

WEBINAR

Auction of state-owned shares

Valmieras stikla šķiedra and Grindex

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02.11.2016.

Why the state-owned shares are auctioned?

- **SOE corporate governance reform**
- **Objectives** of the reform:
 - to enhance the **value of** and the **return from companies** owned by the state
 - to improve **transparency** and **governance**
 - to set new principles for **engagement of public persons in commercial activities**

Amendments to the **State Administration Structure Law** (2015):

88.(1) A public entity may have ownership in a company in case of:

- 1) **market imperfections**
- 2) **goods or services** are of a **strategic importance**
- 3) **assets** are of a **strategic importance**



VALMIERAS STIKLA ŠĶIEDRA

Key information



VALMIERA GLASS®

Company profile

Valmiera Glass Group includes **2** subsidiaries

Valmiera Glass UK Ltd., UK

P-D Valmiera Glass USA Corp., USA

CORE BUSINESS

producer of glass fibre and its products for many technical applications, operates a quality control system that fulfils strict international requirements for a variety of industrial markets including composites, thermal and technical insulation and construction industries.

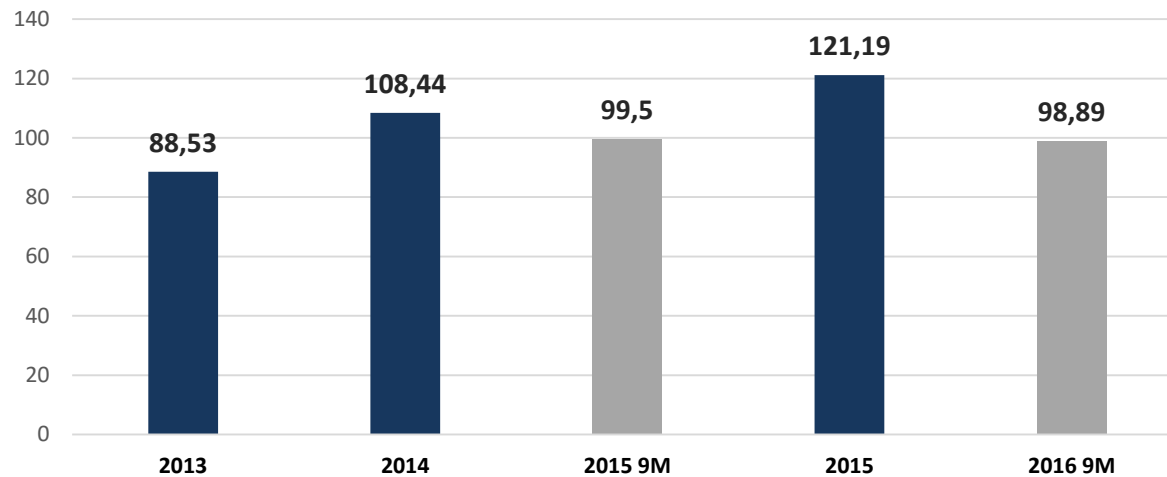
- **Valmiera Glass Group** companies are located on two continents in three countries: in Latvia (headquarters), the United Kingdom and the United States.
- **Valmiera Glass** products are exported to **38 countries** with export comprising **98% of the total turnover**. Key markets include the EU countries, North America, CIS countries
- Since 2003 Valmiera Glass Group has invested **more than €146 million** in increasing production capacity and infrastructure development (excluding USA project investments)

Financial performance



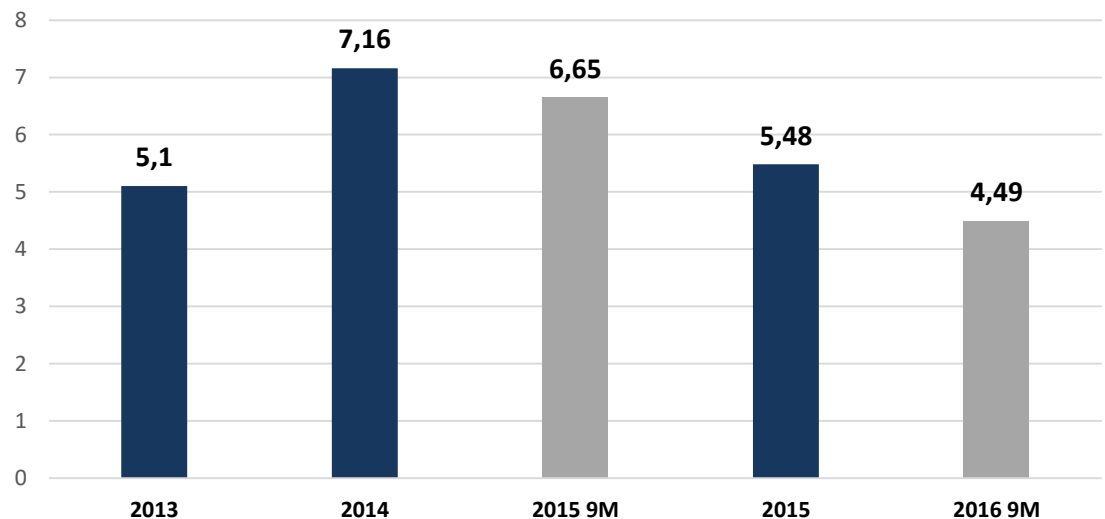
VALMIERA GLASS®

Net sales, consolidated (in million euros)



- One glass-melting furnace has been reconstructed (+30% production capacity)

Net profit/loss, consolidated (in million euros)



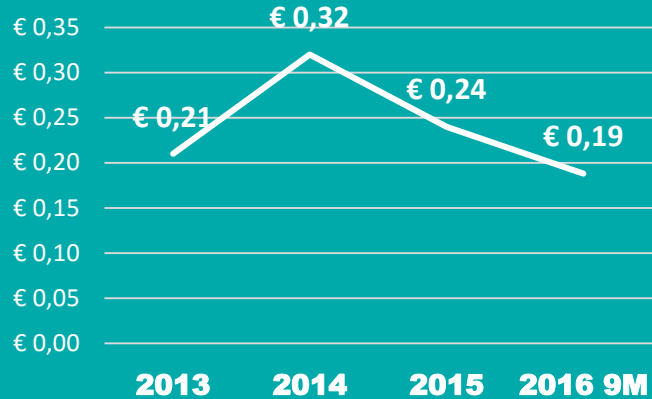
- A new glass-melting furnace has been constructed (HR-glass - heat resistant up to 800° C)

Shareholders and shares



VALMIERA GLASS®

Earnings per share



Major shareholders (19.05.2016):

▪ Vitruan International GmbH	36.2%
▪ P-D Glasseiden GmbH Oschatz	26.1%
▪ P-D Management Industries-Technologies GmbH	23.9%
▪ Preiss-Daimler Beatrix	5.36%
▪ Other	8.44%

Trading history

(01.01.2016—31.10.2016)



SHARE CAPITAL AND SECURITIES

Share capital	€33 464 487
Nominal share value	€1.40
Total number of shares	23 903 205
List/segment	BALTIC SECONDARY LIST
Number of listed securities	11 494 250

Dividend policy

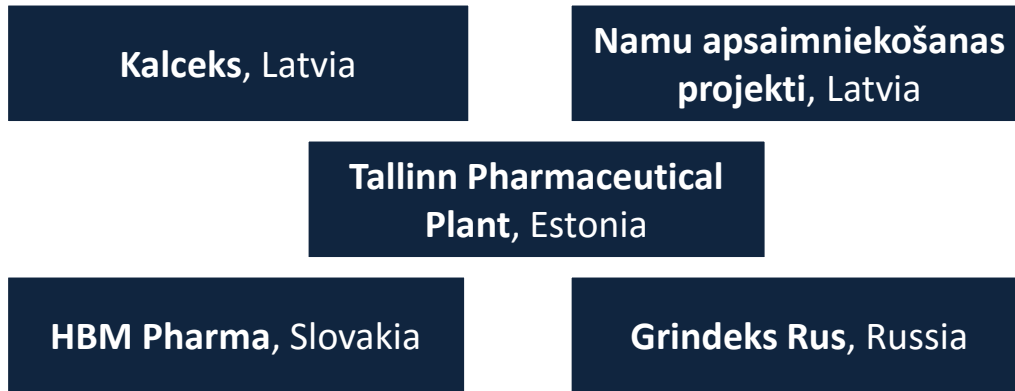
- In 2015 **€2.8 m** in dividends paid out to the shareholders (~€0.12 per share)

Traded volume	216 750
Turnover	€715 858
Average weighted price	€3.30
Capitalisation	€68.36 m

Grindex

Key information

Grindex Group includes 5 subsidiaries



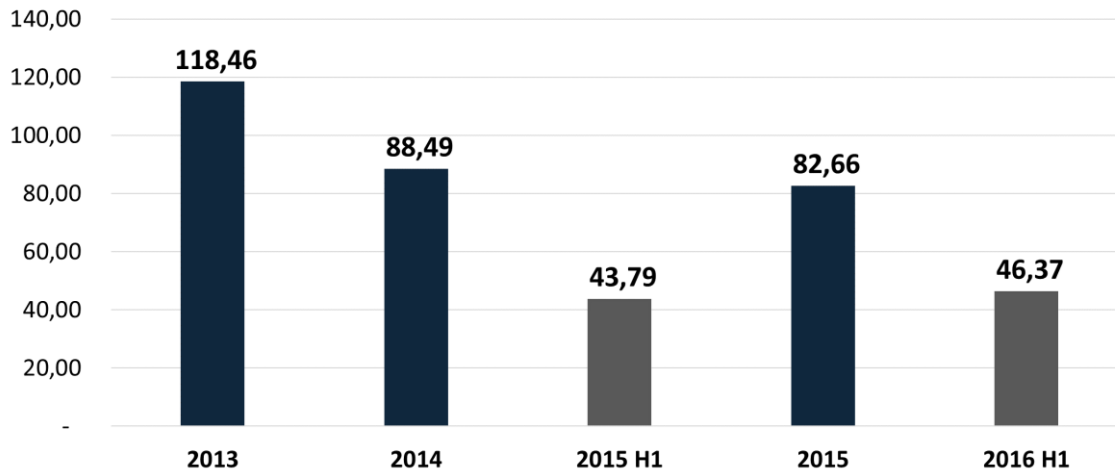
CORE BUSINESS

research, development, manufacturing and sales of original products, generics and active pharmaceutical ingredients

- Grindex has **13 representative offices**: Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Lithuania, Moldova, Russia, Tajikistan, Ukraine, Uzbekistan
- Grindex' products are exported to **70 countries** with export comprising **90% of the total turnover**. Key markets include the EU countries, Russia and other CIS countries, the USA, Canada, Japan and Vietnam
- Since 2002 Grindex has invested **more than €70 million** in increasing production capacity and infrastructure development

Financial performance

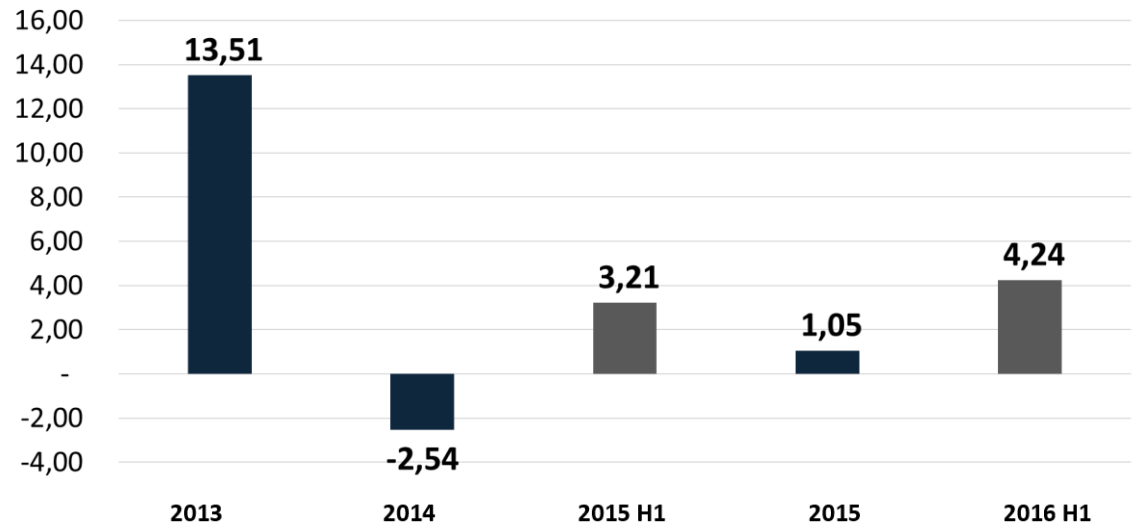
Net sales, consolidated (in million euros)



- Grindex is implementing **business diversification strategy** and developing activities in new markets

- Grindex is **optimising its current assets** and **reducing costs** in positions not related to strategic development projects

Net profit/loss, consolidated (in million euros)



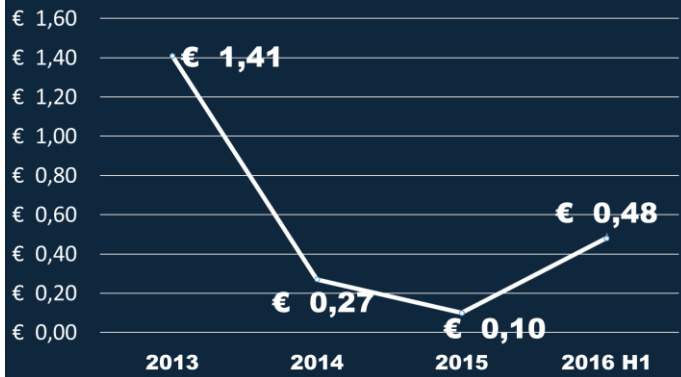
Shareholders and shares

Grindex

Major shareholders:

- Kirovs Lipmans **33,29%**
- Amberstone Group **22.66%**
- Anna Lipmane **16.65%**
- Swedbank Client Account **9.58%**
- Other (less than 5%) **17.82%**

Earnings per share*



* Attributable to the equity holders of the Parent company

SHARE CAPITAL AND SECURITIES

Share capital	€13 419 000
Nominal value	€1.40
Total number of shares	9 585 000
List/segment	BALTIC MAIN LIST
Number of listed securities	9 585 000

Dividend policy

- In 2015 **€9 m** in dividends paid out to the shareholders (~€0.94 per share)

Trading history

(01.01.2016—31.10.2016)



Traded volume	363 568
Turnover	€1.69 m
Average weighted price	€4.64
Capitalisation	€39.20 m

Auction Rules

Observe **ONLINE**
www.nasdaqbaltic.com

- **Simultaneous auctions** for each company
- Any **Member of Nasdaq Riga** can participate in auctions
- Members may submit **their own orders** and **orders on behalf of their clients**
- Clients should submit **their orders** to the Member of Nasdaq Riga. The list of banks and brokerage firms that are Nasdaq Riga Members is available at www.nasdaqbaltic.com
- Auctions will be open and orders will be accepted on the auctions' day **November 8, 2016 from 09:00 EET until 13:00 EET** (*Latvian time*)
- The Auction orders are executed according to the **equilibrium price**
- **Order matching** will take place at **15:30 EET** (*Latvian time*) on the auctions' day
- Settlement date is **10 November 2016**

Auctioned securities



VALMIERAS STIKLA ŠĶIEDRA

Grindex

AUCTION SUBJECT

Number of state-owned shares:	425 609	219 780
State ownership:	1.78%	2.29%
Minimum price per share:	€2.73	€3.78

! ONLINE AUCTION:

NOVEMBER 8, 2016
from 09:00 EET until 13:00 EET

We welcome any further enquiries



VALMIERAS STIKLA ŠĶIEDRA

Grindex

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Disclaimer

This presentation about the expected open auction of the state-owned shares of JSC “Valmieras stikla šķiedra” and JSC “Grindeks” has been prepared by the State JSC “Latvian Privatisation Agency” (hereinafter – the LPA) in cooperation with the JSC “Valmieras stikla šķiedra”.

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