



OlainFarm

Webinar Presentation Q1 2021

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Agenda

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Operational environment

02

Financial performance
3M 2021

03

Upcoming EGMs

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Q&A session

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Today's speakers



Janis Dubrovskis, Investor Relations Advisor

Operational Environment

**POSITIVE
FINANCIAL
RESULTS DESPITE
GENERAL MARKET
DECLINE AND
COVID-19 IMPACT**

Group operations in Q1 2021

Despite Covid-19 peak of positive tested and contact people, Olainfarm managed to keep operational business running

Olainfarm has started to work on the project for upgrading the wastewater treatment system in Olaine

Covid-19 restrictions influenced possibilities of the Group to make planned investments and partly to postpone it to later periods

The Group continues to successfully provide supplies of goods in all operating markets

Olainfarm has passed a post-monitoring audit in order to obtain the ISO 14001 certificate for the environmental management system

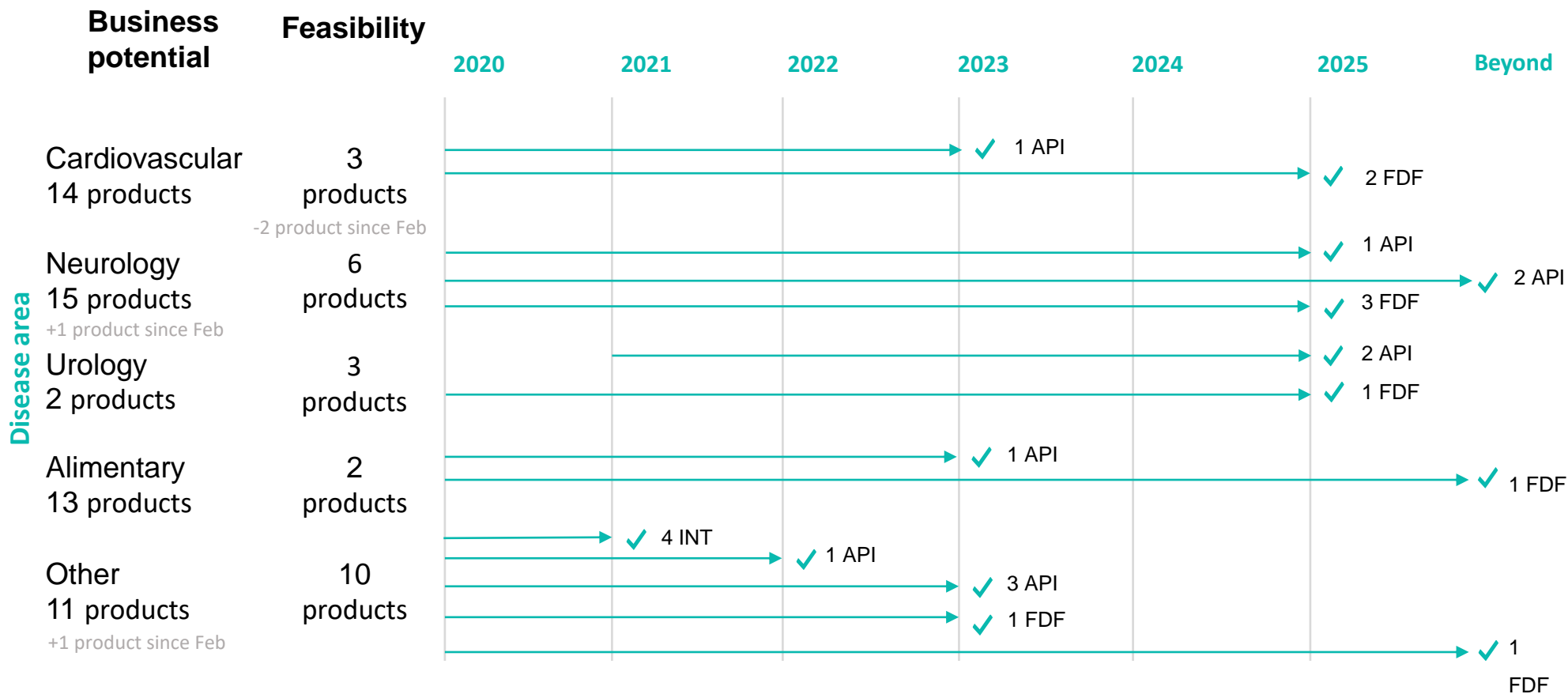
Group companies have received Latvian Government financial support amounting to EUR 85 thousand

Overall pharmaceutical markets in CIS region declined due to devaluation and drop in purchasing power

Olainfarm engaged in social dialogue about different aspects of psychoemotional health

Some clinical trials are further deferred to later periods

R&D: Current* product pipeline driving value



API = Active Pharmaceutical Ingredient
 FDF = Final Dose Form
 INT = Intermediates

✓ = commercially available

* May 2021

Main business factors

Olainfarm products have shown **strong demand** due to product mix, brand recognition and renewed marketing strategy

Business model restructurings in key markets during 2020 are already yielding results with good performance in Ukraine, Russia, and Kazakhstan

Devaluation of currencies in key markets **was much milder** than a year ago

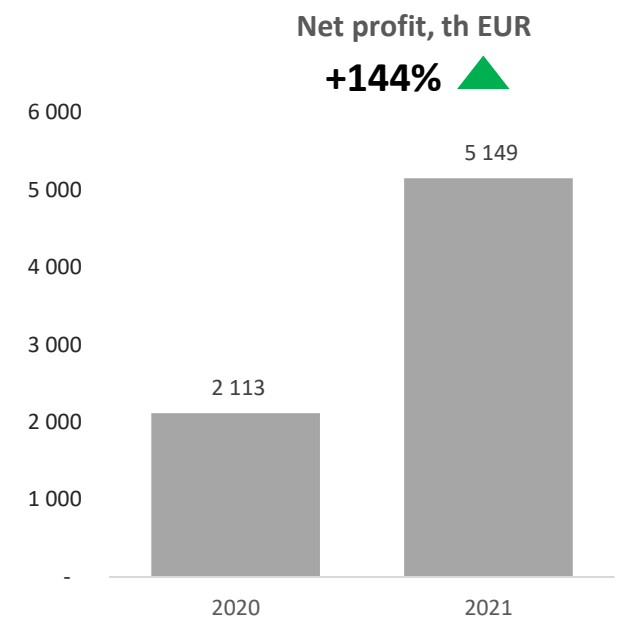
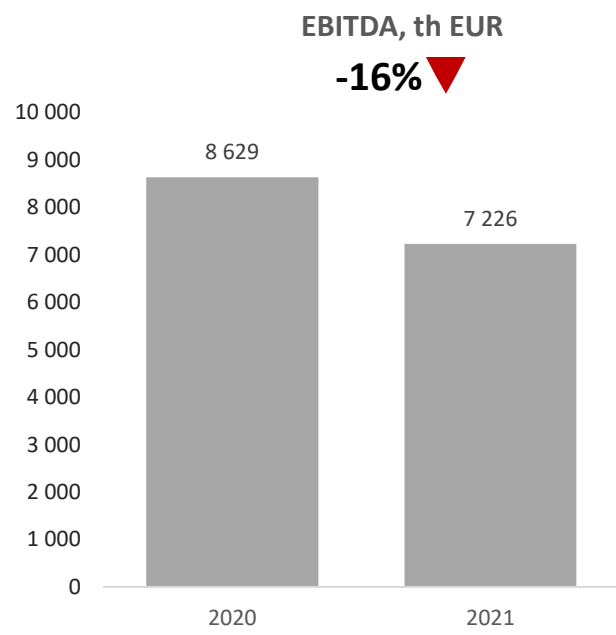
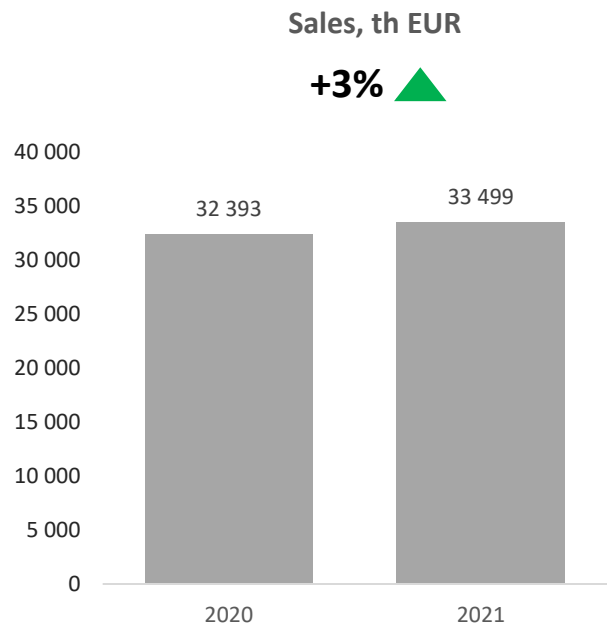
EUR/RUB exchange rate
3% Ruble depreciation y-o-y



Financial performance in Q1 2021

Key Financial Indicators

Sales in Q1 2021 showed sustainable growth due to strong brand portfolio and marketing efforts, EBITDA was impacted by rising marketing costs, but net profitability was higher due to positive FX impact



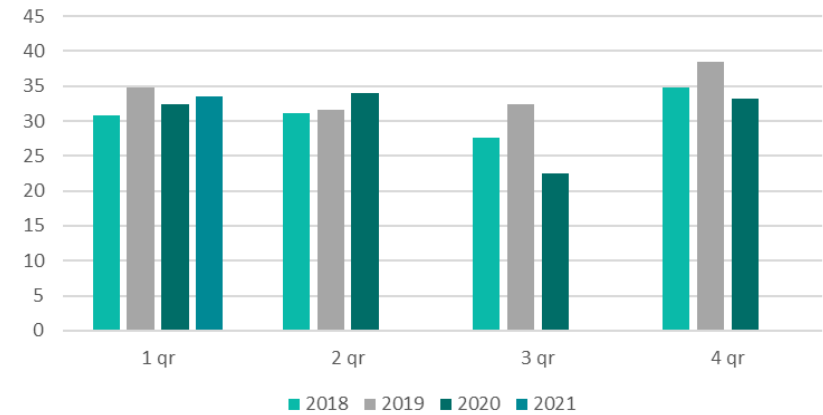
Group Sales

Olainfarm medicines sales continued to grow and to gain market share in contrast to declining pharmaceutical markets

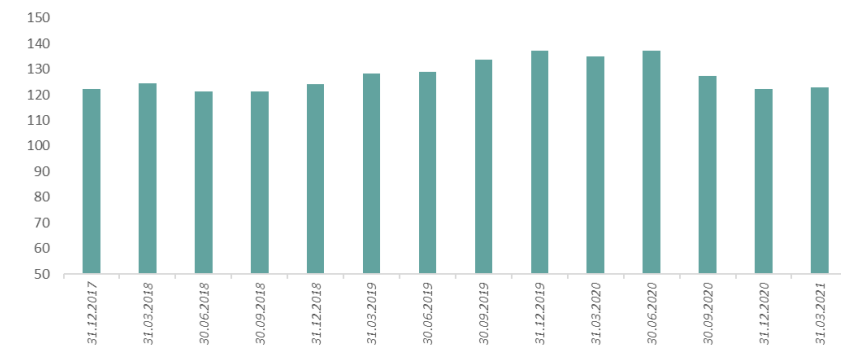
Group's sales in Q1 of 2021 reached EUR 33 499 thousand, 3% increase y-o-y

In contrast to 2019 and 2020 large one off items are not expected in 2021

Quarterly revenue distribution, m EUR

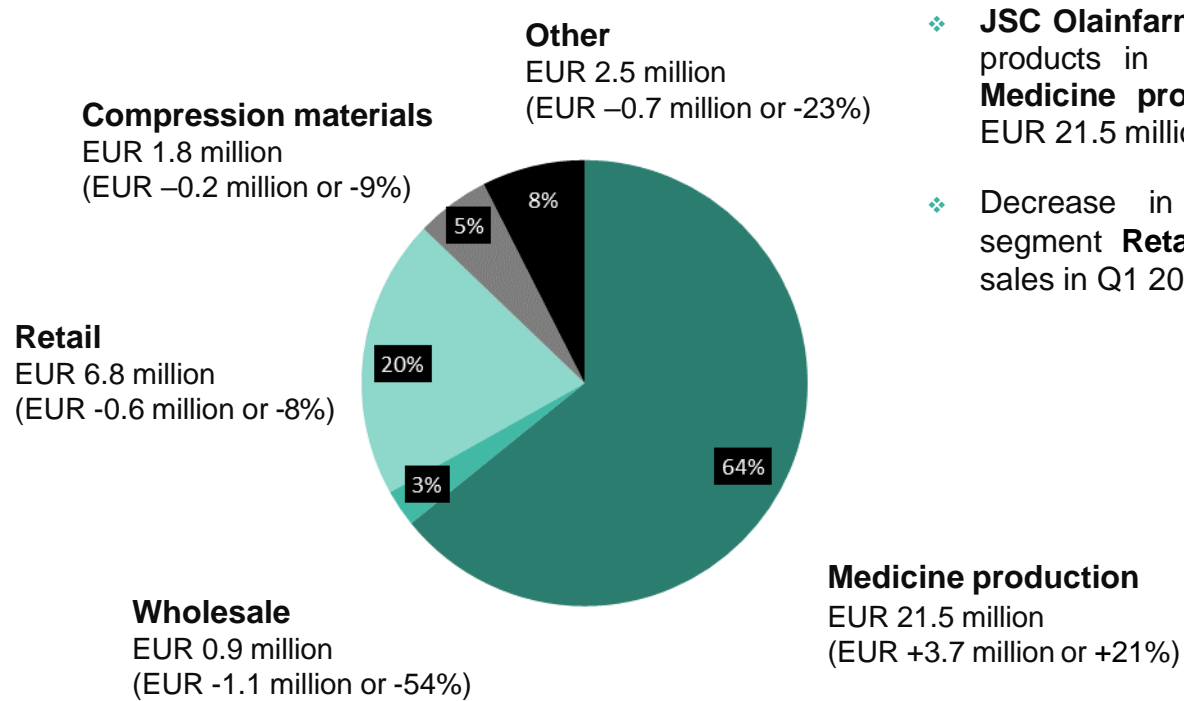


Trailing 12 months sales, mln. EUR



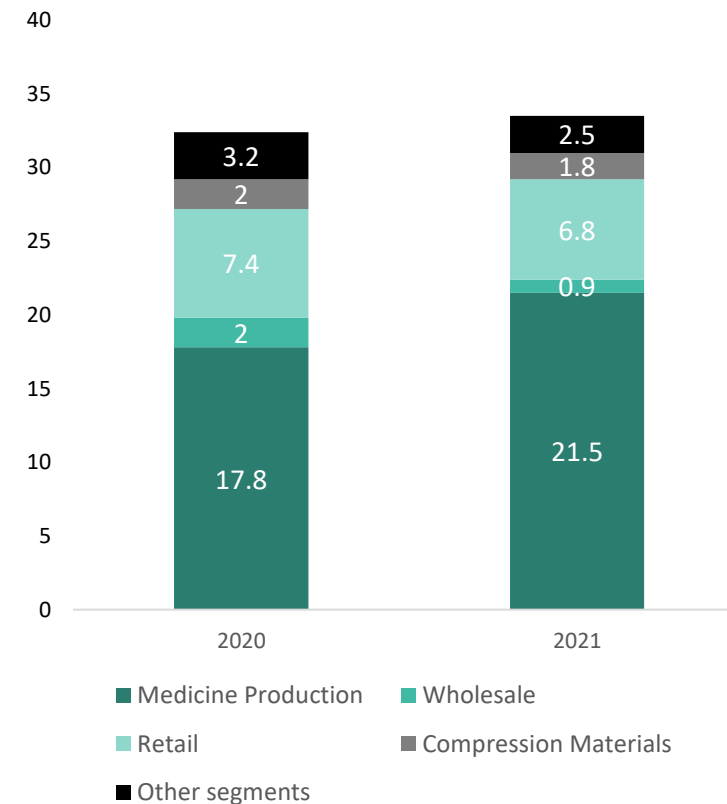
Group Sales by Segment

Medicine production is a key segment



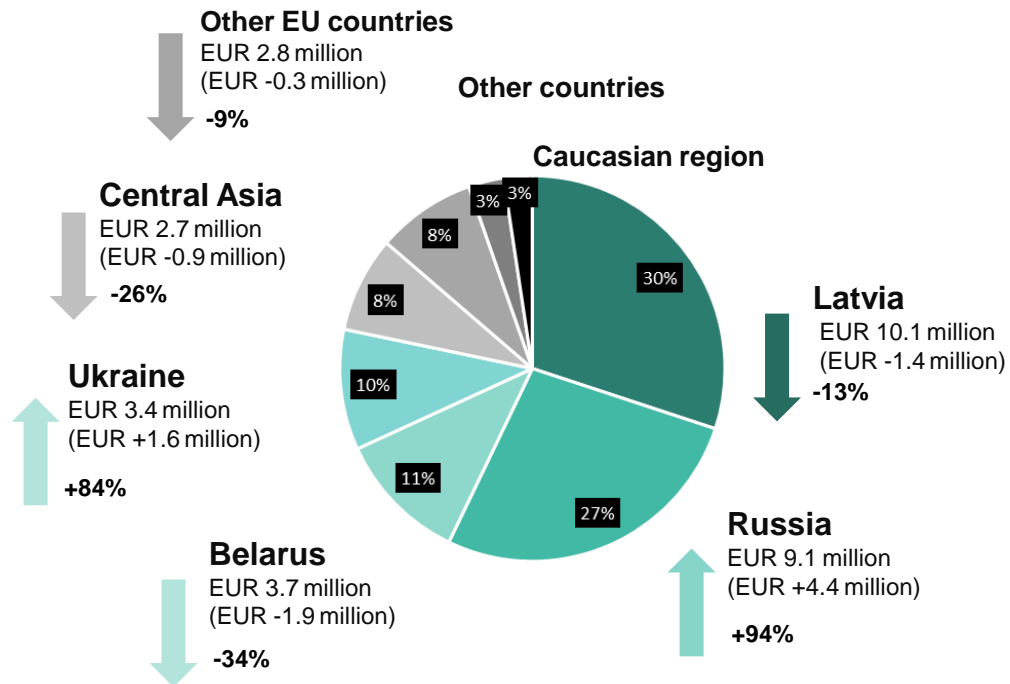
- ❖ JSC Olainfarm’s most important segment of products in terms of sales value remains **Medicine production**, with sales totaling at EUR 21.5 million
- ❖ Decrease in the second most important segment **Retail by 8%** due to extraordinary sales in Q1 2020.

Group Sales by Segment, Q1 2020 vs Q1 2021, mln. EUR

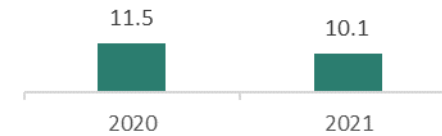


Group Main target markets

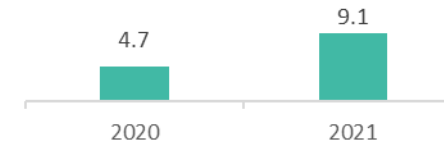
2021 sales EUR 33.5 million;
increase by EUR 1.1 million (+3% yoy)



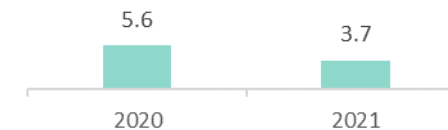
❖ **Largest market for JSC Olainfarm in Q1 2021 was Latvia:** EUR 10.1 million of products sold; a decrease of EUR -1.4 million (-13% yoy)



❖ **2nd largest market was Russia:** EUR 9.1 million of products sold, an increase of EUR +4.4 million (+94% yoy)



❖ **3rd largest market was Belarus:** EUR 3.7 million of products sold, a decrease of EUR -1.9 million (-34% yoy)



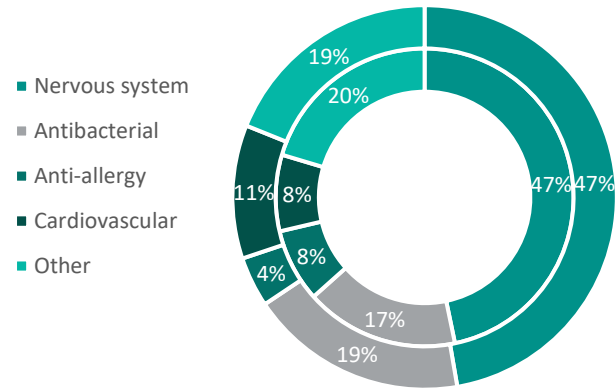
❖ **4th largest market was Ukraine:** EUR 3.4 million of products sold, an increase of EUR +1.6 million (+84% yoy)

Sales of Medicine Products

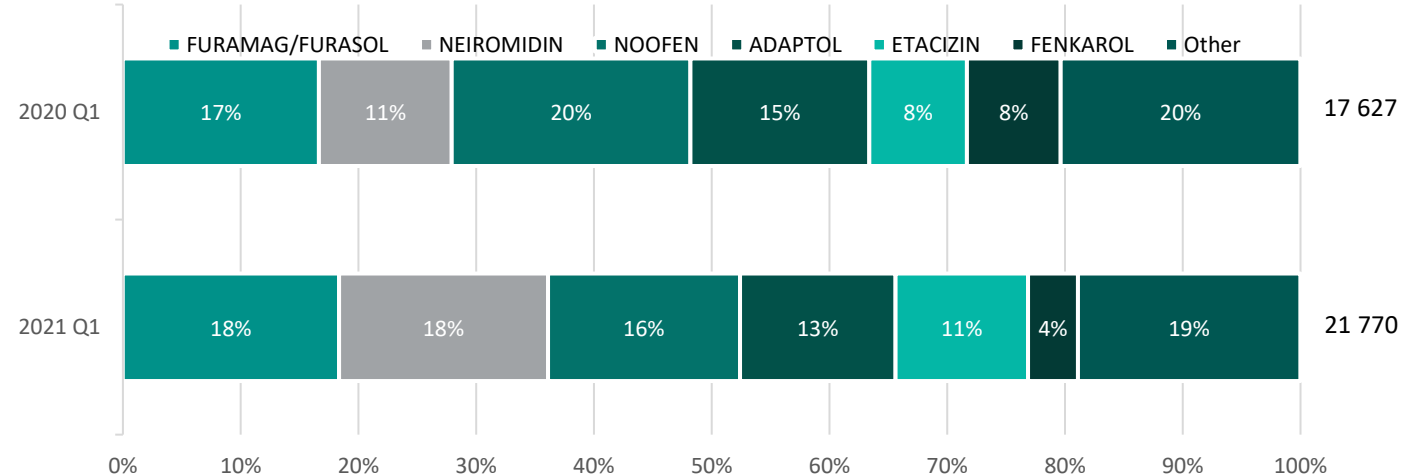
Nervous system products is a key product group with a share of 47%

Majority of main brands increased sales in Q1 2021

Sales breakdown by product groups, Q 2021 (ext.) vs. Q1 2020 (int.)



Sales of the largest medicine brands in Q1 2021 and Q1 2020



Net Profit

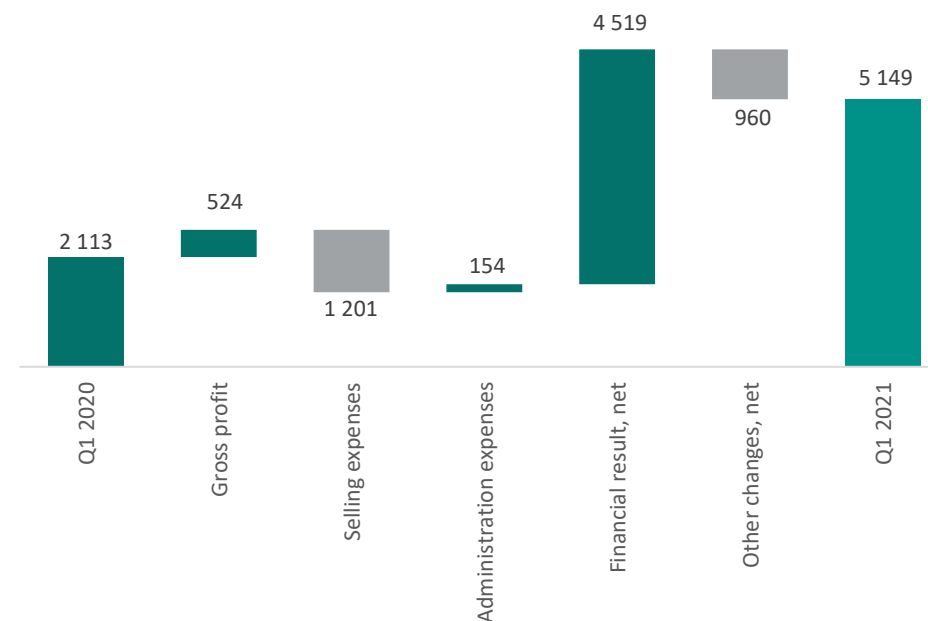
Gross profit – increase in sales with a stable gross margin resulted in higher gross profit

Selling expenses – activation of business operations of Group subsidiary in Russia and affiliate in Ukraine, realizing marketing activities

Financial – exchange rate fluctuations (Russian Ruble). Positive impact in the reporting period as there have been significant losses in prior year. From January 2021 Olainfarm started to hedge RUB risks.

Outlook for 2021 remains unchanged

Net profit change (thous. EUR)



Financial Stability

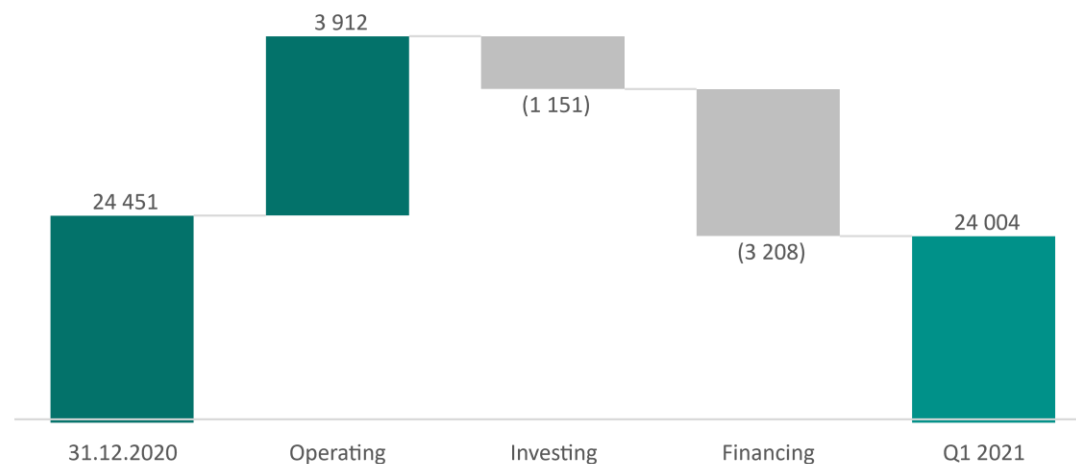
Cash accumulated at the end of the reporting period is **24.0 million EUR**

The Group's Debt service coverage ratio (**DSCR**) in Q1 2021 was 2.1 and Net debt-to-EBITDA was -1.1

Early repayment of loan in amount

of 2 million EUR was made during the reporting period

Cashflow Q1 2021, th EUR



Upcoming events

Extraordinary General Meeting on June 17

Agenda:

1. Approval of the Remuneration Policy for Council and Management board of the Joint Stock Company “Olainfarm” in a new wording;
2. Annulment of the resolution of the meeting of shareholders;
3. Amendments of the Joint Stock Company “Olainfarm” Articles of Association, in Article 5;
4. Amendments of the Joint Stock Company “Olainfarm” Articles of Association, in Section 6.3.;
5. Recalling of the Supervisory Council and election of the new Supervisory Council;
6. Election of the Audit Committee

Participation:

1. Voting before the meeting;
2. Voting in person during the meeting;
3. Voting online during the event.

Record date: June 9

Extraordinary General Meeting on June 18

Agenda:

1. Internal auditing of JSC Olainfarm
2. Other issues
3. Report of the Management Board, Council and conclusion of certified auditor
4. Approval of the financial statements for 2020
5. Profit distribution
6. Election of the Audit Committee and determination of the remuneration for the audit committee
7. Election of the sworn auditor for auditing financial statements 2021, 2022 and 2023 and fixing remuneration.

Participation:

1. Voting before the meeting;
2. Voting in person during the meeting.

Record date: June 10

Q&A session



OlainFarm

FORWARD
WITH THE STRATEGY
2020-2025