



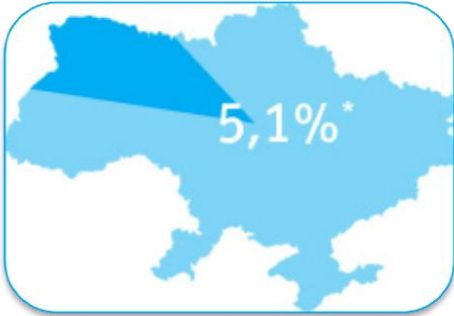
Corporate presentation

Kyiv - 2014



Caring for your health and you!

Farmak – the leader in the Ukrainian pharmaceutical market



№ 1 Ukrainian producer and exporter of pharmaceuticals



Diversified product portfolio



Modern and high quality production facilities



Strong research and development capabilities



Financial strength

Mission, vision, values

Our mission

We improve the quality of life, ensuring human right to get effective high-quality medicines

Our vision

We strive to be the leader of the national pharmaceutical industry and a competitive player in the international markets

Our values

People

We build relationships with each employee based on mutual responsibility and trust. We unlock the potential of each employee, ensuring Farmak's leadership and sustainable development

Quality

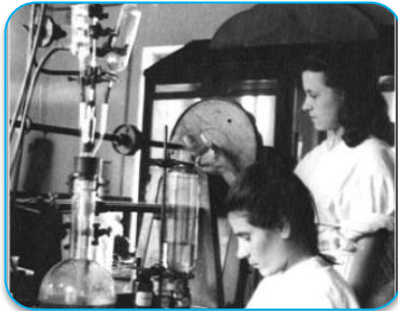
We use modern scientific achievements in order to develop and produce medicines. High quality standards foster customers' loyalty to our products

Innovations

We understand innovations as constant improvements. The purpose of our focus on innovation is to reach company's main strategic goals rather than to get short-term benefits

Farmak – 90 years of success

1925 - 1990



- 1925** - opening of the Kyiv Chemical Pharmaceutical Plant named after Mykhailo Lomonosov
- 1940** – starting of API production
- 1960** – starting of production of the first finished dosage product
- 1970** – entering the international market

1990 - 2000



- 1994** – privatization of the company
- 1995** – reorientation to manufacturing of finished pharmaceutical products
- 1999** - the beginning of cooperation with worldwide corporation Eli Lilly (USA) to produce insulin

2000 - 2010



- 2003** – launch of manufacturing of Farmasulin.
Establishing one of the modern microbiological control laboratory
- 2006** – start production of human genetically engineered insulin - Farmasulin.
Launch a new GMP-certified tablet production site

2010 - 2014



- 2012** – upgrade of production sites for soft dosage forms and Diazolin pills
- 2013** – implementation of the innovative and incentive grading remuneration system.
Launch of a modern laboratory for liquid medicinal products development in Kharkiv

No 1 Ukrainian producer and exporter of pharmaceuticals



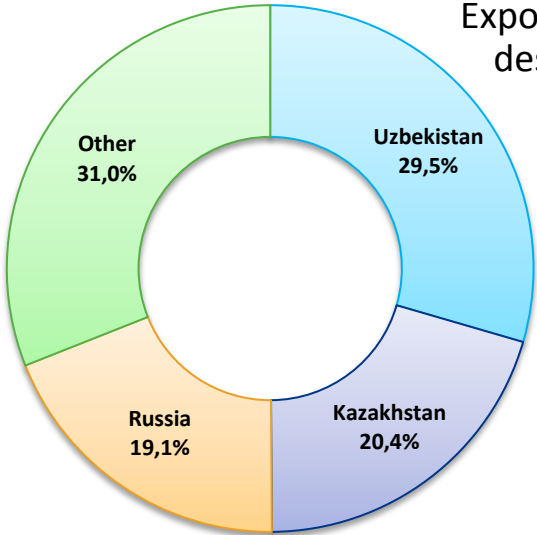
No1 in Ukraine since **2010**
share of the Ukrainian market



Export amounted to **17,5%** of total sales in 2013, increased by **23%** as compared to 2012



market share in Ukraine among domestic producers of the medical products



Export – over **20** destinations

Diversified product portfolio

210+

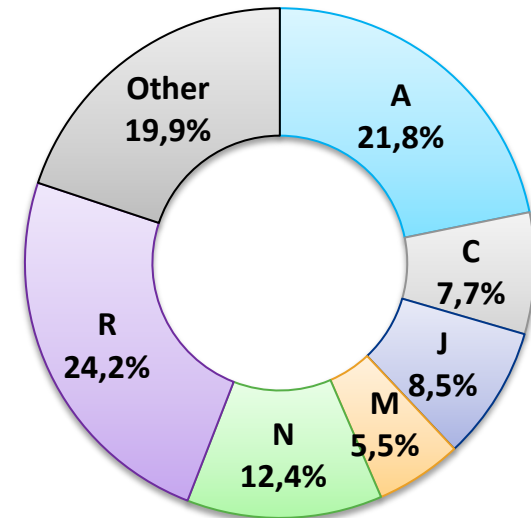
- product **dossiers** in the portfolio (based on 123 INNs)

**UP
to 20**

- **new products** are launched into commercial production annually

**6
ATC**

- presence in all therapeutic groups according to ATC classification, the main focus is on the **6** groups



A • alimentary tract and metabolism

C • cardiovascular system

J • antiinfectives for systemic use

M • musculo-skeletal

N • nervous system

R • respiratory system

Modern and high quality production facilities

17 – production lines are in compliance with GMP requirements



Quality control systems established in accordance with requirements of

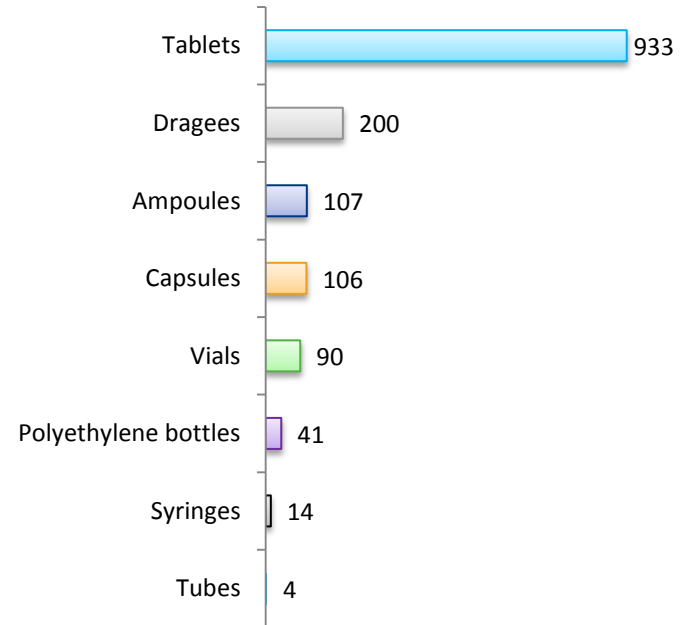
ISO 9001 and **ISO 13485**

UAH 1 billion – capital investments over the past 5 years



where **UAH 80 million** – are the investments in API manufacturing in Shostka

In 2013 the manufacturing facilities had a production capacity (mln units):



One of the **largest production capacities** among domestic pharmaceutical companies in Ukraine

Strong research and development capabilities



- **79** specialists are engaged in research and development, including **16** specialists holding PhD degrees



- over **100** products are under development at different stages

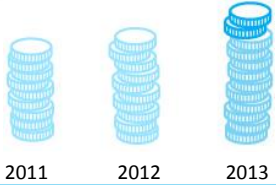
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- **new INNs** are under development at different stages



- laboratories are located in **Kyiv** and **Kharkiv**

Financial strength



- Sales - **UAH 1.948 million** in 2013 (increased by **15%** as compared to 2012)

Margin

- A gross profit margin increased from **52,1%** in 2009 to **56,1%** in 2013

EBITDA

- Maintenance of stable EBITDA (an EBITDA margin of **27,5%** in 2012 and **27,7%** in 2013)

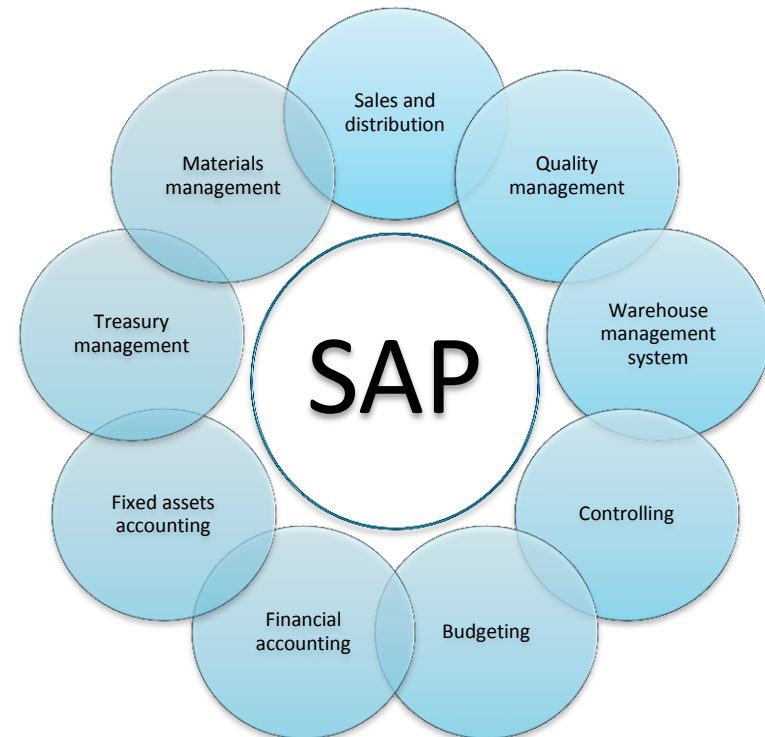
Taxes

- The total amount of taxes paid by Farmak in 2013 – **UAH 248 million**

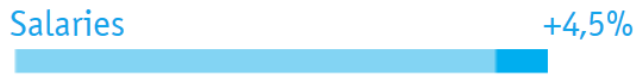
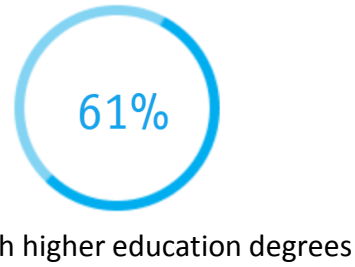
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- Debt to EBITDA ratio below **1,0**

Farmak was the **first** Ukrainian pharmaceutical company to implement a **SAP ERP** system in 2012 – was implemented in **9 modules** to support key business functions



Employees



These data are presented for 2013 or as of December 31, 2013.

Social Responsibility

We strive to make business following the principles of corporate social responsibility (CSR). We have elaborated a strategy for sustainable development and will implement it step by step.

Farmak CSR strategic objectives

Implementation of CSR practices in HR management.

Reduction of environmental impact.

Enhancement of social expenditure effectiveness.

Promotion of CSR principles and ethical business practices.

Enhancement of transparency of Company's activity.

Report of CSR action plan implementation - 2013:

<http://farmak.ua/en/reports> or



Charity

Education



UAH 1.3 mln

Health improvement



UAH 0.955 mln

Culture



UAH 0.991 mln

Charity



UAH 5.5 mln



UAH 0.4 mln

Sport

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