

JGL BECAME THE LARGEST CROATIAN PHARMACEUTICAL COMPANY

## **JGL Group's revenues exceeded 1 billion kuna**

Rijeka, March 1st, 2021 - JGL Group, in accordance with the consolidated, unaudited financial results for last year, exceeded one billion kuna in total revenues, thus achieving a business record, and all this in the most difficult year for business worldwide. Thanks to the quick and successful adjustment of business priorities, as well as adjustment of employees to the new working conditions in the pandemic crisis, JGL Group recorded double-digit growth, and with HRK 1,020 million in total revenues it became the largest Croatian pharmaceutical company.

In the words of our CEO Mislav Vučić: “Despite difficult and reduced access to health care in all countries in which we operate, despite the decline in the value of local currencies of about 30 percent in our largest markets, and consequently a decline in the purchasing power of the population, in 2020 we again surpassed ourselves. Crossing the magic line of one billion kuna of total revenues places us among twenty largest manufacturing companies in Croatia. I am proud that with this result we become the largest Croatian pharmaceutical company in the year in which we celebrate 30 years of JGL and 10 years of one of our key brands, Meralys. Last year's growth rate at the Group level was lower than before the pandemic, but given the circumstances, we are extremely satisfied with it”.

In its core business, in 2020 JGL also saw double-digit revenue growth. Business revenues exceeded HRK 800 million, with the EBITDA margin increasing by more than one percentage point, to 18.6 percent. The growth of business profit and the reduction of indebtedness through the repayment of existing credit liabilities outweighed the decline in liquidity, primarily in the Croatian market, so that the indebtedness factor (net debt / EBITDA) decreased from 2.8x to 2.2x EBITDA during the year.

“Last year showed us how crucial it is to have a clear strategic framework, while remaining fast and agile in adapting and making decisions that depend on extremely volatile market circumstances. At JGL, in just two weeks since the onset of the coronavirus pandemic, we have moved to a common communication and collaboration platform, involving all our markets, from Alma-Ata, through Moscow and Rijeka, to Skopje. Throughout the year, protecting the health of employees and their families was a key priority. The entire JGL team has shown maximum seriousness and responsibility in the application of internal, restrictive anti-epidemic measures due to which we have managed to maintain the stability of the company, business continuity and market supply.”, CEO Mislav Vučić.

Last year, JGL achieved growth in all three corporate strategic therapeutic areas - flu and cold segment, ophthalmology and dermatology. The company's product portfolio has successfully responded to customer needs - Aqua Maris nasal sprays to prevent COVID-19 infection, Vizol S dry eye drops for increased indoor stay and work in front of digital screens, and Aknekutan against acne to the ever-present desire for confident appearance.

According to shares in net sales, Russia is still JGL's largest market with a 39 percent share, next are B2B business and the Croatian market, followed by Ukraine and Kazakhstan markets. When it comes to brands, Aqua Maris carries a 36 percent share in sales, followed by an increasingly significant B2B portfolio with 15 percent, then Aknekutan and Meralys, each with a seven percent share, and Vizol S, whose share in sales doubled during 2020. Also, during the last year, business cooperation with a strategic partner, the Polish pharmaceutical company Polpharma, continued unhindered in both directions. On the one hand, transfers of development and commercial projects continued successfully, while on the other hand, the launch of Vizola S and Viseta on the Polish market was successfully realized.

"In this very important and at the same time jubilee year, I am glad to see what we have achieved, and I am especially glad that we are becoming a real global player, ready to compete with the greatest. In our core business, we generated HRK 670 million in business revenues from export, which represents 85 percent share of exports in total sales. Therefore, there is no stopping, this year we continue to invest in a new project Integra 2020 worth 373 million kuna, with financing from Croatian Bank for Reconstruction and Development (HBOR). This new investment will ensure the future development and technological capacity of the company. Our preparations for the future relate to investments in research and development, digitalization and robotization, as well as intensifying cooperation with the University of Rijeka, which we have set as crucial. In the chosen direction, we continue to follow innovative practices, strengthen the growth of competitiveness and export production potentials of our company, but also of the Croatian pharmaceutical industry, as well as the Republic of Croatia itself. I congratulate all employees on their excellence and dedication, and I thank all our patients, doctors, pharmacists and partners for the trust they give us every day", concludes Ivo Usmiani, President of the Management Board of JGL.