



45
YEARS OF
PROVEN
VALUE



Webinar Presentation

4th Quarter 2017

March 20, 2018

4th Quarter

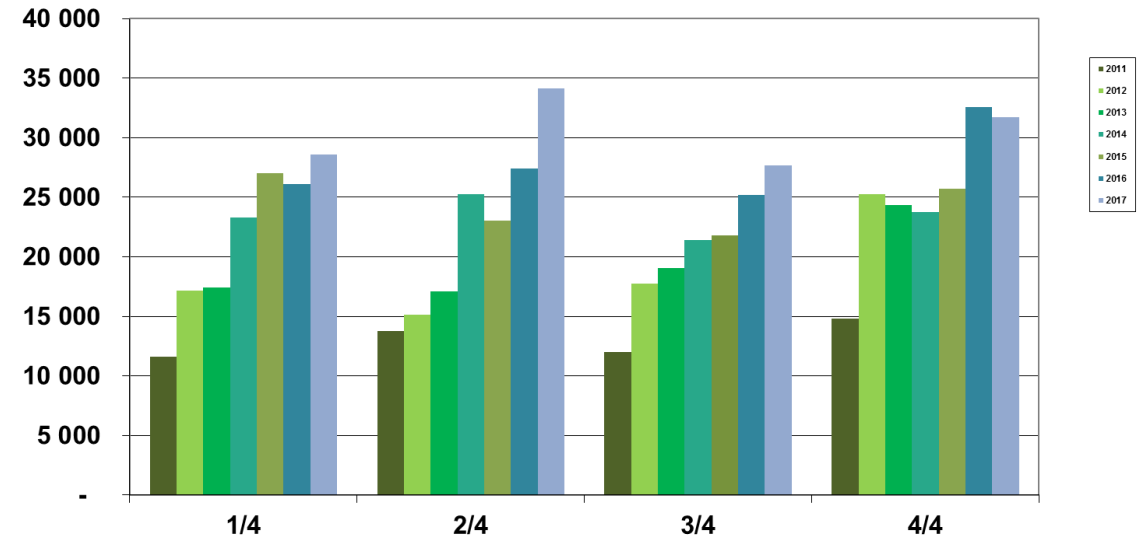
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Sales in 4th Quarter

- Sales of 31.7 million euros; clearly the best fourth quarter in term of sales;
- Only a slight reduction compared to the 4th quarter of 2016;
- Sales by pharmacies = 5.9 million euros gross, 2.7 million euros net;
- Sales by Silvanols = 1.26 million euros gross, 1 million euros net;
- Sales by Tonus Elast = 2.3 million euros.

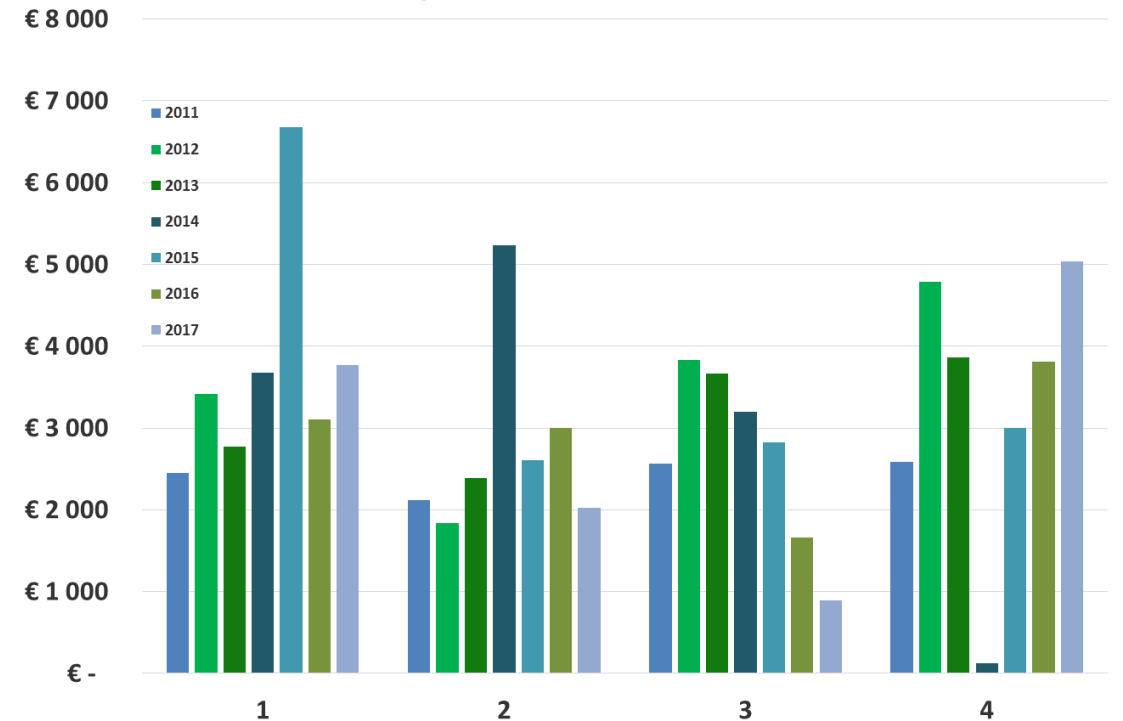
Sales by Quarters, Thsnd. EUR



Profit of 4th Quarter

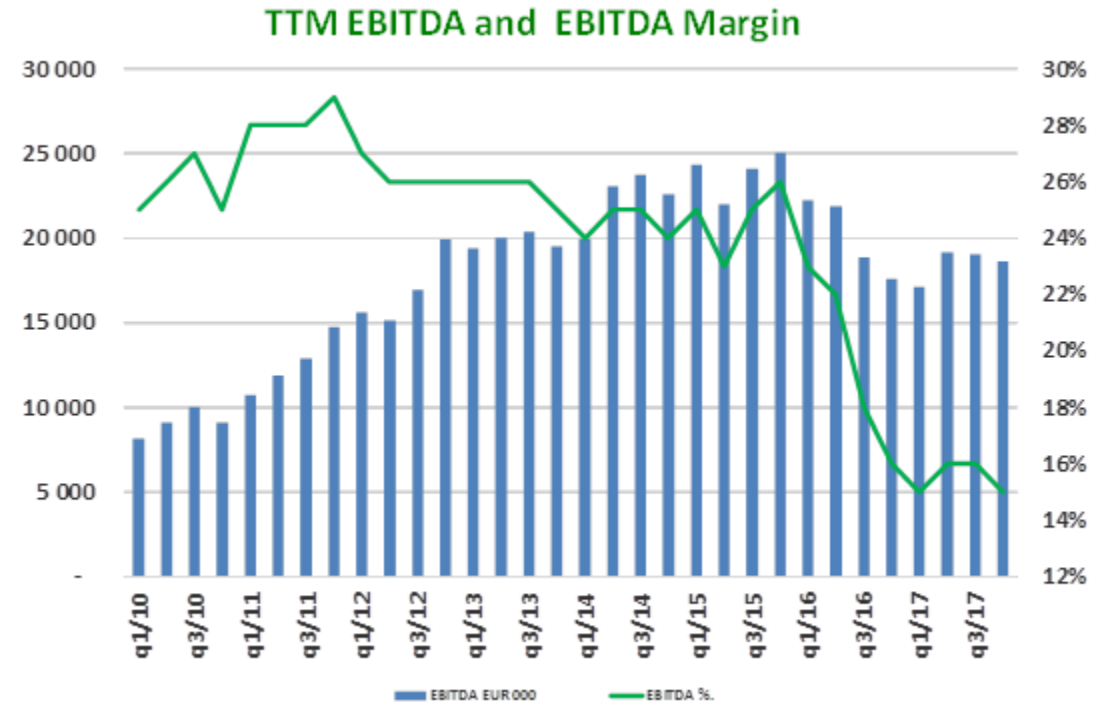
- Preliminary at 5 million euros, an increase by 32% compared to Q4 2016;
- Positive effect from reversal of previously made accruals of 0.7 million euros;
- Forex impact – neutral.

Profit by Quarters, Thnsd. EUR



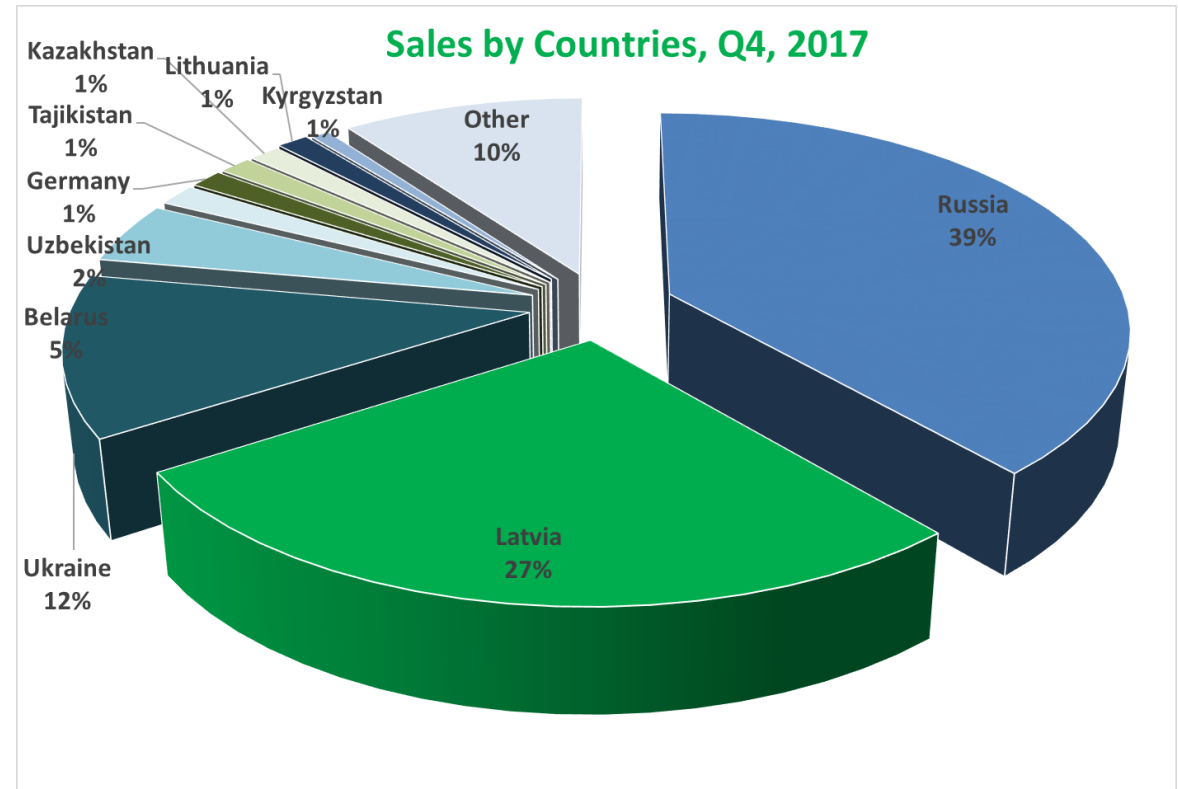
EBITDA and Margin

- 12 months EBITDA still around 19 million euros, still relatively stable at a lower level;
- EBITDA margin at 16%, also a slight stabilization;
- No visible improvement in last quarter, as many one-offs do not influence EBITDA.



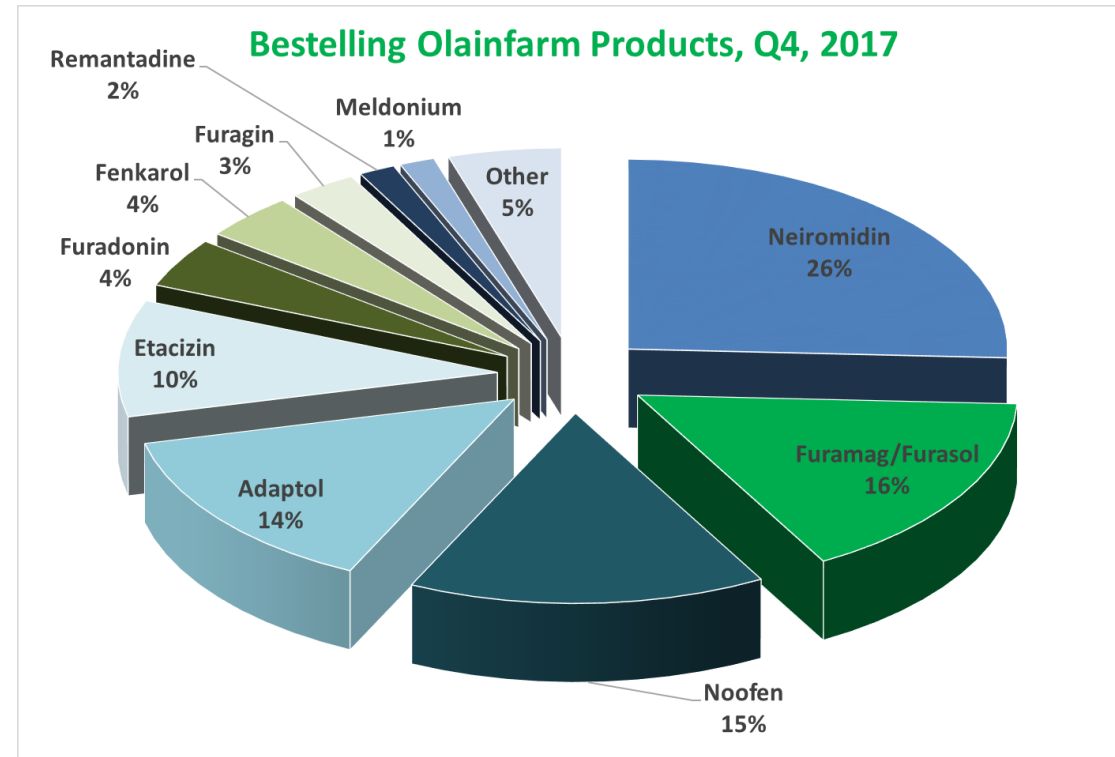
Sales by Countries, 4th Quarter

- Still a high concentration in Russia and Latvia;
- Ukraine recovered nicely in Q4 as its share increased from 7% to 12%;
- Belarus, Kazakhstan lost 3pp each;
- Kyrgyzstan and Tajikistan replace Netherlands and Turkmenistan.



Sales by Products, 4th Quarter

- Neiromidin increased even further to 26% and is by far the best selling product;
- Noofen dropped even further from 20% in Q2 to 15% in Q4;
- Shares of Adaptol, Etacizin fell, soluble furaginum increased;
- PASA is replaced by Meldonium.



Full Year 2017

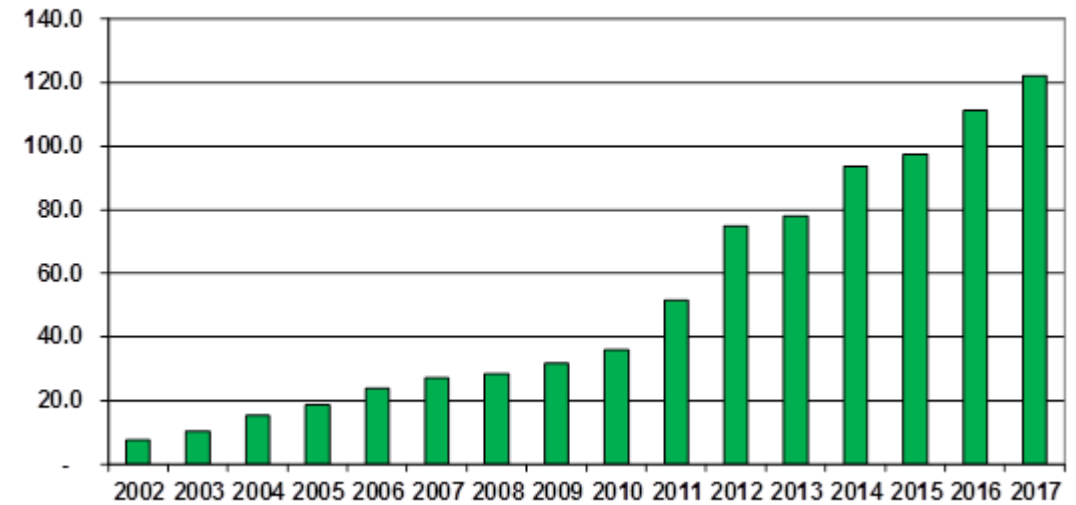
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Sales in 2017

- Sales at 122 million euros, increase by 10% compared to 2016;
- Sales by Tonus Elast = 8.5 million euros;
- Sales by pharmacies = 21.6 million euros gross, 10.3 million euros net;
- Sales by Silvanols = 5.1 million euros gross, 4.3 million euros net;

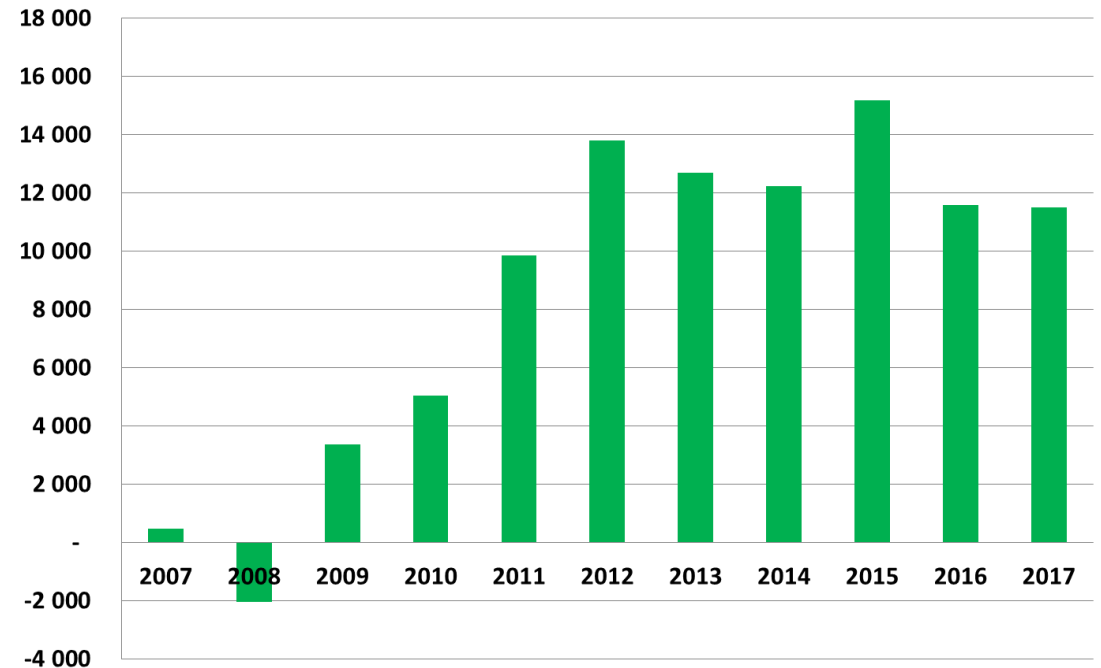
Consolidated Sales, Mln. EUR



Profit in 2017

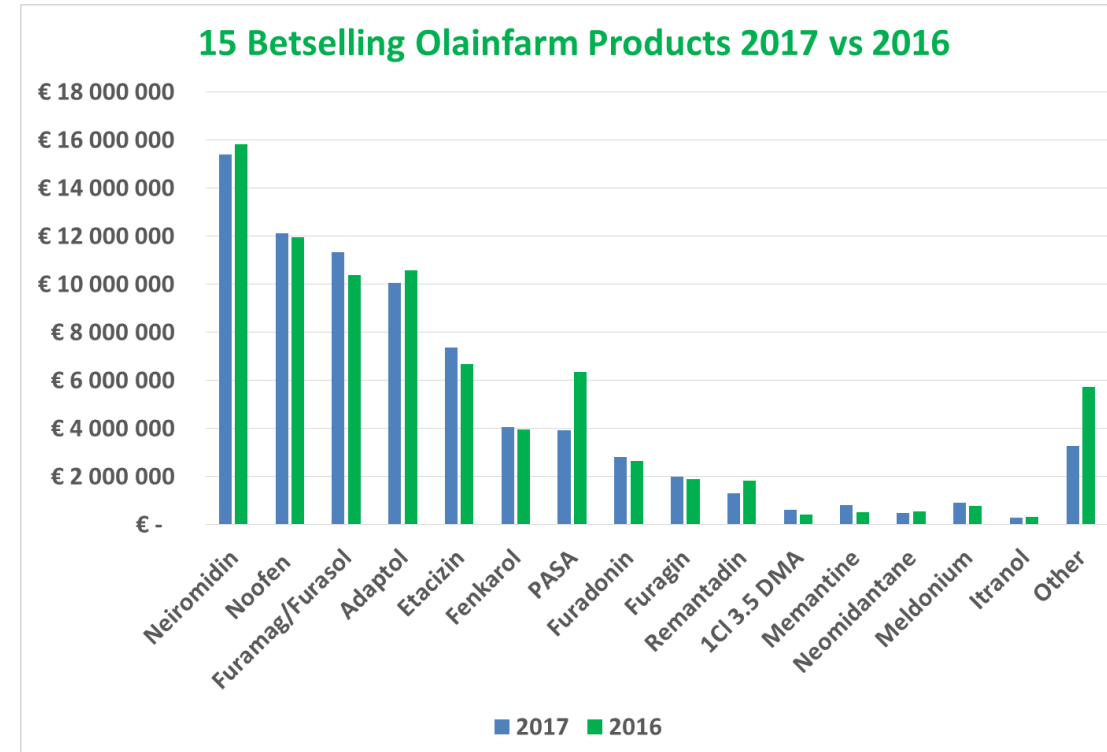
- Preliminary at 11.6 million euros, virtually compared to 2016;
- Main factors impacting adversely were forex loss of approx. 1.9 million euros, and other «one-offs» of 1 million euros;

Annual Consolidated Profit, Thsnd EUR



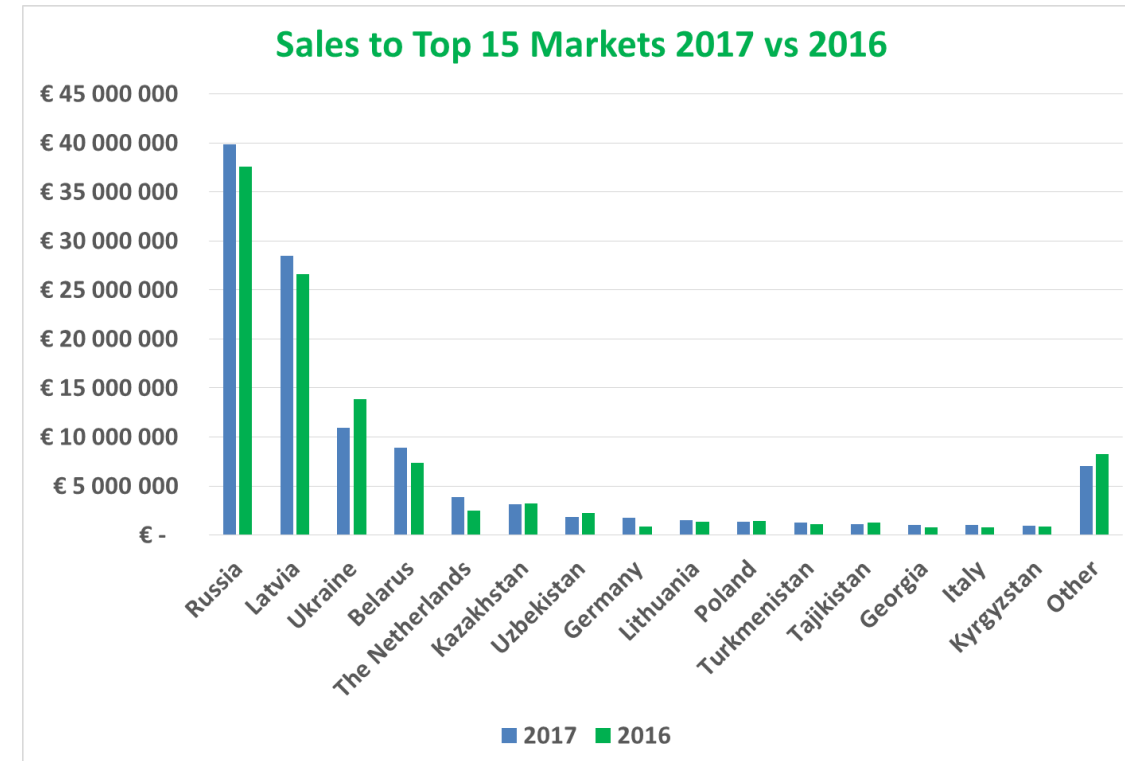
Growth Drivers: Products

- 9 out of 15 growing;
- Most growth in monetary terms added by Furamag/Furasol (1m), Etacizin (0.7m), and Memantine (0.3m);
- Most growth in relative terms provided by Memantine (58%), 1CI 3.5 DMA (48%) and Etacizin (15%);
- Most loss in monetary terms comes from all others (-2.4m), PASA (-2.4 m) and Adaptol (-0.5m);
- Most loss in relative terms comes from all others (-43%), PASA (-38%) and Remantadin(-28%);
- Total sales of Olainfarm products were 77 million euros, a reduction by 5%.



Growth Drivers: Countries

- 10 out of 15 growing;
- Most growth in monetary terms added by Russia (2.2 m), Latvia(1.8 m) and Belarus(1.6 m);
- Most growth in relative terms provided by Germany (103%), The Netherlands (57%), and Italy (35%);
- Most loss in monetary terms comes from Ukraine (-2.9 m) all others (-1.2 m) and Uzbekistan (-0.3m);
- Most loss in relative terms comes from Ukraine(-21%), Tajikistan(-16%) and Uzbekistan (-15%);



Performance of Key Daughter Companies



Latvijas Aptieka

- Sales: 22.2 m;
- Gross profit: 5.5 m;
- Net profit: 1 m



Tonus Elast + Elast Medikl

- Sales 13 m;
- Gross profit: 5 m;
- Net profit: 1.2 m.



Silvanols

- Sales: 4.6 m;
- Gross profit: 2.4 m;
- Net profit: - 0.1 m

Update on Recent Events

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Dividends Proposed

- The Board proposes a total dividend of 3 million euros, or 0.21 euros per share;
- Still to be approved by the Council and an AGM;
- Proposals on record date and payment date still to be prepared;
- Longer term dividend policy pending.

Guidances For 2018

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Numbers

	Olainfarm	Latvijas aptieka	Tonus Elast	Elast Medikl	Silvanols	Klīnika DiaMed, OlainMed	Biotest	Group
Sales	96	25.8	9	6.7	5.9	2.7	2.7	130
Gross profit	63.6	7	3.7	2.3	3.2	0.7	0.6	73.6
EBIT	11.7	1	0.1	0.1	0.47	0.13	-0.01	12.7
Net Earnings	10.9	1	0.1	-0.2	0.47	-0.06	-0.05	11.5

Current State of Affairs

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Recent Publications

- Various media in Latvia published information about possible immediate replacement of Management Board of the company;
- Council meeting has been convened for March 21st, changes to the Management Board are not on agenda.

Q&A Session

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