



UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2021

Prepared in accordance with the requirements of the
international financial reporting standards
as adopted by the European Union

Olaine, 2021



FORWARD
WITH THE
NEW STRATEGY
2020-2025

Olainfarm Group

JSC Olainfarm is the leading manufacturer in the chemical and pharmaceutical sector of the Baltic States with more than 45 years of experience. Portfolio contains over 60 FDFs, 25 APIs and more than 20 Intermediates.

The key areas of specialization in FDFs include neurology, cardiology, infectiology and allergology. JSC Olainfarm has a long-standing technological and know-how advantage in adamantane, quinuclidine and nitrofurans chemistry.

JSC Olainfarm is licensed manufacturer of chemical and pharmaceutical products, endowed with modern technologies and certified in accordance with the requirements of the EU and Russia' Good Manufacturing Practice, ISO 14001:2015 Environmental Management System, in certain categories - in accordance with the U.S. standards (FDA), Australian standards (TGA), Japan standards (PMDA).



CORPORATE MISSION:

We improve customers' lives and create value to our organization by providing sustainable healthcare products and services leveraging on our manufacturing and commercial expertise.

VISION:

By the year 2025 we are the TOP 10 CEE manufacturing company sustainably delivering healthcare products and services in specific therapeutic areas in CEE, CIS and beyond.

Corporate information

	Joint stock company OLAINFARM
Information on Parent company of the Group	Manufacturing and distribution of chemical and pharmaceutical products Unified registration number: 40003007246 Registration: Riga, 10 June 1991 (re-registered on 27 March 1997) Address: Rūpnīcu iela 5, Olaine, Latvia, LV-2114
Largest subsidiaries (100%)	SIA Latvijas Aptieka – pharmacy chain SIA Silvanols – Latvian food supplement company SIA Tonus Elast – producer of elastic and compression medical products
Financial year	1 January – 31 December 2021
Interim reporting period	1 January – 31 March 2021

Corporate Governance

SUPERVISORY COUNCIL

(Elected for the term from 1 April 2019 to 31 March 2024)

Gundars Bērziņš Chairman of the Supervisory Council	Positions held in other companies: none Shareholding in other companies: SIA MeadowMe (99.96 %)
Jānis Buks Deputy chairman of the Supervisory Council	Positions held in other companies: SIA JV Holdings, Board member AS Spring Holding, Board member SIA LNK Asset Management AIFP, Chairman of the board AS Latvijas balzams, Member of the supervisory council SIA IJ birojs, Board member (from 1 April 2021) Shareholding in other companies: SIA JV Holdings (50 %) SIA IJ birojs (100 % from 23 March 2021)
Kārlis Krastiņš Deputy chairman of the Supervisory Council (change of position on 22 September 2020) Member of the Supervisory Council (from 1 April 2019 to 22 September 2020)	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 Shareholding in other companies: SIA Xiexie (100 %) SIA Prudentia Advisers (44.49 %) AS Prudentia (18.63 %) SIA Prudentia Private Equity Partners (100 %)
Haralds Velmers Member of the Supervisory Council	Positions held in other companies: SIA VH Invest, Board member S.R.O. VH Latvia Invest, Board member (from 13 July 2020) Shareholding in other companies: SIA Compdor (7.73 %) SIA Nami un būves (40 %) SIA VH Invest (100 %)
Andrejs Saveljevs Member of the Supervisory Council	Positions held in other companies: SIA B28, Board member Shareholding in other companies: SIA RAAP (45 %) SIA Dzīvokļu īpašumi (16.67 %)

AUDIT COMMITTEE

(Elected for the term from 1 April 2019 to 31 March 2021)

Members	Agris Auce - Chairman of the Audit Committee Kārlis Krastiņš - Member of the Audit Committee, Deputy chairman of the Supervisory Council Viesturs Gurtlavs - Member of the Audit Committee
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REMUNERATION COMMITTEE

(Elected for the term from 12 November 2020 until term of the Council)

Members	Gundars Bērziņš - Chairman of the Remuneration committee, Chairman of the Supervisory Council Agris Auce - Member of the Remuneration Committee Jānis Buks - Member of the Remuneration Committee, Deputy chairman of the Supervisory Council Haralds Velmers - Member of the Remuneration Committee, Member of the Supervisory Council Evita Osīte - Member of the Remuneration Committee
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MANAGEMENT BOARD

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

**Jeroen Hidde Weites**

Chairman of the Management Board
Since 28 November 2019

**Elena Bushberg**

Board member
Since 5 December 2019

**Signe Baldere-Sildedze**

Board member
Since 4 April 2019

**Raimonds Terentjevs**

Board member
Since 28 December 2017

CHANGES IN THE MANAGEMENT BOARD

Milana Beļeviča

Board member until 29 April 2021

Zane Kotāne

Board member until 19 May 2021

Shares and Shareholders

Share capital of JSC Olainfarm consists of 14 085 078 ordinary shares, which are booked in Nasdaq CSD depository and are listed on the Nasdaq Riga Baltic Main List. All shares have equal rights and each share has one voting right respectively. In the reporting period the total number of shares has not changed. The company does not own any treasury shares and no share buyback program has been approved.

ISIN	LV0000100501
Exchange Code	OLF1R
List	Riga, Baltic Official List
Nominal Value	1.40 EUR

Total shares	14 085 078
Shares on public quotation	14 085 078

Source: Nasdaq Riga

TRADING

During three months of 2021 JSC Olainfarm average share price was EUR 7.31 per 1 share and traded in a range of EUR 7.02 to 7.62 per share. During this period 2 681 transactions with 195 022 shares with total value of EUR 1 422 355.90 took place.

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

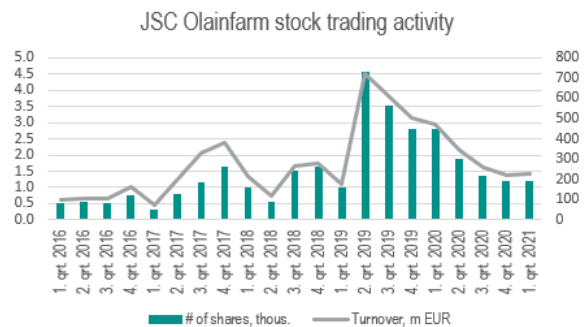


During the last 12 months until end of the reporting period OMX Riga gross index increased by 22.81 % and the share price of JSC Olainfarm increased by 21.21 %.

The next chart shows share price of JSC Olainfarm on the Nasdaq Riga stock exchange relative to OMX Riga gross index over the last 12 months until the end of the reporting period.



During the first quarter of 2021, more than 195 thousand shares of JSC Olainfarm, with a total value of EUR 1.4 million, were traded on Nasdaq Riga. Compared to the same period in 2020, the number of traded shares was lower by 56 %, while traded value was lower by 52 %.



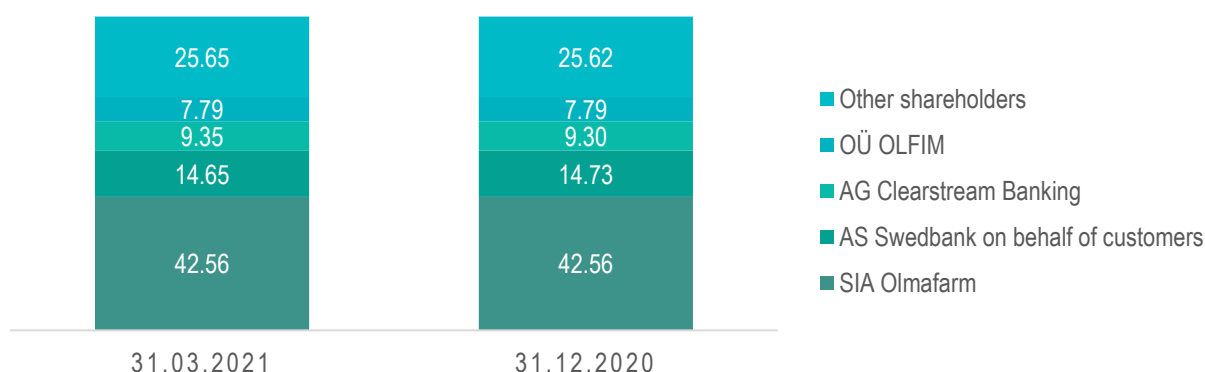
RESULTS OF SHARE TRADING

	2021 (3 months)	2020	2019
Share price (EUR):			
The first	7.24	7.30	6.70
Highest	7.62	7.32	7.25
Lowest	7.02	5.36	6.50
Average	7.31	6.74	6.93
The last	7.20	5.94	6.55
Changes (between the first and the last price)	0.60	1.96	0.75
Number of transactions	2 681	2 898	796
Shares traded	195 022	447 436	156 798
Turnover (mil. EUR)	1.42	2.94	1.09
Capitalization (mil. EUR)	101.41	83.67	92.26

SHAREHOLDER STRUCTURE AND LARGEST SHAREHOLDERS

As of 31.03.2021 JSC Olainfarm had 1 854 shareholders, incl. nominal account holders. Investors from the Baltic States comprised 97% of total number of shareholders, the most represented are Latvian residents, Estonian and Lithuanian investors hold the second and the third place respectively.

THE LARGEST SHAREHOLDERS, % OF TOTAL SHARES



JSC OLAINFARM SHARES OWNED BY THE GOVERNANCE STRUCTURE (31 MARCH 2021)

Management Board

Chairman of the Board	Jeroen Hidde Weites	None
Board member	Elena Bushberg	None
Board member	Raimonds Terentjevs	None
Board member	Signe Baldere-Sildedze	directly: 297 manages 1 097 026 shares of JSC Olainfarm as a natural guardian of the minor shareholder Anna Emīlija Maligina
Board member	Zane Kotāne	None
Board member	Milana Beļviča	None

Supervisory Council

Chairman of the Supervisory Council	Gundars Bērziņš	3
Deputy Chairman the Supervisory Council	Jānis Buks	None
Deputy Chairman the Supervisory Council	Kārlis Krastiņš	None
Member of the Supervisory Council	Haralds Velmers	None
Member of the Supervisory Council	Andrejs Saveljevs	None

Management Report

OPERATING ENVIRONMENT

In Q1 2021, the Group's business environment was still affected by the Covid-19 pandemic: restrictions introduced, shrinking revenues, falling demand. It challenged the Group to work actively in achieving the defined targets and moving forward under an approved long-term strategy plan.

The group successfully provides continuous supplies of goods in all operating markets. In the reporting quarter, the group's sales volume amounted to 33 499 thousand EUR, exceeding the 2020 figure by 3%.

Consumers' behavior in March 2020 was affected by stress and fear of impending COVID-19 pandemic and lockdowns. As a result, Q1 2020 sales of medicines from pharmacies to consumers in many countries were driven by abnormally high March results when consumers made reserves of OTC medicines at home. Now OTC medicines demonstrated decline in Q1 2021 vs. Q1 2020 pushing overall retail pharmaceutical market growth indicators in volume to the strongest decline in the last 7 quarters.

Besides, it was noted a continued depreciation of local currency in Russia, Belorussia, Central Asia and Caucasus and inflation for medicine prices in those countries where prices are not controlled in 2020. The cumulated depreciation of local currencies affected pharmaceutical markets growth indicators in euro value and decline is even more substantial than in volume. Among all countries of Olainfarm presence only Uzbekistan pharmaceutical market demonstrated stable growth in medicines consumption in Q1 2021.

In contrast to declining pharmaceutical markets Olainfarm medicines continued growing and gaining market share in Q1 with remarkably good performance in Ukraine, Uzbekistan, Latvia, Kazakhstan, Georgia, and Russia. One of the reasons for growth is successful implementation of the new business model in Ukraine, Russia, and Kazakhstan and professional and well-established marketing team in Latvia. Despite weak OTC market results in Q1 2021, Olainfarm products have shown strong demand due to product mix, brand recognition and renewed marketing strategy.

One of the most important markets is Russia. In the reporting quarter, the volume of sales of Parent company in Russia amounts to an excess of 4 598 thousand EUR or 123% increase against the previous year' ratio. A part of this growth is attributed to phasing of shipments to Russia between Q4 2019 and Q1 2020 due to the announced serialization.

Group subsidiary in Russia is actively operating, proceeding with established robust digital communication channels,

created patient support programs for anxiety discussions, and developed educational platform for healthcare professionals. The survey on the Russian medicinal product market shows the effectiveness of the Group's foreign markets strategy – awareness of the Group's brands has increased, thus providing a solid basis for further development.

Group's net profit for the reporting period reached 5 149 thousand EUR, representing an increase of 3 036 thousand EUR or 144% against the previous year' figure.

Major impact on Group' net profit deviation between the 1st quarter 2021 and same period of prior year comes from exchange rate fluctuations. It positively affected the results in the reporting period, but in turn, there have been significant losses in the 1st quarter 2020 (the drop of the value of Russian ruble against euro was 24% in the 1st quarter of previous year). JSC Olainfarm is using risk mitigation tools according to Financial Risk Management Policy to mitigate the risks related to operations in Russian rubles in the reporting year.

In January 2021 JSC Olainfarm has passed a routine post-monitoring audit in the field of environmental management in order to obtain the ISO 14001 standard certificate for the environmental management system. Thus, in line with its 2020-2025 strategy, the company promotes efficient use of energy resources and cares about reducing the environmental impact from its economic activities. The implementation of this project provides the contribution of JSC Olainfarm to the green economy and climate neutrality programmes.

In 2021, work has started on the project for upgrading the plant's waste water treatment system - prepared and approved technical task for the development of a technology project for waste water treatment equipment. The aim of this project is to set up a new, fully automated, closed-type sewage treatment system technology in Olaine, Rupnicu street 5.

An ambitious business development process has been launched in 2020, focusing on improving corporate governance, renewing the product portfolio and providing a comprehensive modernization of the company.

Covid-19 pandemic restrictions and economic consequences significantly influenced the possibilities of the Group to realize planned investment receiving and expenditure in the reporting period, and partly to postpone it to later periods.

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

THE IMPACT OF COVID-19

During the reporting period, the Group continued to secure the precautionary measures in the production premises, the administration and sales structures, ensured organizational and hygiene requirements, the possibility of carrying out work duties remotely, providing informational and other activities.

The first vaccination round for employees of JSC Olainfarm has been completed. JSC Olainfarm intends to use the national vaccination programme provided to collective workers and calls on its employees to act responsibly in order to take care of health and safety during the pandemic. SIA "Klīnika DiaMed" and SIA "Olainmed" have engaged in vaccination of Latvian residents against Covid-19, setting up vaccination points in Riga and Olaine.

Several of the Group companies used the opportunity provided by the Latvian State to receive financial support for Covid-19 crisis mitigation and the motivation of medical personnel. In total, in the 1st quarter of 2021, the Group companies have received Latvian State financial support amounting to EUR 85 thousand.

Pandemic penetration left impact on Group subsidiaries' results. A significant reduction in demand in retail sales was caused by legislative restrictions on the organizational procedures for physical visits and trading areas in ambulatory institutions, shopping centers.

Largest changes in demand were experienced by the compression product segment, which carries products meant to be used after performing medical manipulations.

Significant impact comes from the drop in demand for the leading product category in health-enhancing – products for treatment of cold symptoms. Cold and Cough markets are declining across all countries driven by COVID-19 constraints and low acute respiratory viral infection (ARVI) incidence in 2021. In the vast majority of countries demand for cough and cold products significantly decreased due to mask wearing control. In addition the focus in OTC and food supplements consumption is at vitamin D, immune supporting vitamins, and antivirals.

FINANCIAL RESULTS

Reported financial and alternative performance measure indicators represent main criteria used for information and performance analysis purposes and are presented or calculated based on the data disclosed in the Financial Statements and in the stock exchange www.nasdaqbaltic.com under ticker OLF1R. Neither the Parent Company or the Group has set the specific targets of the above indicators except for the Net revenue and the Net profit as the operating plan of the Parent Company and the Group for the reporting year. Information presented in this management report on sales by markets of the Group and sales by products of the Parent Company are direct components of the Net revenue providing additional dimension of the Net revenue for the performance of the reporting year as well as for the risk analysis purposes with comparative information described only in case of material changes.

Financial indicator for the period	01.01.2021 - 31.03.2021	% to prior period	01.01.2020 -	01.01.2019 -
			31.03.2020	31.03.2019
			(restated)	(restated)
Sales, EUR '000	33 499	103 %	32 393	34 745
Net Profit, EUR '000	5 149	244 %	2 113	8 260
EBITDA, EUR '000	7 226	84 %	8 629	8 961
EBIT, EUR '000	4 897	77 %	6 335	6 925
Gross margin	56.5 %		56.8%	61.2 %
EBITDA margin	21.6 %		26.6%	25.8 %
EBIT margin	14.6 %		19.6%	19.9 %
Net margin	15.4 %		6.5%	23.8 %
EPS, EUR	0.37	247 %	0.15	0.59
Financial indicator at the end of reporting period	31.03.2021	% to prior period	31.03.2020 (restated)	31.03.2019
Current ratio	3.2		3.1	1.9
Share price at period end, EUR	7.20	121 %	5.94	6.55
Market capitalization, EUR '000	101 413	121 %	83 665	92 257
P/B	0.8		0.6	0.8

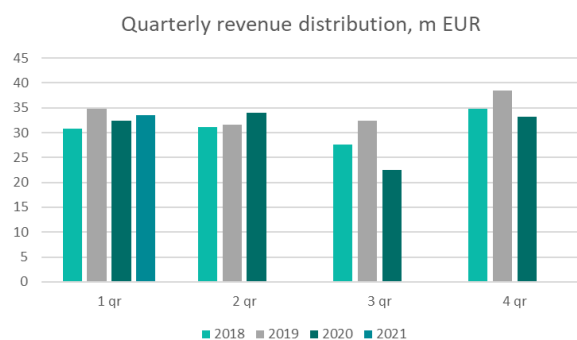
Financial indicator for 12 months until the end of reporting date	01.04.2020 - 31.03.2021 (restated)	% to prior period	01.04.2019 - 31.03.2020 (restated)	01.04.2018 - 31.03.2019 (restated)
Sales, EUR '000	123 263	91 %	134 867	128 212
Net profit, EUR '000	12 514	78 %	16 116	15 877
EBITDA, EUR '000	23 458	79 %	29 627	24 420
DSCR	3.1		3.0	3.2
Net Debt-to-EBITDA	-0.3		-	0.81
ROA	7.1 %		9.7 %	10.3 %
ROE	9.3 %		1.7 %	7.7 %
P/E	8.1		5.19	5.81

*Explanations of the formulas are given on page 16

Additional data for EBITDA calculation	01.01.2021 - 31.03.2021	% to prior period	01.01.2020 - 31.03.2020	01.01.2019 - 31.03.2019
Depreciation:	2 329	102 %	2 294	2 036
Intangible assets	221	124 %	178	171
Fixed assets	1 634	97 %	1 678	1 481
Rights-of-use assets	465	109 %	425	375
Investment properties	9	100 %	9	9
Value impairments:	-		4	-
Intangible assets	-		-	-
Fixed assets	-		4	-
Investment properties	-		-	-

During three months of 2021 the Group's sales reached EUR 33 499 thousand, which is 3% increase to same period of last year. Gross profit was EUR 18 911 thousand, which shows increase by 524 thousand EUR or 2.8% compared to same time period last year. Gross profit margin in reporting period is 56.5 %, which is 0.3 p.p. drop compared to 56.8 % reached same period last year.

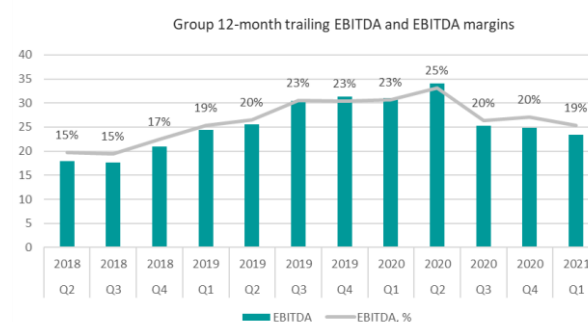
The chart below presents quarterly revenue distribution - this financial indicator allows to even out the impact of one-off events over several quarters and is more appropriate as a long-term trend indicator.



The Group's EBITDA figure for three months 2021 was EUR 7 226 thousand, which is 16 % or EUR 1 403 thousand

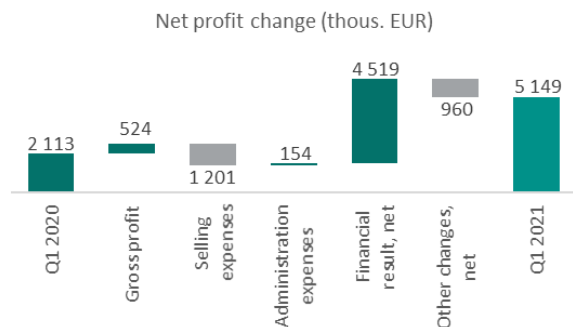
EUR less than the result of the same period of 2020. EBITDA margin of the Group is 21.6 %.

In the last 12 months the Group's EBITDA was EUR 23 458 thousand and EBITDA margin was 19 %.



The most significant impact on the 1st quarter 2021 year-on-year net profit change is coming from exchange rate fluctuations. The reporting period shows positive result, in turn the results for the 1st quarter 2020 present significant losses (a drop of value of the Russian ruble against euro is 24% in the 1st quarter of 2020).

Increase in selling expenses against same period of the previous year is mainly related to activation of business operations of Group subsidiary in Russia and affiliate in Ukraine, realizing marketing activities.



In 2021, JSC Olainfarm Parent Company expects net turnover in amount of 101 million EUR, while Groups Consolidated revenues planned to be 140 million EUR (14% growth against Group result in 2020). JSC Olainfarm Parent Company expects to achieve 6.5 million net profit in 2021, while the Group’s planned net consolidated profit is planned at 8.6 million EUR level.

MARKETS

In 2021, the Group continued its ongoing activity in major markets. The highest sales in three months in 2021 was in Latvia, reaching 10 071 thousand EUR, which is 1 446 thousand EUR or 13% less than the same period year ago. Latvia sales represent 30% in Group revenues.

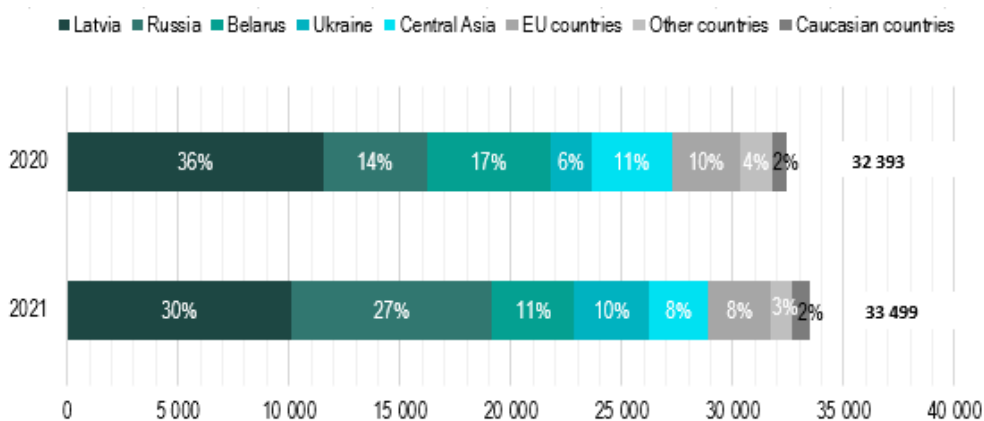
Sales in Russia for the three months period in 2021 amount to 9 081 thousand EUR which is increase by 4 411 thousand EUR or 94% compared to the last year. Group subsidiary in Russia is actively operating, proceeding with established robust digital communication channels, created patient support programs for anxiety discussions, and developed educational platform for healthcare professionals. A part of this growth vs. Q1 2020 is also attributed to phasing of shipments to Russia between Q4 2019 and Q1 2020 due to the announced serialization.

Sales results in Belarus result to 1 891 thousand EUR or 34% decrease against last year’s results. The decline in demand in Belarus is closely linked to the political and economic crisis, the fall in the value of the Belarusian ruble against euro, as well as the application of a 10% value added tax on medicines starting in February 2021.

Performance in Ukraine is 1 531 thousand EUR or 84% increase compared to previous year with total sales 3 360 thousand EUR due to activation of affiliate’s marketing activities since Q4 2020.

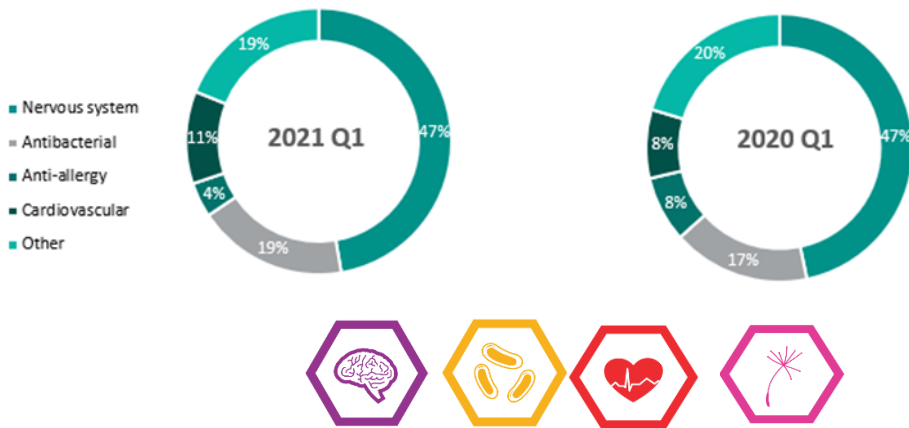
Central Asia’ region shows 952 thousand EUR or 26% decrease in sales compared to same period of the previous year. One of the reason for decline is delay with price approvals in Kazakhstan by local regulators for many market players including Olainfarm.

Group sales in major markets during three months of 2021 and the comparison with 2020 resulted in the following turnover breakdown:

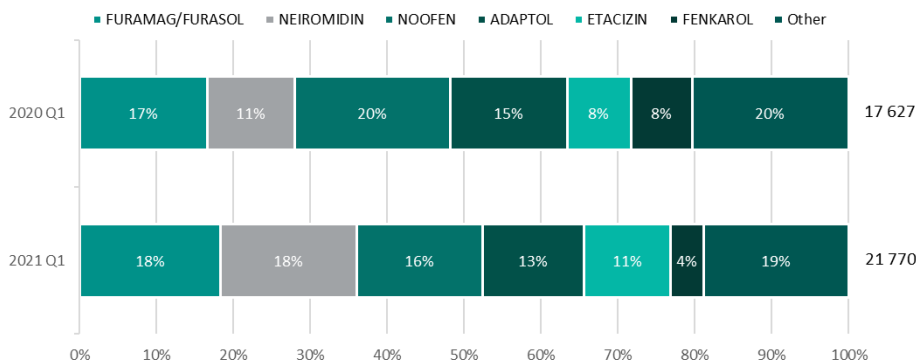


PRODUCTS

In 2021, the Group continued the marketing and development of primary therapeutic area medicinal products. The most important therapeutic areas for the Group are medicine for health of nervous system, antibacterial medicine, medicine for cardiovascular health and anti-allergy medicine. Despite decline in all therapeutical categories across all markets, the top brands in neurology, cardiology, and anti-infectives outperform the market and gain market share in the relevant therapeutic categories.



The following chart shows JSC Olainfarm final dosage form sales of most demanded medicine in the 3 months period of 2021, compared to three months in 2020.



The most demanded products: Furamag/Furasol – antibacterial medicine, Neiomidin, Noofen, Adaptol - for health of nervous system, Etacizin – medicine for cardiovascular health, Fenkarol – anti-allergy medicine for children and adults.

In therapeutical areas the strongest decline in consumption was observed in antihistamins and antiarrhythmics categories. Despite weak OTC results in Q1 2021 in the main markets of the Group, Olainfarm products have shown strong demand due to product mix, brand recognition and renewed marketing strategy.

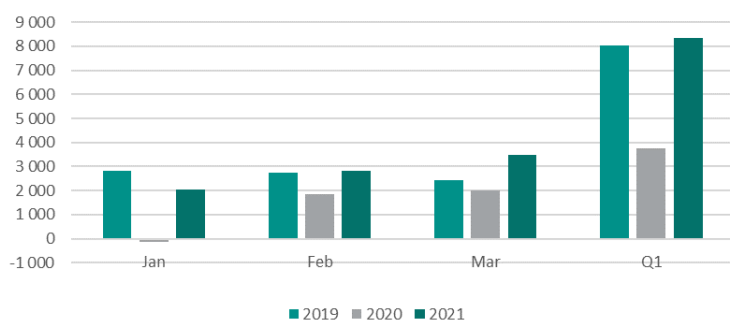
CNS franchise (Neiomidin, Adaptol, Noofen) driven by Neiomidin and Adaptol in Russia, Latvia, and Uzbekistan demonstrated growth by 2 124 thousand EUR. Increased days of therapy in neuropathia and post-COVID asthenia provided for demand for these products. Furamag is ahead of the last year by 922 thousand EUR driven by performance in Russia, Ukraine, Kazakhstan, and Georgia. Etacizin is above prior year Q1 by 985 thousand EUR.

Strong performance of Fenkarol in Armenia and Uzbekistan could not compensate significant decline in other countries, Fenkarol declined by 539 thousand EUR. This is due to the fact, that in the vast majority of countries allergy season is either delayed or significantly decreased its demonstration, many consumers continue wearing masks.

RUSSIA MARKET IN 1ST QUARTER OF 2021

Group's sales in Russia in the 1st quarter of 2021 significantly higher than same ratio from the previous year, reaching EUR 9 081 thousand, which is increase of EUR 4 411 thousand. Parent company's sales in Russia reached EUR 8 344 thousand, which is increase of EUR 4 598 thousand. Group subsidiary in Russia is actively operating, proceeding with established robust digital communication channels, created patient support programs for anxiety discussions, and developed educational platform for healthcare professionals. A part of this growth vs. Q1 2020 is also attributed to phasing of shipments to Russia between Q4 2019 and Q1 2020 due to the announced serialization.

Olainfarm Parent company Sales in Russia, th EUR



The change in the value of the Russian ruble against the euro is -3%, from 85.9 per euro at the end of Q1 2020 to 88.3 per euro at the end of Q1 2021. According to JSC Olainfarm Financial Risk Management Policy, the purpose of currency risk management is to mitigate the currency risk to significant expected cash flows in foreign currency, which may cause significant cash flow and revenue risks. JSC Olainfarm uses risk mitigation tools for transactions in Russian rubles.

EUR/RUB exchange rate



BUSINESS SEGMENTS

Group's companies manufacture a wide range of pharmaceutical and chemical products, food supplements, compression materials, cosmetic products, as well as provide medical services, offer retail of medicines in pharmacies as well as act as wholesalers for other manufacturers' medical products.

Main Group's segments operated with profit in three months of 2021. The largest profit before tax was generated by the medicine and chemical segment, which earned EUR 4 085 thousand, in wholesale the segment profit was EUR 407 thousand, retail (pharmacies) made EUR 231 thousand, and also in other segments the profit before tax reached EUR 246 thousand. The compression material segment generated a negative profit before tax of EUR 72 thousand.

Medicine production segment

The main business segment is Medicine production segment. Final dosage forms are manufactured by the Parent company in Olaine. In addition, the Parent company manufactures chemical components that are sold to other pharmaceutical companies covering a wide geographical area. In three months of 2021, segment' sales worth EUR 21 525 thousand, which is 21 % or EUR 3 719 thousand increase if compared to the same time period of 2020 (mainly prescription products). This segment's share in the Group's total revenue in the reporting period reached 64 %, which is 9 % increase vs. prior year indicator.

Retail segment

Within the Group, SIA Latvijas Aptieka manages and develops pharmacies in Latvia where the Pharmacy segment in three months of 2021 show a revenue decrease by 8 % compared to the same time period of 2020 and reached EUR 6 815 thousand. This segment's share in the Group's total revenue during the reporting period decreased to 20 % (-3 p.p.) compared to the same time period of 2020.

Compression materials

Group's company SIA Tonus Elast manufactures a wide range of compression materials and sells products in Latvia and abroad. Revenue of this segment in three months of 2021 was EUR 1 775 thousand that is a decrease by 9 % than the year before. This segment's share in the Group's total revenue in the reporting period was 5 % (-1 p.p.). In order to reduce the Russian market concentration risk and enable an increase in the sales of the products – the decision has been taken concerning diversification of the markets in the European Union and other Western countries. For this purpose an extensive work has begun on changing the Company's image, revising and restructuring the product

INVESTMENTS AND DEVELOPMENT (R&D)

In January 2021 the implementation and audit of AS Olainfarm "Experimental Technology" project for the production of new products was successfully completed. As part of the project, 253 components of the experimental production line have been supplied and installed since 2017 for a total amount of EUR 6.4 million.

On February 28, 2021, the implementation of the EU co-financed project "Reduction of greenhouse gas emissions by reconstruction of JSC "Olainfarm" cold station and its engineering system" was completed. Within the framework of the project, production workshop no. 6 reconstruction works, delivery and assembly of cold station technological equipment, and reconstruction works of the external cold nets of the cold station were realized.

During the reporting period, investments were made in the development of active pharmaceutical ingredients production technologies and in the development of new products - finished dosage forms, including the EU co-financed project "Active Pharmaceutical Ingredients Research" and the Investment and Development Agency of Latvia innovation voucher support service.

During the reporting period, investments were made in pre-clinical and clinical trials of medicines, including the implementation of the EU co-financed project "Pre-clinical and Clinical Trials of medicines".

In the 1st quarter of 2021, the planning of four Phase 3 clinical trials was performed and the necessary actions for the initiation of trials, which were planned to be started in 2021, in accordance with the limitations and risks related to the implementation of the Covid-19 pandemic.

portfolio, changing the design of the packaging, improving the Company's website and setting up an online shop.

Wholesale

Within the Group, the Parent company manages the wholesale of medical products since it has a medicine wholesale license, which allows to purchase products from other manufacturers and to deliver them to SIA Latvijas aptieka as well as other cooperation partners. Revenue of this segment in three months of 2021 was EUR 926 thousand, which is 54 % decrease compared to last year ratio.

Other

This segment combines SIA Silvanols, SIA DiaMed and SIA OlainMed medical facilities, the Belarussian manufacturing company NPK Biotest and others which generated EUR 2 458 thousand in revenue in three months of 2021 and is 23 % less than in the same period of 2020. This segment's share in the Group's total revenue during the reporting period was 7 % (-1 pp).

The investments made are fully financed from the Group's cash flow.

During the reporting period the investments mainly made in production, product development, IT and digitalization. Covid-19 pandemic restrictions and economic consequences significantly influenced the possibilities of the Group to realize planned investment receiving and expenditure, and partly to postpone it to the second half of 2021. Total realized CAPEX in first quarter of 2021 was only 36% from the budgeted amount.

JSC Olainfarm has been invited to participate in building a Covid-19 vaccine manufacturing plant in Latvia that could be established together with partners. The implementation of the project could also receive support from the state. It should be noted that this is a long-term project that is in the initial stage, therefore at present it is not possible to provide additional information on the impact on the financial results of JSC Olainfarm.



FINANCIAL AND LIQUIDITY MANAGEMENT

The Group's financial position during the 1st quarter of 2021 is stable. The Group's successful operations allowed it to accumulate EUR 24 004 thousand in cash at the end of March 2021. This is a significant precondition to limit the effect of uncertainty within the sales markets as well as allows to safeguard supply of raw materials in order to maintain stable operations. Also accumulated cash allows continued financing for fixed asset investments as well as investments into research and development activities linked to completing clinical trials.

The Group continues cooperation with AS SEB banka where the Group has available credit line facility and with AS BlueOrange Bank where it has a long-term loan. Full

repayment of the loan of EUR 2 million was made to AS SEB banka in March 2021.

With the aim to improving the efficiency of the Company's financial risk management, a "Financial Risk Management Policy" has been introduced at JSC "Olainfarm". Due to one of the company's major markets is Russia and trade with this market is operated in local currency, the Company uses risk mitigation tools to mitigate currency risks related to operations in rubles.

The Group's Debt service coverage ratio (DSCR) in three months of 2021 was 2,1. Net Debt-to-EBITDA ratio was negative -1.1 explained that cash balance exceeds net debt.

SOCIAL RESPONSIBILITY

On the safety and health of employees during THE COVID - 19 pandemic, AS Olainfarm provides a series of precautions to reduce the risk of infections and the spread of the virus in the workplace.

SIA "Klīnika DiaMed" and SIA "Olainmed" have engaged in vaccination of Latvian residents against Covid-19, setting up vaccination points in Riga and Olaine.

In the first quarter of 2021 JSC Olainfarm, as a long-term partner, continues to support the most celebrated event of the Latvian healthcare sector, the Annual Prize in Medicine.

"For a greener today" is the slogan with which JSC Olainfarm launches the renewed Cold Station and its engineering system in order to contribute to the reduction of the greenhouse gas emissions. More than EUR 2.7 million have been invested in the modernization of the Cold Station and its infrastructure, including co-financing from the European Cohesion Fund in the amount of EUR 700 thousand.

The group's mission is improving human health and quality of life, so since March 2021, AS Olainfarm called for participation in organized Mental Health Talks - free online events during which experts known in Latvia - doctors have spoken openly about different aspects of psychoemotional health. As part of the series of talks, experienced doctors-psychotherapists and neurologists answer viewers' questions and make practical recommendations to encourage emotional well-being.

JSC "Olainfarm" provided support to the television program "Two know better", during which experts and industry personalities will explain, in a way understandable to children, a variety of health-related issues, such as immunity, nervous system, colds, allergies, cardiovascular diseases, or vegetative dystonia.

EVENTS AFTER REPORTING DATE

On 28 April 2021 JSC Olainfarm Board has approved audited consolidated financial statements for 2020. Group net profit for 2020 amounted to EUR 9 478 thousand.

The Management Board of joint stock company Olainfarm based on the request of the shareholder SIA "OLMAFARM", registration number: 40003283699, legal address: Tērbatas iela 74A, Rīga, LV-1001, Latvia which represents: 42.56% from the Company's share capital, announced the Extraordinary Shareholder Meeting of JSC Olainfarm and notified that the Extraordinary Shareholder Meeting will take place on 17 June 2021 at 11.00 at the territory of the Company at Rupnicu street 5, Olaine, LV-2114, Latvia and using electronic means of communication. The Agenda of the meeting : 1) Recalling of the Supervisory Council and election of the new Supervisory Council; 2) Election of the Audit Committee. On 26 May 2021 based on request received from shareholder N.Saveljeva, who represents 7.79% of the Company's share capital, JSC Olainfarm Management Board has included additional items into agenda of Extraordinary Shareholder Meeting: 3) Approval of the Remuneration Policy for Council and Management board of the Joint Stock Company Olainfarm; 4) Annulment of the resolution of the meeting of shareholders; 5) Amendments of the Joint Stock Company Olainfarm Articles of Association, in Article 5; 6) Amendments of the Joint Stock Company Olainfarm Articles of Association, in Section 6.3.

At the request of OLFIM OÜ, registration number: 14601045, registered address: Harju maakond, Kuusalu vald, Pudisoo küla, Männimäe, 74626, Estonia, representing 7.79% of the share capital of Joint Stock Company Olainfarm JSC Olainfarm Management Board announced the extraordinary shareholder meeting of JSC Olainfarm and notified that the Extraordinary Shareholder Meeting

will take place on 18 June 2021 at 11.00 on the territory of JSC Olainfarm in Olaine, Rupnicu street 5, taking into account the national epidemiological security measures to limit the spread of Covid-19 infection. The agenda of the extraordinary shareholder meeting is the following: 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.

Since the end of the reporting period until the approval date of these financial statements there have been no other significant events with effect on the financial position or financial results of the Group as at the balance sheet date.

On behalf of the Management Board of JSC Olainfarm:

(signature)

Jeroen Hidde Weites
Chairman of the Management Board

May 28, 2021

DEFINITIONS

DSCR – EBITDA / Debt payments (Including Interest)

EBIT - Earnings before taxes and finance income, finance expense for the reporting period

EBITDA - Earnings before taxes and finance income, finance expense, depreciation and amortization, including impairment of non-financial assets, for the reporting period

FDA – US Food and Drug Administration standards

OTC – Over-the-counter drugs

P/E – Share Price / Net earnings per share

ROA – Net Profit / (Net assets at the beginning of the reporting period + Net assets at the end of the reporting period) / 2

ROE – Net Profit / (Equity value at the beginning of the reporting period + Equity value at the end of the reporting period) / 2

TGA – Australian Therapeutic Goods Administration standards

EBITDA margin – EBITDA / Net turnover

EBIT margin – EBIT / Net turnover

Net margin – Net earnings / Net turnover

EPS – Net earnings / End of period shares outstanding

Current ratio – Current Assets / Current Liabilities

Net Debt-to-EBITDA - (Short-term debt + Long-term debt – Cash and cash equivalents) / EBITDA

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.

On behalf of the Management Board of JSC Olainfarm:

(signature)

Jeroen Hidde Weites
Chairman of the Management Board

May 28, 2021

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

	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
	EUR '000	EUR '000
Revenue	33 499	32 393
Cost of goods sold	(14 588)	(14 006)
Gross profit	18 911	18 387
Selling expenses	(7 469)	(6 268)
Administrative expenses	(6 546)	(6 700)
Other operating income	863	699
Other operating expenses	(862)	202
Share of profit of an associate	-	15
Finance income	476	18
Finance expense	(158)	(4 219)
Profit before tax	5 215	2 134
Corporate income tax	(75)	(31)
Deferred corporate income tax	9	10
Profit for the reporting period	5 149	2 113
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	73	(490)
Other comprehensive income / (loss) for the reporting period, net of tax	73	(490)
Total comprehensive income for the reporting period, net of tax	5 222	1 623
Profit attributable to:		
The equity holders of the Parent company	5 149	2 113
Non-controlling interests	-	-
	5 149	2 113
Total comprehensive income attributable to:		
The equity holders of the Parent company	5 222	1 623
Non-controlling interests	-	-
	5 222	1 623
Basic and diluted earnings per share, EUR	0.37	0.15

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

On behalf of the Management Board of JSC Olainfarm:

(signature)

Jeroen Hidde Weites
Chairman of the Management Board

May 28, 2021

Interim consolidated statement of financial position

ASSETS	31.03.2021	31.12.2020 (restated)	31.12.2019 (restated)
	EUR '000	EUR '000	EUR '000
NON-CURRENT ASSETS			
Intangible assets	41 650	40 843	38 414
Property, plant and equipment	40 270	40 994	41 989
Right-of-use assets	7 900	7 198	7 069
Investment property	208	217	253
Other long-term investments			
Investments in associated companies	402	402	504
Loans to management, employees and shareholders	221	210	203
Other non-current assets	1	1	11
Deferred corporate income tax assets	115	104	64
TOTAL	739	717	782
TOTAL NON-CURRENT ASSETS	90 767	89 969	88 507
CURRENT ASSETS			
Inventories			
Raw materials	6 238	5 569	5 209
Work in progress	15 302	15 013	12 298
Finished goods and goods for sale	12 856	13 209	13 429
Prepayments for goods	569	659	658
TOTAL	34 965	34 450	31 594
Receivables and other current assets			
Trade receivables	24 938	20 572	31 280
Other current assets	1 548	930	1 383
Other receivables	3 869	1 751	975
Corporate income tax	4	721	919
Loans to management, employees and shareholders	1 701	1 688	1 610
Contract assets	957	655	519
TOTAL	33 017	26 317	36 686
Cash	24 004	24 451	15 230
TOTAL CURRENT ASSETS	91 986	85 218	83 510
TOTAL ASSETS	182 753	175 187	172 017

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

On behalf of the Management Board of JSC Olainfarm:

(signature)

Jeroen Hidde Weites
Chairman of the Management Board

May 28, 2021

Interim consolidated statement of financial position

EQUITY AND LIABILITIES	31.03.2021	31.12.2020 (restated)	31.12.2019 (restated)
EQUITY	EUR '000	EUR '000	EUR '000
Share capital	19 719	19 719	19 719
Share premium	2 504	2 504	2 504
Reserves	(639)	(712)	(12)
Retained earnings:			
brought forward	112 429	102 951	85 017
for the period	5 149	9 478	22 263
TOTAL EQUITY	139 162	133 940	129 491
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	5 830	6 401	7 004
Lease liabilities	5 807	5 359	5 173
Deferred income	4 009	3 923	3 194
Taxes payable	23	25	-
TOTAL	15 669	15 708	15 371
Current liabilities			
Loans from credit institutions	2 334	4 630	6 723
Lease liabilities	2 006	1 766	1 763
Other loans	-	-	1 082
Trade payables	10 952	10 248	9 896
Contract liabilities	867	730	479
Taxes payable	1 792	1 122	1 504
Deferred income	519	529	495
Accrued liabilities	9 452	6 514	5 213
TOTAL	27 922	25 539	27 155
TOTAL LIABILITIES	43 591	41 247	42 526
TOTAL EQUITY AND LIABILITIES	182 753	175 187	172 017

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

On behalf of the Management Board of JSC Olainfarm:

(signature)

Jeroen Hidde Weites
Chairman of the Management Board

May 28, 2021

Interim consolidated statement of cash flow

	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
	EUR '000	EUR '000
Cash flows from operating activities		
Profit before taxes	5 215	2 134
Adjustments for:		
Amortization and depreciation	2 329	2 290
Net (profit)/ loss on sale/ disposal of non-current assets	(153)	89
Increase/ (decrease) in provisions and accrued liabilities	2 938	(742)
Share of profit of an associate	-	(15)
Interest expenses	158	175
Interest income	(19)	(18)
Income from EU projects funds	(140)	(181)
Unrealised (profit)/ loss from fluctuations of currency exchange rates	(338)	2 330
Operating cash flows before changes in working capital	9 990	6 062
Increase in inventories	(477)	(1 243)
(Increase)/ decrease in receivables and prepaid expenses	(6 763)	2 129
Increase in payables and prepayments received	1 230	1 245
Cash generated from operating activities	3 980	8 193
Corporate income tax paid	(68)	(19)
Net cash flows from operating activities	3 912	8 174
Cash flows from investing activities		
Purchase of intangible assets and property, plant and equipment	(1 495)	(1 536)
Receipt of EU grants	166	748
Proceeds from sale of intangible assets and property, plant and equipment	186	59
Repayment of loans granted	1	7
Interest received	3	-
Loans granted	(12)	(17)
Net cash used in investing activities	(1 151)	(739)
Cash flows from financing activities		
Repayment of loans	(2 867)	(1 588)
Lease payments	(478)	(458)
Interest paid	(159)	(177)
Net cash used in financing activities	(3 504)	(2 223)
Net change in cash	(743)	5 212
Effect of movements in exchange rates	296	(250)
Cash at the beginning of the year	24 451	15 230
Cash at the end of the reporting period	24 004	20 192

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 2019	19 719	2 504	40	(52)	103 933	126 144
Change of method for measuring inventory costs	-	-	-	-	3 347	3 347
Balance as at 31 December 2019 (restated)	19 719	2 504	40	(52)	107 280	129 491
Profit for the reporting period	-	-	-	-	2 113	2 113
Other comprehensive income	-	-	-	(490)	-	(490)
Total comprehensive income	-	-	-	(490)	2 113	1 623
Change of method for measuring inventory costs	-	-	-	-	112	112
Balance as at 31 March 2020 (restated)	19 719	2 504	40	(542)	109 505	131 226
Balance as at 31 December 2020	19 719	2 504	40	(752)	108 904	130 415
Change of method for measuring inventory costs	-	-	-	-	3 525	3 525
Balance as at 31 December 2020 (restated)	19 719	2 504	40	(752)	112 429	133 940
Profit for the reporting period	-	-	-	-	5 149	5 149
Other comprehensive income	-	-	-	73	-	73
Total comprehensive income	-	-	-	73	5 149	5 222
Balance as at 31 March 2021	19 719	2 504	40	(679)	117 578	139 162

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 Nasdaq Riga, Latvia.

These unaudited interim condensed consolidated financial statements (hereinafter – the interim financial statements) were approved by the Management Board on 28 May 2021.

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

The interim condensed consolidated financial statements for three months ending on 31 March 2021 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 of 31 December 2020.

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 of 31 March 2021.

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 ending on 31 December 2020. The Group has evaluated new and amended IFRSs and IFRICs effective for annual periods beginning on or after 1 January 2021. No impact on the interim financial statements of the Group was identified.

The Group has not applied early 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.

Change of method for measuring inventory costs

To ensure the most appropriate measuring of inventory costs in the year 2021 JSC Olainfarm changed its accounting policy: for measurement of finished goods is used the standard cost method. The method of measurement of the costs for all other inventories has been changed from weighted average cost method to FIFO (first-in, first-out). The accounting policy change has been applied retrospectively by adjusting each affected financial statements line item as if the new accounting policy had always been applied. The effect of changes is shown below:

Statement of financial position

	31.12.2019 before restatement	Restatement	31.12.2019 after restatement
	EUR '000	EUR '000	EUR '000
Assets			
Work in progress	10 170	2 128	12 298
Finished goods and goods for sale	12 210	1 219	13 429
Equity and liabilities			
Retained earnings for previous years	81 670	3 347	85 017

	31.12.2020 before restatement	Restatement	31.12.2020 after restatement
	EUR '000	EUR '000	EUR '000
Assets			
Work in progress	12 632	2 381	15 013
Finished goods and goods for sale	12 065	1 144	13 209
Equity and liabilities			
Retained earnings for previous years	99 426	3 525	102 951

Statement of changes in equity

	31.12.2019 before restatement	Restatement	31.12.2019 after restatement
	EUR '000	EUR '000	EUR '000
Retained earnings	103 933	3 347	107 280

	31.12.2020 before restatement	Restatement	31.12.2020 after restatement
	EUR '000	EUR '000	EUR '000
Retained earnings	108 904	3 525	112 429

3. Revenue

Note discloses revenue from agreements with customers.

	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
	EUR '000	EUR '000
By business segments		
Finished form medicine	20 595	16 217
Pharmacies	6 815	7 411
Compression materials	1 775	1 953
Wholesale	926	2 018
Chemicals	930	1 589
Other	2 458	3 205
TOTAL:	33 499	32 393

	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
	EUR '000	EUR '000
By geographical markets		
Russia	9 081	4 670
Latvia	10 071	11 517
Belarus	3 705	5 596
Ukraine	3 360	1 829
Central Asia	2 671	3 623
EU countries	2 820	3 101
Other countries	974	1 410
Caucasus countries	817	647
TOTAL:	33 499	32 393

	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
	EUR '000	EUR '000
Timing of revenue recognition		
At a point in time:		
Sale of goods	32 607	31 569
Rendering of services	892	824
TOTAL:	33 499	32 393

4. Property, plant and equipment

During the reporting period the investments of EUR 175 thsd. were provided by the EU co-financed project "Reduction of Greenhouse Gas Emissions by Reconstruction JSC Olainfarm Refrigeration station and its Engineering System". Within the project, reconstruction works of production workshop No. 6, delivery and installation of technological equipment of the refrigeration system, and reconstruction works of the external cooling network were performed. Project implementation completed by 28 February 2021.

During the reporting period the investments of EUR 657 thsd. were provided for pre-clinical and clinical trials, including EUR 153 thsd. provided under the EU co-financed project "Pre-clinical and clinical trials". The investments made are fully financed from cash flows of the company.

5. Loans from credit institutions

During the reporting period AS SEB banka loan in the amount of EUR 2 354 thsd. was fully repaid. JSC Olainfarm loan liabilities to the financial partner AS SEB banka as of 31 March 2021 consist of the unused credit line with assigned limit of EUR 1 000 thsd. The term of the Loan agreement is 30 June 2021.

JSC Olainfarm loan liabilities to the financial partner JSC BlueOrange Bank as of 31 March 2021 consist of the loan in the amount of EUR 7 785 thsd. and the term of the Loan agreement is 20 August 2024.

6. Related party disclosures

Related party	Type of services		Goods and services	Goods, services and	Amounts	Amounts
			delivered to/ Loans issued to related parties	loans received from related parties	owed by related parties (gross)	owed to related parties (gross)
			EUR '000	EUR '000	EUR '000	EUR '000
1. Associated entities						
SIA Olainfarm enerģija (AS Olainfarm share 50%)	Energy production and other services	31.12.2020	35	303	3	-
		31.03.2021	10	115	4	1
		TOTAL: 31.12.2020	35	303	3	-
		TOTAL: 31.03.2021	10	115	4	1
2. Parties with significant influence						
SIA Olmafarm (shareholder)	Loan	31.12.2020	-	10	-	-
		31.03.2021	-	-	-	-
Heirs of V. Maligins	Loan and travelling services	31.12.2020	67	34	2 078	35
		31.03.2021	17	-	2 094	35
		TOTAL: 31.12.2020	67	44	2 078	35
		TOTAL: 31.03.2021	17	-	2 094	35
3. Other Related companies						
SIA Vega MS (Heirs of V. Maligins share 59.99%)	Security and other services	31.12.2020	-	26	-	-
		31.03.2021	-	4	-	-
SIA Lano Serviss (Heirs of V. Maligins share 25%)	Dry cleaning and other services	31.12.2020	8	21	-	-
		31.03.2021	-	-	-	-
SIA Olfa Press (Heirs of V. Maligins share 47.5%)	Printing and other services	31.12.2020	51	1 371	4	182
		31.03.2021	13	442	4	318
		TOTAL: 31.12.2020	59	1 418	4	182
		TOTAL: 31.03.2021	13	446	4	318

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								
3M 2021	21 525	926	6 815	1 775	2 458	33 499	-	33 499
3M 2020	17 806	2 018	7 411	1 953	3 205	32 393	-	32 393
Inter-segment								
3M 2021	266	3 222	121	784	81	4 474	(4 474)	-
3M 2020	340	3 446	124	550	166	4 626	(4 626)	-
Total revenue								
3M 2021	21 791	4 148	6 936	2 559	2 539	37 973	(4 474)	33 499
3M 2020	18 146	5 464	7 535	2 503	3 371	37 019	(4 626)	32 393
Segment profit before tax								
3M 2021	4 085	407	231	(72)	246	4 897	318	5 215
3M 2020	4 489	966	407	161	312	6 335	(4 201)	2 134
Assets								
31.03.2021	101 206	5 896	33 283	16 455	12 218	169 058	13 695	182 753
31.12.2020	92 841	6 079	32 379	16 251	11 578	159 128	16 059	175 187
Liabilities								
31.03.2021	25 328	3 805	9 159	2 620	7 030	47 942	(4 351)	43 591
31.12.2020	20 353	3 677	8 597	2 517	6 885	42 029	(782)	41 247
Capital expenditure								
3M 2021	1 777	2	25	78	65	1 947	-	1 947
3M 2020	1 595	-	22	47	77	1 741	-	1 741

Segments financial data, excluding Segment profit before tax, presented without elimination of intercompany transaction impact.

There was made reclassification from the position Unallocated and eliminated to all segments positions and accordingly were reclassified the data of the year 2020.

Reconciliation of profit	3M 2021	3M 2020
	EUR '000	EUR '000
Segment profit before tax	4 897	6 335
Unallocated financial income	476	18
Unallocated financial expenses	(158)	(4 219)
Profit before tax	5 215	2 134
Reconciliation of assets	31.03.2021	31.12.2020
	EUR '000	EUR '000
Assets of segments in total	169 058	159 128
Unallocated long term assets and eliminations	2 174	2 281
Unallocated short term assets and eliminations	(8 483)	(7 905)
Cash managed on group level	20 004	21 683
Total assets	182 753	175 187
Reconciliation of Liabilities	31.03.2021	31.12.2020
	EUR '000	EUR '000
Liabilities of segments in total	47 942	42 029
Interest bearing loans and borrowings	7 817	10 683
Current tax liabilities	(21)	(24)
Other unallocated liabilities and eliminations	(12 147)	(11 441)
Total liabilities	43 591	41 247

8. Dividends

According to the dividend policy approved by the Group, the amount of dividends must be at least 20% of the audited profit of the Parent Company for the previous year. Once the audited report is approved, and taking into account the 2020 results, the Management Board has proposed that the shareholder's meeting take decision on distribution of EUR 2 394 thsd. in dividends (i.e., EUR 0.17 per share).

9. Events after the reporting period

Details of the events after the end of the reporting period are described in the Management report accompanying these interim financial statements. Since the end of the reporting period until the approval date of these financial statements there have been no other significant events with effect on the financial position or financial results of the Group as of the balance sheet date.

The interim condensed consolidated financial statements set out on pages 18 to 27 were compiled by the Head of Financial accounting unit Iveta Lejniece.

(signature)

Iveta Lejniece
Head of Financial accounting unit