

JADRAN – GALENSKI LABORATORIJ d.d.
Svilno 20
51000 Rijeka

Security: HRJDGLO24XA2
LEI: 529900NRAH6YWVL3TLD24
Home member state: Croatia
Regulated market segment: Official Market of Zagreb stock exchange

Rijeka, 7.3.2022.

- Regulated information

Given the recent situation in Ukraine and the escalation of the conflict, as always, the health and safety of our 63 employees in that country is our number one priority, and we are trying to do everything we can to protect them. For now, they are all taken care of and are well, but it is understandable that many are afraid. We still hope that some diplomatic solution will be found and that this conflict will end quickly.

The political situation is affecting the financial market, where the value of the Russian ruble has decreased, which we expected. As we closely followed the development of events and the escalation of the situation, we were aware of the tensions and risks in the planning process, so we took this into account in the action plans for 2022. JGL has already experienced a similar situation in 2014 and 2015 in that market, but today we are much more prepared and business resilient than we were then. Therefore, based on all the above, we will manage this crisis in the best interests of employees and the company.

The Ukrainian market is one of the most important for JGL, with market sales of 13 million euros in 2021 and the fact is that business is currently on hold in that market. In Russia, on the other hand, we are currently operating without difficulties, but the exposure to currency risk, due to the fall in the value of the Russian ruble, is becoming increasingly significant. However, it is important to emphasize that all of JGL's export receivables are insured through banks or insurance companies, which ensures the stability of our business. In addition, we currently operate in about 60 markets around the world and continue to sell and invest in accordance with business plans.