

PRESS RELEASE

Otočec, 11 July 2024

Hotel Šport in Otočec, Slovenia, hosts the 30th Annual General Meeting of Krka, tovarna zdravil, d. d., Novo mesto today.

The President of the Management Board and CEO Jože Colarič presented the key 2023 Krka Group business results and some performance estimates for the first half of this year: 'The first half of the year, when we celebrate our 70th-anniversary, was marked with further good performance. We recorded increased sales in all our regions and most markets. Our estimates suggest that sales growth reached 7%, while estimated revenue and operating profit (EBIT) for the first half of 2024 have reached record levels since the foundation.'

The Supervisory Board is scheduled to discuss unaudited operating results of Krka and the Krka Group for the first half of 2024 at their regular meeting of 17 July. A press release is planned for the next day. Considering the performance estimate for the first half of 2024, we expect to meet our annual plans by the end of the year.

As the AGM unfolds, the shareholders are scheduled to discuss and vote on the proposed resolutions. We will publish the information on adopted resolutions in a separate notice.

Estimated operating results in the first half of 2024

Financial highlights

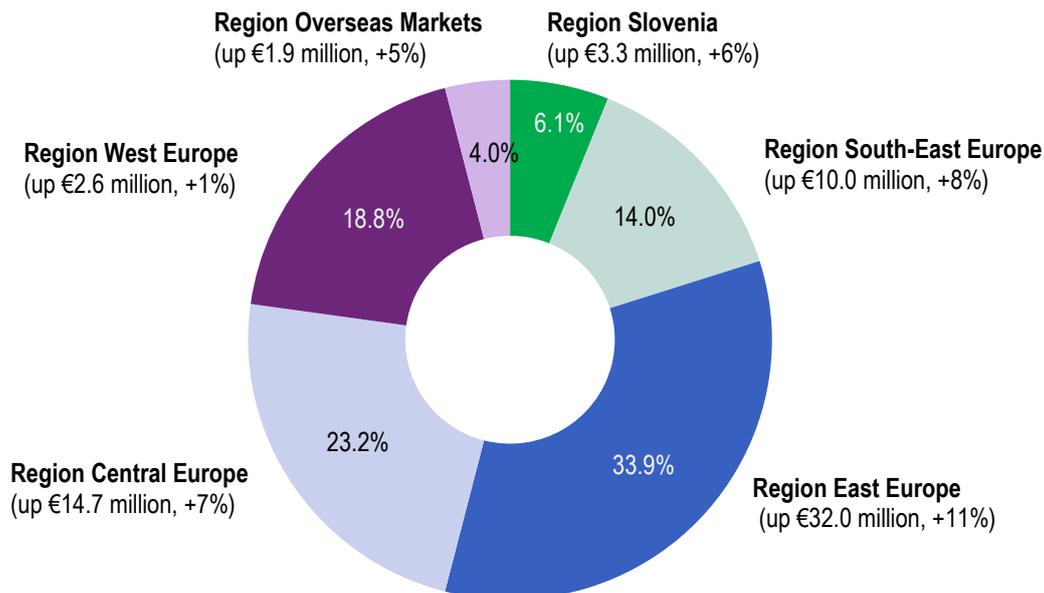
€ million	Estimate Jan–Jun 2024	Jan–Jun 2023	Index
Revenue	985.4	920.4	107
– Of that revenue from contracts with customers (products and services)	980.8	916.5	107
Earnings before interest, tax, depreciation and amortisation (EBITDA)	283.7	288.6	98
Operating profit (EBIT)	237.7	236.2	101
Net profit	221.6	170.1	130
Ratios			
EBITDA margin	28.8%	31.4%	
EBIT margin	24.1%	25.7%	
Net profit margin (ROS)	22.5%	18.5%	

Sales

Estimated product and service sales by region

€ million	Estimate Jan–Jun 2024	Jan–Jun 2023	Index
Region Slovenia	59.9	56.6	106
Region South-East Europe	137.4	127.4	108
Region East Europe	332.4	300.5	111
Region Central Europe	227.6	212.9	107
Region West Europe	183.9	181.4	101
Region Overseas Markets	39.6	37.6	105
Total	980.8	916.5	107

Estimated sales by region in the first half of 2024



The figures in parentheses show year-on-year changes in sales by region.

The Krka Group's largest region in terms of sales was Region East Europe, generating €332.4 million in product sales. Product sales totalled €195.2 million in the Russian Federation, our largest individual market, up 9% on last year. In Ukraine, Krka's third largest individual market, product sales reached €45.9 million, recording a 19% year-on-year increase. We generated €28.5 million in product sales in Uzbekistan, up 22% compared to last year. We also recorded sales growth in all other markets of eastern Europe and central Asia, except Moldova and Turkmenistan.

The second largest sales region was Region Central Europe, where product sales totalled €227.6 million. In Poland, Krka's second largest individual market in size, we recorded product sales of €108.8 million, up 17% year on year. Product sales decreased by 9% to €31.5 million in Czechia and increased by 4% to €30.9 million in Hungary. We recorded sales growth in most other regional markets.

Generating €183.9 million, Region West Europe was the third region in terms of sales. In Germany, Krka's largest market in the region and fourth largest individual market in size, product sales amounted to €45.6 million, down 7% year on year. Growth was the highest in the United Kingdom, where sales doubled, followed by the Netherlands (up 35%) and Scandinavia (up 22%).

Region South-East Europe generated product sales of €137.4 million, increasing sales in all regional markets. In Romania, product sales totalled €38.4 million, up 8% year on year.

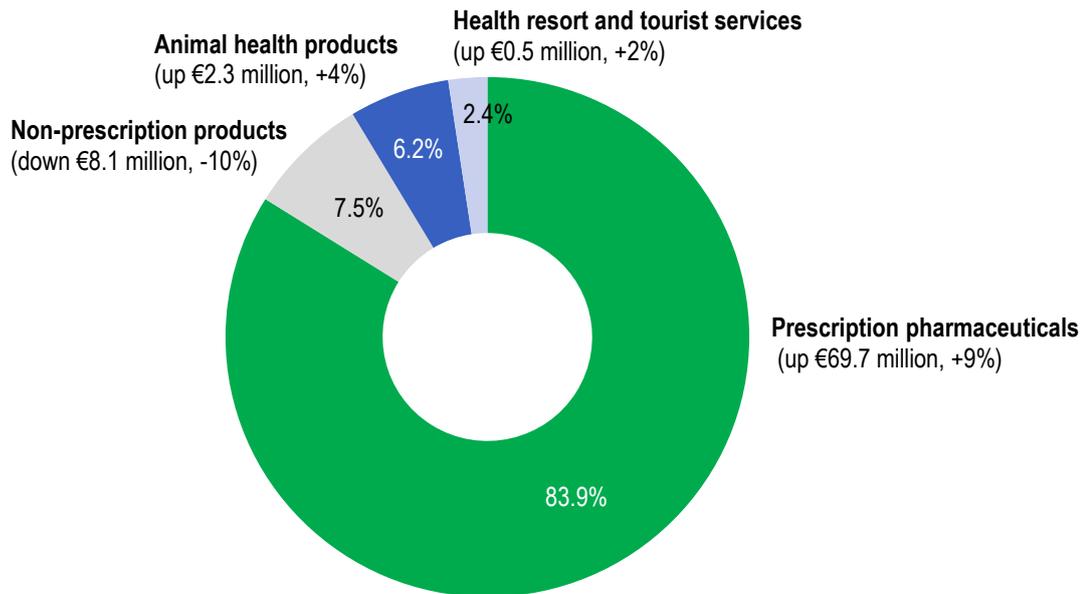
We sold €59.9 million worth of products and services in Region Slovenia. According to the latest available data, Krka holds a 7.4% share of the Slovenian market in terms of sales value, and remains the leading supplier of pharmaceuticals in the country.

Region Overseas Markets generated product sales mainly on the back of increased sales in the Far East and Africa.

Estimated product and service sales by group

€ million	Estimate Jan–Jun 2024	Jan–Jun 2023	Index
Human health products	897.1	835.6	107
– Prescription pharmaceuticals	823.4	753.7	109
– Non-prescription products	73.8	81.9	90
Animal health products	60.4	58.0	104
Health resort and tourist services	23.3	22.8	102
Total	980.8	916.5	107

Estimated product and service sales by group in the first half of 2024



The figures in parentheses show year-on-year changes in sales by product and service group.

New products

Krka develops, obtains marketing authorisations for, and launches many products on various markets. **In the first half of 2024, we obtained 11 marketing authorisations for new products** (ten prescription pharmaceuticals and one animal health product) and additional marketing authorisations for several existing products. A total of nearly 600 marketing authorisation procedures were finalised in different markets.

We were granted marketing authorisations for Varesta (vortioxetine) film-coated tablets, our contemporary agent indicated for the treatment of major depressive episodes in adults. Marketing authorisations were granted for Apremilast Krka (apremilast) film-coated tablets, allowing for safe and effective systemic therapy for advanced moderate to severe chronic plaque psoriasis, and for Eltrombopag Krka (eltrombopag) film-coated tablets for treating various forms of thrombocytopenia and severe aplastic anaemia. We were granted marketing authorisations for our triple single-pill combination Co-Amlessa Neo (perindopril arginine/amlodipine/indapamide) tablets indicated for the treatment of cardiovascular diseases. We received a positive opinion from the European Medicines Agency for our oncology product Pomalidomide Krka (pomalidomide) hard capsules indicated for multiple myeloma. Marketing authorisations were also granted for a new strength of Vitamin D3 Krka (cholecalciferol) 30,000 IU tablets indicated for the prevention and treatment of vitamin D deficiency and as adjunctive therapy in the treatment of osteoporosis.

We obtained marketing authorisations for new products in China. Three our cardiovascular agents in film-coated tablets were approved: a bisoprolol-containing agent; a single-pill combination of valsartan and amlodipine; and a single-pill combination of atorvastatin and amlodipine. We obtained marketing authorisations for aripiprazole tablets, a central nervous system agent.

We expanded the range of Krka's animal health products for companion animals with marketing authorisations for our new product Otomicol (miconazole nitrate/prednisolone acetate/polymyxin B sulfate) ear drops and cutaneous suspension for dogs, cats, and guinea pigs.

Investments

According to estimates, the Krka Group allocated **€54.9 million to investments** in the first six months of 2024, of that €40.9 million to the controlling company.

Employees

At the end of June 2024, the Krka Group **employed 11,792 people**, of whom 5,230 or 44% worked outside Slovenia. The Krka Group employees with at least university-level qualifications accounted for 50% of total headcount, and 201 held doctoral degrees. Including agency workers, the Krka Group employed 12,706 persons.

Share information

At the end of June 2024, Krka had 47,081 shareholders. On 30 June 2024, **the Krka share traded at €138.00 on the Ljubljana Stock Exchange**, up 25% on year-end 2023, when it traded at €110.00. Market capitalisation totalled €4.5 billion on 30 June 2024.

In the first half of 2024, Krka acquired 86,363 treasury shares, holding 2,002,329 treasury shares on 30 June 2024, or 6.106% of its share capital.

Major events in the first half of 2024

Establishment of joint venture in India

Together with Indian company Laurus Labs Ltd. (Laurus), Krka established a joint venture, Krka Pharma Pvt. Ltd., in Hyderabad, India, in April 2024. Krka holds a 51% stake and Laurus a 49% stake in the new company. The joint venture will allow Krka to produce finished products for new markets.

We plan to penetrate the Indian and other markets beyond the European Union, where neither party currently offers its finished products.

Judgment of the Court of Justice of the European Union in the perindopril case

In 2014, the Commission of the European Union found that Krka had infringed the provision of Article 101 of the *Treaty on the Functioning of the European Union*, thereby distorting competition on the EU market for perindopril, and imposed a fine of €10 million on Krka. Krka paid the fine within the time limit set by the Commission.

In 2014, Krka brought an action against the Commission's decision before the General Court of the European Union. In December 2018, the Court ruled in favour of Krka, as it found that its actions did not constitute a restriction of competition, and that it did not infringe the provision of Article 101 of the *Treaty on the Functioning of the European Union*.

The Commission lodged an appeal against the decision of the General Court to the European Court of Justice. Therefore, Krka formed non-current provisions of €10 million.

On 27 June 2024, the Court of Justice of the EU ruled on the Commission's appeal against the decision of the General Court of the EU. It upheld the Commission's appeal and referred the case back to the General Court of the EU for reconsideration.

Krka Group 2024 business objectives

Product and service sales are projected to reach €1,850 million. Net profit is planned at just over €310 million. The total number of employees in Slovenia and abroad is expected to increase by 3%. We plan to allocate €150 million primarily in expanding production and development facilities, infrastructure, and technological upgrades.

Initial 2024 performance estimates are expected to be released on 14 November 2024.