



JOINT STOCK COMPANY OLAINFARM

(UNIFIED REGISTRATION NUMBER 40003007246)

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

**PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS, AS ADOPTED BY EU**

Olaine, 2019

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General information

Name of the Parent Company	OLAINFARM
Legal status of the Parent Company	JOINT STOCK COMPANY
Unified registration number, place and date of registration of the Parent Company	40003007246 Riga, 10 June 1991 (re-registered on 27 March 1997)
Registered office of the Parent Company	Rūpnīcu iela 5 Olaine, Latvia, LV-2114
Major shareholders of the Parent Company (as of October 24, 2019)	OÜ OLFIM (7.79%) Anna Emīlija Maligina (7.79%) Nika Saveļjeva (7.80%) SIA Olmafarm (42.56%)
Major subsidiaries	SIA Latvijas Aptieka (100%) SIA Tonus Elast (100%) SIA Silvanols (100%)
Audit Committee	Auditing Committee from 1 st April, 2019: Chairperson of the Auditing Committee – Agris Auce Members of the Auditing Committee: Member of the Council Kārlis Krastiņš Viesturs Gurtlavs Auditing Committee until 1 st April, 2019: Chairperson of the Auditing Committee - Viesturs Gurtlavs Members of the Auditing Committee: Irina Maligina, Daina Sirlaka
Financial year	1 January – 31 December 2019
Interim reporting period	1 January – 30 September 2019

Board

The Supervisory Council elects the Management Board of JSC Olainfarm for five years. When selecting the members of the Management Board, the Council assesses experience of candidates in team management, in particular area of responsibility of a candidate and in the pharmaceutical sector in general.

Jeroen Weites (Chairman of the Management Board from November 28, 2019)

Jeroen Weites is the Chairman of the Parent Company's Management Board. Under the leadership of J. Weites in other companies, more than 30 new pharmaceutical products have been successfully introduced in international markets. Jeroen Weites has been the General Manager of Global Healthcare in Sanofi, Bulgaria since 2014, and has led Sanofi's General Medicine South Europe (200 mio euro profit) and North Europe (165 mio euro profit) clusters, where his key task was to ensure successful transformation processes for the company. Between 2010 and 2014, he held the position of Senior Director at Sanofi Genzyme, France, primarily responsible for implementing, managing and advising on new European markets as well as developing launch strategies in Japan and China. He also previously held senior positions at UCB Pharma Brussels in Brussels, Belgium and at Biogen Idec in Boston, USA. Weites holds a Master's degree in Economics from the University of Amsterdam.

Positions held in other companies: none

Number of shares of JSC Olainfarm owned (as of October 24, 2019): 0

Participation in other companies: none

Lauris Macijevskis (Board member from November 28, 2019; Chairman of the Management Board from April 4, 2019 until November 28, 2019)

Lauris Macijevskis is a member of the Parent Company's Management Board, a finance expert who has worked for 16 years in the Latvian banking sector. For the previous three years L. Macijevskis has been performing as the vice president and member of the Board of directors of JSC DNB banka. He started his career in the banking in JSC Hansabanka and continued it with JSC Swedbank. From October 2008 to 2017 L. Macijevskis has been working in the leading positions in the structural units of several local banks. Lauris Macijevskis has obtained a professional higher education from BA School of Business and Finance (BASBF), as well as holds a Master's Degree in Business Administration, graduating from the Riga International School of Economics and Business Administration.

Positions held in other companies: none

Number of shares of JSC Olainfarm owned (as of October 24, 2019): 0

Participation in other companies: none

Signe Baldere-Sildedze (Board member from April 4, 2019)

Signe Baldere-Sildedze is a member of the Parent Company's Management Board with experience as the member of the Council of JSC Olainfarm from 2009 till 2012 and from June 4, 2018 till September 10, 2018. Since 2014 the owner and member of the board of SIA LOUVRE. She obtained education in tourism and hospitality and has been managing the tourism and hospitality related company in Switzerland.

Positions held in other companies:

SIA LOUVRE, Board member

SIA RĪTS-L, Board member (from 30.09.2019)

Number of shares of JSC Olainfarm owned (as of October 24, 2019):

- directly: 297
- 1 097 026 shares controlled as a legal guardian of JSC Olainfarm shareholder - minor Anna Emīlija Maligina

Participation in other companies:

SIA LOUVRE (100%)

SIA RĪTS-L (100% from 09.09.2019)

Milana Bejeviča (Board member from April 4, 2019)

Milana Bejeviča is a member of the Parent Company's Management Board with experience as the member of the Council of JSC Olainfarm from June 4, 2018 till September 4, 2018. Head and owner of SIA B2B Konsultants, as well as lecturer in financial and tax law at Riga Stradins University. More than 20 years of lawyer experience combining academic and practical knowledge in jurisprudence and financial and tax law. She has obtained higher education lawyer qualification diploma from the Faculty of Law of the University of Latvia, master's degree in social sciences in European studies from the Faculty of

Business, Management and Economics of the University of Latvia, as well as completed doctoral studies of Law at Riga Stradins University.

Positions held in other companies:

SIA b2b konsultants, Board member

SIA Olmafarm, Board member (until 12.07.2019)

SIA Antik4Unik, Board member (until 25.07.2019)

Number of shares of JSC Olainfarm owned (as of October 24, 2019): 0

Participation in other companies:

SIA b2b konsultants (100% until 21.06.2019)

SIA Antik4Unik (100% until 23.07.2019)

Mārtiņš Pūriņš (Board member from April 4, 2019)

Mārtiņš Pūriņš is a member of the Parent Company's Management Board with more than 20 years of experience in the field of information and communication technologies. M. Pūriņš joined JSC Olainfarm from JSC Sadales tīkls, where he held the position of the Head of Smart meter monitoring unit. Mārtiņš Pūriņš holds master degree in computer science from the University of Latvia.

Positions held in other companies: none
Number of shares of JSC Olainfarm owned (as of October 24, 2019): 4 500
Participation in other companies: none

Raimonds Terentjevs

Raimonds Terentjevs is a member of the Parent Company's Management Board and Director of the Quality Management Department with more than 20 years of experience in the field of chemistry and pharmacy. R.Terentjevs joined JSC Olainfarm in 2011 from the Latvian Institute of Organic Synthesis, where he was performing the duties of a researcher. R.Terentjevs graduated from the Faculty of Chemistry of the University of Latvia with a natural sciences bachelor and master's degree in chemistry.

Positions held in other companies: none
Number of shares of JSC Olainfarm owned (as of October 24, 2019): 0
Participation in other companies: none

Veronika Dubicka (Board member until September 30, 2019)

Positions held in other companies (as of September 30, 2019): none
Number of shares of JSC Olainfarm owned (as of June 13, 2019): 1 000
Participation in other companies (as of September 30, 2019): none

Mārtiņš Tambaks (Board member until July 31, 2019)

Positions held in other companies (as of July 31, 2019): none
Number of shares of JSC Olainfarm owned (as of June 13, 2019): 0
Participation in other companies (as of July 31, 2019): none

Oļegs Grigorjevs (Chairman of the Management Board until April 4, 2019)

Positions held in other companies (as of April 4, 2019):
SIA Latvijas Aptieka, Chairman of the Board (until 09.04.2019)
SIA Kiwi Cosmetics, Board member (until 09.04.2019)
SIA Ozols JDR, Board member

Number of shares of JSC Olainfarm owned (as of March 22, 2019): 1 000

Participation in other companies (as of April 4, 2019): none

Vladimirs Krušinskis (Board member until April 4, 2019)

Positions held in other companies (as of April 4, 2019): none
Number of shares of JSC Olainfarm owned (as of March 22, 2019): 0
Participation in other companies (as of April 4, 2019): none

Mihails Raizbergs (Board member until April 4, 2019)

Positions held in other companies (as of April 4, 2019):
SIA Digital Partner, Board member
SIA Digital Era, Board member

Number of shares of JSC Olainfarm owned (as of March 22, 2019): 200

Participation in other companies (as of April 4, 2019):
SIA Digital Partner (100%)
SIA Digital Era (100%)

Inga Krūkle (Board member until April 1, 2019)

Positions held in other companies (as of April 1, 2019): none
Number of shares of JSC Olainfarm owned (as of March 22, 2019): 0
Participation in other companies (as of April 1, 2019): none

Council

The Supervisory Council of JSC Olainfarm is elected by the General Meeting of Shareholders for 5 years. The Supervisory Council is a supervising institution, representing interests of the shareholders between the meetings of shareholders. Main tasks of the Supervisory Council include supervising the Management Board, and these are the main requirements that are taken into account when shareholders propose new members of the Council.

The Supervisory Council sets the remuneration for the members of the Management Board, while the remuneration of the Council itself is set by the General Meeting of Shareholders.

Gundars Bērziņš, Chairperson of the Council (from April 1, 2019)

Gundars Bērziņš has obtained a bachelor's degree of science at University of Latvia in 1995, in 1998 a master's degree in management and in 2013 a doctor's degree in management. Gundars Bērziņš is the dean and the lead researcher of the Faculty of Business, Management and Economics of the University of Latvia, as well the member of the board of the Fellowship of Stockholm School of Economics in Riga.

Positions held in other companies:
SIA Saules Gaisma Consulting, Chairman of the Board

Number of shares of JSC Olainfarm owned (as of October 24, 2019): 3

Participation in other companies:
SIA Saules Gaisma Consulting (100%)
SIA MeadowMe (99.96%)

Jānis Buks, Deputy Chairperson of the Council (from April 1, 2019)

Jānis Buks in 1993 graduated from the Faculty of Law of the University of Latvia with a bachelor degree in law. J.Buks is a finance expert, who has worked for 8 years in the leading companies of Latvian banking sector. 7 years he was the head of Nordea Bank AB Latvia Branch and from 2017 till 2018 he was a Member of the Board of JSC Luminor Banka.

Positions held in other companies:

SIA JV Holdings, Board member

AS Spring Holding, Board member (from 02.05.2019)

SIA LNK Asset Management AIFP, Chairman of the Board (from 18.07.2019)

Number of shares of JSC Olainfarm owned (as of October 24, 2019): 0

Participation in other companies:

SIA JV Holdings (50%)

Kārlis Krastiņš, Member of the Council (from April 1, 2019)

Kārlis Krastiņš in 1995 graduated the Faculty of Business, Management and Economics of the University of Latvia with a bachelor degree in economics. In 1997 he obtained a master's degree in economics from the Institute of International Relations of the University of Latvia. From 2002 till 2006 K.Krastiņš was the chairman of the board of Prudentia Asset Management . From 2005 he is the Chairman of the Board of JSC Prudentia and from 2008 also the Managing Partner of JSC Prudentia.

Positions held in other companies:

SIA Xiexie, Chairman of the Board

SIA Prudentia Advisers, Chairman of the Board

AS Prudentia, Chairman of the Board

SIA Prudentia Private Equity Partners, Board member

SIA D & A Konsultanti, Board member

SIA Tavs kapitāls 23, Board member (until 16.09.2019)

Number of shares of JSC Olainfarm owned (as of October 24, 2019): 0

Participation in other companies:

SIA Xiexie (100%)

SIA Prudentia Advisers (44.49%)

AS Prudentia (18.63%)

SIA Prudentia Private Equity Partners (50%)

SIA Tavs kapitāls 23 (80%)

Haralds Velmers, Member of the Council (from April 1, 2019)

Haralds Velmers has obtained at University of Latvia in 1999 Higher education diploma in Law and in 2001 a Master's Degree in Law. Since 2004 he is attorney at law and since 2005 insolvency administrator.

Positions held in other companies: none

Number of shares of JSC Olainfarm owned (as of October 24, 2019): 12

Participation in other companies:

SIA Compor (7.73%)

SIA Nami un būves (40%)

Andrejs Saveljevs, Member of the Council (from April 1, 2019)

Andrejs Saveljevs obtained at Riga Technical University in 1994 a diploma of technical translator and in 1995 an engineer degree. Andrejs Saveljevs is highly qualified specialist in the technical field with more than 10 years of experience in the position of technical director in several companies.

Positions held in other companies:
SIA B28, Board member

Number of shares of JSC Olainfarm owned (as of October 24, 2019): 0

Participation in other companies:
SIA RAAP (45%)

Pāvels Rebenoks (Chairperson of the Council until April 1, 2019)

Positions held in other companies (as of April 1, 2019): none

Number of shares of JSC Olainfarm owned (as of March 22, 2019): 700

Participation in other companies (as of April 1, 2019):
SIA Frančeska VET (16.7%)

Irina Maligina (Deputy Chairperson of the Council until April 1, 2019)

Positions held in other companies (as of April 1, 2019):
SIA Olmafarm, Board member (until 02.01.2019)
SIA OLFIM M, Chairman of the Board
OÜ OLFIM (Estonia), Board member

Number of shares of JSC Olainfarm owned (as of March 22, 2019):
- directly: 0
- indirectly (through OÜ OLFIM): 1 097 051

Participation in other companies (as of April 1, 2019):
Olainfarm Health Care Private Limited (50%)
SIA OLFIM M (100%)
OÜ OLFIM (100%)
SIA Olmafarm (1/3 from 40 shares)

Mārtiņš Kriekis (Member of the Council until April 1, 2019)

Positions held in other companies (as of April 1, 2019):
SIA GESIL LIMITED, Board member
SIA KRIEKIS LAW OFFICE, procuration holder
SIA Ziemeļu vārti, procuration holder

Number of shares of JSC Olainfarm owned (as of March 22, 2019): 0
Participation in other companies (as of April 1, 2019): none

Daina Sirlaka (Member of the Council until April 1, 2019)

Positions held in other companies (as of April 1, 2019):
SIA PERISHA, Board member

Number of shares of JSC Olainfarm owned (as of March 22, 2019): 0

Participation in other companies (as of April 1, 2019):
SIA PERISHA (100%)

Movements in the Board

According to Decision of the Council from April 1, 2019 Inga Krūkle was released from the position of the Board member and Lauris Macijevskis was appointed as a Board member of JSC Olainfarm with rights of separate representation.

According to Decision of the Council from April 4, 2019 Oļegs Grigorjevs was released from the position of the Chairman of the Management Board and Mihails Raizbergs and Vladimirs Krušinskis were released from the position of the Board member. Lauris Macijevskis was appointed as a Chairman of the Management Board of JSC Olainfarm and Signe Baldere-Sildedze and Milana Beļeviča were appointed as the Board members, each of them with rights of separate representation, as well as Mārtiņš Pūriņš with rights to represent JSC Olainfarm together with two other Board members.

JSC Olainfarm has received the letter of resignation from Mārtiņš Tambaks whereby he steps down from his duties as a Member of the Management Board as of 31 July 2019.

JSC Olainfarm has received the letter of resignation from Veronika Dubicka whereby she steps down from her duties as a Member of the Management Board as of 30 September 2019.

According to Decision of the Council from November 28, 2019 Lauris Macijevskis was released from the position of the Chairman of the Management Board and was appointed as a Board member of JSC Olainfarm with rights of separate representation. Jeroen Weites was appointed as a Chairman of the Management Board of JSC Olainfarm with rights of separate representation.

Movements in the Council

The Extraordinary General Meeting of Shareholders on April 1, 2019 made a decision to release the Council members Pāvels Rebenoks, Irina Maligina, Mārtiņš Kriekis, Daina Sirlaka and to appoint the new Council of JSC Olainfarm: Jānis Buks, Gundars Bērziņš, Kārlis Krastiņš, Andrejs Saveljevs, Haralds Velmers. According to the Decision of the Council from April 1, 2019 Gundars Bērziņš was appointed as a Chairperson of the Council and Jānis Buks as a Deputy Chairperson of the Council.

Major shareholders

	Share holding
SIA Olmafarm	42.56%
Nika Saveljeva	7.80%
OÜ OLFIM	7.79%
Anna Emīlija Maligina	7.79%
Other shareholders	<u>34.06%</u>
Total	100.00%

Management report

General information

The Group's parent company JSC Olainfarm is one of the biggest pharmaceutical companies in Latvia with more than 45 years of experience in production of chemical and pharmaceutical products. A basic principle of the Group's operations is to produce reliable and effective top-quality products for Latvia and the rest of the world. Products made by the Group are being exported to more than 60 countries worldwide, including the Baltics, Russia, other CIS, Europe, Asia, North America and Australia.

The main companies in the Group are the parent company Olainfarm and its fully owned subsidiaries: chain of pharmacies Latvijas Aptieka, a leading Latvian food supplement company Silvanols, producer of elastic and compression products Tonus Elast, healthcare companies Klinika Diamed and OlainMed, eco-cosmetics producer Kiwi Cosmetics and Belarussian producer of natural herbal medicines and infusion NPK Biotest.

Corporate mission and vision

Corporate mission:

JSC Olainfarm is one of the biggest manufacturers of finished drug forms chemical products in the Baltics. The keystone of our work is manufacturing of reliable and effective high quality products to the whole world. We are about fair and effective cooperation with our customers – patients, doctors, pharmacists and other partners. In achievement of our goals, we are creating a team of highly qualified, socially secured and well-motivated employees. Our priority is organizing an environmentally friendly manufacturing and constant increase of the Company's shareholders value.

Corporate vision:

We are aiming to become the leading manufacturer of finished drug forms and chemical-pharmaceutical products in the Baltics and to make our products known and available worldwide.

Company's Corporate Governance Report and ESG Report 2018 is available at www.olainfarm.com.

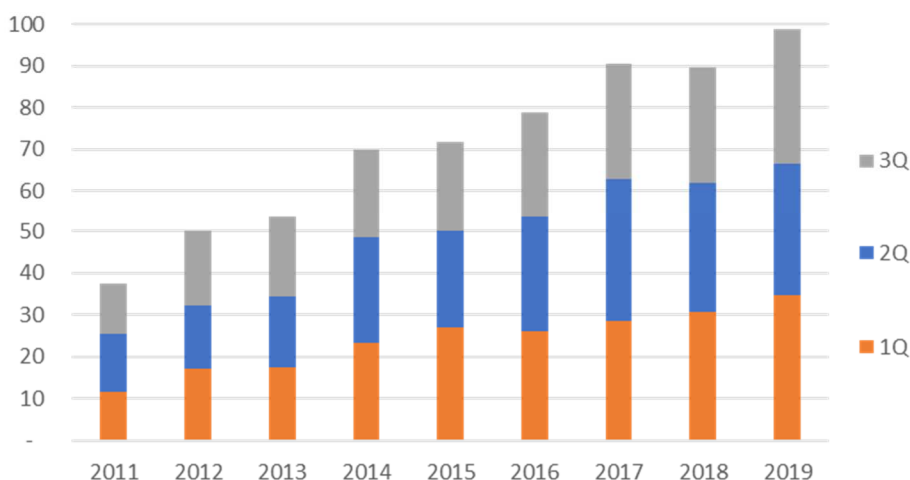
Operational environment

During the 3rd quarter of this year there has been no major changes in Group's main markets. In the previously published forecasts regarding slowdown in growth of gross domestic product or uncertainties in international trade regulations between USA and China have not impacted the Group's operations. The exchange rate of national currencies in Russia, Belarus and Ukraine to euro was stable.

Financial results

During the first nine months of this year Group's sales reached 98 774 thousand EUR, which is an increase by 10% or 9 269 thousand EUR comparing to the same period of 2018. Gross profit, in turn, was 60 325 thousand EUR that shows an increase by 12% of 6 624 thousand EUR to the last year's nine months figures.

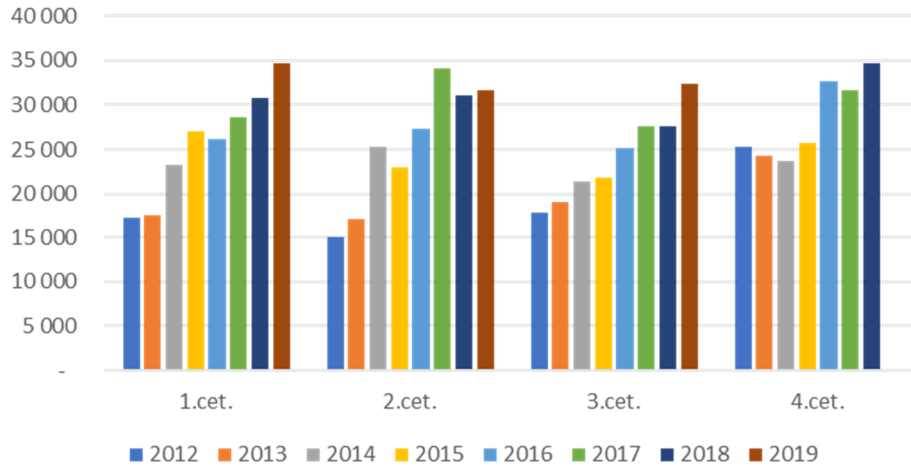
Sales in first nine months, mil. EUR



Group's sales during the 3rd quarter of 2019 were 32 382 thousand EUR and that is by 17% more than in the 3rd quarter of 2018 when sales were 27 661 thousand EUR. At the same time gross profit was by 15% or 2 490 thousand EUR higher and reached 19 242 thousand EUR.

As of the beginning of 2020 new regulation comes into force in Russia regarding traceability of medical products through the whole supply chain therefore each package must contain a unique serial number. The largest distributors of JSC Olainfarm have purchased additional inventory of drugs to be sold during the next year. JSC Olainfarm expects decline in sales to Russia during December this year and the 1st quarter next year.

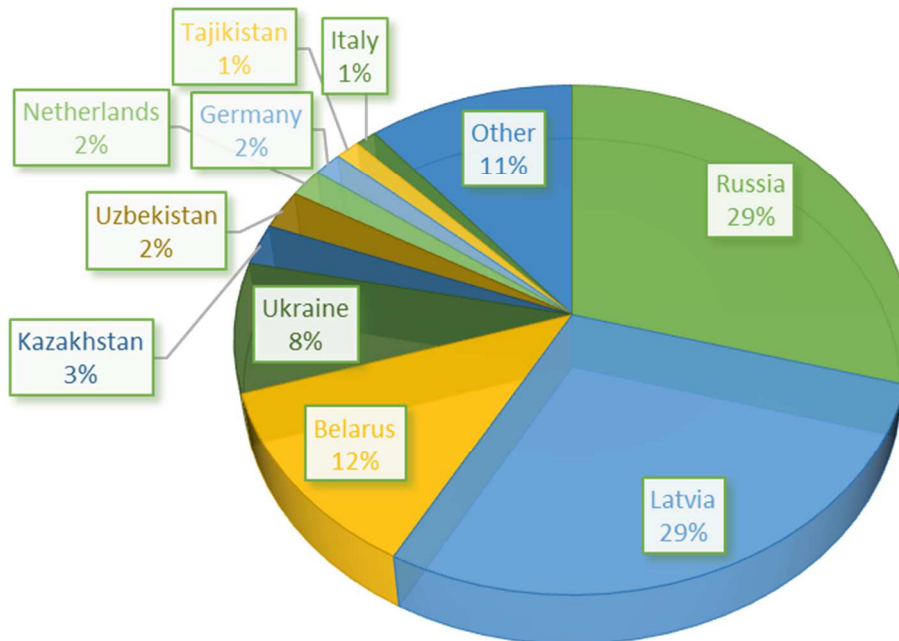
Sales breakdown by quarter, '000 EUR



Markets

Group's main markets during the first nine months of this year are Latvia, Russia, Belarus and Ukraine, where total share is 78% of sales, which is a decline by two percentage points in comparison to the same period of the last year. All the main sales markets recorded increase except for Ukraine where decline in revenues for the three quarters this year is negligible. Group's management is actively working to diversify sales channels by seeking beneficial cooperation partners with relevant experience and ability to advance Group's products in markets.

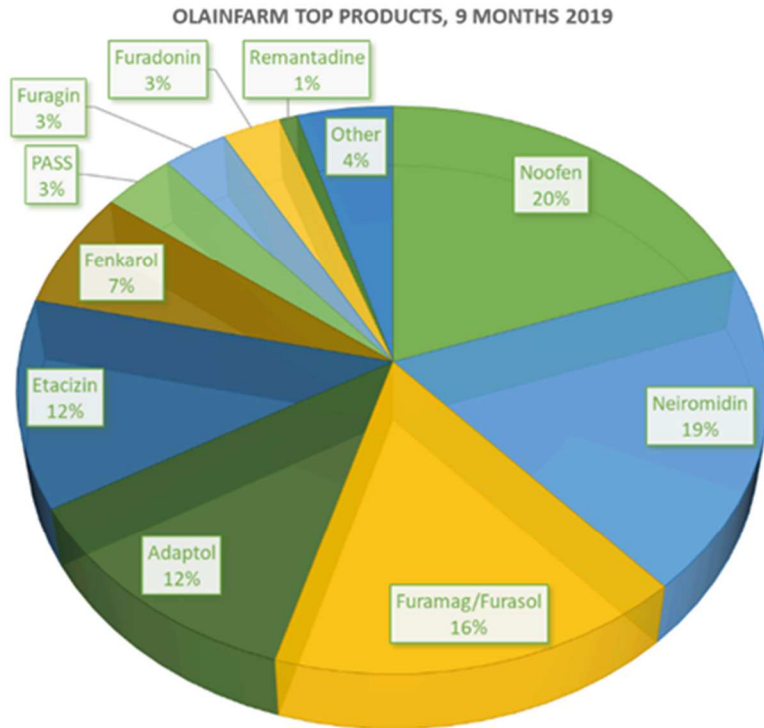
SALES BREAKDOWN BY COUNTRIES, FIRST NINE MONTHS OF 2019



Products

During the first nine months of this year sales volumes of the main Olainfarm final dosage forms continued to increase. The share of the leading product Noofen increased to 20%, which is by one percentage point more than a year before. The share of the three largest products comprise 55% that is the same as the year before.

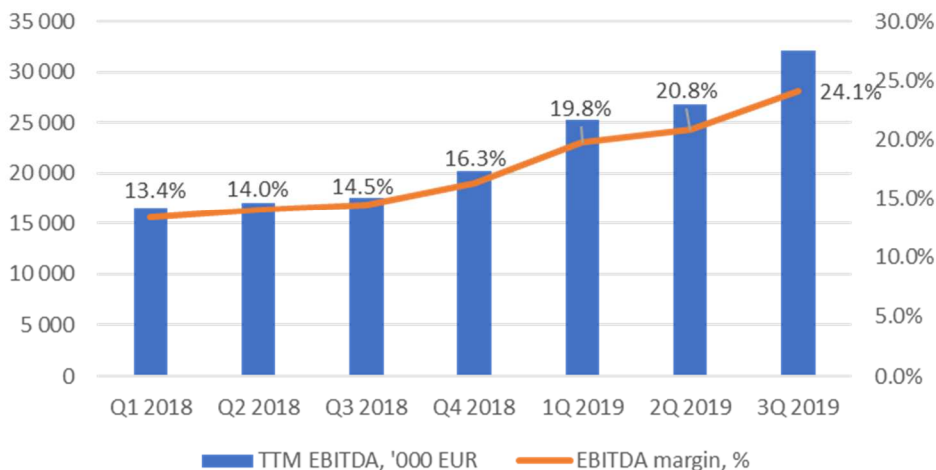
At the same time in the 3rd quarter this year the best selling product was Neiromidin with 22% share, followed by Noofen with 20% and Furamag/Furasol group with 18%.



EBITDA and reporting period profit

Group's EBITDA figure during this year's first nine months was 26 257 thousand EUR, which is by 83% or 11 928 thousand EUR more than the nine months results of the last year. In the 3rd quarter EBITDA was 9 329 thousand EUR that surpassed the figure of the 3rd quarter of 2018 by 5 339 thousand EUR or 134%. EBITDA for 12 months until the end of reporting period was 32 156 thousand EUR. EBITDA margin for the first nine months of this year and for the last 12 months until the end of reporting period was 26.6% and 24.1%, respectively.

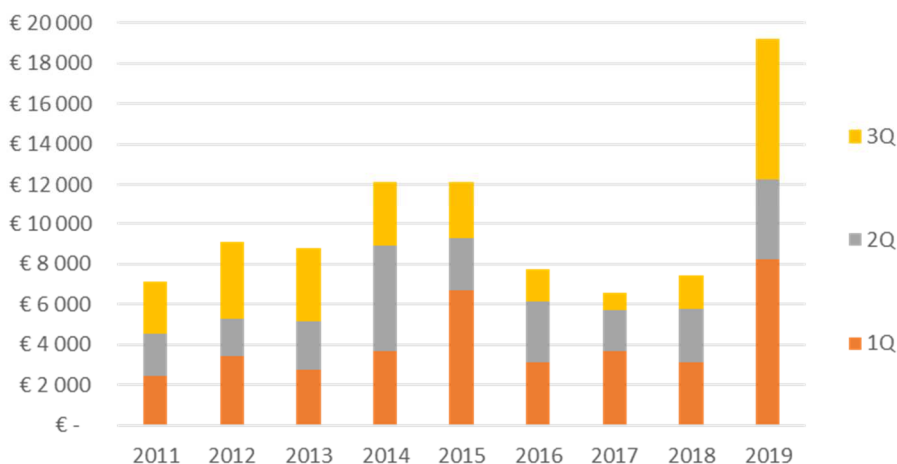
Group's TTM EBITDA and EBITDA margin



Group's reporting period profit for the nine months 2019 was 19 198 thousand EUR, which is the largest profit amount in history. Profit increased by 158% or 11 744 thousand EUR in comparison with the same period in 2018. The reporting period profit was favorably affected by increase in gross profit by 6 624 thousand EUR, decrease in selling expense by 4 359 thousand EUR, income from foreign exchange fluctuations (2 038 thousand EUR) against losses of 1 479 thousand EUR from foreign exchange fluctuations in the nine months 2018 but was negatively affected by increase in administrative expenses 3 352 thousand EUR.

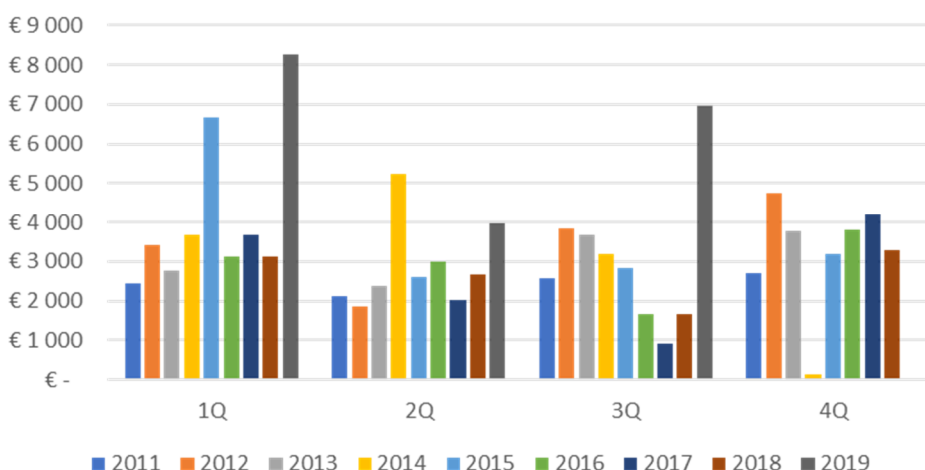
Group continues to improve internal processes by investing in employees with relevant qualification, and it will have a long-term positive effect. During nine months of this year a share of salaries in administrative expenses was 59%, which is an increase of 1 percentage point when compared to the same period last year. In relation to previous disclosures Parent company has started to actively renew drug registration files and such expenses are among the fastest growing items in administrative expenses.

First nine months net profit, '000 EUR



Profit for this year's third quarter was 6 954 thousand EUR, which is an increase by 317% or 5 286 thousand EUR in comparison with the third quarter of 2018.

Quarterly profit, '000 EUR



Financial and liquidity management

Group strives to adhere to conservative approach in financial management field. During this year's 3rd quarter Parent company signed a loan agreement with financial partner bank "BlueOrange" for a term of five years and with total amount of 10.5 million EUR which allowed to refinance short-term liabilities towards ABLV bank in liquidation and to invest in fixed assets. In addition Group prolonged financing agreements with SEB bank.

As at 30 September 2019 Group has accumulated 11.4 million EUR in cash, which serves as one of the financing sources for investments in intangible assets for renewal of dossiers of all the major drugs as well as to continue investments in equipment. Group plans to continue to keep high free cash level.

In July this year Parent company made dividend payment in the amount of 0.1 EUR per share for the total amount of 1.4 million EUR.

Main financial indicators

Financial indicator for period	01.01.2019 - 30.09.2019	% to previous period	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017
Sales, EUR '000	98 774	110%	89 505	90 384
Net profit, EUR '000	19 198	258%	7 454	6 597
EBITDA, EUR '000	26 257	183%	14 329	14 317
EBIT, EUR '000	19 947	251%	7 962	8 435
Gross margin	61.1%		60.0%	61.4%
EBITDA margin	26.6%		16.0%	15.8%
EBIT margin	20.2%		8.9%	9.3%
Net margin	19.4%		8.3%	7.3%
EPS, EUR	1.36	258%	0.53	0.47

Financial indicator at the period end	30.09.2019	% to previous period	30.09.2018	30.09.2017
Current ratio	2.8		1.9	2.2
Share price at period end, EUR	6.74	99.9%	6.75	10.00
Market capitalisation, EUR '000	94 933	99.9%	95 074	140 851
P/B	0.8		0.9	1.5

Financial indicator for 12 month	01.10.2018 - 30.09.2019	% to previous period	01.10.2017 - 30.09.2018	01.10.2016 - 30.09.2017
Sales, EUR '000	133 525	110%	121 197	122 402
Net profit, EUR '000	22 475	193%	11 646	10 412
EBITDA, EUR '000	32 156	183%	17 578	20 546
DSCR	2.7		1.9	3.3
Net Debt-to-EBITDA	0.4		1.2	1.2
ROA	14.4%		7.9%	7.3%
ROE	20%		12%	11%
P/E	4.2		8.2	13.5

Herein presented financial indicators and alternative performance indicators must be reviewed together with explanations and definitions included in the management report of the annual accounts for year 2018, that are not changed except as described below:

Changes implemented from year 2019 and described in the interim financial statements for the 3 month period ended 31 March 2019:

- EBITDA = Profit before tax and before interest income, interest expense, depreciation and amortization charge for 12-month period ending with reporting period end
- EBIT = Profit before tax and before interest income, interest expense for 12-month period ending with reporting period end

Changes implemented from year 2019 and described in the interim financial statements for the 6 month period ended 30 June 2019:

Financial institutions that provide loans and other financing instruments to the Group have established certain covenants to be met by the Group. These covenants are closely monitored by the management of the Group. The following major covenants are added to the list of main financial indicators of the Group:

- DSCR (Debt – Service Coverage Ratio) = EBITDA / Debt service, where Debt service = total interest and principal amount paid on loans, leases and other interest bearing liabilities within 12-month period ending with reporting period end, excluding refinancing of the existing loan. DSCR ratio represents the sufficiency of operating profit (EBITDA) for debts servicing. Minimum DSCR ratio established by the Group is 1.5

- Net liabilities / EBITDA, where Net liabilities are all interest bearing liabilities minus cash as of the reporting date. Net liabilities / EBITDA ratio is a debt ratio that shows how many years of operating profit (EBITDA) it would take for the Group to pay back its interest bearing liabilities if net liabilities and EBITDA are held constant. Maximum Net liabilities / EBITDA ratio established by the Group is 2.3

The annual general meeting, which took place on the 17th of June this year, approved sales targets – 133.3 million EUR for Group and 98.6 million EUR for JSC Olainfarm. Profit targets, on the other hand, were revised and approved in amount of 12.7 million EUR for Group and 11.5 million EUR for Parent company. In accordance with the approved plans Group's sales target is fulfilled by 74% and profit figure by 151%.

Shares and stock exchange

During this year's 3rd quarter JSC Olainfarm average share price was 6.74 EUR per 1 share and was traded in a range of 6.54 to 7.1 per share. During this period 1 524 transactions with 565 885 shares with total value 3 814 351.40 EUR took place.

JSC Olainfarm share price changes for the past three years until the end of the reporting period



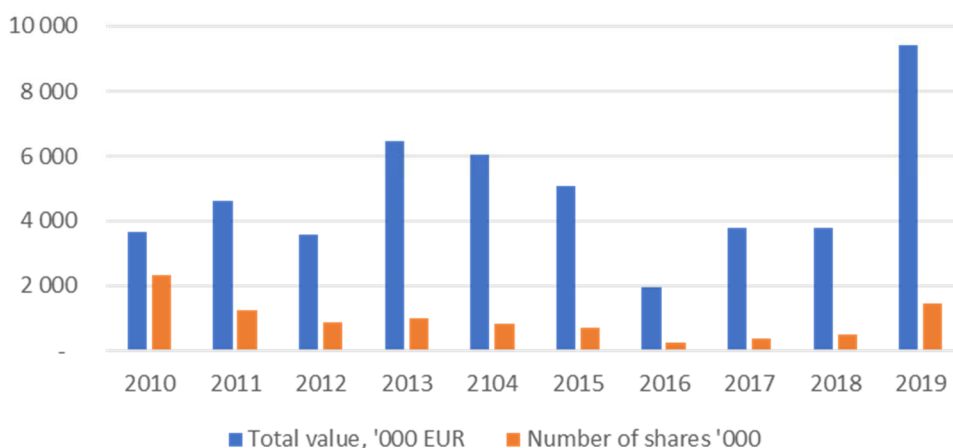
During this year's 3rd quarter OMX Riga index increased by 0.65% and share price of JSC Olainfarm decreased by 3.17%.

Share price of JSC Olainfarm on Nasdaq Riga stock exchange relative to OMX Riga index over the last 12 months until the end of the reporting period



During the third quarter of 2019, more than 565 thousand shares of JSC Olainfarm, with total value of 3.8 million euros, were traded on Nasdaq Riga. Compared to the same period in 2018, the number of traded shares was higher by 135% more, while traded value was higher by 127%. During the first nine months of this year there were 5 024 trades with 1 453 910 shares for the total value of 9.4 million EUR.

Olainfarm shares trading activity in first nine months



Developments

During the reporting period the investments of 1 801 thsd. EUR are provided under the EU co-financed project Implementation of Experimental Technology for Production of New Products of JSC Olainfarm. The investments made are fully financed from cash flows of the company.

During the reporting period the investments of 486 thsd. EUR are provided under the EU co-financed project Pre-clinical and clinical trials. The investments made are fully financed from cash flows of the company.

On the 23rd of August, 2019 Experimental Technology Implementation for New Products Manufacturing in JSC Olainfarm project was completed. Starting from the beginning of the project on the 24th of May, 2017 there were 253 components for manufacturing line delivered and installed in the total value of 6.4 million EUR, incl. 2.2 million EUR financing from European Regional Development Fund.

The new experimental manufacturing line, its components are planned to be used in research and development of new product (intermediate products, active pharmaceutical substances, final dosage forms) manufacturing technology, transfer of technology, manufacturing of new products and quality control including manufacturing of a new anti-tuberculosis drug.

JSC Olainfarm has started reconstructing to improve energy efficiency and technical condition of the cooling station and external cooling network. The project is planned to be completed by the end of 2020, and total investment amount will be 3 million EUR, incl. 0.7 million EUR financing from Cohesion Fund.

In relation to renewal of drug dossiers Group has attracted a US based international pharma and healthcare consultancy company which reviews all major products and markets. Research results will allow Group to prepare strategy for further development and to make more precise estimates of required investment amounts and research terms.

On the 12th of July after significant reconstruction opening ceremony of OlainMed health center took place. As the result of reconstruction patients reception premises were expanded and modernized by adapting them to modern patient health care standards. More than EUR 0.5 million were invested in reconstruction project.

Every year in Belarus award ceremony "Number 1" takes place by naming the most appreciated companies, products and services of consumers and experts. This year more than 50 000 peoples participated in the survey and based on their opinion the most popular and loved brands in different categories were selected. This year in the Medical products category the winner was FarinGospray spray for sore throat manufactured by Silvanols and compressing knitwear of Tonus Elast. In Non-prescription drug category the winner was Furasol powder for treating inflamed mouth and throat and Fenkarol product for treating allergy symptoms.

Events after end of reporting period*Changes in the Management Board*

On the 28th of November this year the Supervisory Council appointed Jeroen Weites who has 20 years of international experience in the pharmaceutical industry as the new chairman of the Management Board. Jeroen Weites is entrusted with the overall management and strategic development of the Olainfarm Group as well as new market niche and sales market expansion.

Under the leadership of J. Weites, more than 30 new pharmaceutical products have been successfully introduced in international markets. Jeroen Weites has been the General Manager of Global Healthcare in Sanofi, Bulgaria since 2014, and has led Sanofi's General Medicine South Europe (200 million euro profit) and North Europe (165 million euro profit) clusters, where his key task was to ensure successful transformation processes for the company. Between 2010 and 2014, he held the position of Senior Director at Sanofi Genzyme, France, primarily responsible for implementing, managing and advising on new European markets as well as developing launch strategies in Japan and China. He also previously held senior positions at UCB Pharma Brussels in Brussels, Belgium and at Biogen Idec in Boston, USA. Weites holds a Master's degree in Economics from the University of Amsterdam.

The former CEO Lauris Macijevskis will remain on the Board of Olainfarm.

Extraordinary general meetings

On the 23rd of August this year a request to convene an extraordinary general meeting of shareholders has been received from Andrejs Saveljevs who is authorized representative of shareholder Nika Saveljeva, representing 7,80% of the share capital of Joint Stock Company Olainfarm. Management Board of Joint Stock Company Olainfarm based on the shareholder's request in accordance with the article 270 of the Commercial law convened the Extraordinary General Meeting on the 1st of November, 2019, at 14:00. The agenda included recall of the Council and Election of the new Council, recall of the Auditing committee and election of the new Auditing committee as well as amendments of JSC Olainfarm Article of Association.

The agenda of the Extraordinary General Meeting set for the 1st of November, 2019 was supplemented with additional items on bringing action against members of the Management Board and the Council. Additional items were included upon request of the JSC Olainfarm shareholder Anna Emilija Maligina who represents 7,79% of the JSC Olainfarm share capital, using the rights provided by part 2 of the article 274 of the Commercial law of the Republic of Latvia.

The extraordinary general meetings that were announced for the 1st of November at 11.00 and 14.00 did not convene due to lack of quorum. According to the Articles of Association the general meeting has a right to decide if more than 50% of its paid fixed capital with voting rights are represented.

Results of internal investigations

JSC Olainfarm at the request of the person directing the proceeding, has engaged an independent, international auditor to verify the reasonableness of business activities and payments made for marketing services realized by previous higher level management. The audit found that at the beginning of 2017 former officials of Olainfarm on behalf of the company entered into a deal with Banestar Management Limited, a company registered in Cyprus, resulting in losses of several million euros to Olainfarm. Olainfarm has turned to the State Police with a request to recognize it as a victim within a criminal proceeding that had previously been initiated. Currently the active work has been done in order to accurately assess the amount of damages caused by the previous management, which is currently estimated at about 26 million euros. Suspicious transactions were performed from January 2, 2017 till April 4, 2019.

Olainfarm points out that work in the company do not continue certain employees who were involved in the process of concluding and implementing the above mentioned deal. Internal audits have also identified money disbursements and attempted disbursements based on forged documents. At the end of 2017, on the basis of forged documents, arrangements were concluded with the same key management personnel on payment of compensation in the event of termination of employment agreements, regardless of the reason for its termination. Such compensations range from EUR 42 000 up to EUR 144 000 per employee. Olainfarm has turned to the State Police with a request to initiate criminal proceeding.

Olainfarm continues to conduct internal audits evaluating other transactions concluded and implemented by the former higher level management in order to obtain assurance about legality and compliance with the interests of the company of these transactions.

Future Outlook

Group is fully compliant with various regulatory requirements that come into force in the near term as well as it has sufficient financial resources and is able to raise additional amounts to fulfil requirements that will become mandatory in medium term.

In the near term Group plans to approve target indicators for 2020.

Social Responsibility

JSC Olainfarm for the ninth year continues cooperation with Riga Stradins University (RSU) by supporting students in pharmacy field through granting Excellence scholarships to talented and purposeful students of Faculty of Pharmacy. Scholars are chosen in contest and this year JSC Olainfarm granted Excellence scholarships to three students.

In the 3rd quarter of this year JSC Olainfarm supported two noticeable cultural events. JSC Olainfarm celebrated ten excellent cooperation years with the music festival "Rīgas Ritmi", which is one of the most well attended and loved music festivals in Latvia. For the first time JSC Olainfarm supported the film festival "Baltic Pearl" that is one of the oldest film festivals in the Baltic countries.

JSC Olainfarm continues to support sports events in Olaine. The international boxing tournament "Olaines kauss 2019" took place from the 20th to 22nd of September. More than 100 boxers from many European countries participated in the event. Winners of Europe's championship and many international contest as well as young participants who took the first steps in the big sport could be seen in this tournament.

Financial reports have been approved by the Board of the Parent company and on its behalf they are signed by:

(signature)

Lauris Macijevskis
Board member

November 29, 2019

Statement of responsibility of the management

The Management Board of JSC Olainfarm prepares interim condensed consolidated financial statements for each quarter which give a true and fair view of the JSC Olainfarm group's (hereinafter - the Group) assets, liabilities and financial position as of the end of the respective interim period, and the financial results of the Group for that respective period. Interim condensed consolidated financial statements are prepared based on International Financial Reporting Standards as adopted by the EU in respect of interim financial statements. In preparing those financial statements, management:

- ♦ selects suitable accounting policies and then apply them consistently;
- ♦ makes judgments and estimates that are reasonable and prudent;
- ♦ prepares the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Management Board of JSC Olainfarm is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position, financial performance and cash flows of the Parent Company and the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by the EU.

For the Board of JSC Olainfarm:

(signature)

Lauris Macijevskis
Board member

November 29, 2019

INTERIM CONSOLIDATED FINANCIAL STATEMENTS**Interim consolidated statement of comprehensive income**

	01.07.2019 - 30.09.2019	01.07.2018 - 30.09.2018	01.01.2019 - 30.09.2019	01.01.2018 - 30.09.2018
	EUR '000	EUR '000	EUR '000	EUR '000
Revenue	32 382	27 661	98 774	89 505
Cost of goods sold	(13 140)	(10 909)	(38 449)	(35 804)
Gross profit	19 242	16 752	60 325	53 701
Selling expense	(5 335)	(8 534)	(22 356)	(26 715)
Administrative expense	(6 835)	(5 684)	(20 467)	(17 115)
Other operating income	443	542	1 577	1 947
Other operating expense	(558)	(656)	(1 262)	(2 460)
Share of profit of an associate	(11)	8	92	83
Financial income	251	18	2 093	57
Financial expense	(215)	(703)	(703)	(1 794)
Profit before tax	6 982	1 743	19 299	7 704
Corporate income tax	(28)	(73)	(100)	(250)
Deferred corporate income tax	-	(2)	(1)	-
Profit for the reporting period	6 954	1 668	19 198	7 454
Other comprehensive income for the reporting period				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax:</i>				
Exchange differences on translation of foreign operations	54	(119)	271	(83)
Other comprehensive income for the reporting period, net of tax	54	(119)	271	(83)
Total comprehensive income for the reporting period, net of tax	7 008	1 549	19 469	7 371
Profit attributable to:				
The equity holders of the Parent company	6 954	1 668	19 198	7 454
Non-controlling interests	-	-	-	-
	6 954	1 668	19 198	7 454
Total comprehensive income attributable to:				
The equity holders of the Parent company	7 008	1 549	19 469	7 371
Non-controlling interests	-	-	-	-
	7 008	1 549	19 469	7 371
Basic and diluted earnings per share, EUR	0.49	0.12	1.36	0.53

The accompanying notes form an integral part of these financial statements.

For the Board of JSC Olainfarm:

(signature)

Lauris Macijevskis
Board member

November 29, 2019

Interim consolidated statement of financial position

ASSETS	30.09.2019	31.12.2018
	EUR '000	EUR '000
NON-CURRENT ASSETS		
Intangible assets		
Goodwill	20 985	20 985
Patents	147	161
Pharmacy licenses and lease contracts	11 953	11 953
Other intangible assets	3 109	3 193
Intangible assets under development	320	284
Prepayments for intangible assets	36	43
TOTAL	36 550	36 619
Property, plant and equipment		
Land, buildings and constructions	19 124	20 249
Equipment and machinery	17 832	11 551
Other tangible assets	2 422	3 448
Leasehold investments	746	377
Construction in progress	3 786	6 299
Prepayments for property, plant and equipment	507	1 773
TOTAL	44 417	43 697
Right-of-use assets	7 467	-
Investment properties	3 469	3 492
Other non-current assets		
Investments in associated companies	615	603
Loans to management, employees and shareholders	227	187
Prepayments and deferred expenses	-	178
Other non-current assets	2	3
Deferred corporate income tax assets	11	12
TOTAL	855	983
TOTAL NON-CURRENT ASSETS	92 758	84 791
CURRENT ASSETS		
Inventories		
Raw materials	5 754	5 583
Work in progress	9 917	8 626
Finished goods and goods for resale	12 459	11 379
Prepayments for goods	552	206
TOTAL	28 682	25 794
Receivables and other current assets		
Trade receivables	26 367	29 281
Prepayments and deferred expenses	1 895	1 397
Other receivables	1 085	1 100
Corporate income tax	1 165	1 316
Loans to management, employees and shareholders	1 580	1 543
TOTAL	32 092	34 637
Cash	11 437	2 689
TOTAL CURRENT ASSETS	72 211	63 120
TOTAL ASSETS	164 969	147 911

The accompanying notes form an integral part of these financial statements.

For the Board of JSC Olainfarm:

(signature)

Lauris Macijevskis
Board member

November 29, 2019

Interim consolidated statement of financial position

EQUITY AND LIABILITIES		30.09.2019	31.12.2018
EQUITY		EUR '000	EUR '000
Share capital		19 719	19 719
Share premium		2 504	2 504
Reserves		47	(224)
Retained earnings:			
brought forward		81 670	72 348
for the period		19 198	10 731
	TOTAL EQUITY	123 138	105 078
LIABILITIES			
Non-current liabilities			
Loans from credit institutions		7 351	58
Lease liabilities		4 917	656
Other non-current loans		1 015	1 079
Deferred income		3 089	2 878
	TOTAL	16 372	4 671
Current liabilities			
Loans from credit institutions		8 071	22 892
Lease liabilities		2 418	344
Other loans		76	-
Trade and other payables		9 899	9 393
Prepayments received from customers		105	353
Taxes payable		1 314	1 218
Deferred income		589	386
Accrued liabilities		2 987	3 576
	TOTAL	25 459	38 162
	TOTAL LIABILITIES	41 831	42 833
TOTAL EQUITY AND LIABILITIES		164 969	147 911

The accompanying notes form an integral part of these financial statements.

For the Board of JSC Olainfarm:

(signature)

Lauris Macijevskis
Board member

November 29, 2019

Interim consolidated statement of cash flow

	01.01.2019 - 01.01.2018 - 30.09.2019	30.09.2018
	EUR '000	EUR '000
Cash flows to/from operating activities		
Profit before taxes	19 299	7 704
Adjustments for:		
Amortization and depreciation	6 310	5 179
Loss on sale/ disposal of non-current assets	1	223
Impairment of tangible, intangible assets and investment property	-	175
Decrease in allowances and accrued liabilities	(658)	(24)
Share of profit of an associate	(92)	(83)
Interest expenses	703	315
Interest income	(55)	(57)
Income from EU projects' funds	(499)	(701)
Unrealised (profit)/ loss from fluctuations of currency exchange rates	(592)	104
Operating cash flows before working capital changes	24 417	12 835
Increase in inventories	(2 885)	(2 197)
Decrease in receivables and prepaid expense	2 913	3 884
Increase/ (decrease) in payables and prepayments received	351	(780)
Cash generated from operations	24 796	13 742
Corporate income tax paid	(183)	(1 609)
Net cash flows from operating activities	24 613	12 133
Cash flows to/from investing activities		
Purchase of intangible assets and property, plant and equipment	(6 071)	(5 592)
Purchase of investment properties	(100)	(50)
Receipt of EU grants	916	349
Dividends received	80	80
Proceeds from sale of intangible assets and property, plant and equipment	124	295
Repayment of loans	23	103
Interest received	-	13
Loans granted	(61)	(66)
Net cash used in investing activities	(5 089)	(4 868)
Cash flows to/from financing activities		
Dividends paid	(1 409)	(1 409)
Borrowings and lease liabilities repaid	(17 629)	(7 243)
Interest paid	(711)	(315)
Proceeds from borrowings	8 822	2 639
Net cash used in financing activities	(10 927)	(6 328)
Change in cash	8 597	937
Net foreign exchange difference	151	(93)
Cash at the beginning of the year	2 689	3 158
Cash at the end of the reporting period	11 437	4 002

The accompanying notes form an integral part of these financial statements.

Interim consolidated statement of changes in equity

	Equity attributable to the equity holders of the Parent company					
	Share capital	Share premium	Reserves	Foreign currency translation reserve	Retained earnings	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance as at 31 December 2017	19 719	2 504	40	(114)	75 675	97 824
Change in accounting policy	-	-	-	-	(369)	(369)
Balance as at 1 January 2018	19 719	2 504	40	(114)	75 306	97 455
Profit for the reporting period	-	-	-	-	7 454	7 454
Other comprehensive income	-	-	-	(83)	-	(83)
Total comprehensive income	-	-	-	(83)	7 454	7 371
Dividends	-	-	-	-	(2 958)	(2 958)
Balance as at 30 September 2018	19 719	2 504	40	(197)	79 802	101 868
Balance as at 31 December 2018	19 719	2 504	40	(264)	83 079	105 078
Profit for the reporting period	-	-	-	-	19 198	19 198
Other comprehensive income	-	-	-	271	-	271
Total comprehensive income	-	-	-	271	19 198	19 469
Dividends	-	-	-	-	(1 409)	(1 409)
Balance as at 30 September 2019	19 719	2 504	40	7	100 868	123 138

The accompanying notes form an integral part of these financial statements.

Notes to the interim condensed consolidated financial statements

1. Corporate information

The principal activities of Olainfarm Group (hereinafter, the Group) are manufacturing and distribution of chemical and pharmaceutical products. The Parent Company of the Group, JSC Olainfarm (hereinafter, the Parent Company) was registered with the Republic of Latvia Enterprise Register on 10 June 1991 (re-registered on 27 March 1997) and with the Republic of Latvia Commercial Register on 4 August 2004. The shares of the Parent Company are listed on Riga Stock Exchange, Latvia.

These unaudited interim condensed consolidated financial statements (hereinafter – the interim financial statements) were approved by the Management Board on 29 November 2019.

2. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The interim condensed consolidated financial statements for nine months ended 30 September 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2018.

The interim financial statements are presented in euro (EUR), the monetary unit of the Republic of Latvia, and rounded to the nearest thousand (EUR '000 or thsd. EUR).

The interim financial statements comprise the financial statements of the Parent Company and all its subsidiaries as at 30 September 2019.

Changes in accounting policy and disclosures

The accounting policies are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018. The Group has adopted new and amended IFRSs and IFRICs effective for annual periods beginning on 1 January 2019. No impact on the interim financial statements of the Group is identified except as described below.

Adoption of IFRS 16 Leases:

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right of use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. IFRS 16 introduces a single lessee accounting model. Lessees are required to recognize: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

The Group has adopted IFRS 16 from 1 January 2019. The Group has applied the simplified transitional approach and has not restated comparative amounts for the year prior to first adoption. The adjustments arising from the new leasing rules are therefore recognized in the balance sheet on 1 January 2019. Right-of-use assets are measured at the amount of the lease liability on adoption (adjusted for any prepaid lease expenses). Impact on the statement of financial position as at 1 January 2019:

Assets:

- Right-of-use assets – increase by 7 576 thsd EUR
- Other tangible assets – decrease by 919 thsd EUR
- Deferred expenses – decrease by 190 thsd EUR

Liabilities:

- Lease liabilities – increase by 6 467 thsd EUR.

The Group has not early applied the IFRS and IFRIC interpretations that have been issued as of the date of authorization of these financial statements for issue, but which are not yet effective. The Group plans to adopt these standards and interpretations on their effectiveness dates provided they are endorsed by the EU.

3. Impairments

Goodwill is tested for impairment annually and when circumstances indicate the carrying value may be impaired. Goodwill acquired through business combinations has been allocated to the following cash generating units (CGU): Pharmacy CGU (all pharmacy retail entities), Silvanols CGU, Tonus Elast CGU (Tonus Elast and Elast Mediki), Biotest CGU, Diamed CGU, Olainmed CGU and Other CGU. Premises lease agreements and licenses are fully related to Pharmacy CGU.

The recoverable amount of each CGU is determined based on a value in use calculation using cash flow projections from financial budgets approved by the management of the Group. Applying the same key assumptions in value in use calculation as for the latest year end testing, management has not identified circumstances that indicate the carrying value of CGUs related goodwill, premises lease agreements and licenses may be materially impaired at the date of these interim financial statements.

4. Property, plant and equipment

During the reporting period the investments of 1 801 thsd. EUR are provided under the EU co-financed project Implementation of Experimental Technology for Production of New Products of JSC Olainfarm. The investments made are fully financed from cash flows of the company.

Construction of the new production unit No.44a was completed with total investments of 1 851 thsd. EUR. During the reporting period investments in equipment of the new production unit were made in amount of 472 thsd. EUR, total amount of investments in equipment is approximately 2 million EUR. It is planned to put the new production unit No.44a into operation till the end of the year 2019.

During the reporting period the investments of 486 thsd. EUR are provided under the EU co-financed project Pre-clinical and clinical trials. The investments made are fully financed from cash flows of the company.

There were no other significant investments made for property, plant and equipment, also no material disposals or write-offs were performed.

5. Loans from credit institutions

In August, JSC Olainfarm and financial partner the bank BlueOrange have concluded an agreement on refinancing existing loan liabilities. The loan will total EUR 10.5 million with a five year term, of which 8 632 thousand EUR are redirected to fulfil historical liabilities to ABLV Bank JSC under liquidation and the remainder will be invested in upgrading of JSC Olainfarm cooling station and its engineering systems to reduce greenhouse gas emissions. This project is implemented with co-funding from the European Union structural funds.

6. Related party disclosures

Related party	Type of services		Goods and services	Goods, services and	Amounts owed	Amounts owed
			delivered to/ Loans issued to related parties	loans received from related parties	by related parties (gross)	to related parties (gross)
			EUR '000	EUR '000	EUR '000	EUR '000
1. Associated entities						
SIA Olainfarm enerģija (AS Olainfarm share 50%)	Loan, services, energy production	31.12.2018 30.09.2019	53 35	393 289	5 5	53 -
		TOTAL: 31.12.2018	53	393	5	53
		TOTAL: 30.09.2019	35	289	5	-
2. Key management personnel						
Other management personnel	Study loan	31.12.2018 30.09.2019	11 11	- -	11 23	- -
		TOTAL: 31.12.2018	11	-	11	-
		TOTAL: 30.09.2019	11	-	23	-
3. Parties with significant influence						
SIA Olmafarm (shareholder)	Loan and other services	31.12.2018 30.09.2019	1 -	1 005 10	- -	1 005 1 015
Heirs of V. Maligins	Loan and travelling services	31.12.2018 30.09.2019	62 50	16 21	1 944 1 994	74 77
		TOTAL: 31.12.2018	63	1 021	1 944	1 079
		TOTAL: 30.09.2019	50	31	1 994	1 092
4. Other Related companies						
SIA Vega MS (Heirs of V.Maligins share 59.99%)	Security services, windows production	31.12.2018 30.09.2019	- -	545 361	- -	- 3
SIA Lano Serviss (Heirs of V.Maligins share 25%)	Dry cleaning and other services	31.12.2018 30.09.2019	12 8	37 29	1 1	3 3
SIA Olfa Press (Heirs of V.Maligins share 47.5%)	Printing and other services	31.12.2018 30.09.2019	56 41	1 380 1 122	5 5	143 212
SIA Egotrashcinema (Heirs of V.Maligins share 40%, E.Maligina share 60%) Liquidation - 13.02.2019	Travelling and other services	31.12.2018 30.09.2019	- -	- -	25 -	- -
		TOTAL: 31.12.2018	68	1 962	31	146
		TOTAL: 30.09.2019	49	1 512	6	218

7. Segment information

	Medicine Production	Wholesale	Retail	Compression Materials	Other segments	Total segments	Unallocated and eliminated	Consolidated
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Revenue								
External customers								
9M 2019	61 374	3 897	18 641	6 444	8 418	98 774	-	98 774
9M 2018	54 026	4 148	17 470	6 810	7 051	89 505	-	89 505
Inter-segment								
9M 2019	495	8 921	178	2 419	670	12 683	(12 683)	-
9M 2018	451	8 473	211	2 318	1 634	13 087	(13 087)	-
Total revenue								
9M 2019	61 869	12 818	18 819	8 863	9 088	111 457	(12 683)	98 774
9M 2018	54 477	12 621	17 681	9 128	8 685	102 592	(13 087)	89 505
Segment profit before tax								
9M 2019	14 127	1 287	790	802	647	17 653	1 646	19 299
9M 2018	4 878	1 273	179	1 041	902	8 273	(569)	7 704
Assets								
30.09.2019	86 647	4 902	31 479	18 778	12 916	154 722	10 247	164 969
31.12.2018	82 261	5 027	27 942	18 132	10 445	143 807	4 104	147 911
Liabilities								
30.09.2019	15 398	2 432	8 142	4 327	4 513	34 812	7 019	41 831
31.12.2018	13 031	2 575	5 063	4 403	2 816	27 888	14 945	42 833
Capital expenditure								
9M 2019	9 216	11	331	25	644	10 227	146	10 373
9M 2018	3 308	15	120	736	75	4 254	101	4 355

Reconciliation of profit

	9M 2019	9M 2018
	EUR '000	EUR '000
Segment profit before tax	17 653	8 273
Unallocated financial income	1 908	140
Unallocated financial expenses	(619)	(1 682)
Other unallocated income and expense	1 480	2 440
Inter-segment elimination	(1 123)	(1 467)
Profit before tax	19 299	7 704

Reconciliation of assets

	30.09.2019	31.12.2018
	EUR '000	EUR '000
Assets of segments in total	154 722	143 807
Unallocated long term assets and eliminations	6 519	7 049
Unallocated short term assets and eliminations	(5 509)	(4 682)
Cash managed on group level	9 237	1 737
Total assets	164 969	147 911

Reconciliation of Liabilities

	30.09.2019	31.12.2018
	EUR '000	EUR '000
Liabilities of segments in total	34 812	27 888
Interest bearing loans and borrowings	14 851	21 497
Current tax liabilities	72	67
Other unallocated liabilities and eliminations	(7 904)	(6 619)
Total liabilities	41 831	42 833

8. Dividends

On June 17, 2019 the General Meeting of Shareholders of JSC Olainfarm decided to pay dividends to shareholders in amount of 1 409 thsd. EUR (0.10 EUR per share) from the year 2018 profit, arranging dividends payout in the third quarter 2019. Dividends payout was processed on 31 July, 2019.

9. Events after the reporting period

Details of events after the reporting period end are described in Management report accompanying these interim financial statements. After the reporting period end there have been no other events requiring adjustment of or disclosure in these interim financial statements.