



**45**  
YEARS OF  
PROVEN  
VALUE

# Cohesion Policy: Experience of Olainfarm

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



OlainFarm

# Company Profile

- ❖ Largest chemical - pharmaceutical manufacturer in the Baltic States, employing >1000 highly qualified professionals
- ❖ Over 45 Years of proven quality
- ❖ Publicly listed company at Nasdaq Riga Official List (ID: OLF1R)
- ❖ Key areas of specialization: neurology, cardiology, infectology and allergology
- ❖ Production volumes : over 1 billion tablets and capsules *per annum*
- ❖ WHO qualified supplier of anti-tuberculosis medications
- ❖ Major subsidiaries:

Latvijas  
**ap+ieka**  
Tavai veselībai

  
TONUS ELAST®

  
silvanols  
nature heals

  
BIOTEST

  
OlainMed

  
Klinika  
DiaMed

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# Olainfarm in figures

## GROWING COMPANY



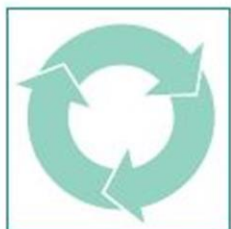
€ 122,1 million consolidated sales in 2017 (+ 10% vs. 2016)

€ 10,8 millions profit

€ 91,58 millions export sales (75% export share)

OLAINFARM GROUP exports to more than 60 countries worldwide.

## FULL CIRCLE MANUFACTURING



### 60 + FDFs

- tablets
- film-coated tablets
- sugar-coated tablets
- capsules
- hard shell
- powders in sachets (internal, external use)

### 25 APIs

80% of FDFs produced from our own APIs

### 20 +

Chemical intermediates

- Chiral  $\gamma$ -amino acids
- Adamantanes
- Quinuclidines

## EUROPEAN QUALITY



Manufacturing location – **EUROPE**

### Certificates:

- EU – GMP
- ISO 14001 – Environmental Management System
- ISO 17025 – Laboratory Management System

**480,000 sqm** production area with easy access to highway and airport



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# EU Funded Investment Projects 2007 - 2020

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# Programming period 2007-2013

## Investments made in:

- ❖ Development of manufacturing lines, production units
- ❖ Energy efficient infrastructure
- ❖ Development of Manufacturing technologies for API and FDF
- ❖ Pre-clinical and clinical trials
- ❖ Employee training
- ❖ Acquisition of external markets

Total investments made ~ **EUR 20 million**

Amount of support funding received ~ **EUR 6 million**

## Assessed results from investments :

- ❖ **Net sales increase by ~ EUR 3 million per annum (~4%)**
- ❖ No unqualified costs identified by controlling agencies

# Programming period 2007-2013

## Major Project:

## High added value investments in the production of Nitrofurán drugs

Total project costs : **9.6 million EUR**  
Support funding received: **2.5 million EUR**  
Implementation period: August 2012 - January 2015

### Outcomes:

- ❖ Production plant
  - Reconstruction of facilities
  - Construction of production cleanrooms
- ❖ Equipment
  - Analytical equipment
  - Manufacturing equipment for:
    - Small series FDF
    - Large series FDF
    - API production



# Programming period 2014-2020

## Infrastructure Investments

Implementation of experimental technology in production of new products of JSC Olainfarm

## Research and Development

Drug safety and toxico-kinetics study

Research of natural substances for the development of a new line of cosmetic products

Development of a new anti-tuberculosis final dosage form

Development of new manufacturing technology for the racemic derivative of the Hinuclidine

## Investment in Professional Education

Rising the profile of potential working force

Participation of vocational school students in environment-based training and practice at enterprise

**Amount of expected support funding ~ EUR 4 million  
on total investment of approx. EUR 12 million**



# Programming period 2014-2020

## Major project:

## Implementation of experimental technology for new products

Total Project costs :       **~7.8 million EUR**

- Cost of equipment ~ 6.4 million EUR (2.3M EU funded)
- Costs of construction (renovation) ~ 0.4 million EUR
- Cost of R&D to successfully implement project ~ 1 million EUR (0.09 million EU funded)

Implementation period:   May 2017 - May 2019

### Planned Outcomes

- ❖ Experimental production line with its supporting laboratory equipment for a new final dosage medicine for treatment tuberculosis and other new products
- ❖ Increase in Sales ~4.5 million EUR or 4 % (by 2024),
- ❖ Strengthening of export capacity - 80% of products, export markets outside European Union



# Challenges of EU Funding

- ❖ Decreased support for large entities - major exporters
- ❖ Limited supporting programs for commercial R&D (new product development, preclinical trials, clinical trials)
- ❖ Alignment between the length of program and development processes in pharmaceutical industry

Thank you!

Mārtiņš Tambaks, JSC Olainfarm  
September 2018

**Your Health is Our Passion!**