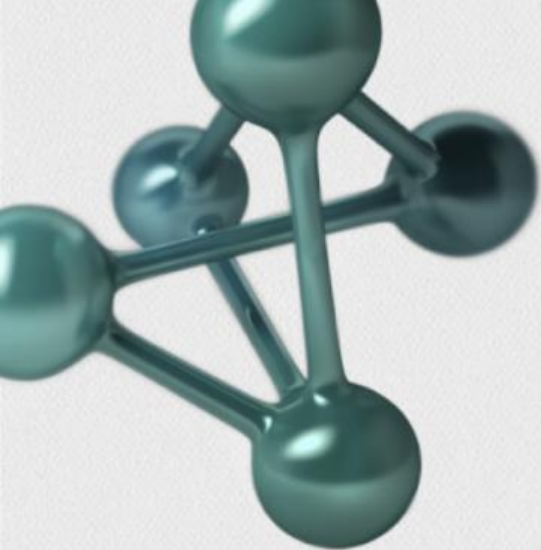


Webinar Presentation



2nd quarter and
6 months of 2016

September 12,
2016

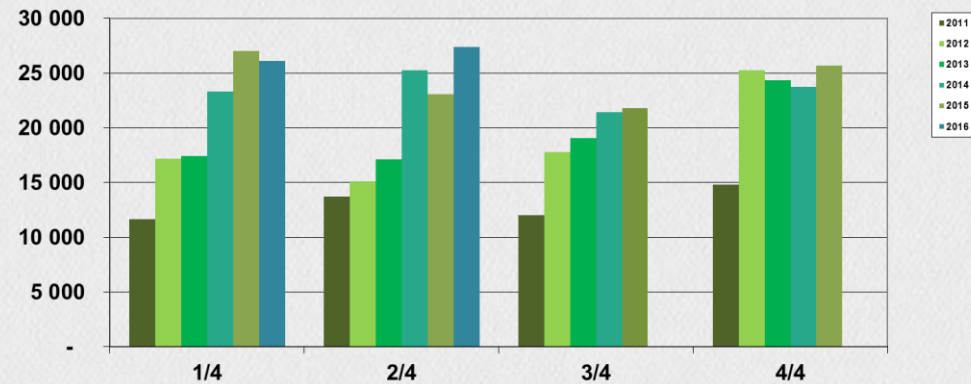


2nd Quarter

Sales in 2nd Quarter

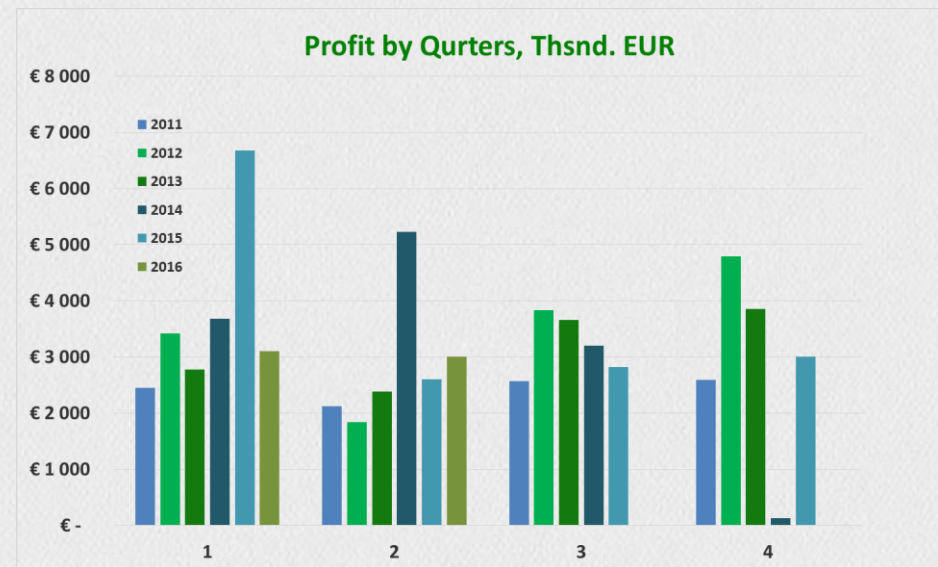
- Sales worth more than 27 million euros;
- An increase by 19% compared to Q2 2015;
- In terms of sales, best quarter in corporate history so far;
- 1.6 million sales by pharmacies, more than 1.1 million sales by Silvanols, more than 0.8 milion sales by Tonus elast.

Sales by Quarters, Thsnd. EUR



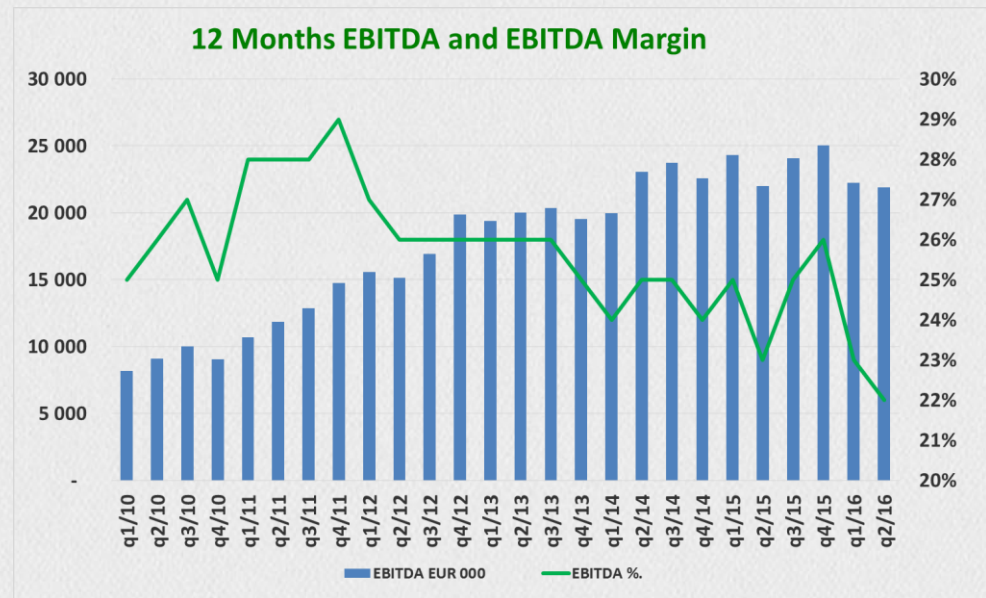
Profit of 2nd Quarter

- Preliminary at 3 million euros, an increase by 15% compared to Q2 2015;
- Again, influenced by provisions of more than 1 million EUR made for Ukrainian receivables and 0.5 million for Russian receivables;
- Positive impact from forex and depreciation revision, negative impact from sales mix.



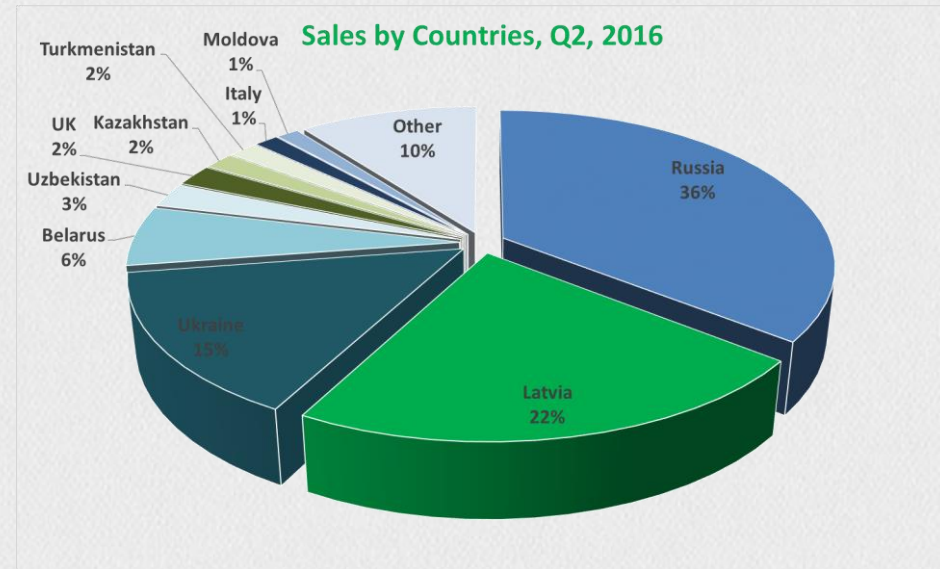
EBITDA and Margin

- H1 EBITDA at 9.7 million, margin at 18.2%, 12 months rolling at 22 million euros, margin at 22%.
- Reduction in EBITDA and the margin mainly due to sales mix changing from top margin sales to CIS countries, to smaller margin sales of chemicals and sales in pharmacies.



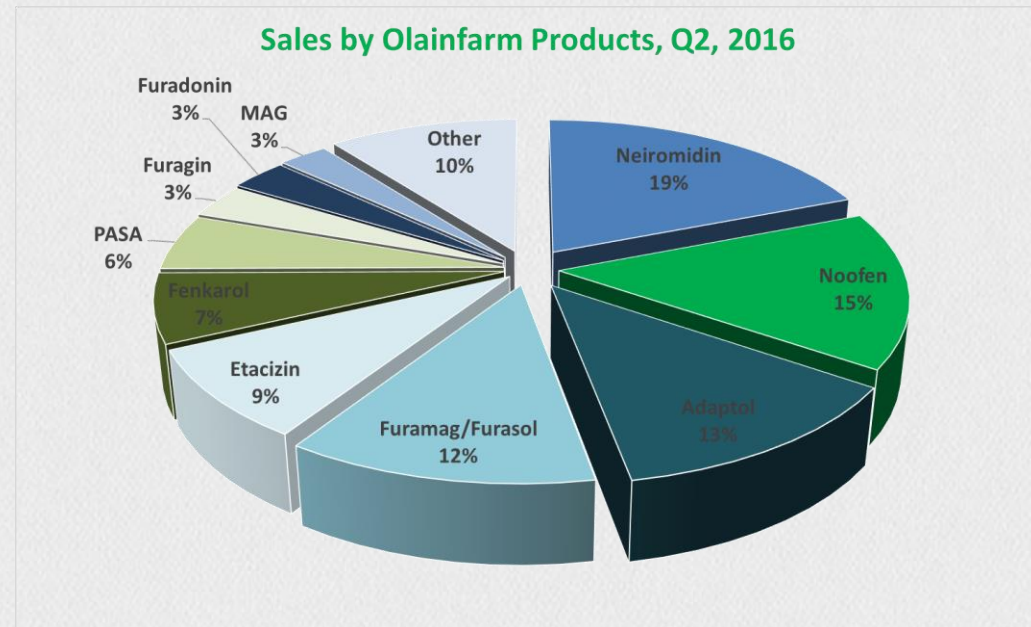
Sales By Countries, 2nd Quarter

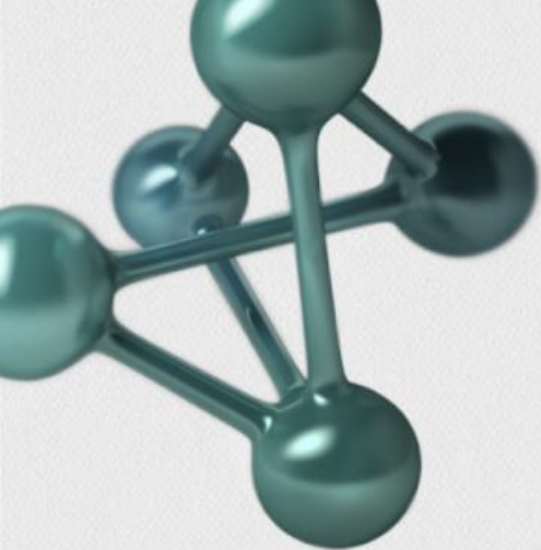
- Russia's share back to 36%, as sales to Russia improve;
- Share of Latvia fell from 24% to 22%;
- Ukraine improved to 15%;
- Netherlands disappeared from top of top 10 as significant volumes of PASA sold directly to receiving countries, including Ukraine;



Sales By Products, 2nd Quarter

- Neiromidin again is a clear leader;
- PASA down to 6% from 12%, its share redistributed primarily to Noofen, Fenkarol



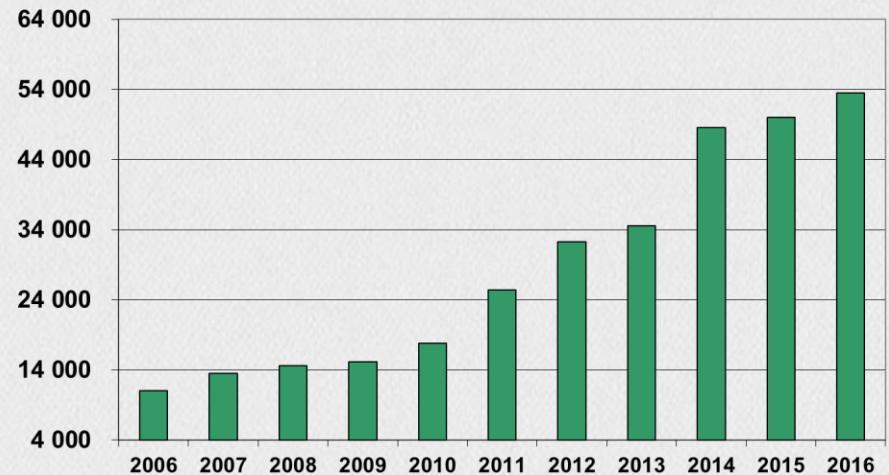


6 Months of 2016

Sales in 6 Months of 2016

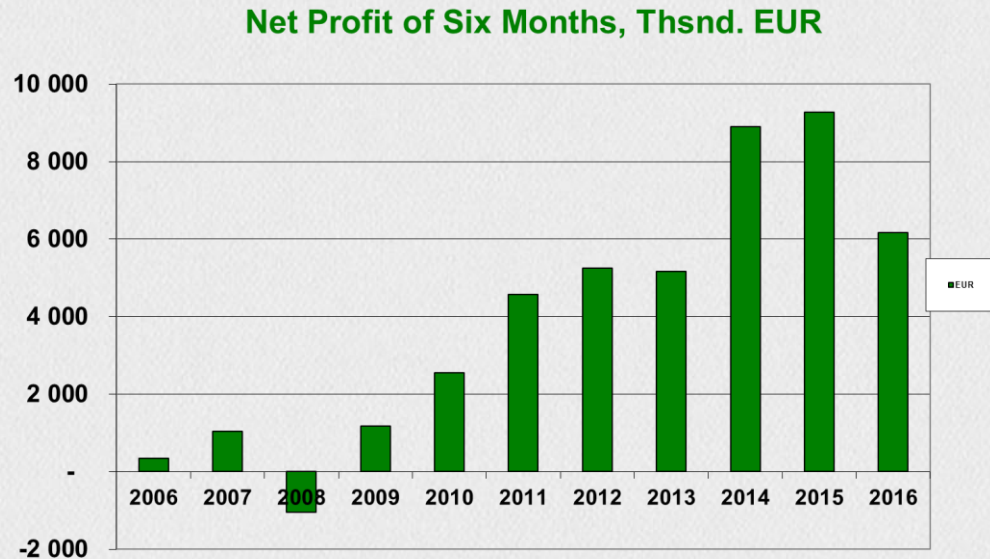
- Sales at 53.5 million euros, or 53.5% of annual target of 100 million;
- Increase by 7%, mainly due to a very successful Q2 in Russia, Ukraine and Belarus;
- Yet again the best H1 so far;
- About 9.4 million euro are gross sales by pharmacies (8.2 in 2015), and about 4.4 million euro are net sales by pharmacies (4.2 in 2015), meaning that more wholesale is done by Olainfarm
- Sales by Silvanols are 2.3 million euro, compared to 2 million in 2015. Tonus Elast added 0.8 million in June only.

Six Months Sales, Thsnd. EUR



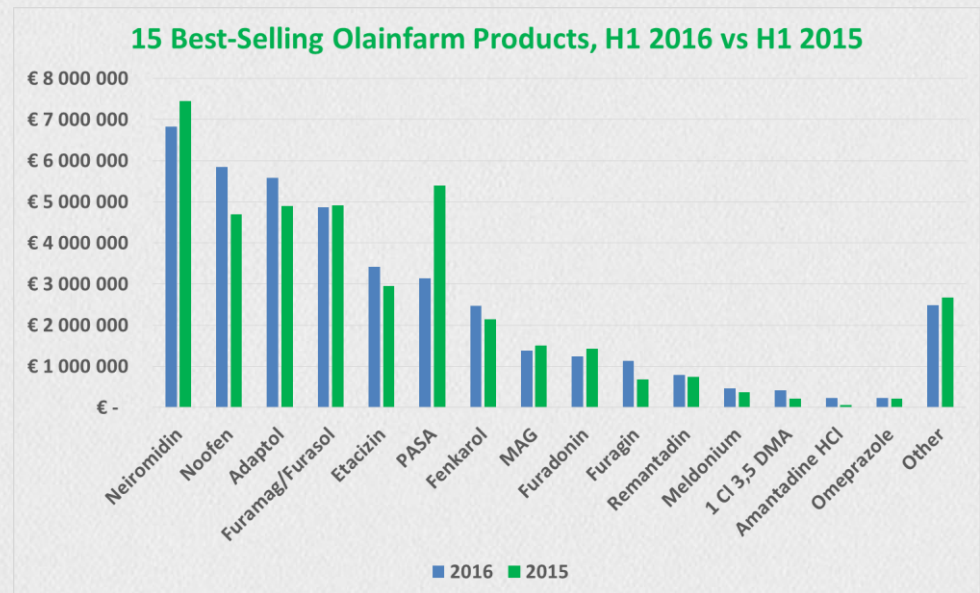
Profit of 6 Months of 2016

- Preliminary at 6.1 million euros, after provisions of more than 2.5 million euros for Russian and Ukrainian receivables;
- At least 2 million EUR more provisions are expected before the end of the year;
- Reduction by 34% compared to 6 months of 2015;
- 61% of profit guidance for 2016 met; consolidated profit target being 10 million euros.



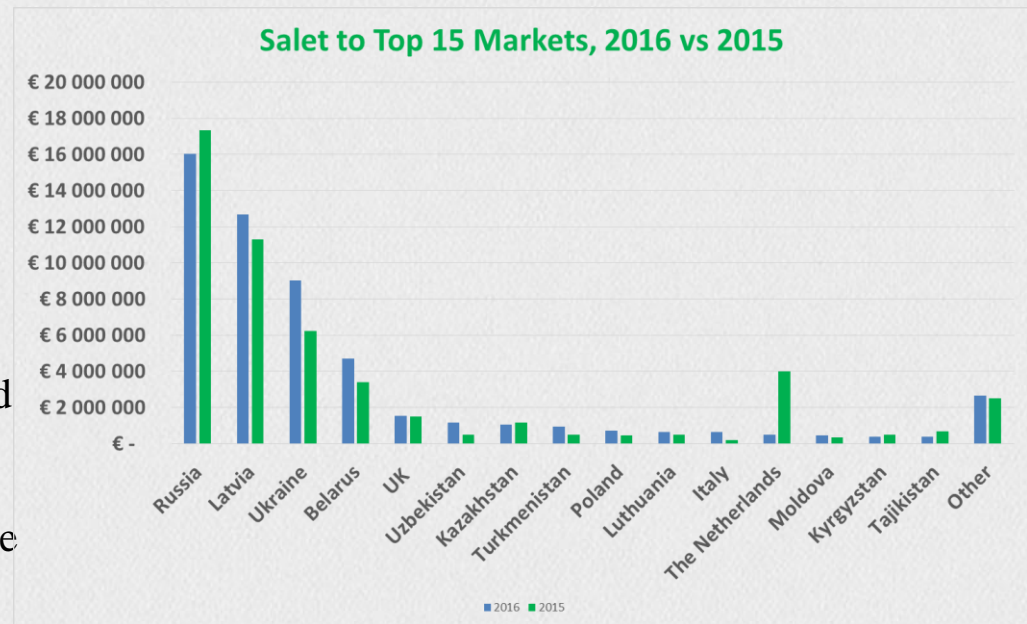
Growth Drivers: Products

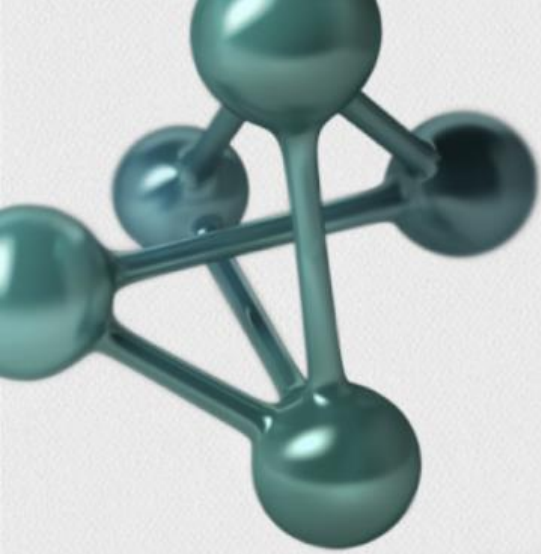
- 10 out of 15 growing;
- Most growth in monetary terms added by Noofen (1.15 mln), Adaptol (0.7 mln) and Etacizin (0.5 mln);
- Most growth in relative terms provided by Amandatine HCl (346%), 1Cl 3.5 DMA (99%) and Furagin (66%);
- Most loss in monetary terms comes from PASA (-2.3 mln), Neiromidin (-0.6 mln) and «others» (-0.18 mln);
- Most loss in relative terms comes from PASA (-42%), Furadonin (-13%), and MAG (-8%).



Growth Drivers: Countries

- 10 out of 15 countries growing;
- Most growth in monetary terms comes from Ukraine (2.8 mln), Latvia (1.4 mln) and Belarus (1.3 mln);
- Most growth in relative terms comes from Italy (194%), Uzbekistan (134%) and Poland (57%);
- Most loss in monetary terms comes from The Netherlands (3.5 mln), Russia (1.3 mln) and Tajikistan (0.28 mln);
- Most loss in relative terms comes from The Netherlands (-87%), Tajikistan (-42%) and Kyrgyzstan (-17%).





Update On Recent Events

Extraordinary GM

- Held on August 16;
- Articles of Association amended;
 - 7 Board members instead of 5;
 - Auditing Committee to be elected for two year period instead of one year period;
- New Council Elected, whereby Volodymir Kryvozubov and Ingrida Circene were replaced by Ivars Godmanis and Geliia Gildeyeva.

Closing Bell at Nasdaq Marketsite

- On August 1, Olainfarm had an honour to participate in a closing bell ceremony at Nasdaq Marketsite in Times Square, New York;
- Olainfarm was the first Latvian company and the third Latvian representative ever to participate there;
- The company was awarded the honour as the best performing company in Latvia in 10 years, both, in terms of share price and IR improvement;
- Olainfarm would like to specially thank the investor and analyst community that has been with us these last ten years.



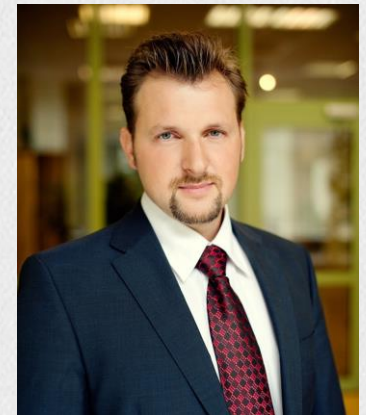
New Council

- New Chairman – Ivars Godmanis
 - Assistant Professor at RISEBA University;
 - Lecturer at University of Latvia and Business University Turiba;
 - Former Member of European Parliament;
 - Former two times Prime Minister of Latvia;
 - Former Minister of Finance of Latvia, Minister of Interior ;
 - Former Member of the Management Board of Latvijas Kugnieciba;
 - Former President of Latvijas Krajbanka
 - Has a PhD in Physics
- New member – Geliia Gildeyeva
 - Assistant Professor in Moscow Medical Academy;
 - She is also an Executive Director of Russian OOO Lekar;
 - Member of the Council in Association “National Pharmaceutical Chamber”;
 - Leading partner in Russian OOO Medical Development Agency;
 - Has a PhD in Biology.



New Board Members

- Mihails Raizbergs
 - CIO of AS Olainfarm with more than 17 years of experience in information and communications technologies.
 - M. Raizbergs joined AS Olainfarm in 2006, leaving his previous position in AS Rigas Vagonbuves rupnica.
 - Mihails Raizbergs has a Master’s degree in Engineering from Institute of Transport and Communications;
 - He has also graduated British Open University with professional qualifications in management.
- Martins Tambaks
 - CFO of AS Olainfarm with more than 15 years of experience in finance and accounting.
 - Mr. Tambaks joined Olainfarm in 2013, leaving his previous position in SIA “Ernst & Young Baltic”, where he was an Outsourcing Director;
 - Mr. Tambaks is a member of ACCA since 2006;
 - Has a Master’s degree in Economics and Accounting from Riga Technical University and University of Latvia.



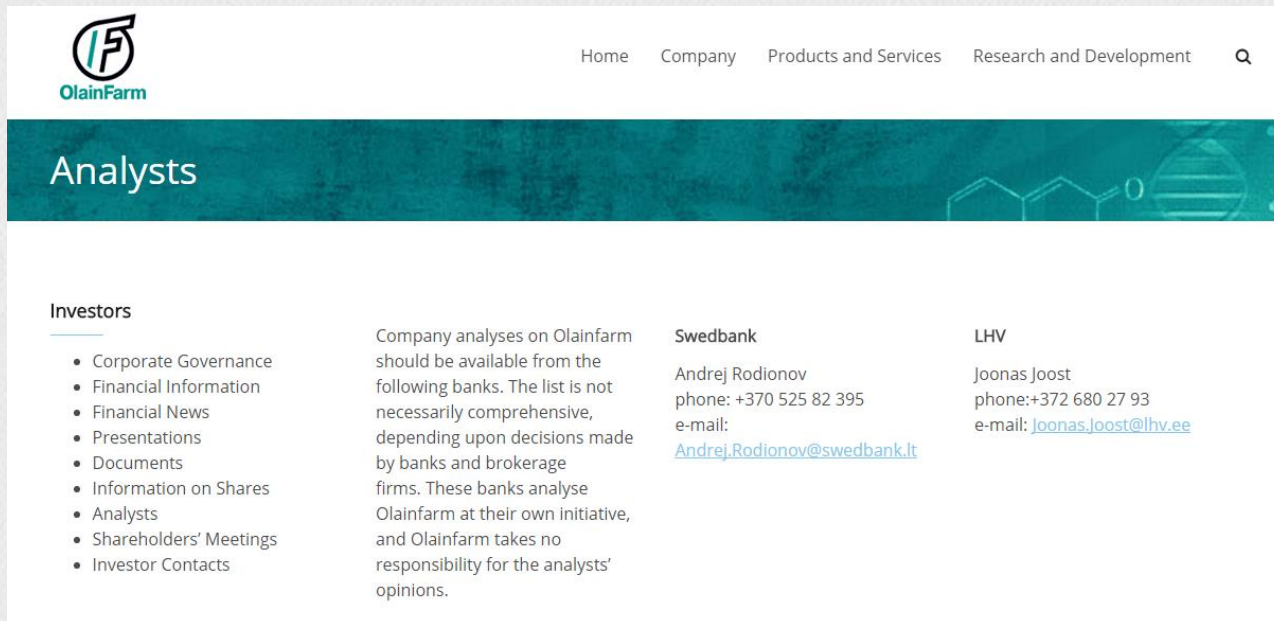
New Acquisition

- Olainfarm acquired 24% shares in Belarussian company «NPK Biotest»
- It is expected that another 46% will be acquired subject to permission by Belarus authorities;
- Sales in 2015 were 2.67 mln EUR, net profit 0.3 mln EUR;
- Agreed price for 70% shares is 2.6 mln EUR;
- Company is based in Hrodna and produces herbal teas, powders and mixtures;
- It is expected that Biotest will become a packaging base for Olainfarm and its partners in Belarus.




Analysts Section in Web Page

- Could be found at <http://www.olainfarm.lv/investors/analysts/>;
- We are aware about only two analysts covering Olainfarm at the moment;
- If there are actually more analysts covering us or willing to do so, please contact Olainfarm if you want to be added;
- If two or three more analysts join, we could develop consensus forecasts and prices.



The screenshot shows the 'Analysts' section of the OlainFarm website. At the top left is the OlainFarm logo. The navigation menu includes 'Home', 'Company', 'Products and Services', 'Research and Development', and a search icon. The main heading is 'Analysts'. Below this, there is a section for 'Investors' with a list of links: Corporate Governance, Financial Information, Financial News, Presentations, Documents, Information on Shares, Analysts, Shareholders' Meetings, and Investor Contacts. To the right of this list, there is a paragraph stating that company analyses should be available from the following banks, but the list is not necessarily comprehensive. Below this paragraph, there are two columns of contact information for analysts: one for Swedbank (Andrej Rodionov) and one for LHV (Joonas Joost). The Swedbank contact includes a phone number and an email address. The LHV contact includes a phone number and an email address. The OlainFarm logo is also present in the bottom right corner of the page.

OlainFarm

Home Company Products and Services Research and Development 

Analysts

Investors

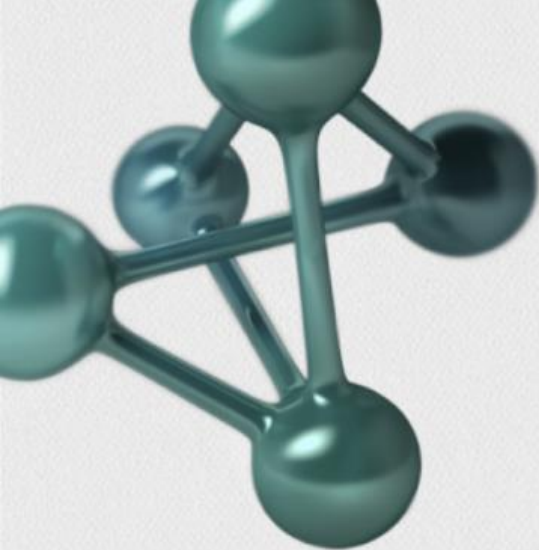
- Corporate Governance
- Financial Information
- Financial News
- Presentations
- Documents
- Information on Shares
- Analysts
- Shareholders' Meetings
- Investor Contacts

Company analyses on Olainfarm should be available from the following banks. The list is not necessarily comprehensive, depending upon decisions made by banks and brokerage firms. These banks analyse Olainfarm at their own initiative, and Olainfarm takes no responsibility for the analysts' opinions.

Swedbank
Andrej Rodionov
phone: +370 525 82 395
e-mail: Andrej.Rodionov@swedbank.lt

LHV
Joonas Joost
phone: +372 680 27 93
e-mail: joonas.joost@lhv.ee

OlainFarm



In Focus : Reports of Daughter Companies

liuvē
art. of nature



Latvijas
aptieka



Tonus Elast – Balance Sheet

	<i>Tonus Elast</i>
	<i>EUR'000</i>
	<i>30.06.2016</i>
ASSETS	
NON-CURRENT ASSETS	
Intangible assets	21
Property, plant and equipment	1 450
Financial assets	-
TOTAL NON-CURRENT ASSETS	1 471
CURRENT ASSETS	
Inventories	2 654
Receivables	3 044
Cash	134
TOTAL CURRENT ASSETS	5 832
TOTAL ASSETS	7 303
EQUITY AND LIABILITIES	
<i>30.06.2016</i>	
EQUITY	
Share capital	2 008
Retained earnings	3 542
TOTAL EQUITY	5 550
LIABILITIES	
Non-current liabilities	
Borrowings	-
Deferred corporate income tax	27
Deferred income	94
Total Non-Current Liabilities	121
Current liabilities	
Borrowings	500
Trade payables and other liabilities	1 070
Deferred income	62
Total Current Liabilities	1 632
TOTAL LIABILITIES	1 753
TOTAL EQUITY AND LIABILITIES	7 303

Tonus Elast – Profit and Loss



- EBITDA 6 months: 1 552 000 EUR;
- Gross profit margin: 47%
- EBITDA margin: 41%
- Net Margin: 32%

- Annualized profit: 2 402 000 EUR;

- ROA: 16%
- ROE: 22%

	6M 2016
Net revenue	3 802
Cost of goods sold	(1 998)
Gross profit	1 804
Selling expense	(326)
Administrative expense	(193)
Other operating income	127
Other operating expense	(48)
Financial expense	(5)
Profit before tax	1 359
Corporate income tax	(185)
Deferred corporate income tax	27
Profit for the reporting period	1 201

Silvanols – Balance Sheet

	<i>Silvanols</i>
	<i>EUR'000</i>
	<i>30.06.2016</i>
ASSETS	
NON-CURRENT ASSETS	
Intangible assets	90
Property, plant and equipment	215
Financial assets	31
TOTAL NON-CURRENT ASSETS	336
CURRENT ASSETS	
Inventories	1 002
Receivables	785
Cash	312
TOTAL CURRENT ASSETS	2 099
TOTAL ASSETS	2 435
EQUITY AND LIABILITIES	
<i>30.06.2016</i>	
EQUITY	
Share capital	704
Retained earnings	422
TOTAL EQUITY	1 126
LIABILITIES	
Non-current liabilities	
Borrowings	466
Deferred corporate income tax	8
Deferred income	47
Total Non-Current Liabilities	521
Current liabilities	
Borrowings	61
Trade payables and other liabilities	715
Deferred income	12
Total Current Liabilities	788
TOTAL LIABILITIES	1 309
TOTAL EQUITY AND LIABILITIES	2 435

Silvanols – Profit and Loss



- EBITDA 6 months: 235 500 EUR;
- Gross profit margin: 49%
- EBITDA margin: 11%
- Net Margin: 8%

- Annualized profit: 358 000 EUR;

- ROA: 15%
- ROE: 32%

	6M 2016
Net revenue	2 187
Cost of goods sold	(1 117)
Gross profit	1 070
Selling expense	(750)
Administrative expense	(214)
Other operating income	111
Other operating expense	(1)
Financial expense	(4)
Profit before tax	212
Corporate income tax	(41)
Deferred corporate income tax	8
Profit for the reporting period	179

Kivvi Cosmetics – Balance Sheet

	<i>Kivvi</i>
	<i>EUR'000</i>
	<i>30.06.2016</i>
ASSETS	
NON-CURRENT ASSETS	
Intangible assets	-
Property, plant and equipment	6
Financial assets	-
TOTAL NON-CURRENT ASSETS	6
CURRENT ASSETS	
Inventories	55
Receivables	32
Cash	63
TOTAL CURRENT ASSETS	150
TOTAL ASSETS	156
EQUITY AND LIABILITIES	30.06.2016
EQUITY	
Share capital	66
Retained earnings	(43)
TOTAL EQUITY	23
LIABILITIES	
Non-current liabilities	
Borrowings	-
Deferred corporate income tax	-
Deferred income	-
Total Non-Current Liabilities	-
Current liabilities	
Borrowings	89
Trade payables and other liabilities	44
Deferred income	-
Total Current Liabilities	133
TOTAL LIABILITIES	133
TOTAL EQUITY AND LIABILITIES	156

Kivvi Cosmetics – Profit and Loss



- EBITDA 6 months: - 4 000 EUR;
- Gross profit margin: 70%
- EBITDA margin: -4%
- Net Margin: -6%

- Annualized profit: -12 000 EUR;

- ROA: -8%
- ROE: -52%

	6M 2016
Net revenue	99
Cost of goods sold	(30)
Gross profit	69
Selling expense	(52)
Administrative expense	(22)
Other operating income	10
Other operating expense	(10)
Financial expense	(1)
Profit before tax	(6)
Corporate income tax	-
Deferred corporate income tax	-
Profit for the reporting period	(6)

Latvijas Aptieka– Balance Sheet

	<i>Latvijas Aptieka EUR'000 30.06.2016</i>
ASSETS	
NON-CURRENT ASSETS	
Intangible assets	2 096
Property, plant and equipment	782
Financial assets	87
TOTAL NON-CURRENT ASSETS	2 965
CURRENT ASSETS	
Inventories	1 498
Receivables	1 056
Cash	142
TOTAL CURRENT ASSETS	2 696
TOTAL ASSETS	5 661
	30.06.2016
EQUITY AND LIABILITIES	
EQUITY	
Share capital	16
Retained earnings	1 736
TOTAL EQUITY	1 752
LIABILITIES	
Non-current liabilities	
Borrowings	-
Deferred corporate income tax	7
Deferred income	-
Total Non-Current Liabilities	7
Current liabilities	
Borrowings	744
Trade payables and other liabilities	3 158
Deferred income	-
Total Current Liabilities	3 902
TOTAL LIABILITIES	3 909
TOTAL EQUITY AND LIABILITIES	5 661

Latvijas Aptieka – Profit and Loss



- EBITDA 6 months: 554 900 EUR;
- Gross profit margin: 26%
- EBITDA margin: 6%
- Net Margin: 4%

- Annualized profit: 816 000 EUR;

- ROA: 14%
- ROE: 47%

	6M 2016
Net revenue	9 443
Cost of goods sold	(6 998)
Gross profit	2 445
Selling expense	(1 849)
Administrative expense	(293)
Other operating income	203
Other operating expense	(20)
Financial expense	(3)
Profit before tax	483
Corporate income tax	(87)
Deferred corporate income tax	12
Profit for the reporting period	408

Summary

	<i>Tonus Elast</i>	<i>Silvanols</i>	<i>Kivvi Cosmetics</i>	<i>Latvijas Aptieka</i>
Gross margin	47%	49%	70%	26%
EBITDA margin	41%	11%	-4%	6%
Net margin	32%	8%	-6%	4%
ROA	16%	15%	-8%	14%
ROE	22%	32%	-52%	47%

Q&A Session

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

Thank you!

JSC Olainfarm

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