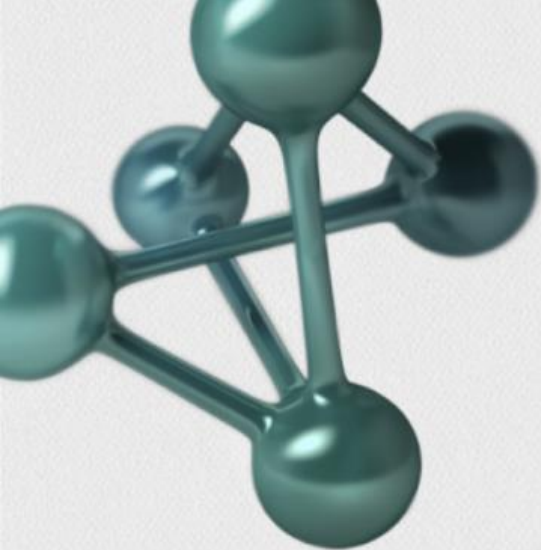


# Webinar Presentation

1st quarter 2014

June 5, 2014

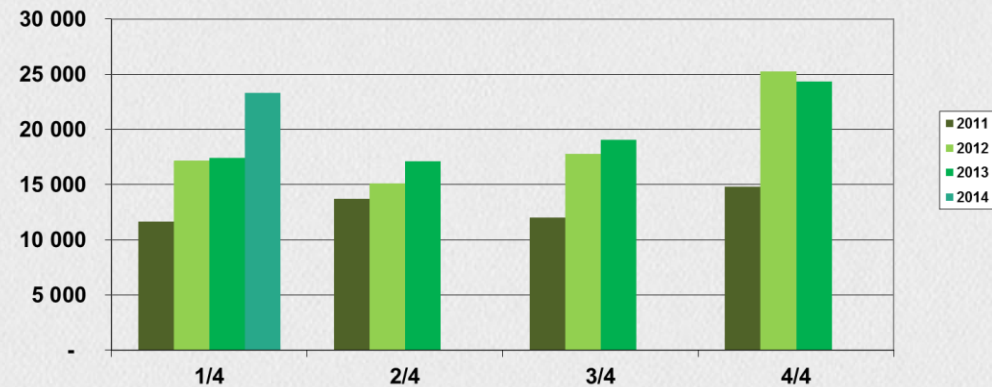


1<sup>st</sup> Quarter

# Sales in 1st Quarter

- Sales worth more than 23 million euro, an increase by 30%;
- Best first quarter in corporate history;
- Considerable growth y-o-y achieved also because of undershipment to Ukraine in Q1 2013;
- About 3.8 million euros are sales by pharmacies, increase by 19%; about 0.81 million euros are sales by Silvanols;

Sales By Quarters, Thsnd. EUR

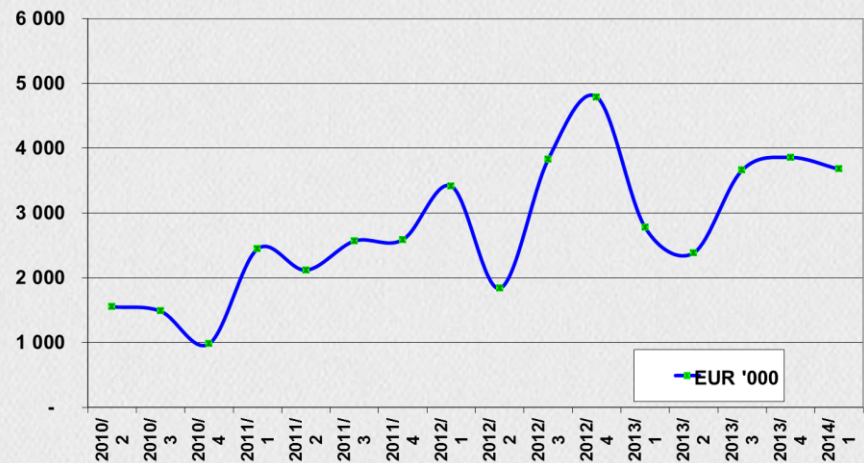




# Profit of 1st Quarter

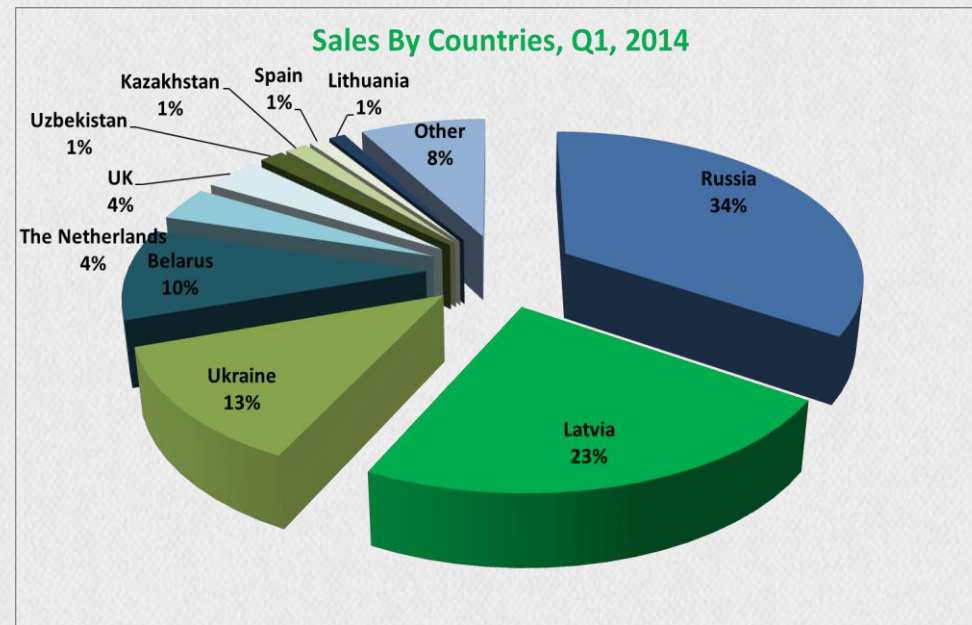
- Preliminarily at 3.7 million euros, an increase by 32%;
- Best Q1 in corporate history in terms of profit.
- Considerable growth in terms of profit also partially due to undershipment to Ukraine in Q1 2013;
- EBITDA margin up to 27%, effect of higher sales and being more comfortably above the break-even point.

Profit By Quarters



# Sales By Countries, 1st Quarter

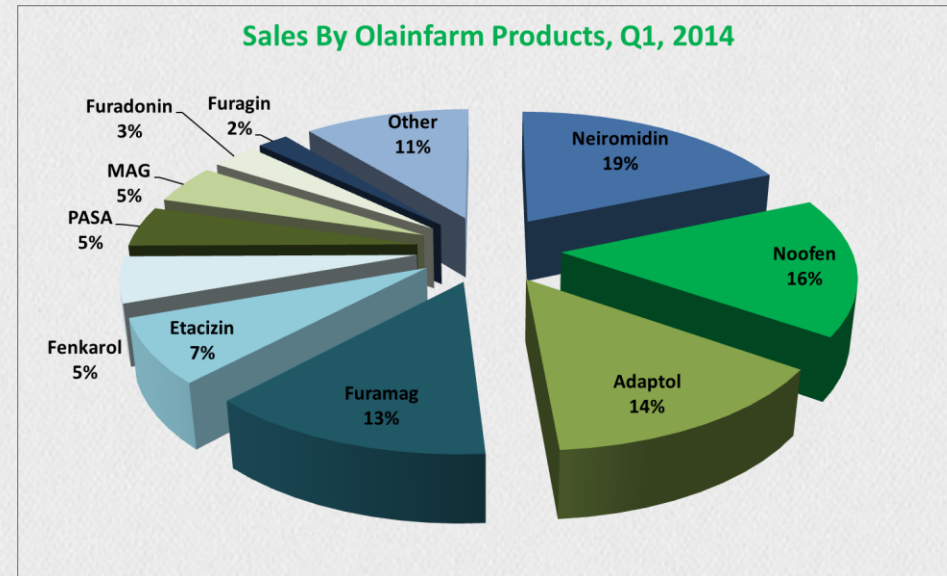
- Ukraine a little lower than normally, Russia still somewhat stagnant;
- Belarus is up 47% despite rather high base, Uzbekistan is up 67%, Significant shipments to The Netherlands (WHO)
- Smaller markets (Lithuania, Spain), increase by more than 170%, all other markets up 400%.
- Kazakhstan the only market falling, currency issues suspected.





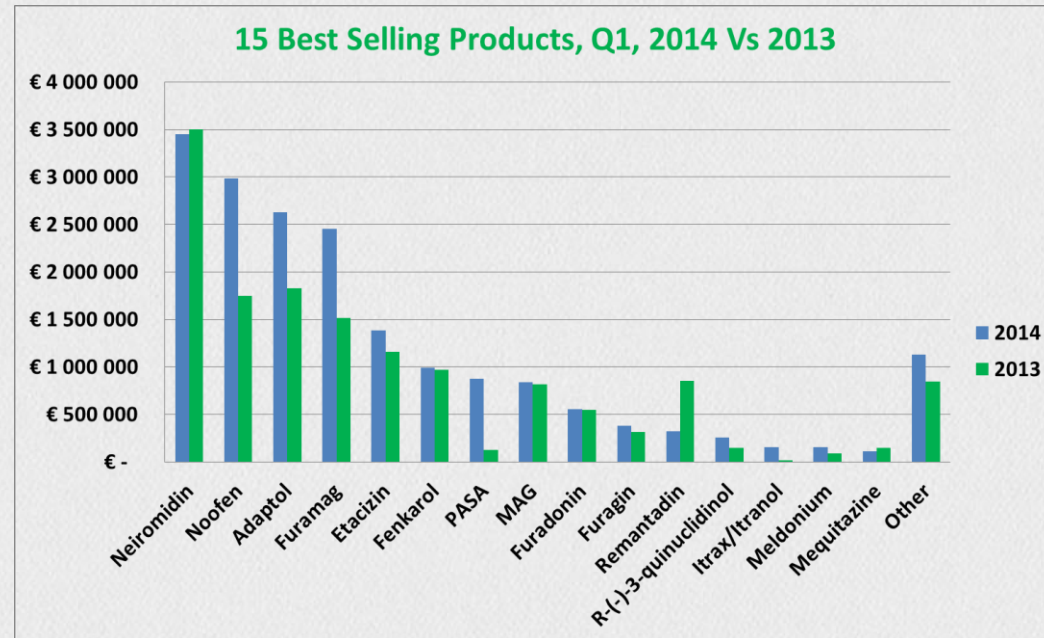
# Sales By Products, 1st Quarter

- Neiromidin and Noofen getting closer to each other:
- Neiromidin's share lowest since observations, share of Noofen, Adaptol and Furamag increased significantly,
- Fenkarol's share also lowest since observations started;
- PASA stable at 5% for the 2<sup>nd</sup> quarter in a row.



# Growth Drivers: Products

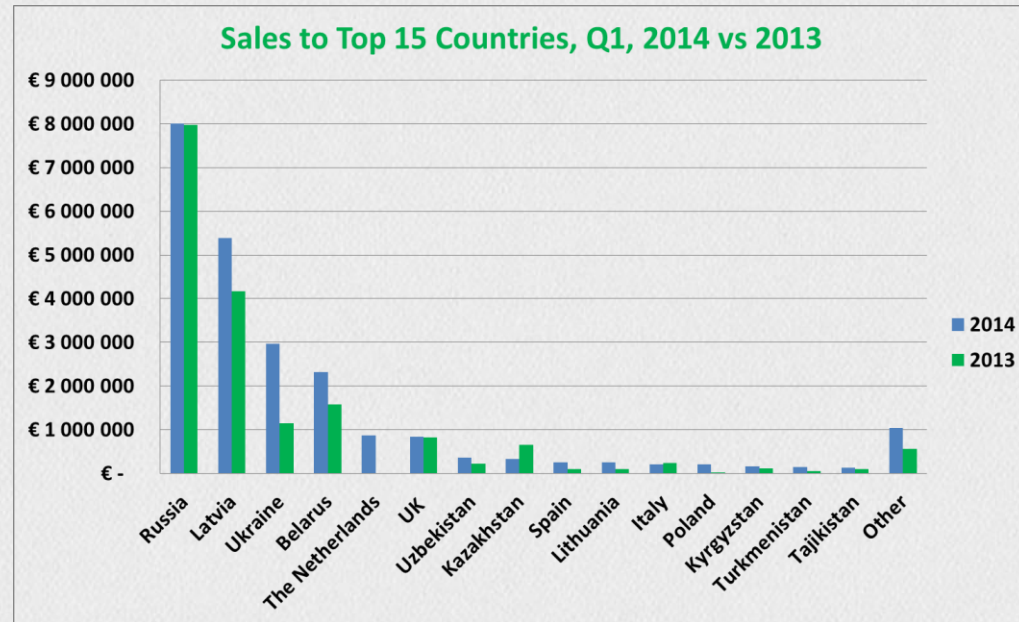
- A clear growth drivers in Q1, as Noofen grows by 71%, Furamag by 62%, Adaptol by 44% and PASA 603%.
- Neiromidin and Fenkarol about even;
- The only significant reduction in sales of Remantadin, a product very dependent on outbreak of flu.



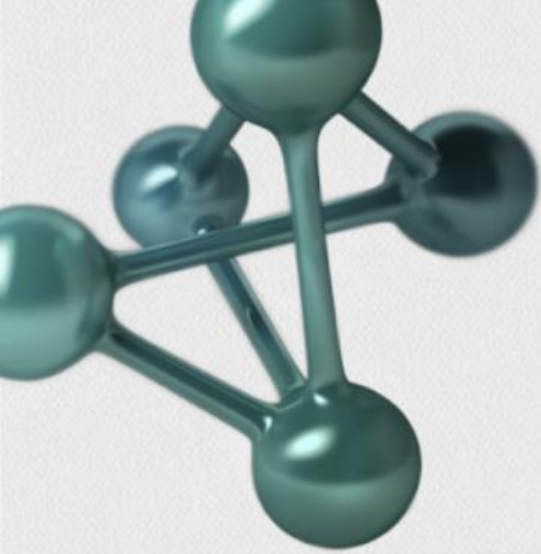


# Growth Drivers: Countries

- Growth clearly comes from sales to Latvia, Ukraine, Belarus and The Netherlands;
- 5 leading countries add 4.6 million euros in sales increases.
- Russia and UK stable, Kazakhstan and Italy the only ones falling;





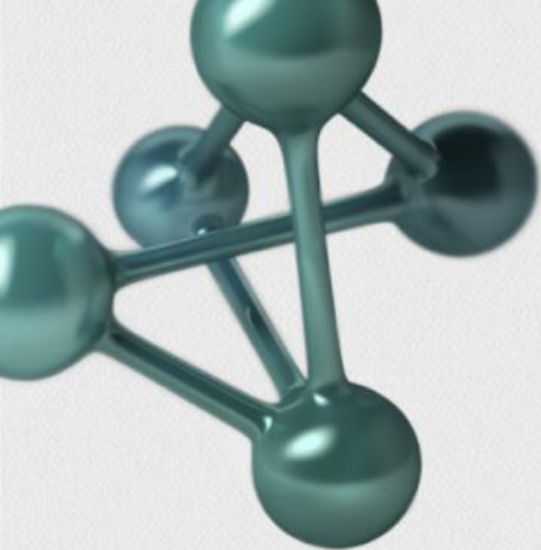


# Update On Recent Events

# Recent Events

- AGM was held on April 29. Among others, the following resolutions were made:
  - No dividends for 2013;
  - Consolidates sales target: 93 million EUR (+19%);
  - Consolidated profit target: 15 million EUR (+19%);
  - Standalone sales target: 80 million EUR (+20%);
  - Standalone profit target: 14 million EUR (9%);
- According to preliminary figures for 4 months sales and 3 months profit, the company is slightly ahead of the schedule;
- Three products registered in Mongolia in May;
- Periodical format of P&L has been replaced by functional format.





# In Focus : Belarus



# Republic of Belarus

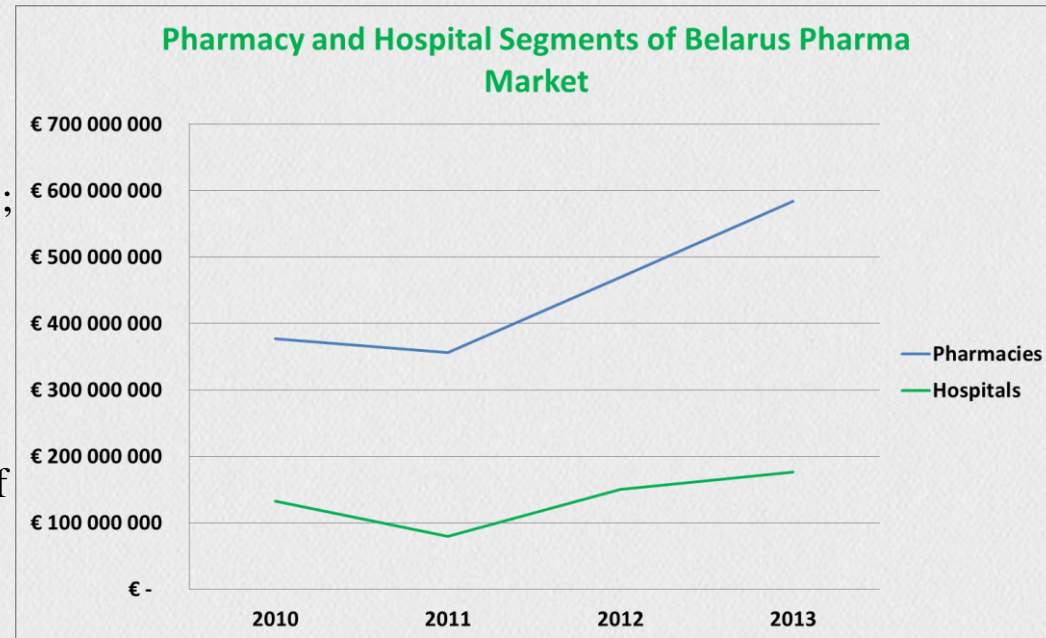
- Population: approx. 10 mln. people;
- Major cities:
  - Minsk (capital) 1.8 million inhabitants;
  - Gomel 0.5 million inhabitants;
  - Mogilev 0.4 million inhabitants;
  - Vitebsk 0.4 million inhabitants;
  - Grodno 0.3 million inhabitants;
  - Brest 0.3 million inhabitants.
- GDP per capita: 11,450 € (2012)





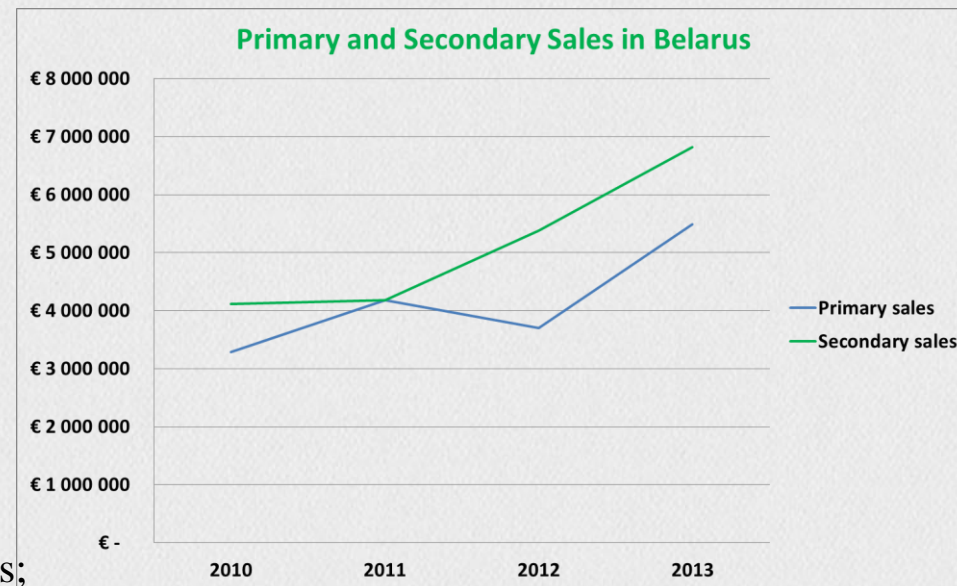
# Pharma Market of Belarus

- Pharmaceutical market of Belarus in 2013 was worth 760 million EUR.
- Since 2010 it has increased by nearly 50%;
- Possibly because of budgetary constraints, pharmacy segment growth is much stronger than growth of hospital sales;
- Government has a target to replace 70% of imports with locally manufactured products by 2015.
- In total nearly 600 pharmaceutical companies selling their products in Belarus.



# Olainfarm in Belarus

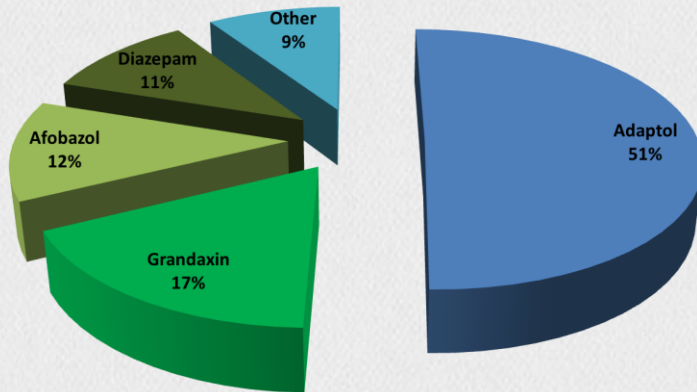
- Present since 1998; representative office since 2004;
- Medical representatives in all regional centers;
- In total 40 professionals employed by Olainfarm in Belarus;
- Secondary sales in 2013 worth 6.8 million €; grown by 65% compared to 2010;
- In 2013 Olainfarm held 32<sup>nd</sup> position from all pharma producers selling their products in Belarus;
- Olainfarm's share of Belarus market is 0.9% and growing.



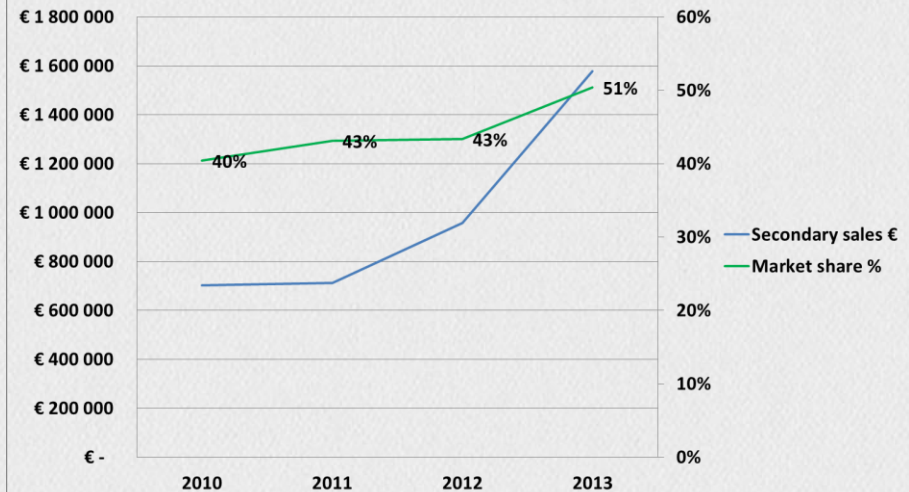


# Adaptol in Belarus

Market Share of Adaptol and Competitors



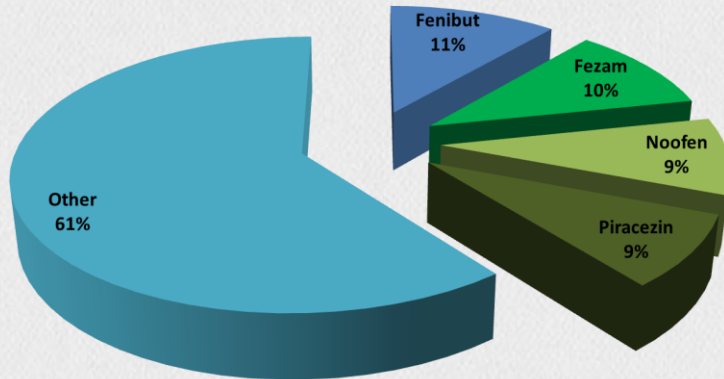
Secondary Sales and Market Share of Adaptol in Belarus



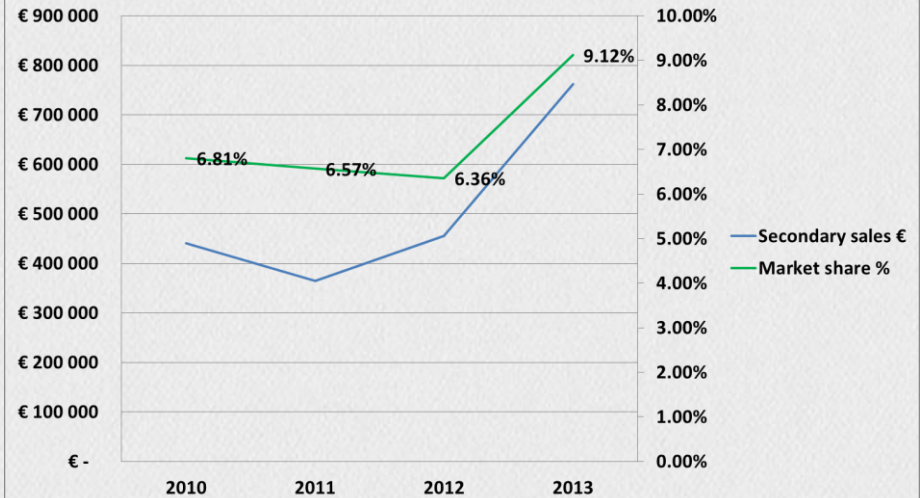
- Total sales in the segment = 3.1 million EUR;
- Since 2010 the segment itself has grown by 80%.

# Noofen in Belarus

Market Share of Noofen and Competitors



Secondary Sales and Market Share of Noofen in Belarus

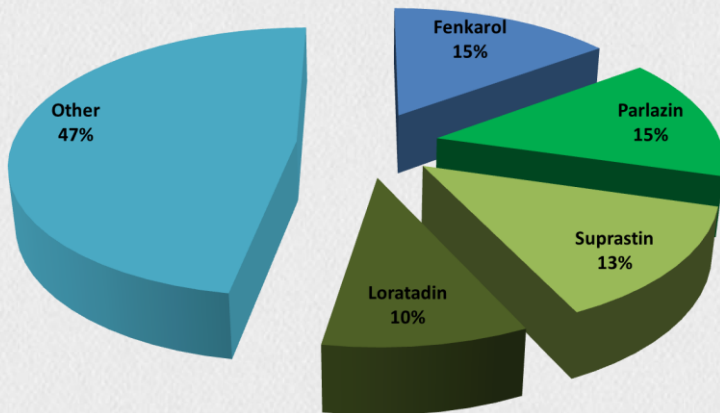


- Total sales in the segment = 8.4 million EUR;
- Since 2010 the segment itself has grown by 29%.

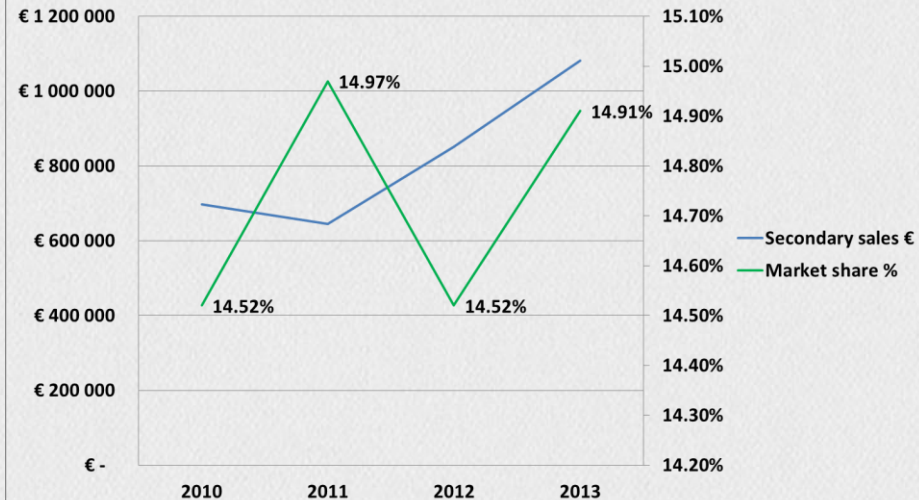


# Fenkarol in Belarus

Market Share of Fenkarol and Competitors



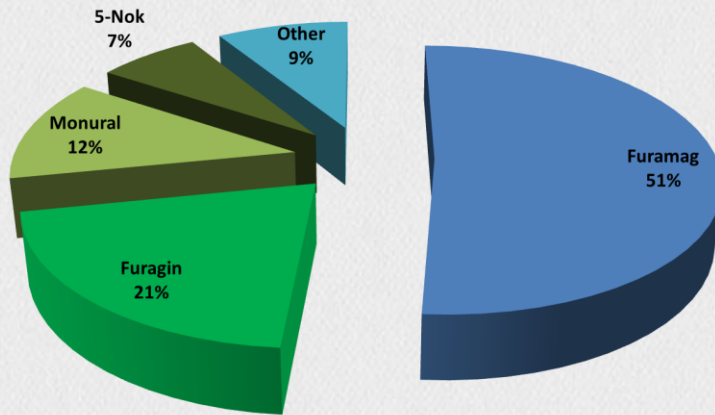
Secondary Sales and Market Share of Fenkarol in Belarus



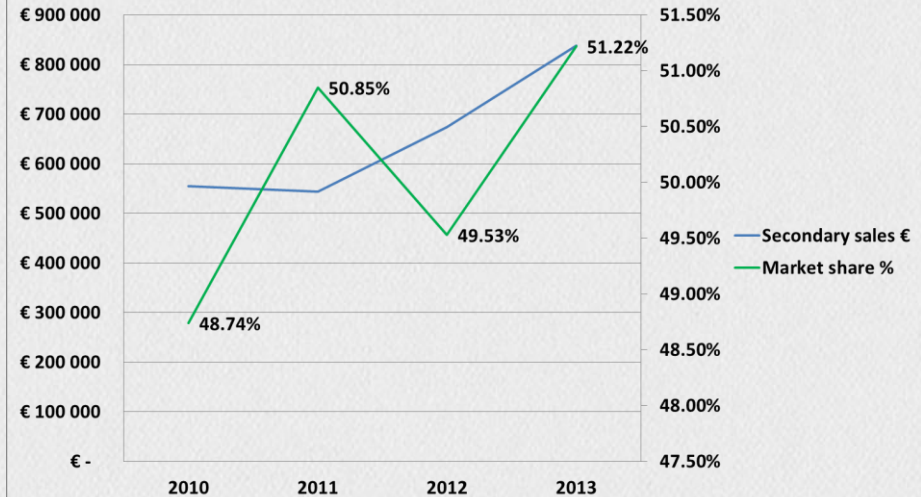
- Total sales in the segment = 7.3 million EUR;
- Since 2010 the segment itself has grown by 51%.

# Furamag in Belarus

Market Share of Furamag and Competitors



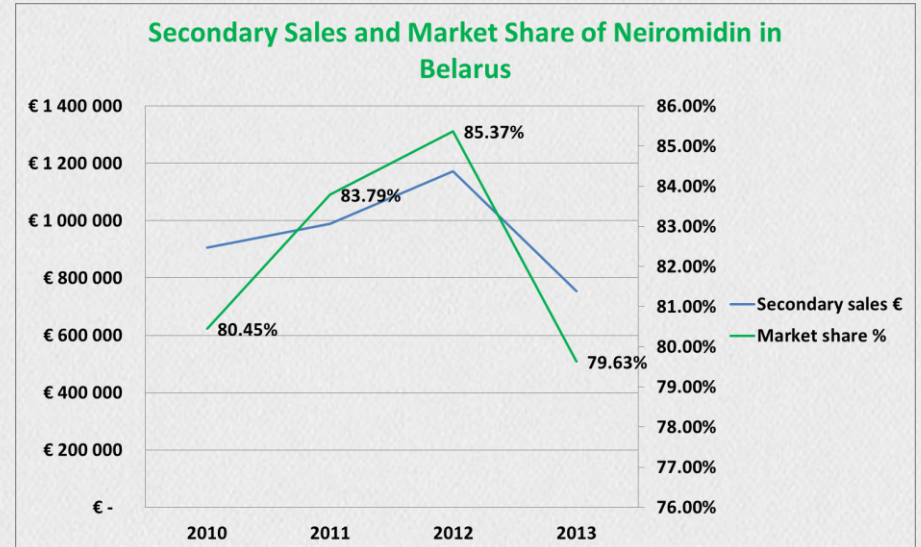
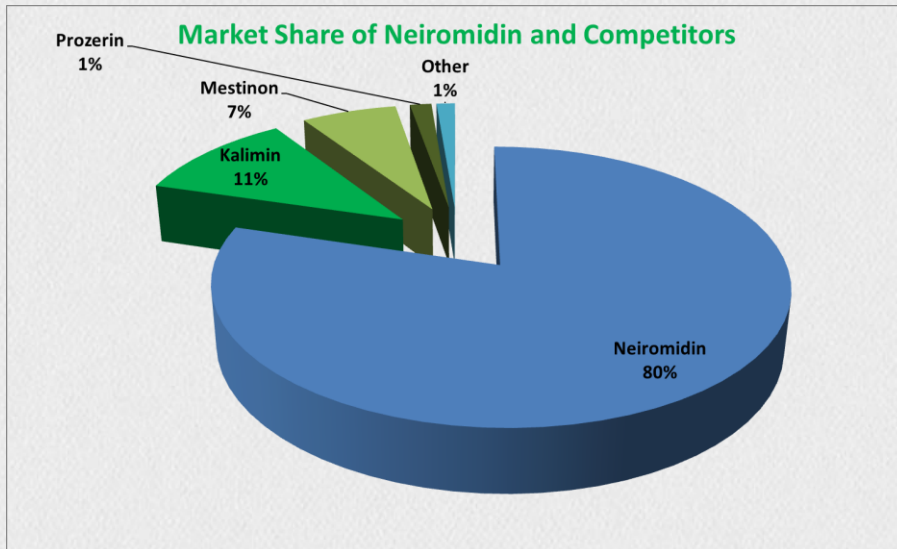
Secondary Sales and Market Share of Furamag in Belarus



- Total sales in the segment = 1.6 million EUR;
- Since 2010 the segment itself has grown by 44%.



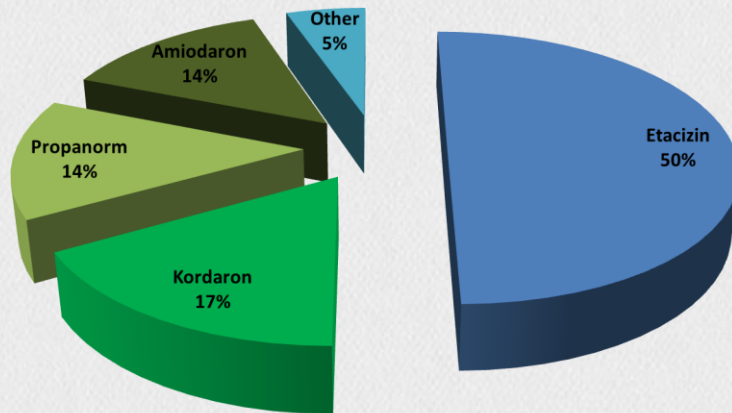
# Neiromidin in Belarus



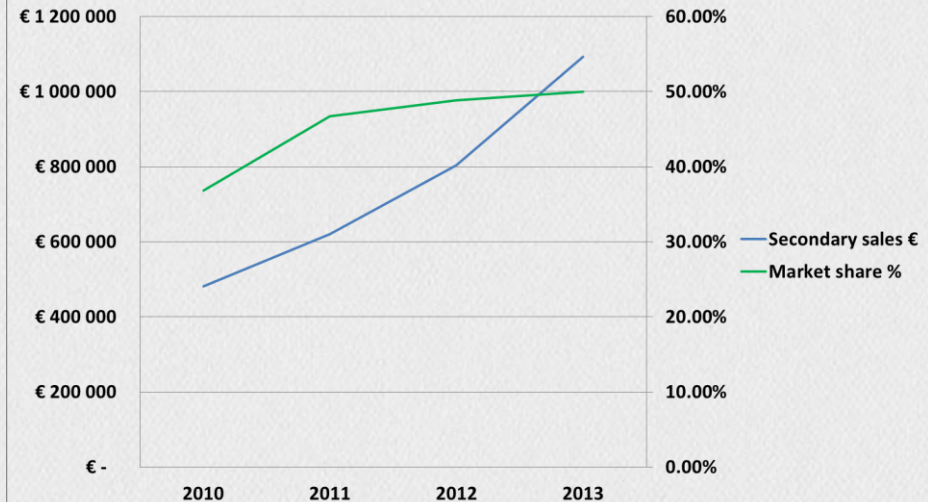
- Total sales in the segment = 0.9 million EUR;
- Since 2010 the segment itself has shrunk by 16%.

# Etacizin in Belarus

Market Share of Etacizin and Competitors



Secondary Sales and Market Share of Etacizin in Belarus

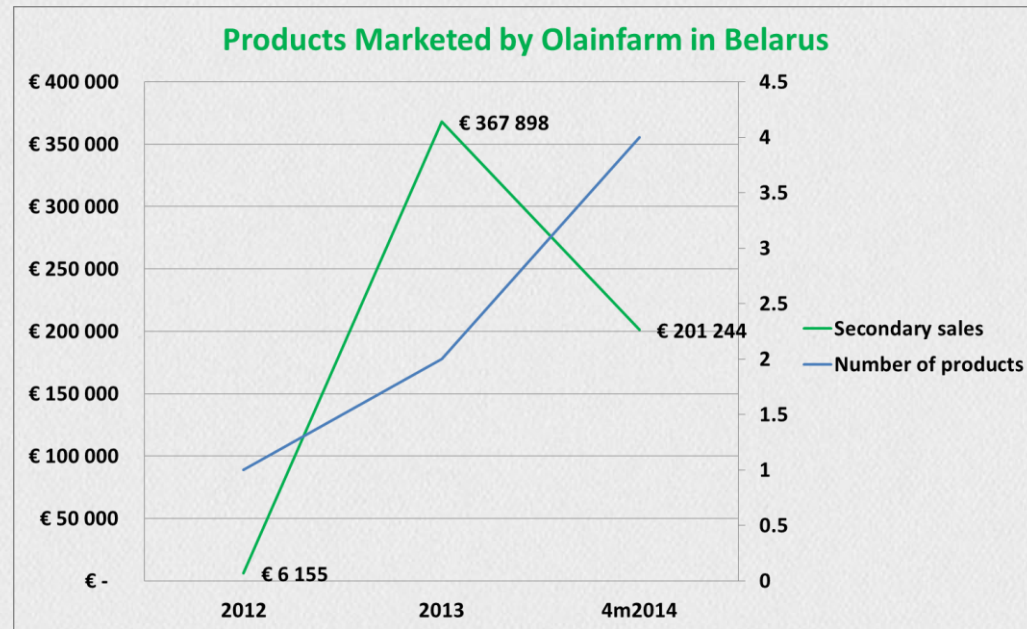


- Total sales in the segment = 2.2 million EUR;
- Since 2010 the segment itself has grown by 68%.



# Marketing Services in Belarus

- Started with Orion Pharma in 2012;
- Currently service provided to 3 producers for 4 products;
- Many more products will be added in 2014.



# Q&A Session

- In between webinars, please contact me at:
  - [Salvis.Lapins@olainfarm.lv](mailto:Salvis.Lapins@olainfarm.lv);
  - Cellular: +371 2 6448873 ;
  - Twitter: @SalvisLapins or @OlainFarm;



# Thank you!

JSC Olainfarm

5 Rūpnīcu iela., Olaine, LV-2114, Latvia

Phone: +371 67013701

Fax: +371 67013777

[www.olainfarm.lv](http://www.olainfarm.lv)

Investor relations:

Salvis Lapiņš, Member of the Board

Phone.: +371 26448873

e-mail: Salvis.Lapins@olainfarm.lv

[www.olainfarm.lv](http://www.olainfarm.lv)



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