



OlainFarm

45
YEARS OF
PROVEN
VALUE



Webinar Presentation

1st Quarter 2018

June 7, 2018

1st Quarter

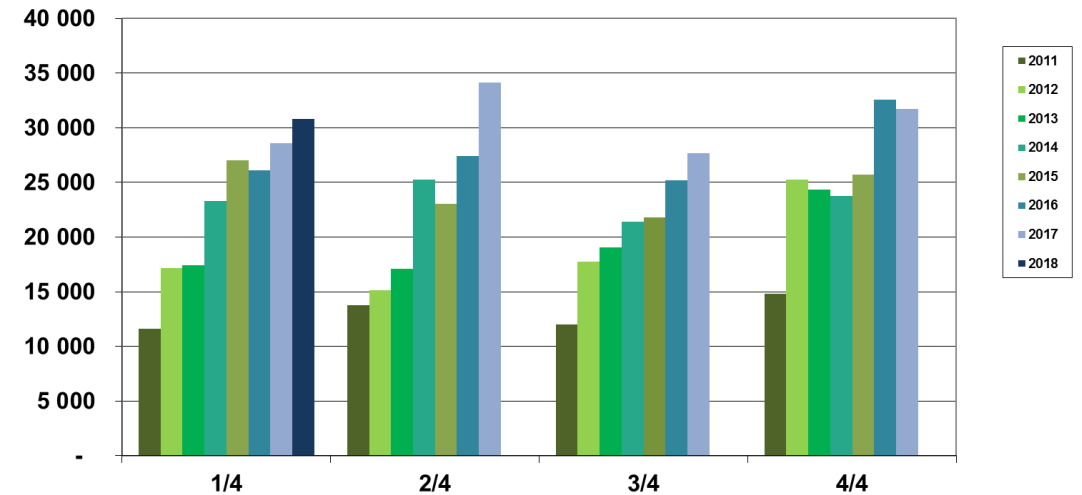
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Sales in 1st Quarter

- Sales worth more than 30.8 million euros;
- An increase by 8% compared to Q1 2017;
- Again the best first quarter in corporate history so far;
- Sales by pharmacies = 5.9 million gross, 2.5 million net;
- Sales by Silvanols = 1.5 million gross, 1.1 million net;
- Sales by Tonus Elast and Elast Medical = 2 million net.

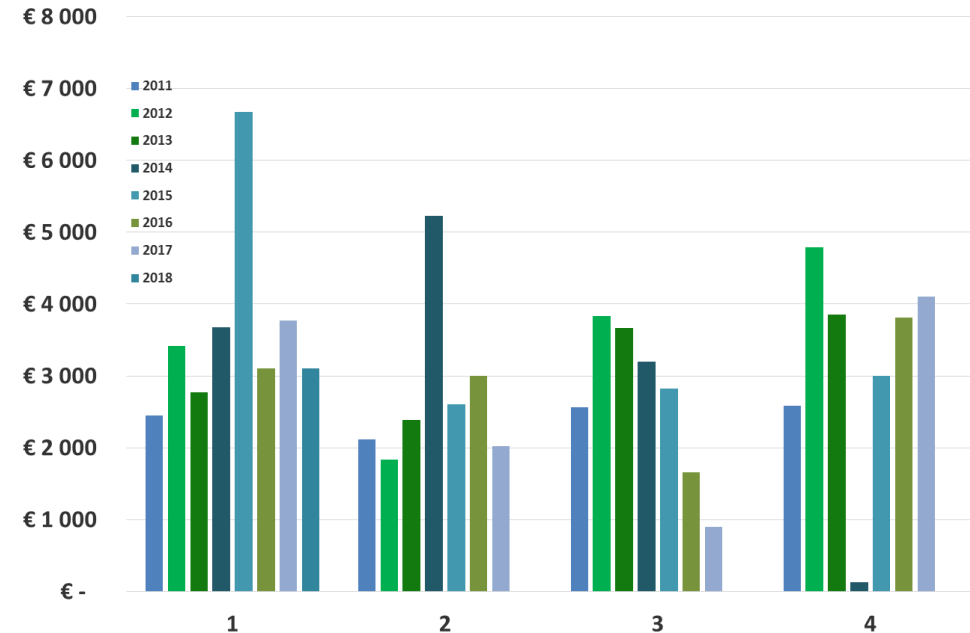
Sales by Quarters, Thsnd. EUR



Profit of 1st Quarter

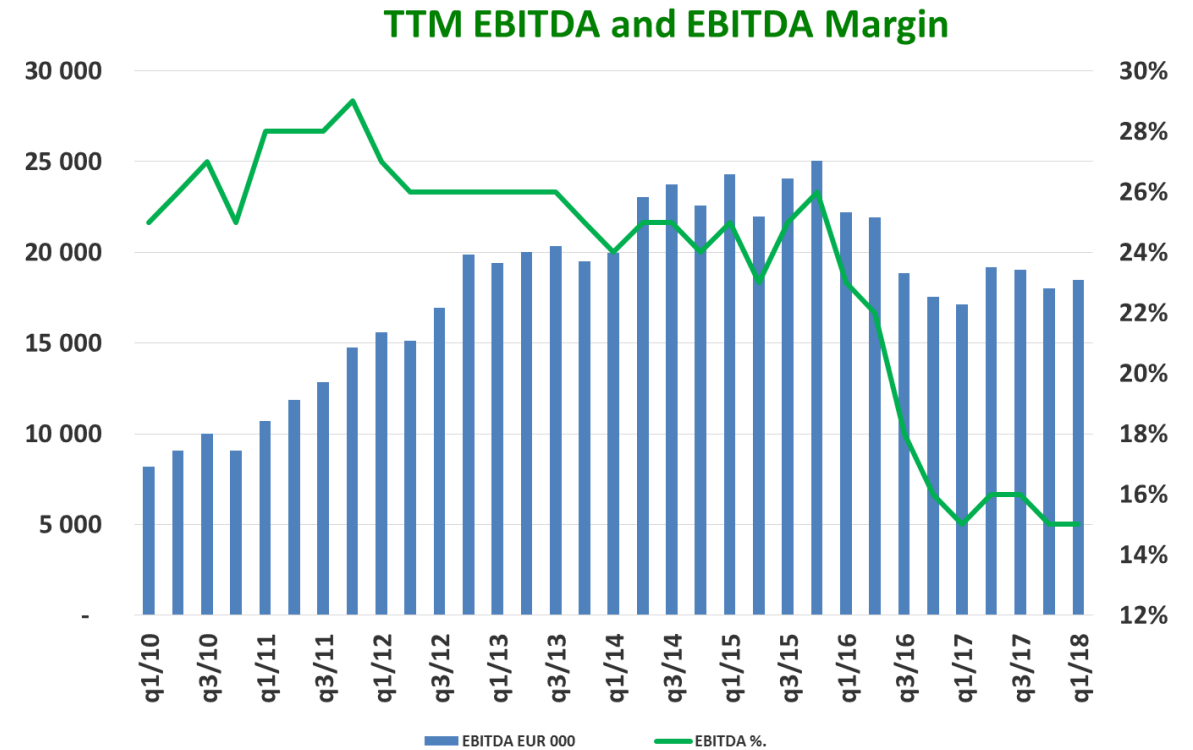
- Preliminary at 3.1 million euros, a reduction by 15% compared to Q1 2017;
- In general «an average» quarter;
- Adversely impacted by forex loss of 0.5 million euros vs. some currency gains during the first quarter of 2017;
- Gross margin slightly lower due to larger share of chemical products; gross profit increases.

Profit by Quarters, Thsnd. EUR



EBITDA and Margin

- 12 months EBITDA increased by 1.4 million, compared to TTM one year ago, to 18.5 million, which represents 8% increase to the same period;
- EBITDA margin, however, still remains at 15%.



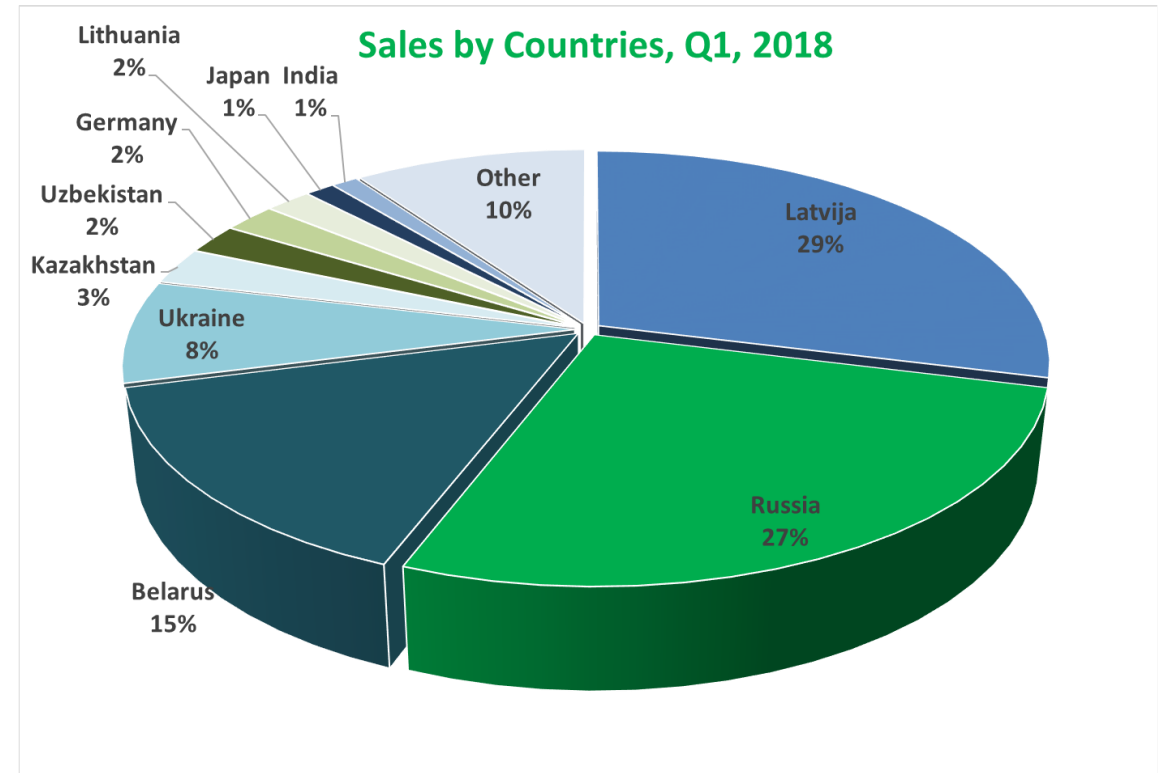
Poll Question

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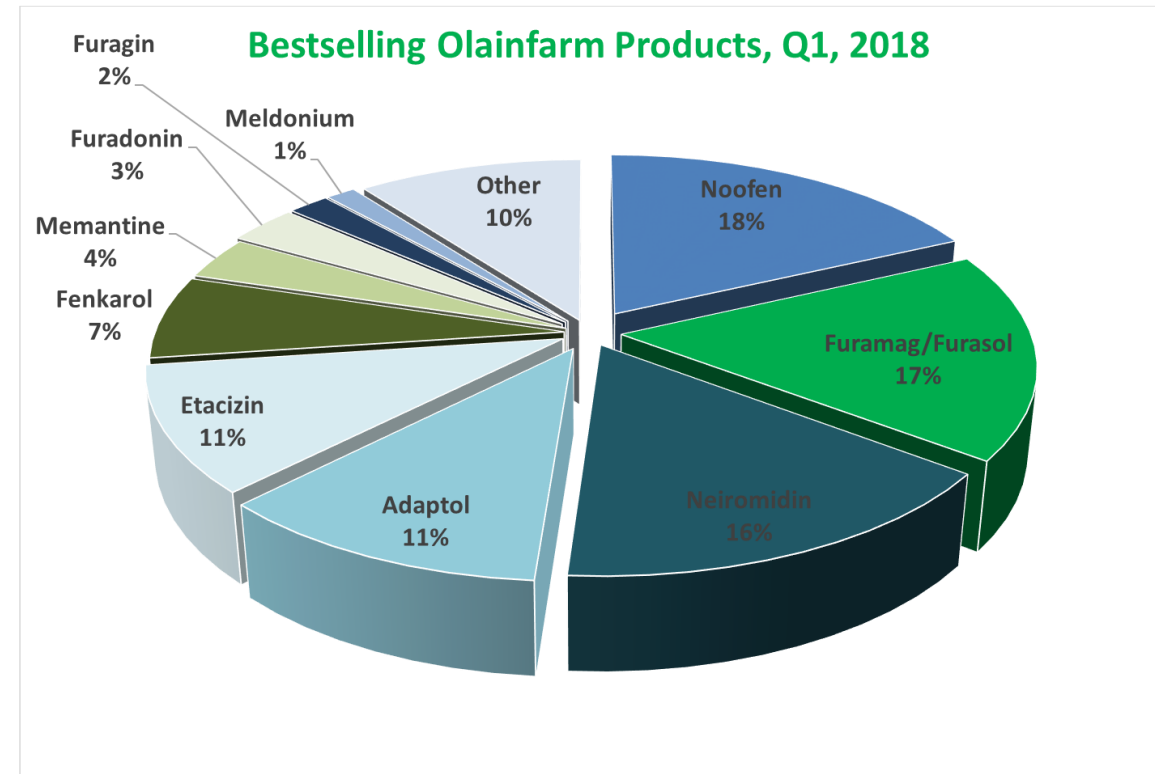
Sales by Countries, 1st Quarter

- Russia and Latvia switched positions and shares in sales;
- Belarus' share increased from 12% to 15%, Ukraine, Kazakhstan, Germany gained 1pp;
- Netherlands, Georgia and Italy replaced by Japan, Uzbekistan and India.



Sales by Products, 1st Quarter

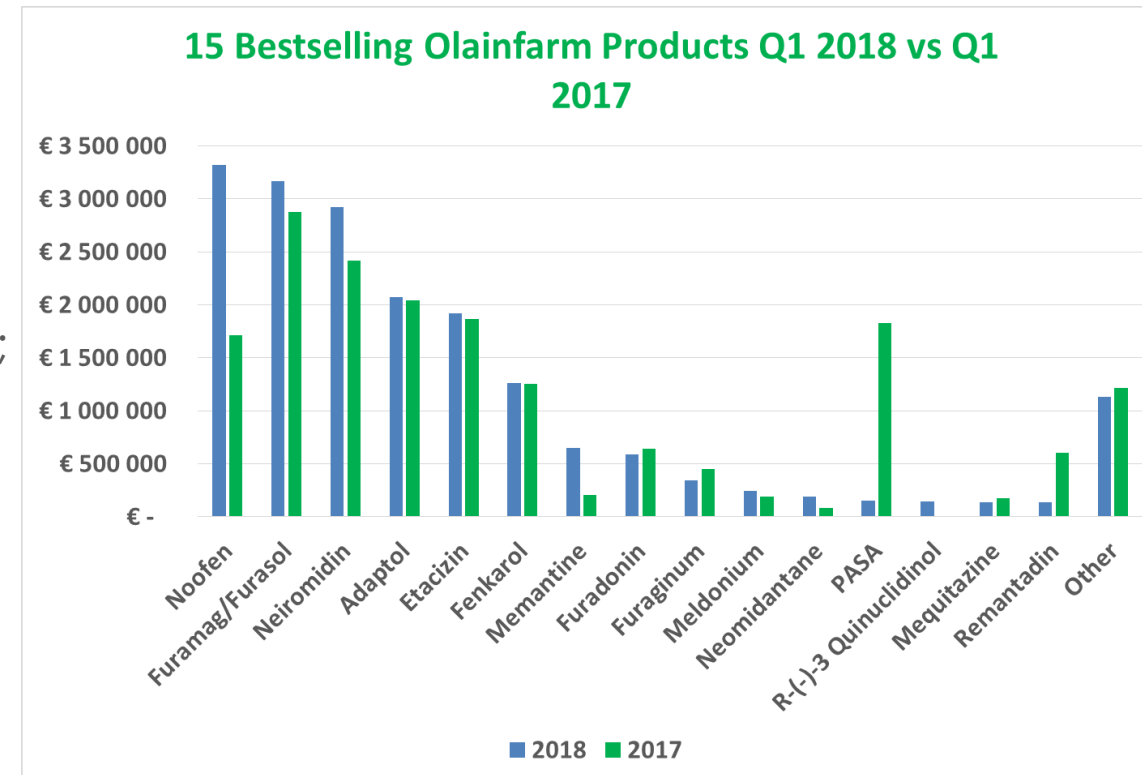
- Noofen a new leader as it added 8 pp compared to Q1 2017;
- Soluble furaginum and Neiromidin also increased share, but lost the position;
- PASA and Remantadin replaced by Memantine and Meldonium, a newcomer to top 10.



Growth Drivers: Products

- 10 out of 15 growing;
- Most growth in monetary terms added by Noofen (1.6 m), Neiromidin (0.5m), and Memantine (0.4m);
- Most growth in relative terms provided by R-3 QNDL (914%), Memantine (219%) and Neomidantane (133%);
- Most loss in monetary terms comes from PASA (-1.7m), Remantadin (-0.5) and Furagin(0.1m);
- Most loss in relative terms comes from the same products the -92%, -77% and -23% respectively;
- Outstanding growth of Noofen mostly provided by extraordinary shipments to Russia, while WHO had limited purchases of PASA during Q1. Some improvements expected in H2.

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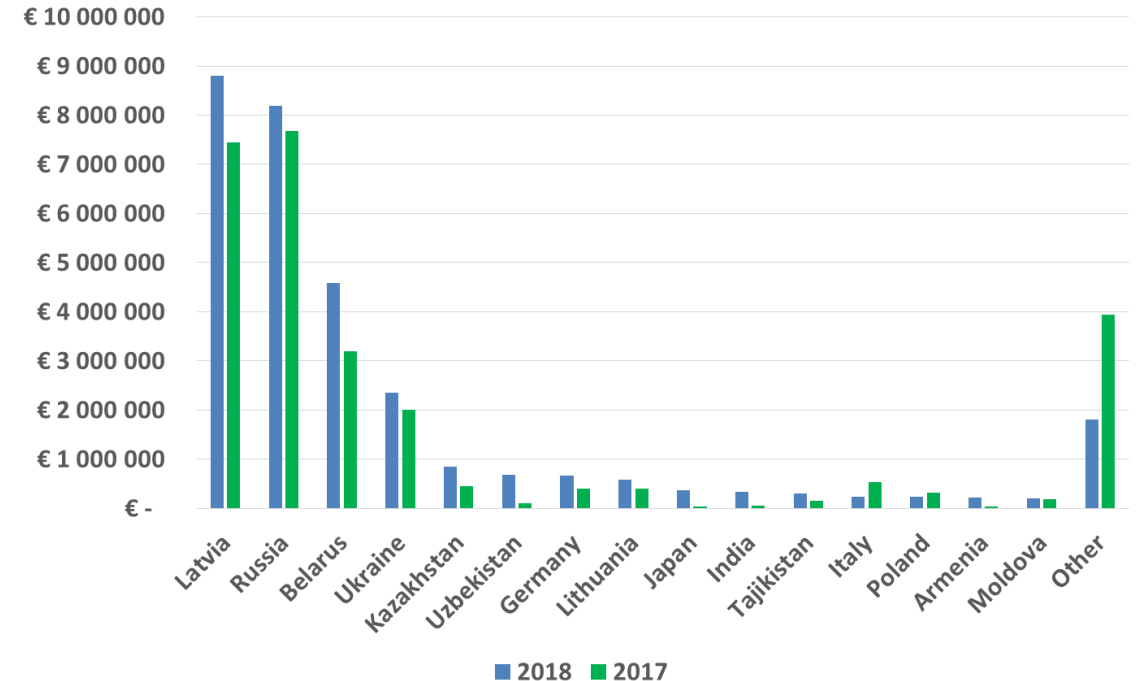


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Growth Drivers: Countries

- 13 out of 15 growing;
- Most growth in monetary terms added by Belarus (1.4 m), Latvia(1.4 m) and Uzbekistan (0.6 m);
- Most growth in relative terms provided by Japan (850%), Uzbekistan (509%) and India (504%);
- Most loss in monetary terms comes from all the others (-2.1 m) Italy (0.3 m) and Poland (0.1 m);
- Most loss in relative terms comes from Italy (-56%), others (-54%) and Poland (-27%);

Sales to Top 15 Markets, Q1 2018 vs Q1 2017



Update on Recent Events

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AGM on June 5th, 2018

- Declared dividends of more almost 3 million EUR;
- New Auditing Committee members elected;
- New Supervisory Council elected;
- Sales and profit targets approved:
- - Standalone sales of 96 million EUR;
 - Standalone net profit of 10.9 million EUR;
 - Consolidated sales of 130 million EUR;
 - Consolidated net profit of 11.5 million EUR.

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Dividends

- First installment of 0.10 EUR per share to be paid on July 5th, with July 3rd being an ex-date;
- Second installment of 0.11 EUR per share to be paid on October 4th, with October 2nd being an ex-date

Supervisory Council

- New Supervisory Council elected for a period of five years;
- Members of the new Council are
 - Prof. Ivars Kalvins – Chairman of the Council;
 - Milana Belevica – Vice Chairwoman of the Council;
 - Ivars Godmanis
 - Irina Maligina
 - Signe Baldere - Sildedze
- Total remuneration of the all the Council members together has been increased from 13,500 EUR to 40,000 EUR per month gross, total cost for the Company will be almost 50,000 per month.

The New Chairman

- Professor Ivars Kalvins is elected the new Chairman of the Supervisory council;
- Prof. Kalvins is by far the most renowned organic synthesis expert in Latvia;
- He has been author of several pharmaceutical compounds, of which Meldonium has been one of the most well known ones;
- Prof. Kalvins has been a member of Olainfarm's Council before, between 2003 and 2006;
- Prof. Kalvins has also been a Member of Grindex's Council from 2000 to 2012.



Poll Question

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Auditing Committee

- Elected to a new two year period;
- Now comprises of:
 - Viesturs Gurtlavs (The Only member of the Committee for several years);
 - Ivars Godmanis (Former Chairman of Supervisory Council, current member of Supervisory Council);
 - Milana Belevica (Vice Chairperson of Supervisory Council).
- Remuneration of all members of the Auditing Committee was increased from 5,350 EUR per month gross to 11,500 EUR per month, total cost for the company we be almost 14,300 EUR per month.

Poll Question

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Q&A Session

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Salvis Lapins

Member of the Board



(+371) 67013717



salvis.lapins@olainfarm.lv



www.olainfarm.com



Rupnicu iela 5, Olaine, LV-2114, Latvia