



**2023 Unaudited Consolidated
Financial Statements of the Krka Group and
Unaudited Financial Statements of
Krka, d. d., Novo mesto
with Relevant Notes**

Novo mesto, March 2024

CONTENTS

| | |
|--|----|
| At a glance | 3 |
| Financial highlights | 4 |
| Performance analysis | 5 |
| Sales | 8 |
| Research and development..... | 10 |
| Investments | 12 |
| Employees..... | 13 |
| Investor and share information..... | 13 |
| Sustainable operations..... | 13 |
| Subsequent events..... | 14 |
| Unaudited consolidated statement of financial position of the Krka Group..... | 15 |
| Unaudited consolidated income statement of the Krka Group | 16 |
| Unaudited consolidated statement of other comprehensive income of the Krka Group | 16 |
| Unaudited consolidated statement of changes in equity of the Krka Group | 17 |
| Unaudited consolidated statement of cash flows of the Krka Group | 19 |
| Unaudited statement of financial position of Krka, d. d. , Novo mesto..... | 20 |
| Unaudited income statement of Krka, d. d., Novo mesto | 21 |
| Unaudited statement of other comprehensive income of Krka, d. d., Novo mesto | 21 |
| Unaudited statement of changes in equity of Krka, d. d., Novo mesto | 22 |
| Unaudited statement of cash flows of Krka, d. d., Novo mesto | 24 |

Based on the provisions of the *Ljubljana Stock Exchange Rules* and Article 17 of Regulation (EU) No 596/2014, Krka, d. d., Novo mesto hereby presents

2023 UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE KRKA GROUP AND UNAUDITED FINANCIAL STATEMENTS OF KRKA, D. D., NOVO MESTO WITH RELEVANT NOTES

The 2023 unaudited consolidated financial statements of the Krka Group and unaudited financial statements of Krka, d. d., Novo mesto with comparative data for 2022 have been prepared in accordance with the *International Financial Reporting Standards* (IFRS). The 2022 comparative statements have been audited.

Krka, d. d., Novo mesto has no authorised capital and has made no conditional share capital increase.

At a glance

Krka, d. d., Novo mesto (hereinafter the Company, Krka, or the controlling company) is the controlling company of the Krka Group, which comprised the following subsidiaries as at 31 December 2023:

| | Ownership share of the controlling company 31 Dec 2023 (%) |
|--|--|
| TERME KRKA, d. o. o., Novo mesto | 100 |
| KRKA-FARMA d.o.o., Zagreb, Croatia | 100 |
| KRKA ROMANIA S.R.L., Bucharest, Romania | 100 |
| KRKA-FARMA DOO BEOGRAD, Belgrade, Serbia | 100 |
| KRKA-FARMA DOOEL Skopje, Skopje, North Macedonia | 100 |
| KRKA Bulgaria EOOD, Sofia, Bulgaria | 100 |
| KRKA HELLAS E.P.E., Athens, Greece | 100 |
| KRKA FARMA d.o.o., Sarajevo, Sarajevo, Bosnia and Herzegovina | 100 |
| KRKA-RUS LLC, Istra, Russian Federation | 100 |
| KRKA FARMA LLC, Istra, Russian Federation | 100 |
| KRKA UKRAINE LLC, Kiev, Ukraine | 100 |
| LLC 'KRKA Kazakhstan', Almaty, Kazakhstan | 100 |
| KRKA - POLSKA Sp. z o.o., Warsaw, Poland | 100 |
| KRKA ČR, s. r. o., Prague, Czechia | 100 |
| KRKA Magyarország Kft., Budapest, Hungary | 100 |
| KRKA Slovensko, s.r.o., Bratislava, Slovakia | 100 |
| UAB KRKA Lietuva, Vilnius, Lithuania | 100 |
| SIA KRKA Latvija, Riga, Latvia | 100 |
| TAD Pharma GmbH, Cuxhaven, Germany | 100 |
| Krka Sverige AB, Stockholm, Sweden | 100 |
| KRKA Pharma GmbH, Wien, Vienna, Austria | 100 |
| KRKA Farmacêutica, Unipessoal Lda., Estoril, Portugal | 100 |
| KRKA FARMACÉUTICA, S.L., Madrid, Spain | 100 |
| KRKA Farmaceutici Milano S.r.l., Milan, Italy | 100 |
| KRKA France Eurl, Paris, France | 100 |
| KRKA PHARMA DUBLIN LIMITED, Dublin, Ireland | 100 |
| KRKA Belgium, SA, Brussels, Belgium | 100 |
| KRKA Finland Oy, Espoo, Finland | 100 |
| KRKA UK LTD, London, United Kingdom | 100 |
| 123 Acurae Pharma GmbH, Cuxhaven, Germany | 100 |
| KRKA Netherlands B.V., Breskens, Netherlands | 100 |
| Ningbo Krka Menovo Pharmaceutical Company Limited, Ningbo, China | 60 |
| KRKA USA LLC, Wilmington, United States of America | 100 |
| KRKA GCC L.L.C., Dubai, United Arab Emirates | 100 |

As at 31 December 2023, the subsidiary Terme Krka, d. o. o. held a 100-percent interest in Golf Grad Otočec, d. o. o., Slovenia, while the subsidiary KRKA France Eurl held a 100-percent interest in HCS bvba in Belgium. The Chinese company Ningbo Menovo Pharmaceutical Co. Ltd. owns 40% of Ningbo Krka Menovo Pharmaceutical Co. Ltd.

Financial highlights

| € thousand | Krka Group | | | Company | | |
|---|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| | 2023 | 2022 | Index | 2023 | 2022 | Index |
| Revenue | 1,806,391 | 1,717,453 | 105 | 1,674,572 | 1,553,514 | 108 |
| – Of that revenue from contracts with customers (products and services) | 1,798,969 | 1,708,542 | 105 | 1,449,739 | 1,356,075 | 107 |
| Gross profit | 1,026,709 | 974,393 | 105 | 888,427 | 890,182 | 100 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 504,215 | 488,895 | 103 | 402,547 | 440,086 | 91 |
| Operating profit (EBIT) ¹ | 399,621 | 381,211 | 105 | 322,308 | 357,870 | 90 |
| Profit before tax (EBT) | 367,126 | 433,073 | 85 | 329,049 | 412,258 | 80 |
| Net profit | 313,732 | 363,662 | 86 | 294,481 | 348,215 | 85 |
| Effective tax rate | 14.5% | 16.0% | | 10.5% | 15.5% | |
| R&D expenses | 178,582 | 162,580 | 110 | 173,783 | 158,292 | 110 |
| Investments | 131,932 | 105,974 | 124 | 111,751 | 79,540 | 140 |
| | 31 Dec 2023 | 31 Dec 2022 | Index | 31 Dec 2023 | 31 Dec 2022 | Index |
| Non-current assets | 1,059,267 | 1,125,025 | 94 | 1,076,235 | 1,123,594 | 96 |
| Current assets | 1,705,024 | 1,562,475 | 109 | 1,537,636 | 1,392,950 | 110 |
| – Inventories | 604,621 | 553,332 | 109 | 513,892 | 492,978 | 104 |
| – Trade receivables | 509,070 | 402,730 | 126 | 463,126 | 357,889 | 129 |
| – Cash and cash equivalents | 174,011 | 518,934 | 34 | 140,993 | 470,297 | 30 |
| Equity | 2,181,766 | 2,138,509 | 102 | 2,133,258 | 2,060,792 | 104 |
| Non-current liabilities | 149,218 | 132,130 | 113 | 118,930 | 102,333 | 116 |
| Current liabilities | 433,307 | 416,861 | 104 | 361,683 | 353,419 | 102 |
| – Trade payables | 153,762 | 140,837 | 109 | 175,847 | 194,143 | 91 |
| RATIOS | 2023 | 2022 | | 2023 | 2022 | |
| Gross profit margin | 56.8% | 56.7% | | 53.1% | 57.3% | |
| EBITDA margin | 27.9% | 28.5% | | 24.0% | 28.3% | |
| EBIT margin | 22.1% | 22.2% | | 19.2% | 23.0% | |
| EBT margin | 20.3% | 25.2% | | 19.6% | 26.5% | |
| Net profit margin (ROS) | 17.4% | 21.2% | | 17.6% | 22.4% | |
| Return on equity (ROE) ² | 14.5% | 17.9% | | 14.0% | 17.7% | |
| Return on assets (ROA) ³ | 11.5% | 13.9% | | 11.5% | 14.1% | |
| Liabilities/Equity | 0.267 | 0.257 | | 0.225 | 0.221 | |
| R&D expenses/Revenue | 9.9% | 9.5% | | 10.4% | 10.2% | |
| NUMBER OF EMPLOYEES | 2023 | 2022 | | 2023 | 2022 | |
| Year-end | 11,780 | 11,598 | | 6,509 | 6,320 | |
| Average | 11,667 | 11,569 | | 6,411 | 6,254 | |
| KRKA GROUP SHARE INFORMATION | | 2023 | | 2022 | | Index |
| Total number of shares issued | | 32,793,448 | | 32,793,448 | | 100 |
| Earnings per share (EPS) in € ⁴ | | 10.14 | | 11.69 | | 87 |
| Gross dividend per share in € | | 6.60 | | 5.63 | | 117 |
| Closing price at the end of the year in € ⁵ | | 110.00 | | 92.00 | | 120 |
| Price/Earnings ratio (P/E) | | 10.85 | | 7.87 | | 138 |
| Book value in € ⁶ | | 66.53 | | 65.21 | | 102 |
| Price/Book value (P/B) | | 1.65 | | 1.41 | | 117 |
| Market capitalisation in € thousand (31 Dec) | | 3,607,279 | | 3,016,997 | | 120 |

¹ The difference between operating income and expenses

² Net profit/Average shareholders' equity in the year

³ Net profit/Average total asset balance in the year

⁴ Net profit for the year attributable to majority equity holders of the Krka Group/Average number of shares issued in the year, excluding treasury shares

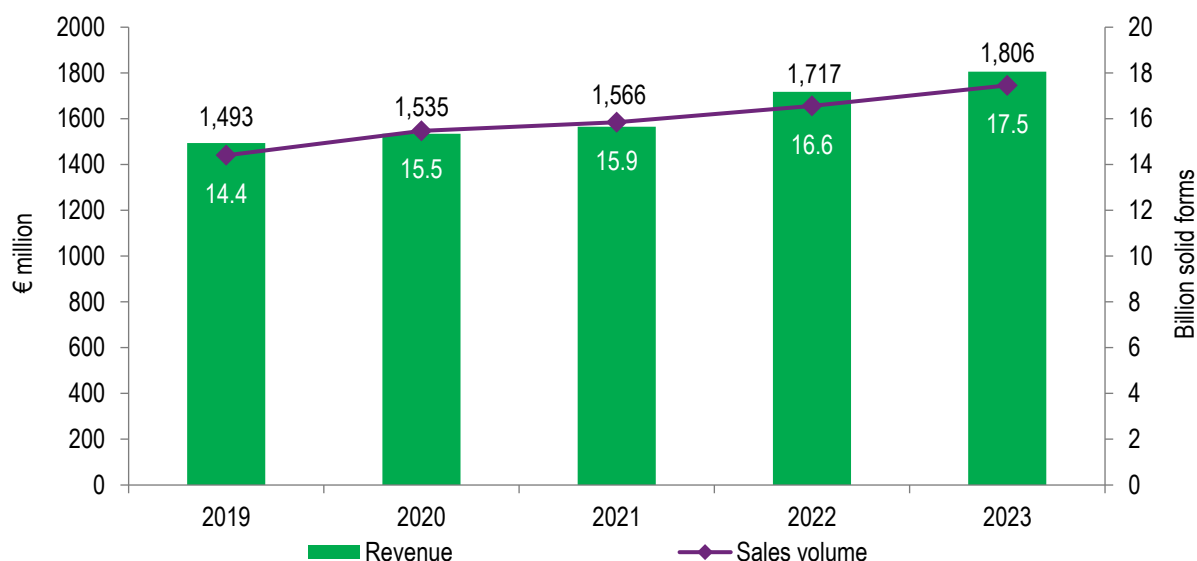
⁵ Share price on the Ljubljana Stock Exchange

⁶ Equity as at 31 Dec/Total number of shares issued

Krka Group performance analysis

Operating income

Sales



In 2023, the Krka Group generated revenue of €1,806.4 million, an €88.9 million or 5% increase on 2022, of which revenue from contracts with customers on sales of products and services reached €1,799.0 million and revenue from contracts with customers on sales of materials and other sales revenue constituted the difference. Over the past five years, average annual sales grew by 4.2% in volume and 6.3% in value.

Operating expenses

The Krka Group posted operating expenses totalling €1,412.9 million, up €67.5 million or 5% on 2022.

Krka Group operating expenses comprised: cost of goods sold totalling €779.7 million; selling and distribution expenses totalling €347.9 million; R&D expenses totalling €178.6 million; and general and administrative expenses totalling €106.8 million. Operating expenses accounted for 78% of revenue and, over the past five years, ranged between 75% in 2020 and 83% in 2019.

Cost of goods sold, up 5% on 2022, represented the largest item in the Krka Group operating expense structure. They accounted for 43.2% of total revenue in 2023 and 43.3% in 2022. Selling and distribution expenses remained at the 2022 level and accounted for 19.3% of total revenue, down 1.0 percentage point on 2022. R&D expenses constituted 9.9% of total revenue (up 0.4 percentage points on 2022) and increased by 10%. General and administrative expenses amounted to 5.9% of total revenue, up 18%, while their proportion in revenue increased by 0.6 percentage points.

Financial income and expenses

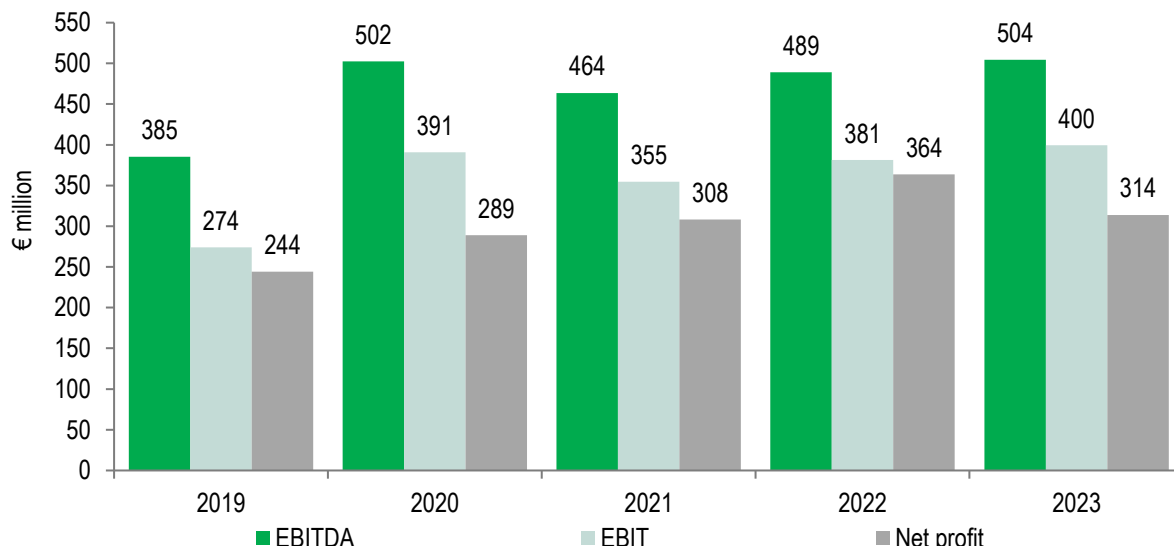
The Krka Group operates in diverse international environments and is exposed to foreign exchange risks in certain sales and purchase markets.

The cumulative amount of net foreign exchange differences and net income from currency risk hedging of the Krka Group generated a total loss of €38.8 million in 2023. Of that, net foreign exchange losses, arising primarily from the depreciation of the Russian rouble, totalled €38.3 million; derivatives income totalled €4.3 million; and derivatives expenses totalled €4.8 million. Interest income totalled €11.2 million and dividend income €0.8 million. Financial expenses consisted of interest expense of €0.5 million and other financial expenses of €12.5 million.

The Krka Group recorded net financial loss of €32.5 million in 2023. In 2022, the Krka Group generated net financial gain of €51.9 million.

Operating results

EBITDA, EBIT, and net profit



The Krka Group recorded EBIT totalling €399.6 million, up €18.4 million or 5% on 2022. The Krka Group posted EBITDA totalling €504.2 million, up €15.3 million or 3%. Over the past five years, annual EBIT growth averaged 11.4% and annual EBITDA growth averaged 8.0%.

In 2023, profit before tax of the Krka Group decreased by €65.9 million or 15% to €367.1 million. Its effective tax rate was 14.5%. The Krka Group recorded net profit totalling €313.7 million, down €49.9 million or 14% on 2022. Profit before tax and net profit decreased year on year primarily owing to the depreciation of the rouble against the euro in 2023 and strong rouble appreciation in the year before. Over the past five years, average annual net profit growth was 12.5%.

Assets

| € thousand | 31 Dec 2023 | Share (%) | 31 Dec 2022 | Share (%) | Index |
|-------------------------------|------------------|--------------|------------------|--------------|------------|
| Non-current assets | 1,059,267 | 38.3 | 1,125,025 | 41.9 | 94 |
| Property, plant and equipment | 790,345 | 28.6 | 779,336 | 29.0 | 101 |
| Intangible assets | 102,348 | 3.7 | 102,550 | 3.8 | 100 |
| Investments and loans | 117,772 | 4.2 | 188,309 | 7.0 | 63 |
| Other | 48,802 | 1.8 | 54,830 | 2.1 | 89 |
| Current assets | 1,705,024 | 61.7 | 1,562,475 | 58.1 | 109 |
| Inventories | 604,621 | 21.9 | 553,332 | 20.6 | 109 |
| Trade receivables | 509,070 | 18.4 | 402,730 | 15.0 | 126 |
| Other | 591,333 | 21.4 | 606,413 | 22.5 | 98 |
| Total assets | 2,764,291 | 100.0 | 2,687,500 | 100.0 | 103 |

At the end of 2023, Krka Group assets were valued at €2,764.3 million, a €76.8 million or 3% increase on year-end 2022. The ratio of non-current to current assets in the overall asset structure differed from that recorded at year-end 2022, as non-current assets decreased by 3.6 percentage points and totalled 38.3%.

Krka Group non-current assets were valued at €1,059.3 million, a €65.8 million or 6% decrease on year-end 2022. The most important item in the Krka Group asset structure was property, plant and equipment (PP&E). It was valued at €790.3 million and accounted for 28.6% of total Krka Group assets. Intangible assets amounted to €102.3 million and accounted for 3.7% of total assets.

Krka Group current assets were valued at €1,705.0 million and increased by €142.5 million or 9% on year-end 2022. Inventories amounted to €604.6 million or 21.9% of total Krka Group assets. Trade receivables due from customers outside the Krka Group totalled €509.1 million, accounting for 18.4% of total Krka Group assets. Inventories increased by €51.3 million or 9% and trade receivables increased by €106.3 million or 26%. Krka Group current loans totalled €58.7 million or 2.1% of its total assets and included a €50.0 million deposit with maturity of more than 90 days and less than one year with at a foreign bank with a high credit rating. Investments at fair value through profit or loss totalled €236.8 million and represented investments into treasury bills of western European EU countries with a high credit rating. Cash and cash equivalents were valued at €174.0 million, down €344.9 million on year-end 2022, accounting for 6.3% of Krka Group total assets. From the beginning until the end of 2023, cash and cash equivalents decreased primarily on the back of reallocation of surplus cash investments. We transferred a portion of cash and cash equivalents to current loans, while the majority was transferred to investments at fair value through profit or loss. We reallocated investments to disperse credit risk and maturity of individual investments.

Equity and liabilities

| € thousand | 31 Dec 2023 | Share (%) | 31 Dec 2022 | Share (%) | Index |
|-------------------------------------|------------------|--------------|------------------|--------------|------------|
| Equity | 2,181,766 | 78.9 | 2,138,509 | 79.6 | 102 |
| Non-current liabilities | 149,218 | 5.4 | 132,130 | 4.9 | 113 |
| Current liabilities | 433,307 | 15.7 | 416,861 | 15.5 | 104 |
| Total equity and liabilities | 2,764,291 | 100.0 | 2,687,500 | 100.0 | 103 |

As at 31 December 2023, the Krka Group posted €43.3 million or 2% higher equity than at year-end 2022. The rise was attributable to Krka Group net profit totalling €313.7 million and acquisition of non-controlling interests totalling €1.3 million. Equity declined due to other comprehensive income net of tax totalling €53.5 million, dividends paid totalling €204.4 million, and repurchase of treasury shares totalling €13.9 million.

The Krka Group recorded provisions of €124.4 million, up €17.2 million on year-end 2022 due to higher post-employment and other non-current employee benefits, which increased by €17.3 million to €113.3 million. Provisions for lawsuits amounted to €10.6 million and remained unchanged. Other provisions amounted to €0.5 million, down €0.1 million.

Of Krka Group current liability items, trade payables increased by €12.9 million (of which payables to domestic suppliers increased by €1.7 million and payables to suppliers abroad by €11.3 million). Current liabilities from contracts with customers increased by €4.5 million (of which bonuses and volume rebates increased by €6.4 million and right of return by €0.8 million, while contract liabilities decreased by €2.7 million). Other current liabilities increased by €18.6 million, of which payables to employees increased by €19.0 million.

Cash flow statement

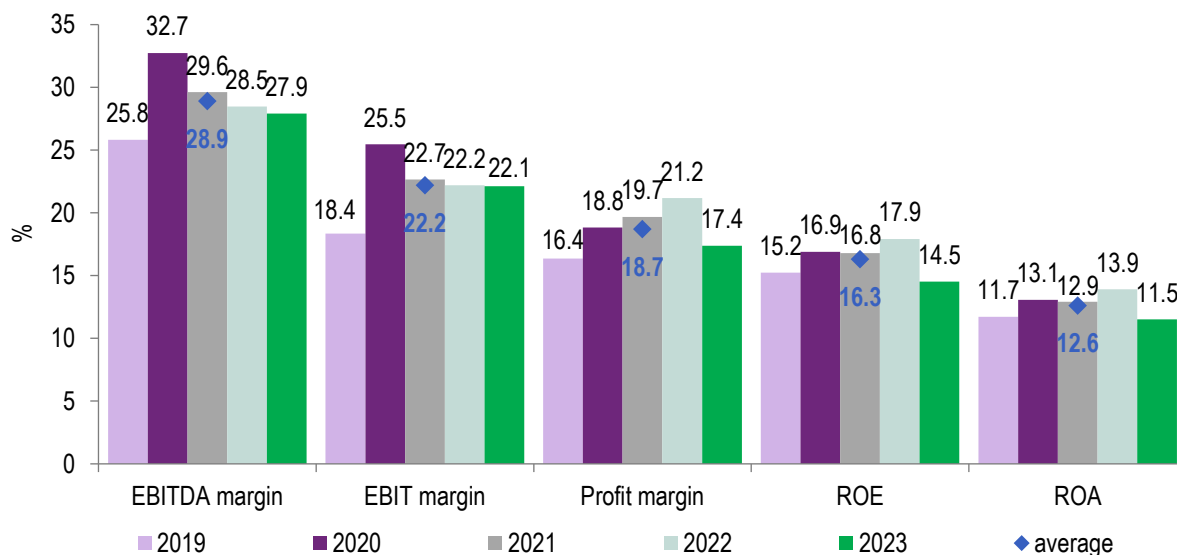
| € thousand | 2023 | 2022 |
|--|-----------------|----------------|
| Net cash flow from operating activities | 227,254 | 467,651 |
| Net cash flow from investing activities | -343,235 | 76,414 |
| Net cash flow from financing activities | -229,822 | -187,022 |
| Net change in cash and cash equivalents | -345,803 | 357,043 |

Net change in Krka Group cash and cash equivalents (exclusive of exchange rate fluctuations) yielded a decrease of €345.8 million in 2023, because the positive cash flow from operating activities was lower than the negative cash flow from investing and financing activities.

The Krka Group generated €446.5 million operating profit before changes in net current assets. Changes in current assets that had a positive impact on cash flow consisted of changes in trade payables, provisions, and other current liabilities, while changes in trade receivables, inventories, and deferred revenue had a negative impact. Income tax paid further decreased net cash flow from operating activities.

Negative cash flow from investing activities totalling €343.2 million were primarily generated from net payments for current investments totalling €209.5 million and acquisition of property, plant and equipment of €130.0 million. Negative cash flows from financing activities totalling €229.8 million primarily resulted from dividends paid and other profit shares of €204.4 million and repurchased treasury shares of €13.9 million.

Performance ratios



Performance ratios are in line with the Krka Group's key strategic objectives.

Sales

Krka Group product and service sales by region

| € thousand | 2023 | Share (%) | 2022 | Share (%) | Index |
|--------------------------|------------------|--------------|------------------|--------------|------------|
| Region Slovenia | 113,777 | 6.3 | 103,047 | 6.0 | 110 |
| Region South-East Europe | 249,330 | 13.9 | 224,523 | 13.1 | 111 |
| Region East Europe | 593,951 | 33.0 | 623,377 | 36.5 | 95 |
| Region Central Europe | 397,079 | 22.1 | 364,154 | 21.3 | 109 |
| Region West Europe | 369,624 | 20.5 | 327,343 | 19.2 | 113 |
| Region Overseas Markets | 75,208 | 4.2 | 66,098 | 3.9 | 114 |
| Total | 1,798,969 | 100.0 | 1,708,542 | 100.0 | 105 |

In 2023, the Krka Group generated €1,799.0 million revenue from contracts with customers on sales of products and services, an increase of €90.4 million or 5% on the 2022 results. We recorded sales growth in most sales markets.

Region East Europe recorded the highest sales, €594.0 million or 33.0% of total Krka Group sales, down 5% year on year. In the Russian Federation, we made €346.8 million in product sales, a 10% drop on 2022. Sales growth denominated in Russian roubles reached 15% compared to 2022, while sales volume climbed by 7%. The difference between the euro and the rouble sales indices resulted from the considerable depreciation of the rouble. We pay special attention to Russian rouble risk management. The reduced availability of financial instruments saw us focus on natural risk mitigation methods of currency exposure in 2023. Last year, we manufactured more than 77% of all Krka products on demand in the Russian Federation in our subsidiary Krka-Rus. We recorded growth in all other regional markets, except Ukraine and Turkmenistan. In Ukraine, product sales added up to €83.4 million, resulting in 12% drop on 2022.

Region Central Europe, comprising the Visegrad Group and the Baltic states, followed with sales of €397.1 million or 22.1% of total Krka Group sales. We reached 9% year-on-year growth. Poland, the leading market in the region, generated product sales of €180.8 million and recorded 8% growth. In Czechia, product sales increased by 9% to €60.9 million and in Hungary by 11% to €52.3 million. We increased sales also in all other countries in the region.

Region West Europe ranked third in terms of sales with €369.6 million or 20.5% of total Krka Group sales. Year on year, sales were up 13%. The region's largest market was Germany, where product sales totalled €105.9 million and reached 20% growth. It was followed by the Scandinavian countries, Portugal, and Italy. Germany, the Scandinavian countries, Portugal, and the United Kingdom recorded strongest absolute growth in sales.

Product sales in Region South-East Europe amounted to €249.3 million, up 11% on 2022, accounting for 13.9% of total Krka Group sales. Romania and Croatia remained our two leading markets in the region. We recorded the highest absolute sales growth in Romania, Serbia, and Croatia. We generated product sales of €72.4 million in Romania, reaching 15% growth, and €46.0 million in sales in Croatia, recording 12% growth. Sales increased in all markets in the region.

In Region Slovenia, sales of products and services totalled €113.8 million, accounting for 6.3% of total Krka Group sales. Sales grew by 10%. Product sales of €66.1 million constituted the bulk of sales total, recording 9% growth. Health resort and tourist services yielded €47.7 million, a 12% rise on 2022.

Region Overseas Markets accounted for a 4.2% share in total Krka Group sales and yielded €75.2 million in product sales, a 14% year-on-year climb.

Krka Group sales by product and service group

| € thousand | 2023 | Share (%) | 2022 | Share (%) | Index |
|------------------------------------|------------------|--------------|------------------|--------------|------------|
| Human health products | 1,646,633 | 91.6 | 1,572,949 | 92.1 | 105 |
| – Prescription pharmaceuticals | 1,469,381 | 81.7 | 1,390,972 | 81.4 | 106 |
| – Non-prescription products | 177,252 | 9.9 | 181,977 | 10.7 | 97 |
| Animal health products | 104,640 | 5.8 | 93,041 | 5.4 | 112 |
| Health resort and tourist services | 47,696 | 2.6 | 42,552 | 2.5 | 112 |
| Total | 1,798,969 | 100.0 | 1,708,542 | 100.0 | 105 |

Sales of prescription pharmaceuticals totalled €1,469.4 million, up 6% on 2022, accounting for 81.7% of total Krka Group product and service sales. We increased sales in all regions, except Region East Europe, ranging as follows:

14% Region Overseas Markets;

14% Region West Europe;

13% Region South-East Europe;

8% Region Slovenia; and

8% Region Central Europe.

Among our ten largest individual markets, sales growth of prescription pharmaceuticals was the highest in Germany, Poland, Romania, and the Scandinavian countries, and among our other markets in the United Kingdom. Top-ranking therapeutic classes of prescription pharmaceuticals included cardiovascular agents, central nervous system agents, gastrointestinal tract medicines, and pain relievers.

The ten leading prescription pharmaceuticals in terms of sales were product groups containing:

- perindopril (Prenessa*, Co-Prenessa*, Amlessa*, Co-Amlessa*, Roxiper*, Roxampex*);
- valsartan (Valsacor*, Valsacombi*, Vamloset*, Co-Vamloset*, Valarox*);
- rosuvastatin (Roswera*, Co-Roswera*);
- losartan (Lorista*, Lorista H*, Lorista HD*, Tenloris*);
- pantoprazole (Nolpaza*);
- atorvastatin (Atoris*);
- esomeprazole (Emanera*);

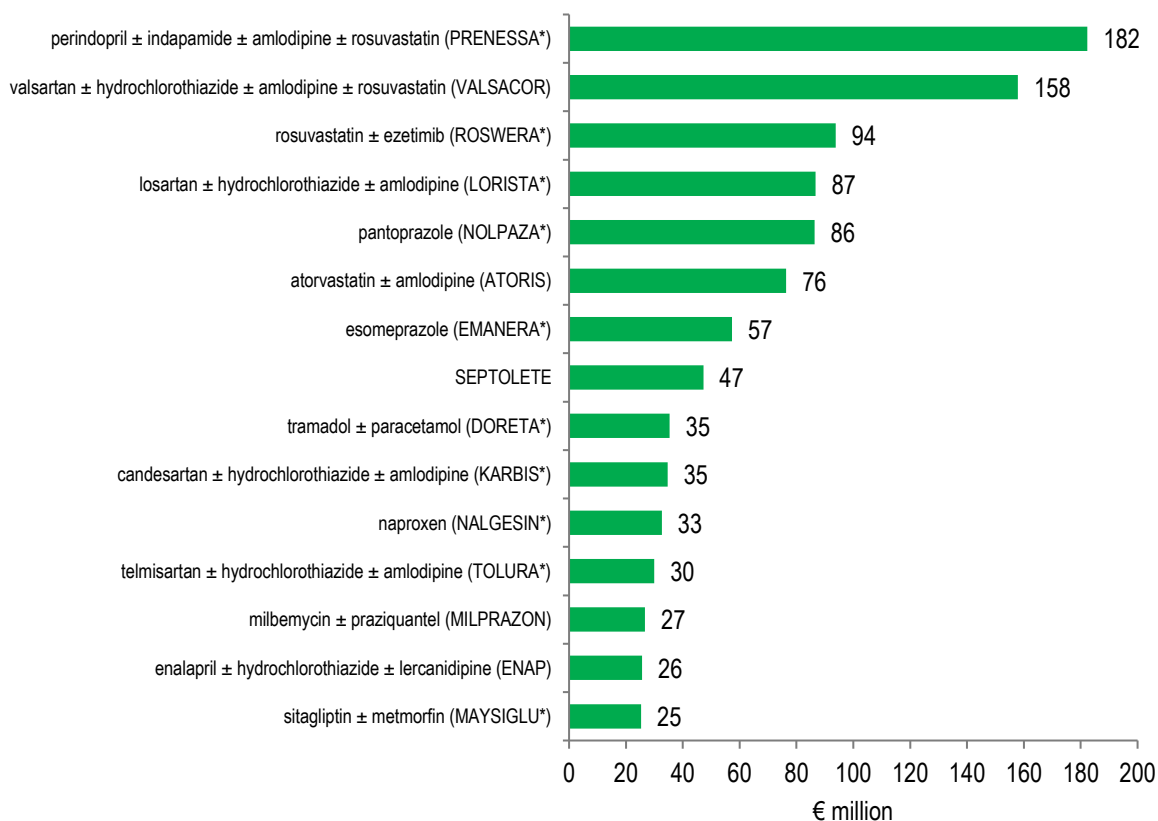
- tramadol (Doreta*, Tadol*);
- candesartan (Karbis*, Karbicombi*, Kandoset*); and
- naproxen (Nalgesin*).

Sales of non-prescription products totalled €177.3 million, down 3% on 2022, accounting for 9.9% of total Krka Group sales. Changing rates of the Russian rouble caused the drop in sales value. Sales volume of non-prescription products in the Russian Federation, however, saw a 5% increase. In 2023, we recorded the highest sales increases in Uzbekistan, Slovenia, and Czechia. Septolete*, Nalgesin*, Herbion*, and Septanazal* were our most important non-prescription product brands in terms of sales.

Sales of animal health products grew by 12% and amounted to €104.6 million (5.8% of total sales). Sales generated in the Russian Federation, Poland, and Germany contributed most to the growth. The combination of milbemycin and praziquantel (Milprazon*) was our best-selling animal health product. It was followed by products containing fipronil (Fypryst*, Fypryst* Combo), selamectin (Selehold*), enrofloxacin (Enroxil*), and products combining pyrantel and praziquantel (Dehinel*, Dehinel* Plus).

Health resort and tourist services yielded €47.7 million, up 12% on 2022 (2.6% of total sales). We recorded 336,174 overnight stays, a 4% year-on-year increase.

2023 sales of leading products in terms of value



*Sales of leading products are presented by leading active ingredient. Combination medicines that incorporate this active ingredient are also included. Products marketed under different product brand names or the Krka trademark in individual markets are marked with an asterisk.

Research and development

In 2023, we expanded our product range with fourteen new products, including ten new prescription pharmaceuticals, two additions to our portfolio of consumer health products and food supplements, and two veterinary medicines.

We finalised 698 marketing authorisation procedures, including 497 prescription pharmaceuticals and nine non-prescription products, thereby making medications more accessible to patients across various markets. In the animal health segment, we finalised 192 procedures, primarily expanding our product portfolio for companion animals.

We filed eleven patent applications for new technological solutions we evaluated as innovations at the global ranking level. Based on priority applications from 2022, we filed seven international and two European patent applications. We were granted six patent rights in various countries. Overall, more than 200 valid patents protect Krka's technological solutions.

We filed 72 applications for Krka trademarks in Slovenia. We also filed 48 international and 17 national trademark applications. In total, we have registered more than 1,100 trademarks in various countries.

New prescription pharmaceuticals

We concluded marketing authorisations for ten new products. Last year, we again focused on developing and registering single-pill products that combine two or several active substances in a single dosage form.

Single-pill combinations of angiotensin II receptor blockers and a diuretic are the drugs of choice in the treatment of patients with high blood pressure. In 2023, we concluded marketing authorisation procedures for three new single-pill combinations: Valsacor-inda (valsartan/indapamide) modified-release tablets, Telmista-amlo H (telmisartan/amlodipine/hydrochlorothiazide) tablets – also approved as Tolutris, Tolvecamo, and Tolvecam – and Telinstar (telmisartan/indapamide) modified-release tablets. The three medicinal products are innovative single-pill combinations based on Krka's know-how that will bring patients with high blood pressure an optimised way of treatment.

In European markets, we added two new medicinal products for the treatment of diabetes to our portfolio. Marketing authorisations were granted for Dagrafors (dapagliflozin) film-coated tablets and Empagliflozin Krka (empagliflozin) film-coated tablets. Both products are cutting-edge, effectively reducing glycated haemoglobin levels while also exhibiting positive effects on the cardiovascular system and kidney function.

Marketing authorisations were granted for our new antithrombotic agent Daxanlo (dabigatran), on certain markets also approved under the brand name Danengo, used for the prevention of atherothrombotic and thromboembolic events in adults with various cardiovascular diseases. Dabigatran is available in hard capsules in three different strengths and is the drug of choice for preventing venous thromboembolism after hip or knee replacement.

We obtained marketing authorisations for new medicines in China. Approval was obtained for rivaroxaban film-coated tablets. The medicine has a broad range of therapeutic uses in preventing atherothrombotic events in adults with cardiovascular diseases. It is an advanced anticoagulant, providing an effective and safe therapy for patients and improving their quality of life. In the group of agents for treating cardiovascular diseases, an approval was granted for a medicine containing perindopril tert-butylamine. Perindopril is one of the most widely researched ACE inhibitors in terms of clinical trials, and is the drug of choice for treating hypertension, heart failure, and coronary heart disease.

We also obtained our first approval for an antidiabetic agent in the Chinese market. The medicine containing gliclazide in the form of modified-release tablets was approved. It effectively reduces blood glucose levels in diabetes 2 patients.

We obtained a Certificate of Suitability to the monograph of the *European Pharmacopoeia* (CEP) for a new synthesis route for a quinolone antibiotic norfloxacin, the active ingredient incorporated in Krka Nolicin film-coated tablets.

New non-prescription products

Magnezij Krka DIREKT powder, intended for direct use, is a food supplement containing 250 mg of magnesium and group B vitamins that contribute to reducing tiredness and exhaustion and normal nervous system functioning. Our product does not contain preservatives, artificial colouring agents, flavours, sweeteners, gluten, or lactose. The novel formulation allows easy intake without water.

Harntee TAD is a food supplement containing dry extracts of birch leaf, golden rod, and Java tea. The upgraded product does not contain preservatives, artificial colouring agents, flavours, sweeteners, gluten, or lactose, and supports normal urinary tract function. It is available as a powder for solution, allowing for quick beverage preparation.

New animal health products

Our portfolio of companion animal health products was expanded by Arocenia (maropitant) solution for injection for cats and dogs. The agent acts on the central nervous system, reducing nausea and preventing vomiting after surgery and chemotherapy, thus improving post-operative recovery.

We concluded the first generic decentralised procedure (DCP) for Robexera (robenacoxib) chewable tablets for dogs, available in four strengths, and approved as Rogiola in certain countries. The product contains robenacoxib, a nonsteroidal anti-inflammatory active substance from the coxib class. It is used in veterinary medicine to relieve pain and treat chronic osteoarthritis inflammation and to control inflammation and pain after soft tissue surgical procedures.

Investments

In 2023, the Krka Group allocated €131.9 million to investments, of that €111.8 million to the controlling company.

We upgraded water supply systems and automated washing systems in Notol, our plant for production of solid dosage forms in Novo mesto, Slovenia. This year, we are finishing the replacement of packaging lines. We also plan to increase tablet compression capacities at Notol and Notol 2 and upgrade and increase granulation capacities.

The investment in additional capacities for compression mixture preparation and granulation in the tablet compression process and in logistic capacities at the Solid Dosage Products plant (Slovene: OTO) in Novo mesto (Slovenia) is drawing to a close.

We completed the investment in room refurbishment in our development-and-control laboratories in Novo mesto (Slovenia). We obtained additional rooms for laboratories and managing samples and packaging materials.

We increased production capacities for granulation and packaging at the Ljutomer plant, Slovenia.

We installed a new filling line for animal health products in the Powders and Solutions at the Bršljin Department in Novo mesto, Slovenia.

At Beta Šentjernej plant, Slovenia, we upgraded the systems and equipment, and increased the production capacity.

Construction of a new multi-purpose building called Paviljon 3 is drawing to a close in Ločna, Novo mesto, Slovenia. The building design incorporates our microbiology laboratory extension and additional rooms for Supply Chain Management and other organisational units. We also built a fire-water retention basin.

We are increasing production capacities for solid forms of animal health products in the production and distribution centre in Jastrebarsko, Croatia.

We obtained the integral building permit for our plant in Krško, Slovenia, comprising the Sinteza 2 API production plant, laboratories for chemical analyses (Slovene: Kemijsko-analitski center), the liquid raw materials warehouse, and the wastewater treatment plant, based on project documentation and an environmental impact assessment. We are still in the process of obtaining the environmental protection and chemical safety (SEVESO) permit. At the end of 2023, we started construction of a technologically advanced wastewater treatment plant, but intend to postpone construction of other buildings for a few years.

With the view to the Krka Group's long-term development, we purchased several real estates in the industrial zone of Cikava in Novo mesto, Slovenia, covering 23 hectares.

Employees

At the end of 2023, the Krka Group employed 11,780 people, of whom 45% or 5244 worked outside Slovenia. Of all employees, 51% have at least university-level qualifications, and of whom, 204 hold a doctoral degree. Including agency workers, the Krka Group employed 12,753 personnel.

Investor and share information

In 2023, the Krka share price increased by 19.6%, reaching €110.00 as at 31 December 2023. Shareholders received a dividend of €6.60 per share, up 17% year on year. Considering the share price at the end of 2023, this constitutes a 6% annual dividend yield.

At the end of the year, Krka had 47,172 shareholders, on par with year-end 2022. The shareholder structure of Krka is stable, composed of domestic retail investors in 41.1% and foreign investors in 20.5%, and was subject to no major changes last year.

In 2023, we repurchased 130,117 treasury shares. On 31 December 2023, Krka held 1,915,966 treasury shares, accounting for 5.843% of the share capital.

Sustainable operations

The Supervisory and Management Boards adopted the revised *ESG Policy of the Krka Group* and strategic goals in key sustainability areas. Sustainability and ESG goals were fully incorporated into the *2024–2028 Krka Group Development Strategy* for the first time. The *ESG Policy* is the master ESG governance document for the environmental (E), social (S), and governance (G) aspects of the Group. It sets down the fundamental sustainability principles and efforts that the Krka Group pursues in its operations throughout the value chain and in relations with various stakeholder groups.

The fundamental objective of integrating the Krka Group sustainability principles and ESG governance approaches into management processes and business decisions is to enhance the awareness of sustainability-related impacts, risks, and opportunities that can affect the success of our business operations and improve their management going forward. Moreover, the *ESG Policy* specifies accountability, control, and responsibility for sustainable operations within the company structure and sets priority sustainability areas and the related governance approaches. Key Krka Group sustainability areas are: (a) Product quality and patient safety; (b) Talent attraction and retention; (c) Good leadership and governance practices; (d) Accessible healthcare; (e) Planet and climate change; and (f) Compliance, integrity and transparency.

The adopted ESG goals complement the Krka Group *ESG Policy* and contribute to our long-term business success. They outline specific strategic directions and goals as well as key performance indicators (KPI) in key sustainability areas. The *ESG Policy* and a summary of strategic ESG goals are published on the Krka website.

We have undertaken activities to implement the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), further upgrading sustainability reporting and governance approaches in key sustainability areas. Sustainability reporting will be subject to external audit in 2024.

On 24 November 2023, Krka scored 50 out of 100 in the 2023 S&P Global Corporate Sustainability Assessment (CSA) performed by S&P Global, the international credit and ESG rating agency. As at the date, Krka's score ranked among the top 10% in the pharmaceutical industry.

The received independent credit rating score confirms the outlined direction of the Krka Group's sustainable business operations and ESG governance, prioritising our corporate social responsibility and care for health and

well-being of patients. We provide patients with access to high-quality, safe, and effective medicines produced in accordance with the highest standards of good manufacturing practice. In this process, we place strong emphasis on environmental protection and reduction of our environmental impact, while adhering to the highest standards of business ethics, integrity, and transparent operations in the Krka Group's governance. The received score encourages and commits us to improve the sustainability practices of the Krka Group.

Subsequent events

Establishment of joint venture in India

On 25 January 2024, Krka informed investors it reached an agreement with an Indian company Laurus Labs Ltd., to establish a joint venture, Krka Pharma Pvt. Ltd. in Hyderabad, India. According to the agreement, Krka holds a 51% stake and Laurus a 49% stake in the new company.

Krka and Laurus have been contractual partners for years and their businesses complement each other. After discussing the opportunities to strengthen their cooperation and synergies by combining knowledge and resources, the two partners have agreed to establish and develop the new company gradually. The joint venture will develop a plan to enter the Indian market and other markets outside the European Union where neither party is currently present with its finished products.

The registered capital of the newly established company amounts up to €50 million in Indian rupees. Krka and Laurus agreed to subscribe the registered capital in stages, depending on the financing needs. The joint venture will develop its business activities step by step.

Repurchase of treasury shares in 2024

Krka repurchased 41,110 treasury shares between 1 January 2024 and 12 March 2024, and thus held 1,957,076 treasury shares at the end of this period, accounting for 5.97% of total shares.

Novo mesto, March 2024

Krka, d. d., Novo mesto
Management Board

Unaudited consolidated statement of financial position of the Krka Group

| € thousand | 31 Dec 2023 | 31 Dec 2022 | Index |
|--|------------------|------------------|------------|
| Assets | | | |
| Property, plant and equipment | 790,345 | 779,336 | 101 |
| Intangible assets | 102,348 | 102,550 | 100 |
| Loans | 70,098 | 77,539 | 90 |
| Investments | 47,674 | 110,770 | 43 |
| Deferred tax assets | 47,728 | 53,770 | 89 |
| Other non-current assets | 1,074 | 1,060 | 101 |
| Total non-current assets | 1,059,267 | 1,125,025 | 94 |
| Assets held for sale | 41 | 41 | 100 |
| Inventories | 604,621 | 553,332 | 109 |
| Contract assets | 429 | 946 | 45 |
| Trade receivables | 509,070 | 402,730 | 126 |
| Other receivables | 51,364 | 27,728 | 185 |
| Loans | 58,719 | 6,327 | 928 |
| Investments | 306,769 | 52,437 | 585 |
| Cash and cash equivalents | 174,011 | 518,934 | 34 |
| Total current assets | 1,705,024 | 1,562,475 | 109 |
| Total assets | 2,764,291 | 2,687,500 | 103 |
| | | | |
| Equity | | | |
| Share capital | 54,732 | 54,732 | 100 |
| Treasury shares | -138,489 | -124,566 | 111 |
| Reserves | 154,495 | 192,204 | 80 |
| Retained earnings | 2,091,317 | 1,996,246 | 105 |
| Total equity holders of the controlling company | 2,162,055 | 2,118,616 | 102 |
| Non-controlling interests | 19,711 | 19,893 | 99 |
| Total equity | 2,181,766 | 2,138,509 | 102 |
| Liabilities | | | |
| Provisions | 124,398 | 107,235 | 116 |
| Deferred income | 5,547 | 6,048 | 92 |
| Lease liabilities | 8,547 | 8,089 | 106 |
| Deferred tax liabilities | 10,726 | 10,758 | 100 |
| Total non-current liabilities | 149,218 | 132,130 | 113 |
| Trade payables | 153,762 | 140,837 | 109 |
| Lease liabilities | 3,452 | 3,752 | 92 |
| Income tax payables | 8,960 | 28,194 | 32 |
| Contract liabilities | 162,173 | 157,710 | 103 |
| Other current liabilities | 104,960 | 86,368 | 122 |
| Total current liabilities | 433,307 | 416,861 | 104 |
| Total liabilities | 582,525 | 548,991 | 106 |
| Total equity and liabilities | 2,764,291 | 2,687,500 | 103 |

Unaudited consolidated income statement of the Krka Group

| € thousand | 2023 | 2022 | Index |
|---|------------------|------------------|------------|
| Revenue | 1,806,391 | 1,717,453 | 105 |
| – Revenue from contracts with customers | 1,801,873 | 1,712,530 | 105 |
| – Other revenue | 4,518 | 4,923 | 92 |
| Cost of goods sold | -779,682 | -743,060 | 105 |
| Gross profit | 1,026,709 | 974,393 | 105 |
| Other operating income | 6,147 | 9,197 | 67 |
| Selling and distribution expenses | -347,898 | -349,111 | 100 |
| – Whereof net impairments and write-offs of receivables | 3,712 | -1,875 | |
| R&D expenses | -178,582 | -162,580 | 110 |
| General and administrative expenses | -106,755 | -90,688 | 118 |
| Operating profit | 399,621 | 381,211 | 105 |
| Financial income | 23,567 | 57,668 | 41 |
| Financial expenses | -56,062 | -5,806 | 966 |
| Net financial result | -32,495 | 51,862 | |
| Profit before tax | 367,126 | 433,073 | 85 |
| Income tax expense | -53,394 | -69,411 | 77 |
| Net profit | 313,732 | 363,662 | 86 |
| Attributable to: | | | |
| – Equity holders of the controlling company | 313,946 | 363,296 | 86 |
| – Non-controlling interests | -214 | 366 | |
| Basic earnings per share (€) | 10.14 | 11.69 | 87 |
| Diluted earnings per share (€) | 10.14 | 11.69 | 87 |

Unaudited consolidated statement of other comprehensive income of the Krka Group

| € thousand | 2023 | 2022 | Index |
|--|----------------|----------------|-----------|
| Net profit | 313,732 | 363,662 | 86 |
| Other comprehensive income for the year | | | |
| Other comprehensive income reclassified to profit or loss at a future date | | | |
| Translation reserve | -49,705 | 11,850 | |
| Net other comprehensive income reclassified to profit or loss at a future date | -49,705 | 11,850 | |
| Other comprehensive income that will not be reclassified to profit or loss at a future date | | | |
| Change in fair value of financial assets | 10,912 | 128 | 8,525 |
| Restatement of post-employment benefits | -12,007 | 26,099 | |
| Deferred tax effect | -2,695 | -3,417 | 79 |
| Net other comprehensive income that will not be reclassified to profit or loss at a future date | -3,790 | 22,810 | |
| Total other comprehensive income for the year (net of tax) | -53,495 | 34,660 | |
| Total comprehensive income for the year (net of tax) | 260,237 | 398,322 | 65 |
| Attributable to: | | | |
| – Equity holders of the controlling company | 261,740 | 398,461 | 66 |
| – Non-controlling interests | -1,503 | -139 | 1,081 |

Unaudited consolidated statement of changes in equity of the Krka Group

| € thousand | Share capital | Treasury shares | Reserves | | | | | | Retained earnings | | | Total equity holders of the controlling company | Non-controlling interests | Total equity |
|--|---------------|-----------------|------------------------------|---------------|----------------|--------------------|--------------------|---------------------|-----------------------|-------------------|---------------------|---|---------------------------|--------------|
| | | | Reserves for treasury shares | Share premium | Legal reserves | Statutory reserves | Fair value reserve | Translation reserve | Other profit reserves | Retained earnings | Profit for the year | | | |
| Balance at 1 Jan 2023 | 54,732 | -124,566 | 124,566 | 105,897 | 14,990 | 30,000 | 2,670 | -85,919 | 1,442,702 | 200,273 | 353,271 | 2,118,616 | 19,893 | 2,138,509 |
| Net profit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 313,946 | 313,946 | -214 | 313,732 |
| Total other comprehensive income for the year (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | -3,181 | -48,451 | 0 | -574 | 0 | -52,206 | -1,289 | -53,495 |
| Total comprehensive income for the year (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | -3,181 | -48,451 | 0 | -574 | 313,946 | 261,740 | -1,503 | 260,237 |
| Transactions with owners, recognised in equity | | | | | | | | | | | | | | |
| Formation of other profit reserves under the resolution of the AGM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101,893 | -101,893 | 0 | 0 | 0 | 0 |
| Transfer of previous periods' profit to retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 353,271 | -353,271 | 0 | 0 | 0 |
| Repurchase of treasury shares | 0 | -13,923 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -13,923 | 0 | -13,923 |
| Formation of reserves for treasury shares | 0 | 0 | 13,923 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -13,923 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -204,378 | 0 | -204,378 | 0 | -204,378 |
| Acquisition of non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,321 | 1,321 |
| Total transactions with owners, recognised in equity | 0 | -13,923 | 13,923 | 0 | 0 | 0 | 0 | 0 | 101,893 | 47,000 | -367,194 | -218,301 | 1,321 | -216,980 |
| Balance at 31 Dec 2023 | 54,732 | -138,489 | 138,489 | 105,897 | 14,990 | 30,000 | -511 | -134,370 | 1,544,595 | 246,699 | 300,023 | 2,162,055 | 19,711 | 2,181,766 |

| € thousand | Share capital | Treasury shares | Reserves | | | | | | Retained earnings | | | Total equity holders of the controlling company | Non-controlling interests | Total equity |
|--|---------------|-----------------|------------------------------|---------------|----------------|--------------------|--------------------|---------------------|-----------------------|-------------------|---------------------|---|---------------------------|--------------|
| | | | Reserves for treasury shares | Share premium | Legal reserves | Statutory reserves | Fair value reserve | Translation reserve | Other profit reserves | Retained earnings | Profit for the year | | | |
| Balance at 1 Jan 2022 | 54,732 | -114,541 | 114,541 | 105,897 | 14,990 | 30,000 | -22,077 | -98,274 | 1,370,902 | 155,083 | 293,952 | 1,905,205 | 13,880 | 1,919,085 |
| Net profit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 363,296 | 363,296 | 366 | 363,662 |
| Total other comprehensive income for the year (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | 24,747 | 12,355 | 0 | -1,937 | 0 | 35,165 | -505 | 34,660 |
| Total comprehensive income for the year (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | 24,747 | 12,355 | 0 | -1,937 | 363,296 | 398,461 | -139 | 398,322 |
| Transactions with owners, recognised in equity | | | | | | | | | | | | | | |
| Formation of other profit reserves under the resolution of the AGM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 71,800 | -71,800 | 0 | 0 | 0 | 0 |
| Transfer of previous periods' profit to retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 293,952 | -293,952 | 0 | 0 | 0 |
| Repurchase of treasury shares | 0 | -10,025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -10,025 | 0 | -10,025 |
| Formation of reserves for treasury shares | 0 | 0 | 10,025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -10,025 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -175,025 | 0 | -175,025 | 0 | -175,025 |
| Acquisition of non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,152 | 6,152 |
| Total transactions with owners, recognised in equity | 0 | -10,025 | 10,025 | 0 | 0 | 0 | 0 | 0 | 71,800 | 47,127 | -303,977 | -185,050 | 6,152 | -178,898 |
| Balance at 31 Dec 2022 | 54,732 | -124,566 | 124,566 | 105,897 | 14,990 | 30,000 | 2,670 | -85,919 | 1,442,702 | 200,273 | 353,271 | 2,118,616 | 19,893 | 2,138,509 |

Unaudited consolidated statement of cash flows of the Krka Group

| € thousand | 2023 | 2022 |
|--|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit | 313,732 | 363,662 |
| Adjustments for: | 132,771 | 188,618 |
| – Amortisation/Depreciation | 104,594 | 107,684 |
| – Net foreign exchange differences | -27,030 | -224 |
| – Net write-offs and allowances for inventories | 11,420 | 20,321 |
| – Net impairments and write-offs of receivables | -3,712 | 1,875 |
| – Investment income | -25,534 | -15,817 |
| – Investment expenses | 6,688 | 89 |
| – Income on financing activities | -4 | 0 |
| – Interest expense and other financial expenses | 12,955 | 5,279 |
| – Income tax expense | 53,394 | 69,411 |
| Operating profit before changes in net current assets | 446,503 | 552,280 |
| Change in trade receivables | -104,133 | 63,898 |
| Change in inventories | -62,709 | -117,946 |
| Change in trade payables | 24,477 | 32,820 |
| Change in provisions | 1,770 | -4,272 |
| Change in deferred income | -501 | -827 |
| Change in other current liabilities | 15,944 | -1,410 |
| Income tax paid | -94,097 | -56,892 |
| Net cash flow from operating activities | 227,254 | 467,651 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 9,668 | 3,115 |
| Dividends received | 798 | 631 |
| Proceeds from sale of property, plant and equipment | 2,433 | 4,949 |
| Purchase of property, plant and equipment | -130,024 | -87,905 |
| Purchase of intangible assets | -9,187 | -6,827 |
| Proceeds from non-current loans | 4,194 | 2,542 |
| Payments for non-current loans | -2,009 | -42,690 |
| Net payments for/proceeds from current loans | -46,784 | 189,589 |
| Proceeds from sale of non-current investments | 33,346 | 4,950 |
| Payments for acquiring non-current investments | -51 | -32,970 |
| Proceeds from sale of current investments | 359,100 | 153,804 |
| Payments for acquiring current investments | -568,607 | -121,621 |
| Proceeds from derivatives | 4,277 | 8,847 |
| Payments for derivatives | -389 | 0 |
| Net cash flow from investing activities | -343,235 | 76,414 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | -8,657 | -4,179 |
| Lease liabilities paid | -4,184 | -3,926 |
| Dividends and other profit shares paid | -204,379 | -175,044 |
| Repurchase of treasury shares | -13,923 | -10,025 |
| Proceeds from payment of non-controlling interests | 1,321 | 6,152 |
| Net cash flow from financing activities | -229,822 | -187,022 |
| Net decrease/increase in cash and cash equivalents | -345,803 | 357,043 |
| Cash and cash equivalents at beginning of year | 518,934 | 159,838 |
| Effect of movements in exchange rates on cash held | 880 | 2,053 |
| Closing balance of cash and cash equivalents | 174,011 | 518,934 |

Unaudited statement of financial position of Krka, d. d. , Novo mesto

| € thousand | 31 Dec 2023 | 31 Dec 2022 | Index |
|--------------------------------------|------------------|------------------|------------|
| Assets | | | |
| Property, plant and equipment | 595,525 | 566,780 | 105 |
| Intangible assets | 26,043 | 24,960 | 104 |
| Investments in subsidiaries | 357,265 | 355,763 | 100 |
| Loans | 41,243 | 56,013 | 74 |
| Investments | 47,67 | 110,769 | 43 |
| Deferred tax assets | 7,846 | 8,666 | 91 |
| Other non-current assets | 640 | 643 | 100 |
| Total non-current assets | 1,076,235 | 1,123,594 | 96 |
| Assets held for sale | 41 | 41 | 100 |
| Inventories | 513,892 | 492,978 | 104 |
| Trade receivables | 463,126 | 357,889 | 129 |
| Other receivables | 47,116 | 12,639 | 373 |
| Loans | 65,699 | 6,669 | 985 |
| Investments | 306,769 | 52,437 | 585 |
| Cash and cash equivalents | 140,993 | 470,297 | 30 |
| Total current assets | 1,537,636 | 1,392,950 | 110 |
| Total assets | 2,613,871 | 2,516,544 | 104 |
| | | | |
| Equity | | | |
| Share capital | 54,732 | 54,732 | 100 |
| Treasury shares | -138,489 | -124,566 | 111 |
| Reserves | 290,481 | 279,760 | 104 |
| Retained earnings | 1,926,534 | 1,850,866 | 104 |
| Total equity | 2,133,258 | 2,060,792 | 104 |
| Liabilities | | | |
| Provisions | 113,999 | 96,608 | 118 |
| Deferred income | 2,366 | 2,816 | 84 |
| Lease liabilities | 2,565 | 2,909 | 88 |
| Total non-current liabilities | 118,930 | 102,333 | 116 |
| Trade payables | 175,847 | 194,143 | 91 |
| Borrowings | 88,061 | 53,524 | 165 |
| Lease liabilities | 1,022 | 1,033 | 99 |
| Income tax payables | 0 | 25,660 | 0 |
| Contract liabilities | 18,953 | 21,687 | 87 |
| Other current liabilities | 77,800 | 57,372 | 136 |
| Total current liabilities | 361,683 | 353,419 | 102 |
| Total liabilities | 480,613 | 455,752 | 105 |
| Total equity and liabilities | 2,613,871 | 2,516,544 | 104 |

Unaudited income statement of Krka, d. d., Novo mesto

| € thousand | 2023 | 2022 | Index |
|---|------------------|------------------|------------|
| Revenue | 1,674,572 | 1,553,514 | 108 |
| – Revenue from contracts with customers | 1,664,611 | 1,544,409 | 108 |
| – Other revenue | 9,961 | 9,105 | 109 |
| Cost of goods sold | -786,145 | -663,332 | 119 |
| Gross profit | 888,427 | 890,182 | 100 |
| Other operating income | 1,639 | 4,699 | 35 |
| Selling and distribution expenses | -300,863 | -301,319 | 100 |
| – Whereof net impairments and write-offs of receivables | 3,960 | -1,548 | |
| R&D expenses | -173,783 | -158,292 | 110 |
| General and administrative expenses | -93,112 | -77,400 | 120 |
| Operating profit | 322,308 | 357,870 | 90 |
| Financial income | 60,964 | 57,744 | 106 |
| Financial expenses | -54,223 | -3,356 | 1,616 |
| Net financial result | 6,741 | 54,388 | 12 |
| Profit before tax | 329,049 | 412,258 | 80 |
| Income tax expense | -34,568 | -64,043 | 54 |
| Net profit | 294,481 | 348,215 | 85 |
| Basic earnings per share (€) | 9.51 | 11.21 | 85 |
| Diluted earnings per share (€) | 9.51 | 11.21 | 85 |

Unaudited statement of other comprehensive income of Krka, d. d., Novo mesto

| € thousand | 2023 | 2022 | Index |
|--|----------------|----------------|-----------|
| Net profit | 294,481 | 348,215 | 85 |
| Other comprehensive income that will not be reclassified to profit or loss at a future date | | | |
| Change in fair value of financial assets | 10,912 | 128 | 8,525 |
| Restatement of post-employment benefits | -12,133 | 24,691 | |
| Deferred tax effect | -2,493 | -3,334 | 75 |
| Net other comprehensive income that will not be reclassified to profit or loss at a future date | -3,714 | 21,485 | |
| Total other comprehensive income for the year (net of tax) | -3,714 | 21,485 | |
| Total comprehensive income for the year (net of tax) | 290,767 | 369,700 | 79 |

Unaudited statement of changes in equity of Krka, d. d., Novo mesto

| € thousand | Share capital | Treasury shares | Reserves | | | | | Retained earnings | | | Total equity |
|--|---------------|-----------------|------------------------------|----------------|----------------|--------------------|--------------------|-----------------------|-------------------|---------------------|------------------|
| | | | Reserves for treasury shares | Share premium | Legal reserves | Statutory reserves | Fair value reserve | Other profit reserves | Retained earnings | Profit for the year | |
| Balance at 1 Jan 2023 | 54,732 | -124,566 | 124,566 | 105,897 | 14,990 | 30,000 | 4,307 | 1,442,702 | 69,974 | 338,190 | 2,060,792 |
| Net profit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 294,481 | 294,481 |
| Total other comprehensive income for the year (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | -3,202 | 0 | -512 | 0 | -3,714 |
| Total comprehensive income for the year (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | -3,202 | 0 | -512 | 294,481 | 290,767 |
| Transactions with owners, recognised in equity | | | | | | | | | | | |
| Formation of other profit reserves under the resolution of the AGM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101,893 | -101,893 | 0 | 0 |
| Transfer of previous period's profits to retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 338,190 | -338,190 | 0 |
| Repurchase of treasury shares | 0 | -13,923 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -13,923 |
| Formation of reserves for treasury shares | 0 | 0 | 13,923 | 0 | 0 | 0 | 0 | 0 | 0 | -13,923 | 0 |
| Dividends and other profit shares paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -204,378 | 0 | -204,378 |
| Total transactions with owners, recognised in equity | 0 | -13,923 | 13,923 | 0 | 0 | 0 | 0 | 101,893 | 31,919 | -352,113 | -218,301 |
| Balance at 31 Dec 2023 | 54,732 | -138,489 | 138,489 | 105,897 | 14,990 | 30,000 | 1,105 | 1,544,595 | 101,381 | 280,558 | 2,133,258 |

| € thousand | Share capital | Treasury shares | Reserves | | | | | Retained earnings | | | Total equity |
|--|---------------|-----------------|------------------------------|----------------|----------------|--------------------|--------------------|-----------------------|-------------------|---------------------|------------------|
| | | | Reserves for treasury shares | Share premium | Legal reserves | Statutory reserves | Fair value reserve | Other profit reserves | Retained earnings | Profit for the year | |
| Balance at 1 Jan 2022 | 54,732 | -114,541 | 114,541 | 105,897 | 14,990 | 30,000 | -19,004 | 1,370,902 | 88,671 | 229,954 | 1,876,142 |
| Net profit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 348,215 | 348,215 |
| Total other comprehensive income for the year (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | 23,311 | 0 | -1,826 | 0 | 21,485 |
| Total comprehensive income for the year (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | 23,311 | 0 | -1,826 | 348,215 | 369,700 |
| Transactions with owners, recognised in equity | | | | | | | | | | | |
| Formation of other profit reserves under the resolution of the AGM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 71,800 | -71,800 | 0 | 0 |
| Transfer of previous period's profits to retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 229,954 | -229,954 | 0 |
| Repurchase of treasury shares | 0 | -10,025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -10,025 |
| Formation of reserves for treasury shares | 0 | 0 | 10,025 | 0 | 0 | 0 | 0 | 0 | 0 | -10,025 | 0 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -175,025 | 0 | -175,025 |
| Total transactions with owners, recognised in equity | 0 | -10,025 | 10,025 | 0 | 0 | 0 | 0 | 71,800 | -16,871 | -239,979 | -185,050 |
| At 31 Dec 2022 | 54,732 | -124,566 | 124,566 | 105,897 | 14,990 | 30,000 | 4,307 | 1,442,702 | 69,974 | 338,190 | 2,060,792 |

Unaudited statement of cash flows of Krka, d. d., Novo mesto

| € thousand | 2023 | 2022 |
|---|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit | 294,481 | 348,215 |
| Adjustments for: | 74,451 | 145,291 |
| – Amortisation/Depreciation | 80,239 | 82,216 |
| – Net foreign exchange differences | 1,955 | -6,490 |
| – Net write-offs and allowances for inventories | 9,808 | 14,194 |
| – Net impairments and write-offs of receivables | -3,960 | 1,548 |
| – Investment income | -61,729 | -12,990 |
| – Investment expenses | 6,232 | -60 |
| – Income on financing activities | -1 | 0 |
| – Interest expense and other financial expenses | 7,339 | 2,830 |
| – Income tax expense | 34,568 | 64,043 |
| Operating profit before changes in net current assets | 368,932 | 493,506 |
| Change in trade receivables | -103,777 | 70,231 |
| Change in inventories | -30,722 | -112,849 |
| Change in trade payables | -14,391 | 7,501 |
| Change in provisions | 1,871 | -3,289 |
| Change in deferred income | -450 | -730 |
| Change in other current liabilities | 17,776 | -4,386 |
| Income tax paid | -83,840 | -42,251 |
| Net cash flow from operating activities | 155,399 | 407,733 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 7,502 | 1,656 |
| Dividends received | 798 | 631 |
| Proportionate profit of subsidiaries | 29,890 | 0 |
| Proceeds from sale of property, plant and equipment | 1,380 | 2,971 |
| Purchase of property, plant and equipment | -109,515 | -61,771 |
| Purchase of intangible assets | -8,875 | -6,570 |
| Acquisition of subsidiaries and a share of non-controlling interests net of financial assets acquired | -2,001 | -9,319 |
| Refunds of subsequent contributions to subsidiaries | 500 | 0 |
| Proceeds from non-current loans | 8,372 | 5,726 |
| Payments for non-current loans | -1,288 | -31,708 |
| Net payments for/proceeds from current loans | -50,984 | 190,432 |
| Proceeds from sale of non-current investments | 33,333 | 4,941 |
| Payments for acquiring non-current investments | -22 | -32,946 |
| Proceeds from sale of current investments | 359,100 | 153,804 |
| Payments for acquiring current investments | -568,607 | -121,621 |
| Proceeds from derivatives | 4,277 | 8,847 |
| Payments for derivatives | -389 | 0 |
| Net cash flow from investing activities | -296,529 | 105,073 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | -3,022 | -1,856 |
| Net proceeds from/payments for current borrowings | 34,290 | -1,758 |
| Lease liabilities paid | -1,125 | -1,124 |
| Dividends and other profit shares paid | -204,379 | -175,044 |
| Repurchase of treasury shares | -13,923 | -10,025 |
| Net cash flow from financing activities | -188,159 | -189,807 |
| Net decrease/increase in cash and cash equivalents | -329,289 | 322,999 |
| Cash and cash equivalents at beginning of year | 470,297 | 144,981 |
| Effect of movements in exchange rates on cash held | -15 | 2,317 |
| Closing balance of cash and cash equivalents | 140,993 | 470,297 |