share of the top 20 companies in packages is 49.9%.

Table 36

Top 20 manufacturers by sales volume on the Russian pharmaceutical market in 2024

Rating	Change by 2023	Manufacturer	Value, million packages	Share, rubles	Growth by 2023
1	-	PHARMSTANDART	293.4	-8.9%	5.9%
2	-	OZON PHARMACEUTICALS	245.7	5.6%	5.0%
3	-	BINNOPHARM GROUP	176.1	-3.8%	3.6%
4	-	NIZHPHARM	170.5	-6.0%	3.4%
5	+1	OBNOVLENIE MPC	160.5	19.3%	3.2%
6	-1	OTCPHARM	157.9	-6.8%	3.2%
7	-	Teva	124.9	-4.2%	2.5%
8	+1	GROTEX	116.9	4.3%	2.4%
9	+2	Dr.Reddy's	105.4	0.2%	2.1%
10	-2	Polpharma	104.6	-8.0%	2.1%
11	-1	VERTEX	104.0	-4.8%	2.1%
12	+2	Sanofi	95.4	3.6%	1.9%
13	-	KRKA	87.6	-5.3%	1.8%
14	+2	Servier	83.4	0.0%	1.7%
15	-	PHARMASYNTEZ	83.0	-6.7%	1.7%
16	+2	Novartis	78.4	-0.9%	1.6%
17	-	Genel	73.4	-7.8%	1.5%
18	+1	Abbott	73.3	-4.0%	1.5%
19	+2	A.Menarini	71.2	2.1%	1.4%
20	-8	TULSKAYA FARMATSEVTICHESKAYA FABRIKA	67.7	-27.0%	1.4%

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