

# SEMI-ANNUAL MANAGEMENT REPORT OF THE JGL GROUP

A stylized illustration of a modern building with a curved facade and a green landscape with hills and trees. The building is rendered in white lines against a blue background. The landscape is green with white lines representing trees and hills. A thick blue curved line runs across the middle of the image, partially overlapping the building and the landscape.



## PURPOSE

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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!

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SENSE  
THE  
LIFE.



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

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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 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.

Numbers in the report are rounded in some instances, 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 “HRK” or “kuna” for the Croatian kuna.

Reference to the “previous period” relates to the period from 01 January 2021 to 30 June 2021, while the “current period” relates to the period from 01 January 2022 to 30 June 2022.

Rijeka, August 2022

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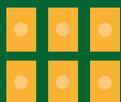
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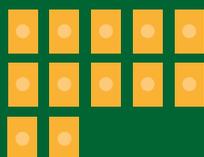
# KEY INDICATORS

625.6



Total revenue  
JGL Group  
(in HRK million)

1,223.1



Operating revenue MAT  
JGL Group  
(in HRK million)

1,151



Number of employees  
JGL Group

102.9



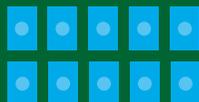
Profit before tax  
JGL Group  
(in HRK million)

446.9



Operating revenue  
JGL Pharma  
(in HRK million)

1,007.6



Operating revenue MAT  
JGL Pharma  
(in HRK million)

20.0%



EBITDA margin  
JGL Pharma

1.95



Net debt / EBITDA MAT  
JGL Pharma

in HRK million

	JGL GROUP		JGL PHARMA		JGL d.d.		
	30/06/2021	30/06/2022	30/06/2021	30/06/2022	30/06/2021	30/06/2021*	30/06/2022
Total revenue	417.1	625.6	319.9	516.9	294.5	229.6	379.0
Operating revenue	412.0	555.6	314.8	446.9	289.5	224.6	309.3
EBITDA	33.2	100.4	26.1	93.1	95.3	30.3	84.8
Profit before tax	7.4	102.9	3.2	98.6	74.8	9.8	94.5
EBITDA MAT	124.8	228.4	114.1	214.9	146.1	81.1	107.7
Operating revenue MAT	970.1	1,223.1	771.8	1,007.6	598.6	533.6	657.8
EBITDA MARGIN	12.9%	20.0%	14.8%	20.0%	24.4%	15.2%	16.4%
Net debt	398.4	440.4	378.2	419.8	381.7	381.7	420.6
Net debt / EBITDA (MAT)	3.19	1.93	3.31	1.95	2.61	4.71	3.9
Net debt / capital	0.59	0.50	0.58	0.50	0.51	0.51	0.46
Debt ratio	0.47	0.44	0.45	0.42	0.41	0.41	0.40
Quick liquidity ratio	1.28	1.72	1.41	2.03	1.66	1.66	2.02
Number of employees	1,103	1,151	930	945	667	667	668

\*normalised – adjusted for the sale of rights arising from the Polpharma agreement, JGL d.d. transactions and JGL PPH d.o.o.

Overview of the results of JGL Group, JGL Pharma and JGL d.d. on 30 June 2021 and 30 June 2022.

The first half of 2022 was marked by work in difficult conditions due to the political and economic crisis caused by the war in Ukraine. In spite of this, the JGL Group noted satisfactory results for the first six months of 2022. In the first half of 2022 JGL Group made 625.6 million HRK of total revenue and profit before tax amounted 102.9 million HRK.

The pharmaceutical business (JGL Pharma) noted one billion in business revenue MAT (revenue for the last 12 months) and 214.9 million EBITDA MAT, with an EBITDA MAT margin of 20%. Total revenue for the first half of 2022 totalled 516.9 million HRK and profit before tax was 98.6 million HRK, which is a significant semi-annual result for JGL Pharma.

Total revenue of parent company JGL d.d. totalled 379 million HRK and profit before tax was 94.5 million HRK. Growth of total revenue occurred due to increase in financial revenue and positive exchange rates formed due to strong appreciation of Russian rouble in the first half of 2022.

Political and economic changes were followed closely on a global level during the reporting period, especially in markets significant for JGL where military conflicts started in March. JGL has experienced a similar situation in 2014; however, the company is much more resilient in business today and although the Russian market accounts for a significant part of profits, we have worked for years on diversification and reducing reliance on it, with JGL currently doing business in around 60 markets around the world. The B2B business segment is the fastest growing segment in which several new projects and collaborations were made during the reporting period in the strategic regions of EU, MENA and ASEAN. The concluded agreements encompass a portfolio of nasal sprays from the Meralys brand, Aqua Maris products on the basis of seawater, glaucoma therapy drugs, first generic parallel for Clindamycin Benzoyl Peroxide gel and drops for dry eyes from the Vizol S brand.

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*The biggest market of JGL Pharma is still Russia, with 35% share in net sales, followed by Croatia (17%), Business-to-Business operations (16%) and Ukraine (8%).*

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*If we take a look at the brands, Aqua Maris still holds the lead with a 23% share in net sales, followed by B2B (16%), Acnecutan (16%) and Meralys (8%).*

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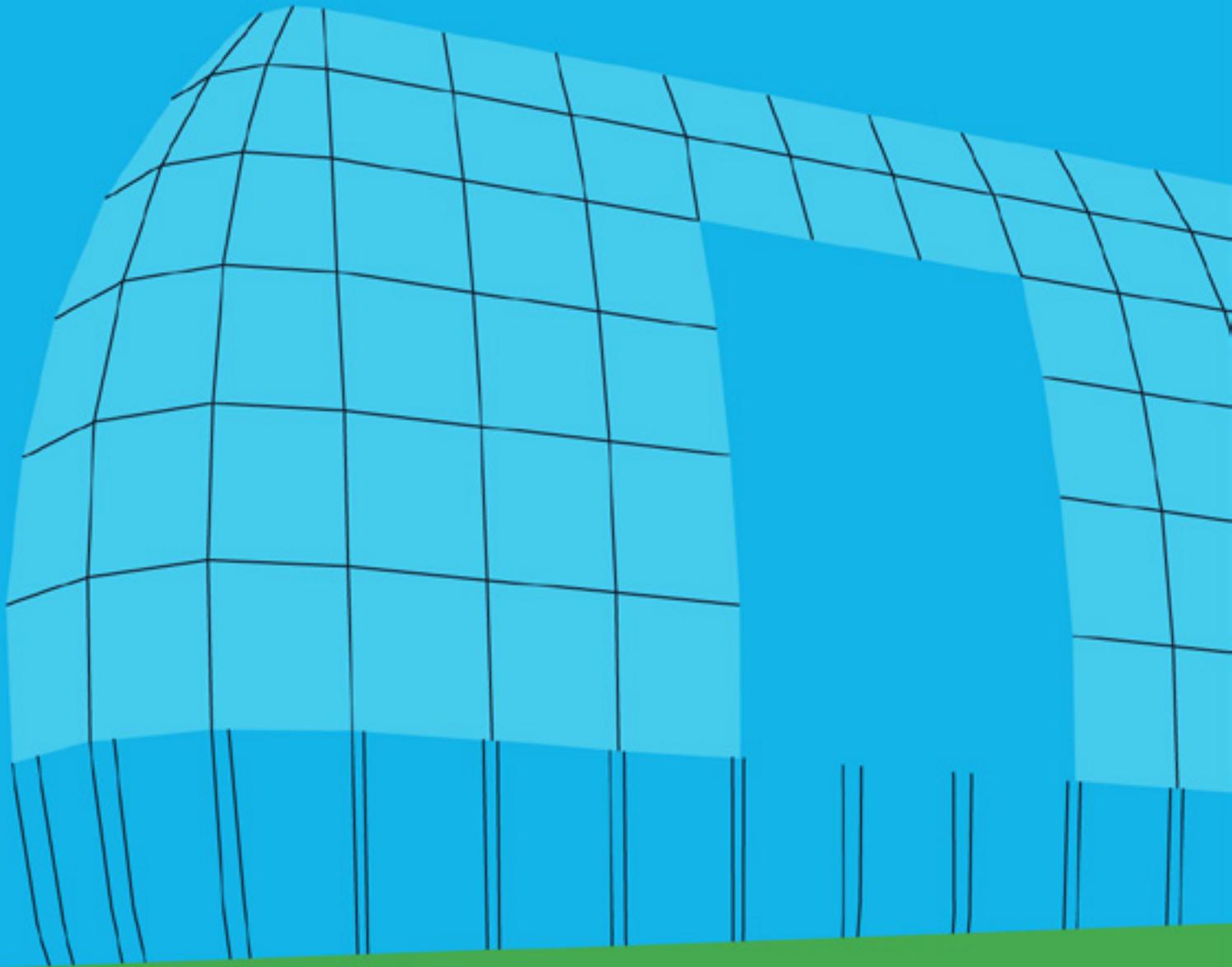
Within the context of parent company financial reports for JGL d.d., it is important to mention the founding of the company JGL PPH d.o.o., the special purpose vehicle (SPV) established to facilitate implementation and monitoring of a specific segment of business involving the foreign partner Polfa Warszawa S.A. After establishment, there was an increase of capital on account of rights held by JGL PPH d.o.o. in the amount of HRK 64,968,239 million resulting in an increase of other operating revenue and investment in shares (stocks) of enterprises within the Group. Accordingly, the RDG of the parent company needs to be viewed as normalised, reduced due to this transaction, in the period of the first half of 2021. By entering a new cycle of investments, the net debt increased, but due to good results, the net debt/EBITDA of the group or rather the JGL d.d. parent company is smaller than it was in the same period last year. The net debt was increased with the new long term HBOR credit debt which partially financed the INTEGRA 2020 project (HRK 280 million) and which was partially self-financed (HRK 90 million). The debt towards the new HBOR credit debt on 30 June 2022 totalled HRK 185 million.

Significant changes in the balance sheet can be seen when it comes to short term assets due to reduced receivables from customers because of the increased accounts receivable, and an increase in inventory and reduction of short term financial assets (investments into investment funds). Current liabilities towards credit debt and leasing were reduced through regular payment of existing current credit debts in roubles which were received in January and through regular payment of the longterm credit debts and leasing while non-current liabilities were increased towards banks (INTEGRA 2020 investment).

In spite of numerous market uncertainties, the JGL Group has satisfactory financial indicators. At the end of the first half of the year, the JGL Group indebtedness factor (net debt/EBITDA MAT) totalled 1.93 while the indebtedness factor is 0.44 and the liquidity coefficient is at 1.72.



# 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, Pablo HI, Pablo d.o.o. and Muvrin HI.

## LOCATION OF OPERATIONS

The company has its headquarters in Rijeka, where production facilities are also located. 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. – Pulac 4a, 51000 Rijeka, Republic of Croatia
- JGL d.o.o. Beograd – Sopot – Miroslava Vlajića 110, 11000 Belgrade, Sopot, Serbia

List of JGL's subsidiaries  
with an indication of their  
core business

Subsidiary	Country	Core Business
Pablo d.o.o.	Croatia	Retail of pharmaceutical preparations and accessories
“Ljekarne Pablo” Health Institution	Croatia	Pharmaceutical activities
“Muvrin” Health Institution	Croatia	Pharmaceutical activities
Adrialab d.o.o.	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.	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 - Russia, Croatia, 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 and Kosovo.

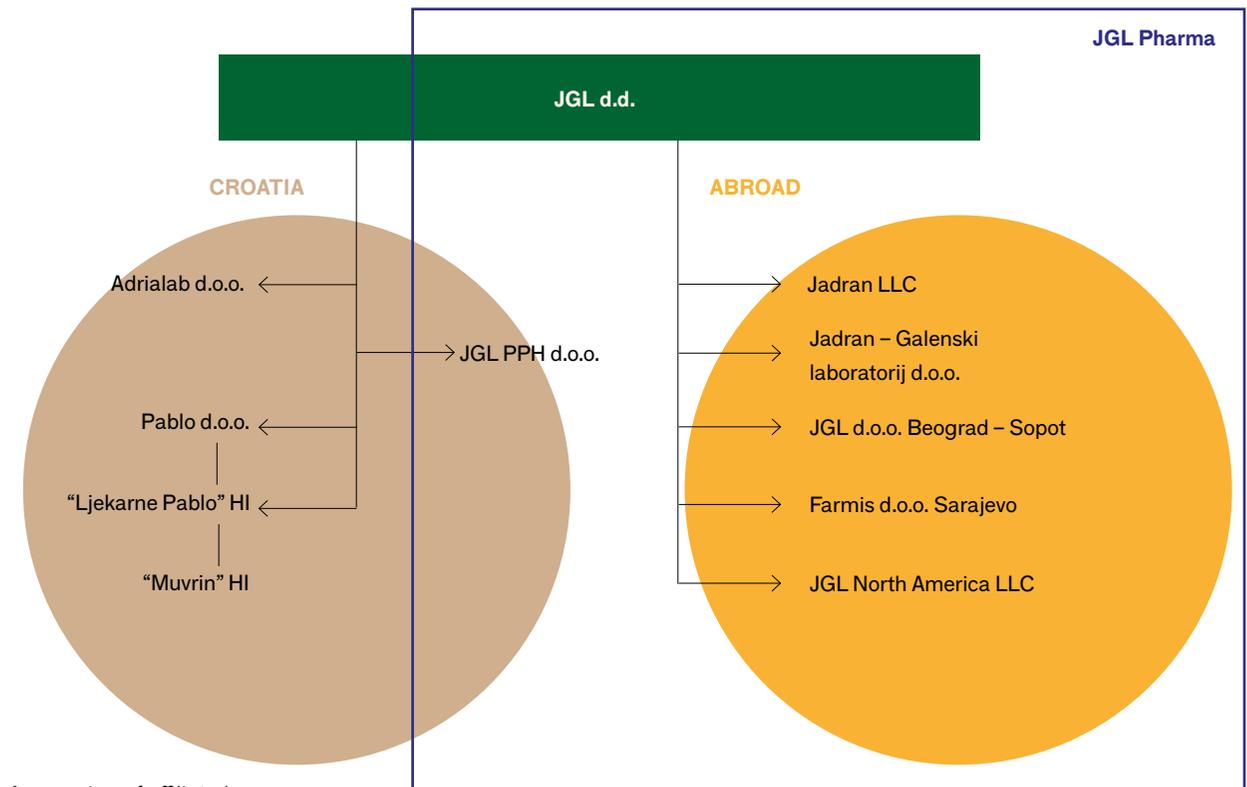
Affiliates are present in Croatia (Pablo d.o.o., "Ljekarne Pablo" HI, "Muvrin" HI, Adrialab d.o.o., JGL PPH d.o.o.), Russia (Jadran LLC), Serbia (JGL d.o.o. Beograd-Sopot), BIH (Farmis d.o.o. Sarajevo) and Slovenia (Jadran - Galenski laboratorij d.o.o.)

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...).

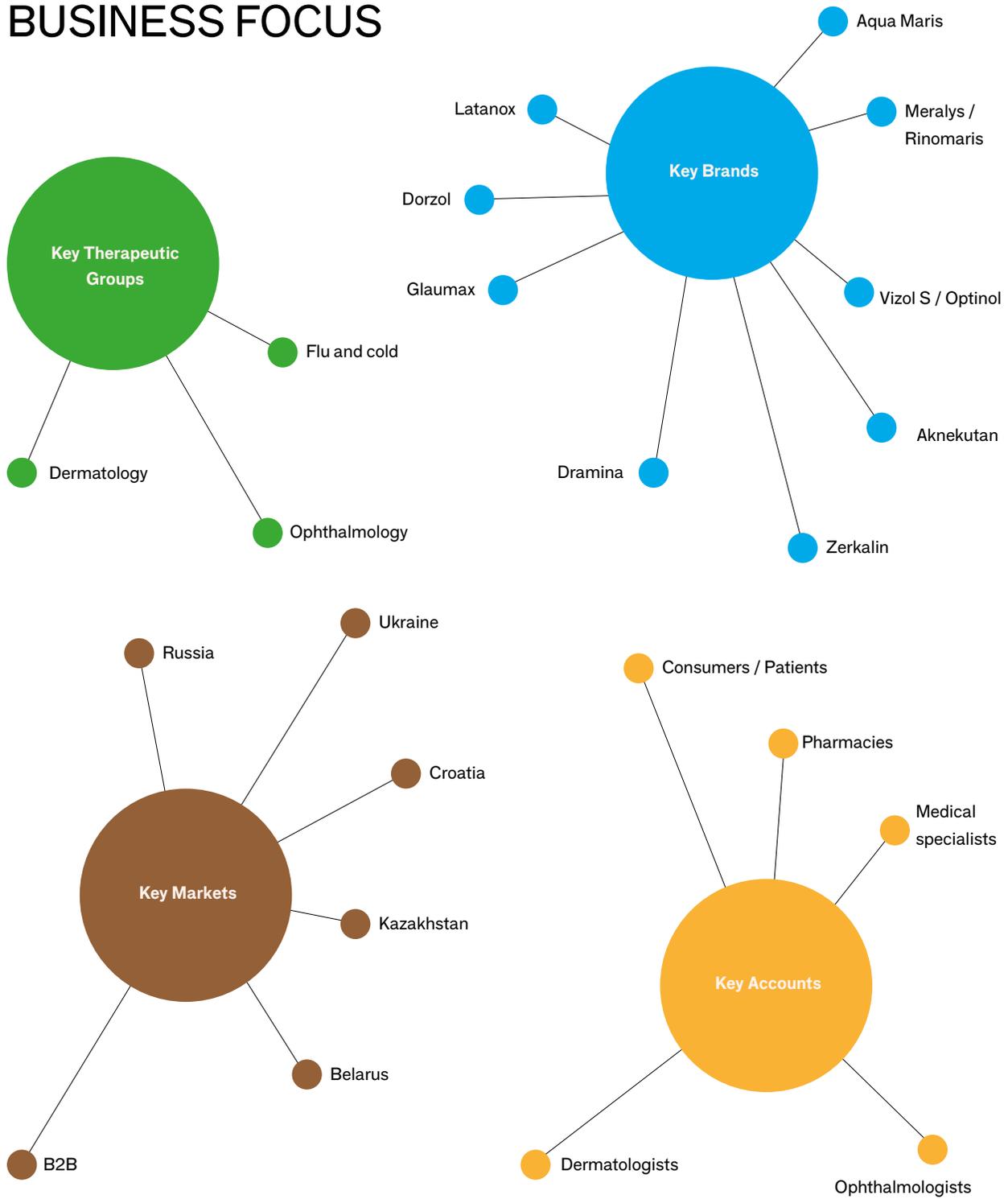
JGL cooperates with international partners through several cooperation models:

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



An overview of affiliated companies in the JGL Group

# BUSINESS FOCUS



# ORGANIZATION

## NEW COMPANIES/UNITS

- Pablo HI in April 2022 took over Muvrin HI with two pharmacy units (Rijeka, Rakovica)
- Pablo d.o.o. from June 2022 has a specialized store for medical products (Trogir)

## BOARD OF DIRECTORS JGL D.D.

At the regular annual assembly of JGL d.d., held on 13 June 2022, Sanja Katalinić was elected member of the Board of Directors, with her term lasting from 1 July 2022 to 30 December 2024. On 30 June 2022, Marina Pulišić's term as member of the JGL Board of Directors ended.

# EMPLOYEES

*The total number of employees in the JGL Group on 30 June 2022 totalled 1151, which is an increase of 48 employees when compared to the same period last year.*

Among these, most employees, 736 of them, work in the Croatian market (JGL d.d., Pablo HI, Muvrin HI, Pablo d.o.o. and Adrialab d.o.o.), while 218 employees work in the Russian market (Jadran LLC, JGL d.d.). JGL Pharma has a total of 945 employees, whereas the parent company has 668 employees.

Overview of the number of employees in the JGL group by markets

	30/06/2021	30/06/2022
<b>JGL GROUP</b>	<b>1103</b>	<b>1151</b>
Headquarter (Croatia)	488	495
Croatian market	206	241
Russian market	212	218
Ukrainian market	63	62
Kazakh market	51	47
Serbian market	27	28
Bosnian market	25	28
Belarus market	21	20
Slovenian market	4	6
Macedonian market	5	5
Kosovo market	1	1

Overview of the number of employees in the JGL group by companies

	30/06/2021	30/06/2022
<b>JGL GROUP</b>	<b>1103</b>	<b>1151</b>
JGL d.d.	667	668
Jadran LLC Moskva	207	215
“Ljekarne Pablo” HI	145	154
Adrialab d.o.o.	28	31
JGL d.o.o. Beograd - Sopot	27	28
Farmis d.o.o. Sarajevo	25	28
“Ljekarne Muvrin” HI	0	14
Pablo d.o.o.	0	7
Jadran - Galenski laboratorij d.o.o.	4	6

# TRANSACTIONS RELATING TO OWN SHARES

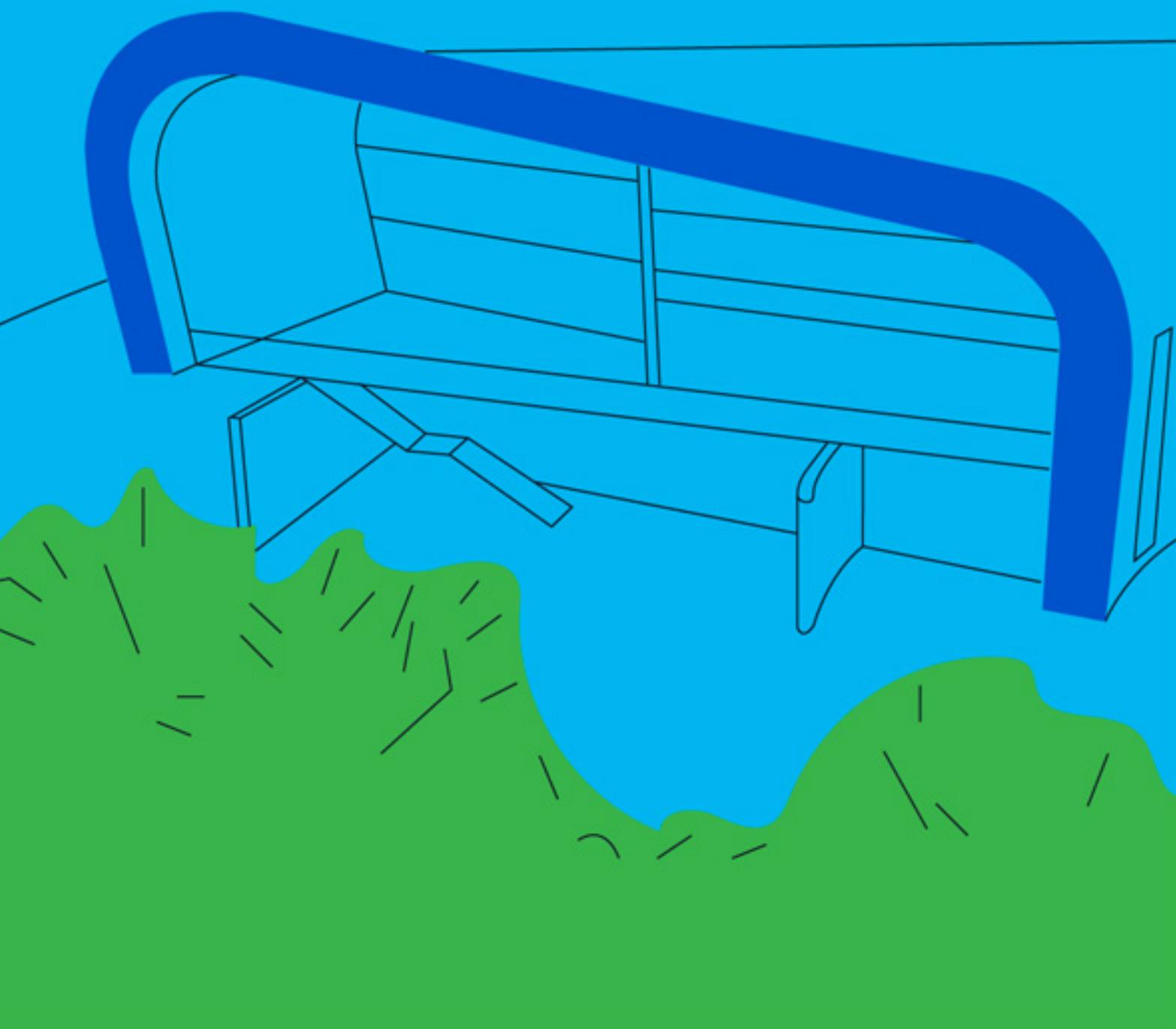
At the beginning of 2022, the Company had 77,099 own shares. By 30 June 2022, JGL repurchased 110 and allocated 17,607 of its own shares (of which 13,312 shares are registered for the payment of dividends), so the number of own shares in the portfolio was 59,602

as of 30 June 2022. The share capital of the Company is divided into 1,233,755 shares, 1,174,153 of which are shares with voting rights, while those remaining are own shares.

Ownership structure of JGL  
d.d. as at 30 June 2022

Owner	Number of shares	% in capital	% in capital with voting rights
Ivo Usmiani	384,478	31.16%	32.75%
Small shareholders	372,068	30.16%	31.69%
Zdravko Saršon	244,800	19.84%	20.85%
Own shares	59,602	4.83%	
Eva Usmiani Capobianco	33,364	2.70%	2.84%
Grozdana Božić	30,385	2.46%	2.59%
Marina Pulišić	28,118	2.28%	2.39%
Vesna Črnjarić	25,580	2.07%	2.18%
Sanja Vujić Šmaguc	20,562	1.67%	1.75%
Đurđica Miletović Forempoher	20,029	1.62%	1.71%
Majid Hejja	14,769	1.20%	1.26%
<b>Total</b>	<b>1,233,755</b>	<b>100.00%</b>	<b>100.00%</b>

# MATERIAL BUSINESS EVENTS



# INTEGRA 2020

The INTEGRA 2020 project is ongoing, which includes investments in the expansion of production capacities, equipment of a development laboratory, construction of a new pilot plant, development of office space, and construction of a logistics centre.

HRK 373 million is being invested in three different segments – R&D, commercial production and logistics centre. The investment is partially self-financed and partially financed by a long-term loan of the Croatian Bank for Reconstruction and Development in the amount of HRK 280 million. The project started at the

end of 2019 with the aim of integrating development, production and storage capacities, which will create the technological preconditions for the future growth of the company. Integra 2020 covers three different areas – R&D, commercial production and logistics centre.

From start of project to 30 June 2022, segments of production and the logistics centre in use have been completed and construction of a building which will house the pilot plant, development laboratories and office spaces is under way. Around 72% of loan has been spent and, due to the increased complexities of construction, construction completion is planned for 31 March 2023.



The construction of a building housing research and development laboratories, pilot plant and office spaces is under way



JGL's new logistics centre was equipped in accordance with the latest standards

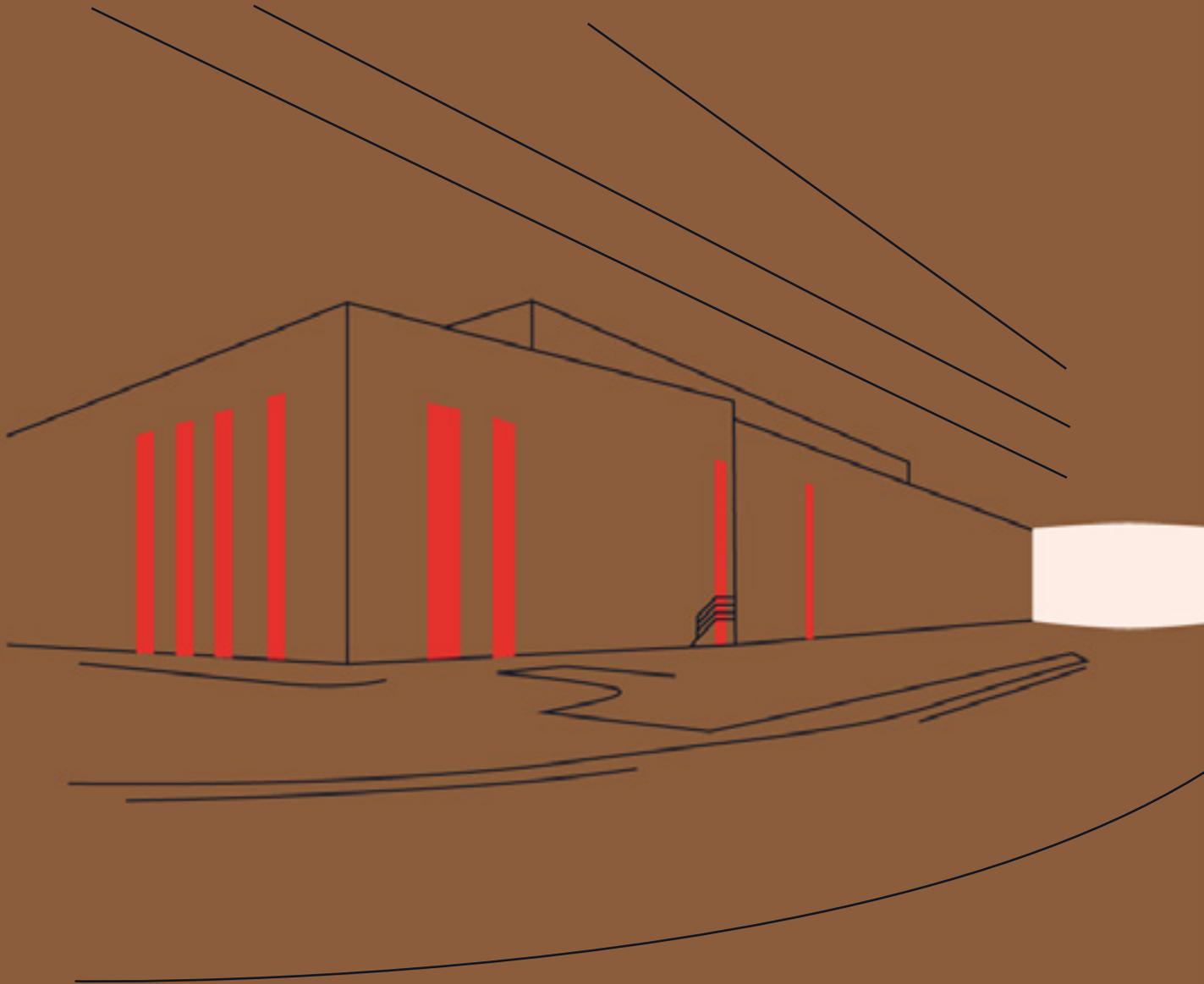
#### JGL SMART WAREHOUSE BEGAN OPERATION

Kukljanovo logistics centre has been constructed and equipped in accordance with the latest logistics standards and in accordance with the strict standards of storage in the pharmaceutical industry. It is a self-supporting, robotic and automated high-rack warehouse in a modern low-energy building with a temperature and humidity regulating system. Its surface area is 5100 m<sup>2</sup> and has the capacity for 17,000 pallet spots at a temperature between 15-25°C, of which 15,300 spots are within the automated warehouse with 300 pallet spots housed at a temperature between 2-8°C. The SAP 4HANA system supports the warehouse in managing materials, including an EWM component.

#### OVERVIEW OF INVESTMENTS IN NON-CURRENT ASSETS

In the first half of 2022, JGL Group invested a total of HRK 78,344,671 in non-current assets, of which HRK 15,938,533 in intangible assets and HRK 62,406,138 in tangible assets. Investments in intangible assets mainly refer to investments in internally developed intangible assets, the purchase of computer programs and goodwill acquired through the acquisition of ZU Muvrin, while investments in tangible assets refer to the construction of new production and storage facilities and the purchase of equipment.

In the same period, JGL d.d. invested a total of HRK 68,798,278 in non-current assets, of which HRK 12,737,417 in intangible assets and HRK 56,060,861 in tangible assets. Investments in intangible assets mainly refer to investments in internally developed intangible assets and the purchase of computer programs, while investments in tangible assets refer to the construction of new facilities and the purchase of equipment.



## SCIENTIFIC OPERATIONS

When it comes to research and development, in the first half of 2022, more than 15 new projects were in development, as well as projects aiming to improve existing products. Of special note:

- two personal files concluded in the medicine category were submitted for registration operations (fixed combination, nasal spray, decongestant with provitamin B5),
- study concluded and variation for Aqua Maris products submitted with the aim of securing the claim “microplastic free”,
- Two personal files are being finalized as well and four submissions in regions of interest (EU, UK, EAEU, RU) for new anti-acne combination (drug, clindamycin+benzoyl peroxide 1+3%) and the new Vizol/Optinol for dry eye symptoms caused by a disorder in the watery and lipid layer of the eye.

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*With the goal of concluding all necessary studies and documentation, 2022 has the potential to become the most productive year in the history of JGL with more than four concluded and submitted files within the same calendar year, which is the basis of JGL's long term strategy.*

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Furthermore, in the first half of 2022, 28 new approvals have been secured for marketing authorisation (MA) of which 22 are part of B2C's business and six are part of B2B's business. In total, 19 registration processes have been started, eight in local markets and 11 in global markets, with the aim of continually expanding our portfolio in accordance with the company's goals. Preparations for certifying medical products continued as well, in accordance with new EU regulations (MDR), as well as preparations for the harmonization of drugs according to the new EAEU regulations.

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*Within this context, of note are the first steps made towards new markets and the new regulations:*

- USA – expanding to new markets by entering the first Aqua Maris products into the FDA DailyMed database.
- EAEU – submission of first application for new product (drug category) according to new EAEU regulations

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## NEW PRODUCTS

In the first half of 2022, 30 products were successfully launched of a total value of HRK 8,740,884. Of this number, 18 products were launched in nine JGL markets through own operations, while 12 products were launched in six markets in the B2B business model. By the end of the year, 30 new product launches are planned as part of the B2C and B2B business model.

## BUSINESS TO BUSINESS

Successful expansion of business to numerous global markets

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*Compared to the same period last year, the fast growing JGL Business to Business (B2B) segment in the first half of 2022 noted an increase in revenue of 84%.*

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Through the models of contract manufacturing, distribution and licensing for the portfolio of products in the segments of flu and cold, ophthalmology and dermatology, a total of HRK 70 million in revenue was achieved and ten new contracts were signed related to expanding the portfolio to markets of strategic importance to JGL, such as the European Union, United Kingdom, Middle East, Southeast Asia, North Africa, USA and China.

Of special note are the successful launch of JGL's first generic to the market - clindamycin benzoyl peroxide 1+5% (Clinda BPO gel) in the United Kingdom and the territories of Spain, Italy, Portugal, Germany and Austria with a new wave of launches to markets across the EU which will occur by the end of 2022.

Ophthalmologists from Saudi Arabia at JGL



Aqua Maris products on the Saudi market



The beginning of the year saw the launch of the Vizol S line on the UK market, while Aqua Maris products were registered in the Kingdom of Saudi Arabia. With this, at the Middle East regional level, JGL is successfully conducting business and expanding to two key markets - Saudi Arabia and the United Arab Emirates with the Aqua Maris and Vizol S/Viset brands.

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*In accordance with the top strategy of timely launches of innovative products on target markets, the visit of a group of ophthalmologists from the Kingdom of Saudi Arabia in May 2022 is of special note.*

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It included a tour of the sterile production facilities within the JGL Pharma Valley complex in Rijeka, thematic meetings and a scientific presentation on the topic of dry eye. The brand Vizol S, launched in that market during 2020, has been recognized as an innovative solution for dry eye symptoms which, due to the region's specific climate, are very prevalent in the local population.

In conclusion, it is important to note a range of current activities as well, which are connected to strategic products for developing business in the new and very complex US and Chinese markets.



## BEGINNING OF SALES ON AMAZON

During the reporting period, regulatory, technical and taxation prerequisites were achieved for the start of sale of JGL products in Germany through Amazon.

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*By obtaining a VAT ID number in Germany, JGL entered the tax system of another European country for the first time.*

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The sale of Aqua Maris Clean 50 ml nasal spray started and expanding the range of products sold through this platform in the aforementioned country is planned, as well as the start of sales in other countries, most notably the US.

## SCIENTIFIC BASIS FOR THE ROLE OF SEAWATER

Years of researching the unique healing powers of the Adriatic Sea and compiling relevant scientific literature by JGL employees resulted in the publication of a paper entitled “The Role of Seawater and Saline Solutions in the Treatment of Upper Respiratory Conditions”. In addition to proving that the ionic composition of Adriatic seawater in Aqua Maris products makes the products safe and effective in the prevention and treatment of diseases of the upper respiratory tract, scientific studies have demonstrated that it is superior to normal saline.

The paper was published in the renowned academic journal *Marine Drugs*. This type of systematic review is considered the most relevant form of literary publication in the hierarchy of evidence in medicine. JGL has thus demonstrated its commitment to science-based product development, and business partners and customers have been given a valuable source of expert information that will help them understand and choose *Aqua Maris*. The entire article is available at <https://www.mdpi.com/1660-3397/20/5/330>

## JGL TEACHING INSTITUTION FOR THE FACULTY OF MEDICINE

JGL has become a teaching institution for the Faculty of Medicine of the University of Rijeka, specifically, the new pharmaceutical medicine study programme. In March 2022, the company's CEO Mislav Vučić and the Dean of the Faculty of Medicine Goran Hauser signed an agreement on cooperation between the company and the Faculty of Medicine in the field of science and research, education and professional work, as well as professional training.

Students will be able to finish part of their practical work at JGL, which is something the company can offer, which



Goran Hauser and Mislav Vučić

the Faculty of Medicine cannot. It concerns the production of pharmaceuticals, their distribution, research and development of medicine and the quality control process. This way we strive to actively contribute to the development of the practice of strengthening democratic inclusivity and smart specialisation, promoting innovation and combining knowledge from the academic and real sectors.

Up until now, JGL has been a teaching institution for the Faculty of Medicine of the University of Rijeka in the field of biotechnology and now it has also become one in the field of pharmacy.

## JGL, THE MOST INNOVATIVE EXPORTER IN 2021

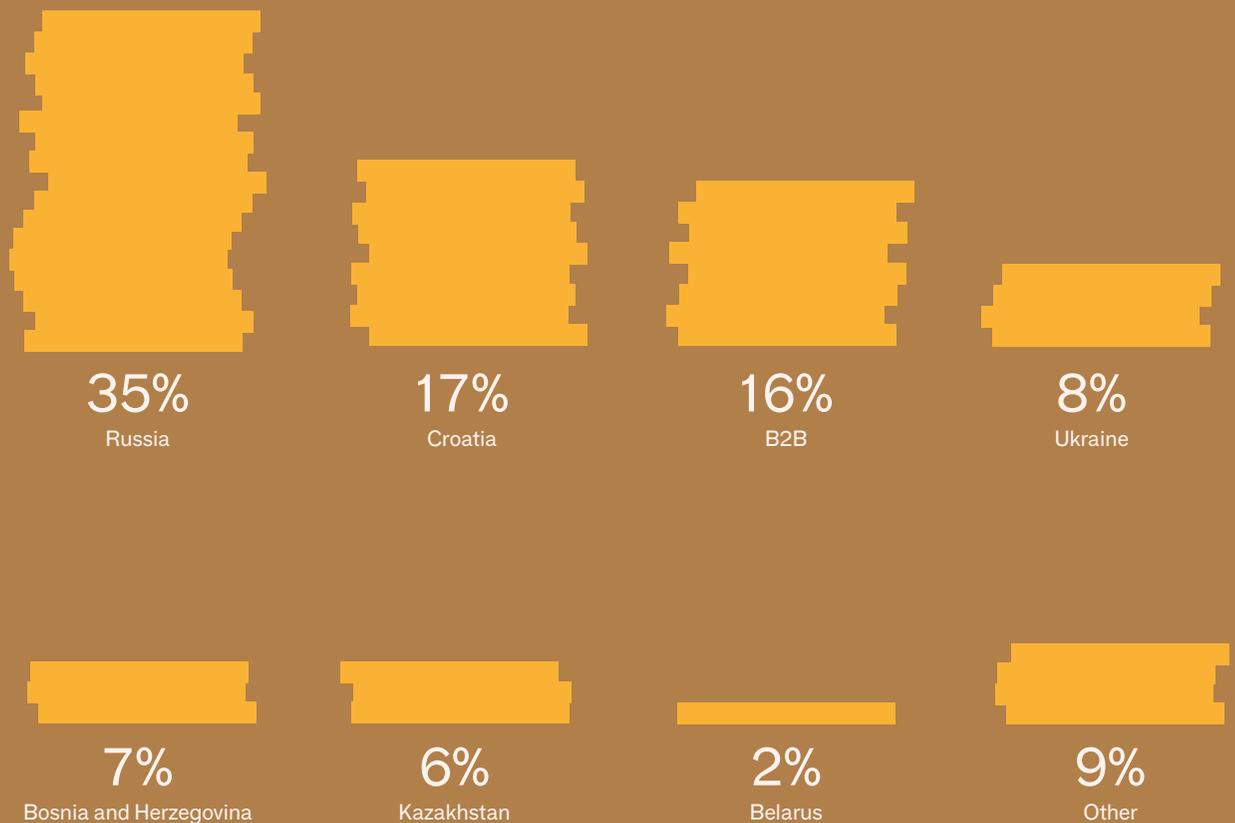
Croatian exporters held their 17th annual convention on the topic of “Export Excellence” on 4 July 2022 at the Westin Hotel in Zagreb, where top exporters of 2021 were awarded the prestigious “Golden Key” award. Among those recognised was JGL, which won in the category of Most Innovative Exporter. The award is especially pleasing as it comes during uncertain times for businesses and gives an incentive for the company to persevere and stay agile in the face of change. Investment in innovations is a business imperative and is an integral part of JGL’s strategy.



Mislav Vučić receiving the “Zlatni ključ” award

# SALES RESULTS

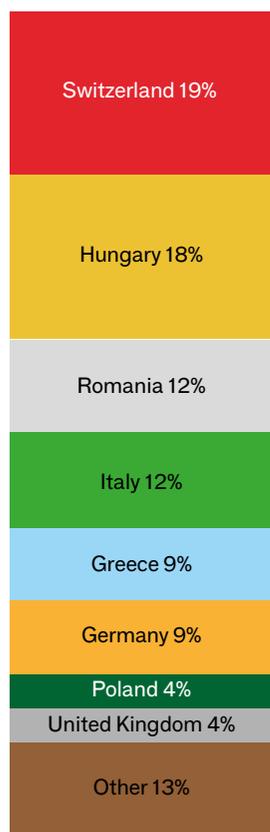
The net sales structure of JGL Pharma by market in the period from 1 January to 30 June 2022



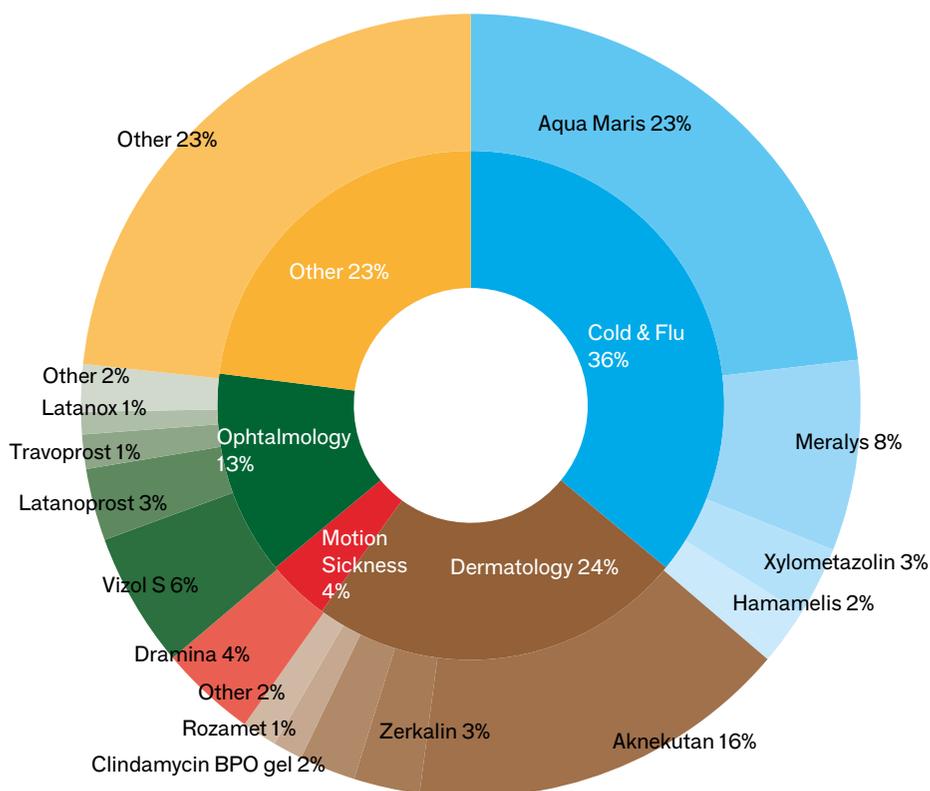
In the first half of 2022, JGL Pharma generated sales revenue of HRK 440,4 million. Compared to the same period last year, an increase in sales of HRK 129 million has been noted, in other words, a growth of 41%. The largest market is still Russia based on shares in total net sales and has noted a reduction in share of two percentage points when compared to the same period last year. As in previous years, Russia is followed by the markets of Croatia and B2B business with 17% and 16% of shares, where the B2B segment is notable as the fastest growing in the reporting period, with HRK 30 million larger sales when compared to last year. It is of note that the Kazakhstan market compared to the first six months of 2021 has noted an increase of four percentage points, in other words, sales increased by HRK 18 million.

The structure of net sales by brand did not see significant changes in relation to achieved results in the same period in 2021. Aqua Maris is still overwhelmingly in the lead with a 23% share. Aknekutan is the second brand according to size whose shares increased when compared to last year from 9% to 16% in 2022 and has achieved HRK 37 million greater revenue from sales when compared to last year. The third spot still belongs to the brand Meralys with a 8% share, followed by Vizol S with 6%, Dramina with a 4% and Prolife with 3%.

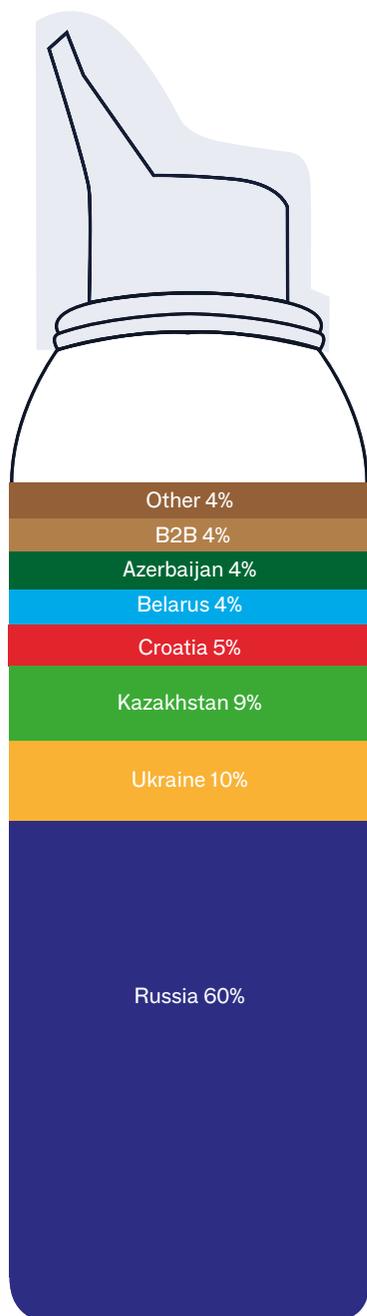
The net sales structure by B2B market in the period from 1 January to 30 June 2022



Net sales structure by therapeutic areas and brands in the first half of 2022



# AQUA MARIS®



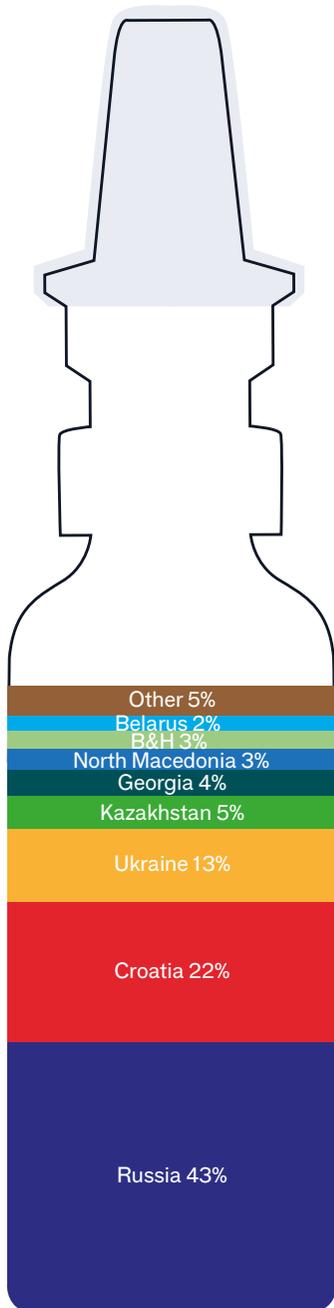
In the first half of 2022, net sales of the Aqua Maris brand totalled HRK 94.3 million. Sales are 12% higher than last year and the Aqua Maris brand retained its leading position in JGL Pharma's portfolio.

The largest markets in which the brand is sold are Russia with 60% of shares, Ukraine with 10% shares, Kazakhstan with 9% of shares and Croatia with 5% of shares in net brand sales.



The sales structure of Aqua Maris brand by market in the period from 1 January to 30 June 2022

# MERALYS



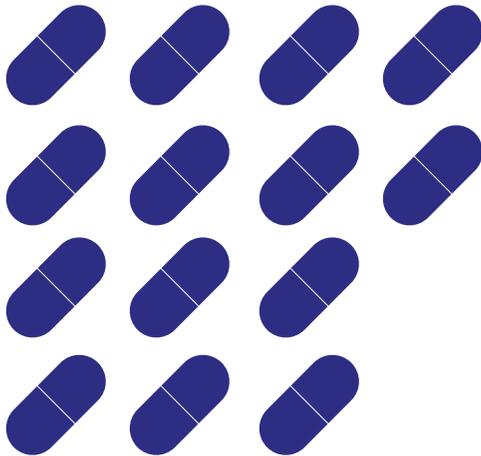
Meralys has, in the first half of 2022 achieved net sales in the amount of HRK 32.1 million, which is 47% more when compared to the first half of 2021. The main generators of growth are market Russia, with three million greater sales compared with previous year, the markets of Croatia and Ukraine, with HRK two million greater sales when compared to last year and Kazakhstan with HRK 1.5 million larger sales.

The greatest percentage sale growth was noted in the Kazakhstan market with 600% greater sales when compared to last year. According to shares in brand sales, Russia is still the biggest market, but a trend of decreasing that share in favour of the domestic Croatian market has been noted, whose share has been growing every year.



The sales structure of Meralys brand by market in the period from 1 January to 30 June 2022

# Акнекутан®



Russia 69%



Ukraine 16%



Kazakhstan 12%



Belarus 3%

The Aknekutan brand in the first half of 2022 noted a growth of 133% when compared to the same period in 2021. Sales amounted to HRK 64.7 million, which is HRK 37 million more than last year.

The highest share of Aknekutan sales were in the Russian market, with an increase in sales shares from 58% to 69% in 2022. Russia is also the largest initiator of said growth with HRK 28 million greater sales when compared to the first half of 2021.



The sales structure of Aknekutan by market in the period from 1 January to 30 June 2022

# vizolS



Russia 21%



Croatia 16%



B2B 16%



Ukraine 15%



Kazakhstan 12%



Belarus 5%



Other 15%

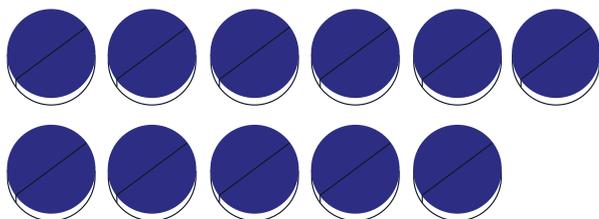
Vizol S in the first six months of 2022 achieved a net sale increase of 12%. Sales in 2022 totalled HRK 22.7 million, in other words, an increase of HRK 2.5 million when compared to last year.

The markets which noted the greatest increase in sales of the Vizol S brand in the first half of 2022 were Kazakhstan with HRK million greater sales when compared to last year and B2B with HRK 2.6 million greater sales. The greatest share of brand sales is held by Russia with 21%, followed by Croatia with a 16% share, Ukraine with 15% and Kazakhstan with a 12% share.

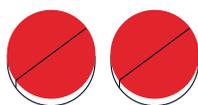


The sales structure of  
Vizol S brand by market in  
the period from 1 January to  
30 June 2022

# DRAMINA



Russia 55%



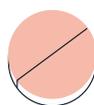
Croatia 12%



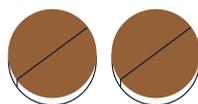
Kazakhstan 7% Ukraine 5%



Georgia 5% Slovenia 4%



Kyrgyzstan 3%



Other 9%

In the first half of 2022, net sales of the Dramina brand grew at a rate of 27% and totalled HRK 16.3 million. The greatest initiators of this growth were the Croatian market with a million kuna greater sales when compared to last year, Kazakhstan with HRK 0.5 million greater sales, while Russia, Slovenia and Kyrgyzstan noted an increase in sales of HRK 0.3 million.

Russia is still the biggest JGL Pharma market where Dramina is sold, followed by Croatia, Kazakhstan, Ukraine and Georgia. The Russian market shrunk in share of net brand sales from 67% to 55% while most other markets noted a growth.



The sales structure of Dramina by market in the period from 1 January to 30 June 2022



# REPORTING YEAR MEMBERS OF THE JGL GROUP



# PHARMACEUTICAL BUSINESS

## JADRAN LLC MOSKVA

In spite of difficult and uncertain market conditions, the net sales of the Jadran LLC Moskva company noted a growth of 36% when compared to the same period last year, while total earnings totalled HRK 171.7 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 have attained a significant position and respectable market shares.

Of note is the leading position of the Aqua Maris brand in the segment of seawater based nasal products, the leading position of Aknekutan in the segment of acne treating dermatological products and the significant 7.5% market share of Optinol in the segment of artificial tears for dry eyes.

In spite of increased revenue and good market results, the results of the period due to increased costs were negative. A loss of HRK 3,944,112 is significantly smaller than the results achieved in the same period last year and the company will strive to make up for this in the second part of the year.

## FARMIS D.O.O. SARAJEVO

The political and economic circumstances in the country and abroad, such as the reduction of the purchasing power of the population, inflation and distribution chain disruptions have expectedly and significantly influenced the Farmis business for the first half of 2022. In spite of this, the results of the semi-annual period, in other words, achieved profits before tax totalled HRK 1,209,198.

## JGL D.O.O. BEOGRAD – SOPOT

The first half of the 2022 business year was marked by further growth of revenue by 35% when compared to the same period last year. The company ended the semi-annual with a profit before tax in the amount of HRK 838,811.

Total revenue totalled HRK 12.2 million, of which HRK 4.8 million came from selling parent company products, while the remainder came from selling its own products and transferred products in the country and abroad. Revenue from the sale of goods and products amounts to HRK 6.5 million, while the rest relates to revenue from sales abroad.

In the field of marketing and sales, the company narrowed its focus and aimed to work in the segments of pharmacies, consumers, gynaecologists, and ophthal-



mologists. Furthermore, the big digital campaign for the Vizol S, Reflstat and Prolife products continued. In the field of production, the company is oriented to production of drugs and dietary products for sale in Serbia and the surrounding markets. The key to growth in 2022 is the further growth of revenue from the sale of goods and products on the Serbian market and the growth of product sales which were transferred during 2020 and are exported to the JGL Group markets – Lactogyn oral capsules, Feminal capsules, Normia capsules and Normia sachets.



The project “When Your Eyes Are Sending Distress Signals, Pay Attention” and X-lab were launched on the Slovenian market.

## JADRAN – GALENSKI LABORATORIJ D.O.O. LJUBLJANA

The first half of 2022 was concluded by the successful launch of three products – Lactogyn pessary, Maresyl COMB and Aqua Maris Hypertonic 50 ml and record semi-annual sales.

When it comes to key brands (Aqua Maris, Vizol S) in the reporting period double-digit growth rates have been noted, while the sale of known brands (Carbo Medicinalis, Dramina) returned to pre COVID-19 pandemic rates.

A total revenue of HRK 8.4 million was achieved and profit before tax totalled HRK 960,641.

## JGL PPH D.O.O.

The company JGL PPH was established for the needs of future business based on the Strategic Partnership Agreement with the pharmaceutical company Polfa Warszawa S.A. from Poland, as a special project company (SPV Special Purpose Vehicle) for the implementation and monitoring of a specific segment of business with a foreign partner.

During the first half of 2022, the company realized HRK 3.5 million in total revenue and a loss of HRK 3,087,918. Increased revenues and a positive financial result are expected by the end of the year.

# PHARMACY AND COSMETICS

## “LJEKARNE PABLO” HEALTH INSTITUTION

“Ljekarna Pablo” HI, a chain of 30 apothecary units across Croatia, in the first half of 2022 achieved total revenue in the amount of HRK 101 million and profit before tax in amount of HRK 3,371,680.

It is worth noting that on 19 May 2022 Pablo HI attained 100% of founding rights in the Ljekarne Zorka Muvrin Health Institution which began operations on 1 April 2022. Ljekarne Zorka Muvrin HI conducts business in two apothecary units with a total of 12 employees - Apothecary unit Turkovo 40/2 Rijeka (acquired private practice of Zorka Muvrin, Mpharm.) and the newly founded apothecary unit at Rakovice, TC Plitvice Mall. From April to June 2022, it accumulated a total revenue of HRK 3 million and loss in amount of HRK 130,877.

Sales revenue from “Ljekarne Pablo” HI and Ljekarne Zorka Muvrin HI in the period from January to June 2022 totalled HRK 95.5, which represents a growth of 12.3% when compared to the same period in 2021.

## PABLO D.O.O.

Total revenue from Pablo d.o.o. in the first half of 2022 totalled HRK 210,000 and loss in amount of HRK 124,034, which is significant growth when compared to the same period in 2021. The reason for this is the opening of a specialized store “Pablo health & beauty” in Trogir with seven employees which began doing business on 8 June 2022 and has achieved sales revenue of HRK 132,000 by the end of June.

Furthermore, the business address of Pablo d.o.o. was changed from Šarengradska 6 to Ulica Ivana Lučića 2a.

By the Resolution of 31 March 2022, at the end of the term, the Supervisory Board of the Pablo d.o.o. Company was restated for the term of four years starting on 1 April 2022. The President of the Board of Directors

is Ivo Usmiani, with Grozdana Božić as the Vice President. The subsidiary in Rijeka was closed based on a decision made on the same day.

By Resolution of 27 June 2022, Board of Directors member Marina Pulišić was repealed starting on 30 June 2022 and Eva Usmiani Capobianco was appointed member of the Board of Directors, with authority to represent the company independently and individually from 1 July 2022.

## ADRIALAB D.O.O.

The first half of 2022 was marked by the growth of the flu and cold segment in which the company’s key products are Holyplant syrups. In the production segment, active work was done to optimize processes, in other words, continue investing in equipment which started in 2021, as well as creating additional space for bulk production. The marketing focus was on the Holyplant brand and preparing the Combusten spray campaign, a key summer season product.

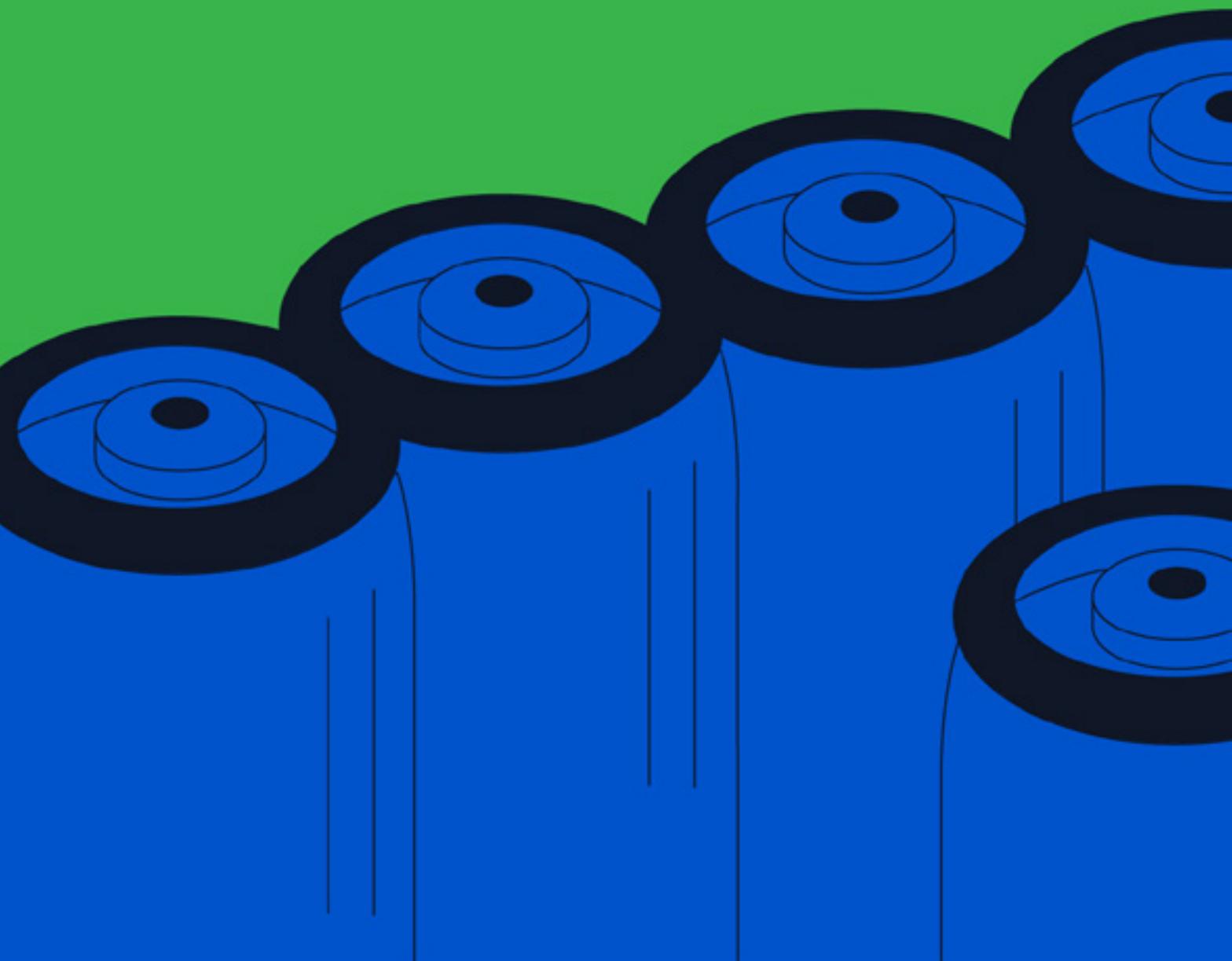
The aforementioned by the 2022 semi-annual was reflected by a revenue growth of 14% when compared to 2021, or an achieved revenue of HRK 11.2 million and profit before tax in amount of HRK 1,288,008. The retail chain sales channel was marked by a revenue growth of 8%, while the apothecary channel grew by 23%. Production for the JGL d.d. parent company grew by 12% with an emphasis on reducing delivery deadlines. Operating profitability (EBITDA) was above 18%, which shows that costs are being actively managed regardless of current price increases. Realisation is the result of 31 employees.

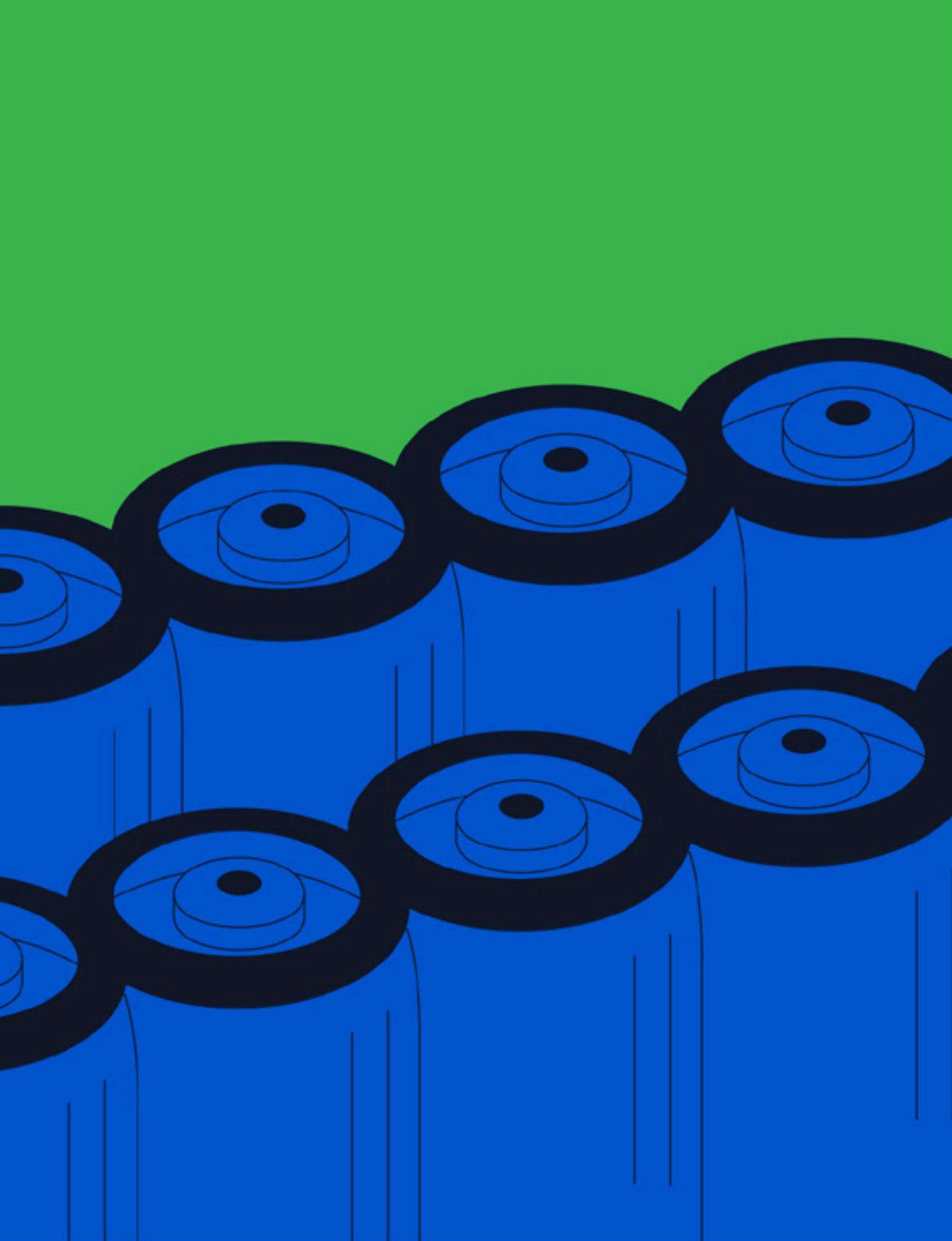
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*By the Resolution of 08 March 2022, at the end of the term, the members of the Supervisory Board of the company Adrialab were restated for the term of four years starting on 10 March 2022. The Supervisory Board consists of Ivo Usmiani, Mislav Vučić, Vice President, Eva Usmiani Capobianco, member, Sanja Vujić Šmaguc, member, Dino Čoza Saršon, member.*

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# OVERVIEW OF FINANCIAL RESULTS





JGL Group, JGL Pharma  
and JGL d.d. Income  
statement (in HRK)<sup>2</sup> as of  
30 June 2021 and 2022

	JGL GROUP			JGL PHARMA		
	30/06/2021	30/06/2022	Index	30/06/2021	30/06/2022	Index
<b>Operating revenue</b>	<b>412.0</b>	<b>555.6</b>	<b>135</b>	<b>314.8</b>	<b>446.9</b>	<b>142</b>
Sales revenue	402.3	541.7	135	311.6	440.4	141
Other revenue	9.7	13.9	143	3.2	6.5	203
<b>Operating expenses</b>	<b>403.4</b>	<b>483.8</b>	<b>120</b>	<b>310.8</b>	<b>379.7</b>	<b>122</b>
Change in inventory value	-30.4	-46.6	153	-31.1	-46.9	151
Material costs	95.4	130.7	137	92.3	126.2	137
Personnel costs	86.9	97.2	112	74.8	83.5	112
Depreciation	24.7	28.6	116	22.1	25.8	117
Other costs	226.8	273.9	121	152.7	191.1	125
<b>Finance revenue</b>	<b>5.1</b>	<b>70.0</b>	<b>1,373</b>	<b>5.1</b>	<b>70.0</b>	<b>1,373</b>
<b>Finance expenses</b>	<b>6.2</b>	<b>39.0</b>	<b>629</b>	<b>5.9</b>	<b>38.7</b>	<b>656</b>
<b>Total revenue</b>	<b>417.1</b>	<b>625.6</b>	<b>150</b>	<b>319.9</b>	<b>516.9</b>	<b>162</b>
<b>Total expenses</b>	<b>409.6</b>	<b>522.8</b>	<b>128</b>	<b>316.7</b>	<b>418.4</b>	<b>132</b>
<b>Profit before tax</b>	<b>7.5</b>	<b>102.8</b>	<b>1,371</b>	<b>3.2</b>	<b>98.5</b>	<b>3,078</b>

<sup>2</sup> 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

	30/06/2021	30/06/2022	Index
<b>Operating revenue</b>	<b>289.5</b>	<b>309.3</b>	<b>107</b>
Sales revenue	222.8	305.2	137
Other revenue	66.7	4.1	6
<b>Operating expenses</b>	<b>214.1</b>	<b>247.9</b>	<b>116</b>
Change in inventory value	-30.9	-44.9	145
Material costs	89.9	119.1	132
Personnel costs	50.8	55.1	108
Depreciation	19.8	23.4	118
Other costs	84.5	95.2	113
<b>Finance revenue</b>	<b>5.0</b>	<b>69.7</b>	<b>1,394</b>
<b>Finance expenses</b>	<b>5.7</b>	<b>36.5</b>	<b>640</b>
<b>Total revenue</b>	<b>294.5</b>	<b>379.0</b>	<b>129</b>
<b>Total expenses</b>	<b>219.8</b>	<b>284.4</b>	<b>129</b>
<b>Profit before tax</b>	<b>74.7</b>	<b>94.6</b>	<b>127</b>

<sup>2</sup> 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 JGL  
Group (in HRK)<sup>3</sup> as of 31  
December 2021 and 30  
June 2022

	JGL GROUP			JGL PHARMA		
	31/12/2021	30/06/2022	Index	31/12/2021	30/06/2022	Index
<b>Assets</b>	<b>1,605.7</b>	<b>1,659.2</b>	<b>103</b>	<b>1,511.4</b>	<b>1,553.2</b>	<b>103</b>
<b>Non-current assets</b>	<b>891.4</b>	<b>954.5</b>	<b>107</b>	<b>861.4</b>	<b>919.3</b>	<b>107</b>
<b>Current assets</b>	<b>708.5</b>	<b>699.3</b>	<b>99</b>	<b>645.3</b>	<b>629.1</b>	<b>97</b>
Inventories	222.9	290.0	130	197.5	262.0	133
Receivables	381.7	326.5	86	349.6	290.7	83
Current financial assets	51.4	21.3	41	51.4	21.3	41
Cash at bank and in hand	52.5	61.5	117	46.8	55.1	118
<b>Prepaid expenses and accrued revenue</b>	<b>5.8</b>	<b>5.4</b>	<b>93</b>	<b>4.7</b>	<b>4.8</b>	<b>102</b>
<b>Liabilities</b>	<b>1,605.7</b>	<b>1,659.2</b>	<b>103</b>	<b>1,511.4</b>	<b>1,553.2</b>	<b>103</b>
<b>Capital and reserves</b>	<b>763.7</b>	<b>873.4</b>	<b>114</b>	<b>738.5</b>	<b>844.4</b>	<b>114</b>
<b>Non-current provisions</b>	<b>3.7</b>	<b>3.6</b>	<b>97</b>	<b>2.9</b>	<b>2.9</b>	<b>100</b>
<b>Non-current liabilities</b>	<b>428.9</b>	<b>491.2</b>	<b>115</b>	<b>413.8</b>	<b>472.9</b>	<b>114</b>
Liabilities for leasing and banks	296.5	356.5	120	285.0	341.7	120
Bond liabilities	128.7	128.9	100	128.7	128.9	100
Deferred tax liability	3.7	5.8	157	0.1	2.2	2200
<b>Current liabilities</b>	<b>376.4</b>	<b>237.6</b>	<b>63</b>	<b>324.2</b>	<b>181.1</b>	<b>56</b>
Suppliers	210.9	170.7	81	176.6	129.3	73
Financial liabilities	110.8	37.8	34	96.9	25.6	26
Other current liabilities	54.7	29.1	53	50.7	26.2	52
<b>Accrued expenses, deferred revenue and provisions</b>	<b>33.0</b>	<b>53.4</b>	<b>162</b>	<b>32.0</b>	<b>51.9</b>	<b>162</b>

42 <sup>3</sup> 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  
Group (in HRK)<sup>3</sup> as of 31  
December 2021 and 30  
June 2022

JGL d.d.

	31/12/2021	30/06/2022	Index
<b>Assets</b>	<b>1,520.3</b>	<b>1,539.0</b>	<b>101</b>
<b>Non-current assets</b>	<b>929.4</b>	<b>976.2</b>	<b>105</b>
<b>Current assets</b>	<b>587.5</b>	<b>560.4</b>	<b>95</b>
Inventories	173.9	239.8	138
Receivables	329.7	259.3	79
Current financial assets	56.6	26.5	47
Cash at bank and in hand	27.3	34.8	127
<b>Prepaid expenses and accrued revenue</b>	<b>3.4</b>	<b>2.4</b>	<b>71</b>
<b>Liabilities</b>	<b>1,520.3</b>	<b>1,539.0</b>	<b>101</b>
<b>Capital and reserves</b>	<b>812.9</b>	<b>909.8</b>	<b>112</b>
<b>Non-current provisions</b>	<b>2.9</b>	<b>2.9</b>	<b>100</b>
<b>Non-current liabilities</b>	<b>405.9</b>	<b>458.7</b>	<b>113</b>
Liabilities for leasing and banks	277.2	329.8	119
Bond liabilities	128.7	128.9	100
Deferred tax liability	-	-	-
<b>Current liabilities</b>	<b>284.9</b>	<b>158.5</b>	<b>56</b>
Suppliers	144.4	114.2	79
Financial liabilities	93.7	23.2	25
Other current liabilities	46.8	21.1	45
<b>Accrued expenses, deferred revenue and provisions</b>	<b>13.7</b>	<b>9.1</b>	<b>66</b>

<sup>3</sup> 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 last year reports, no changes were made when applying accounting policies.

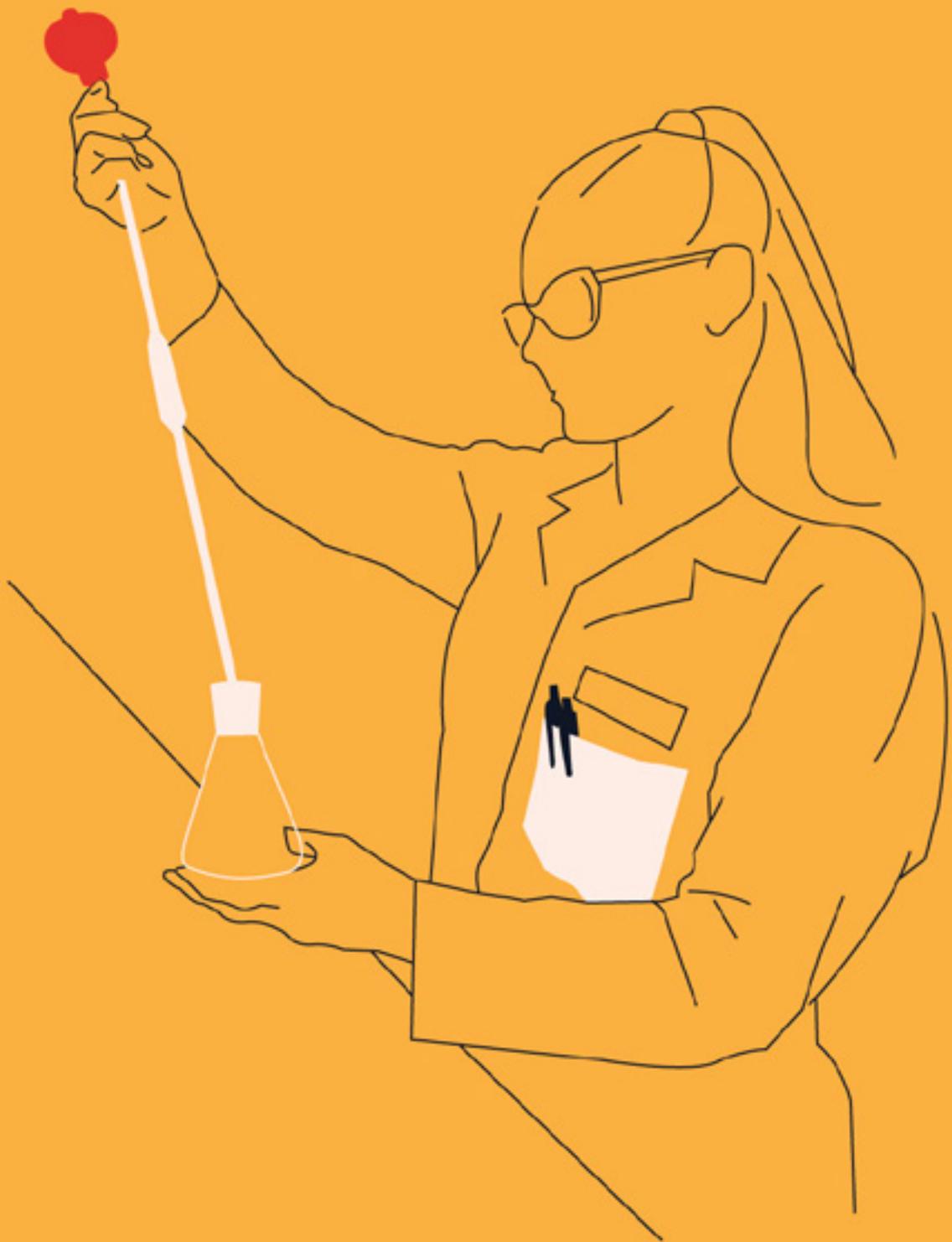
# OFF-BALANCE SHEET RECORDS

Financial liabilities of the JGL Group which were not included in the balance sheet and are monitored through off-balance sheet records are liabilities towards given guarantees and approved bank lines.

Within the structure of the off-balance sheet records are as follows:

	JGL GROUP		JGL PHARMA	
	31/12/2021	30/06/2022	31/12/2021	30/06/2022
Credit lines with banks	80,171,740	134,684,500	80,171,740	80,280,900
Issued guarantees	43,781,968	62,251,336	43,781,968	62,251,336
Received guarantees	25,115,640	26,483,320	25,115,640	26,483,320
Contracted loan restructuring	2,769,408	1,170,082	2,769,408	1,170,082
<b>Total</b>	<b>151,838,756</b>	<b>224,589,238</b>	<b>151,838,756</b>	<b>170,185,638</b>

The most significant change to bank lines for the Group is an increase for the needs of regular business connected to the Jadran LLC affiliate. Issued guarantees were increased as well for the needs of ensuring an advance on the RINO SPRAY project.



# RISKS, EXPOSURE AND PROTECTION



In its ordinary course of business, the JGL Group is exposed to political, economic and financial risks which are connected to operative, foreign currency, interest rate, credit, market risks, as well as 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 the on Russia Region as well as by protecting its foreign receivables through export insurance.

## **POLITICAL RISKS RELATED TO THE WAR IN UKRAINE**

In the first half of 2022, political risk related to the war in Ukraine occurred. The JGL Group operates in the markets of Russia, Ukraine and Belarus, the areas affected by this political and economic crisis the most.

It is clear that the situation is influencing the financial market, as well as the energy market. Even though the Russian market comprises a significant part of the Group's revenue, for years, efforts have been invested in diversifying and reducing the dependence on the aforementioned markets and the Group currently operates in about 60 global markets.

Risks the Group is exposed to 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 of sales revenue. These risks are managed in several ways: through forward contracts to protect the

exchange rate, by controlling inventories, insuring exports, diversifying the portfolio and focusing on other markets, as well as by reducing costs to reduce the impact of reduced sales on operations.

The JGL Group is less dependent on suppliers from the conflict-affected countries, but we are witnessing an increase in fixed and variable costs will rise due to increased prices of raw and other materials, as well as 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 this crisis will be performed in the best interest of the employees and the company. Sales and investments will continue in accordance with business plans.

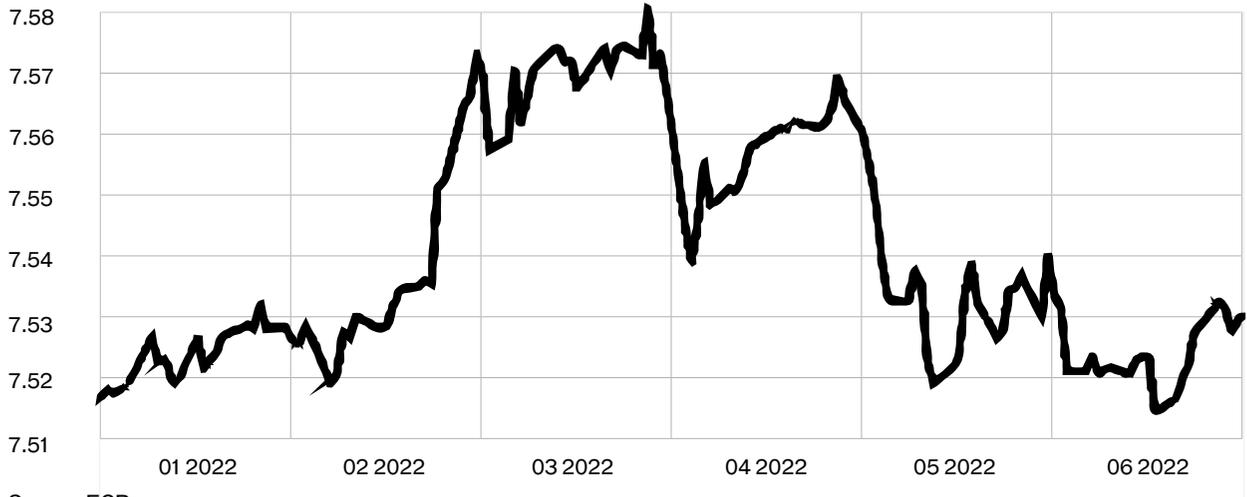
## **FOREIGN CURRENCY RISK**

The 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 HRK 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 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 and its price. As at 30 June 2022, the parent company did not have any active forward contracts. The Group is mostly exposed to the foreign currency risk arising from the fluctuation of the kuna (HRK) against the euro (EUR) and the rouble (RUB). The risk arising from the fluctuation of the kuna against the rouble is the higher of the two, affecting the parent company JGL d.d. and its affiliate JADRAN LLC at a ratio of 50:50.

Exposure to the currency risk of change in EUR exchange rate

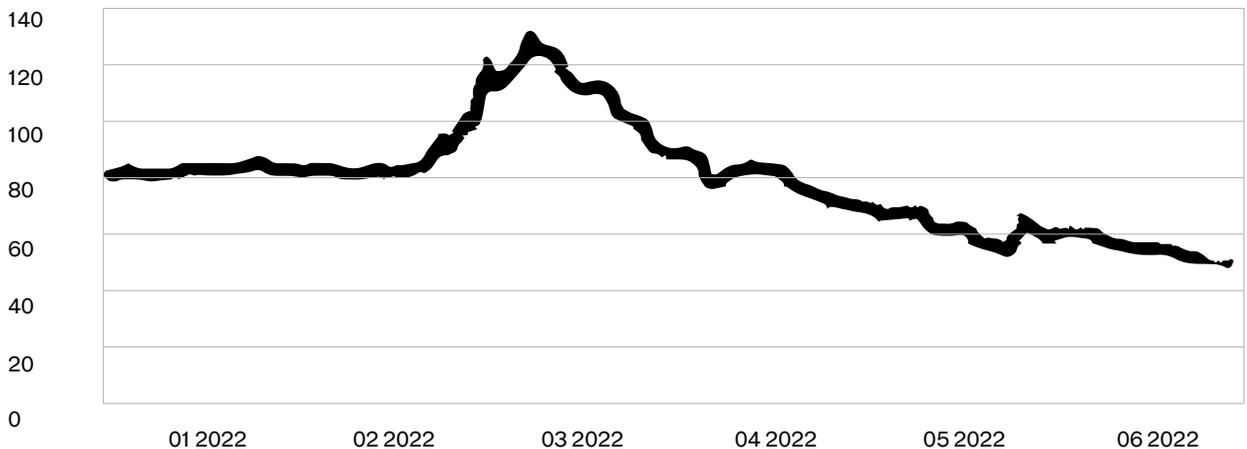
JGL d.d. is naturally protected from the effects of changes in the euro exchange rate, namely foreign currency assets and liabilities are equal. Additionally, the euro exchange rate against the kuna is less volatile, with an absolute change of about 1% occurring during the year.



Source: ECB

Exposure to the currency risk of change in RUB exchange rate

JGL d.d. invoices products for the Russian market in the Russian rouble. During the first half of 2022, the political and economic crisis, the war between Russia and Ukraine and the subsequent sanctions implemented by the EU and US influenced the rouble exchange rate, along with other factors such as the price of oil on the global markets, as well as the monetary policy implemented by the Russian Central Bank (RCB).



Source: ECB

In March 2022, as a response to the initial shock and severe sanctions implemented by the EU and US, the Russian rouble depreciated sharply and stabilized in April and May and returned to levels from 2019, thanks to the growth of oil prices and RCB measures, such as increasing interest rates, limiting the sale of foreign currency, managing inflation etc. At the beginning of 2022, the parent company JGL d.d. concluded a forward contract (TARF model) which reduced the shock caused by the strong depreciation of the Russian rouble. After finalizing this contract, it was not possible to conclude new forward contracts and currently there are no official instruments for ensuring the rouble currency risks and this is not expected to change before the normalisation of the situation.

During March, by cancelling official rouble quotations in western markets, significant problems have occurred in the transfer of money between Russia and Croatia, as well as the conversion of roubles to euro and kuna. In a short timeframe, payment and conversion of roubles into euro was established. Since the beginning of the crisis to June 30 2022, the rouble exposure was reduced by around 35%.

During the second half of 2022, the rouble exchange rate will continue to be managed by reducing the difference between foreign currency assets and liabilities, establishing a policy of managing the rouble in accounts, hedging the EUR-RUB currency pair with forward contracts.

## 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 frameworks with various commercial banks that allow for the rapid withdrawal of short-term funds under favourable conditions.

In 2022, the parent company within the Group has credit lines in EUR approved and contracted with commercial banks in the total amount of EUR 10 million. These lines are used as a liquidity reserve and there was no need for their use in the first half of 2022. Pablo HI is the co-debtor in the credit line approved to the parent company and may use assets up to the amount of HRK 5.6 million. Jadran LLC, an affiliate company in Russia, has a contractual framework for short-term loans and an approved overdraft on the account which may be used for liquidity coverage to the total amount of 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, 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 to actively hedge its exposure to interest rate risk (cash flow interest rate risk and fair value interest rate risk), but actively monitors market interest rate movements and takes the necessary measures to reduce interest rates if they are too high through refinancing mechanisms with another lender or a reduction with an existing lender.

When it comes to other Group members, during the first half of 2022, Jadran LLC and Pablo HI had active short-term liquidity loans. The Jadran LLC company is exposed to the risk of interest rate change according to the contracted short-term bank framework.

For the purposes of short-term financing, JGL uses funds from the lines of short-term credit arranged with commercial banks at favourable 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 parent company has long-term liabilities for received loans, leasing and issued bonds. Long-term loan liabilities consist of two long-term loans obtained from the Croatian Bank for Reconstruction and Development. Among other members of the JGL Group, on 30 June 2022 Pablo HI has a short-term loan in the amount of HRK 10,000,000 which will become due and payable in July 2022.

The liability for the long-term HBOR loan used to finance the investment in the Svilno 2 production plant amounts to HRK 139,590,541. Repayment of the principal began in 2019, and in 2020 an addendum to the

contract was signed, reducing the interest rate and driving down financing costs.

In 2020, the parent company made a new investment called INTEGRA 2020 which includes expanding production capacity, equipping a development laboratory, creating a new pilot plant and development of office space, as well as building a logistics centre. The investment is partially self-financed, and partially financed by a long-term loan from the Croatian Bank for Reconstruction and Development in the amount of HRK 279,830,372, with a low fixed interest rate. By 30 June 2022, HRK 185,042,277 was utilised.

On 30 June 2022, the parent company has liabilities under the issue of bonds under the code HRJDG-LO24XA2, in the amount of HRK 130,000,000 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 low fixed interest rates.

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*The decrease of debt and shorter deadlines for collection of receivables resulted in financial stability, company liquidity, creditworthiness, and a good net debt-to-capital ratio.*

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## RISKS OF COLLECTION OF RECEIVABLES

The accounts receivable risk is significantly diversified through the distribution of receivables of the JGL Group by various geographical areas and customers. The Group tries to protect 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 accounts receivables belonging to the parent company are insured with the Croatian Bank for Reconstruction and Development (HBOR) and the Croatian

Credit Insurance (HKO). The total insured amount of foreign receivables by 30 June 2022 was EUR 17.1 million. The insurance covered accounts receivable due from foreign customers who were contractually granted delayed payment. Together with insurers, the company is monitoring the risk profile, creditworthiness and liquidity of the insured customers and revises their approved limits annually. In the last few years, the Group has recorded a constant increase of the insured amounts as a result of growing turnover from existing customers and insuring new customers. The receivables are analysed weekly and all measures needed to collect them are taken. Despite the crisis caused by the COVID-19 virus in 2021, there were no claims related to the insurance of accounts receivable.

The receivables of the associated company Jadran LLC are insured in Russia through the insurance company Euler Hermes. The total insured credit limit for customers in Russia on 30 June 2022 was EUR 24.3 million.

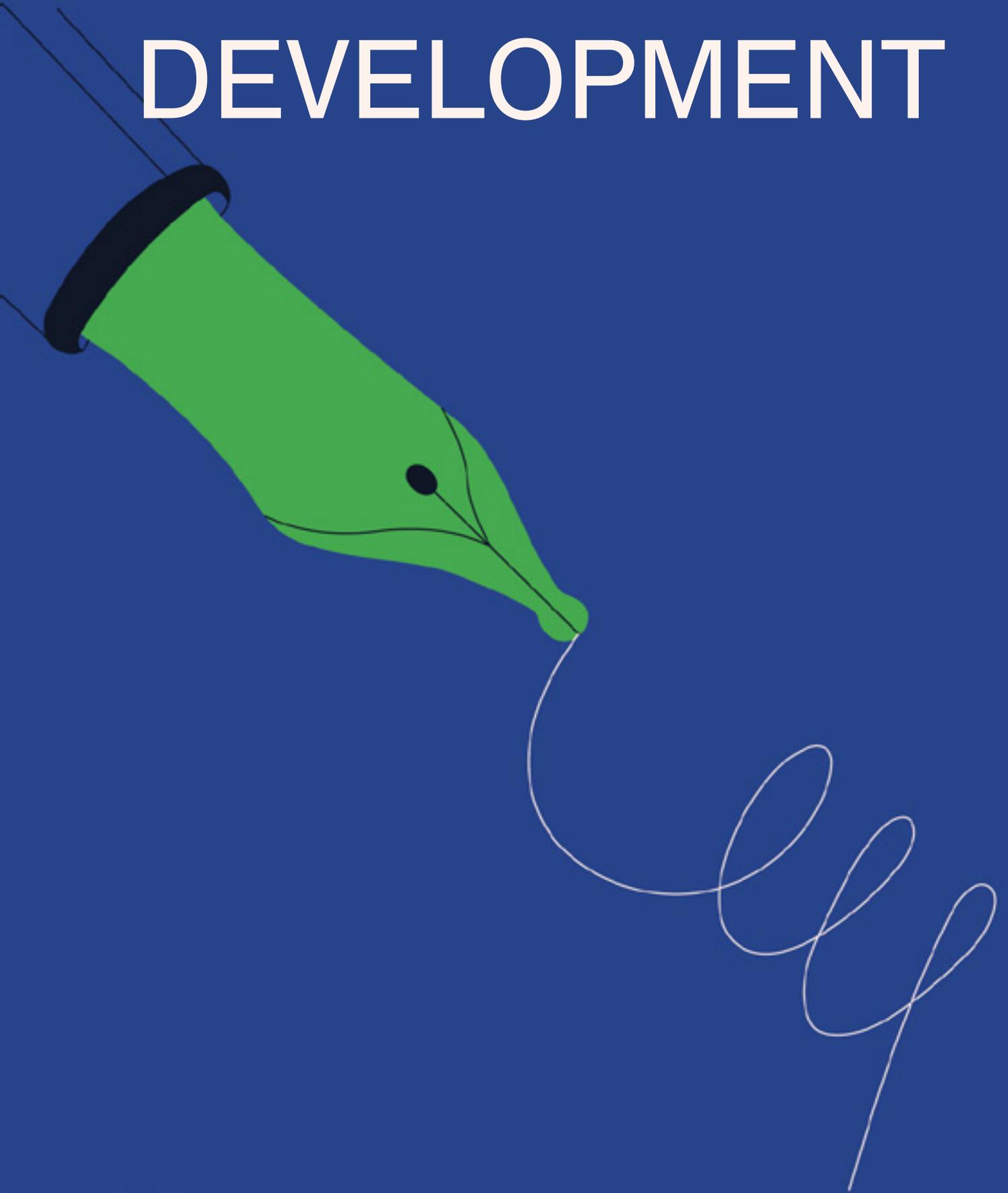
The parent company is part of the healthcare system of the Republic of Croatia and is indirectly subject to the risk of collection maturity which relates to collection from customers within the HZZO system. JGL manages this risk through the market position of the affiliate Ljekarne Pablo HI, which bases 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. Payment collection deadlines in the Croatian healthcare system in 2021 were 120 days. The situation is similar in other markets and countries where member companies operate (Russia, Belarus, Kazakhstan, Slovenia, Bosnia and Herzegovina, etc.).

Overview of insured amounts of the JGL Group by country on 30 June 2022

Country	Insured Amounts (EUR)
Russia	24,300,000
Kazakhstan	4,750,000
Ukraine	5,800,000
Belarus	3,020,000
Other Countries	3,560,000
<b>Total</b>	<b>41,430,000</b>

# FUTURE DEVELOPMENT



In the first half of 2022, JGL held its position as a successful and financially stable company despite the high volatility of the market that we have been seeing since the spring of 2020, and especially after war broke out between Russia and Ukraine at the end of February this year.

War conflicts, whose long-term implications are difficult to predict, have led to a humanitarian crisis, systemic weakness of the world economy and social vulnerability on a global level in the past and current periods, but JGL remains focused on long-term and sustainable business.

Our efforts in such extreme conditions of a macroeconomic and geopolitical crisis in the first half of 2022 were chiefly focused on our employees and concern for their health and safety, as well as on an in-depth analysis of market risks, on forming a comprehensive, sustainable business scenario and, lastly, on making quick, thought-out and quality decisions for the organisation and environment in which we conduct business.

I am proud that we are showing maturity and, along with it, resilience and that our team, after the initial shock caused by the war in our key markets, has been led by a sense of humanity, tolerance, compassion and understanding. At the same time, we remain highly focused on business and we are serious and motivated to persist in supplying our products to our patients and consumers, with the goal of preserving their health in existing and new global markets.

We are aware that a timely reaction to the numerous challenges we are facing is key. We have made the way in which we conduct business faster by developing and implementing new business models. I am also proud that in the current times of crisis we recognize the importance of continued strategic investments, especially those connected with our research and development and scientific plans, in other words, strengthening the company's intellectual capital. This year will probably be the most productive yet in terms of research and



development, while we are closing the investment in new sterile production capacities and a pilot plant that will provide new technological capabilities.

The second half of the year is usually the most intense business period for JGL. As an international company that currently conducts business in 60 global markets and whose exports in its core business account for 85% of revenue, we will continue paying close attention to global markets and other trends.

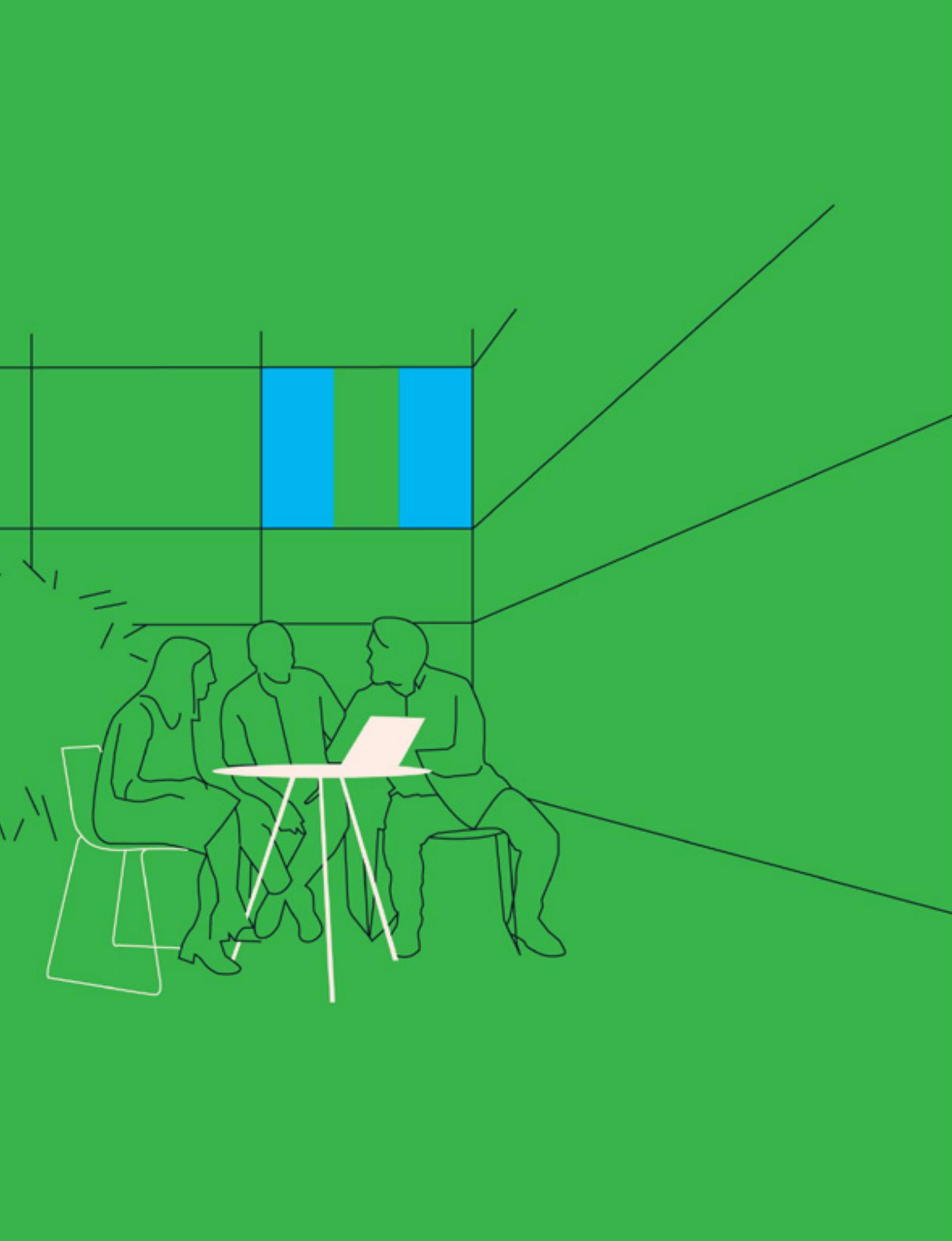
I would like to congratulate our employees on their exceptional performance under challenging conditions, and thank our partners, customers and patients for their trust and cooperation. We will continue to proactively work on the growth and development of JGL!

**Mislav Vučić**  
CEO

A stylized, handwritten signature in white ink, consisting of several loops and a long horizontal stroke at the end, representing the name Mislav Vučić.

# FINANCIAL REPORTS JGL GROUP

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BALANCE SHEET  
Status as at 30/06/2022  
In HRK

Company:  
JGL GROUP

Position name	AOP marking	Last day of previous business year	As at reporting date of current period
1	2	3	4
<b>ASSETS</b>			
<b>A RECEIVABLES FOR REGISTERED BUT UNPAID CAPITAL</b>	<b>001</b>	<b>0</b>	<b>0</b>
<b>B NON-CURRENT ASSETS (AOP 003+010+020+031+036)</b>	<b>002</b>	<b>891,369,364</b>	<b>954,453,063</b>
I. INTANGIBLE ASSETS (AOP 004 to 009)	003	144,474,257	154,965,521
1 Development costs	004	22,349,451	21,555,436
2 Concessions, patents, licences, brand and service name, software and other rights	005	54,710,631	53,861,998
3 Goodwill	006	21,824,660	24,371,669
4 Advance payments for the procurement of intangible assets	007	0	0
5 Intangible assets in preparation	008	32,719,917	40,396,385
6 Other intangible assets	009	12,869,598	14,780,033
II. TANGIBLE ASSETS (AOP 011 to 019)	010	728,771,027	774,133,678
1 Land	011	46,044,155	46,044,155
2 Buildings	012	257,428,806	294,789,532
3 Plants and equipment	013	181,441,212	213,449,530
4 Tools, plant inventory and transportation assets	014	17,606,304	24,404,465
5 Biological assets	015	0	0
6 Advance payments for tangible assets	016	0	0
7 Tangible assets in preparation	017	207,412,169	176,604,009
8 Other tangible assets	018	1,131,867	1,135,473
9 Investment property	019	17,706,514	17,706,514
III. NON-CURRENT FINANCIAL ASSETS (AOP 021 to 030)	020	1,908,174	2,002,024
1 Investment in shares (stocks) of enterprises within the group	021	0	0
2 Investment in other securities of enterprises within the group	022	0	0
3 Loans granted, deposits and similar to enterprises within the group	023	0	0
4 Investment in shares (stocks) of companies connected with participating interests	024	597,707	597,707
5 Investment in other securities of companies connected with participating interests	025	0	0
6 Loans granted, deposits and similar to companies connected with participating interests	026	0	0
7 Investments in securities	027	1,182,575	1,182,575
8 Given loans, deposits and similar	028	127,892	221,742
9 Other investments calculated using the equity method	029	0	0
10 Other long-term financial assets	030	0	0
IV. RECEIVABLES (AOP 032 to 035)	031	237	237
1 Receivables of enterprises within the group	032	0	0
2 Receivables of companies connected with participating interests	033	0	0

**BALANCE SHEET**  
**Status as at 30/06/2022**  
**In HRK**

Company:  
**JGL GROUP**

Position name <b>1</b>	AOP marking <b>2</b>	Last day of previous business year <b>3</b>	As at reporting date of current period <b>4</b>
3 Trade receivables	034	0	0
4 Other receivables	035	237	237
V. DEFERRED TAX ASSETS	036	16,215,669	23,351,603
<b>C CURRENT ASSETS (AOP 038+046+053+063)</b>	<b>037</b>	<b>708,494,567</b>	<b>699,323,837</b>
I. INVENTORIES (AOP 039 to 045)	038	222,849,804	290,003,129
1 Raw materials	039	78,509,507	99,522,387
2 Work in progress	040	34,172	505,626
3 Finished goods	041	74,112,830	118,441,228
4 Trade goods	042	70,042,195	71,533,888
5 Advance payments for inventory	043	0	0
6 Long-term assets intended for sale	044	151,100	0
7 Biological assets	045	0	0
II. RECEIVABLES (AOP 047 to 052)	046	381,735,346	326,495,023
1 Receivables of enterprises within the group	047	0	0
2 Receivables of companies connected with participating interests	048	0	0
3 Trade receivables	049	337,762,973	279,355,105
4 Receivables from employees and company members	050	45,666	252,756
5 Receivables from the Government and other institutions	051	17,513,422	30,481,173
6 Other receivables	052	26,413,285	16,405,989
III. CURRENT FINANCIAL ASSETS (AOP 054 to 062)	053	51,427,075	21,294,755
1 Investment in shares (stocks) of enterprises within the group	054	0	0
2 Investment in other securities of enterprises within the group	055	0	0
3 Loans granted, deposits and similar 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 granted, deposits and similar to companies connected with participating interests	059	0	0
7 Investments in securities	060	0	0
8 Given loans, deposits and similar	061	44,515	158,903
9 Other financial assets	062	51,382,560	21,135,852
IV. CASH AT BANK AND IN HAND	063	52,482,342	61,530,930
<b>D PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>064</b>	<b>5,795,840</b>	<b>5,431,171</b>
<b>E TOTAL ASSETS (AOP 001+002+037+064)</b>	<b>065</b>	<b>1,605,659,771</b>	<b>1,659,208,071</b>
<b>F OFF-BALANCE ENTRIES</b>	<b>066</b>	<b>151,838,756</b>	<b>224,589,238</b>

BALANCE SHEET  
Status as at 30/06/2022  
In HRK

Company:  
JGL GROUP

Position name	AOP marking	Last day of previous business year	As at reporting date of current period
1	2	3	4
<b>LIABILITIES</b>			
<b>A CAPITAL AND RESERVES</b>	<b>067</b>	<b>763,664,160</b>	<b>873,438,990</b>
<b>(AOP 068 to 070+076+077+083+086+089)</b>			
I. SHARE (SUBSCRIBED) CAPITAL	068	122,042,500	123,375,500
II. CAPITAL RESERVES	069	28,626,145	35,344,465
III. PROFIT RESERVES (AOP 071+072-073+074+075)	070	54,945,344	54,945,344
1 Legal reserves	071	51,761,317	51,761,317
2 Reserves for own shares	072	8,753,148	7,003,448
3 Own shares and interests (deductible item)	073	-7,709,900	-5,960,200
4 Statutory reserves	074	0	0
5 Other reserves	075	2,140,779	2,140,779
IV. REVALUATION RESERVES	076	0	0
V. FAIR VALUE RESERVES AND OTHER (AOP 078 to 082)	077	1,065,189	-171,387
1 Fair value of financial assets through other comprehensive income (in other words, available for sale)	078	0	0
2 Efficient part of cash flow protection	079	0	0
3 Efficient part of net abroad investment protection	080	0	0
4 Other fair value reserves	081	0	0
5 Foreign exchange gains/losses from conversion of operations abroad (consolidation)	082	1,065,189	-171,387
VI. PROFIT OR LOSS BROUGHT FORWARD (AOP 084-085)	083	470,796,304	557,091,905
1 Profit brought forward	084	470,796,304	557,091,905
2 Loss brought forward	085	0	0
VII. BUSINESS YEAR PROFIT OR LOSS (AOP 087-088)	086	86,188,678	102,853,163
1 Profit for the financial year	087	86,188,678	102,853,163
2 Loss for the financial year	088	0	0
VIII. MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B PROVISIONS (AOP 091 to 096)</b>	<b>090</b>	<b>3,676,861</b>	<b>3,586,866</b>
1 Provisions for pensions, severances and similar obligations	091	2,870,680	2,780,685
2 Provisions for taxation	092	0	0
3 Provisions for initiated court disputes	093	806,181	806,181
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  
Status as at 30/06/2022  
In HRK

Company:  
JGL GROUP

Position name	AOP marking	Last day of previous business year	As at reporting date of current period
1	2	3	4
<b>C LONG-TERM LIABILITIES (AOP 098 to 108)</b>	<b>097</b>	<b>428,902,441</b>	<b>491,248,681</b>
1 Liabilities towards enterprises within the group	098	0	0
2 Liabilities for loans, deposits and similar for enterprises 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	296,512,261	356,480,406
7 Liabilities for advance payments	104	0	0
8 Trade payables	105	0	0
9 Liabilities arising from securities	106	128,717,372	128,933,774
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	3,672,808	5,834,501
<b>D SHORT-TERM LIABILITIES (AOP 110 to 123)</b>	<b>109</b>	<b>376,393,942</b>	<b>237,597,493</b>
1 Liabilities towards enterprises within the group	110	0	0
2 Liabilities for loans, deposits and similar for enterprises 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	23
6 Liabilities towards banks and other financial institutions	115	110,752,789	37,832,287
7 Liabilities for advance payments	116	8,546,787	7,824,284
8 Trade payables	117	210,855,714	170,661,794
9 Liabilities arising from securities	118	0	0
10 Liabilities towards employees	119	21,258,295	10,083,042
11 Liabilities for taxes, contributions and similar payments	120	20,581,492	8,757,787
12 Liabilities due to share in result	121	185,800	296,524
13 Liabilities due to long-term assets intended for sale	122	0	0
14 Other current liabilities	123	4,213,065	2,141,752
<b>E ACCRUED EXPENSES AND DEFERRED REVENUE</b>	<b>124</b>	<b>33,022,364</b>	<b>53,336,041</b>
<b>F TOTAL – LIABILITIES (AOP 067+090+097+109+124)</b>	<b>125</b>	<b>1,605,659,768</b>	<b>1,659,208,071</b>
<b>G OFF-BALANCE ENTRIES</b>	<b>126</b>	<b>151,838,756</b>	<b>224,589,238</b>

**INCOME STATEMENT**  
for the period from 01/01/2022 to 30/06/2022  
In HRK

Company:  
**JGL GROUP**

Position name 1	AOP marking 2	Same period previous year 3	Current period 4
<b>I. BUSINESS REVENUE (AOP 002 to 006)</b>	<b>001</b>	<b>411,974,598</b>	<b>555,600,148</b>
1 Sales revenue from enterprises within the group	002	0	0
2 Sales revenue (outside the group)	003	402,292,952	541,664,034
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	9,681,646	13,936,114
<b>II. OPERATING EXPENSES (AOP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>403,449,151</b>	<b>483,806,532</b>
1 Changes in the value of work in progress and finished goods inventory	008	-30,357,448	-46,576,717
2 Material costs (AOP 010 to 012)	009	296,576,764	379,215,651
a) Costs of raw materials	010	95,405,246	130,743,675
b) Costs of sold goods	011	112,462,773	141,311,360
c) Other external costs	012	88,708,745	107,160,616
3 PERSONNEL COSTS (AOP 014 to 016)	013	86,864,826	97,184,703
a) Net wages and salaries	014	54,648,171	60,814,224
b) Costs of taxes and contributions from salary	015	19,070,815	21,476,551
c) Contributions on salary	016	13,145,840	14,893,928
4 Depreciation	017	24,662,710	28,614,297
5 Other costs	018	19,005,220	18,504,985
6 VALUE ADJUSTMENTS (AOP 020+021)	019	0	0
A) non-current assets other than financial assets	020	0	0
B) current assets other than financial assets	021	0	0
7 Provisions (AOP 023 to 028)	022	0	300,000
a) Provisions for retirement, severance and similar liabilities	023	0	300,000
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	6,697,079	6,563,613
<b>III. FINANCIAL REVENUE (AOP 031 to 040)</b>	<b>030</b>	<b>5,147,620</b>	<b>70,045,901</b>
1 Revenue from investment in shares (stocks) of enterprises 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 01/01/2022 to 30/06/2022  
In HRK

Company:  
JGL GROUP

Position name 1	AOP marking 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	126,216	279,693
8 Exchange rate differences and other finance revenue	038	4,995,582	69,662,735
9 Unrealized profit (revenue) from financial assets	039	0	0
10 Other financial revenue	040	25,822	103,473
<b>IV. FINANCIAL EXPENSES (AOP 042 to 048)</b>	<b>041</b>	<b>6,247,215</b>	<b>38,986,354</b>
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	4,936,737	7,145,661
4 Exchange rate differences and other expenses	045	1,310,478	27,709,415
5 Unrealized losses (expenses) from financial assets	046	0	4,111,602
6 Value adjustment of financial assets (net)	047	0	0
7 Other finance expenses	048	0	19,676
<b>V. SHARE IN PROFIT FROM COMPANIES CONNECTED WITH PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>
<b>VI. SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>
<b>VII. SHARE IN LOSS FROM COMPANIES CONNECTED WITH PARTICIPATING INTERESTS"</b>	<b>051</b>	<b>0</b>	<b>0</b>
<b>VIII. SHARE IN LOSS FROM JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>
<b>IX. TOTAL REVENUE (AOP 001+030+049+050)</b>	<b>053</b>	<b>417,122,218</b>	<b>625,646,049</b>
<b>X. TOTAL EXPENSES (AOP 007+041+051+ 052)</b>	<b>054</b>	<b>409,696,366</b>	<b>522,792,886</b>
<b>XI. PROFIT OR LOSS BEFORE TAX (AOP 053-054)</b>	<b>055</b>	<b>7,425,852</b>	<b>102,853,163</b>
1 Profit before tax (AOP 053-054)	056	7,425,852	102,853,163
2 Loss before tax (AOP 054-053)	057	0	0
<b>XII. CORPORATE INCOME TAX</b>	<b>058</b>	<b>0</b>	<b>0</b>
<b>XIII. PROFIT OR LOSS PERIODS (AOP 055-059)</b>	<b>059</b>	<b>7,425,852</b>	<b>102,853,163</b>
1 Profit periods (AOP 055-059)	060	7,425,852	102,853,163
2 Loss periods (AOP 059-055)	061	0	0

INCOME STATEMENT  
for the period from 01/01/2022 to 30/06/2022  
In HRK

Company:  
JGL GROUP

Position name	AOP marking	Same period previous year	Current period
1	2	3	4
<b>CEASE OPERATIONS (filled out by undertaking of IFRS payer only if operations ceased)</b>			
<b>XIV, PROFIT OR LOSS OF CEASED OPERATIONS BEFORE TAX (AOP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>
1 Profit of ceased operations before tax	063	0	0
2 Loss of ceased operations before tax	064	0	0
<b>XV, INCOME TAX OF CEASED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>
1 Profit of ceased operations for period (AOP 062-065)	066		
2 Loss of ceased operations for period (AOP 065-062)	067		
<b>TOTAL OPERATIONS (filled out only by undertaking of IFRS payer whose operations ceased)</b>			
<b>XVI, PROFIT OR LOSS BEFORE TAX (AOP 055+062)</b>	<b>068</b>		
1 Profit before tax (AOP 068)	069	0	0
2 Loss before tax (AOP 068)	070	0	0
<b>XVII, INCOME TAX (AOP 058+065)</b>	<b>071</b>		
<b>XVIII, PROFIT OR LOSS PERIODS (AOP 068-071)</b>	<b>072</b>		
1 Profit periods (AOP 068-071)	073		
2 Loss periods (AOP 071-068)	074		
<b>ADDITION TO THE PROFIT AND LOSS ACCOUNT (to be filled out by the company preparing the consolidated annual financial statement)</b>			
<b>XIX, PROFIT OR LOSS PERIODS (AOP 076+077)</b>	<b>075</b>	<b>7,425,852</b>	<b>102,853,163</b>
1 Attributable to equity holders of the parent company	076	7,425,852	102,853,163
2 Assigned to minority (non-controlling) interest	077	0	0
<b>REPORT ON OTHER COMPREHENSIVE INCOME (to be filled out by the company subject to IFRS application)</b>			
<b>I, PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>7,425,852</b>	<b>102,853,163</b>
<b>II, OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (AOP 80+87)</b>	<b>079</b>	<b>-627,096</b>	<b>-1,236,576</b>
<b>III, Items that will not be reclassified to profit or loss (AOP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>
1 Changes in revaluation reserves of long-term tangible and intangible assets	081	0	0

INCOME STATEMENT  
for the period from 01/01/2022 to 30/06/2022  
In HRK

Company:  
JGL GROUP

Position name 1	AOP marking 2	Same period previous year 3	Current period 4
2 Profit or loss based on subsequent valuation of securities at fair value through both 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 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 which relates to items which will not be reclassified	086	0	0
<b>IV, Items which can be reclassified to profit or loss (AOP 088 to 095)</b>	<b>087</b>	<b>-627,096</b>	<b>-1,236,576</b>
1 Exchange differences on translation of foreign operations	088	-627,096	-1,236,576
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 efficient cash flow protection	090	0	0
5 Profit or loss from effective protection of net foreign investments	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
<b>V, NET OTHER COMPREHENSIVE PROFIT OR LOSS (AOP 080+087 - 086 - 096)</b>	<b>097</b>	<b>-627,096</b>	<b>-1,236,576</b>
<b>VI, COMPREHENSIVE PROFIT OR LOSS PERIODS (AOP 078+097)</b>	<b>098</b>	<b>6,798,756</b>	<b>101,616,587</b>
<b>ADDENDUM to report on other comprehensive profit (filled out by entrepreneur who is preparing a consolidated statement)</b>			
<b>VI, COMPREHENSIVE PROFIT OR LOSS PERIODS (AOP 100+101)</b>	<b>099</b>	<b>6,798,756</b>	<b>101,616,585</b>
1 Attributable to equity holders of the parent company	100	6,798,756	101,616,585
2 Assigned to minority (non-controlling) interest	101	0	0

STATEMENT OF CASH FLOWS – DIRECT METHOD  
 period from 01/01/2022 to 30/06/2022  
 In HRK

for the

Company:  
 JGL GROUP

Position name 1	AOP marking 2	Same period previous year 3	Current period 4
<b>Cash flows from operating activities</b>			
1 Cash inflow from customers	001	520,518,512	649,583,532
2 Cash inflow from royalties, fees, commissions and similar	002	0	0
3 Cash inflow from damage compensation based on insurance	003	297,170	1,547,317
4 Cash inflow from tax refund	004	8,210,526	10,842,383
5 Other cash inflow from operating activities	005	1,110,780	655,991
<b>I. Total cash inflow from operating activities (AOP 001 do 005)</b>	<b>006</b>	<b>530,136,988</b>	<b>662,629,223</b>
1 Cash outflow for suppliers	007	-368,216,856	-438,536,819
2 Cash outflow for employees	008	-75,013,178	-83,277,082
3 Cash outflow from damage compensation based on insurance	009	-1,309,513	-282,745
4 Cash outflow for interest	010	-3,536,408	-5,073,566
5 Paid income tax	011	-1,142,757	-1,086,712
6 Other cash outflow from operating activities	012	-60,185,804	-75,585,487
<b>II. Total cash outflow from operating activities (AOP 007 do 012)</b>	<b>013</b>	<b>-509,404,516</b>	<b>-603,842,411</b>
<b>A NET CASH FLOWS FROM OPERATING ACTIVITIES (AOP 006+013)</b>	<b>014</b>	<b>20,732,472</b>	<b>58,786,812</b>
<b>Cash flows from investment activities</b>			
1 Cash inflow from the sale of long-term tangible and intangible assets	015	641,724	3,379,669
2 Cash inflow from sale of financial instruments	016	19,411,346	26,213,749
3 Cash inflow from interest	017	124,995	279,693
4 Cash inflow from dividends	018	0	0
5 Cash inflow from refund of loans and savings roles	019	2,100	1,500
6 Other cash inflow from investment activities	020	0	0
<b>III. Total cash inflow from investment activities (AOP 015 to 020)</b>	<b>021</b>	<b>20,180,165</b>	<b>29,874,611</b>
1 Cash outflow for the purchase of long-term tangible and intangible assets	022	-49,283,072	-70,013,950
2 Cash outflow for acquiring financial instruments	023	0	0
3 Cash outflow from loans and savings roles	024	-78,844	0
4 Acquiring subsidiary, reduced for acquired money	025	0	0
5 Other cash outflow from investment activities	026	0	-4,000,000
<b>IV. Total cash outflow from investment activities (AOP 022 to 026)</b>	<b>027</b>	<b>-49,361,916</b>	<b>-74,013,950</b>
<b>B NET CASH FLOWS FROM INVESTMENT ACTIVITIES (AOP 021+027)</b>	<b>028</b>	<b>-29,181,751</b>	<b>-44,139,339</b>
<b>Cash flows from financial activities</b>			
1 Cash inflow from increase of (subscribed) share capital	029	0	1,333,000
2 Cash inflow from issuing equity and debt financial instruments	030	0	6,718,320

STATEMENT OF CASH FLOWS – DIRECT METHOD  
 period from 01/01/2022 to 30/06/2022  
 In HRK

for the

Company:  
 JGL GROUP

Position name 1	AOP marking 2	Same period previous year 3	Current period 4
3 Cash inflow from loan principal, borrowings and other lending	031	40,485,485	90,269,085
4 Other cash inflow from financing activities	032	0	8,070,448
<b>V. Total cash inflow from financial activities (AOP 029 to 032)</b>	<b>033</b>	<b>40,485,485</b>	<b>106,390,853</b>
1 Cash outflow for payment of loan principal, borrowings and other lending and financial debt instruments	034	-13,294,337	-109,606,492
2 Cash outflow for the payment of dividends	035	-12,277,551	-16,141,050
3 Cash outflow for finance lease	036	-11,775,588	-9,454,994
4 Cash outflow for repurchase of own shares and reduction of (subscribed) share capital	037	-60,400	-66,440
5 Other cash outflow from financial activities	038	0	-49,676
<b>VI. Total cash outflow from financial activities (AOP 034 to 038)</b>	<b>039</b>	<b>-37,407,876</b>	<b>-135,318,652</b>
<b>C NET CASH FLOWS FROM FINANCIAL ACTIVITIES (AOP 033+039)</b>	<b>040</b>	<b>3,077,609</b>	<b>-28,927,799</b>
1 Unrealised cash exchange differences and cash equivalents	041	268,176	23,328,914
<b>D NET INCREASE OR REDUCTION OF CASH FLOWS (AOP 014+028+040+041)</b>	<b>042</b>	<b>-5,103,494</b>	<b>9,048,588</b>
<b>E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>043</b>	<b>32,591,258</b>	<b>52,482,342</b>
<b>F CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (AOP 042+043)</b>	<b>044</b>	<b>27,487,764</b>	<b>61,530,930</b>

STATEMENT OF CHANGES IN EQUITY  
for the period from 01/01/2022 to  
30/06/2022  
In HRK

Company:  
JGL GROUP

Position description	AOP marking	DIVIDEABLE 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)	Efficient part of cash flow protection	Efficient part of net investment abroad protection	Other fair value reserves	Exchange differences on translation of foreign operations	Profit/loss brought forward	Business year profit/loss	Total dividable 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)	
<b>PREVIOUS PERIOD</b>																				
1	Status as at start of previous business year	01	120,560,000	21,836,295	48,113,133	8,738,948	7,695,700	0	2,140,779	0	0	0	0	0	699,976	421,829,846	65,661,809	681,885,086	0	681,885,086
2	Accounting policies changes	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Error correction	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Status as at start of previous business year (restated) (AOP 01 to 03)	04	120,560,000	21,836,295	48,113,133	8,738,948	7,695,700	0	2,140,779	0	0	0	0	0	699,976	421,829,846	65,661,809	681,885,086	0	681,885,086
5	Profit/loss period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,425,852	7,425,852	0	7,425,852
6	Exchange differences on translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	-627,096	0	0	-627,096	0	-627,096
7	Changes in revaluation reserves of long-term tangible and intangible assets	07	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)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Profit or loss based on efficient cash flow protection	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Profit or loss based on efficient net abroad investment protection	10	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	11	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	12	0	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	0
14	Transaction tax recognized directly in capital	14	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)	15	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	16	0	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	0
18	Purchase of own stocks/shares	18	0	0	0	-319,800	-319,800	0	0	0	0	0	0	0	0	1,779,884	0	1,779,884	0	1,779,884
19	Member/shareholder payments	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Payment of share in profit/dividends	20	0	0	0	0	0	0	0	0	0	0	0	0	-12,451,351	0	-12,451,351	0	-12,451,351	
21	Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	-97,750	0	-97,750	0	-97,750	
22	Transfer into the reserves part according to yearly schedule	22	0	0	3,648,184	0	0	0	0	0	0	0	0	0	0	62,013,625	-65,661,809	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	0
24	Status as at last day of reporting period for previous business year (04 to 23)	24	120,560,000	21,836,295	51,761,317	8,419,148	7,375,900	0	2,140,779	0	0	0	0	0	72,880	473,074,254	7,425,852	677,914,625	0	677,914,625
<b>ADDENDUM TO STATEMENT ON CHANGES IN EQUITY (filled out by undertaking IFRS payer)</b>																				
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	0	-627,096	0	0	-627,096	0	-627,096
II.	COMPREHENSIVE PROFIT OR LOSS FOR PREVIOUS PERIOD (AOP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	-627,096	0	7,425,852	6,798,756	0	6,798,756
III.	TRANSACTIONS RELATING TO OWNERS FOR PREVIOUS PERIOD RECOGNIZED DIRECTLY IN CAPITAL (AOP 15 to 23)	27	0	0	3,648,184	-319,800	-319,800	0	0	0	0	0	0	0	0	51,244,408	-65,661,809	-10,769,217	0	-10,769,217

STATEMENT OF CHANGES IN EQUITY  
for the period from 01/01/2022 to  
30/06/2022  
In HRK

Company:  
JGL GROUP

Position description	AOP marking	DIVIDEABLE 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)	Efficient part of cash flow protection	Efficient part of net investment abroad protection	Other fair value reserves	Exchange differences on translation of foreign operations	Profit/loss brought forward	Business year profit/loss	Total dividable 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)	
<b>CURRENT PERIOD</b>																				
1	Status as at start of current business year	28	122,042,500	28,626,145	51,761,317	8,753,148	7,709,900	0	2,140,779	0	0	0	0	0	1,065,189	470,796,304	86,188,678	763,664,160	0	763,664,160
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	Status as at start of current business year (re-stated) (AOP 28 to 30)	31	122,042,500	28,626,145	51,761,317	8,753,148	7,709,900	0	2,140,779	0	0	0	0	0	1,065,189	470,796,304	86,188,678	763,664,160	0	763,664,160
5	Profit/loss period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102,853,163	102,853,163	0	102,853,163
6	Exchange differences on translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	-1,236,576	0	0	-1,236,576	0	-1,236,576	
7	Changes in revaluation reserves of long-term 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 efficient cash flow protection	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 efficient net abroad investment protection	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Transaction tax recognized 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	-1,749,700	-1,749,700	0	0	0	0	0	0	0	0	10,568,188	0	10,568,188	0	10,568,188
19	Member/shareholder payments	46	1,333,000	6,718,320	0	0	0	0	0	0	0	0	0	0	0	0	0	8,051,320	0	8,051,320
20	Payment of share in profit/dividends	47	0	0	0	0	0	0	0	0	0	0	0	0	-16,251,774	0	-16,251,774	0	-16,251,774	
21	Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	4,553,931	0	4,553,931	0	4,553,931	
22	Transfer according to yearly schedule	49	0	0	0	0	0	0	0	0	0	0	0	0	87,425,256	-86,188,678	1,236,578	0	1,236,578	
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	Status as at last day of reporting period for current business year (AOP 31 to 50)	51	123,375,500	35,344,465	51,761,317	7,003,448	5,960,200	0	2,140,779	0	0	0	0	0	-171,387	557,091,905	102,853,163	873,438,990	0	873,438,990
<b>ADDENDUM TO STATEMENT ON CHANGES IN EQUITY (filled out by undertaking IFRS payer)</b>																				
I.	OTHER COMPREHENSIVE PROFIT FOR CURRENT PERIOD, REDUCED BY TAX (AOP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	-1,236,576	0	0	-1,236,576	0	-1,236,576
II.	COMPREHENSIVE PROFIT OR LOSS FOR CURRENT PERIOD (AOP 32+52)	53	0	0	0	0	0	0	0	0	0	0	0	0	-1,236,576	0	102,853,163	101,616,587	0	101,616,587
III.	TRANSACTIONS RELATING TO OWNERS FOR CURRENT PERIOD RECOGNIZED DIRECTLY IN CAPITAL (AOP 42 to 50)	54	1,333,000	6,718,320	0	-1,749,700	-1,749,700	0	0	0	0	0	0	0	0	86,295,601	-86,188,678	8,158,243	0	8,158,243

# NOTES ACCOMPANYING FINANCIAL STATEMENTS – PFI

(created for the semi-annual period)

ISSUER NAME:	<b>JGL d.d.</b>
PIN (OIB):	<b>20950636972</b>
REPORTING PERIOD:	<b>01/01/2022 – 30/06/2022</b>

The notes accompanying the Financial Statements for the semi-annual period include the following items and are an integral part of the Semi-annual JGL Group Management Report for the first six months of 2022. The Semi-annual JGL Group Management Report for the first six months of 2022 is available on-line 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:

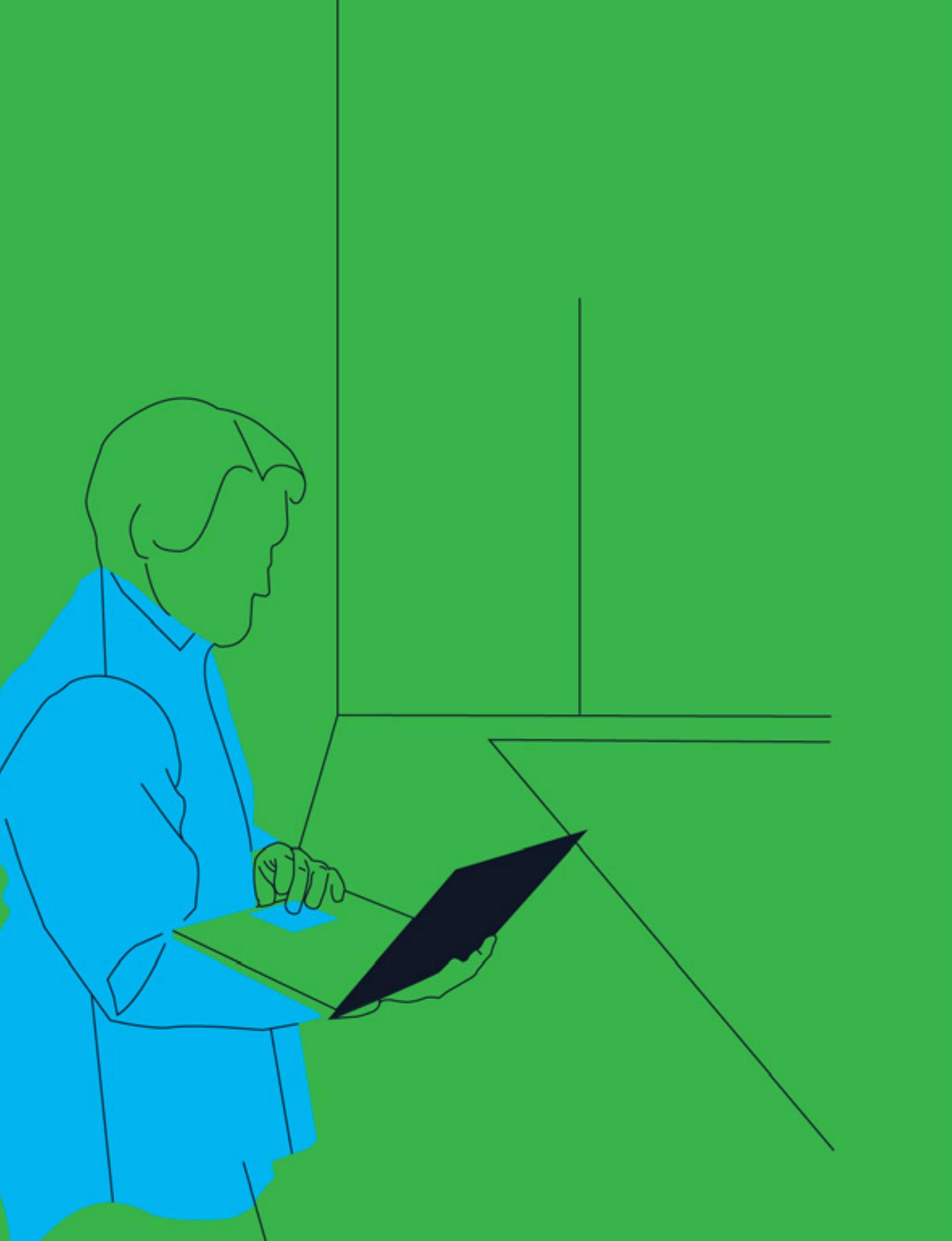
- a. Explanation of business events which are significant for interpretation of changes in the report regarding the financial position and business results for the reporting semi-annual period of the issuer when compared to the previous business year, in other words, information is published related to these events and update relevant information published in the last yearly financial report (items 15 to 15C IAS 34 - Financial reporting for the period during the year),
- b. Information where access is allowed to the latest financial statements to understand information published in the notes accompanying financial statements prepared for the reporting semi-annual period,
- c. Statement that the same accounting policies are applied when composing the financial statements for the reporting semi-annual period as in the last yearly financial statements or, if the accounting policies changed, a description of the nature and effect of the changes (item 16A (a) IAS 34 - Financial reporting for the period during the year),
- d. Explanation of business results in the event that the issuer is conducting seasonal business (items 37 and 38 IAS 34 - Financial reporting for the period during the year)
- e. Other disclosures prescribed by IAS 34 - Financial reporting for the period during the year and
- f. In notes accompanying the financial statements for the semi-annual period, other than the previously mentioned information, the following information is disclosed as well:
  1. Name, company headquarters (address), company legal form, country of establishment, subject 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 whether there were changes in relation to the previous period)
  3. The total amount of all financial liabilities, guarantees or unforeseen expenditures which are not included on the balance sheet, as well

as a mention of the nature and form of possibly set up actual insurance which was issued; all obligations relating to the company pensions within the group or company connected to participating interests are declared separately

4. Amount and nature of individual revenue or expense items of notable amount or occurrence
5. Amounts which the company owes and which are due after more than five years, as well as the total company liabilities covered by valuable security given by the company, with mention of the type and form of security
6. Average number of employees during current period
7. if the employer during the business year, in accordance with regulations, capitalized salary expenses, partially or in full, information on the amount of total employee costs during the year broken down by the amount which was directly charged to the expenses of the period and the amount capitalized in the amount of asset value during this period, in such a way that for each part the total amount of net salaries is separately listed, as well as the amount of taxes, contributions from salaries and contributions on salaries
8. If in the balance sheet provisions for deferred taxes are recognised, as well as the status of the deferred taxes at the end of the business year and movement of said status during the business year
9. Name and headquarters of each business in which an entrepreneur, either alone or through a person which acts in his or her own name but on behalf of the undertaking, has a participating share in capital, reporting the amount of held capital, the amount of total capital and reserves and profit or losses of the last business year of the subject undertaking and for which yearly financial statements were adopted; information regarding the capital and reserve, profit or losses can be omitted in the event when the subject undertaking does not disclose its balance sheet and is not under the control of other undertakings
10. Number and nominal value or if there was no nominal value, the carrying value of stocks or shares subscribed during the business year within the framework of approved 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 undertaking in which the undertaking had unlimited liability
13. Name and headquarters of undertaking which is preparing a consolidated semi-annual financial statement of the largest undertaking group in which the undertaking participates as a controlled group member
14. Name and headquarters of undertaking which is preparing a consolidated semi-annual financial statement of the smallest undertaking group in which the undertaking participates as a controlled member and which is also included in the undertaking group mentioned in item 13
15. Location where one can receive a copy of the consolidated semi-annual financial report from item 13 and 14 under the condition they are available
16. The nature and business purpose of undertaking arrangements that are not included in the balance sheet and financial influence of these arrangements on the undertaking, 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 undertaking
17. Nature and financial effect of significant events which occurred after the date of the balance sheet and are not reflected in the income statement or balance sheet.

# FINANCIAL REPORTS JGL D.D.

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BALANCE SHEET  
 Status as at 30/06/2022  
 In HRK

Company:  
 JGL d.d.

Position name	AOP marking	Last day of previous business year	As at reporting date of current period
1	2	3	4
<b>ASSETS</b>			
<b>A RECEIVABLES FOR REGISTERED BUT UNPAID CAPITAL</b>	<b>001</b>	<b>0</b>	<b>0</b>
<b>B NON-CURRENT ASSETS (AOP 003+010+020+031+036)</b>	<b>002</b>	<b>929,439,390</b>	<b>976,167,511</b>
I. INTANGIBLE ASSETS (AOP 004 to 009)	003	97,791,329	104,962,937
1 Development costs	004	22,349,452	21,555,436
2 Concessions, patents, licences, brand and service name, software and other rights	005	32,620,974	31,312,376
3 Goodwill	006	0	0
4 Advance payments for the procurement of intangible assets	007	0	0
5 Intangible assets in preparation	008	32,381,710	40,091,591
6 Other intangible assets	009	10,439,193	12,003,534
II. TANGIBLE ASSETS (AOP 011 to 019)	010	680,182,644	719,739,158
1 Land	011	44,679,854	44,679,854
2 Buildings	012	224,897,651	259,398,682
3 Plants and equipment	013	174,184,591	206,655,858
4 Tools, plant inventory and transportation assets	014	10,319,624	13,693,718
5 Biological assets	015	0	0
6 Advance payments for tangible assets	016	0	0
7 Tangible assets in preparation	017	207,262,543	176,469,059
8 Other tangible assets	018	1,131,867	1,135,473
9 Investment property	019	17,706,514	17,706,514
III. NON-CURRENT FINANCIAL ASSETS (AOP 021 to 030)	020	140,560,842	140,560,842
1 Investment in shares (stocks) of enterprises within the group	021	139,329,267	139,329,267
2 Investment in other securities of enterprises within the group	022	0	0
3 Loans granted, deposits and similar to enterprises within the group	023	0	0
4 Investment in shares (stocks) of companies connected with participating interests	024	49,000	49,000
5 Investment in other securities of companies connected with participating interests	025	0	0
6 Loans granted, deposits and similar to companies connected with participating interests	026	0	0
7 Investments in securities	027	1,182,575	1,182,575
8 Given loans, deposits and similar	028	0	0
9 Other investments calculated using the equity method	029	0	0
10 Other long-term financial assets	030	0	0
IV. RECEIVABLES (AOP 032 to 035)	031	0	0
1 Receivables of enterprises within the group	032	0	0

BALANCE SHEET  
Status as at 30/06/2022  
In HRK

Company:  
JGL d.d.

Position name 1	AOP marking 2	Last day of previous business year 3	As at reporting date of current period 4
2 Receivables of companies connected with participating interests	033	0	0
3 Trade receivables	034	0	0
4 Other receivables	035	0	0
V. DEFERRED TAX ASSETS	036	10,904,575	10,904,574
<b>C CURRENT ASSETS (AOP 038+046+053+063)</b>	<b>037</b>	<b>587,517,288</b>	<b>560,399,025</b>
I. INVENTORIES (AOP 039 to 045)	038	173,939,746	239,847,461
1 Raw materials	039	71,447,905	93,145,905
2 Work in progress	040	34,172	505,625
3 Finished goods	041	70,429,870	113,120,732
4 Trade goods	042	32,027,799	33,075,199
5 Advance payments for inventory	043	0	0
6 Long-term assets intended for sale	044	0	0
7 Biological assets	045	0	0
II. RECEIVABLES (AOP 047 to 052)	046	329,658,637	259,255,862
1 Receivables of enterprises within the group	047	169,833,979	138,509,442
2 Receivables of companies connected with participating interests	048	0	0
3 Trade receivables	049	131,618,235	106,601,019
4 Receivables from employees and company members	050	23,353	116,260
5 Receivables from the Government and other institutions	051	4,735,811	3,511,818
6 Other receivables	052	23,447,259	10,517,323
III. CURRENT FINANCIAL ASSETS (AOP 054 to 062)	053	56,644,582	26,512,967
1 Investment in shares (stocks) of enterprises within the group	054	0	0
2 Investment in other securities of enterprises within the group	055	0	0
3 Loans granted, deposits and similar to enterprises within the group	056	5,262,022	5,377,115
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 granted, deposits and similar to companies connected with participating interests	059	0	0
7 Investments in securities	060	0	0
8 Given loans, deposits and similar	061	0	0
9 Other financial assets	062	51,382,560	21,135,852
IV. CASH AT BANK AND IN HAND	063	27,274,323	34,782,735
<b>D PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>064</b>	<b>3,312,789</b>	<b>2,451,208</b>
<b>E TOTAL ASSETS (AOP 001+002+037+064)</b>	<b>065</b>	<b>1,520,269,467</b>	<b>1,539,017,744</b>
<b>F OFF-BALANCE ENTRIES</b>	<b>066</b>	<b>151,838,756</b>	<b>170,185,638</b>

BALANCE SHEET  
Status as at 30/06/2022  
In HRK

Company:  
JGL d.d.

Position name	AOP marking	Last day of previous business year	As at reporting date of current period
1	2	3	4
<b>LIABILITIES</b>			
<b>A CAPITAL AND RESERVES</b>	<b>067</b>	<b>812,870,450</b>	<b>909,780,455</b>
<b>(AOP 068 to 070+076+077+083+086+089)</b>			
I. SHARE (SUBSCRIBED) CAPITAL	068	122,042,500	123,375,500
II. CAPITAL RESERVES	069	28,626,145	35,344,465
III. PROFIT RESERVES (AOP 071+072-073+074+075)	070	54,945,344	54,945,344
1 Legal reserves	071	51,761,317	51,761,317
2 Reserves for own shares	072	8,753,148	7,003,448
3 Own shares and interests (deductible item)	073	-7,709,900	-5,960,200
4 Statutory reserves	074	0	0
5 Other reserves	075	2,140,779	2,140,779
IV. REVALUATION RESERVES	076	0	0
V. FAIR VALUE RESERVES AND OTHER (AOP 078 to 082)	077	0	0
1 Fair value of financial assets through other comprehensive income (in other words, available for sale)	078	0	0
2 Efficient part of cash flow protection	079	0	0
3 Efficient part of net abroad investment protection	080	0	0
4 Other fair value reserves	081	0	0
5 Foreign exchange gains/losses from conversion of operations abroad (consolidation)	082	0	0
VI. PROFIT OR LOSS BROUGHT FORWARD (AOP 084-085)	083	480,798,293	601,572,875
1 Profit brought forward	084	480,798,293	601,572,875
2 Loss brought forward	085	0	0
VII. BUSINESS YEAR PROFIT OR LOSS (AOP 087-088)	086	126,458,168	94,542,271
1 Profit for the financial year	087	126,458,168	94,542,271
2 Loss for the financial year	088	0	0
VIII. MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B PROVISIONS (AOP 091 to 096)</b>	<b>090</b>	<b>2,934,653</b>	<b>2,934,653</b>
1 Provisions for pensions, severances and similar obligations	091	2,128,472	2,128,472
2 Provisions for taxation	092	0	0
3 Provisions for initiated court disputes	093	806,181	806,181
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**  
**Status as at 30/06/2022**  
**In HRK**

Company:  
**JGL d.d.**

Position name	AOP marking	Last day of previous business year	As at reporting date of current period
1	2	3	4
<b>C LONG-TERM LIABILITIES (AOP 098 to 108)</b>	<b>097</b>	<b>405,900,644</b>	<b>458,720,702</b>
1 Liabilities towards enterprises within the group	098	0	0
2 Liabilities for loans, deposits and similar for enterprises 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	277,183,272	329,786,929
7 Liabilities for advance payments	104	0	0
8 Trade payables	105	0	0
9 Liabilities arising from securities	106	128,717,372	128,933,773
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
<b>D SHORT-TERM LIABILITIES (AOP 110 to 123)</b>	<b>109</b>	<b>284,900,543</b>	<b>158,548,784</b>
1 Liabilities towards enterprises within the group	110	2,255,256	2,966,416
2 Liabilities for loans, deposits and similar for enterprises 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	93,709,227	23,176,299
7 Liabilities for advance payments	116	8,485,891	7,554,161
8 Trade payables	117	144,423,755	114,241,798
9 Liabilities arising from securities	118	0	0
10 Liabilities towards employees	119	16,920,069	5,263,632
11 Liabilities for taxes, contributions and similar payments	120	14,848,174	3,020,310
12 Liabilities due to share in result	121	185,800	296,524
13 Liabilities due to long-term assets intended for sale	122	0	0
14 Other current liabilities	123	4,072,371	2,029,644
<b>E ACCRUED EXPENSES AND DEFERRED REVENUE</b>	<b>124</b>	<b>13,663,177</b>	<b>9,033,150</b>
<b>F TOTAL – LIABILITIES (AOP 067+090+097+109+124)</b>	<b>125</b>	<b>1,520,269,467</b>	<b>1,539,017,744</b>
<b>G OFF-BALANCE ENTRIES</b>	<b>126</b>	<b>151,838,756</b>	<b>170,185,638</b>

INCOME STATEMENT  
for the period from 01/01/2022 to 30/06/2022  
In HRK

Company:  
JGL d.d.

Position name 1	AOP marking 2	Same period previous year 3	Current period 4
<b>I. BUSINESS REVENUE (AOP 002 to 006)</b>	<b>001</b>	<b>289,532,005</b>	<b>309,269,428</b>
1 Sales revenue from enterprises within the group	002	64,062,119	86,811,917
2 Sales revenue (outside the group)	003	158,720,465	218,393,788
3 Revenue based on use of own products, goods and services	004	0	0
4 Other business revenue from enterprises within the group	005	64,968,239	0
5 Other business revenue (outside the group)	006	1,781,182	4,063,723
<b>II. OPERATING EXPENSES (AOP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>214,097,383</b>	<b>247,930,459</b>
1 Changes in the value of work in progress and finished goods inventory	008	-30,870,401	-44,908,389
2 Material costs (AOP 010 to 012)	009	154,177,913	196,022,604
a) Costs of raw materials	010	89,875,363	119,120,700
b) Costs of sold goods	011	25,582,131	35,490,702
c) Other external costs	012	38,720,419	41,411,202
3 PERSONNEL COSTS (AOP 014 to 016)	013	50,756,573	55,063,053
a) Net wages and salaries	014	31,695,503	34,208,320
b) Costs of taxes and contributions from salary	015	12,521,953	13,913,562
c) Contributions on salary	016	6,539,117	6,941,171
4 Depreciation	017	19,835,684	23,429,024
5 Other costs	018	14,018,210	12,037,198
6 VALUE ADJUSTMENTS (AOP 020+021)	019	0	0
A) non-current assets other than financial assets	020	0	0
B) current assets other than financial assets	021	0	0
7 Provisions (AOP 023 to 028)	022	0	0
a) Provisions for retirement, severance and similar liabilities	023	0	0
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	6,179,404	6,286,969
<b>III. FINANCIAL REVENUE (AOP 031 to 040)</b>	<b>030</b>	<b>5,232,461</b>	<b>69,737,047</b>
1 Revenue from investment in shares (stocks) of enterprises 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 01/01/2022 to 30/06/2022  
In HRK

Company:  
JGL d.d.

Position name 1	AOP marking 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	3,936,640	44,240,504
6 Revenue from other long-term financial investments and loans	036	0	0
7 Other revenue based on interest rate	037	4,154	39
8 Exchange rate differences and other finance revenue	038	1,265,845	25,393,031
9 Unrealized profit (revenue) from financial assets	039	0	0
10 Other financial revenue	040	25,822	103,473
<b>IV. FINANCIAL EXPENSES (AOP 042 to 048)</b>	<b>041</b>	<b>5,889,295</b>	<b>36,533,745</b>
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	24,740,583
3 Expenses based on interest rates and similar expenses	044	4,368,569	4,763,147
4 Exchange rate differences and other expenses	045	1,520,726	2,898,737
5 Unrealized losses (expenses) from financial assets	046	0	4,111,602
6 Value adjustment of financial assets (net)	047	0	0
7 Other finance expenses	048	0	19,676
<b>V. SHARE IN PROFIT FROM COMPANIES CONNECTED WITH PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>
<b>VI. SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>
<b>VII. SHARE IN LOSS FROM COMPANIES CONNECTED WITH PARTICIPATING INTERESTS*</b>	<b>051</b>	<b>0</b>	<b>0</b>
<b>VIII. SHARE IN LOSS FROM JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>
<b>IX. TOTAL REVENUE (AOP 001+030+049+050)</b>	<b>053</b>	<b>294,764,466</b>	<b>379,006,475</b>
<b>X. TOTAL EXPENSES (AOP 007+041+051+ 052)</b>	<b>054</b>	<b>219,986,678</b>	<b>284,464,204</b>
<b>XI. PROFIT OR LOSS BEFORE TAX (AOP 053-054)</b>	<b>055</b>	<b>74,777,788</b>	<b>94,542,271</b>
1 Profit before tax (AOP 053-054)	056	74,777,788	94,542,271
2 Loss before tax (AOP 054-053)	057	0	0
<b>XII. CORPORATE INCOME TAX</b>	<b>058</b>	<b>0</b>	<b>0</b>
<b>XIII. PROFIT OR LOSS PERIODS (AOP 055-059)</b>	<b>059</b>	<b>74,777,788</b>	<b>94,542,271</b>
1 Profit periods (AOP 055-059)	060	74,777,788	94,542,271
2 Loss periods (AOP 059-055)	061	0	0

INCOME STATEMENT  
for the period from 01/01/2022 to 30/06/2022  
In HRK

Company:  
JGL d.d.

Position name	AOP marking	Same period previous year	Current period
1	2	3	4
<b>CEASE OPERATIONS (filled out by undertaking of IFRS payer only if operations ceased)</b>			
<b>XIV. PROFIT OR LOSS OF CEASED OPERATIONS BEFORE TAX (AOP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>
1 Profit of ceased operations before tax	063	0	0
2 Loss of ceased operations before tax	064	0	0
<b>XV. INCOME TAX OF CEASED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>
1 Profit of ceased operations for period (AOP 062-065)	066		
2 Loss of ceased operations for period (AOP 065-062)	067		
<b>TOTAL OPERATIONS (filled out only by undertaking of IFRS payer whose operations ceased)</b>			
<b>XVI. PROFIT OR LOSS BEFORE TAX (AOP 055+062)</b>	<b>068</b>		
1 Profit before tax (AOP 068)	069	0	0
2 Loss before tax (AOP 068)	070	0	0
<b>XVII. INCOME TAX (AOP 058+065)</b>	<b>071</b>		
<b>XVIII. PROFIT OR LOSS PERIODS (AOP 068-071)</b>	<b>072</b>		
1 Profit periods (AOP 068-071)	073		
2 Loss periods (AOP 071-068)	074		
<b>ADDITION TO THE PROFIT AND LOSS ACCOUNT (to be filled out by the company preparing the consolidated annual financial statement)</b>			
<b>XIX. PROFIT OR LOSS PERIODS (AOP 076+077)</b>	<b>075</b>	<b>0</b>	<b>0</b>
1 Attributable to equity holders of the parent company	076	0	0
2 Assigned to minority (non-controlling) interest	077	0	0
<b>REPORT ON OTHER COMPREHENSIVE INCOME (to be filled out by the company subject to IFRS application)</b>			
<b>I. PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>74,777,788</b>	<b>94,542,271</b>
<b>II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (AOP 80+87)</b>	<b>079</b>	<b>0</b>	<b>0</b>
<b>III. Items that will not be reclassified to profit or loss (AOP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>
1 Changes in revaluation reserves of long-term 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

INCOME STATEMENT  
for the period from 01/01/2022 to 30/06/2022  
In HRK

Company:  
JGL d.d.

Position name 1	AOP marking 2	Same period previous year 3	Current period 4
3 Changes to fair value of financial liability at fair value through income statement which can be assigned to changes to credit risk 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 which relates to items which will not be reclassified	086	0	0
<b>IV. Items which can be reclassified to profit or loss (AOP 088 to 095)</b>	<b>087</b>	<b>0</b>	<b>0</b>
1 Exchange differences on translation of foreign operations	088	0	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 efficient cash flow protection	090	0	0
5 Profit or loss from effective protection of net foreign investments	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
<b>V. NET OTHER COMPREHENSIVE PROFIT OR LOSS (AOP 080+087 - 086 - 096)</b>	<b>097</b>	<b>0</b>	<b>0</b>
<b>VI. COMPREHENSIVE PROFIT OR LOSS PERIODS (AOP 078+097)</b>	<b>098</b>	<b>74,777,788</b>	<b>94,542,271</b>
<b>ADDENDUM to report on other comprehensive profit (filled out by entrepreneur who is preparing a consolidated statement)</b>			
<b>VI. COMPREHENSIVE PROFIT OR LOSS PERIODS (AOP 100+101)</b>	<b>099</b>	<b>0</b>	<b>0</b>
1 Attributable to equity holders of the parent company	100	0	0
2 Assigned to minority (non-controlling) interest	101	0	0

STATEMENT OF CASH FLOWS – DIRECT METHOD  
 period from 01/01/2022 to 30/06/2022  
 In HRK

for the

Company:  
 JGL d.d.

Position name 1	AOP marking 2	Same period previous year 3	Current period 4
<b>Cash flows from operating activities</b>			
1 Cash inflow from customers	001	301,111,276	385,623,192
2 Cash inflow from royalties, fees, commissions and similar	002	0	0
3 Cash inflow from damage compensation based on insurance	003	286,228	1,544,030
4 Cash inflow from tax refund	004	6,990,179	9,237,339
5 Other cash inflow from operating activities	005	411,027	425,846
<b>I. Total cash inflow from operating activities (AOP 001 do 005)</b>	<b>006</b>	<b>308,798,710</b>	<b>396,830,407</b>
1 Cash outflow for suppliers	007	-208,575,740	-262,272,547
2 Cash outflow for employees	008	-46,753,305	-51,404,751
3 Cash outflow from damage compensation based on insurance	009	-1,050,550	-1,125,092
4 Cash outflow for interest	010	-3,409,552	-4,970,863
5 Paid income tax	011	-254,895	-157,390
6 Other cash outflow from operating activities	012	-30,399,113	-35,041,154
<b>II. Total cash outflow from operating activities (AOP 007 do 012)</b>	<b>013</b>	<b>-290,443,155</b>	<b>-354,971,797</b>
<b>A NET CASH FLOWS FROM OPERATING ACTIVITIES (AOP 006+013)</b>	<b>014</b>	<b>18,355,555</b>	<b>41,858,610</b>
<b>Cash flows from investment activities</b>			
1 Cash inflow from the sale of long-term tangible and intangible assets	015	971,657	3,249,769
2 Cash inflow from sale of financial instruments	016	19,411,346	26,213,749
3 Cash inflow from interest	017	110	39
4 Cash inflow from dividends	018	0	0
5 Cash inflow from refund of loans and savings roles	019	0	0
6 Other cash inflow from investment activities	020	0	0
<b>III. Total cash inflow from investment activities (AOP 015 to 020)</b>	<b>021</b>	<b>20,383,113</b>	<b>29,463,557</b>
1 Cash outflow for the purchase of long-term tangible and intangible assets	022	-48,434,922	-66,921,822
2 Cash outflow for acquiring financial instruments	023	0	0
3 Cash outflow from loans and savings roles	024	-3,028,306	-102,769
4 Acquiring subsidiary, reduced for acquired money	025	-20,000	0
5 Other cash outflow from investment activities	026	0	0
<b>IV. Total cash outflow from investment activities (AOP 022 to 026)</b>	<b>027</b>	<b>-51,483,228</b>	<b>-67,024,591</b>
<b>B NET CASH FLOWS FROM INVESTMENT ACTIVITIES (AOP 021+027)</b>	<b>028</b>	<b>-31,100,115</b>	<b>-37,561,034</b>
<b>Cash flows from financial activities</b>			
1 Cash inflow from increase of (subscribed) share capital	029	0	1,333,000
2 Cash inflow from issuing equity and debt financial instruments	030	0	6,718,320

STATEMENT OF CASH FLOWS – DIRECT METHOD  
 period from 01/01/2022 to 30/06/2022  
 In HRK

for the

Company:  
 JGL d.d.

Position name 1	AOP marking 2	Same period previous year 3	Current period 4
3 Cash inflow from loan principal, borrowings and other lending	031	40,485,485	55,536,860
4 Other cash inflow from financing activities	032	0	8,070,448
<b>V. Total cash inflow from financial activities (AOP 029 to 032)</b>	<b>033</b>	<b>40,485,485</b>	<b>71,658,628</b>
1 Cash outflow for payment of loan principal, borrowings and other lending and financial debt instruments	034	-13,294,337	-70,848,416
2 Cash outflow for the payment of dividends	035	-12,277,551	-16,141,050
3 Cash outflow for finance lease	036	-7,589,580	-4,669,273
4 Cash outflow for repurchase of own shares and reduction of (subscribed) share capital	037	-60,400	-66,440
5 Other cash outflow from financial activities	038	0	-49,676
<b>VI. Total cash outflow from financial activities (AOP 034 to 038)</b>	<b>039</b>	<b>-33,221,868</b>	<b>-91,774,855</b>
<b>C NET CASH FLOWS FROM FINANCIAL ACTIVITIES (AOP 033+039)</b>	<b>040</b>	<b>7,263,617</b>	<b>-20,116,227</b>
1 Unrealised cash exchange differences and cash equivalents	041	268,176	23,327,063
<b>D NET INCREASE OR REDUCTION OF CASH FLOWS (AOP 014+028+040+041)</b>	<b>042</b>	<b>-5,212,767</b>	<b>7,508,412</b>
<b>E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>043</b>	<b>11,877,531</b>	<b>27,274,323</b>
<b>F CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (AOP 042+043)</b>	<b>044</b>	<b>6,664,764</b>	<b>34,782,735</b>

STATEMENT OF CHANGES IN EQUITY  
for the period from 01/01/2022 to  
30/06/2022  
In HRK

Company:  
JGL d.d.

Position description	AOP marking	DIVIDEABLE 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)	Efficient part of cash flow protection	Efficient part of net investment abroad protection	Other fair value reserves	Exchange differences on translation of foreign operations	Profit/loss brought forward	Business year profit/loss	Total dividable 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)	
<b>PREVIOUS PERIOD</b>																				
1	Status as at start of previous business year	01	120,560,000	21,836,295	48,113,133	8,738,948	7,695,700	0	0	2,140,779	0	0	0	0	0	431,029,259	66,106,045	690,828,759	0	690,828,759
2	Accounting policies changes	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Error correction	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Status as at start of previous business year (restated) (AOP 01 to 03)	04	120,560,000	21,836,295	48,113,133	8,738,948	7,695,700	0	0	2,140,779	0	0	0	0	0	431,029,259	66,106,045	690,828,759	0	690,828,759
5	Profit/loss period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	74,777,788	74,777,788	0	74,777,788
6	Exchange differences on translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Changes in revaluation reserves of long-term tangible and intangible assets	07	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)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Profit or loss based on efficient cash flow protection	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Profit or loss based on efficient net abroad investment protection	10	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	11	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	12	0	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	0
14	Transaction tax recognized directly in capital	14	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)	15	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	16	0	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	0
18	Purchase of own stocks/shares	18	0	0	0	-319,800	-319,800	0	0	0	0	0	0	0	0	1,779,884	0	1,779,884	0	1,779,884
19	Member/shareholder payments	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Payment of share in profit/dividends	20	0	0	0	0	0	0	0	0	0	0	0	0	0	-12,451,351	0	-12,451,351	0	-12,451,351
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	0
22	Transfer into the reserves part according to yearly schedule	22	0	0	3,648,184	0	0	0	0	0	0	0	0	0	0	62,457,861	-66,106,045	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	0
24	Status as at last day of reporting period for previous business year (04 to 23)	24	120,560,000	21,836,295	51,761,317	8,419,148	7,375,900	0	0	2,140,779	0	0	0	0	0	482,815,653	74,777,788	754,935,080	0	754,935,080
<b>ADDENDUM TO STATEMENT ON CHANGES IN EQUITY (filled out by undertaking IFRS payer)</b>																				
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	0	0	0	0	0	0	0
II.	COMPREHENSIVE PROFIT OR LOSS FOR PREVIOUS PERIOD (AOP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	74,777,788	74,777,788	0	74,777,788
III.	TRANSACTIONS RELATING TO OWNERS FOR PREVIOUS PERIOD RECOGNIZED DIRECTLY IN CAPITAL (AOP 15 to 23)	27	0	0	3,648,184	-319,800	-319,800	0	0	0	0	0	0	0	0	51,786,394	-66,106,045	-10,671,467	0	-10,671,467

STATEMENT OF CHANGES IN EQUITY  
for the period from 01/01/2022 to  
30/06/2022  
In HRK

Company:  
JGL d.d.

1	Position description	AOP marking	DIVIDEABLE AMONG HOLDERS OF PARENT COMPANY CAPITAL																19	20 (18+19)
			(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)	Efficient part of cash flow protection	Efficient part of net investment abroad protection	Other fair value reserves	Exchange differences on translation of foreign operations	Profit/loss brought forward	Business year profit/loss	Total dividable among holders of parent company capital		
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	Status as at start of current business year	28	122,042,500	28,626,145	51,761,317	8,753,148	7,709,900			2,140,779						480,798,293	126,458,168	812,870,450		812,870,450
2	Accounting policies changes	29																0		0
3	Error correction	30																0		0
4	Status as at start of current business year (re-stated) (AOP 28 to 30)	31	122,042,500	28,626,145	51,761,317	8,753,148	7,709,900	0	0	2,140,779	0	0	0	0	0	480,798,293	126,458,168	812,870,450	0	812,870,450
5	Profit/loss period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	94,542,271	94,542,271		94,542,271
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
7	Changes in revaluation reserves of long-term 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 efficient cash flow protection	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
10	Profit or loss based on efficient net abroad investment protection	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																0		0
14	Transaction tax recognized 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
16	Reduction of (subscribed) share capital in pre-bankruptcy settlement proceedings	43																0		0
17	17 Reduction of (subscribed) share capital accrued through reinvesting profit	44																0		0
18	Purchase of own stocks/shares	45				-1,749,700	-1,749,700									10,568,188		10,568,188		10,568,188
19	Member/shareholder payments	46	1,333,000	6,718,320														8,051,320		8,051,320
20	Payment of share in profit/dividends	47														-16,251,774		-16,251,774		-16,251,774
21	Other distributions and payments to members/shareholders	48																0		0
22	Transfer according to yearly schedule	49														126,458,168	-126,458,168	0		0
23	Increase of reserves in pre-bankruptcy settlement proceedings	50																0		0
24	Status as at last day of reporting period for current business year (AOP 31 to 50)	51	123,375,500	35,344,465	51,761,317	7,003,448	5,960,200	0	0	2,140,779	0	0	0	0	0	601,572,875	94,542,271	909,780,455	0	909,780,455
ADDENDUM TO STATEMENT ON CHANGES IN EQUITY (filled out by undertaking IFRS payer)																				
I.	OTHER COMPREHENSIVE PROFIT FOR CURRENT PERIOD, REDUCED BY TAX (AOP 33 to 41)	52	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	94,542,271	94,542,271	0	94,542,271
III.	TRANSACTIONS RELATING TO OWNERS FOR CURRENT PERIOD RECOGNIZED DIRECTLY IN CAPITAL (AOP 42 to 50)	54	1,333,000	6,718,320	0	-1,749,700	-1,749,700	0	0	0	0	0	0	0	0	120,774,582	-126,458,168	2,367,734	0	2,367,734

# NOTES ACCOMPANYING FINANCIAL STATEMENTS – PFI

(created for the semi-annual period)

ISSUER NAME:	JGL d.d.
PIN (OIB):	20950636972
REPORTING PERIOD:	01/01/2022 – 30/06/2022

The notes accompanying the Financial Statements for the semi-annual period include the following items and are an integral part of the Semi-annual JGL Group Management Report for the first six months of 2022. The Semi-annual JGL Group Management Report for the first six months of 2022 is available on-line 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 interpretation of changes in the report regarding the financial position and business results for the reporting semi-annual period of the issuer when compared to the previous business year, in other words, information is published related to these events and update relevant information published in the last yearly financial report (items 15 to 15C IAS 34 - Financial reporting for the period during the year),
- b. Information where access is allowed to the latest financial statements to understand information published in the notes accompanying financial statements prepared for the reporting semi-annual period,
- c. Statement that the same accounting policies are applied when composing the financial statements for the reporting semi-annual period as in the last yearly financial statements or, if the accounting policies changed, a description of the nature and effect of the changes (item 16A (a) IAS 34 - Financial reporting for the period during the year),
- d. Explanation of business results in the event that the issuer is conducting seasonal business (items 37 and 38 IAS 34 - Financial reporting for the period during the year)
- e. Other disclosures prescribed by IAS 34 - Financial reporting for the period during the year and
- f. In notes accompanying the financial statements for the semi-annual period, other than the previously mentioned information, the following information is disclosed as well:
  1. Name, company headquarters (address), company legal form, country of establishment, subject 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 whether there were changes in relation to the previous period)
  3. The total amount of all financial liabilities, guarantees or unforeseen expenditures which are not included on the balance sheet, as well

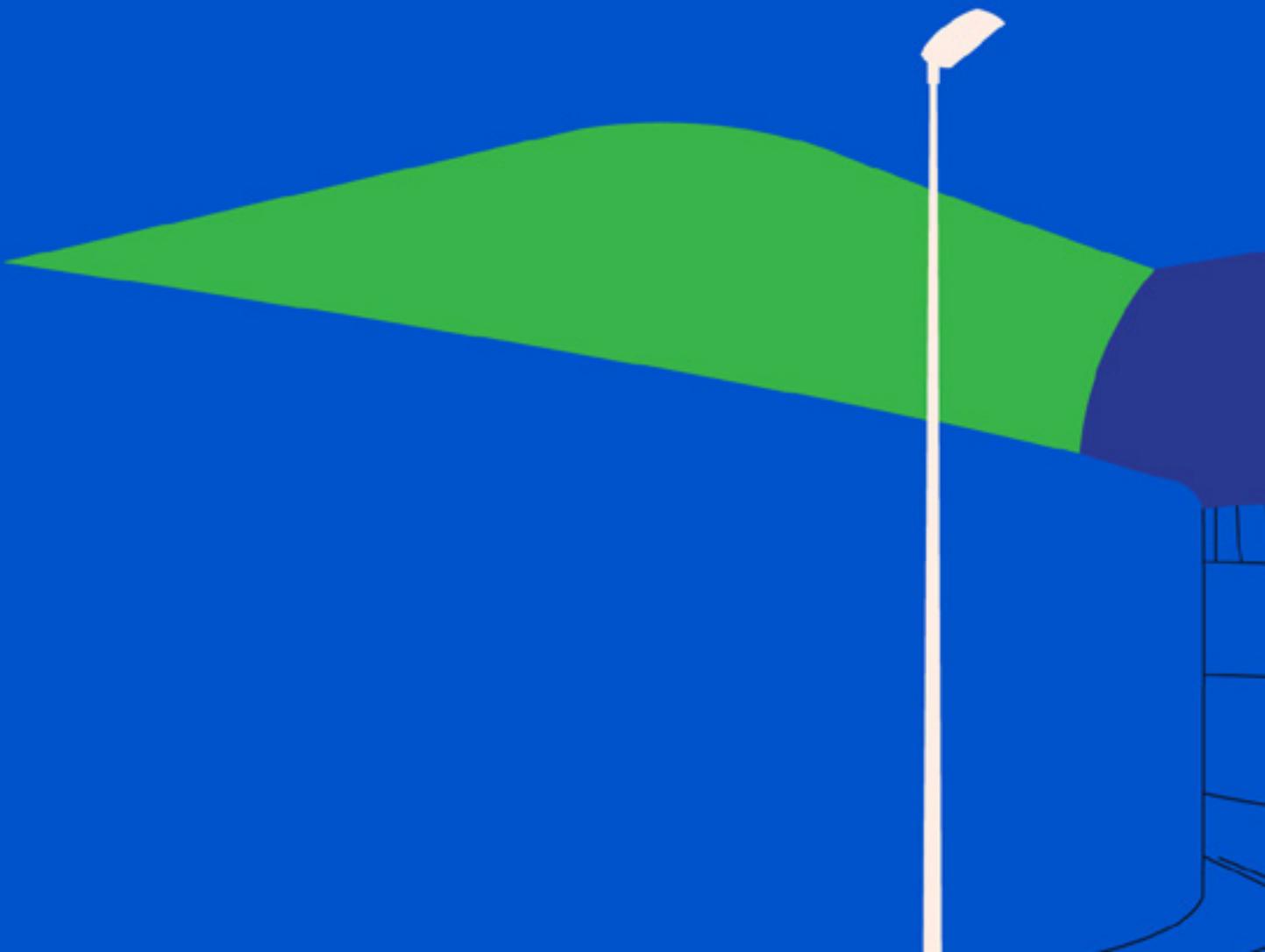
as a mention of the nature and form of possibly set up actual insurance which was issued; all obligations relating to the company pensions within the group or company connected to participating interests are declared separately

4. Amount and nature of individual revenue or expense items of notable amount or occurrence
5. Amounts which the company owes and which are due after more than five years, as well as the total company liabilities covered by valuable security given by the company, with mention of the type and form of security
6. Average number of employees during current period
7. if the employer during the business year, in accordance with regulations, capitalized salary expenses, partially or in full, information on the amount of total employee costs during the year broken down by the amount which was directly charged to the expenses of the period and the amount capitalized in the amount of asset value during this period, in such a way that for each part the total amount of net salaries is separately listed, as well as the amount of taxes, contributions from salaries and contributions on salaries
8. If in the balance sheet provisions for deferred taxes are recognised, as well as the status of the deferred taxes at the end of the business year and movement of said status during the business year
9. Name and headquarters of each business in which an entrepreneur, either alone or through a person which acts in his or her own name but on behalf of the undertaking, has a participating share in capital, reporting the amount of held capital, the amount of total capital and reserves and profit or losses of the last business year of the subject undertaking and for which yearly financial statements were adopted; information regarding the capital and reserve, profit or losses can be omitted in the event when the subject

undertaking does not disclose its balance sheet and is not under the control of other undertakings

10. Number and nominal value or if there was no nominal value, the carrying value of stocks or shares subscribed during the business year within the framework of approved 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 undertaking in which the undertaking had unlimited liability
13. Name and headquarters of undertaking which is preparing a consolidated semi-annual financial statement of the largest undertaking group in which the undertaking participates as a controlled group member
14. Name and headquarters of undertaking which is preparing a consolidated semi-annual financial statement of the smallest undertaking group in which the undertaking participates as a controlled member and which is also included in the undertaking group mentioned in item 13
15. Location where one can receive a copy of the consolidated semi-annual financial report from item 13 and 14 under the condition they are available
16. The nature and business purpose of undertaking arrangements that are not included in the balance sheet and financial influence of these arrangements on the undertaking, 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 undertaking
17. Nature and financial effect of significant events which occurred after the date of the balance sheet and are not reflected in the income statement or balance sheet.

# STATEMENT OF RESPONSIBILITY OF THE CEO



According to the Accounting Act, the CEO is responsible for the preparation of consolidated and unconsolidated financial statements that provide a true and fair view of the Group's and Company's financial position and their 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 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.

These statements represent consolidated statements of the Group and separate unconsolidated statements of the Company.

The consolidated and the unconsolidated financial statements were approved by the CEO on 29 August 2022, as confirmed by his signature.

**Mislav Vučić**  
Chief Executive Officer



