

2023

SEMI-ANNUAL
MANAGEMENT
REPORT
OF THE JGL
GROUP



PURPOSE

We help people sense the world around them in a better, richer and more confident way.

Experience the scent of the Earth, see the world of possibilities, feel good in your skin!

SENSE THE LIFE.



COOPERATION OF THE YEAR

JGL and the Croatian Football Association (HNS) formed a professional partnership in 2022 that brings together two globally recognisable Croatian brands – the Croatian national football team and Aqua Maris.



JADRAN-GALENSKI LABORATORIJ d.d. (“JGL”, “Company” or “Parent Company”) accepts responsibility for the content of this semi-annual Management Report of the JGL Group.

Given the belief and all discoveries and information available to JGL, information in this Report represents a complete and truthful presentation of assets and liabilities, losses and gains and the financial position of the JGL Group, and to the best knowledge of the Company, no fact has been left out that can affect the completeness and truthfulness of this report.

Individual numbers in the Report are rounded, so the numbers shown for the same type of information can differ and the sums may not be arithmetic aggregates. In this document, “EUR” stands for the euro, “USD” for the American dollar, and “ruble” for the Russian ruble.

Reference to the “previous period” relates to the period from 1 January 2022 to 30 June 2022, while the “current period” relates to the period from 1 January 2023 to 30 June 2023.

Rijeka, August 2023

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Dear stakeholders,

we live in a very dynamic time that requires us to constantly change and adapt, to continuously improve our core processes and sharpen project discipline. We also live in a time of product abundance and global competition, and the fundamental question is how to differentiate and become recognizable and how to meet the expectations of our global customers and patients in terms of value delivery.

I am proud that at JGL we have been successfully investing, building, hiring, exporting and creating great added value for years, both for JGL, the local community and Croatia. Over the past four years, we have invested around 80 million euros in the development of capacities and new technologies, in the development of new products, digitization and optimization of processes, in energy efficiency and employee knowledge, and we have opened around 200 new jobs. The vision that inspires and guides us is summarized in the statement that we want to be an international pharmaceutical company specialized in the development and production of sterile products with added value in ophthalmology, otorhinolaryngology and dermatology and a global leader in the use of seawater for health purposes. This requires us to have a strong technological and therapeutic focus, as well as strategic competence in such an indication niche.

Despite the fact that the first half of 2023 was marked by difficult conditions due to the political-economic crisis caused by the war on the territory of Ukraine, JGL Group had record half-year results. The total revenues of JGL Group in the period from January 1 to June 30, 2023 amount to 105 million euros, half-year EBITDA 25.8 million euros and the profit before taxation is 15.2 million euros. Compared to the same period last year, the pharmaceutical business recorded a 48% increase in operating revenues, while the total revenues of the parent company amounted to 67.3 million euro, which is an increase of 33.8% compared to the total revenues of the same period last year.

Our current and key investment relates to the INTEGRA project worth 53 million euros, with which we continue investing in the improvement of production and



storage processes, development and innovation. Guided by strict pharmaceutical norms, as well as postulates of sustainability, we built high-tech plants and installed modern equipment, designed processes so that energy consumption and environmental impact were optimal. INTEGRA is the culmination of our overall efforts to maintain existing and win new positions in an extremely competitive global pharmaceutical environment.

The exceptional expertise of our teams, along with high work standards and connections with domestic and foreign experts in the fields of work and interests, gives us a strong impulse to forte strengthen knowledge and skills, which is a key prerequisite for realizing the strategy of innovative products, launched on time, and stepping forward to new markets toward the global customer.

Ivo Usmiani
President of JGL's Board of Directors

A handwritten signature in white ink that reads "Usmiani". The signature is fluid and cursive, written on a dark blue background.

KEY INDICATORS

JGL Group reported an increases in revenue and operating profit in the first half of 2023. Total revenues increased by 26.4% compared to the same period last year and amount to 105 million euros. In the pharma-

ceutical business, JGL pharma also recorded an increase in operating income, with realized operating profit in the last 12 months of 43.1 million euro and an EBITDA MAT margin of 24%.

Financial indicators as at
30 June 2023

in EUR million

	JGL GROUP	JGL PHARMA
Total revenue	105.0	88.5
Operating revenue	104.2	87.7
Profit before tax	15.2	14.7
Operating revenue MAT ¹	211.8	179.2
EBITDA MAT	44.9	43.1
EBITDA MAT MARGIN	21.2%	24.0%
Indebtedness factor (NET DEBT / EBITDA MAT)	1.52	1.56

Total number of employees

	30/6/2022	30/6/2023
JGL GROUP	1,151	1,241
JGL Pharma	945	1,029
JGL d.d.	668	741

¹ Moving Annual Total

in EUR million

	JGL GROUP		JGL PHARMA		JGL d.d.	
	30/6/2022	30/6/2023	30/6/2022	30/6/2023	30/6/2022	30/6/2023
Total revenue	83.0	105.0	68.6	88.5	50.3	67.3
Operating revenue	73.7	104.2	59.3	87.7	41.0	66.8
EBITDA	13.3	25.8	12.3	24.8	11.3	23.0
Profit before tax	13.6	15.2	13.1	14.7	12.5	13.4
EBITDA MAT	30.3	44.9	28.5	43.1	14.3	37.6
Operating revenue MAT	162.3	211.8	133.7	179.2	87.3	132.8
EBITDA MAT MARGIN	18.7%	21.2%	21.3%	24.0%	16.4%	28.3%
Net debt	58.5	68.4	55.7	67.2	55.8	67.2
Net debt / EBITDA (MAT)	1.93	1.52	1.95	1.56	3.90	1.79
Net debt/capital	0.50	0.50	0.50	0.51	0.46	0.49
Debt ratio	0.44	0.48	0.42	0.47	0.40	0.45
Quick liquidity ratio	1.72	1.76	2.03	1.95	2.02	2.00

The first half of 2023 was marked by work in difficult conditions due to the political and economic crisis caused by the war in Ukraine, but also a good flu and cold season. JGL Group reported very good results for the first six months of 2023.

The total revenues of JGL Group in the period from January 1 to June 30, 2023 amount to EUR 105 million, and the profit before taxation EUR 15.2 million, which is a record half-year result. The Group's operations, compared to the same period last year, recorded an increase in operating income by 41.3%, from last year's 73.7 million euros to this year's 104.2 million euros. Operating income of MAT for the period from June 30, 2022 to June 30, 2023 amounts to EUR 211.8 million, and EBITDA MAT for the same period amounts to EUR 44.9 million, which is an increase of 48%, with an EBITDA MAT margin of 21, 2% Operating revenues of JGL Pharma in the period from January 1 to June

30, 2023 amount to EUR 87.7 million, and profit before taxation EUR 14.7 million, which makes a strong half-year result. Pharmaceutical business (JGL Pharma), compared to the same period last year, recorded an increase in operating income by 47.9%. Operating income of MAT for the period from June 30, 2022 to June 30, 2023 amounts to EUR 179.2 million, EBITDA of MAT for the same period amounts to EUR 43.1 million, which is an increase of 51.1%.

Total revenue of parent company JGL d.d. amounts to EUR 67.3 million, which is an increase of 33.8% compared to the same period last year, while profit before tax amounts to EUR 13.4 million. Operating revenue MAT in the first half of 2023 recorded an increase of 52.1% compared to the same period last year and amounted to EUR 132.8 million with EBITDA MAT of EUR 37.6 million and an EBITDA MAT margin of 28.3%. Sales revenue growth rates are high; however, profit before tax has grown by only 6.8% compared to the previous period, mostly due to the impact of



finance expenses, more precisely, negative exchange rate differences primarily related to the Russian ruble, which has strongly depreciated in the first half of 2023.

JGL Pharma's revenue is divided into two business sectors. One of them is B2C which generates 83% of net sales and which includes markets with the largest share of sales, such as Croatia, Russia, Ukraine, Kazakhstan, Bosnia and Herzegovina, and Belarus. Then there is B2B, which for the reporting period amounts to 17% of the total net sales of JGL Pharma. If we look at sales by brand, the largest share in sales is achieved by the brand Aqua Maris with a 24% share in net sales. In second place is Aknekutan with 18%, then Vizol with 8%, Meralys with 7% and Dramina with a 4% share, while the other brands make up 39% of JGL Pharma's business.

By entering a new cycle of investments, the net debt of the company increased, but due to good results, the net debt/EBITDA of the group or rather the parent compa-

ny, JGL d.d., is significantly smaller than it was in the same period last year.

Significant changes in the balance sheet can be seen when it comes to current assets due to reduced trade receivables because of the increased collection of accounts receivable, and an increase in inventory and money at hand. Current liabilities for loans and leasing were reduced by regular repayments of HBOR loans and leasing, while on the other hand, non-current liabilities to banks increased (INTEGRA investment and a new HBOR loan for working capital).

Despite the uncertain period and the unfavourable political situation on the sales markets, as well as the effect of the new investment, JGL Group has very satisfactory financial indicators. At the end of the first half of the year, the JGL Group indebtedness factor (net debt/EBITDA MAT) totalled 1.52 while the debt ratio was 0.48 and the quick liquidity ratio was 1.76.





COMPANY PROFILE

NAME

JADRAN – GALENSKI LABORATORIJ d.d. / JGL d.d.

JGL's products are present in 60 markets.

LOCATION OF HEADQUARTERS

Svilno 20, 51000 Rijeka,
Republic of Croatia

Other companies comprising the JGL Group are also owned by JGL. The pharmaceutical part of the business (JGL Pharma), i.e. the core business, includes the parent company JGL d.d. and foreign daughter companies, except Adrialab, "Ljekarne Pablo" HI, Pablo d.o.o. and Zorka Muvrin pharmacies.

LOCATION OF OPERATIONS

The company has its headquarters in Rijeka, where production facilities are also located, whereas the new warehouse complex is located in Kukuljanovo. There are also two other offices in Croatia: in Zagreb and Split. Except in Croatia, the company is also present in other markets in Central and Eastern Europe with its operations and products, and outside Europe, the key markets are Russia, Ukraine, Kazakhstan and Belarus.

Key manufacturing activities are located at three addresses:

- JGL d.d. – Svilno 20, 51000 Rijeka, Republic of Croatia
- Adrialab d.o.o. Rijeka – Pulac 4a, 51000 Rijeka, Republic of Croatia
- JGL d.o.o. Beograd – Sopot – Milosava Vlajića 110, 11000 Beograd, Sopot, Serbia

JGL's subsidiaries
and their activities

Subsidiary	Country	Core Business
Pablo d.o.o.	Croatia	Retail of pharmaceutical preparations and accessories
"Ljekarne Pablo" Health Institution	Croatia	Pharmaceutical activities
Zorka Muvrin pharmacies	Croatia	Pharmaceutical activities
Adrialab d.o.o. Rijeka	Croatia	Production and sale of pharmaceutical preparations
JGL PPH d.o.o.	Croatia	Production and sale of pharmaceutical preparations
Jadran LLC	Russia	Sale of pharmaceutical preparations
JGL d.o.o. Beograd – Sopot	Serbia	Production and sale of pharmaceutical preparations
Farmis d.o.o. Sarajevo	Bosnia and Herzegovina	Sale of pharmaceutical preparations
Jadran – Galenski laboratorij d.o.o. Ljubljana	Slovenia	Sale of pharmaceutical preparations
JGL North America LLC – the company is not active	USA	Sale of pharmaceutical preparations

INTERNATIONAL PRESENCE

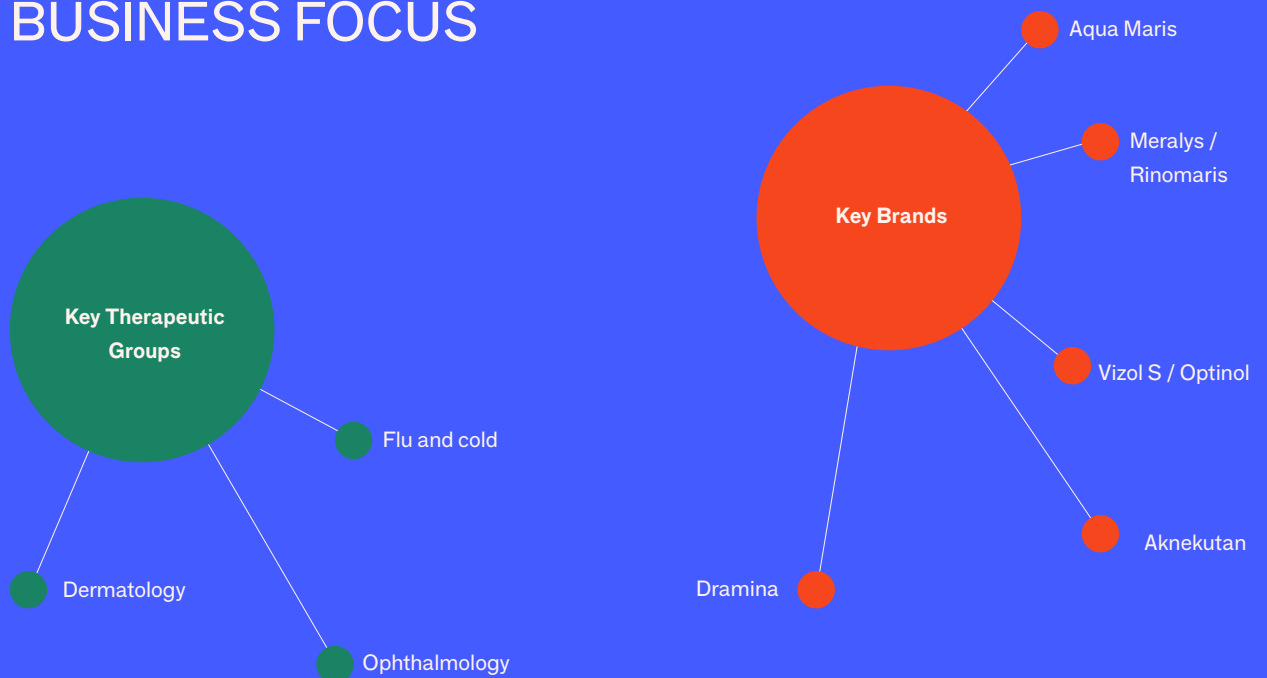
The JGL Group operates in ten different markets – in Croatia, Russia, Ukraine, Kazakhstan, Belarus, Bosnia and Herzegovina, Serbia, Slovenia, Macedonia, and Kosovo. Business is carried out through the parent company JGL d.d. in Croatia and representative offices in Ukraine, Belarus, Kazakhstan, Macedonia, Serbia, Bosnia and Herzegovina, and Kosovo. Affiliates are present in Croatia (Pablo d.o.o., “Ljekarne Pablo” HI, Zorka Muvrin pharmacies, Adrialab d.o.o., JGL PPH d.o.o.), Russia (Jadran LLC), Serbia (JGL d.o.o. Beograd – Sopot), Bosnia and Herzegovina (Farmis d.o.o. Sarajevo) and Slovenia (Jadran – Galenski laboratorij d.o.o.).

Since nearly 85 per cent of revenue at JGL Pharma is generated outside Croatia, JGL is an export-oriented company and all investments are directed accordingly. However, through distributors and B2B (Business-to-Business) relations with other companies, JGL products are present in 60 markets in total (Hungary, Switzerland, Italy, Greece, Romania, Poland...).

JGL cooperates with international partners through several models:

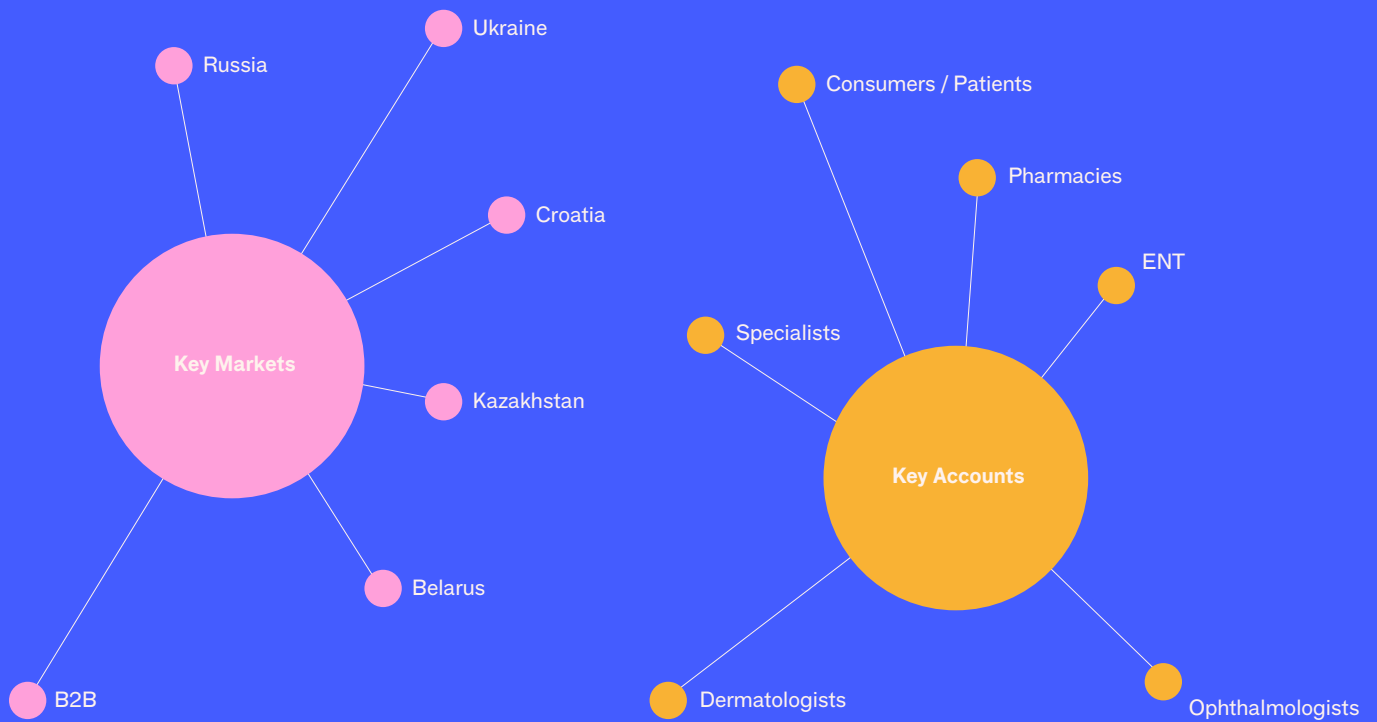
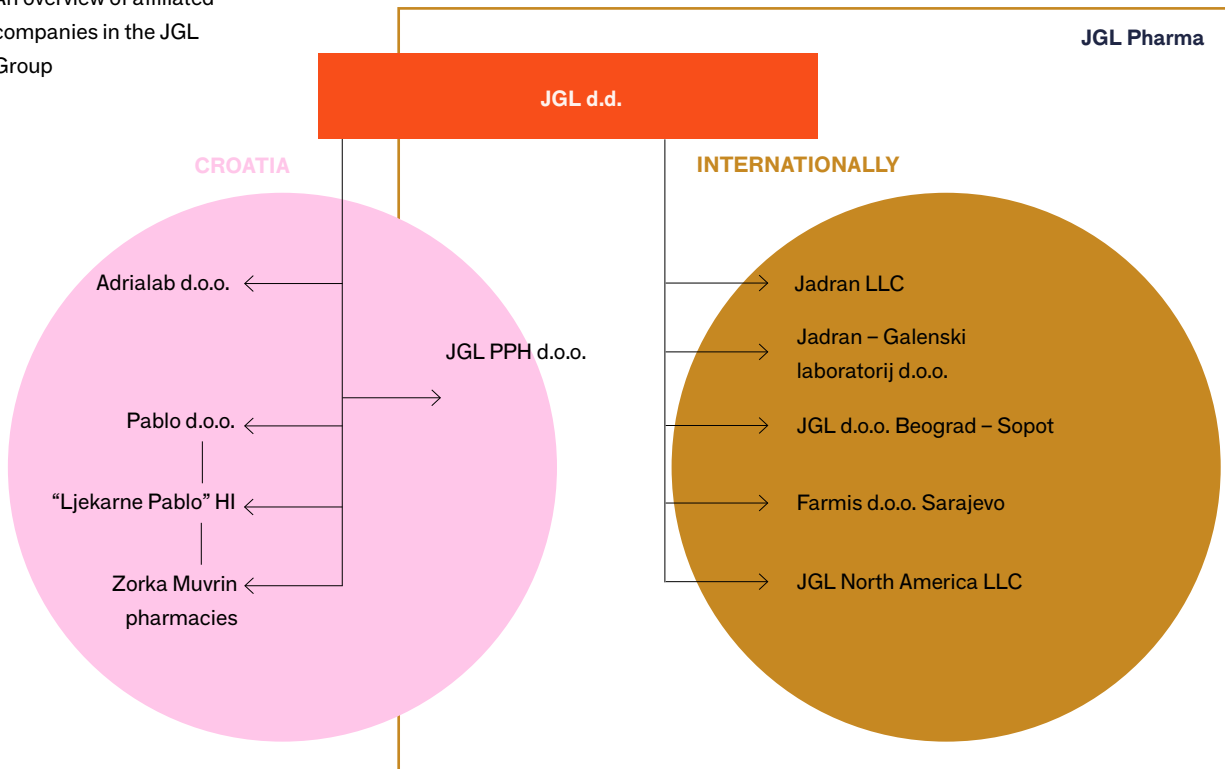
- through the distribution of JGL brands and cooperation through licensing, JGL products are widely present in the European Union and the ASEAN and MENA regions,
- JGL cooperates with large pharmaceutical manufacturers through contract manufacturing.

BUSINESS FOCUS



An overview of affiliated companies in the JGL Group

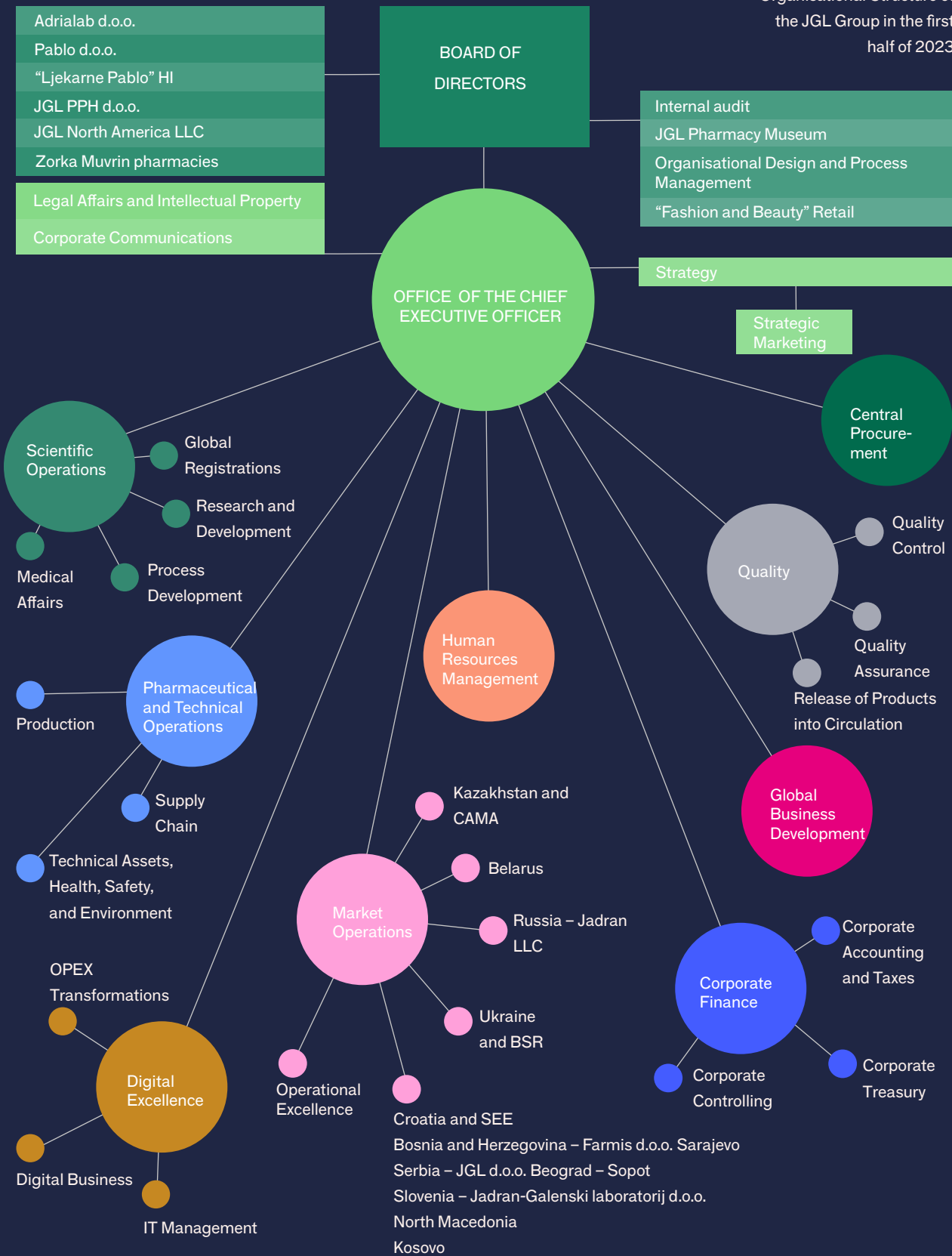
JGL Pharma



ORGANISATION



Organisational Structure of the JGL Group in the first half of 2023





EMPLOYEES

The total number of employees in the JGL Group on 30 June 2023 was 1,241, which is an increase of 90 employees when compared to the same period last year. Among these, most employees, 812 of them, work in Croatia (JGL d.d., Adrialab d.o.o., “Ljekarne Pablo” HI, Zorka Muvrin pharmacies, and Pablo d.o.o.), while 230 employees work in the Russian market. As of 30 June 2023, 75 per cent of the employees in the JGL Group are women, and 62 per cent of the total employees have a university degree.

	30/6/2023	30/6/2022
JGL GROUP	1,241	1,151
Home market (Croatia)	557	495
Croatia	255	241
Russia	230	218
Ukraine	62	62
Kazakhstan	50	47
Serbia	28	28
Bosnia and Herzegovina	27	28
Belarus	20	20
Slovenia	6	6
North Macedonia	5	5
Kosovo	1	1

Overview of the number
of employees of the JGL
Group by market

	30/6/2023	30/6/2022
JGL GROUP	1,241	1,151
JGL d.d.	741	668
Jadran LLC Moskva	227	215
“Ljekarne Pablo” HI	159	154
Adrialab d.o.o. Rijeka	32	31
JGL d.o.o. Beograd – Sopot	28	28
Farmis d.o.o. Sarajevo	27	28
Zorka Muvrin pharmacies	15	14
Pablo d.o.o.	6	7
JGL d.o.o. Ljubljana	6	6

Overview of the number
of employees of the JGL
Group by company

TRANSACTIONS RELATING TO OWN SHARES

At the beginning of 2023, the Company had 65,172 own shares. By 30 June 2023, JGL had repurchased 20 and allocated 24,346 of its own shares (of which 20,066 shares are registered for the payment of dividends), so the number of own shares in the portfolio was 40,846 as of 30 June 2023. The share capital of the Company is divided into 1,255,025 shares, 1,214,176 of which are

shares with voting rights, while those remaining are own shares.

By the decision of the Company's Assembly of 31 March 2023, the share capital was harmonised with the provisions of the Act Amending the Companies Act (Official Gazette 114/22), reducing it from EUR 16,374,742.85 by EUR 335,927.85 to EUR 16,038,815.00. Based on the authority from Art. 12 of the Articles of Associations, the Board of Directors made a decision on 13 April 2023 to increase the capital by issuing new shares of "L" series in the name and in the nominal amount of EUR 13.00, which increased the share capital from EUR 16,038,815.00 by EUR 276,510.00 EUR to EUR 16,315,325.00.

Ownership structure of JGL
d.d. as at 30 June 2023

Owner	Number of shares	% in capital	% in capital with voting rights
Small shareholders	407,838	32.50%	33.59%
Ivo Usmiani	399,880	31.86%	32.93%
Sanja Katalinić	126,962	10.12%	10.46%
Gordana Saršon	124,470	9.92%	10.25%
Own shares	40,846	3.25%	2.71%
Eva Usmiani Capobianco	34,945	2.78%	2.88%
Grozdana Božić	31,244	2.49%	2.57%
Vesna Črnjarić	26,353	2.10%	2.17%
Marina Pulišić	23,509	1.87%	1.94%
Đurđica Miletović - Forempoher	20,367	1.62%	1.68%
Sanja Vujjić Šmaguc	18,611	1.48%	1.53%
Total	1,255,025	100.00%	100.00%

Source: FOR JGL

INVESTMENTS IN NON-CURRENT ASSETS

During the first half of 2023, a total of EUR 12,069,992 was invested in the Group's non-current assets.

During the first half of 2023, a total of EUR 12,069,992 was invested in the Group's non-current assets. Investments in intangible assets amount to EUR 3,078,802, of which EUR 193,698 relates to investments in computer programs, EUR 10,000 to the acquisition of licences, EUR 223,791 to registration of own products, EUR 2,560,205 to investments in development projects, EUR 44,703 to investment in trademark protection, and EUR 46,404 to investments in non-owned assets.

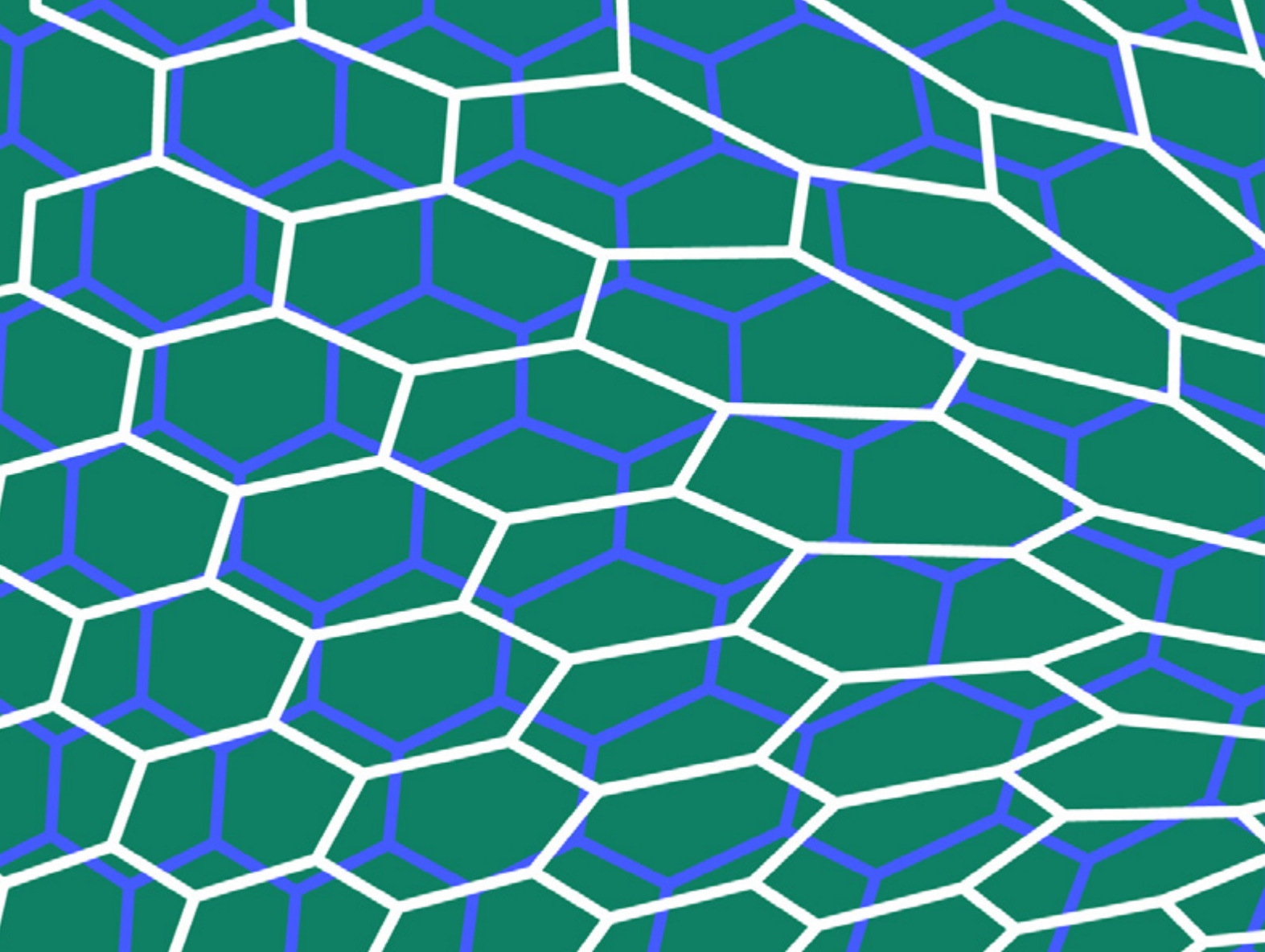
Investments in tangible assets amount to EUR 8,991,190. EUR 3,467,533 was invested in the improvement of

functions of buildings owned by the company, with a further EUR 5,523,657 invested in the purchase of production, IT and transport equipment, and furniture.

In the same period, a total of EUR 11,142,502 were invested in the non-current assets of JGL d.d. Investments in intangible assets amount to EUR 3,026,045, of which EUR 187,346 relates to investments in computer programs, EUR 10,000 to the acquisition of licences, EUR 223,791 to registration of own products, EUR 2,560,205 to investments in development projects, and EUR 44,703 to investment in trademark protection.

Investments in tangible assets amount to EUR 8,116,457. EUR 3,262,353 was invested in the improvement of functions of buildings owned by the company and the construction of new ones, while EUR 3,496,699 was invested in the purchase of production and work equipment, with a further EUR 1,357,405 invested in IT and transport equipment and furniture.





SALES RESULTS



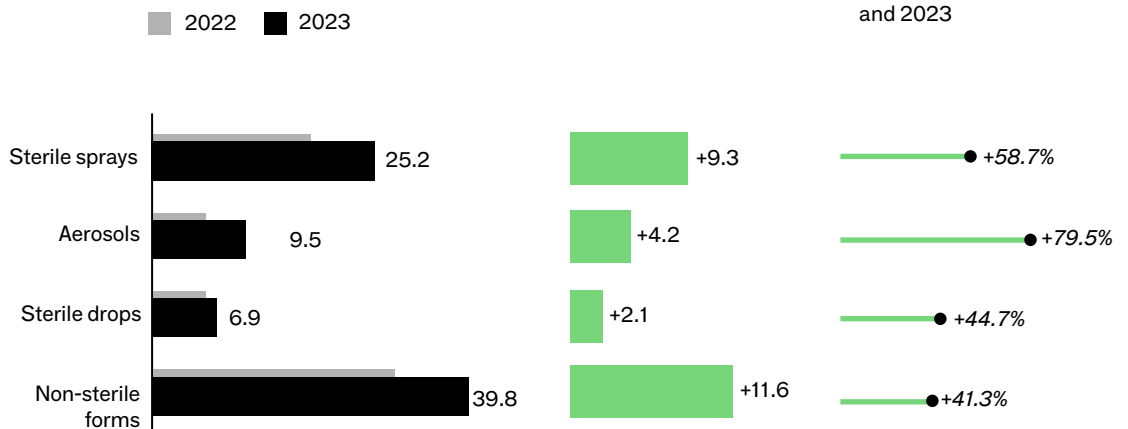
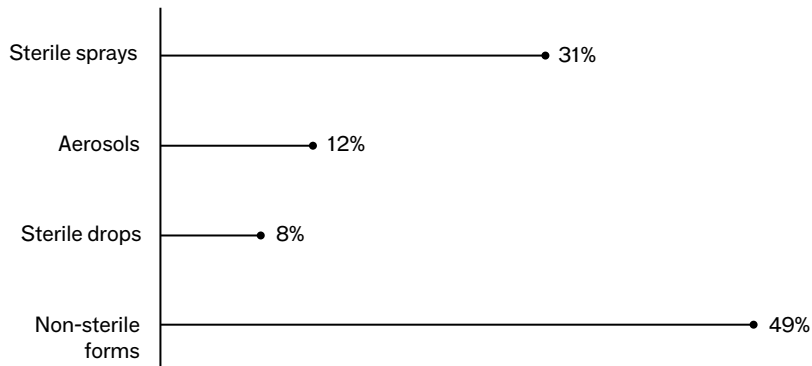
In the period from January to June 2023, JGL Pharma generated product sales revenue of EUR 81 million. Compared to the same period of the previous year, revenue increased by EUR 25 million.

Total net sales of JGL Pharma (in EUR million) achieved in the first half of 2022 and 2023



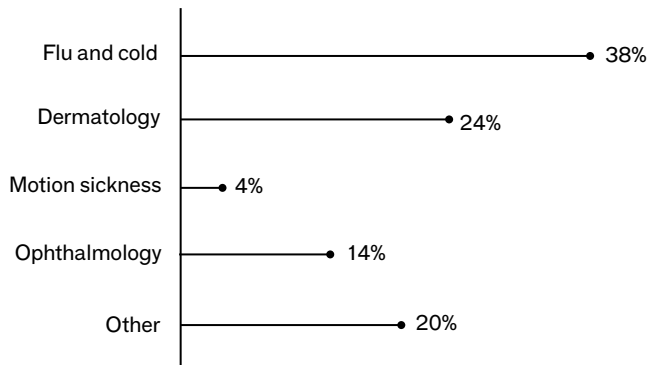
In the first half of 2023, the largest share of sales by production form belongs to sterile sprays with a 31% share. They are followed by dry oral forms with a 21% share, commercial goods with 18%, aerosols with 12%, sterile drops with 8% and semi-solid forms, non-sterile solutions and other forms with a total of 10% share.

The biggest increase in sales compared to the same period of the previous year was recorded by sterile sprays (EUR 9 million more).

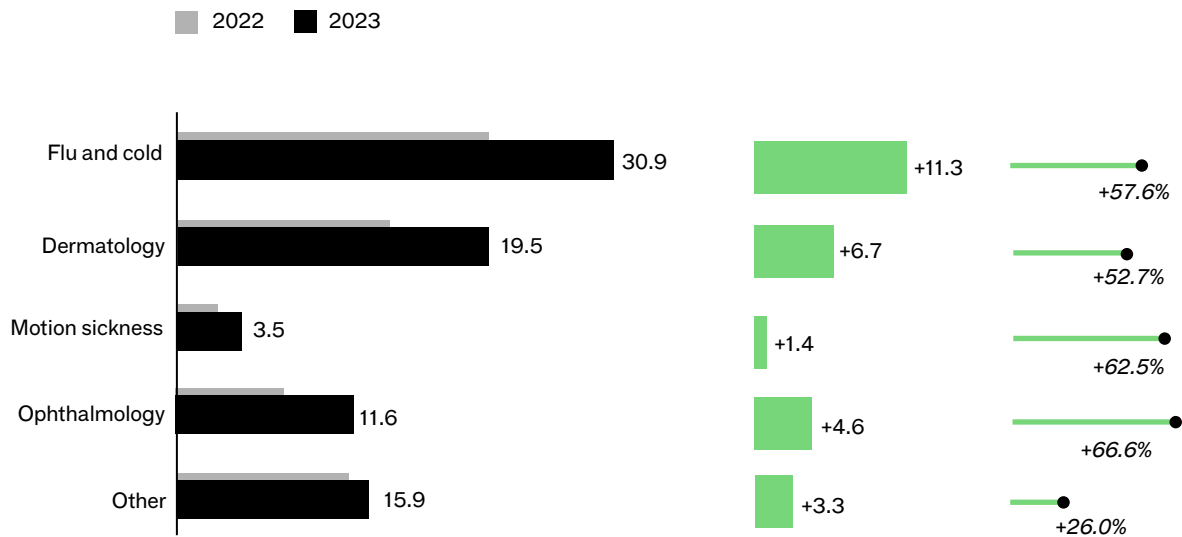


According to the structure of strategic therapeutic areas, the largest share in net sales in the first half of 2023 is held by the therapeutic area “Flu and cold” (38%), followed by “Dermatology” with a 24% share.

The biggest increase in sales was recorded in the therapeutic area “Flu and cold”, which in the reporting period grew by 58%, i.e. by EUR 11.2 million. Compared to the same period of the previous year, a sharp growth of EUR 6.7 million or 23%, was also recorded in the area of “Dermatology”.



The share of strategic therapeutic areas in the total sales of JGL Pharma as of 30 June 2023.



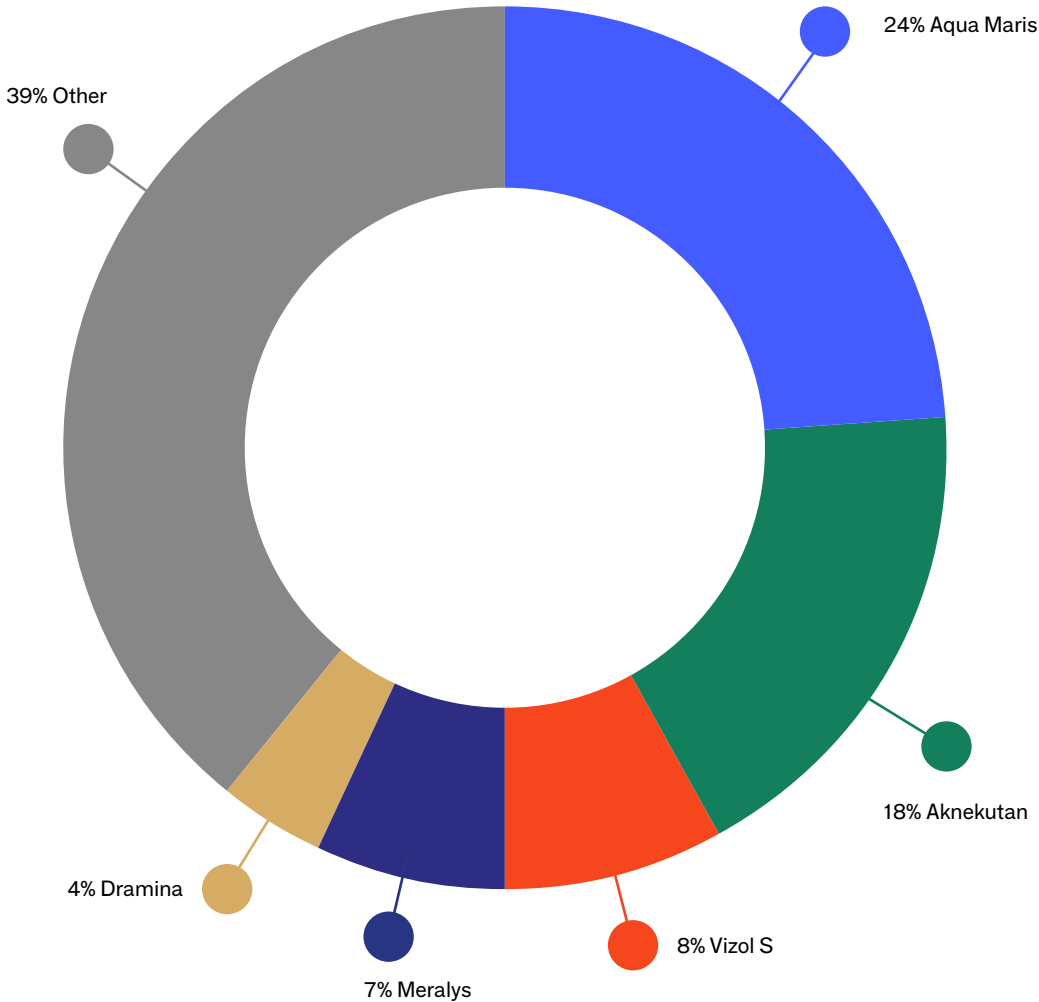
Net sales of JGL Pharma by therapeutic area (in EUR million) in 2022 and 2023

SALES BY BRAND

The largest share in net sales is achieved by the Aqua Maris brand with a 24% share. The order has not changed compared to the same period of the previous year – in second place is Aknekutan with 18%, then Vizol S with 8%, Meralys with 7% and Dramina with a 4% share, while the other brands make up 39% of JGL Pharma’s business.

Compared to the same period of the previous year, the share of Aqua Maris in sales has increased, from 23% to 24%. The biggest increase in share was recorded by the Vizol S brand, with a growth of 106%, i.e. sales higher by EUR 3.2 million compared to the same period in 2022. Among the other key brands, it is worth mentioning Meralys, which in comparison to the previous period is growing at a rate of 42%, i.e. by EUR 1.7 million, and Aknekutan, which has a growth of 69%.

Share of brands in total sales in the first half of 2023



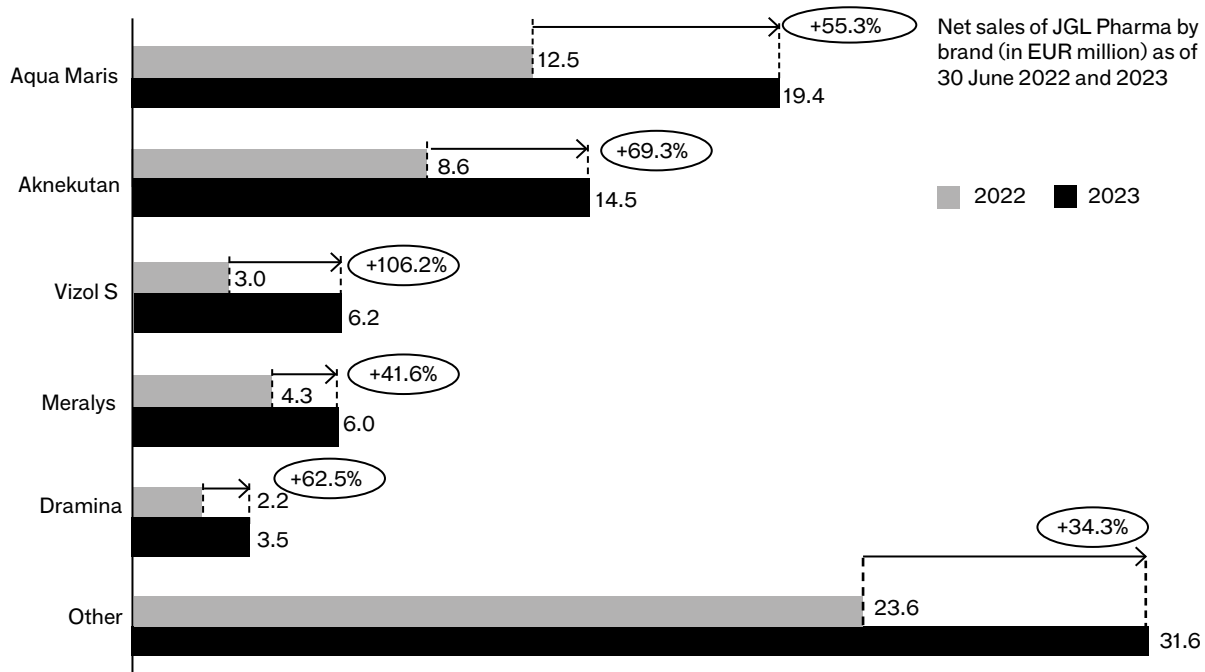


Photo: Drago Sopta/HNS



AREAS AND ACTIVITIES



The INTEGRA capital project, an investment that combines investments in sterile pharmaceutical production, R&D, a new pilot plant and a robotic logistics and distribution centre, is being finalised.

It is a project worth EUR 53 million in three areas, which is partially self-financed and partially financed by a long-term loan from the Croatian Bank for Reconstruction and Development. The project was started at the end of 2019 and includes three parts.

1

A new facility that integrates R&D, quality and a pilot plant

- R&D lab and QC lab
- Lab development
- Pilot plant
- Office space
- 350-seat auditorium
- JGL Pharmacy Museum
- Staff restaurant



2

Expansion of existing production capacities

- Sterile spray line
- Sterile spray and drops line
- Sterile BoV aerosol line
- Packaging line for sterile BoV aerosols
- Integration with the existing central palletising system





The investment is in the final phase – the new logistics centre has been put into operation, the upgrading of production capacities has been completed, and 95% of the HBOR loan has been used. The completion of the research and development facility, quality and pilot plant is scheduled for 31 August 2023, and the official opening of the investment is expected in September 2023.



INCREASE IN THE CAPACITY OF STERILE PRODUCTION

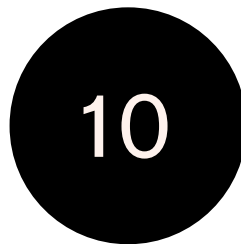
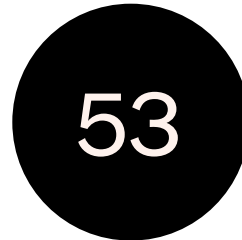
3

Robotic logistics and distribution centre

- High-bay automated warehouse on a 20,000 m² plot
- Automated warehouse with a capacity of 15,000 pallets
- Cold room holding 300 pallets
- Increased storage space by 15,000 pallets in compliance with GxP rules

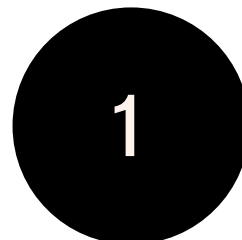


MILLION EURO INVESTMENT



YEARS OF FUTURE GROWTH

LOCATION IN RIJEKA



QUALITY

In the first half of the year, there were 14 inspections by competent bodies and audits of cooperation partners.

For JGL, the HALMED inspection is the most important because its successful implementation resulted in approval for the continuation of the relocation and operation of the Quality Control and Development Analytics and Stability laboratories in the new facility G15, which represents an important milestone in the implementation of the INTEGRA project.

The inspectors/auditors praised the continuous improvements, the infrastructure and the expertise of the employees. In the rest of the year, in addition to regular audits of partners and notifying bodies, JGL expects regular supervision by HALMED regarding sterile production, which will include implementation of revision of GMP Annex 1 related to sterile production of medicinal products, and inspection of the pilot plant.

The aforementioned ensured continuous support for the operational activities of production and distribution of goods, realisation of own development projects and B2B projects, and it opened additional opportunities for growth and development of the company.

PRODUCTION

During the reporting period, a total of 28 million units of products were produced, that is, 4.7 million units more than in the same period in 2022, which represents a growth of 17 per cent. The production of approximately the same number of products is planned by the end of the year.

In the same period, a sterile D line for sprays and drops with a speed of 180 units/min was launched, with monthly outputs of up to 700 thousand units. An innovative UV 2D code printing system was also established on the spray line, which improves quality and ensures additional product safety. By the end of the year, the plan is to implement the system on other lines as well. In JGL production, the first robot (the so-called collaborative robot) was launched, which is used to stack pallets of finished products on the line of dry oral forms.

In the first half of the year, a specific onboarding programme was established for new employees with internal instructors and interactive discussions on topics key to work. A pilot educational centre was also launched in which, through practical work in the departments of semi-solid forms, non-sterile solutions and dry oral forms, practical training is organised for all production processes – production, shaping, dosing and finalisation.



NEW PRODUCTS

In the first half of 2023, 15 products were successfully launched of a total value of EUR 716,828. Of the total number, 11 products were launched in JGL markets with own operations, while four products were launched in the B2B business model. By the end of the year, a further 17 new product launches are planned.



MONTENEGRO

Aknet DUO 10+50 mg/g, 30 g

KAZAKHSTAN

Fungisol 10 mg/ml, skin solution, 20 ml
Vagilac pessaries, 10 pcs

RUSSIA

Bimanox 2 mg/ml, eye drops, 5 ml
Dorzoculin 20 mg/ml, eye drops, 5 ml
Dorzotim 20+5 mg/ml, eye drops, 5 ml
Rinomaris Advance 0.1%, nasal spray, 15 ml
Rinomaris Advance 0.05%, nasal spray, 15 ml
Moksioftan 5 mg/ml, eye drops, 5 ml
Vizol S tetrizolin 0.5 mg/ml, eye drops, 10 ml

TURKMENISTAN

Aqua Maris Baby 150 ml

IRELAND

Aknet DUO 10+50 mg/g, 30 g

POLAND

Sodium hyaluronate 0.4%, eye drops, 10 ml

ROMANIA

Naftifine 10 mg/ml, skin solution, 20 ml

UNITED ARAB EMIRATES

Aknet DUO 10+50 mg/g, 30 g

SCIENTIFIC OPERATIONS

In the first half of 2023, the Scientific Operations departments and teams worked on a number of projects, new and existing processes and products. Of special note:

- Completed own registration documentation for a product from the category of medicinal products and initiated DCP procedure in the EU (anti-glaucoma PF, eye drops),
- For the same medicinal product, the documentation and file for submission to the EAEU procedure is in the finalisation phase.

For the second half of 2023, intensive work and preparation of files/documentation for registration procedures are in progress for:

- Own technical documentation for MD (PF, eye drops) for consumers with significant exposure to digital screens; planned EU (MDR) procedure,
- Own registration documentation for a medicinal product for the treatment of acne (gel, fixed combination of antibiotics and keratolytics); planned EAEU procedure,
- Own registration documentation for a medicinal product (eye drops, PF) for the treatment of dry eye; planned EAEU procedure,
- Significant amendment of technical documentation for existing MD products; adding a new application method; through the EU (MDR) procedure.

RESEARCH AND DEVELOPMENT

In the period January-June 2023, the Research and Development Department worked on 20 new product development projects.

The goals were to achieve readiness for the preparation of own registration/technical documentation in accordance with the submission calendar that supports the Company's strategy, and the upgrade and improvement of existing products (regulatory requirements for MD in Europe – MDR, regulatory requirements for MD and medical products in the EAEU).

During the first half of 2023, the activities on JGL's first IRI project, RINO spray, were brought to an end (in partnership with the Faculty of Medicine in Rijeka) and a new application for an open call for funding through EU funds is being prepared (tender for targeted research, so-called "small IRI").



MEDICAL AFFAIRS

The Department of Medical Affairs, coordinated with the plans of new projects and improvements of existing ones, together with the Research and Development and Global Registration departments, worked on:

- Preparing and conducting own preclinical and clinical trials,
- Drafting M4 (preclinical evaluation) and M5 (clinical evaluation) registration documentation,
- Maintaining and strengthening the pharmacovigilance system in all JGL markets,
- Supporting markets and other internal requirements for medical information.

Some of the prominent activities carried out during the first half of 2023 are:

- Completion and submission for the MDR procedure of the clinical study for the new MD (eye drops, PF) – intended as a comprehensive solution for dry eye,
- Completion of the Rhinnovate study in the clinical part, and statistics and documentation drafting in progress. According to the set criteria, the study did not prove the superiority of the new medicine combination (nasal spray, PF) compared to mono-component medicinal products and placebo.
- Documentation submitted for a new MD (eye drops, PF) for the purpose of obtaining approval for the clinical trials procedure. Testing is planned on patients who are significantly exposed to digital screens and, as a result, have a dry eye disorder.

GLOBAL REGISTRATIONS

In the first half of 2023, a total of 12 new marketing authorisations (MA) were secured, of which nine in B2C business and three in B2B business. With the aim of continuously expanding the portfolio in accordance with the company's strategy, a total of 21 registration processes were launched, 17 in our own markets and four in several global markets (UK, Indonesia...).

In addition, the preparations for certifying medical products continued during the reporting period, in accordance with new EU regulations (MDR), and preparations for the harmonisation of medical products according to the new EAEU regulations.

The plan until the end of 2023 is to:

- Start registration activities and obtain an MA according to OP2023,
- Submit for certification another group of medical products according to new EU regulations,
- Submit for EAEU harmonisation an additional seven products (medical products) in accordance with the plan.





PROCESS DEVELOPMENT

In the period January-June 2023, significant steps were taken in the part of the infrastructure (pilot plant) and also in the readiness of space, equipment, procedures, people and documentation for the GMP Audit of HALMED, which is planned at the end of 2023.

The department, coordinated with the plans of new projects and improvements of existing ones, carried out tasks in the segment of strengthening the system for clinical samples and work on process development and/or creation of registration batches. In particular, it should be noted that in May 2023, the first technical batches were successfully produced in the pilot plant with the aim of developing processes for our own products under development.

BUSINESS DEVELOPMENT

The B2B business model is growing year by year, and for the reporting period, it amounts to 17% of the total net sales of JGL Pharma. Of the twenty markets where the B2B business model has been established, the largest are Switzerland, the Czech Republic, Italy, Romania, Hungary, Greece and Saudi Arabia.

In the reporting period, B2B markets generated a 55% growth, i.e. an increase in sales of EUR 4 million. The market with the largest increase in sales compared to the first half of 2022 is the Czech Republic (EUR 4 million more), followed by Saudi Arabia (EUR 0.7 million more), Switzerland (EUR 0.6 million more) and Italy (EUR 0.5 million more).

Net sales trend for B2B on 30 June 2022 and 2023





The sale of products, licences and services through B2B business in the first half of the year is focused on all three key therapeutic areas – Flu and cold, Ophthalmology and Dermatology.

The best-selling product group consists of xylometazoline nasal spray (licensed Meralys portfolio), whose net sales reached EUR 3.3 million in the specified period. In the first half of the year, a total of 19 contracts were signed. Also of note were the visit of ophthalmologists from the United Arab Emirates to the JGL Pharma Valley complex and team visits as part of the project of transferring eye drops to JGL production with strategic partner Polpharma, with the aim of exchanging knowledge and experience.

In the second half of the year, the plan is to launch the Aqua Maris brand on the markets of China and Italy, expand the Aqua Maris portfolio in Indonesia, launch the Vizol S brand under a partner's brand on the markets of Bulgaria, Lithuania, Latvia, the Czech Republic and Slovakia, expand the Vizol S line on the Hungarian market, and launch the Antiacne gel on the Dutch market under a partner's brand.

In the segment of contract production, the plan is to launch the first quantities of eye drops for Polpharma for the Polish market.



Aqua Maris portfolio intended for the Chinese market

ACKNOWLEDGEMENTS AND SIGNIFICANT PROJECTS

LIFETIME ACHIEVEMENT AWARD

Ivo Usmiani, President of JGL's Board of Directors, received the Lifetime Achievement Award at the ceremony marking the Day of Primorje-Gorski Kotar County and celebrating the 30th anniversary of its constitution as a unit of regional self-government. The ceremony was attended by the President of the Republic of Croatia, Zoran Milanović, Rector of the University of Rijeka, Snježana Prijić-Samaržija, Archbishop of Rijeka, Mate Uzinić, Primorje-Gorski Kotar County Prefect, Zlatko Komadina, and President of the County Assembly, Marko Boras Mandić.



MERALYS WINS GOLD AND GRAND PRIX

The winning streak of the Meralys campaign continued in the reporting period, and the “What are you putting in your nose” campaign won gold at the Effie Awards in the Health category and the 2023 Grand Prix!

Effie is an international marketing and business initiative which promotes the connection between marketing activities and market results. For over 14 years, the Effie Awards Croatia has handed out awards for the most significant national achievements in market communication, which means that other than creativity, the campaign's effectiveness, strategic approach and achieved market results are also rewarded.



CONTINUATION OF COOPERATION WITH HNS

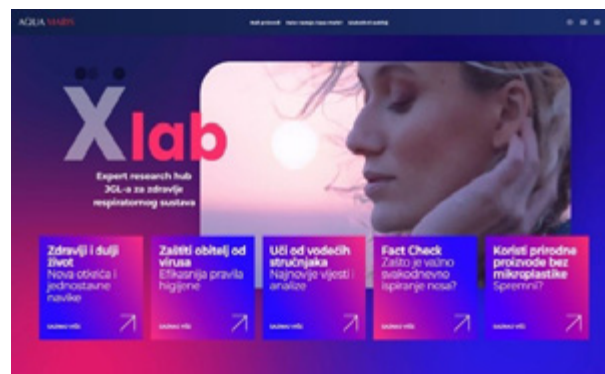
After signing an expert medical partnership agreement and initiating a study on the Croatian national futsal team, the Croatian Football Federation (HNS) and JGL have continued working together on an expert study on the sports performance of the national teams and Aqua Maris as part of the U-21 team's preparations for the European Championship.

The partnership between the HNS and JGL began ahead of the World Cup in Qatar. The study was initiated in April 2023 and its first subjects were the Croatian futsal team.

X-LAB AQUA MARIS

For two years now, JGL's international online platform X-lab has been building relationships with users and healthcare professionals using educational content on Vizol S. For our next step in this success story, we used Aqua Maris's brand potential and in the reporting period, X-lab was also launched in the area of nasal hygiene.

X-lab is a learning platform dedicated to holistic healthcare, developed in cooperation with world-renowned health professionals and scientists. With more than 35 doctors and scientists from six countries, it is a source of current research for effective eye care, respiratory system conditions and overall health.



JGL PHARMACY MUSEUM AS A KNOWLEDGE BASE OF THE UNIVERSITY OF RIJEKA

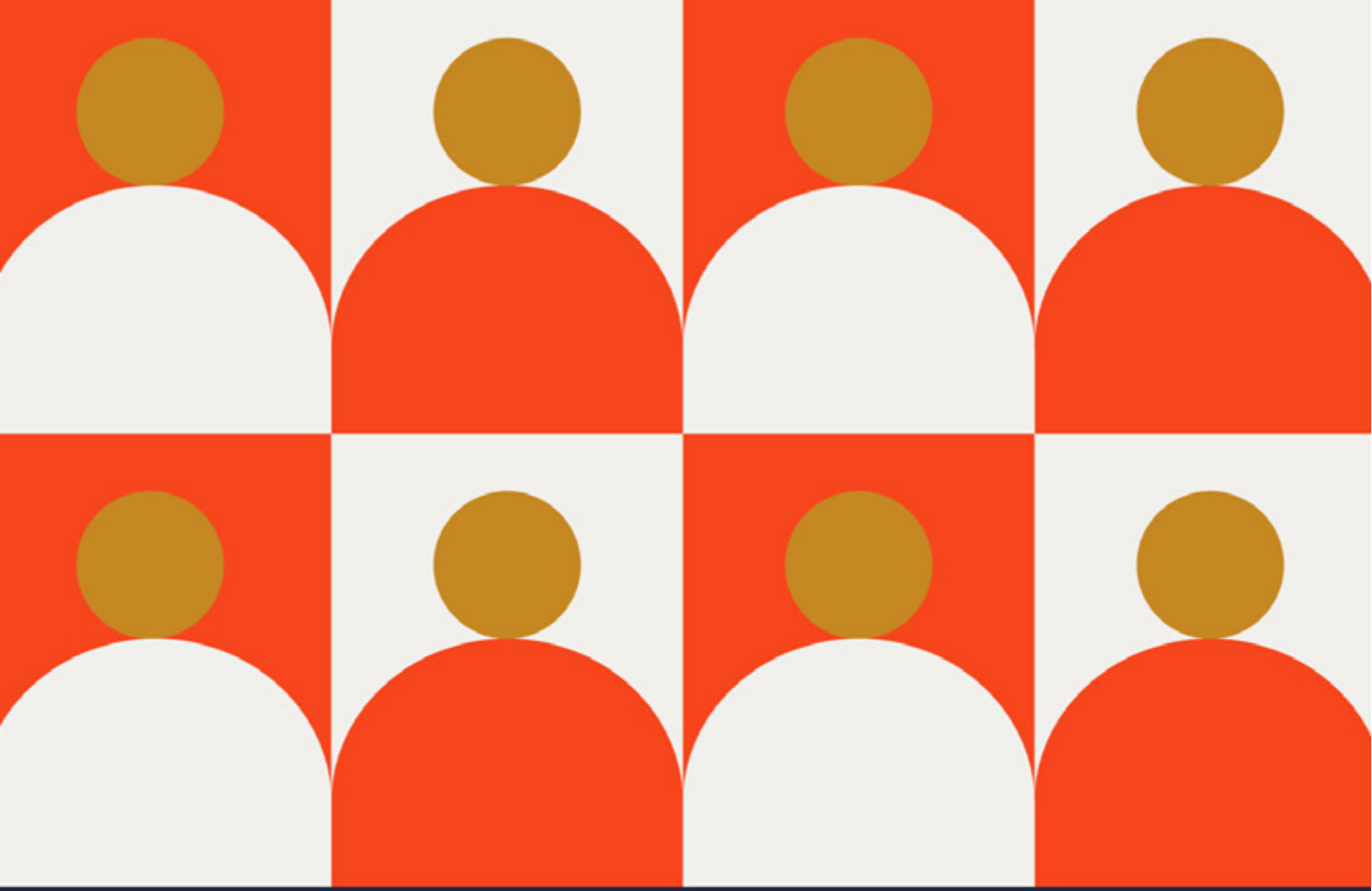
With the aim of establishing a partnership to better integrate practical work with science, the Senate of the University of Rijeka (UniRi) designated the JGL Pharmacy Museum as a knowledge base of the Faculty of Humanities and Social Sciences in Rijeka, and Museum Director Marin Pintur as a mentor. This continues the high-quality cooperation of UniRi with the Company, which has been a teaching institution of the University of Rijeka since 2020, and since last year, also a teaching institution of the Faculty of Medicine of the University of Rijeka, specifically the pharmaceutical medicine study programme. JGL Pharmacy Museum, in cooperation with the Rijeka City Museum, organised the exhibition “Alga Sušak in Service of Health”.



NO MICROPLASTICS, NO WORRIES!

Thanks to a strictly controlled production process, the competent notifying body in the EU has awarded the “microplastic-free” label to Aqua Maris nasal sprays. This made JGL’s key brand the first medicinal products in the world proven to be free of microplastics!

The successful TV and digital campaign “No microplastics, no worries!”, which launched in Croatia at the beginning of the year, shows an increase in consumer awareness of the potentially harmful effects of microplastics in products they regularly consume. In parallel, with a mix of informative content, fun and games, children have the opportunity to learn about properly sorting waste, and all about microplastics and their harmful effects on health.



AFFILIATED COMPANIES

PHARMACEUTICAL BUSINESS

JADRAN LLC MOSKVA

Despite the difficult and uncertain market conditions, in the first half of 2023, Jadran LLC Moskva achieved total revenue in the amount of EUR 36.9 million.

All key JGL brands, such as Aqua Maris, Rinomaris (Meralys), Aknekutan and Optinol (Vizol S) in the reporting period have noted a growth greater than the growth of the market and key competitors, and have attained a significant position and respectable market shares.

The Aqua Maris brand has maintained a leading position in the segment of seawater-based nasal products, and in the reporting period, Aknekutan has maintained its leading position in the segment of acne-treating dermatological products, while the Optinol brand has a significant 11.7% market share in the segment of artificial tears for dry eye.

In the first half of the year, there were seven new product launches and two re-launches in the area of prescription and non-prescription products in the therapeutic area of dermatology and decongestants.

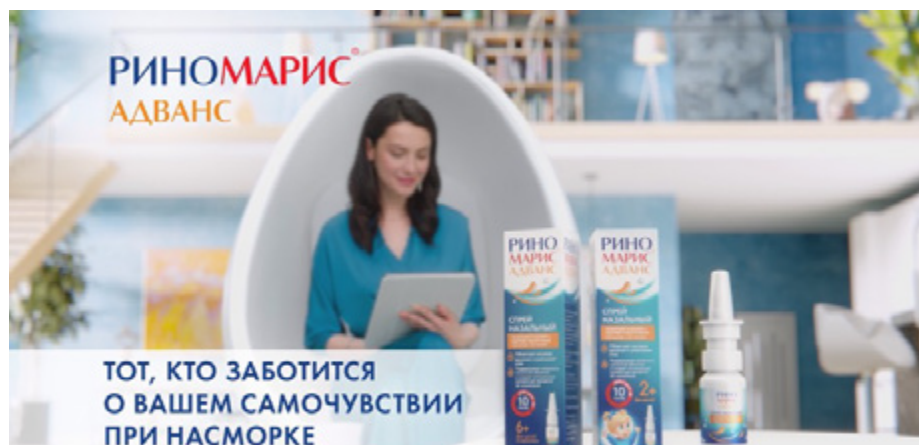
FARMIS D.O.O. SARAJEVO

During the 23 years of its existence, Farmis d.o.o. has built a recognisable image in the market of Bosnia and Herzegovina, incorporating focus and responsibility towards customers, but also towards employees and owners, into its daily operations. The business is in line with the EN ISO 9001:2015 quality management system and the requirements of GDP standards, which guarantees the safety, quality and stability of cooperation to customers and partners.

The first half of 2023 was extremely demanding in terms of goal realisation, but despite this, they were satisfactorily achieved. The company achieved total revenue of EUR 4.4 million, and a profit before tax of EUR 235.3 thousand. Compared to the previous period, key JGL brands recorded sales growth, namely Aqua Maris: +38%; Meralys: +9%, Prolife: +27%, Lactogyn: +27%, Dramina: +43%, while total net sales increased by 20% compared to the same period in 2022.

JGL D.O.O., BEOGRAD – SOPOT

The first half of the 2023 business year was marked by growth of revenue of 16% when compared to the same period last year. The company achieved total revenue in the amount of EUR 1.9 million, of which one million euros was generated from the sale of goods and products in the country, and the rest from the sale of own



Two forms of the brand Rinomaris Advance were launched on the Russian market

and transferred products abroad. The company made a profit before tax in the amount of EUR 53.6 thousand.

In the field of sales and marketing, the Company is still focused on the segments of pharmacies, consumers, gynaecologists, and ophthalmologists. Furthermore, the big digital campaign for Vizol S, Reflustat and Pro-life continued.

In the field of production, JGL d.o.o. Beograd – Sopot is focused on medical and dietary products for sale in Serbia and the neighbouring markets.

Revenue growth until the end of the year is expected from the sale of goods and products on the Serbian market and products that were transferred in 2020 for all markets: Lactogyn oral capsules, Feminal capsules, Normia capsules and Normia sachets.

JADRAN – GALENSKI LABORATORIJ D.O.O. LJUBLJANA

The first half of the 2023 business year was marked by record semi-annual, quarterly and monthly (March)

sales. Key JGL brands (Aqua Maris, Vizol S, Meralys and Lactogyn) recorded double-digit growth rates in the period January-June 2023, while the brands Carbo medicinalis, Dramina and Folacin recorded a stable growth in sales while maintaining their leading market position. A total revenue of EUR 1.4 million was achieved and profit totalled EUR 233.3 thousand.

JGL PPH D.O.O.

The company JGL PPH d.o.o. was established for the purposes of future operations pursuant to the Strategic Partnership Agreement concluded with pharmaceutical company Polfa Warszawa S.A. from Poland as a Special Purpose Vehicle (SPV) for implementation and monitoring of a specific business segment involving the foreign partner.

During the first half of 2023, total revenue of EUR 38.8 thousand and a loss of EUR 494 thousand were realised. Increased revenue and a positive financial result are expected by the end of the year.



The Serbian market team during a visit to JGL production in Svilno

PHARMACY AND COSMETICS

“LJEKARNE PABLO” HEALTH INSTITUTION AND ZORKA MUVRIN PHARMACIES

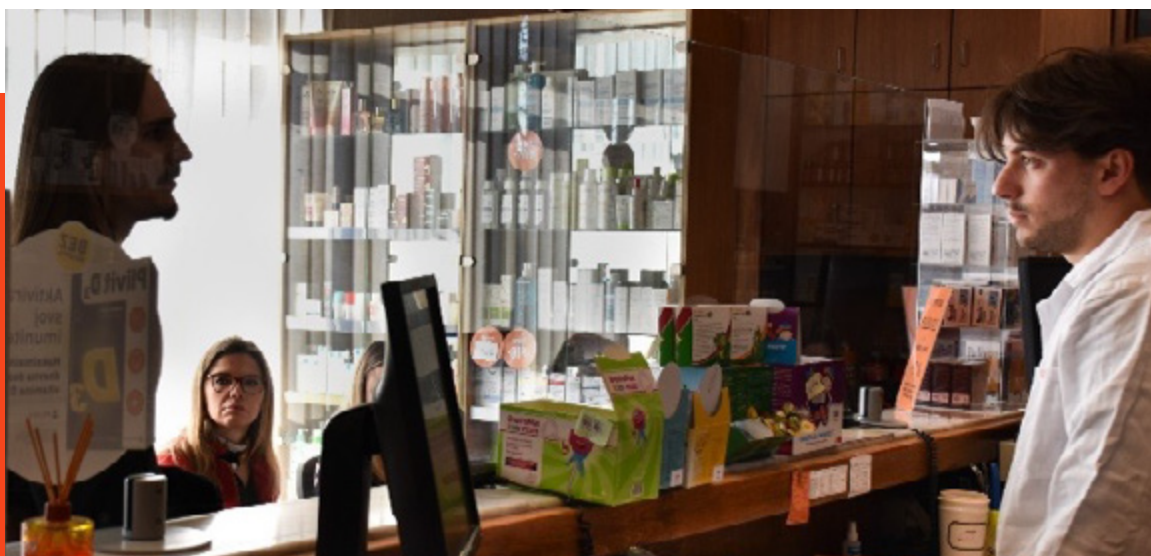
In the period January-June 2023, the “Ljekarne Pablo” Health Institution, a chain of 30 pharmacies, achieved a total revenue of EUR 14.4 million, while profit before tax amounted to EUR 430 thousand.

In the first half of the 2023 business year, Zorka Muvrin pharmacies, which have two pharmacy units, achieved total revenue in the amount of EUR 1 million and a loss of EUR 6 thousand.

On 10 July 2023, a decision was received from the Ministry of Health on the merger of two pharmacy units that are part of the Zorka Muvrin pharmacies with the “Ljekarne Pablo” HI. This means that “Ljekarne Pablo” HI has a total of 32 pharmacy units (total revenues of “Ljekarne Pablo” HI and Zorka Muvrin pharmacies for the first six months of 2023 amount to EUR 15.4 million).

PABLO D.O.O.

In the first half of 2023, Pablo d.o.o. operated with a loss of EUR 50 thousand, which is a consequence of the operation of the “Pablo Health & Beauty” specialised store. “Pablo Health & Beauty” celebrated its first anniversary in June 2023 and generated sales revenue of EUR 200,000 in the first half of 2023. The collection of the necessary documentation for obtaining a pharmacy licence at the address of this specialised store is in progress.



Work simulation in Zorka Muvrin pharmacies as part of the competition for pharmacy students in March 2023



ADRIALAB D.O.O. RIJEKA

The first half of 2023 at Adrialab was marked by a focus on internal processes with five key topics (JGL baby ointment, Vitalia d-mannose, Holyplant syrups, Combusten and Dermospray). Significant optimisation was achieved in production processes, primarily through proactive changes to new equipment, the result of which was a period without shortages, and an additional reduction in the time from the start of production to product release.

These activities were also reflected in the business results: in the reporting period, revenue of EUR 1.6 million was realised, which is 8% more compared to the same period in 2022.

During the same period, the retail chain sales channel achieved a revenue growth of 5%, while the pharmacy channel grew by 23% compared to the same period of the previous year.

Compared to the first half of 2022, production for the parent company JGL d.d grew by 13%. Operating profitability (EBITDA) is at 14%, despite price increases that will mostly be amortised by the end of the year.

During the reporting period, the refurbishment of additional premises at the Adrialab location was also started, in order to establish a new line for the production and dosing of non-sterile solutions of significant capacity.



FINANCIAL
PERFORMANCE

Statement of profit or loss
of JGL Group and JGL
Pharma (in EUR mil.)¹ as at
30 June 2022 and 30 June
2023

	JGL GROUP			JGL PHARMA		
	30/6/22	30/6/23	Index	30/6/22	30/6/23	Index
Operating revenue	73.7	104.2	141	59.3	87.7	148
Sales revenue	71.9	102.4	142	58.5	87.0	149
Other revenue	1.8	1.8	98	0.9	0.7	84
Operating expenses	64.2	84.4	131	50.4	68.5	136
Change in inventory value	-6.2	-5.8	94	-6.2	-5.8	93
Material costs	17.3	23.5	136	16.7	22.7	136
Personnel costs	12.9	15.3	119	11.1	13.2	119
Depreciation	3.8	4.8	126	3.4	4.4	128
Other costs	36.4	46.6	128	25.4	34.0	134
Finance revenue	9.3	0.8	9	9.3	0.8	9
Finance expenses	5.2	5.3	103	5.1	5.3	103
Total revenue	83.0	105.0	126	68.6	88.5	129
Total expenses	69.4	89.7	129	55.5	73.8	133
Profit before tax	13.6	15.2	112	13.1	14.7	112

¹The income statement is shown according to the abridged management classification which is not identical in layout to the statement of profit or loss prescribed by IFRS standards

Statement of profit or loss
of JGL d.d. (in EUR mil.)²
as at 30 June 2022 and 30
June 2023

JGL D.D.

	30/6/22	30/6/23	Index
Operating revenue	41.0	66.8	163
Sales revenue	40.8	66.5	163
Other revenue	0.2	0.3	139
Operating expenses	32.9	49.0	149
Change in inventory value	-6.0	-5.8	97
Material costs	26.0	35.7	137
Personnel costs	7.3	8.9	122
Depreciation	3.1	4.0	129
Other costs	2.5	6.2	249
Finance revenue	9.3	0.5	5
Finance expenses	4.9	4.9	100
Total revenue	50.3	67.3	134
Total expenses	37.8	53.9	143
Profit before tax	12.5	13.4	107

² The income statement is shown according to the abridged management classification which is not identical in layout to the statement of profit or loss prescribed by IFRS standards

Balance sheet of the JGL
Group and JGL Pharma
(in EUR mil.)³ as at
31 December 2022 and
30 June 2023

	JGL GROUP			JGL PHARMA		
	31/12/22	30/6/23	Index	31/12/22	30/6/23	Index
Assets	248.9	271.6	109	235.9	258.0	109
Non-current assets	139.0	145.6	105	134.2	140.9	105
Current assets	109.2	125.4	115	101.1	116.7	115
Inventories	37.1	48.9	132	33.2	44.3	133
Receivables	54.9	53.3	97	51.5	50.0	97
Current financial assets	2.8	5.1	183	2.8	5.1	183
Cash at bank and in hand	14.4	18.1	126	13.6	17.3	127
Prepaid expenses and accrued revenue	0.7	0.5	71	0.6	0.4	66
Liabilities	248.9	271.6	109	235.9	258.0	109
Capital and reserves	120.4	135.4	112	116.4	130.8	112
Non-current provisions	0.5	0.5	97	0.4	0.4	100
Non-current liabilities	76.2	86.2	113	74.0	83.9	113
Liabilities for leasing and banks	58.3	68.5	117	56.7	66.8	118
Bond liabilities	17.1	16.9	99	17.1	16.9	99
Deferred tax liability	0.8	0.8	102	0.2	0.2	106
Current liabilities	47.9	43.6	91	41.3	37.2	90
Suppliers	33.3	32.6	98	27.9	26.9	96
Financial liabilities	6.4	6.2	97	5.8	5.9	102
Other current liabilities	8.2	4.7	57	7.6	4.4	58
Accrued expenses, deferred revenue and provisions	3.9	5.9	152	3.8	5.7	151

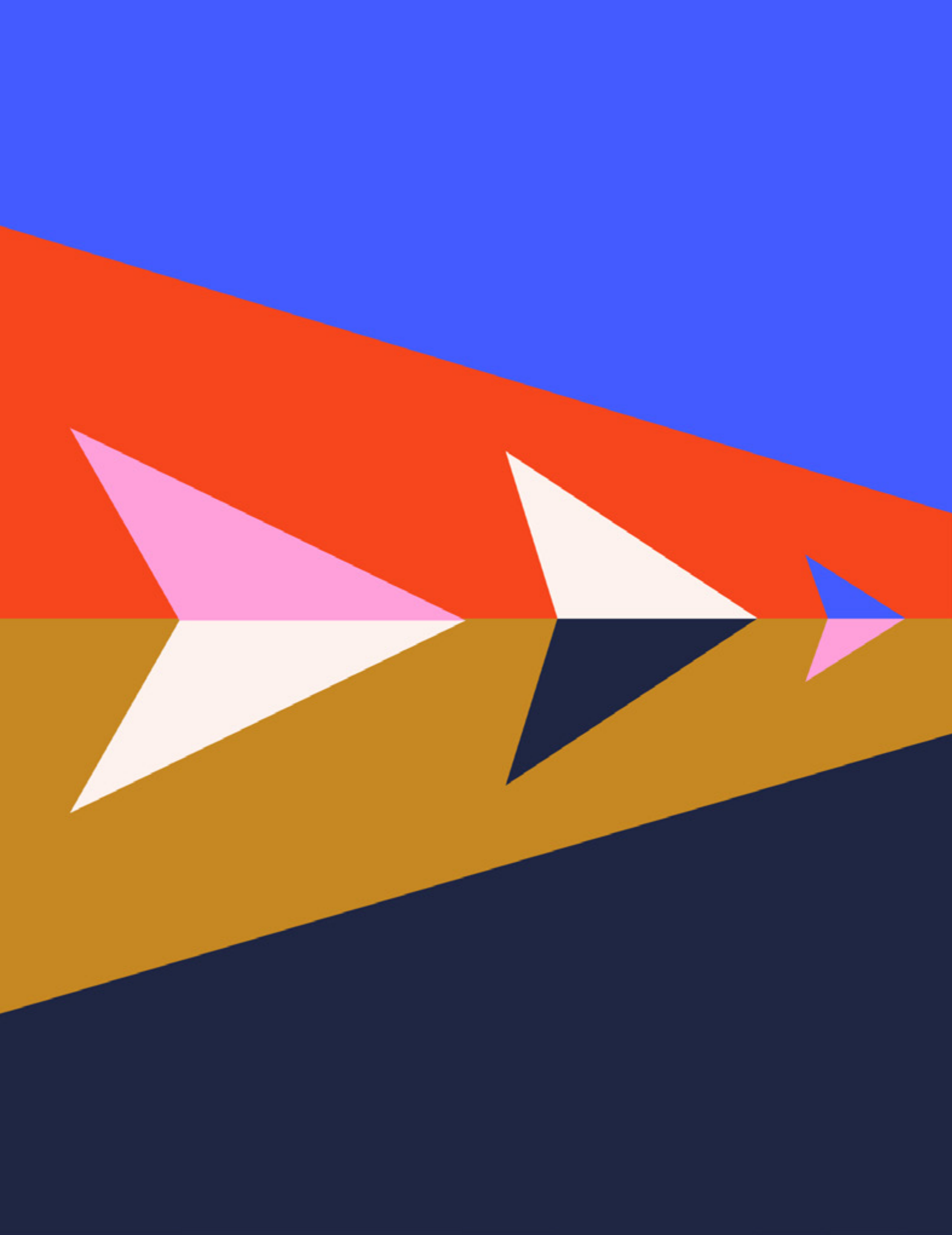
50 ³ The balance sheet is shown according to the management classification and is not identical in layout to the balance sheet prescribed by IFRS standards

Balance sheet of JGL
d.d. (in EUR mil.)⁴ as at
31 December 2022 and
30 June 2023

JGL D.D.

	31/12/22	30/6/23	Index
Assets	232.9	251.5	108
Non-current assets	142.7	149.2	105
Current assets	89.7	102.0	114
Inventories	32.1	42.2	131
Receivables	43.9	41.9	95
Current financial assets	3.2	3.1	97
Cash at bank and in hand	10.5	14.8	141
Prepaid expenses and accrued revenue	0.5	0.3	60
Liabilities	232.9	251.5	108
Capital and reserves	123.4	137.2	111
Non-current provisions	0.4	0.4	100
Non-current liabilities	72.7	82.2	113
Liabilities for leasing and banks	55.6	65.3	117
Bond liabilities	17.1	16.9	99
Deferred tax liability	-	-	-
Current liabilities	34.4	29.9	87
Suppliers	21.9	24.2	111
Financial liabilities	5.2	2.9	56
Other current liabilities	7.3	2.8	38
Accrued expenses, deferred revenue and provisions	1.9	1.7	89

⁴ The balance sheet is shown according to the management classification and is not identical in layout to the balance sheet prescribed by IFRS standards



ACCOUNTING POLICIES

When creating the financial statement for the semi-annual reporting period, as in the previous annual reports, no changes were made when applying accounting policies.

OFF-BALANCE SHEET RECORDS

Financial liabilities of the Group which were not included in the balance sheet and are monitored through off-balance sheet records are liabilities towards received and given guarantees and approved bank lines. Within the structure of the off-balance sheet records are as follows:

Off-balance sheet records of JGL Group and JGL d.d. on 31 December 2022 and 30 June 2023	GROUP		JGL D.D.	
	31/12/22	30/6/23	31/12/22	30/6/23
	Credit lines with banks	13,763,674	16,103,835	8,663,614
Bank loan from credit line	-	2,624,403	-	-
Issued guarantees	6,141,750	3,856,593	6,141,750	3,822,373
Received guarantees	3,309,745	10,528,761	3,309,745	2,636,923
Other	146,648	394,095	146,648	394,095
Total	23,361,816	33,507,687	18,261,757	17,517,049

The most significant change is in the credit lines of the Company's banks and the Company issued guarantees. The lines have been increased for the needs of the Company's regular operations, and the period of validity of certain issued guarantees has expired and will not be extended for the time being.

There is also a visible change in the Group's off-balance sheet records, it concerns the company Jadran LLC, increase in the credit line, short-term credit and guarantees received from customers.

BUSINESS RISKS



In corporate governance, JGL Group respects the highest international standards and best industry practices in order to achieve long-term value and stability for its partners, shareholders, employees and society as a whole. One of the tools for effective corporate governance to achieve long-term value is risk management.

The Company strives to identify, understand and evaluate new risks in a timely manner on a daily basis and initiate successful corporate responses that ensure stable and sustainable business.

In its ordinary course of business, the JGL Group is exposed to various political, economic and financial risks which are connected to operative, foreign currency, interest rate, credit, market, and liquidity risks. The Group is monitoring these risks and trying to reduce their potential effect on the companies' financial exposure. The most significant risks, along with the methods used to manage them, are described below.

BUSINESS ENVIRONMENT RISK

Business environment risk includes political, macro-economic and social risks in all markets in which the JGL Group operates. The JGL Group cannot directly influence this type of risk. Conversely, they directly influence the operation of the Group.

The Group protects itself from this risk by diversifying, operating in different markets, increasing the share of the B2B segment in total revenues, and indirectly reducing its dependence on markets with the highest sales, as well as by protecting its foreign receivables through export insurance.

Political risk related to the war in Ukraine

In 2023, the political risk associated with the war in Ukraine continues. The JGL Group operates in the markets of Russia, Ukraine and Belarus, the areas affected by this political and economic crisis the most.

The war in Ukraine continues to affect the financial market, as well as the energy market. In the first half of 2023, we are still witnessing elevated levels of inflation, but it seems that it has reached its peak, and the situation on the energy market has largely stabilised.

The risks to which the Group is still exposed due to operations in war-affected areas are currency risk, as well as the risk of the inability to collect receivables, the risk of the inability to deliver goods, and the risk of a decline in sales revenue. These risks are managed in several ways: by controlling inventories, insuring exports, finding alternative product distribution routes, diversifying the portfolio and focusing on other markets, and by lowering costs to reduce the impact of decreased sales on operations.

The JGL Group is less dependent on suppliers from the conflict-affected countries, but we are witnessing a rise in fixed and variable costs due to increased prices of raw and other materials and the price of energy. This crisis has an indirect impact on the price of products through the prices of raw and other materials.

Business management of the crisis will be performed in the best interest of the employees and the company. Sales and investments will continue in accordance with business plans.

FINANCIAL RISKS

Foreign currency risk

JGL Group is exposed to risks of foreign exchange rate fluctuations during procurement and sales denominated in foreign currencies. The Group is exposed to transaction risk, which is the risk of a negative impact of the exchange rate on cash flows from operating activities, as well as balance sheet risk which manifests as a lower value of net monetary assets in foreign currencies. Currency risk is also present in the presentation of the performance of foreign subsidiaries, which is presented in EUR in the consolidated reports. The dominant share of export in sales results in the exposure to foreign currency in such a manner that foreign currency assets exceed foreign currency liabilities.

The introduction of the euro as the official currency in the Republic of Croatia will significantly reduce the currency risk for the JGL Group in 2023. The risk of the changing exchange rate of the euro against the ruble remains the most significant currency risk.

Euro/ruble exchange rate trend
in the period from 1 January
2023 to 30 June 2023.



Source: JGL (NHB)

The exposure to foreign currency risk is constantly monitored and hedge accounting is used as necessary. The decision on hedging depends on the currency in which the receivables are denominated, type of hedge accounting, its availability and price. The parent company had no active forward contracts on 30 June 2023.

Exposure to currency risk of changes in the euro/ruble exchange rate.

JGL d.d. invoices products for the Russian market in the Russian ruble. The parent company JGL d.d. and its affiliate, JADRAN LLC, are exposed to the risk of changes in the exchange rate of the euro against the ruble in a ratio of 50:50.

During 2023, the political and economic crisis, the war between Russia and Ukraine and the subsequent sanctions implemented by the EU and US influenced the Russian ruble exchange rate, along with other factors such as the price of oil on the global markets and the monetary policy implemented by the Russian Central Bank (RCB).

Exposure to the currency risk of change in the Russian ruble exchange rate in 2023

In the first half of 2023, the euro/ruble exchange rate depreciated significantly. At the beginning of the year, it trended around 75, and on 30 June, it reached 95, which means that the Russian ruble lost approximately 25% of its value in the specified period. During 2023, the ruble exchange rate risk has been managed by reducing the difference between foreign currency assets and liabilities and establishing a policy for managing rubles in the account.

LIQUIDITY RISK

The liquidity risk is manifested as the risk that the JGL Group will not be able to fulfil its obligations towards creditors or that it will not be able to collect cash fast enough and sell its less liquid assets (receivables and inventories). The Group manages liquidity risk by planning cash flow on a monthly basis and by maintaining a sufficient amount of liquid assets and working capital. This risk is further mitigated by contracting favourable credit lines with various commercial banks that allow for the rapid withdrawal of short-term funds under conditions more favourable than those of the market.

In the first half of 2023, the parent company within the Group has credit lines in EUR approved and contracted with commercial banks in the total amount of EUR 15 million. These lines are used as a liquidity reserve. "Ljekarne Pablo" HI is the co-debtor in the credit line approved to the parent company and may use funds up to 4 million euro. Jadran LLC, an affiliate company in Russia, has a contractual credit line for short-term loans and an approved account overdraft which may be used for liquidity coverage up to RUB 400 million.

INTEREST RATE RISK

As the JGL Group does not have significant assets that generate interest income, income and cash flow from operating activities are not significantly dependent on changes in market interest rates.

Interest rate risk of the Group comes from long-term loans and leasing, issued bonds and short-term loans. Within the JGL Group, the parent company is indebted the most and therefore bears most of the interest rate risk. If we take into account that most of the long-term interest debt is contracted at a fixed interest rate, the parent company is minimally exposed to the interest rate risk. This, in turn, potentially exposes JGL to the fair value interest rate risk. JGL does not use derivative instruments for active protection against interest rate risk exposure (cash flow interest rate risk and fair value interest rate risk), but it actively monitors interest rate movements on the market and, if necessary, takes the necessary measures to reduce the interest rate risk.

During the past period, and especially in the first half of 2023, market interest rates have been increasing, and with them the cost of short-term financing of the Group. For the purposes of short-term financing, the Group uses funds from the lines of short-term credit arranged with its commercial banks at market interest rates which are reviewed annually.

CAPITAL MANAGEMENT

The JGL Group manages its capital by regulating the proportion of self-financing versus financing from external sources. Financing from other sources is based on non-current assets with favourable interest rates and does not represent a burden on the Company's liquidity. With regard to debt type, the Group has non-current liabilities for received loans, leasing and issued bonds, and current liabilities for loans.

Long-term loan liabilities consist of three long-term loans obtained from the Croatian Bank for Reconstruction and Development (HBOR). The first and oldest liability is the long-term HBOR loan used to finance the investment of the Svilno 2 production plant, which as of 30 June 2023, amounts to EUR 15 million. The initial amount of this loan was EUR 31.7 million, with a repayment term of nine years. The loan will be fully repaid in 2027. The liability under the long-term loan used to finance the investment in expanding produc-

tion capacities, equipping development laboratories, constructing a new pilot plant, furnishing office space, and building a logistics centre (the INTEGRA project) amounts to EUR 39.3 million, of which EUR 37.3 million have been drawn by 30 June 2023. The loan was contracted with a favourable fixed interest rate, a repayment term of nine years and a grace period of three years. The repayment of the loan will start in 2026 and will be repaid by 2035.

HBOR's third long-term loan is a loan for working capital in the amount of EUR 13.3 million with a favourable fixed interest rate, a repayment period of five years, and a grace period of one year.

In addition to long-term loans, the parent company has liabilities under the issue of bonds under the code HR-JDGLO24XA2, in the amount of EUR 17 million with a maturity date of 18 December 2024; the interest on these bonds is fixed. Long-term lease liabilities are divided into those for operating and financial leases, accompanied by four- or five-year contracts with market fixed interest rates.

Liabilities for short-term loans within the Group are held by the affiliate, Jadran LLC, in the amount of EUR 2.6 million. The loan is a short-term loan, maturing in September 2023, and the funds were used as working capital.

Maintaining an optimal level of debt and shorter deadlines for the collection of receivables resulted in financial stability, company liquidity, creditworthiness, and a good net debt-to-capital ratio.

ACCOUNTS RECEIVABLE RISK

Credit risk is the risk of non-payment or default of customers within the agreed deadlines, i.e. the risk associated with the collection of receivables.

The accounts receivable risk of the JGL Group is significantly diversified through the distribution of receivables by various geographical areas and customers. The Group protects itself from this risk by obtaining payment insurance instruments and by selecting customers based on the evaluation of their creditworthiness, as well as by insuring export receivables.

Export trade receivables are insured with HBOR and the Croatian Credit Insurance (HKO). The total insured amount of foreign receivables of JGL d.d. in 2023 was EUR 18.5 million. Most foreign trade receivables that have an arranged deferral of payment are insured. At JGL, information on customers is collected together with insurers, and the risk, creditworthiness and li-



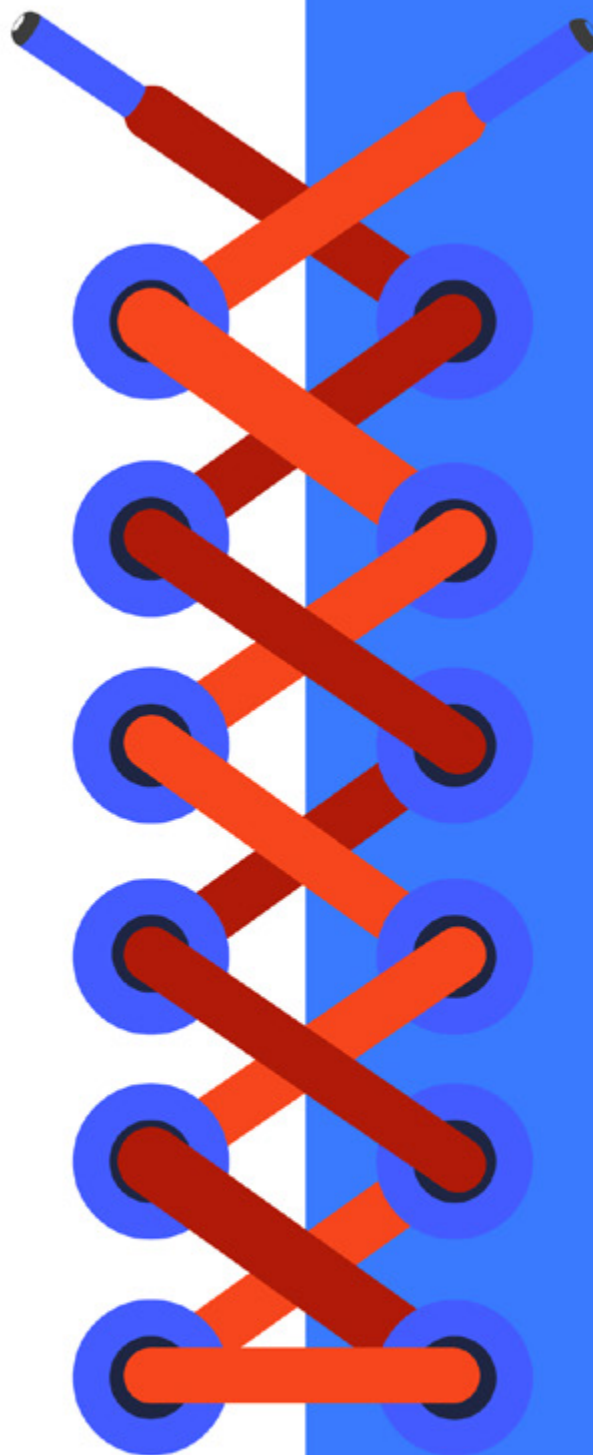
quidity of insured customers are systematically monitored. In the last few years, the Group has recorded a constant increase in insured amounts as a result of growing turnover from existing customers and insuring new customers. Receivables are analysed weekly and all measures needed to collect them are taken.

The receivables of the affiliated company, Jadran LLC, are insured in Russia through the insurance company Euler Hermes and SBERBANK. The total insured credit limit for customers in Russia in the first half of 2023 was EUR 32 million.

Due to the current situation in Ukraine, Russia and Belarus, JGL pays special attention to the management of receivables in these markets through increased monitoring and constant communication with insurers. Since the beginning of the crisis, deliveries to these markets have been carried out according to an extraordinary model and have a special status with insurers.

The parent company is part of the healthcare system of the Republic of Croatia and is indirectly subject to the risk of collection maturity from customers within the HZZO system. JGL manages this risk through the market position of the affiliate Ljekarne Pablo HI, which bases its purchase from wholesalers on the share of each wholesaler in the sales of the parent company JGL d.d. The Group ensures nearly 90% of its pharmaceutical wholesale in Croatia by directing the purchase policy of its affiliate, so the payment security risk is reduced to a minimum.

Although the JGL Group does not deal directly with the healthcare system, due to operating with wholesale pharmacies, payment collection deadlines in healthcare significantly affect operations. Collection deadlines in the Croatian healthcare system in 2023 ranged from 120 to 180 days, with constant efforts made by the Ministry of Health and the Government of the Republic of Croatia to reduce these deadlines below 120 days. The situation is similar in other markets and countries where member companies operate (Russia, Belarus, Kazakhstan, Slovenia, Bosnia and Herzegovina, etc.). The average customer collection period ranges from 30 to 90 days, whereas the average collection period from wholesalers has been extended and typically ranges from 90 to 120 days.





FUTURE DEVELOPMENT

Half a year ago, we forecasted what this year could be for us, and if we look back now – I would say that our assessment was correct. Considering everything that has happened to us over the past few years, both in business and in life, it seems that we have become experts at dealing with various unpleasant surprises. The continuation of the war in Ukraine, inflation, the fear and caution of consumers when buying products, supply chain issues, and employment challenges... The recipe for dealing with all these events is, in fact, simple – agility, perseverance and constant investment. This formula proved successful for JGL.

I consider agility no longer a “luxury” reserved for smaller companies, which were previously considered faster and freer in planning and action, in contrast to larger companies, which were believed to be slow and sluggish. Today, every serious company must grow and develop, but equally, be agile and ready to adjust its plans and operations quickly. Constant investment, on the other hand, means that we must never stop evaluating ourselves, our competitors and our global customers, and that we must always think about how to make something even better, even faster and even more accessible. For us at JGL, this means constant investment in technology, processes, and digitisation, but also in the knowledge and skills of our employees because they are the key to creating innovation and added value.



It is this that gives us wind in our sails and the confidence of knowing that we are on the right path going forward, able to expect another good year for JGL. Considering the strategy we have outlined for ourselves and our commitment to investing in research and development, i.e., our own intellectual capital, combined with the results we achieve, it seems that we have no reason for pessimism, despite all the challenging times regarding the market. We continuously monitor trends in key therapeutic areas and methods of application and talk with key opinion leaders in areas of strategic interest – ophthalmologists, ENT specialists and dermatologists, as well as patients and partners with whom we cooperate. Our Science Council allowed us to network with top experts and share relevant, science-based knowledge and ideas, thereby strengthening the scientific profile of research and development projects and the portfolio of products intended for global customers and patients.

In order to be able to achieve all this, we invested more than EUR 50 million in INTEGRA, the largest invest-

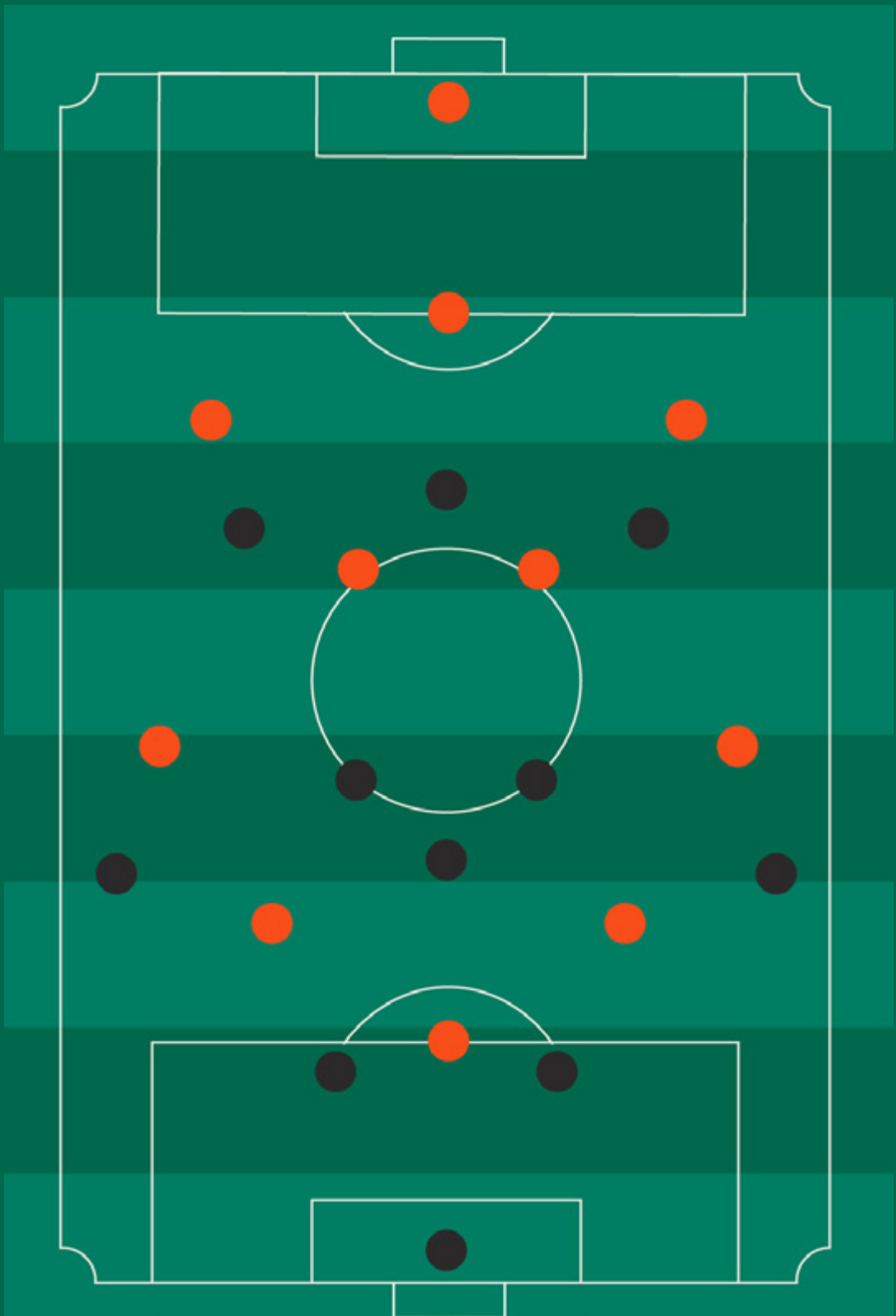
ment and development project of JGL. Thanks to this investment, JGL ranks among the companies whose investments in development significantly surpass the European average. All of these are prerequisites for us to stay abreast of the competition in Croatia and globally and constantly raise our competitiveness.

I believe that at JGL, we have an excellent foundation for future success. We are investing, increasing the number of employees, networking knowledge with international experts, investing in the learning and professional development of our teams and monitoring patients' needs so that we can deliver products with added value and contribute to raising awareness of the importance of protecting one's health.

Mislav Vučić
Chief Executive Officer

JGL GROUP FINANCIAL STATEMENTS

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BALANCE SHEET
Balance as at 30/6/2023
In EUR

Company:
JGL GROUP

Position name	AOP designation	Last day of previous business year	As at reporting date of current period
1	2	3	4
ASSETS			
A RECEIVABLES FOR UNPAID SUBSCRIBED CAPITAL	001	0	0
B NON-CURRENT ASSETS (AOP 003+010+020+031+036)	002	138,953,948	145,648,225
I INTANGIBLE ASSETS (AOP 004 to 009)	003	24,723,507	25,683,547
1. Development costs	004	3,162,421	2,034,529
2. Concessions, patents, licences, brand and service names, software and other rights	005	7,630,194	7,535,032
3. Goodwill	006	2,916,406	2,916,406
4. Advance payments for the procurement of intangible assets	007	0	0
5. Intangible assets in preparation	008	8,295,608	10,611,465
6. Other intangible assets	009	2,718,878	2,586,115
II TANGIBLE ASSETS (AOP 011 to 019)	010	110,270,661	115,774,425
1. Land	011	6,112,750	6,111,645
2. Buildings	012	40,610,229	39,707,884
3. Plants and equipment	013	42,393,142	40,405,539
4. Tools, plant inventory and transportation assets	014	3,709,873	4,013,977
5. Biological assets	015	0	0
6. Advance payments for tangible assets	016	0	0
7. Tangible assets in preparation	017	14,923,492	23,010,958
8. Other tangible assets	018	152,376	155,623
9. Investment property	019	2,368,799	2,368,799
III NON-CURRENT FINANCIAL ASSETS (AOP 021 to 030)	020	266,493	266,493
1. Investment in shares (stocks) of companies within the group	021	0	0
2. Investment in other securities of companies within the group	022	0	0
3. Loans, deposits and similar granted to enterprises within the group	023	0	0
4. Investment in shares (stocks) of companies connected with participating interests	024	82,699	82,699
5. Investment in other securities of companies connected with participating interests	025	0	0
6. Loans, deposits and similar granted to companies connected with participating interests	026	0	0
7. Investments in securities	027	156,955	156,955
8. Given loans, deposits and similar	028	26,839	26,839
9. Other investments calculated using the equity method	029	0	0
10. Other non-current financial assets	030	0	0
IV RECEIVABLES (AOP 032 to 035)	031	21	21
1. Receivables from companies within the group	032	0	0
2. Receivables from companies connected with participating interests	033	0	0

BALANCE SHEET
Balance as at 30/6/2023
In EUR

Company:
JGL GROUP

Position name	AOP designation	Last day of previous business year	As at reporting date of current period
1	2	3	4
3. Trade receivables	034	0	0
4. Other receivables	035	21	21
V DEFERRED TAX ASSETS	036	3,693,266	3,923,739
C CURRENT ASSETS (AOP 038+046+053+063)	037	109,216,275	125,423,624
I INVENTORIES (AOP 039 to 045)	038	37,137,416	48,857,434
1. Raw materials	039	15,355,295	19,635,116
2. Work in progress	040	0	433,433
3. Finished goods	041	12,252,389	17,411,136
4. Trade goods	042	9,509,678	11,351,639
5. Advance payments for inventory	043	0	0
6. Non-current assets held for sale	044	20,054	26,110
7. Biological assets	045	0	0
II RECEIVABLES (AOP 047 to 052)	046	54,855,531	53,331,457
1. Receivables from companies within the group	047	0	0
2. Receivables from companies connected with participating interests	048	0	0
3. Trade receivables	049	47,730,871	45,845,923
4. Receivables from employees and company members	050	15,199	42,989
5. Receivables from the Government and other institutions	051	4,760,004	5,859,535
6. Other receivables	052	2,349,457	1,583,010
III CURRENT FINANCIAL ASSETS (AOP 054 to 062)	053	2,813,113	5,149,693
1. Investment in shares (stocks) of companies within the group	054	0	0
2. Investment in other securities of companies within the group	055	0	0
3. Loans, deposits and similar granted to enterprises within the group	056	0	0
4. Investment in shares (stocks) of companies connected with participating interests	057	0	0
5. Investment in other securities of companies connected with participating interests	058	0	0
6. Loans, deposits and similar granted to companies connected with participating interests	059	0	0
7. Investments in securities	060	0	0
8. Given loans, deposits and similar	061	40,725	2,336,005
9. Other financial assets	062	2,772,388	2,813,688
IV CASH AT BANK AND IN HAND	063	14,410,215	18,085,040
D PREPAID EXPENSES AND ACCRUED REVENUE	064	770,128	484,959
E TOTAL ASSETS (AOP 001+002+037+064)	065	248,940,351	271,556,808
F OFF-BALANCE ENTRIES	066	23,361,816	20,528,718

BALANCE SHEET
Balance as at 30/6/2023
In EUR

Company:
JGL GROUP

Position name	AOP designation	Last day of previous business year	As at reporting date of current period
1	2	3	4
LIABILITIES			
A CAPITAL AND RESERVES	067	120,401,475	135,419,106
(AOP 068 to 070+076+077+083+086+089)			
I SHARE (SUBSCRIBED) CAPITAL	068	16,374,743	16,315,325
II CAPITAL RESERVES	069	4,691,017	6,618,482
III PROFIT RESERVES (AOP 071+072-073+074+075)	070	7,292,500	12,028,198
1. Legal reserves	071	6,869,907	11,587,855
2. Reserves for own shares	072	1,003,444	687,211
3. Own shares and interests (deductible item)	073	-864,981	-530,998
4. Statutory reserves	074	0	0
5. Other reserves	075	284,130	284,130
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (AOP 078 to 082)	077	175,251	-82,149
1. Fair value of financial assets through other comprehensive income (available for sale)	078	0	0
2. Effective portion of cash flow hedge	079	0	0
3. Effective portion of hedges of net investments in foreign operations	080	0	0
4. Other fair value reserves	081	0	0
5. Exchange differences on translation of foreign operations (consolidation)	082	175,251	-82,149
VI PROFIT OR LOSS BROUGHT FORWARD (AOP 084-085)	083	72,664,667	85,297,383
1. Profit brought forward	084	72,664,667	85,297,383
2. Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (AOP 087-088)	086	19,203,297	15,241,867
1. Profit for the business year	087	19,203,297	15,241,867
2. Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B PROVISIONS (AOP 091 to 096)	090	523,934	510,605
1. Provisions for pensions, severance pay and similar obligations	091	422,876	409,547
2. Provisions for taxation	092	0	0
3. Provisions for initiated court disputes	093	101,058	101,058
4. Provisions for costs of regenerating natural resources	094	0	0
5. Provisions for costs in warranty period	095	0	0
6. Other provisions	096	0	0

BALANCE SHEET
Balance as at 30/6/2023
In EUR

Company:
JGL GROUP

Position name	AOP designation	Last day of previous business year	As at reporting date of current period
1	2	3	4
C NON-CURRENT LIABILITIES (AOP 098 to 108)	097	76,173,388	86,156,880
1. Liabilities towards enterprises within the group	098	0	0
2. Liabilities for loans, deposits and similar for companies within the group	099	0	0
3. Liabilities towards companies connected with participating interests	100	0	0
4. Liabilities for loans, deposits and similar to companies connected with participating interests	101	0	0
5. Liabilities for loans, deposits and similar	102	0	0
6. Liabilities towards banks and other financial institutions	103	58,275,906	68,469,923
7. Liabilities for advance payments	104	0	0
8. Trade payables	105	0	0
9. Liabilities arising from securities	106	17,141,174	16,918,256
10. Other non-current liabilities	107	0	0
11. Deferred tax liability	108	756,308	768,701
D CURRENT LIABILITIES (AOP 110 to 123)	109	47,908,641	43,559,630
1. Liabilities towards enterprises within the group	110	0	0
2. Liabilities for loans, deposits and similar for companies within the group	111	0	0
3. Liabilities towards companies connected with participating interests	112	0	0
4. Liabilities for loans, deposits and similar to companies connected with participating interests	113	0	0
5. Liabilities for loans, deposits and similar	114	0	0
6. Liabilities towards banks and other financial institutions	115	6,377,764	6,210,270
7. Liabilities for advance payments	116	1,134,908	1,012,394
8. Trade payables	117	33,281,776	32,648,966
9. Liabilities arising from securities	118	0	0
10. Employee payables	119	3,263,589	1,496,106
11. Tax payables, contributions and similar payments	120	3,230,729	1,957,006
12. Liabilities for share in result	121	39,193	62,590
13. Liabilities for non-current assets held for sale	122	0	0
14. Other current liabilities	123	580,682	172,298
E ACCRUED EXPENSES AND DEFERRED REVENUE	124	3,932,913	5,910,587
F TOTAL – LIABILITIES (AOP 067+090+097+109+124)	125	248,940,351	271,556,808
G OFF-BALANCE ENTRIES	126	23,361,816	20,528,718

INCOME STATEMENT
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL GROUP

Position name	AOP designation	Same period previous year	Current period
1	2	3	4
I BUSINESS REVENUE (AOP 002 to 006)	001	73,700,169	104,165,542
1. Sales revenue from enterprises within the group	002	0	0
2. Sales revenue (outside the group)	003	71,851,548	102,355,916
3. Revenue based on use of own products, goods and services	004	0	0
4. Other business revenue from enterprises within the group	005	0	0
5. Other business revenue (outside the group)	006	1,848,621	1,809,626
II OPERATING EXPENSES (AOP 008+009+013+017+018+019+022+029)	007	64,176,771	84,408,083
1. Changes in the value of work in progress and finished goods inventory	008	-6,178,386	-5,787,644
2. Material costs (AOP 010 to 012)	009	50,302,826	61,909,195
a) Costs of raw materials	010	17,343,104	23,522,514
b) Costs of sold goods	011	18,744,903	20,019,715
c) Other external costs	012	14,214,819	18,366,966
3. Personnel costs (AOP 014 to 016)	013	12,891,518	15,314,293
a) Net wages and salaries	014	8,066,986	9,551,710
b) Costs of taxes and contributions from salary	015	2,848,857	3,374,771
c) Contributions on salary	016	1,975,675	2,387,812
4. Depreciation	017	3,795,677	4,795,965
5. Other costs	018	2,454,680	3,622,652
6. Value adjustments (AOP 020+021)	019	0	1,200,000
a) Non-current assets other than financial assets	020	0	1,200,000
b) Current assets other than financial assets	021	0	0
7. Provisions (AOP 023 to 028)	022	39,795	2,217,333
a) Provisions for retirement, severance pay and similar liabilities	023	39,795	2,217,333
b) Provisions for tax liabilities	024	0	0
c) Provisions for initiated court disputes	025	0	0
d) Provisions for costs of regenerating natural resources	026	0	0
e) Provisions for costs in warranty period	027	0	0
f) Other provisions	028	0	0
8. Other operating expenses	029	870,661	1,136,289
III FINANCE REVENUE (AOP 031 to 040)	030	9,291,565	797,190
1. Revenue from investment in shares (stocks) of companies within the group	031	0	0
2. Revenue from investment in shares (stocks) of companies connected with participating interests	032	0	0

INCOME STATEMENT
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL GROUP

Position name 1	AOP designation 2	Same period previous year 3	Current period 4
3. Revenue from other long-term financial investments and loans to enterprises within the group	033	0	0
4. Other revenue based on interest rate relating to enterprises within the group	034	0	0
5. Exchange rate differences and other finance from relationship with enterprises within the group	035	0	0
6. Revenue from other long-term financial investments and loans	036	0	0
7. Other revenue based on interest rate	037	37,101	78,251
8. Exchange rate differences and other finance revenue	038	9,240,738	669,331
9. Unrealised profit (revenue) from financial assets	039	0	41,301
10. Other finance revenue	040	13,726	8,307
IV FINANCE EXPENSES (AOP 042 to 048)	041	5,171,526	5,312,782
1. Expenses based on interest rates and similar expenses with enterprises within the group	042	0	0
2. Exchange rate differences and other expenses of enterprises within the group	043	0	0
3. Expenses based on interest rates and similar expenses	044	947,869	852,764
4. Exchange rate differences and other expenses	045	3,675,644	4,460,018
5. Unrealised losses (expenses) from financial assets	046	545,403	0
6. Value adjustment of financial assets (net)	047	0	0
7. Other finance expenses	048	2,610	0
V SHARE IN PROFIT FROM COMPANIES CONNECTED WITH PARTICIPATING INTERESTS	049	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0
VII SHARE IN LOSS FROM COMPANIES CONNECTED WITH PARTICIPATING INTERESTS	051	0	0
VIII SHARE IN LOSS FROM JOINT VENTURES	052	0	0
IX TOTAL REVENUE (AOP 001+030+049+050)	053	82,991,734	104,962,732
X TOTAL EXPENSES (AOP 007+041+051+052)	054	69,348,297	89,720,865
XI PROFIT OR LOSS BEFORE TAX (AOP 053-054)	055	13,643,437	15,241,867
1. Profit before tax (AOP 053-054)	056	13,643,437	15,241,867
2. Loss before tax (AOP 054-053)	057	0	0
XII CORPORATE INCOME TAX	058	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (AOP 055-059)	059	13,643,437	15,241,867
1. Profit for the period (AOP 055-059)	060	13,643,437	15,241,867
2. Loss for the period (AOP 059-055)	061	0	0

INCOME STATEMENT
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL GROUP

Position name	AOP designation	Same period previous year	Current period	
1	2	3	4	
DISCONTINUED OPERATIONS (to be filled out by the company subject to IFRS application only if operations discontinued)				
XIV	PROFIT OR LOSS OF DISCONTINUED OPERATIONS BEFORE TAX (AOP 063-064)	062	0	0
	1. Profit of discontinued operations before tax	063	0	0
	2. Loss of discontinued operations before tax	064	0	0
XV	INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0
	1. Profit of discontinued operations for the period (AOP 062-065)	066	0	0
	2. Loss of discontinued operations for the period (AOP 065-062)	067	0	0
TOTAL OPERATIONS (to be filled out only by the company subject to IFRS application whose operations discontinued)				
XVI	PROFIT OR LOSS BEFORE TAX (AOP 055+062)	068	0	0
	1. Profit before tax (AOP 068)	069	0	0
	2. Loss before tax (AOP 068)	070	0	0
XVII	INCOME TAX (AOP 058+065)	071	0	0
XVIII	PROFIT OR LOSS FOR THE PERIOD (AOP 068-071)	072	0	0
	1. Profit for the period (AOP 068-071)	073	0	0
	2. Loss for the period (AOP 071-068)	074	0	0
ADDITION TO THE PROFIT AND LOSS ACCOUNT (to be filled out by the company preparing the consolidated annual financial statement)				
XIX	PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	13,643,437	15,241,867
	1. Attributed to equity holders of the parent company	076	13,643,437	15,241,867
	2. Attributed to minority (non-controlling) interest	077	0	0
REPORT ON OTHER COMPREHENSIVE INCOME (to be filled out by the company subject to IFRS application)				
I	PROFIT OR LOSS FOR THE PERIOD	078	13,643,437	15,241,867
II	OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (AOP 80+87)	079	-145,114	-257,400
III	Items that will not be reclassified to profit or loss (AOP 081 to 085)	080	0	0

INCOME STATEMENT
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL GROUP

Position name	AOP designation	Same period previous year	Current period
1	2	3	4
1. Changes in revaluation reserves of non-current tangible and intangible assets	081	0	0
2. Profit or loss based on subsequent valuation of securities at fair value through other comprehensive income	082	0	0
3. Changes to fair value of financial liability at fair value through income statement which can be assigned to changes to credit risk of the liability	083	0	0
4. Actuarial gain/loss on defined benefit schemes	084	0	0
5. Other items which will not be reclassified	085	0	0
6. Income tax relating to items which will not be reclassified	086	0	0
IV Items which can be reclassified to profit or loss (AOP 088 to 095)	087	-145,114	-257,400
1. Exchange differences on translation of foreign operations	088	-145,114	-257,400
2. Profit or loss based on subsequent valuation of debt securities at fair value through other comprehensive income	089	0	0
4. Profit or loss based on effective cash flow hedge	090	0	0
5. Profit or loss from effective hedges of net investments in foreign operations	091	0	0
6. Share in other comprehensive profit/loss of companies connected with participating interests	092	0	0
6. Changes to fair value of time value option	093	0	0
7. Changes to fair value of time element of futures contracts	094	0	0
8. Other items which can be reclassified into profit or loss	095	0	0
9. Income tax which relates to items which can be reclassified into profit or loss	096	0	0
V NET OTHER COMPREHENSIVE PROFIT OR LOSS (AOP 080+087-086-096)	097	-145,114	-257,400
VI COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (AOP 078+097)	098	13,498,323	14,984,467
ADDENDUM to report on other comprehensive profit (filled out by entity preparing a consolidated statement)			
VI COMPREHENSIVE PROFIT OR LOSS FOR THE PERIODS (AOP 100+101)	099	13,498,323	14,984,467
1. Attributed to equity holders of the parent company	100	13,498,323	14,984,467
2. Attributed to minority (non-controlling) interest	101	0	0

STATEMENT OF CASH FLOWS – DIRECT METHOD
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL GROUP

Position name 1	AOP designation 2	Same period previous year 3	Current period 4
Cash flows from operating activities			
1. Cash inflow from customers	001	86,280,473	106,166,814
2. Cash inflow from royalties, fees, commissions and similar	002	0	0
3. Cash inflow from damage compensation based on insurance	003	205,539	156,908
4. Cash inflow from tax refund	004	1,440,257	2,020,350
5. Other cash inflow from operating activities	005	87,139	288,856
I Total cash inflow from operating activities (AOP 001 do 005)	006	88,013,408	108,632,928
1. Cash outflow for suppliers	007	-58,253,398	-74,215,325
2. Cash outflow for employees	008	-11,062,179	-12,421,146
3. Cash outflow from damage compensation based on insurance	009	-37,559	-171,708
4. Cash outflow for interest	010	-673,951	-589,691
5. Paid income tax	011	-144,354	-132,084
6. Other cash outflow from operating activities	012	-10,040,460	-14,753,453
II Total cash outflow from operating activities (AOP 007 do 012)	013	-80,211,901	-102,283,407
A NET CASH FLOWS FROM OPERATING ACTIVITIES (AOP 006+013)	014	7,801,507	6,349,521
Cash flows from investment activities			
1. Cash inflow from the sale of non-current tangible and intangible assets	015	448,941	89,423
2. Cash inflow from sale of financial instruments	016	3,482,125	8,307
3. Cash inflow from interest	017	37,153	89,692
4. Cash inflow from dividends	018	0	0
5. Cash inflow from refund of loans and savings deposits	019	199	24,816
6. Other cash inflow from investment activities	020	0	0
III Total cash inflow from investment activities (AOP 015 to 020)	021	3,968,418	212,238
1. Cash outflow for the purchase of non-current tangible and intangible assets	022	-9,300,360	-9,560,159
2. Cash outflow for acquiring financial instruments	023	0	0
3. Cash outflow from loans and savings deposits	024	0	-2,648,579
4. Acquiring subsidiary, reduced for acquired money	025	0	0
5. Other cash outflow from investment activities	026	-531,343	-200,000
IV Total cash outflow from investment activities (AOP 022 to 026)	027	-9,831,703	-12,408,738
B NET CASH FLOWS FROM INVESTMENT ACTIVITIES (AOP 021+027)	028	-5,863,285	-12,196,500

STATEMENT OF CASH FLOWS – DIRECT METHOD
for the period from 1/1/2023 to 30/6/2023
In HRK

Company:
JGL GROUP

Position name	AOP designation	Same period previous year	Current period
1	2	3	4
Cash flows from financial activities			
1. Cash inflow from increase of (subscribed) share capital	029	177,070	276,510
2. Cash inflow from issuing equity and debt financial instruments	030	892,434	1,609,287
3. Cash inflow from loan principal, borrowings and other lending	031	11,990,968	13,273,437
4. Other cash inflow from financing activities	032	1,072,044	1,779,052
V Total cash inflow from financial activities (AOP 029 to 032)	033	14,132,516	16,938,286
1. Cash outflow for payment of loan principal, borrowings and other lending and financial debt instruments	034	-14,559,668	-2,393,505
2. Cash outflow for the payment of dividends	035	-2,144,110	-3,558,942
3. Cash outflow for finance lease	036	-1,255,962	-1,424,173
4. Cash outflow for repurchase of own shares and reduction of (subscribed) share capital	037	-8,826	-1,773
5. Other cash outflow from financial activities	038	-6,598	0
VI Total cash outflow from financial activities (AOP 034 to 038)	039	-17,975,164	-7,378,393
C NET CASH FLOWS FROM FINANCIAL ACTIVITIES (AOP 033+039)	040	-3,842,648	9,559,893
1. Unrealised cash exchange differences and cash equivalents	041	3,096,279	-38,089
D NET INCREASE OR REDUCTION OF CASH FLOWS (AOP 014+028+040+041)	042	1,191,853	3,674,825
E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	6,981,659	14,410,215
F CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (AOP 042+043)	044	8,173,512	18,085,040

STATEMENT OF CHANGES IN EQUITY
for the period from 1/1/2023 to
30/6/2023
In EUR

Company:
JGL GROUP

Position description	AOP designation	DIVISIBLE AMONG HOLDERS OF PARENT COMPANY CAPITAL																	Minority (non-controlling) interest	Total capital and reserves
		(Subscribed) share capital	Capital reserves	Legal reserves	Reserves for own shares	Own shares and interests (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Effective portion of cash flow hedge	Effective portion of hedges of net investments in foreign operations	Other fair value reserves	Exchange differences on translation of foreign operations	Profit/loss brought forward	Business year profit/loss	Total divisible among holders of parent company capital			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
PREVIOUS PERIOD																				
1.	Balance as at start of previous business year	01	16,235,157	3,808,099	6,885,742	1,164,420	1,025,638	0	284,785	0	0	0	0	141,701	62,629,427	11,454,889	101,578,582	0	101,578,582	
2.	Accounting policies changes	02	-23,541	-5,522	-9,985	-1,688	-1,487	0	-413	0	0	0	0	-206	-90,814	-5,945	-136,627	0	-136,627	
3.	Error correction	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4.	Balance as at start of previous business year (restated) (AOP 01 to 03)	04	16,211,616	3,802,577	6,875,757	1,162,732	1,024,151	0	284,372	0	0	0	0	141,495	62,538,613	11,448,944	101,441,955	0	101,441,955	
5.	Profit/loss for the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	13,643,437	13,643,437	0	13,643,437	
6.	Exchange differences on translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	-145,114	0	0	-145,114	0	-145,114	
7.	Changes in revaluation reserves of non-current tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8.	Profit or loss based on subsequent valuation of financial assets toward fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9.	Profit or loss based on effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10.	Profit or loss based on effective portion of hedges of net investments in foreign operations	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.	Share in other comprehensive profit/loss of companies connected with participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12.	Actuarial gain/loss on defined benefit schemes	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13.	Other non-equity capital changes	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14.	Transaction tax recognised directly in capital	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15.	Reduction of (subscribed) share capital (other than in pre-bankruptcy settlement proceedings and capital accrued through reinvesting profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16.	Reduction of (subscribed) share capital in pre-bankruptcy settlement proceedings	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17.	Reduction of (subscribed) share capital accrued through reinvesting profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18.	Purchase of own stocks/shares	18	0	0	0	-232,423	-232,423	0	0	0	0	0	0	0	1,403,834	0	1,403,834	0	1,403,834	
19.	Member/shareholder payments	19	177,070	892,434	0	0	0	0	0	0	0	0	0	0	0	0	1,069,504	0	1,069,504	
20.	Payment of share in profit/dividends	20	0	0	0	0	0	0	0	0	0	0	0	0	-2,158,818	0	-2,158,818	0	-2,158,818	
21.	Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	604,925	0	604,925	0	604,925	
22.	Transfer to reserves according to annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	11,613,205	-11,448,944	164,261	0	164,261	
23.	Increase of reserves in pre-bankruptcy settlement proceedings	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24.	Balance as at last day of reporting period for previous business year (04 to 23)	24	16,388,686	4,695,011	6,875,757	930,309	791,728	0	284,372	0	0	0	0	-3,619	74,001,759	13,643,437	116,023,984	0	116,023,984	
ADDENDUM TO STATEMENT ON CHANGES IN EQUITY (to be filled out by the company subject to IFRS application)																				
I	OTHER COMPREHENSIVE PROFIT FOR PREVIOUS PERIOD, REDUCED BY TAX (AOP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	-145,114	0	0	-145,114	0	-145,114	
II	COMPREHENSIVE PROFIT OR LOSS FOR PREVIOUS PERIOD (AOP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	-145,114	0	13,643,437	13,498,323	0	13,498,323	
III	TRANSACTIONS RELATING TO OWNERS FOR PREVIOUS PERIOD RECOGNISED DIRECTLY IN CAPITAL (AOP 15 to 23)	27	177,070	892,434	0	-232,423	-232,423	0	0	0	0	0	0	0	11,463,146	-11,448,944	1,083,706	0	1,083,706	

STATEMENT OF CHANGES IN EQUITY
for the period from 1/1/2023 to
30/6/2023
In EUR

Company:
JGL GROUP

Position description	AOP designation	DIVISIBLE AMONG HOLDERS OF PARENT COMPANY CAPITAL																	Minority (non-controlling) interest	Total capital and reserves
		(Subscribed) share capital	Capital reserves	Legal reserves	Reserves for own shares	Own shares and interests (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Effective portion of cash flow hedge	Effective portion of hedges of net investments in foreign operations	Other fair value reserves	Exchange differences on translation of foreign operations	Profit/loss brought forward	Business year profit/loss	Total divisible among holders of parent company capital			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
CURRENT PERIOD																				
1.	Balance as at start of current business year	28	16,374,743	4,691,017	6,869,907	1,003,444	864,981	0	284,130	0	0	0	0	175,251	72,664,667	19,203,297	120,401,475	0	120,401,475	
2.	Accounting policies changes	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3.	Error correction	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4.	Balance as at start of current business year (restated) (AOP 28 to 30)	31	16,374,743	4,691,017	6,869,907	1,003,444	864,981	0	284,130	0	0	0	0	175,251	72,664,667	19,203,297	120,401,475	0	120,401,475	
5.	Profit/loss for the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	15,241,867	15,241,867	0	15,241,867	
6.	Exchange differences on translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	-257,400	0	0	-257,400	0	-257,400	
7.	Changes in revaluation reserves of non-current tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8.	Profit or loss based on subsequent valuation of financial assets toward fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9.	Profit or loss based on effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10.	Profit or loss based on effective portion of hedges of net investments in foreign operations	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.	Share in other comprehensive profit/loss of companies connected with participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12.	Actuarial gain/loss on defined benefit schemes	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13.	Other non-equity capital changes	40	-335,928	318,178	0	17,750	0	0	0	0	0	0	0	0	0	0	0	0	0	
14.	Transaction tax recognised directly in capital	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15.	Reduction of (subscribed) share capital (other than in pre-bankruptcy settlement proceedings and capital accrued through reinvesting profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16.	Reduction of (subscribed) share capital in pre-bankruptcy settlement proceedings	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17.	Reduction of (subscribed) share capital accrued through reinvesting profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18.	Purchase of own stocks/shares	45	0	0	0	-333,983	-333,983	0	0	0	0	0	0	0	2,156,743	0	2,156,743	0	2,156,743	
19.	Member/shareholder payments	46	276,510	1,609,287	0	0	0	0	0	0	0	0	0	0	0	0	1,885,797	0	1,885,797	
20.	Payment of share in profit/dividends	47	0	0	0	0	0	0	0	0	0	0	0	-3,582,339	0	-3,582,339	0	-3,582,339		
21.	Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	-684,437	0	-684,437	0	-684,437		
22.	Transfer according to annual schedule	49	0	0	4,717,948	0	0	0	0	0	0	0	0	14,742,749	-19,203,297	257,400	0	257,400		
23.	Increase of reserves in pre-bankruptcy settlement proceedings	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24.	Balance as at last day of reporting period for current business year (AOP 31 to 50)	51	16,315,325	6,618,482	11,587,855	687,211	530,998	0	284,130	0	0	0	0	-82,149	85,297,383	15,241,867	135,419,106	0	135,419,106	
ADDENDUM TO STATEMENT ON CHANGES IN EQUITY (to be filled out by the company subject to IFRS application)																				
I	OTHER COMPREHENSIVE PROFIT FOR CURRENT PERIOD, REDUCED BY TAX (AOP 33 to 41)	52	-335,928	318,178	0	17,750	0	0	0	0	0	0	0	-257,400	0	0	-257,400	0	-257,400	
II	COMPREHENSIVE PROFIT OR LOSS FOR CURRENT PERIOD (AOP 32+52)	53	-335,928	318,178	0	17,750	0	0	0	0	0	0	0	-257,400	0	15,241,867	14,984,467	0	14,984,467	
III	TRANSACTIONS RELATING TO OWNERS FOR CURRENT PERIOD RECOGNISED DIRECTLY IN CAPITAL (AOP 42 to 50)	54	276,510	1,609,287	4,717,948	-333,983	-333,983	0	0	0	0	0	0	0	12,632,716	-19,203,297	33,164	0	33,164	

NOTES ACCOMPANYING FINANCIAL STATEMENTS – PFI

(created for semi-annual periods)

ISSUER NAME:	JGL D.D.
PIN (OIB):	20950636972
REPORTING PERIOD:	1/1/2023 - 30/6/2023

The notes accompanying the Financial Statements for semi-annual periods include the following items and are an integral part of the Semi-annual JGL Group Management Report for the first six months of 2023. The Semi-annual JGL Group Management Report for the first six months of 2023 is available online on the JGL d.d. Group website at <https://www.jgl.hr/o-nama/jgl-danas/financijski-izvjestaji>, as well as on the Zagreb Stock Exchange and HANFA websites. Included items:

- a. Explanation of business events which are significant for understanding the changes in the report in financial position and performance for the semi-annual period of the issuer since the end of the last annual reporting period; in other words, information disclosed in relation to those events shall update the relevant information presented in the most recent annual financial report (items 15 to 15C IAS 34 – Interim Financial Reporting),
- b. Information on where access to the latest annual financial statements is possible, in order to understand the information disclosed in the notes to the financial statements drawn up for the interim period,
- c. Statement that the same accounting policies are applied in the interim financial statements as for the most recent annual financial statements or, if those policies have changed, a description of the nature and effect of the change (item 16A (a) IAS 34 – Interim Financial Reporting),
- d. Explanation of business results in the event that the issuer performs activities of a seasonal nature (items 37 and 38 of the IAS 34 – Interim Financial Reporting),
- e. Other disclosures prescribed by IAS 34 – Interim Financial Reporting and
- f. In notes accompanying interim financial reports, other than the previously mentioned information, the following information is disclosed as well:
 1. Name, company headquarters (address), company legal form, country of establishment, entity registration number, personal identification number and, where applicable, if the company is in liquidation, bankrupt, in a summary cessation procedure or extraordinary administration
 2. Adopted accounting policies (only an indication of whether there was a change compared to the previous period)
 3. The total sum of all financial liabilities, guarantees or unforeseen expenditures which are not included in the balance sheet, including an indication of the nature and form of any surety pro-

vided; all liabilities relating to company pensions within the group or companies affiliated through participating interests are declared separately

4. The amount and nature of individual items of income or expenses of exceptional size or occurrence
5. Amounts which the company owes and which are due after more than five years, including the total company liabilities covered by valuable security given by the company, with an indication of the type and form of security
6. Average number of employees during current period
7. If during the business year, the employer capitalised salary expenses, partially or in full in accordance with regulations, information on total employee costs during the year broken down into sums directly charged to the expenses of the period and the amount capitalised in the asset value during the period, in such a way that for each part the total amount of net salaries, taxes, contributions from salaries and contributions on salaries are listed separately
8. If deferred tax provisions are recognised in the balance sheet, deferred tax balances at the end of the business year and their trends
9. Name and headquarters of each company in which the company, either alone or through a person which acts in his or her own name but on behalf of the company, has a participating share in capital, reporting the amount of held capital, total capital and reserves, and profit or losses of the last business year of the company and for which annual financial statements were adopted; information regarding capital and reserves, profit or losses can be omitted when the company does not disclose its balance sheet and is not under the control of other companies
10. The number and nominal value, or if there is no

nominal value, the carrying value of the stocks or shares registered during the business year within the framework of the authorised capital

11. The existence of any confirmation on participation, convertible debentures, guarantees, options and similar securities or rights, with an indication of their number and rights that were given
12. Name, headquarters and legal form of each company in which the company has unlimited liability
13. Name and headquarters of the company preparing the consolidated semi-annual financial statement of the largest group of companies in which the company participates as a controlled group member
14. Name and headquarters of the company preparing the consolidated semi-annual financial statement of the smallest group of companies in which the company participates as a controlled member and which is also included in the group of companies in item 13
15. Location where a copy of the consolidated semi-annual financial report from item 13 and 14 can be obtained, if available
16. The nature and business purpose of company arrangements not included in the balance sheet and the financial effect of these arrangements on the company, under the conditions that risks or benefits stemming from such arrangements are material in nature and so far as the declaration of such risks or benefits is necessary for the assessment of the financial status of the company
17. The nature and financial effect of significant events that occurred after the balance sheet date, which are not reflected in the statement of profit or loss or balance sheet.

FINANCIAL STATEMENTS JGL D.D.

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BALANCE SHEET
Balance as at 30/6/2023
In EUR

Company:
JGL d.d.

Position name	AOP designation	Last day of previous business year	As at reporting date of current period
1	2	3	4
ASSETS			
A RECEIVABLES FOR UNPAID SUBSCRIBED CAPITAL	001	0	0
B NON-CURRENT ASSETS (AOP 003+010+020+031+036)	002	142,653,556	149,170,345
I INTANGIBLE ASSETS (AOP 004 to 009)	003	17,972,194	18,938,953
1. Development costs	004	3,162,421	2,034,529
2. Concessions, patents, licences, brand and service names, software and other rights	005	4,196,591	4,195,581
3. Goodwill	006	0	0
4. Advance payments for the procurement of intangible assets	007	0	0
5. Intangible assets in preparation	008	8,361,536	10,602,780
6. Other intangible assets	009	2,251,646	2,106,063
II TANGIBLE ASSETS (AOP 011 to 019)	010	103,353,635	108,903,665
1. Land	011	5,930,036	5,930,036
2. Buildings	012	36,368,639	35,738,854
3. Plants and equipment	013	41,503,793	39,550,242
4. Tools, plant inventory and transportation assets	014	2,123,622	2,165,690
5. Biological assets	015	0	0
6. Advance payments for tangible assets	016	0	0
7. Tangible assets in preparation	017	14,906,370	22,994,421
8. Other tangible assets	018	152,376	155,623
9. Investment property	019	2,368,799	2,368,799
III NON-CURRENT FINANCIAL ASSETS (AOP 021 to 030)	020	18,655,630	18,655,630
1. Investment in shares (stocks) of companies within the group	021	18,492,172	18,492,172
2. Investment in other securities of companies within the group	022	0	0
3. Loans, deposits and similar granted to enterprises within the group	023	0	0
4. Investment in shares (stocks) of companies connected with participating interests	024	6,503	6,503
5. Investment in other securities of companies connected with participating interests	025	0	0
6. Loans, deposits and similar granted to companies connected with participating interests	026	0	0
7. Investments in securities	027	156,955	156,955
8. Given loans, deposits and similar	028	0	0
9. Other investments calculated using the equity method	029	0	0
10. Other non-current financial assets	030	0	0
IV RECEIVABLES (AOP 032 to 035)	031	0	0
1. Receivables from companies within the group	032	0	0
2. Receivables from companies connected with participating interests	033	0	0

BALANCE SHEET
Balance as at 30/6/2023
In EUR

Company:
JGL d.d.

Position name	AOP designation	Last day of previous business year	As at reporting date of current period
1	2	3	4
3. Trade receivables	034	0	0
4. Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	2,672,097	2,672,097
C CURRENT ASSETS (AOP 038+046+053+063)	037	89,695,907	101,981,893
I INVENTORIES (AOP 039 to 045)	038	32,148,647	42,212,456
1. Raw materials	039	14,643,384	18,629,009
2. Work in progress	040	0	433,433
3. Finished goods	041	11,583,468	16,776,603
4. Trade goods	042	5,921,795	6,367,355
5. Advance payments for inventory	043	0	0
6. Non-current assets held for sale	044	0	6,056
7. Biological assets	045	0	0
II RECEIVABLES (AOP 047 to 052)	046	43,874,864	41,853,781
1. Receivables from companies within the group	047	26,347,964	22,074,259
2. Receivables from companies connected with participating interests	048	0	0
3. Trade receivables	049	14,692,784	18,030,394
4. Receivables from employees and company members	050	2,603	29,254
5. Receivables from the Government and other institutions	051	1,238,921	921,777
6. Other receivables	052	1,592,592	798,097
III CURRENT FINANCIAL ASSETS (AOP 054 to 062)	053	3,196,544	3,065,227
1. Investment in shares (stocks) of companies within the group	054	0	0
2. Investment in other securities of companies within the group	055	0	0
3. Loans, deposits and similar granted to enterprises within the group	056	400,000	250,000
4. Investment in shares (stocks) of companies connected with participating interests	057	0	0
5. Investment in other securities of companies connected with participating interests	058	0	0
6. Loans, deposits and similar granted to companies connected with participating interests	059	0	0
7. Investments in securities	060	0	0
8. Given loans, deposits and similar	061	24,156	1,539
9. Other financial assets	062	2,772,388	2,813,688
IV CASH AT BANK AND IN HAND	063	10,475,852	14,850,429
D PREPAID EXPENSES AND ACCRUED REVENUE	064	525,506	336,883
E TOTAL ASSETS (AOP 001+002+037+064)	065	232,874,969	251,489,121
F OFF-BALANCE ENTRIES	066	18,261,757	17,517,048

BALANCE SHEET
Balance as at 30/6/2023
In EUR

Company:
JGL d.d.

Position name	AOP designation	Last day of previous business year	As at reporting date of current period
1	2	3	4
LIABILITIES			
A CAPITAL AND RESERVES	067	123,371,651	137,237,169
(AOP 068 to 070+076+077+083+086+089)			
I SHARE (SUBSCRIBED) CAPITAL	068	16,374,743	16,315,325
II CAPITAL RESERVES	069	4,691,017	6,618,482
III PROFIT RESERVES (AOP 071+072-073+074+075)	070	7,292,500	12,028,198
1. Legal reserves	071	6,869,907	11,587,855
2. Reserves for own shares	072	1,003,444	687,211
3. Own shares and interests (deductible item)	073	-864,981	-530,998
4. Statutory reserves	074	0	0
5. Other reserves	075	284,130	284,130
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (AOP 078 to 082)	077	-6,114	0
1. Fair value of financial assets through other comprehensive income (available for sale)	078	0	0
2. Effective portion of cash flow hedge	079	0	0
3. Effective portion of hedges of net investments in foreign operations	080	0	0
4. Other fair value reserves	081	0	0
5. Exchange differences on translation of foreign operations (consolidation)	082	-6,114	0
VI PROFIT OR LOSS BROUGHT FORWARD (AOP 084-085)	083	79,348,612	88,869,848
1. Profit brought forward	084	79,348,612	88,869,848
2. Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (AOP 087-088)	086	15,670,893	13,405,316
1. Profit for the business year	087	15,670,893	13,405,316
2. Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B PROVISIONS (AOP 091 to 096)	090	422,341	422,341
1. Provisions for pensions, severance pay and similar obligations	091	321,283	321,283
2. Provisions for taxation	092	0	0
3. Provisions for initiated court disputes	093	101,058	101,058
4. Provisions for costs of regenerating natural resources	094	0	0
5. Provisions for costs in warranty period	095	0	0
6. Other provisions	096	0	0

BALANCE SHEET
Balance as at 30/6/2023
In EUR

Company:
JGL d.d.

Position name	AOP designation	Last day of previous business year	As at reporting date of current period
1	2	3	4
C NON-CURRENT LIABILITIES (AOP 098 to 108)	097	72,724,091	82,193,564
1. Liabilities towards enterprises within the group	098	0	0
2. Liabilities for loans, deposits and similar for companies within the group	099	0	0
3. Liabilities towards companies connected with participating interests	100	0	0
4. Liabilities for loans, deposits and similar to companies connected with participating interests	101	0	0
5. Liabilities for loans, deposits and similar	102	0	0
6. Liabilities towards banks and other financial institutions	103	55,582,917	65,275,308
7. Liabilities for advance payments	104	0	0
8. Trade payables	105	0	0
9. Liabilities arising from securities	106	17,141,174	16,918,256
10. Other non-current liabilities	107	0	0
11. Deferred tax liability	108	0	0
D CURRENT LIABILITIES (AOP 110 to 123)	109	34,427,283	29,913,582
1. Liabilities towards enterprises within the group	110	392,364	478,273
2. Liabilities for loans, deposits and similar for companies within the group	111	0	0
3. Liabilities towards companies connected with participating interests	112	0	0
4. Liabilities for loans, deposits and similar to companies connected with participating interests	113	0	0
5. Liabilities for loans, deposits and similar	114	0	0
6. Liabilities towards banks and other financial institutions	115	5,174,656	2,949,008
7. Liabilities for advance payments	116	1,112,969	761,899
8. Trade payables	117	21,872,548	24,201,643
9. Liabilities arising from securities	118	0	0
10. Employee payables	119	2,767,490	821,567
11. Tax payables, contributions and similar payments	120	2,504,605	472,004
12. Liabilities for share in result	121	39,193	62,590
13. Liabilities for non-current assets held for sale	122	0	0
14. Other current liabilities	123	563,458	166,598
E ACCRUED EXPENSES AND DEFERRED REVENUE	124	1,929,603	1,722,465
F TOTAL – LIABILITIES (AOP 067+090+097+109+124)	125	232,874,969	251,489,121
G OFF-BALANCE ENTRIES	126	18,261,757	17,517,048

INCOME STATEMENT
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL d.d.

Position name 1	AOP designation 2	Same period previous year 3	Current period 4
I BUSINESS REVENUE (AOP 002 to 006)	001	41,024,483	66,756,951
1. Sales revenue from enterprises within the group	002	11,515,571	23,228,194
2. Sales revenue (outside the group)	003	28,969,861	43,144,533
3. Revenue based on use of own products, goods and services	004	0	0
4. Other business revenue from enterprises within the group	005	0	9,500
5. Other business revenue (outside the group)	006	539,051	374,724
II OPERATING EXPENSES (AOP 08+009+013+017+018+019+022+029)	007	32,887,890	48,998,866
1. Changes in the value of work in progress and finished goods inventory	008	-5,957,082	-5,804,991
2. Material costs (AOP 010 to 012)	009	26,002,331	35,698,223
a) Costs of raw materials	010	15,801,320	22,022,486
b) Costs of sold goods	011	4,707,829	6,897,957
c) Other external costs	012	5,493,182	6,777,780
3. Personnel costs (AOP 014 to 016)	013	7,304,095	8,887,065
a) Net wages and salaries	014	4,537,722	5,526,964
b) Costs of taxes and contributions from salary	015	1,845,629	2,220,813
c) Contributions on salary	016	920,744	1,139,288
4. Depreciation	017	3,107,852	4,002,628
5. Other costs	018	1,596,730	2,373,292
6. Value adjustments (AOP 020+021)	019	0	1,200,000
a) Non-current assets other than financial assets	020	0	1,200,000
b) Current assets other than financial assets	021	0	0
7. Provisions (AOP 023 to 028)	022	0	1,590,321
a) Provisions for retirement, severance pay and similar liabilities	023	0	1,590,321
b) Provisions for tax liabilities	024	0	0
c) Provisions for initiated court disputes	025	0	0
d) Provisions for costs of regenerating natural resources	026	0	0
e) Provisions for costs in warranty period	027	0	0
f) Other provisions	028	0	0
8. Other operating expenses	029	833,964	1,052,328
III FINANCE REVENUE (AOP 031 to 040)	030	9,250,596	568,791
1. Revenue from investment in shares (stocks) of companies within the group	031	0	0
2. Revenue from investment in shares (stocks) of companies connected with participating interests	032	0	0

INCOME STATEMENT
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL d.d.

Position name	AOP designation	Same period previous year	Current period
1	2	3	4
3. Revenue from other long-term financial investments and loans to enterprises within the group	033	0	0
4. Other revenue based on interest rate relating to enterprises within the group	034	0	0
5. Exchange rate differences and other finance from relationship with enterprises within the group	035	5,868,488	339,295
6. Revenue from other long-term financial investments and loans	036	0	0
7. Other revenue based on interest rate	037	5	40,050
8. Exchange rate differences and other finance revenue	038	3,368,377	139,838
9. Unrealised profit (revenue) from financial assets	039	0	41,301
10. Other finance revenue	040	13,726	8,307
IV FINANCE EXPENSES (AOP 042 to 048)	041	4,846,189	4,921,560
1. Expenses based on interest rates and similar expenses with enterprises within the group	042	0	0
2. Exchange rate differences and other expenses of enterprises within the group	043	3,281,830	4,012,398
3. Expenses based on interest rates and similar expenses	044	631,830	653,235
4. Exchange rate differences and other expenses	045	384,516	255,927
5. Unrealised losses (expenses) from financial assets	046	545,403	0
6. Value adjustment of financial assets (net)	047	0	0
7. Other finance expenses	048	2,610	0
V SHARE IN PROFIT FROM COMPANIES CONNECTED WITH PARTICIPATING INTERESTS	049	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0
VII SHARE IN LOSS FROM COMPANIES CONNECTED WITH PARTICIPATING INTERESTS	051	0	0
VIII SHARE IN LOSS FROM JOINT VENTURES	052	0	0
IX TOTAL REVENUE (AOP 001+030+049+050)	053	50,275,079	67,325,742
X TOTAL EXPENSES (AOP 007+041+051+052)	054	37,734,079	53,920,426
XI PROFIT OR LOSS BEFORE TAX (AOP 053-054)	055	12,541,000	13,405,316
1. Profit before tax (AOP 053-054)	056	12,541,000	13,405,316
2. Loss before tax (AOP 054-053)	057	0	0
XII CORPORATE INCOME TAX	058	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (AOP 055-059)	059	12,541,000	13,405,316
1. Profit for the period (AOP 055-059)	060	12,541,000	13,405,316
2. Loss for the period (AOP 059-055)	061	0	0

INCOME STATEMENT
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL d.d.

Position name	AOP designation	Same period previous year	Current period	
1	2	3	4	
DISCONTINUED OPERATIONS (to be filled out by the company subject to IFRS application only if operations discontinued)				
XIV	PROFIT OR LOSS OF DISCONTINUED OPERATIONS BEFORE TAX (AOP 063-064)	062	0	0
	1. Profit of discontinued operations before tax	063	0	0
	2. Loss of discontinued operations before tax	064	0	0
XV	INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0
	1. Profit of discontinued operations for the period (AOP 062-065)	066	0	0
	2. Loss of discontinued operations for the period (AOP 065-062)	067	0	0
TOTAL OPERATIONS (to be filled out only by the company subject to IFRS application whose operations discontinued)				
XVI	PROFIT OR LOSS BEFORE TAX (AOP 055+062)	068	0	0
	1. Profit before tax (AOP 068)	069	0	0
	2. Loss before tax (AOP 068)	070	0	0
XVII	INCOME TAX (AOP 058+065)	071	0	0
XVIII	PROFIT OR LOSS FOR THE PERIOD (AOP 068-071)	072	0	0
	1. Profit for the period (AOP 068-071)	073	0	0
	2. Loss for the period (AOP 071-068)	074	0	0
ADDITION TO THE PROFIT AND LOSS ACCOUNT (to be filled out by the company preparing the consolidated annual financial statement)				
XIX	PROFIT OR LOSS FOR THE PERIOD (AOP 076+077)	075	0	0
	1. Attributed to equity holders of the parent company	076	0	0
	2. Attributed to minority (non-controlling) interest	077	0	0
REPORT ON OTHER COMPREHENSIVE INCOME (to be filled out by the company subject to IFRS application)				
I	PROFIT OR LOSS FOR THE PERIOD	078	12,541,000	13,405,316

INCOME STATEMENT
for the period from 1/1/2023 to 30/6/2023
In EUR

Company:
JGL d.d.

Position name	AOP designation	Same period previous year	Current period
1	2	3	4
II OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (AOP 80+87)	079	17,600	0
III Items that will not be reclassified to profit or loss (AOP 081 to 085)	080	0	0
1. Changes in revaluation reserves of non-current tangible and intangible assets	081	0	0
2. Profit or loss based on subsequent valuation of securities at fair value through other comprehensive income	082	0	0
3. Changes to fair value of financial liability at fair value through income statement which can be assigned to changes to credit risk of the liability	083	0	0
4. Actuarial gain/loss on defined benefit schemes	084	0	0
5. Other items which will not be reclassified	085	0	0
6. Income tax relating to items which will not be reclassified	086	0	0
IV Items which can be reclassified to profit or loss (AOP 088 to 095)	087	17,600	0
1. Exchange differences on translation of foreign operations	088	17,600	0
2. Profit or loss based on subsequent valuation of debt securities at fair value through other comprehensive income	089	0	0
4. Profit or loss based on effective cash flow hedge	090	0	0
5. Profit or loss from effective hedges of net investments in foreign operations	091	0	0
6. Share in other comprehensive profit/loss of companies connected with participating interests	092	0	0
6. Changes to fair value of time value option	093	0	0
7. Changes to fair value of time element of futures contracts	094	0	0
8. Other items which can be reclassified into profit or loss	095	0	0
9. Income tax which relates to items which can be reclassified into profit or loss	096	0	0
V NET OTHER COMPREHENSIVE PROFIT OR LOSS (AOP 080+087-086-096)	097	17,600	0
VI COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (AOP 078+097)	098	12,558,600	13,405,316
ADDENDUM to report on other comprehensive profit (filled out by entity preparing a consolidated statement)			
VI COMPREHENSIVE PROFIT OR LOSS FOR THE PERIODS (AOP 100+101)	099	0	0
1. Attributed to equity holders of the parent company	100	0	0
2. Attributed to minority (non-controlling) interest	101	0	0

STATEMENT OF CASH FLOWS – DIRECT METHOD
period from 1/1/2023 to 30/6/2023
In EUR

for the

Company:
JGL d.d.

Position name 1	AOP designation 2	Same period previous year 3	Current period 4
Cash flows from operating activities			
1. Cash inflow from customers	001	51,224,573	64,638,962
2. Cash inflow from royalties, fees, commissions and similar	002	0	0
3. Cash inflow from damage compensation based on insurance	003	205,102	148,927
4. Cash inflow from tax refund	004	1,227,049	1,920,721
5. Other cash inflow from operating activities	005	56,568	46,575
I Total cash inflow from operating activities (AOP 001 do 005)	006	52,713,292	66,755,185
1. Cash outflow for suppliers	007	-34,839,189	-45,896,897
2. Cash outflow for employees	008	-6,828,392	-7,486,689
3. Cash outflow from damage compensation based on insurance	009	-149,452	-156,573
4. Cash outflow for interest	010	-660,309	-578,223
5. Paid income tax	011	-20,907	-22,139
6. Other cash outflow from operating activities	012	-4,654,720	-6,689,780
II Total cash outflow from operating activities (AOP 007 do 012)	013	-47,152,969	-60,830,301
A NET CASH FLOWS FROM OPERATING ACTIVITIES (AOP 006+013)	014	5,560,323	5,924,884
Cash flows from investment activities			
1. Cash inflow from the sale of non-current tangible and intangible assets	015	431,686	101,218
2. Cash inflow from sale of financial instruments	016	3,482,125	8,307
3. Cash inflow from interest	017	5	51,491
4. Cash inflow from dividends	018	0	0
5. Cash inflow from refund of loans and savings deposits	019	0	174,616
6. Other cash inflow from investment activities	020	0	0
III Total cash inflow from investment activities (AOP 015 to 020)	021	3,913,816	335,632
1. Cash outflow for the purchase of non-current tangible and intangible assets	022	-8,889,615	-9,281,093
2. Cash outflow for acquiring financial instruments	023	0	0
3. Cash outflow from loans and savings deposits	024	-13,651	-2,000
4. Acquiring subsidiary, reduced for acquired money	025	0	0
5. Other cash outflow from investment activities	026	0	0
IV Total cash outflow from investment activities (AOP 022 to 026)	027	-8,903,266	-9,283,093
B NET CASH FLOWS FROM INVESTMENT ACTIVITIES (AOP 021+027)	028	-4,989,450	-8,947,461

STATEMENT OF CASH FLOWS – DIRECT METHOD
period from 1/1/2023 to 30/6/2023
In EUR

for the

Company:
JGL d.d.

Position name	AOP designation	Same period previous year	Current period
1	2	3	4
Cash flows from financial activities			
1. Cash inflow from increase of (subscribed) share capital	029	177,070	276,510
2. Cash inflow from issuing equity and debt financial instruments	030	892,434	1,609,287
3. Cash inflow from loan principal, borrowings and other lending	031	7,377,284	10,233,767
4. Other cash inflow from financing activities	032	1,072,045	1,779,052
V Total cash inflow from financial activities (AOP 029 to 032)	033	9,518,833	13,898,616
1. Cash outflow for payment of loan principal, borrowings and other lending and financial debt instruments	034	-9,411,207	-2,228,164
2. Cash outflow for the payment of dividends	035	-2,144,110	-3,558,942
3. Cash outflow for finance lease	036	-620,247	-674,494
4. Cash outflow for repurchase of own shares and reduction of (subscribed) share capital	037	-8,826	-1,773
5. Other cash outflow from financial activities	038	-6,599	0
VI Total cash outflow from financial activities (AOP 034 to 038)	039	-12,190,989	-6,463,373
C NET CASH FLOWS FROM FINANCIAL ACTIVITIES (AOP 033+039)	040	-2,672,156	7,435,243
1. Unrealised cash exchange differences and cash equivalents	041	3,098,670	-38,089
D NET INCREASE OR REDUCTION OF CASH FLOWS (AOP 014+028+040+041)	042	997,387	4,374,577
E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	3,626,689	10,475,852
F CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (AOP 042+043)	044	4,624,076	14,850,429

STATEMENT OF CHANGES IN EQUITY
for the period from 1/1/2023 to
30/6/2023
In EUR

Company:
JGL d.d.

Position description	AOP designation	DIVISIBLE AMONG HOLDERS OF PARENT COMPANY CAPITAL																	Minority (non-controlling) interest	Total capital and reserves
		(Subscribed) share capital	Capital reserves	Legal reserves	Reserves for own shares	Own shares and interests (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Effective portion of cash flow hedge	Effective portion of hedges of net investments in foreign operations	Other fair value reserves	Exchange differences on translation of foreign operations	Profit/loss brought forward	Business year profit/loss	Total divisible among holders of parent company capital			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
PREVIOUS PERIOD																				
1.	Balance as at start of previous business year	01	16,235,187	3,808,106	6,885,754	1,164,422	1,025,640	0	0	284,786	0	0	0	0	63,960,098	16,806,897	108,119,610	0	108,119,610	
2.	Accounting policies changes	02	-23,571	-5,529	-9,997	-1,690	-1,489	0	0	-414	0	0	0	0	-92,863	-8,723	-141,298	0	-141,298	
3.	Error correction	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4.	Balance as at start of previous business year (restated) (AOP 01 to 03)	04	16,211,616	3,802,577	6,875,757	1,162,732	1,024,151	0	0	284,372	0	0	0	0	63,867,235	16,798,174	107,978,312	0	107,978,312	
5.	Profit/loss for the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	12,541,000	12,541,000	0	12,541,000	
6.	Exchange differences on translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	17,600	0	0	17,600	0	17,600	
7.	Changes in revaluation reserves of non-current tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8.	Profit or loss based on subsequent valuation of financial assets toward fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9.	Profit or loss based on effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10.	Profit or loss based on effective portion of hedges of net investments in foreign operations	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.	Share in other comprehensive profit/loss of companies connected with participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12.	Actuarial gain/loss on defined benefit schemes	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13.	Other non-equity capital changes	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14.	Transaction tax recognised directly in capital	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15.	Reduction of (subscribed) share capital (other than in pre-bankruptcy settlement proceedings and capital accrued through reinvesting profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16.	Reduction of (subscribed) share capital in pre-bankruptcy settlement proceedings	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17.	Reduction of (subscribed) share capital accrued through reinvesting profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18.	Purchase of own stocks/shares	18	0	0	0	-232,423	-232,423	0	0	0	0	0	0	0	1,403,834	0	1,403,834	0	1,403,834	
19.	Member/shareholder payments	19	177,070	892,434	0	0	0	0	0	0	0	0	0	0	0	0	1,069,504	0	1,069,504	
20.	Payment of share in profit/dividends	20	0	0	0	0	0	0	0	0	0	0	0	0	-2,158,818	0	-2,158,818	0	-2,158,818	
21.	Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22.	Transfer to reserves according to annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	16,798,174	-16,798,174	0	0	0	
23.	Increase of reserves in pre-bankruptcy settlement proceedings	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24.	Balance as at last day of reporting period for previous business year (04 to 23)	24	16,388,686	4,695,011	6,875,757	930,309	791,728	0	0	284,372	0	0	0	17,600	79,910,425	12,541,000	120,851,432	0	120,851,432	
ADDENDUM TO STATEMENT ON CHANGES IN EQUITY (to be filled out by the company subject to IFRS application)																				
I	OTHER COMPREHENSIVE PROFIT FOR PREVIOUS PERIOD, REDUCED BY TAX (AOP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	17,600	0	0	17,600	0	17,600	
II	COMPREHENSIVE PROFIT OR LOSS FOR PREVIOUS PERIOD (AOP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	17,600	0	12,541,000	12,558,600	0	12,558,600	
III	TRANSACTIONS RELATING TO OWNERS FOR PREVIOUS PERIOD RECOGNISED DIRECTLY IN CAPITAL (AOP 15 to 23)	27	177,070	892,434	0	-232,423	-232,423	0	0	0	0	0	0	0	16,043,190	-16,798,174	314,520	0	314,520	

STATEMENT OF CHANGES IN EQUITY
for the period from 1/1/2023 to
30/6/2023
In EUR

Company:
JGL d.d.

1	Position description	AOP designation 2	DIVISIBLE AMONG HOLDERS OF PARENT COMPANY CAPITAL															Minority (non-con- trolling) interest 19	Total capital and reserves 20 (18+19)	
			(Subscribed) share capital 3	Capital reserves 4	Legal reserves 5	Reserves for own shares 6	Own shares and interests (deductible item) 7	Statu- tory re- serves 8	Other reserves 9	Reval- uation reserves 10	Fair value of financial as- sets through other comprehen- sive income (available for sale) 11	Effective portion of cash flow hedge 12	Effective portion of hedges of net investments in foreign operations 13	Other fair value reserves 14	Exchange differ- ences on translation of foreign operations 15	Profit/loss brought forward 16	Business year profit/ loss 17			Total divisible among hold- ers of parent company capital 18 (3 to 6 - 7 + 8 to 17)
CURRENT PERIOD																				
1.	Balance as at start of current business year	28	16,374,743	4,691,017	6,869,907	1,003,444	864,981	0	284,130	0	0	0	0	0	0	79,348,612	15,664,780	123,371,652	0	123,371,652
2.	Accounting policies changes	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.	Error correction	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.	Balance as at start of current business year (restated) (AOP 28 to 30)	31	16,374,743	4,691,017	6,869,907	1,003,444	864,981	0	284,130	0	0	0	0	0	0	79,348,612	15,664,780	123,371,652	0	123,371,652
5.	Profit/loss for the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,405,316	13,405,316	0	13,405,316
6.	Exchange differences on translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.	Changes in revaluation reserves of non-current tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.	Profit or loss based on subsequent valuation of financial assets toward fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.	Profit or loss based on effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	Profit or loss based on effective portion of hedges of net investments in foreign operations	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	Share in other comprehensive profit/loss of companies connected with participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	Actuarial gain/loss on defined benefit schemes	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13.	Other non-equity capital changes	40	-335,928	318,178		17,750			0	0	0	0	0	0	0	0	0	0	0	0
14.	Transaction tax recognised directly in capital	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	Reduction of (subscribed) share capital (other than in pre-bankruptcy settlement proceedings and capital accrued through reinvesting profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16.	Reduction of (subscribed) share capital in pre-bankruptcy settlement proceedings	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17.	17. Reduction of (subscribed) share capital accrued through reinvesting profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18.	Purchase of own stocks/shares	45	0	0	0	-333,983	-333,983	0	0	0	0	0	0	0	0	2,156,743	0	2,156,743	0	2,156,743
19.	Member/shareholder payments	46	276,510	1,609,287	0	0	0	0	0	0	0	0	0	0	0	0	0	1,885,797	0	1,885,797
20.	Payment of share in profit/dividends	47	0	0	0	0	0	0	0	0	0	0	0	0	-3,582,339	0	-3,582,339	0	-3,582,339	
21.	Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22.	Transfer according to annual schedule	49	0	0	4,717,948	0	0	0	0	0	0	0	0	0	10,946,832	-15,664,780	0	0	0	0
23.	Increase of reserves in pre-bankruptcy settlement proceedings	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24.	Balance as at last day of reporting period for current business year (AOP 31 to 50)	51	16,315,325	6,618,482	11,587,855	687,211	530,998	0	284,130	0	0	0	0	0	0	88,869,848	13,405,316	137,237,169	0	137,237,169
ADDENDUM TO STATEMENT ON CHANGES IN EQUITY (to be filled out by the company subject to IFRS application)																				
I	OTHER COMPREHENSIVE PROFIT FOR CURRENT PERIOD, REDUCED BY TAX (AOP 33 to 41)	52	-335,928	318,178	0	17,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II	COMPREHENSIVE PROFIT OR LOSS FOR CURRENT PERIOD (AOP 32+52)	53	-335,928	318,178	0	17,750	0	0	0	0	0	0	0	0	0	0	13,405,316	13,405,316	0	13,405,316
III	TRANSACTIONS RELATING TO OWNERS FOR CURRENT PERIOD RECOGNISED DIRECTLY IN CAPITAL (AOP 42 to 50)	54	276,510	1,609,287	4,717,948	-333,983	-333,983	0	0	0	0	0	0	0	0	9,521,236	-15,664,780	460,201	0	460,201

NOTES ACCOMPANYING FINANCIAL STATEMENTS – PFI

(created for semi-annual periods)

ISSUER NAME:	JGL D.D.
PIN (OIB):	20950636972
REPORTING PERIOD:	1/1/2023 - 30/6/2023

The notes accompanying the Financial Statements for semi-annual periods include the following items and are an integral part of the Semi-annual JGL Group Management Report for the first six months of 2023. The Semi-annual JGL Group Management Report for the first six months of 2023 is available online on the JGL d.d. Group website at <https://www.jgl.hr/o-nama/jgl-danas/financijski-izvjestaji>, as well as on the Zagreb Stock Exchange and HANFA websites. Included items:

- a. Explanation of business events which are significant for understanding the changes in the report in financial position and performance for the semi-annual period of the issuer since the end of the last annual reporting period; in other words, information disclosed in relation to those events shall update the relevant information presented in the most recent annual financial report (items 15 to 15C IAS 34 – Interim Financial Reporting),
- b. Information on where access to the latest annual financial statements is possible, in order to understand the information disclosed in the notes to the financial statements drawn up for the interim period,
- c. Statement that the same accounting policies are applied in the interim financial statements as for the most recent annual financial statements or, if those policies have changed, a description of the nature and effect of the change (item 16A (a) IAS 34 – Interim Financial Reporting),
- d. Explanation of business results in the event that the issuer performs activities of a seasonal nature (items 37 and 38 of the IAS 34 – Interim Financial Reporting),
- e. Other disclosures prescribed by IAS 34 – Interim Financial Reporting and
- f. In notes accompanying interim financial reports, other than the previously mentioned information, the following information is disclosed as well:
 1. Name, company headquarters (address), company legal form, country of establishment, entity registration number, personal identification number and, where applicable, if the company is in liquidation, bankrupt, in a summary cessation procedure or extraordinary administration
 2. Adopted accounting policies (only an indication of whether there was a change compared to the previous period)
 3. The total sum of all financial liabilities, guarantees or unforeseen expenditures which are not included in the balance sheet, including an indication of the nature and form of any surety pro-

vided; all liabilities relating to company pensions within the group or companies affiliated through participating interests are declared separately

4. The amount and nature of individual items of income or expenses of exceptional size or occurrence
5. Amounts which the company owes and which are due after more than five years, including the total company liabilities covered by valuable security given by the company, with an indication of the type and form of security
6. Average number of employees during current period
7. If during the business year, the employer capitalised salary expenses, partially or in full in accordance with regulations, information on total employee costs during the year broken down into sums directly charged to the expenses of the period and the amount capitalised in the asset value during the period, in such a way that for each part the total amount of net salaries, taxes, contributions from salaries and contributions on salaries are listed separately
8. If deferred tax provisions are recognised in the balance sheet, deferred tax balances at the end of the business year and their trends
9. Name and headquarters of each company in which the company, either alone or through a person which acts in his or her own name but on behalf of the company, has a participating share in capital, reporting the amount of held capital, total capital and reserves, and profit or losses of the last business year of the company and for which annual financial statements were adopted; information regarding capital and reserves, profit or losses can be omitted when the company does not disclose its balance sheet and is not under the control of other companies
10. The number and nominal value, or if there is no

nominal value, the carrying value of the stocks or shares registered during the business year within the framework of the authorised capital

11. The existence of any confirmation on participation, convertible debentures, guarantees, options and similar securities or rights, with an indication of their number and rights that were given
12. Name, headquarters and legal form of each company in which the company has unlimited liability
13. Name and headquarters of the company preparing the consolidated semi-annual financial statement of the largest group of companies in which the company participates as a controlled group member
14. Name and headquarters of the company preparing the consolidated semi-annual financial statement of the smallest group of companies in which the company participates as a controlled member and which is also included in the group of companies in item 13
15. Location where a copy of the consolidated semi-annual financial report from item 13 and 14 can be obtained, if available
16. The nature and business purpose of company arrangements not included in the balance sheet and the financial effect of these arrangements on the company, under the conditions that risks or benefits stemming from such arrangements are material in nature and so far as the declaration of such risks or benefits is necessary for the assessment of the financial status of the company
17. The nature and financial effect of significant events that occurred after the balance sheet date, which are not reflected in the statement of profit or loss or balance sheet.

STATEMENT OF RESPONSIBILITY OF THE CEO

In these materials, “JGL” or the “Company” means JADRAN – GALENSKI LABORATORIJ d.d. while “Group” means the Company and its subsidiaries.

According to the Accounting Act, the CEO is responsible for the preparation of financial statements that provide a true and fair view of the Group’s and the Company’s financial positions and business performance in accordance with the applied accounting policies, and for maintaining adequate accounting records that enable the preparation of such financial statements at any moment. The CEO has a general responsibility to undertake steps that would, to a reasonable extent, enable the protection of the Group’s and the Company’s assets and the discovery and prevention of fraud or other irregularities.

The CEO is responsible for selecting appropriate accounting policies in accordance with the applied accounting standards that should be applied consistently, for making reasonable and careful judgements and estimates, and for preparing financial statements in accordance with the going concern principle, unless the assumption that the Group or the Company will continue to operate is inappropriate.

The CEO has a reasonable expectation that the Group and the Company have the appropriate resources to continue operating in the foreseeable future. The CEO is responsible for submitting annual financial statements to the Company’s Board of Directors for their acceptance.

These statements represent consolidated statements of the Group and unconsolidated statements of the Company. The consolidated and the unconsolidated financial statements were approved by the CEO on 24th of August 2023 for submittal to the Company’s Board of Directors for their acceptance, as confirmed by his signature.

For JGL d.d.

Mislav Vučić
Chief Executive Officer

