



**Unaudited Interim report of the  
Krka Group and  
Krka, d. d., Novo mesto  
for the nine months ended  
30 September 2024**

Novo mesto, november 2024

 **KRKA** | 70years

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## INTRODUCTION

Condensed consolidated financial statements of the Krka Group and condensed financial statements of Krka, d. d., Novo mesto (Krka, d. d., Krka, or the controlling company) for the periods January–September 2024 and January–September 2023 are unaudited, while financial statements for the full 2023 financial year are audited. Krka, d. d., Novo mesto has no authorised capital and made no conditional share capital increase.

Krka promptly announces all significant data changes in its listing prospectus in the Ljubljana Stock Exchange electronic information dissemination system (SEOnet) and in the Polish Financial Supervision Authority electronic information dissemination system (ESPI). Reports on business operations of the Krka Group and Krka, d. d. are available on the Krka website [www.krka.biz](http://www.krka.biz).

At its regular meeting of 13 November 2024, the Supervisory Board of Krka discussed the unaudited interim report of the Krka Group and Krka for the period January–September 2024.

### January–September 2024 performance highlights

- The Krka Group created €1,427.5 million in sales of products and services, of which product sales exceeded 97%.
- Product and service sales of the Krka Group increased by 7% year on year.
- We generated 94% of product and service sales outside Slovenia. Export accounted for 96% of product sales.
- Region East Europe, accounting for 33.9% of total sales, was Krka's largest sales region in size, followed by Regions Central Europe and West Europe.
- The Krka Group recorded €332.6 million in operating profit (EBIT), up 4% year on year. The EBIT margin was 23.2%. Earnings before interest, tax, depreciation, and amortisation (EBITDA) amounted to €401.7 million, while EBITDA margin reached 28.0%.
- We created net finance result of €4.7 million in the Krka Group, of that a €7.3 million loss from currency changes and a €12.0 million gain from other finance income and expenses.
- The Krka Group profit before tax increased by 18% year on year, and totalled €337.3 million.
- The Krka Group recorded net profit of €281.0 million, up 19% on the same period last year. Net profit margin was 19.6%.
- As at 30 September 2024, the Krka share traded at €136.00 on the Ljubljana Stock Exchange, up 23.6% on the year-end 2023. Market capitalisation, including treasury shares, amounted to €4.5 billion. From January to the end of September 2024, Krka repurchased treasury shares in total of €16.6 million.
- We added twelve new prescription pharmaceuticals, one non-prescription product, and one animal health product to our product portfolio.
- The Krka Group allocated €91.7 million to investments, of that €70.0 million to the controlling company.
- At the end of September 2024, the Krka Group had 11,745 full-time employees. Total headcount, including agency workers, was 12,724.

## Financial highlights

€ thousand	Krka Group			Krka		
	Jan-Sep 2024	Jan-Sep 2023	Index	Jan-Sep 2024	Jan-Sep 2023	Index
Revenue	1,434,662	1,340,536	107	1,328,449	1,248,406	106
– Of that revenue from contracts with customers (products and services)	1,427,514	1,334,881	107	1,148,926	1,078,750	107
Gross profit	819,323	771,216	106	745,156	661,048	113
Earnings before interest, tax, depreciation and amortisation (EBITDA)	401,748	398,235	101	362,127	312,478	116
Operating profit (EBIT) <sup>1</sup>	332,609	320,274	104	308,950	252,748	122
Profit before tax (EBT)	337,331	286,610	118	315,769	246,689	128
Net profit	281,027	235,559	119	266,446	212,065	126
Effective tax rate	16.7%	17.8%		15.6%	14.0%	
R&D expenses	136,364	127,344	107	133,296	124,143	107
Investments	91,703	81,454	113	70,032	68,979	102

€ thousand	30 Sep 2024	31 Dec 2023	Index	30 Sep 2024	31 Dec 2023	Index
Non-current assets	1,017,003	1,059,267	96	1,041,386	1,076,235	97
Current assets	1,799,132	1,705,024	106	1,547,516	1,537,636	101
– Inventories	636,523	604,621	105	543,029	513,892	106
– Trade receivables	552,041	509,070	108	524,723	463,126	113
– Cash and cash equivalents	315,786	174,011	181	200,506	140,993	142
Equity	2,204,101	2,181,766	101	2,149,010	2,133,258	101
Non-current liabilities	141,480	149,218	95	110,322	118,930	93
Current liabilities	470,554	433,307	109	329,570	361,683	91
– Trade payables	166,419	153,762	108	184,402	175,847	105

RATIOS	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Gross profit margin	57.1%	57.5%	56.1%	53.0%
EBITDA margin	28.0%	29.7%	27.3%	25.0%
EBIT margin	23.2%	23.9%	23.3%	20.2%
EBT margin	23.5%	21.4%	23.8%	19.8%
Net profit margin (ROS)	19.6%	17.6%	20.1%	17.0%
Return on equity (ROE) <sup>2</sup>	17.1%	14.8%	16.6%	13.7%
Return on assets (ROA) <sup>3</sup>	13.4%	11.8%	13.7%	11.3%
Liabilities/Equity	0.278	0.253	0.205	0.206
R&D expenses/Revenue	9.5%	9.5%	10.0%	9.9%

NUMBER OF EMPLOYEES	30 Sep 2024	31 Dec 2023	Index	30 Sep 2024	31 Dec 2023	Index
Balance at	11,745	11,780	100	6,522	6,509	100

SHARE INFORMATION	Jan-Sep 2024	Jan-Sep 2023	Index
Total number of shares issued	32,793,448	32,793,448	100
Earnings per share (EPS) in € <sup>4</sup>	12.17	10.13	120
Closing price at end of period in € <sup>5</sup>	136.00	109.50	124
Price/Earnings (P/E)	11.18	10.81	103
Book value in € <sup>6</sup>	67.21	64.54	104
Price/Book value (P/B)	2.02	1.70	119
Market capitalisation in € thousand (end of period)	4,459,909	3,590,883	124

<sup>1</sup> The difference between operating income and expenses

<sup>2</sup> Net profit, annualised/Average shareholders' equity in the period

<sup>3</sup> Net profit, annualised/Average total asset balance in the period

<sup>4</sup> Net profit attributable to majority equity holders of the Krka Group, annualised/Average number of shares issued in the period, excluding treasury shares

<sup>5</sup> Share price on the Ljubljana Stock Exchange

<sup>6</sup> Equity at end of period/Total number of shares issued

## Krka d. d. ID card

**Registered office** Šmarješka cesta 6, 8501 Novo mesto, Slovenia

**Telephone** +386 (0) 7 331 21 11

**E-mail** info@krka.biz

**Website** www.krka.biz

**Core business** Manufacture of pharmaceutical preparations

**Business classification code** 21,200

**Year established** 1954

**Registration entry** 1/00097/00, District Court of Novo mesto, Slovenia

**Tax number** 82646716

**VAT number** SI82646716

**Company ID number** 5043611000

**Share capital** €54,732,264.71

**Total number of shares issued** 32,793,448 ordinary registered no-par value shares, KRKG stock symbol. Krka shares have been listed on the Ljubljana Stock Exchange since 1997 under the KRKG stock symbol, and since April 2012 they have been dual-listed on the Warsaw Stock Exchange under the KRK stock symbol.

## Krka Group at a glance

The Krka Group consists of the controlling company, Krka, d. d., Novo mesto, a subsidiary in Slovenia, Terme Krka, d. o. o., Novo mesto, and 33 subsidiaries outside Slovenia. The controlling company has a 100% stake in all subsidiaries except in Ningbo Krka Menovo Pharmaceutical Co. Ltd., where Krka holds a 60% stake and the Chinese partner, Ningbo Menovo Pharmaceutical Co. Ltd., a 40% stake. Together with the Indian company Laurus Labs Ltd. (hereinafter Laurus), Krka established a joint venture, Krka Pharma Pvt. Ltd., headquartered in Hyderabad, India, in April 2024. Krka holds a 51% stake, and Laurus a 49% stake in the new company. The joint venture will enable Krka to produce finished products for existing and new markets.

The Krka Group develops, produces, markets, and sells human health products (prescription pharmaceuticals and non-prescription products), animal health products, and health resort and tourist services.

Production takes place in the controlling company in Slovenia and at Krka subsidiaries in the Russian Federation, Poland, Croatia, and Germany. These subsidiaries, apart from Krka-Rus in the Russian Federation, deal with marketing and sales in addition to production. In China, production takes place in long-term leased production facilities. Other subsidiaries outside Slovenia market and/or sell Krka products but do not have production capacities. The subsidiary Terme Krka provides health resort and tourist services and is the owner of Golf Grad Otočec.

## 2024 Krka Group performance estimate

- Full-year sales of products and services are projected at €1,890 million, up 5.1% year on year. Estimated sales are somewhat higher than the 2024 sales target.
- The proportion of sales in markets outside Slovenia is estimated at 94%.
- Region East Europe is expected to generate the highest sales. We expect the Russian Federation to remain our largest individual market in size. Other regions are projected to follow in this order: a) Region Central Europe that comprises Poland, our second largest individual market in size; b) Region West Europe that comprises Germany, the largest regional market in size; c) Region South-East Europe; d) Region Slovenia; and e) Region Overseas Markets.
- Prescription pharmaceuticals will remain the most important product category, accounting for an 82% share of total sales.
- Net profit is projected at €339 million, an 8% year-on-year increase.

- We plan to allocate €130 million to investments in our in-house development, production, and infrastructure facilities. Also, at the beginning of October, we invested €2.5 million in initial share capital of our new joint venture in India, where we hold the 51% controlling stake. Investment in production capacities in India will start in the first half of 2025.
- At the end of 2024, the Krka Group is expected to have 12,928 regular employees on payroll, agency workers included, up 1%, of that 41% outside Slovenia.

## 2025 Krka Group business plan

- Product and service sales are projected at sound €2 billion. Average annual sales growth over the five-year period is planned at 5.5%.
- The proportion of sales in markets outside Slovenia is estimated at 94%.
- Prescription pharmaceuticals will remain the most important product group, and are expected to account for more than 80% of overall sales.
- Full-year net profit is estimated at €354 million.
- We plan to allocate €150 million to investments, primarily in expanding and upgrading production facilities and infrastructure. Of this, €120 million will be invested into our capacities and €30 million through joint ventures.
- The total number of employees in Slovenia and abroad is projected to increase by 1%.

The 2025 business objectives derive from the *2024–2028 Krka Group Development Strategy* and are based on estimates, assessments, projections, and other available data. The Management Board believes the projections are reasonable. In the event of major changes in the business environment, e.g. price erosion, rising prices of raw materials, changes in exchange rates for certain currencies important for Krka, and lower demand for pharmaceutical products, the actual operating results can deviate from the plan.

## BUSINESS REPORT

### Financial risks

#### Foreign exchange risk

Krka's key currency risk management policy remains to mitigate currency risk exposure by natural hedging. We also use financial instruments to a limited extent.

The Russian rouble continues to represent the largest Krka Group currency risk. We utilise natural hedging strategies because international markets offer no financial instruments to mitigate this risk.

From the beginning of the year to the end of September, the rouble depreciated by 3.5%, while the average value of the rouble expressed in the euro decreased by 8.3% year on year. In the first nine months of 2024, the Krka Group recorded foreign exchange losses from its long position in the Russian rouble, which are recognised in the net finance result.

We hedged the risk exposure to the US dollar with financial instruments in the first nine months of 2024. Unlike with other currencies, exposure to the US dollar arises from a surplus of liabilities over assets from regular business operations – in other words, the currency position is short. Exposure to the US dollar arises primarily from purchasing raw and other materials.

The value of the US dollar denominated in euros decreased by 1.3% over the three quarters and its average value dropped by 0.4% year on year.

Other currencies relevant to Krka's sales had a minor impact on the Krka Group's 2024 Q3 result.

Taking into account net foreign exchange gains and losses, income and expenses from financial instruments, interest income and expense, and other finance income and expenses, the total net finance result for the first nine months of 2024 was positive and amounted to €4.7 million.

#### Credit risk

The key credit risk of the Krka Group arises from trade receivables. The centralised credit control process at the Krka Group level includes all customers with credit limits exceeding €20,000. Numbering over 600 at the end of the 2024 third quarter, they accounted for more than 95% of total trade receivables. Small customer credit control is decentralised and exercised in the sales network under the constant supervision of the controlling company.

Our credit risk management policy remained unchanged in the first nine months of 2024. At the end of this period, more than 95% of the Krka Group trade receivables were insured with a credit insurance company.

At the end of the third quarter, the total value of trade receivables denominated in euros increased by 8% since the beginning of the year. The maturity structure of receivables remained stable. The percentage of overdue receivables to total trade receivables remained within acceptable limits at the end of the third quarter.

### Investor and share information

The Krka share price increased by 23.6% over the nine months, trading at €136.00 on the Ljubljana Stock Exchange on 30 September 2024. In this period, the proportions of Slovenian retail investors and treasury shares increased, while the proportion of foreign investors somewhat decreased. The proportion of Slovenian legal entities and institutional investors remained unchanged. At the end of September 2024, Krka had 47,139 shareholders.

## Shareholder structure (%)

	30 Sep 2024	31 Dec 2023
Slovenian retail investors	41.3	41.1
Slovenski državni holding (SDH, Slovenian Sovereign Holding) and the Republic of Slovenia	16.2	16.2
Kapitalska družba, d. d. (Pension Fund Management) and Prvi pokojninski sklad (First Pension Fund)	10.8	10.9
Slovenian legal entities and institutional investors	5.5	5.5
Foreign investors	20.0	20.5
Treasury shares	6.2	5.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

In the first nine months of 2024, Krka acquired 129,287 treasury shares, thus holding 2,045,253 treasury shares as at 30 September 2024, which accounted for 6.237% of its share capital.

## Ten largest shareholders as at 30 September 2024

	Country	No. of shares	Equity (%)	Voting rights (%)
Kapitalska družba, d. d.	Slovenia	3,493,030	10.65	11.36
Slovenski državni holding, d. d.	Slovenia	2,949,876	9.00	9.59
Republic of Slovenia	Slovenia	2,366,141	7.22	7.70
OTP banka d.d.*	Croatia	1,521,841	4.64	4.95
Erste Group Bank AG*	Austria	1,289,478	3.93	4.19
Clearstream Banking S.A.*	Luxembourg	1,033,041	3.15	3.36
Luka Koper, d. d.	Slovenia	433,970	1.32	1.41
Privredna banka Zagreb d.d.*	Croatia	363,108	1.11	1.18
KDPW*	Poland	333,025	1.02	1.08
State Street Bank and Trust*	USA	304,681	0.93	0.99
<b>Total</b>		<b>14,088,191</b>	<b>42.96</b>	<b>45.82</b>

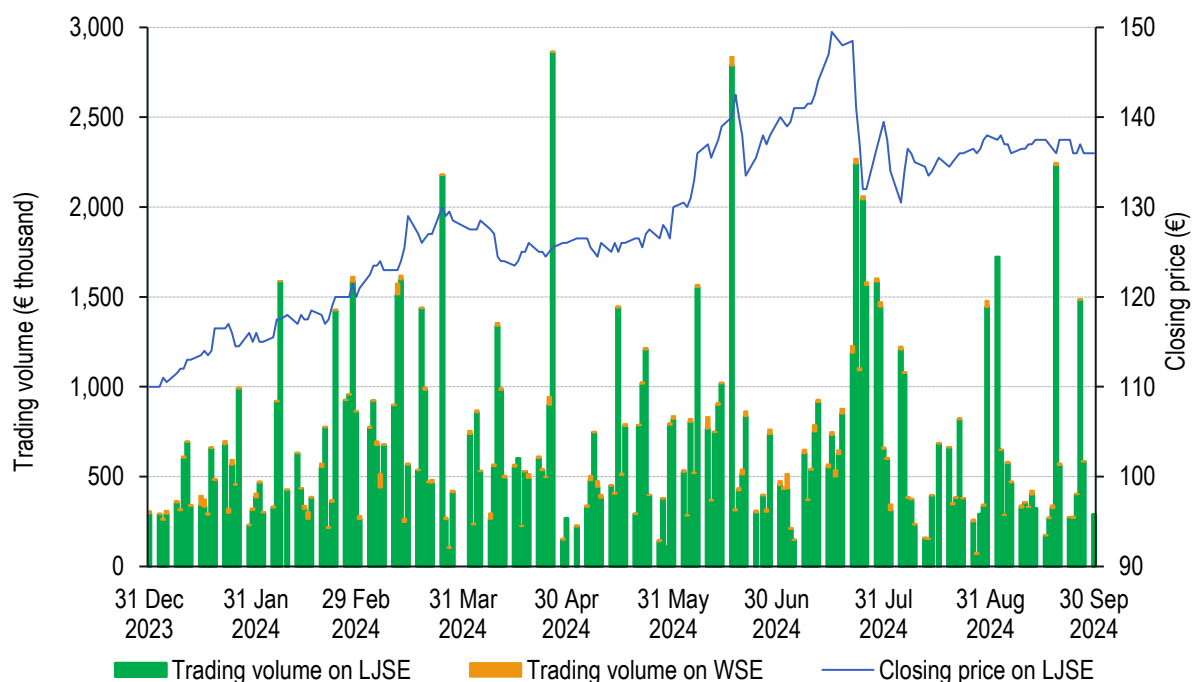
\* The shares are on custody accounts with the above banks and are owned by their clients.

## Equity holdings and voting rights of Management and Supervisory Board members as at 30 September 2024

	No. of shares	Equity (%)	Voting rights (%)
<b>Management Board members</b>			
Jože Colarič	22,500	0.069	0.073
Aleš Rotar	13,915	0.042	0.045
Vinko Zupančič	120	0.000	0.000
Milena Kastelic	505	0.002	0.002
<b>Total Management Board members</b>	<b>37,040</b>	<b>0.113</b>	<b>0.120</b>
<b>Supervisory Board members</b>			
Julijana Kristl	230	0.001	0.001
Matej Lahovnik	1,000	0.003	0.003
Mojca Osolnik Videmšek	617	0.002	0.002
Tomaž Sever	500	0.002	0.002
<b>Total Supervisory Board members</b>	<b>2,347</b>	<b>0.007</b>	<b>0.008</b>
<b>Total Management and Supervisory Board members</b>	<b>39,387</b>	<b>0.120</b>	<b>0.128</b>



## Krka share trading from January to September 2024



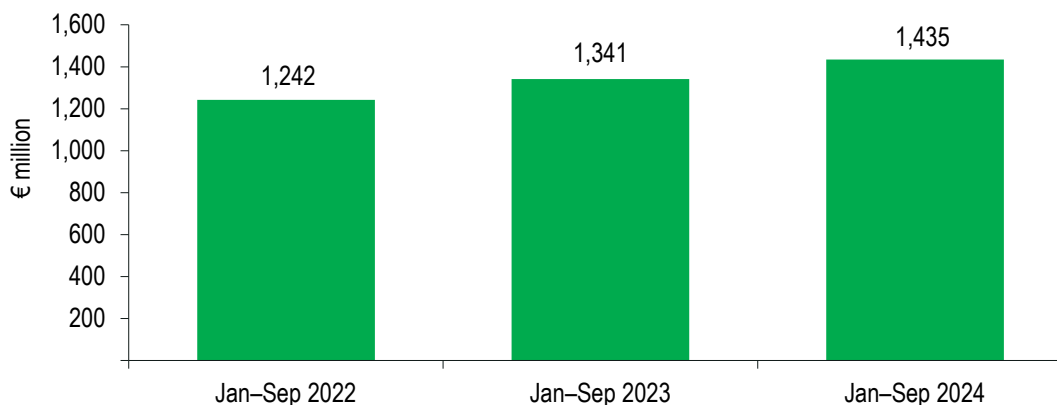
Market capitalisation of Krka on the Ljubljana Stock Exchange totalled €4.5 billion as at 30 September 2024. In this period, the daily trading volume of the Krka share averaged €0.65 million. Krka shares have also been listed on the Warsaw Stock Exchange since April 2012.

## Krka Group performance analysis

### Revenue

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Revenue from contracts with customers on sales of products and services	1,427,514	1,334,881	107
Revenue from contracts with customers on sales of materials and other sales revenue	7,148	5,655	126
<b>Total revenue</b>	<b>1,434,662</b>	<b>1,340,536</b>	<b>107</b>
Other operating income	5,090	4,423	115
Finance income	20,538	16,626	124
<b>Total income</b>	<b>1,460,290</b>	<b>1,361,585</b>	<b>107</b>

## Sales by period



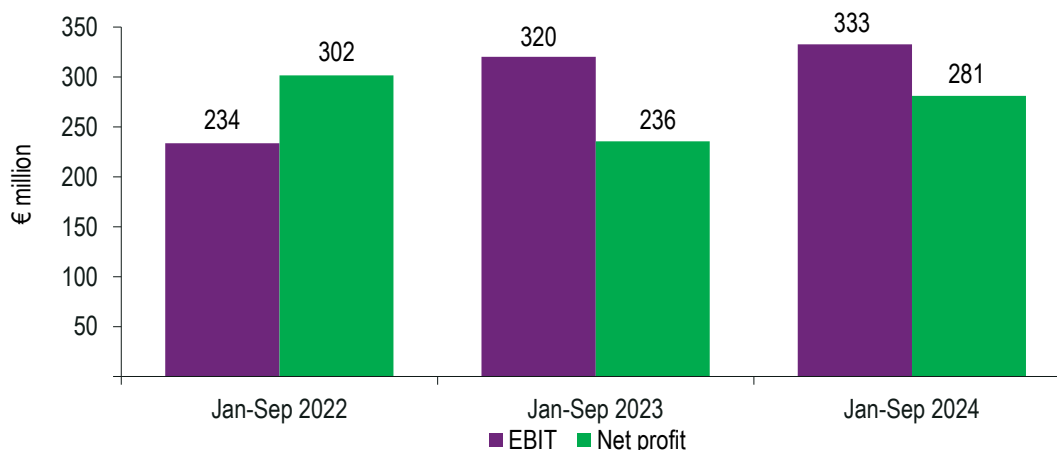
## Expenses

€ thousand	Jan-Sep 2024	Revenue (%)	Jan-Sep 2023	Revenue (%)	Index
Cost of goods sold	615,339	42.9	569,320	42.5	108
Selling and distribution expenses	268,961	18.8	250,794	18.7	107
R&D expenses	136,364	9.5	127,344	9.5	107
General and administrative expenses	86,479	6.0	77,227	5.7	112
<b>Total operating expenses</b>	<b>1,107,143</b>	<b>77.2</b>	<b>1,024,685</b>	<b>76.4</b>	<b>108</b>
Finance expenses	15,816	1.1	50,290	3.8	31
<b>Total expenses</b>	<b>1,122,959</b>	<b>78.3</b>	<b>1,074,975</b>	<b>80.2</b>	<b>104</b>

## Operating results

€ thousand	Jan-Sep 2024	Jan-Sep 2023	Index
Earnings before interest, tax, depreciation and amortisation (EBITDA)	401,748	398,235	101
Operating profit (EBIT)	332,609	320,274	104
Profit before tax (EBT)	337,331	286,610	118
Net profit	281,027	235,559	119

## Operating profit (EBIT) and net profit by period



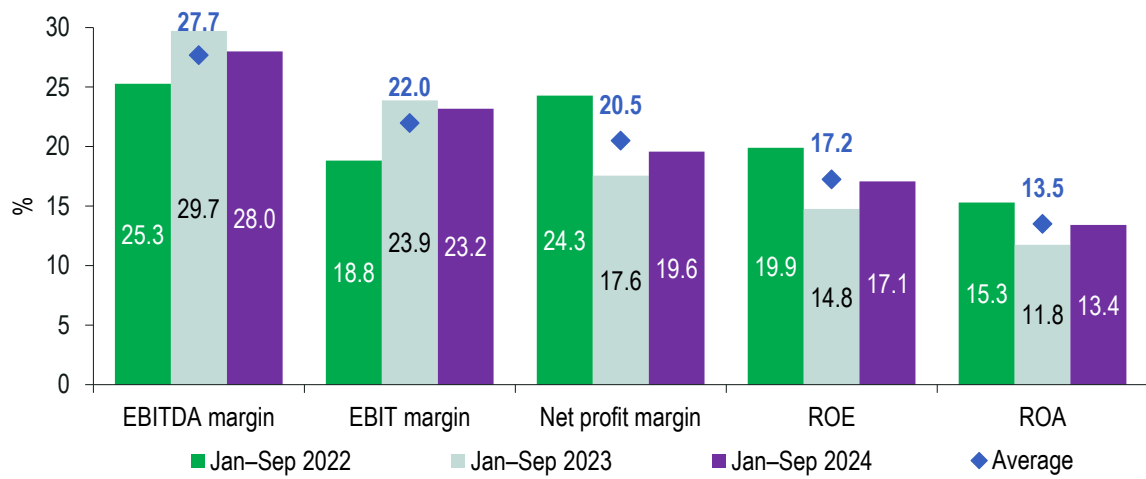
## Assets

€ thousand	30 Sep 2024	%	31 Dec 2023	%	Index
<b>Non-current assets</b>	<b>1,017,003</b>	<b>36.1</b>	<b>1,059,267</b>	<b>38.3</b>	<b>96</b>
Attributable to:					
– Property, plant and equipment	814,211	28.9	790,345	28.6	103
– Intangible assets	99,139	3.5	102,348	3.7	97
<b>Current assets</b>	<b>1,799,132</b>	<b>63.9</b>	<b>1,705,024</b>	<b>61.7</b>	<b>106</b>
Attributable to:					
– Inventories	636,523	22.6	604,621	21.9	105
– Trade receivables and other receivables	582,156	20.7	560,434	20.3	104
<b>Total assets</b>	<b>2,816,135</b>	<b>100.0</b>	<b>2,764,291</b>	<b>100.0</b>	<b>102</b>

## Equity and liabilities

€ thousand	30 Sep 2024	%	31 Dec 2023	%	Index
<b>Equity</b>	<b>2,204,101</b>	<b>78.3</b>	<b>2,181,766</b>	<b>78.9</b>	<b>101</b>
<b>Non-current liabilities</b>	<b>141,480</b>	<b>5.0</b>	<b>149,218</b>	<b>5.4</b>	<b>95</b>
Attributable to provisions:	116,482	4.1	124,398	4.5	94
– Provisions for post-employment benefits and other non-current employee benefits	115,838	4.1	113,286	4.1	102
– Provisions for lawsuits	38	0.0	10,582	0.4	0
– Other provisions	606	0.0	530	0.0	114
<b>Current liabilities</b>	<b>470,554</b>	<b>16.7</b>	<b>433,307</b>	<b>15.7</b>	<b>109</b>
– Trade payables	166,419	5.9	153,762	5.6	108
– Contract liabilities	176,197	6.3	162,173	5.9	109
– Other current liabilities	127,938	4.5	117,372	4.2	109
<b>Total equity and liabilities</b>	<b>2,816,135</b>	<b>100.0</b>	<b>2,764,291</b>	<b>100.0</b>	<b>102</b>

Performance ratios



All performance ratios are in line with the Krka Group key strategic objectives.

## Marketing and sales

The Krka Group generated sales revenue of €1,434.7 million in the first nine months of 2024, of that revenue from contracts with customers on sales of products and services totalled €1,427.5 million. Sales in markets outside Slovenia totalled €1,335.6 million, accounting for 94% of overall Krka Group sales. Sales volume presented 2% growth.

### Krka Group product and service sales by region

Sales increased in all sales regions, except in Region West Europe, and in most markets.

#### Product and service sales by region

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Region Slovenia	91,893	86,678	106
– % of product and service sales	6.5	6.5	
Region South-East Europe	201,627	187,196	108
– % of product and service sales	14.1	14.0	
Region East Europe	484,297	434,083	112
– % of product and service sales	33.9	32.5	
Region Central Europe	328,553	305,013	108
– % of product and service sales	23.0	22.8	
Region West Europe	264,538	266,399	99
– % of product and service sales	18.5	20.0	
Region Overseas Markets	56,606	55,512	102
– % of product and service sales	4.0	4.2	
<b>Total</b>	<b>1,427,514</b>	<b>1,334,881</b>	<b>107</b>

### Region Slovenia

Holding a 7.4% market share, we maintained the leading position among providers of generic medicines in Slovenia in terms of sales value.

Products from our key therapeutic categories promoted in marketing campaigns contributed most substantially to sales, above all those for cardiovascular diseases; pain relief; the central nervous system; the gastrointestinal tract; and vitamins and minerals.

Our key prescription pharmaceutical brands for the treatment of cardiovascular diseases were perindopril-based products: Prenessa (perindopril), Prenewel (perindopril/indapamide), Amlessa (perindopril/amlodipine), and Amlewel (perindopril/amlodipine/indapamide). They helped us reinforce our leading market position and recognition in the market of antihypertensive agents. Of our statin product group, we strengthened the leading market position of Sorvasta (rosuvastatin) and bolstered the visibility of the single-pill combination Sorvitimb (rosuvastatin/ezetimibe). We increased the visibility of Tezulix (ranolazine) indicated for the symptomatic treatment of stable angina pectoris. Our new oral anticoagulant Daxanlo (dabigatran) has become established in clinical practice.

Of our antidiabetic agents, we raised the visibility of two antihyperglycemic agents from the dipeptidyl-peptidase 4 (DPP-4) inhibitor product group: a mono-component agent Maysiglu (sitagliptin) and a single-pill combination Maymetsi (sitagliptin/metformin). We primarily focused on the nonsteroidal anti-inflammatory drug Nalgesin Forte (naproxen), the nonopioid analgesic Algominal (metamizole), and the analgesic Doreta (tramadol/paracetamol), in particular Doreta SR 75 mg/650 mg prolonged-release bilayer tablets, all from our pain relief range. We further strengthened visibility of two central nervous agents, the antipsychotic Parnido (paliperidone) and the antidepressant Dulsevia (duloxetine). We increased the visibility of Vitamin D3 Krka 7000 IU (cholecalciferol), which is taken once per week. We added Aregalu (teriflunomide) for the treatment of multiple sclerosis to our portfolio of products and entered into a new therapeutic area.

We added Magnezij Krka Direkt, containing 250 mg of magnesium in three different forms and eight group B vitamins, to our vitamin-and-mineral range. The magnesium-based product family recorded the strongest sales of our non-prescription products, and was followed by the analgesic Nalgesin S (naproxen). Fypryst Combo

(fipronil/S-methoprene) for protection against fleas and ticks, followed by the wide-spectrum parasiticide Milprazon (milbemycin/praziquantel) were our leading animal health products.

## Region South-East Europe

### Product sales by market

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Romania	55,707	51,871	107
Croatia	37,778	35,668	106
Serbia	29,316	27,882	105
Bulgaria	22,773	20,648	110
North Macedonia	21,794	20,236	108
Bosnia and Herzegovina	18,805	17,133	110
Kosovo	7,016	6,785	103
Albania	2,972	2,820	105
Greece	2,898	2,229	130
Montenegro	2,570	1,923	134
<b>Total</b>	<b>201,627</b>	<b>187,196</b>	<b>108</b>

According to the latest available data, we held a 7.6% market share in terms of volume, and were the most successful of all providers of prescription pharmaceuticals in the pharmacy segment in **Romania**. The most important medicines in terms of sales were Atoris (atorvastatin), Co-Prenessa (perindopril/indapamide), Nolpaza (pantoprazole), Doreta (tramadol/paracetamol), Teotard (theophylline), Roswera (rosuvastatin), and Co-Roswera (rosuvastatin/ezetimibe). Our best-selling non-prescription products were Bilobil (ginkgo leaf extract) and Nalgesin (naproxen). Products sold under the Fypryst brand, Selehold (selamectin), and Milprazon (milbemycin/praziquantel) remained our leading animal health products in terms of sales.

We increased year-on-year sales of all our product groups in **Croatia**. We ranked second as regards prescription pharmaceutical sales in the pharmacy segment. The leading prescription pharmaceuticals were Atoris (atorvastatin), Emanera (esomeprazole), Co-Dalneva (perindopril/amlodipine/indapamide), Co-Perineva (perindopril/indapamide), Helex (alprazolam), Roswera (rosuvastatin), Doreta (tramadol/paracetamol), Dalneva (perindopril/amlodipine), Valsacombi (valsartan/hydrochlorothiazide), and Panatus (butamirate). Nalgesin (naproxen), Septolete Duo (benzylamine/cetylpyridinium chloride), and B-Complex recorded the strongest sales of non-prescription products. The Fypryst brand products and Enroxil (enrofloxacin) generated the strongest sales of animal health products.

## Region East Europe

### Product sales by market

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Russian Federation	282,355	259,978	109
Ukraine	69,285	55,789	124
Uzbekistan	39,562	34,490	115
Belarus	20,824	17,530	119
Kazakhstan	17,416	16,155	108
Mongolia	12,062	10,922	110
Moldova	10,426	9,800	106
Georgia	7,608	6,895	110
Azerbaijan	7,582	7,485	101
Armenia	6,157	5,359	115
Kyrgyzstan	6,014	4,857	124
Tajikistan	3,376	2,856	118
Turkmenistan	1,629	1,968	83
<b>Total</b>	<b>484,297</b>	<b>434,083</b>	<b>112</b>

In the nine-month period, we recorded a 9% increase in sales value expressed in the euro and a 23% increase expressed in the Russian rouble and ranked first among foreign generic manufacturers in the **Russian Federation**.

Co-Dalneva (perindopril/amlodipine/indapamide), Co-Perineva (perindopril/indapamide), Lorista (losartan), Lorista H and Lorista HD (losartan/hydrochlorothiazide), Valsacor (valsartan), Vamloset (valsartan/amlodipine), Roxera (rosuvastatin), Nolpaza (pantoprazole), Valsacor H and Valsacor HD (valsartan/hydrochlorothiazide), and Co-Vamloset (valsartan/amlodipine/hydrochlorothiazide) generated the strongest sales of prescription pharmaceuticals. Co-Dalneva (perindopril/amlodipine/indapamide) and Dabixom (dabigatran) recorded the highest absolute growth. We launched Telinstar (telmisartan/indapamide), an important cardiovascular agent, in the first half of the year. We remained the leading provider of prescription pharmaceuticals for the treatment of cardiovascular diseases.

Sales of our non-prescription products were driven by Nalgesin (naproxen), Septolete Total (benzylamine/cetylpyridinium chloride), and the Herbion brand products. The leading animal health products were Milprazon (milbemycin/praziquantel), Selafort (selamectin), and Tuloxin (tulathromycin). Tuloxin also achieved the highest absolute growth.

In the first nine months of 2024, the Krka Rus plant supplied 75% of all Krka products sold in the Russian Federation.

The state of emergency in **Ukraine** continued to impact the reliability of the pharmaceutical market. As to the latest available data, we retained the second place among foreign providers of generic medicines in the pharmacy segment and our market growth rate matched the average country market growth rate. Prescription pharmaceuticals remained the leading sales group, primarily owing to strong sales of Co-Prenessa (perindopril/indapamide), Co-Amlessa (perindopril/amlodipine/indapamide), Nolpaza (pantoprazole), and Roxera (rosuvastatin). Non-prescription products that generated the highest sales were Nalgesin (naproxen), the Herbion brand products, and Septolete Total (benzylamine/cetylpyridinium chloride), while best-selling animal health products were Milprazon (milbemycin/praziquantel) and Selafort (selamectin).

According to the latest available data, we remained the leading medicine provider and outstripped the average market growth rate in **Uzbekistan**. Amlessa (perindopril/amlodipine), Nolpaza (pantoprazole), Valodip (valsartan/amlodipine), and Co-Amlessa (perindopril/amlodipine/indapamide) generated the strongest sales of our prescription pharmaceuticals. Pikovit and Septolete Total (benzylamine/cetylpyridinium chloride) were our best-selling non-prescription products.

## Region Central Europe

### Product sales by market

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Poland	160,304	136,581	117
Czechia	44,539	47,671	93
Hungary	41,886	41,539	101
Slovakia	32,085	32,086	100
Lithuania	25,634	23,227	110
Latvia	14,915	14,461	103
Estonia	9,191	9,448	97
<b>Total</b>	<b>328,553</b>	<b>305,013</b>	<b>108</b>

**Poland** remained Krka's second largest individual market. As per latest data, we ranked fifth largest provider of generic medicines in the country. We were the provider with the most pharmaceuticals for patients aged 65 and older on the new reimbursement list. Sales were driven by prescription pharmaceuticals, most notably Atoris (atorvastatin), Roswera (rosuvastatin), Doreta (tramadol/paracetamol), Valsacor (valsartan), Co-Valsacor (valsartan/hydrochlorothiazide), Emanera (esomeprazole), and Coroswera (rosuvastatin/ezetimibe). Of other prescription pharmaceuticals, Dulsevia (duloxetine) and Valtricom (amlodipine/valsartan/hydrochlorothiazide) also generated strong sales. The Septolete product brand and Septanazal (xylometazoline/dexpanthenol) remained best-selling non-prescription products, while Milprazon (milbemycin/praziquantel), Floron (florfenicol), and Enroxil (enrofloxacin) generated the highest animal health product sales.

Prescription pharmaceuticals generated the highest sales also in **Czechia**, most notably Sorvasta (rosuvastatin), Atoris (atorvastatin), Lexaurin (bromazepam), Nolpaza (pantoprazole), Pragiola (pregabalin), Elicea (escitalopram), Doreta (tramadol/paracetamol), Tonanda (perindopril/amlodipine/indapamide), Asentra (sertraline), and Tonarssa (perindopril/amlodipine). Nalgesin S (naproxen) and the Septolete brand products were our key non-prescription products.

Prescription pharmaceuticals generated the highest sales in **Hungary**, in particular Co-Prenessa (perindopril/indapamide), Roxera (rosuvastatin), Emozul (esomeprazole), Zolsana (zolpidem), Zyllt (clopidogrel), Valsacor (valsartan), Co-Dalnessa (perindopril/amlodipine/indapamide), Co-Valsacor (valsartan/hydrochlorothiazide), Atoris (atorvastatin), Ralago (rasagiline), and Dulsevia (duloxetine). Of non-prescription products, Bilobil (ginkgo leaf extract), Septanazal (xylometazoline/dexpanthenol), and Septolete Extra (benzylamine/cetylpyridinium chloride) generated the strongest sales.

Nolpaza (pantoprazole), Atoris (atorvastatin), Co-Prenessa (perindopril/indapamide), Co-Amlessa (perindopril/amlodipine/indapamide), Prenessa (perindopril), Amlessa (perindopril/amlodipine), and Lexaurin (bromazepam) recorded the highest sales of our prescription pharmaceuticals in **Slovakia**. Nalgesin S (naproxen), Flebaven (diosmin), Nolpaza (pantoprazole), the Septolete brand products and Panzynom (pancreatin) were the leading non-prescription products.

## Region West Europe

### Product sales by market

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Germany	62,435	72,194	86
Scandinavia	51,414	45,716	112
Portugal	25,519	25,475	100
United Kingdom	21,139	13,025	162
Italy	20,623	23,922	86
Spain	20,303	17,170	118
France	15,579	24,227	64
Ireland	10,986	11,256	98
Netherlands	10,977	7,264	151
Belgium	9,342	8,599	109
Austria	8,045	8,244	98
Other European countries	8,178	9,307	88
<b>Total</b>	<b>264,538</b>	<b>266,399</b>	<b>99</b>

Medicines containing esomeprazole, candesartan, sitagliptin, and venlafaxine were our leading prescription pharmaceuticals. We remained one of the leading providers of sartans and proton pump inhibitors in the markets of western Europe.

Sales of non-prescription products were driven by the Septolete brand products, and products containing paracetamol.

Antiparasitic products for companion animals drove sales, most notably single-pill combinations of milbemycin and praziquantel, and fipronil. Medicines containing enrofloxacin generated the highest sales of products for farm animals.

**Germany** remained our most important regional market, where cardiovascular agents and antidiabetics, followed by central nervous system agents and medicines for the treatment of gastrointestinal tract and metabolism, recorded the highest sales. Medicines containing candesartan, sitagliptin, ramipril, and ranolazine generated the strongest sales. We were the leading provider of single-pill combinations of ramipril and amlodipine and candesartan in combination with amlodipine.



## Region Overseas Markets

### Product sales by market

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Far East and Africa	27,195	24,747	110
Middle East	19,013	20,946	91
China	9,231	8,686	106
Americas	1,167	1,133	103
<b>Total</b>	<b>56,606</b>	<b>55,512</b>	<b>102</b>

We recorded growth in three out of four sales offices in the first nine months of 2024. Our representative office **Far East and Africa** recorded the highest relative growth. The only representative office that recorded a decrease in sales was **Middle East**, owing to the complex security issues.

### Krka Group sales by product and service group

#### Product and service sales by group

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Prescription pharmaceuticals	1,181,266	1,094,339	108
– % of product and service sales	82.8	82.0	
Non-prescription products	121,654	120,748	101
– % of product and service sales	8.5	9.0	
Animal health products	86,825	82,873	105
– % of product and service sales	6.1	6.2	
Health resort and tourist services	37,769	36,921	102
– % of product and service sales	2.6	2.8	
<b>Total</b>	<b>1,427,514</b>	<b>1,334,881</b>	<b>107</b>

### Prescription pharmaceuticals

We increased prescription pharmaceutical sales in Region East Europe (up 13%), region Central Europe and Region Slovenia (up 9%), Region South-East Europe (up 8%), and Region Overseas Markets (up 4%), while year-on-year prescription pharmaceutical sales remained the same in Region West Europe.

Two of our three largest markets increased year-on-year sales: Poland by 17% and the Russian Federation by 8%; sales in Germany decreased by 15%. As to other major markets, sales growth was the highest in Ukraine (28%), Uzbekistan (24%), Scandinavia (12%), Slovenia (9%), Romania and Serbia (7%), Croatia (5%) and Hungary (1%).

The top ten prescription pharmaceuticals in terms of sales were product groups containing perindopril (Prenessa\*, Co-Prenessa\*, Amlessa\*, Co-Amlessa\*, Roxiper\*, Roxampex\*), valsartan (Valsacor, Co-Valsacor\*, Wamlox\*, Valtricom\*, Valarox\*, Valomindo\*), rosuvastatin (Roswera\*, Co-Roswera\*), pantoprazole (Noplaza\*), losartan (Lorista\*, Lorista H\*, Lorista HD\*, Tenloris\*), atorvastatin (Atoris), esomeprazole (Emanera\*), tramadol (Doreta\*, Tadol\*), candesartan (Karbic\*, Karbicombi\*, Kandoset\*), and telmisartan (Tolura\*, Tolucombi\*, Telassmo\*, Tolutris\*, Telinstar\*).

Product groups containing perindopril, rosuvastatin, valsartan, and dabigatran, which was launched on first markets in 2023, generated the highest sales.

In the first nine months of 2024, we extended our portfolio with several entirely new single-pill combinations for the treatment of hypertension. We launched Telinstar\* (telmisartan/indapamide) in the Russian Federation; Tolutris\* (telmisartan/amlodipine/hydrochlorothiazide) in Poland, the Russian Federation, Czechia, Latvia, and Portugal; and Valomindo\* (valsartan/indapamide) in Germany, Poland, Hungary, Bulgaria, Lithuania, and Latvia. Our entirely new agent launches were as follows: in Germany and the Netherlands pomalidomide indicated for the treatment of tumours; in Germany, Slovenia, Scandinavia, Slovakia, and Hungary teriflunomide that is used to treat the relapsing forms of multiple sclerosis; and in Bosnia and Herzegovina and Montenegro an antidiabetic agent Dagrafors\* (dapagliflozin).

## Non-prescription products

We increased the non-prescription product sales in Region West Europe (up 11%), Region Slovenia (up 10%), and Region South-East Europe (up 5%) year on year. Non-prescription sales remained at last year's level in Region East Europe, but they decreased in Region Central Europe (down 7%) and Region Overseas Markets (down 37%).

Nalgesin\* (naproxen) and products sold under Septolete\*, Herbion\*, Septanazal, and Bilobil brands generated the highest sales.

## Animal health products

The following regions saw sales increases in animal health products: Region Overseas Markets (up 28%), Region South-East Europe (up 14%), Region Central Europe (up 13%), Region East Europe (up 12%), and Region Slovenia (up 2%). Region West Europe recorded a 9% drop in sales of animal health products.

Ataxxa\* (imidacloprid/permethrin), Fypryst (fipronil)\*, and Cladaxxa\* (amoxicillin/clavulanic acid) generated the strongest sales.

## Health resort and tourist services

Terme Krka recorded 258,513 overnight stays in the first nine months of 2024, which is approximately the same as in the same period last year. Terme Šmarješke Toplice recorded 83,191 overnight stays, the most of the three resorts. Talaso Strunjan underwent an extensive half-year renovation, but even so recorded 81,438 overnight stays, while Terme Dolenjske Toplice recorded 80,352 overnight stays. The percentage of foreign guests has been increasing and reached 13%. Most foreign guests came from Italy, Germany, and Croatia.

*\* Products marketed under different product brand names or the Krka trademark in individual markets are marked with an asterisk.*

## Research and development

In the nine-month period, we added fourteen new products to our portfolio, of that twelve prescription pharmaceuticals, one non-prescription product, and one animal health product.

We finalised more than 850 registration procedures in the period and received approvals for more than 18,000 regulatory variations.

### Prescription pharmaceuticals

In the nine-month period, we finalised registration procedures for twelve new products and were granted new marketing authorisations for our already established products in additional markets.

We obtained a marketing authorisation for candesartan/indapamide single-pill combination **Kanpiduo**\*. This is a unique medication in Europe that combines candesartan, a contemporary angiotensin II receptor blocker, and indapamide, a diuretic. Taken once daily, this convenient medication is indicated for blood pressure control in patients that have already been treated with candesartan and indapamide.

As the first generic producer, we obtained marketing authorisations under the EU DCP for our value-added antithrombotic agent **Delianda** (edoxaban) film-coated tablets. It is distinguished by once daily administration and a reduced risk of bleeding, which ensures good patient compliance.

We obtained marketing authorisations for our contemporary central nervous agent, **Varesta** (vortioxetine) film-coated tablets, indicated for the treatment of major depressive episodes in adults. Vortioxetine differs from other antidepressants in its mechanism of action, which simultaneously modulates neurotransmission in several systems, and is therefore a medicine of choice for patients with severe forms of the disease.

We obtained a marketing authorisation for **Apremilast Krka** (apremilast) film-coated tablets. This agent allows for safe and effective treatment of moderate to severe plaque psoriasis. It is also indicated for the treatment of active psoriatic arthritis and the treatment of oral ulcers associated with Behçet's disease.

We also obtained marketing authorisations for **Eltrombopag Krka** (eltrombopag) film-coated tablets. It is indicated for the treatment of various types of thrombocytopenia and severe aplastic anaemia.

We obtained marketing authorisations under the centralised procedure in the European countries for **Pomalidomide Krka** (pomalidomide) hard capsules, an oncology agent. It is part of the therapy for patients with severe forms of multiple myeloma as it reduces signs and symptoms and slows down disease progression.

We were granted marketing authorisations under the decentralised procedure for our new triple single-pill combination **Co-Amlessa Neo\*** (perindopril/amlodipine/indapamide) tablets. Co-Amlessa Neo is our vertically integrated product and the new formulation used for the treatment of cardiovascular diseases allows for adaptation to special requirements of individual markets.

We developed and registered a new strength of **Vitamin D3 Krka** (cholecalciferol) 30 000 IU tablets indicated for prevention and treatment of vitamin D deficiency and as adjunctive therapy in the treatment of osteoporosis. We are one of the few manufacturers of vitamin D products who were granted marketing authorisations. The new strength allows for even better adaptation to patients' needs.

We obtained marketing authorisations for new products in China. Marketing authorisations were granted for two cardiovascular single-pill combinations, our new **valsartan/amlodipine** film-coated tablets for treating hypertension, and **atorvastatin/amlodipine** film-coated tablets for the concomitant treatment of arterial hypertension and hyperlipidemia. We obtained marketing authorisations for our **bisoprolol-based** film-coated tablets, one of the essential therapies for many cardiovascular conditions, for example hypertension, coronary artery disease, and heart failure. We obtained marketing authorisations for a central nervous system agent, **aripiprazole** tablets. This atypical antipsychotic has fewer adverse reactions than other agents of the same product group.

We obtained additional marketing authorisations for already established products from various therapeutic categories in markets of the EU and the United Kingdom. We also obtained marketing authorisations on several markets under the decentralised procedure for another cardiovascular agent, **Valomindo\*** (valsartan/indapamide) modified-release tablets and **Tolurindo\*** (telmisartan/indapamide) modified-release tablets. The agents can facilitate treatment for many hypertensive patients who are taking the active ingredients in two separate tablets. In new markets, we obtained additional marketing authorisations for our advanced platelet aggregation inhibitor, **ticagrelor** film-coated tablets, and **Pitipix\*** (pitavastatin) film-coated tablets for lowering high cholesterol levels. We also obtained marketing authorisations for **rosuvastatin/ezetimibe** film-coated tablets indicated for the treatment of hyperlipidemia, and an **dabigatran-based** anticoagulant capsules used for the treatment and prevention of atherothrombotic and thromboembolic events in adults with various cardiovascular diseases. We obtained additional marketing authorisations for three antidiabetic agents: contemporary **dapagliflozin** film-coated tablets, and two single-pill combinations, **vildagliptin/metformin** and **sitagliptin/metformin** film-coated tablets. We also received marketing authorisations for our analgesic **naproxen** film-coated tablets, and for **lacosamide** film-coated tablets for the treatment of epilepsy.

We obtained marketing authorisations in eastern Europe for high-profile products from our key therapeutic categories. In new markets, we obtained marketing authorisations for our single-pill combination **Co-Roswera** (rosuvastatin/ezetimibe) film-coated tablets, also available as **Co-Roxera** or **Roxera Plus** in certain countries, indicated for hyperlipidemia. We also obtained marketing authorisations for **Telmista** (telmisartan), **Telmista H** (telmisartan/hydrochlorothiazide), and **Telmista AM** (telmisartan/amlodipine) tablets. We were granted approvals for marketing a new perindopril salt, **Perindopril Krka** (perindopril arginine), **Perindopril/Indapamide Krka** (perindopril arginine/indapamide), and **Perindopril/Amlodipine Krka** (perindopril arginine/amlodipine) tablets. We obtained additional approvals for an antithrombotic agent **Tigalant** (ticagrelor) film-coated tablets, and antidiabetic agents in film-coated tablets: **Glypvilo Met** (vildagliptin/metformin), **Asiglia Met** (sitagliptin/metformin), and **Dapafors** (dapagliflozin). We also obtained an additional marketing authorisation for our antibiotic **Linezolid Krka** (linezolid) solution for infusion.

In the markets of south-eastern Europe, we obtained marketing authorisations for a contemporary antidiabetic agent **Dagrafors** (dapagliflozin) film-coated tablets, and in a new market for **Maymetsi** (sitagliptin/metformin) film-coated tablets. We obtained approvals in new markets for two agents containing our new perindopril salt **Prenessaneo** (perindopril arginine), **Prenewelneo** (perindopril arginine/indapamide), and **Amlessaneo** (perindopril arginine/amlodipine) tablets. We also obtained marketing authorisations for a triple single-pill combination, **Roxampex** (perindopril/amlodipine/rosuvastatin) film-coated tablets, and a contemporary agent indicated for

prevention of thrombosis **Aboxoma** (apixaban) film-coated tablets. We also obtained the first marketing authorisation for our single-pill combination **Valomindo** (valsartan/indapamide) modified-release tablets.

We extended our range of cardiovascular agents in overseas markets with **Sobycor** (bisoprolol) film-coated tablets; **Karbis** (candesartan) tablets; **Karbicombi** (candesartan/hydrochlorothiazide) tablets; **Amlessa** (perindopril/amlodipine) tablets; and **Tolura** (telmisartan) tablets. Our single-pill combination **Vasitimb** (ezetimibe/simvastatin) tablets indicated for the treatment of severe hyperlipidaemia was also approved. We also obtained marketing authorisations for **Vizarsin** (sildenafil) film-coated tablets indicated for the treatment of erectile dysfunction and **Nolpaza** (pantoprazole) gastro-resistant tablets used for treating gastroesophageal reflux disease, and gastric and duodenal ulcers. We were also granted marketing authorisations for **Galsya** (galantamine) prolonged-release tablets and the oncology agent **Neopax** (imatinib) film-coated tablets.

### Non-prescription products

In the nine-month period, we obtained marketing authorisations for our new non-prescription product. We obtained marketing authorisations for **Herbion Iceland Moss Lozenges** containing Iceland moss dry extract. This traditional herbal remedy helps to relieve irritation, has a soothing effect on the throat, larynx and vocal cords, and can be taken by adults and adolescents 12 years of age and older.

We received approvals in new markets for **Septolete Total** (benzylamine/cetylpyridinium chloride) lozenges, **Septanazal** (xylometazoline/dexpanthenol) nasal spray, and **Nolpaza Control** (pantoprazole) gastro-resistant tablets. We obtained additional approvals for **Emanera Kontrol** (esomeprazole) gastro-resistant capsules and the first marketing authorisation for **Vitamin D3 Krka** (cholecalciferol) 7000 IU tablets available as a non-prescription product.

### Animal health products

New products from new therapeutic areas extending our animal health product range increase options for the treatment of companion animals. In the first nine months of 2024, we obtained marketing authorisations for **Otomicol** (miconazole/prednisolone/polymyxin) ear drops and cutaneous suspension for dogs, cats, and guinea pigs. We obtained marketing authorisations under the decentralised procedure in several European countries for this triple-combination product for the treatment of primary and secondary infections of skin and skin adnexa in dogs, cats, and guinea pigs, as well as for the treatment of otitis externa in dogs and cats.

We obtained approvals for the established products in new markets. **Robexera** (robenacoxib) chewable tablets are indicated for relieving pain and treating inflammation associated with chronic osteoarthritis and soft tissue surgeries in dogs. Single-pill combinations **Milprazon Chewable** (milbemycin/praziquantel) palatable chewable tablets for dogs and chewable tablets for cats are indicated for the treatment and prevention of internal parasite infections. Our triple combination **Dehinel Plus Flavour** (febantel/pyrantel/praziquantel) flavoured tablets is indicated for the treatment of internal parasite infections in dogs and **Ataxxa** (imidacloprid/permethrin) spot-on solution is a combination indicated for the treatment and prevention of external parasite infections in dogs. We were also granted marketing authorisations for two fixed-dose combinations, **Prinocate** (imidacloprid/moxidectin) spot-on solution indicated for the treatment and prevention of internal and external parasite infections in dogs and cats, and **Cladaxxa** (amoxicillin/clavulanic acid) tablets for the treatment of bacterial infections in dogs and cats.

*\* Products marketed under different product brand names or the Krka trademark in individual markets are marked with an asterisk.*

## Investments

In the period from January to September 2024, the Krka Group allocated €91.7 million to investments in property, plant and equipment and intangible assets, of that €70.0 million to the controlling company.

We upgraded water supply systems and automated washing systems in Notol, our solid dosage forms production plant in Novo mesto, Slovenia. We gradually replaced 16 packaging lines, and the start-ups and qualifications of the last three are currently in progress. At Notol and Notol 2 in Novo mesto, Slovenia, we also plan to increase tableting and granulation capacities. We started upgrading the logistic system to allow for reliable operations of the Notol plant in the upcoming 20 years.

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 in Novo mesto, Slovenia, is drawing to a close.

We started construction and craft works to extend the Sterile Products Department in Novo mesto, Slovenia. A comprehensive audit of technical and technological concepts is currently being performed in accordance with the latest guidelines of good manufacturing practice and best available techniques.

We finished construction of a new multipurpose building called Paviljon 3 in Ločna, Novo mesto, Slovenia. The building design incorporates additional facilities for our microbiology laboratory, Supply Chain Management, and other organisational units.

We started construction of another multipurpose building in the same place. This new construction design also features a roofed cargo entry and a cargo vehicle control point.

We implemented a system that captures the excess effluent temperature for heat generation and increases the energy use efficiency at our wastewater treatment plant in Ločna, Novo mesto, Slovenia. This investment supports the responsible management of natural resources in line with the strategic environmental goals of our *ESG Policy*.

We increased capacities for granulation and packaging at our production site in Ljutomer, Slovenia.

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

We are increasing production capacities for veterinary solid dosage forms at the manufacturing and distribution centre in Jastrebarsko, Croatia.

At our subsidiary TAD Pharma in Germany, we plan to refurbish the old section of the office building to increase its energy efficiency. We intend to construct an extension to increase the capacity of the production-and-distribution facility.

## Employees

At the end of September 2024, the Krka Group had 11,745 employees on payroll, of that 5,185 or 44% outside Slovenia. Including agency workers, the Krka Group employed 12,724 persons. One half of all employees have at least university-level qualifications, and of that, 201 hold doctoral degrees.

### Krka Group employees by education

	30 Sep 2024		31 Dec 2023	
	Number of employees	%	Number of employees	%
PhD	201	1.7	204	1.7
Master of Science	405	3.4	400	3.4
University degree	5,312	45.2	5,374	45.6
Higher professional education	1,983	16.9	1,914	16.2
Vocational college education	318	2.7	303	2.6
Secondary school education	2,625	22.4	2,634	22.4
Other	901	7.7	951	8.1
<b>Total</b>	<b>11,745</b>	<b>100.0</b>	<b>11,780</b>	<b>100.0</b>

We continuously attract new talented employees by providing scholarships. At the end of September, we had 57 scholarship holders, primarily pharmacy and chemistry students. Scholarships are also granted to exceptional students from other fields of interest to Krka. Our staff development and succession planning system ensures that Krka Group employees fill the majority of our key professional and managerial positions.

We also invest in the knowledge and development of our employees. They receive further professional training in their specialised fields and participate in training programmes on quality, management, information technologies, personal growth, and foreign languages in Slovenia as well as abroad. We deliver most educational programmes in-house and tailor them to employee needs, technological processes, market situations, and development needs of the Krka Group. We update the programmes regularly and introduce new forms of education adapted to the contemporary approaches to work.

At the end of September, 287 employees were enrolled in part-time studies co-funded by Krka, 19 of them as postgraduate students.

Krka is also included in the national vocational qualification (NVQ) system. Between 2002 and the end of September 2024, we awarded 2010 NVQ certificates to Krka employees for four vocational qualifications. At the end of September, 73 Krka employees were in the process of obtaining a NVQ certificate.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE KRKA GROUP, WITH NOTES

### Consolidated statement of financial position of the Krka Group

€ thousand	30 Sept 2024	31 Dec 2023	Index
<b>Assets</b>			
Property, plant and equipment	814,211	790,345	103
Intangible assets	99,139	102,348	97
Loans	33,038	70,098	47
Investments	22,890	47,674	48
Deferred tax assets	46,626	47,728	98
Other non-current assets	1,099	1,074	102
<b>Total non-current assets</b>	<b>1,017,003</b>	<b>1,059,267</b>	<b>96</b>
Assets held for sale	41	41	100
Inventories	636,523	604,621	105
Contract assets	411	429	96
Trade receivables	552,041	509,070	108
Other receivables	30,115	51,364	59
Loans	11,439	58,719	19
Investments	252,776	306,769	82
Cash and cash equivalents	315,786	174,011	181
<b>Total current assets</b>	<b>1,799,132</b>	<b>1,705,024</b>	<b>106</b>
<b>Total assets</b>	<b>2,816,135</b>	<b>2,764,291</b>	<b>102</b>
<b>Equity</b>			
Share capital	54,732	54,732	100
Treasury shares	-155,121	-138,489	112
Reserves	160,000	154,495	104
Retained earnings	2,124,868	2,091,317	102
<b>Total equity attributable to equity shareholders of the controlling company</b>	<b>2,184,479</b>	<b>2,162,055</b>	<b>101</b>
Non-controlling interests	19,622	19,711	100
<b>Total equity</b>	<b>2,204,101</b>	<b>2,181,766</b>	<b>101</b>
<b>Liabilities</b>			
Provisions	116,482	124,398	94
Deferred income	5,250	5,547	95
Lease liabilities	9,184	8,547	107
Deferred tax liabilities	10,564	10,726	98
<b>Total non-current liabilities</b>	<b>141,480</b>	<b>149,218</b>	<b>95</b>
Trade payables	166,419	153,762	108
Lease liabilities	3,522	3,452	102
Income tax payables	23,618	8,960	264
Contract liabilities	176,197	162,173	109
Other current liabilities	100,798	104,960	96
<b>Total current liabilities</b>	<b>470,554</b>	<b>433,307</b>	<b>109</b>
<b>Total liabilities</b>	<b>612,034</b>	<b>582,525</b>	<b>105</b>
<b>Total equity and liabilities</b>	<b>2,816,135</b>	<b>2,764,291</b>	<b>102</b>

## Consolidated income statement of the Krka Group

€ thousand	Jan-Sep 2024	Jan-Sep 2023	Index
<b>Revenue</b>	<b>1,434,662</b>	<b>1,340,536</b>	<b>107</b>
– Revenue from contracts with customers	1,432,117	1,336,999	107
– Other revenue	2,545	3,537	72
Cost of goods sold	-615,339	-569,320	108
<b>Gross profit</b>	<b>819,323</b>	<b>771,216</b>	<b>106</b>
Other operating income	5,090	4,423	115
Selling and distribution expenses	-268,961	-250,794	107
– Of that net impairments and write-offs of receivables	676	4,181	16
R&D expenses	-136,364	-127,344	107
General and administrative expenses	-86,479	-77,227	112
<b>Operating profit</b>	<b>332,609</b>	<b>320,274</b>	<b>104</b>
Finance income	20,538	16,626	124
Finance expenses	-15,816	-50,290	31
<b>Net finance result</b>	<b>4,722</b>	<b>-33,664</b>	
<b>Profit before tax</b>	<b>337,331</b>	<b>286,610</b>	<b>118</b>
Income tax expense	-56,304	-51,051	110
<b>Net profit</b>	<b>281,027</b>	<b>235,559</b>	<b>119</b>
Attributable to:			
– Equity holders of the controlling company	281,116	235,232	120
– Non-controlling interests	-89	327	
<b>Basic earnings per share* (€)</b>	<b>9.13</b>	<b>7.60</b>	<b>120</b>
<b>Diluted earnings per share** (€)</b>	<b>9.13</b>	<b>7.60</b>	<b>120</b>

\* Net profit/Average number of shares issued in the period, excluding treasury shares

\*\* All shares issued by the controlling company are ordinary shares. Diluted earnings per share equalled basic earnings per share.

## Consolidated statement of other comprehensive income of the Krka Group

€ thousand	Jan-Sep 2024	Jan-Sep 2023	Index
<b>Net profit</b>	<b>281,027</b>	<b>235,559</b>	<b>119</b>
<b>Other comprehensive income for the period</b>			
<b>Other comprehensive income reclassified to profit or loss at a future date</b>			
Translation reserve	-7,998	-56,408	14
<b>Net other comprehensive income reclassified to profit or loss at a future date</b>	<b>-7,998</b>	<b>-56,408</b>	<b>14</b>
<b>Other comprehensive income that will not be reclassified to profit or loss at a future date</b>			
Change in fair value of financial assets	-4,011	13,068	
Deferred tax effect	882	-2,482	
<b>Net other comprehensive income that will not be reclassified to profit or loss at a future date</b>	<b>-3,129</b>	<b>10,586</b>	
<b>Total other comprehensive income for the period (net of tax)</b>	<b>-11,127</b>	<b>-45,822</b>	<b>24</b>
<b>Total comprehensive income for the period (net of tax)</b>	<b>269,900</b>	<b>189,737</b>	<b>142</b>
Attributable to:			
– Equity holders of the controlling company	269,989	190,411	142
– Non-controlling interests	-89	-674	13



## Consolidated statement of changes in equity of the Krka Group

€ thousand	Share capital	Treasury shares	Reserves						Retained earnings			Total equity attributable to the equity shareholders 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 from previous periods	Profit for the period			
<b>Balance at 1 Jan 2024</b>	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
<b>Net profit</b>	0	0	0	0	0	0	0	0	0	0	281,116	281,116	-89	281,027
<b>Total other comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	-3,122	-8,005	0	0	0	-11,127	0	-11,127
<b>Total comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	-3,122	-8,005	0	0	281,116	269,989	-89	269,900
<b>Transactions with owners, recognised in equity</b>														
Formation of other profit reserves under the resolution of the AGM	0	0	0	0	0	0	0	0	75,503	-75,503	0	0	0	0
Transfer of previous periods' profit to retained earnings	0	0	0	0	0	0	0	0	0	300,023	-300,023	0	0	0
Repurchase of treasury shares	0	-16,632	0	0	0	0	0	0	0	0	0	-16,632	0	-16,632
Formation of reserves for treasury shares	0	0	16,632	0	0	0	0	0	0	0	-16,632	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	-230,933	0	-230,933	0	-230,933
<b>Total transactions with owners, recognised in equity</b>	0	-16,632	16,632	0	0	0	0	0	75,503	-6,413	-316,655	-247,565	0	-247,565
<b>Balance at 30 Sep 2024</b>	54,732	-155,121	155,121	105,897	14,990	30,000	-3,633	-142,375	1,620,098	240,286	264,484	2,184,479	19,622	2,204,101

€ thousand	Share capital	Treasury shares	Reserves						Retained earnings			Total equity attributable to the equity shareholders 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 from previous periods	Profit for the period			
<b>Balance at 1 Jan 2023</b>	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
<b>Net profit</b>	0	0	0	0	0	0	0	0	0	0	235,232	235,232	327	235,559
<b>Total other comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	10,586	-55,407	0	0	0	-44,821	-1,001	-45,822
<b>Total comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	10,586	-55,407	0	0	235,232	190,411	-674	189,737
<b>Transactions with owners, recognised in equity</b>														
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	-8,854	0	0	0	0	0	0	0	0	0	-8,854	0	-8,854
Formation of reserves for treasury shares	0	0	8,854	0	0	0	0	0	0	0	-8,854	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
<b>Total transactions with owners, recognised in equity</b>	0	-8,854	8,854	0	0	0	0	0	101,893	47,000	-362,125	-213,232	1,321	-211,911
<b>Balance at 30 Sep 2023</b>	54,732	-133,420	133,420	105,897	14,990	30,000	13,256	-141,326	1,544,595	247,273	226,378	2,095,795	20,540	2,116,335

## Consolidated statement of cash flows of the Krka Group

€ thousand	Jan–Sep 2024	Jan–Sep 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net profit</b>	<b>281,027</b>	<b>235,559</b>
<b>Adjustments for:</b>	<b>121,770</b>	<b>91,011</b>
– Amortisation/Depreciation	69,139	77,961
– Net foreign exchange gains and losses	-4,029	-32,916
– Net write-offs and allowances for inventories	12,413	10,016
– Net impairments and write-offs of receivables	-676	-4,181
– Investment income	-22,319	-18,304
– Investment expenses	4,062	1,850
– Income on financing activities	-31	-4
– Interest expense and other finance expenses	6,907	8,893
– Income tax expense	56,304	47,696
<b>Operating profit before changes in net current assets</b>	<b>402,797</b>	<b>326,570</b>
Change in trade receivables	-42,926	-32,372
Change in inventories	-44,315	-43,169
Change in trade payables	22,533	8,029
Change in provisions	-11,111	-346
Change in deferred income	-296	-401
Change in other current liabilities	-4,928	2,159
Income tax paid	-18,764	-74,953
<b>Net cash flow from operating activities</b>	<b>302,990</b>	<b>185,517</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	11,748	8,207
Dividends received	941	798
Proceeds from sale of property, plant and equipment	3,617	2,986
Acquisition of property, plant and equipment	-83,413	-78,361
Acquisition of intangible assets	-4,283	-4,732
Proceeds from non-current loans	31,515	3,140
Payments for non-current loans	-2,342	-1,783
Net proceeds from current loans	53,116	3,490
Proceeds from sale of non-current investments	60,869	33,049
Payments for acquiring non-current investments	-46	-31
Proceeds from sale of current investments	477,235	219,100
Payments for acquiring current investments	-455,480	-568,607
Proceeds from derivatives	1,719	1,042
Payments for derivatives	-1,584	-389
<b>Net cash flow from investing activities</b>	<b>93,612</b>	<b>-382,091</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-3,357	-5,519
Lease liabilities paid	-3,177	-3,091
Dividends and other profit shares paid	-230,884	-204,379
Repurchase of treasury shares	-16,632	-8,854
Proceeds from payment of non-controlling interests	0	1,321
<b>Net cash flow from financing activities</b>	<b>-254,050</b>	<b>-220,522</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>142,552</b>	<b>-417,096</b>
Cash and cash equivalents at beginning of period	174,011	518,934
Effect of movements in exchange rates on cash held	-777	1,259
<b>Closing balance of cash and cash equivalents</b>	<b>315,786</b>	<b>103,097</b>

## Segment reporting of the Krka Group

€ thousand	European Union		South-Eastern Europe		Eastern Europe		Total segment reporting		Other		Eliminations		Total	
	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Revenue from sales to non-group customers	777,017	749,822	82,479	76,782	484,429	434,203	1,343,925	1,260,807	90,737	79,729			1,434,662	1,340,536
Revenue from sales to intra-group customers	310,404	310,569	52,094	48,449	501,738	451,451	864,236	810,469	19,346	25,355	-883,582	-835,824	0	0
<b>Total revenue</b>	<b>1,087,421</b>	<b>1,060,391</b>	<b>134,573</b>	<b>125,231</b>	<b>986,167</b>	<b>885,654</b>	<b>2,208,161</b>	<b>2,071,276</b>	<b>110,083</b>	<b>105,084</b>	<b>-883,582</b>	<b>-835,824</b>	<b>1,434,662</b>	<b>1,340,536</b>
Other operating income	4,126	3,224	30	469	493	317	4,649	4,010	441	413			5,090	4,423
Operating expenses	-654,843	-645,934	-56,176	-51,883	-325,200	-265,118	-1,036,219	-962,935	-70,924	-61,750			-1,107,143	-1,024,685
Intra-group operating expenses, including elimination of profits	-310,404	-310,569	-52,094	-48,449	-501,738	-451,451	-864,236	-810,469	-19,346	-25,355	883,582	835,824	0	0
<b>Operating profit</b>	<b>126,300</b>	<b>107,112</b>	<b>26,333</b>	<b>25,368</b>	<b>159,722</b>	<b>169,402</b>	<b>312,355</b>	<b>301,882</b>	<b>20,254</b>	<b>18,392</b>	<b>0</b>	<b>0</b>	<b>332,609</b>	<b>320,274</b>
Interest income	9,189	7,426	1	11	773	764	9,963	8,201	920	994			10,883	9,195
Intra-group interest income	3,557	2,740	0	0	0	0	3,557	2,740	0	0	-3,557	-2,740	0	0
Interest expense	-98	-140	-9	-9	-170	-70	-277	-219	-16	-3			-293	-222
Intra-group interest expense	-3,557	-2,741	0	0	0	0	-3,557	-2,741	0	0	3,557	2,741	0	0
<b>Net finance result</b>	<b>14,925</b>	<b>7,335</b>	<b>-158</b>	<b>-111</b>	<b>-10,113</b>	<b>-41,567</b>	<b>4,654</b>	<b>-34,343</b>	<b>68</b>	<b>679</b>			<b>4,722</b>	<b>-33,664</b>
Income tax expense	-23,694	-19,053	-4,168	-3,265	-25,347	-26,820	-53,209	-49,138	-3,095	-1,913			-56,304	-51,051
<b>Net profit</b>	<b>117,531</b>	<b>95,394</b>	<b>22,007</b>	<b>21,992</b>	<b>124,262</b>	<b>101,015</b>	<b>263,800</b>	<b>218,401</b>	<b>17,227</b>	<b>17,158</b>	<b>0</b>	<b>0</b>	<b>281,027</b>	<b>235,559</b>
Investments	85,678	75,632	483	1,210	4,431	3,826	90,592	80,668	1,111	786			91,703	81,454
Depreciation of property, plant and equipment	42,891	51,312	1,503	1,650	14,533	14,706	58,927	67,668	2,199	2,315			61,126	69,983
Depreciation of right-of-use assets	2,302	2,287	93	83	419	402	2,814	2,772	61	60			2,875	2,832
Amortisation of intangible assets	3,118	3,158	258	250	1,520	1,509	4,896	4,917	242	229			5,138	5,146
	<b>30 Sep 2024</b>	<b>31 Dec 2023</b>	<b>30 Sep 2024</b>	<b>31 Dec 2023</b>	<b>30 Sep 2024</b>	<b>31 Dec 2023</b>	<b>30 Sep 2024</b>	<b>31 Dec 2023</b>	<b>30 Sep 2024</b>	<b>31 Dec 2023</b>	<b>30 Sep 2024</b>	<b>31 Dec 2023</b>	<b>30 Sep 2024</b>	<b>31 Dec 2023</b>
<b>Total assets</b>	<b>2,050,536</b>	<b>2,072,570</b>	<b>76,851</b>	<b>71,279</b>	<b>581,473</b>	<b>519,234</b>	<b>2,708,860</b>	<b>2,663,083</b>	<b>107,275</b>	<b>101,208</b>			<b>2,816,135</b>	<b>2,764,291</b>
Non-current assets exclusive of deferred tax assets	855,128	886,473	6,255	6,670	79,892	81,973	941,275	975,116	29,102	36,423			970,377	1,011,539
<b>Total liabilities</b>	<b>440,049</b>	<b>309,726</b>	<b>17,471</b>	<b>28,286</b>	<b>117,526</b>	<b>191,753</b>	<b>575,046</b>	<b>529,765</b>	<b>36,988</b>	<b>52,760</b>			<b>612,034</b>	<b>582,525</b>

## Notes to consolidated financial statements of the Krka Group

### Costs by nature

€1,107,143 thousand

€ thousand	Jan-Sep 2024	Jan-Sep 2023	Index
Cost of goods and materials	382,140	337,771	113
Cost of services	206,069	189,201	109
Employee benefits	410,873	379,397	108
Amortisation and depreciation	69,139	77,961	89
Net write-offs and allowances for inventories	12,413	10,016	124
Net impairments and write-offs of receivables	-676	-4,181	16
Other operating expenses	33,341	29,712	112
<b>Total costs</b>	<b>1,113,299</b>	<b>1,019,877</b>	<b>109</b>
Change in the value of inventories of finished products and work in progress	-6,156	4,808	
<b>Total</b>	<b>1,107,143</b>	<b>1,024,685</b>	<b>108</b>

### Employee benefits

€410,873 thousand

€ thousand	Jan-Sep 2024	Jan-Sep 2023	Index
Gross wages and salaries and continued pay	319,323	294,579	108
Social security contributions	21,798	21,288	102
Pension insurance contributions	44,551	40,466	110
Payroll tax	603	561	107
Post-employment benefits and other non-current employee benefits	4,478	3,708	121
Other employee benefits	20,120	18,795	107
<b>Total employee benefits</b>	<b>410,873</b>	<b>379,397</b>	<b>108</b>

### Other operating expenses

€33,341 thousand

€ thousand	Jan-Sep 2024	Jan-Sep 2023	Index
Grants and assistance for humanitarian and other purposes	1,593	1,528	104
Environmental protection expenditures	6,159	4,645	133
Other taxes and levies	19,520	19,274	101
Loss on sale of property, plant and equipment and intangible assets	1,772	1,130	157
Other operating expenses	4,297	3,135	137
<b>Total other operating expenses</b>	<b>33,341</b>	<b>29,712</b>	<b>112</b>

Other taxes and levies include various taxes and levies on pharmaceuticals and fees paid to medical representatives in individual foreign countries for pursuing promotional activities.

## Finance income and expenses

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Interest income	10,883	9,195	118
Derivative income	1,719	2,659	65
– Realised revenue	1,719	1,042	165
– Change in fair value	0	1,617	0
Income from other financial instruments	7,145	3,959	180
– Realised revenue	9,682	919	1,054
– Change in fair value	-2,537	3,040	
Dividend income	760	808	94
Other finance income	31	5	620
<b>Total finance income</b>	<b>20,538</b>	<b>16,626</b>	<b>124</b>
Net foreign exchange losses	-6,641	-41,003	16
Interest expense	-293	-222	132
– Interest paid	62	-7	
– Interest expense on lease liabilities	-355	-215	165
Derivative expenses	-2,331	-389	599
– Realised expenses	-1,584	-389	407
– Change in fair value	-747	0	
Other finance expenses	-6,551	-8,676	76
<b>Total finance expenses</b>	<b>-15,816</b>	<b>-50,290</b>	<b>31</b>
<b>Net finance result</b>	<b>4,722</b>	<b>-33,664</b>	

## Income tax expense

**€56,304 thousand**

Current income tax amounted to €54,761 thousand or 16.2% of profit before tax. Taking into account deferred tax of €1,543 thousand, the tax expensed in the income statement totalled €56,304 thousand. The effective tax rate was 16.7%.

## Property, plant and equipment

**€814,211 thousand**

€ thousand	30 Sep 2024	31 Dec 2023	Index
Land	64,583	64,368	100
Buildings	334,895	353,495	95
Equipment	309,087	292,123	106
Property, plant and equipment being acquired	93,291	68,666	136
Right-of-use assets	12,355	11,693	106
<b>Total property, plant and equipment</b>	<b>814,211</b>	<b>790,345</b>	<b>103</b>

The value of property, plant, and equipment accounted for 29% of the Krka Group balance sheet total. See the 'Investments' section in the business report for details on Krka's major investments.

## Intangible assets

€99,139 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Goodwill	42,644	42,644	100
Trademark	32,523	33,176	98
Concessions, trademarks and licences	14,329	15,556	92
Other intangible assets	7,287	7,592	96
– Long-term deferred operating costs	202	252	80
– Development-related projects	4,223	4,478	94
– Emission coupons	2,862	2,862	100
Intangible assets being acquired	2,356	3,380	70
<b>Total intangible assets</b>	<b>99,139</b>	<b>102,348</b>	<b>97</b>

## Loans

€44,477 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Non-current loans</b>	<b>33,038</b>	<b>70,098</b>	<b>47</b>
– Loans to others	33,038	40,098	82
– Deposits granted to banks	0	30,000	0
<b>Current loans</b>	<b>11,439</b>	<b>58,719</b>	<b>19</b>
– Portion of non-current loans maturing next year	9,602	6,956	138
– Loans to others	16	13	123
– Deposits granted to banks	2	50,002	0
– Current interest receivables	1,819	1,748	104
<b>Total loans</b>	<b>44,477</b>	<b>128,817</b>	<b>35</b>

## Investments

€275,666 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Non-current investments</b>	<b>22,890</b>	<b>47,674</b>	<b>48</b>
– Investments at fair value through OCI (equity instruments)	22,890	26,901	85
– Investments at amortised cost (debt instruments)	0	20,773	0
<b>Current investments including derivatives</b>	<b>252,776</b>	<b>306,769</b>	<b>82</b>
– Investments at fair value through profit or loss	222,273	236,751	94
– Investments at amortised cost (debt instruments)	30,503	70,018	44
<b>Total investments</b>	<b>275,666</b>	<b>354,443</b>	<b>78</b>

Investments at fair value through OCI comprised €1,099 thousand of investments in shares and interests in companies in Slovenia (end of 2023: €954 thousand), and €21,791 thousand of shares and interests in companies outside Slovenia (end of 2023: €25,947 thousand).

Current investments at amortised cost (debt instruments) are bonds with a maturity of less than one year and a credit risk rating that corresponds to the globally understood definition of investment grade. All investments belong to the lower medium grade. Investments at amortised cost included no investments in Slovenian government bonds (end of 2023: €6,033 thousand), while investments in foreign government bonds amounted to €30,503 thousand (end of 2023: €84,758 thousand).

The decrease in investments at amortised cost (current and non-current) totalled €39,515 thousand compared to 31 December 2023 and occurred due to the maturity of government bonds. The decrease in investments at fair value through profit or loss amounting to €14,478 thousand included acquisitions of treasury bills of €455,480 thousand, disposal of treasury bills due to their maturity totalling €477,235 thousand, revaluation of treasury bills of €131 thousand, realised finance income amounting to €9,683 thousand, and decrease in fair value of treasury bills totalling €2,537 thousand.

## Inventories

€636,523 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Material	269,127	265,019	102
Work in progress	124,835	128,610	97
Finished products	178,360	177,247	101
Merchandise	26,066	11,476	227
Advances for inventories	38,135	22,269	171
<b>Total inventories</b>	<b>636,523</b>	<b>604,621</b>	<b>105</b>

## Trade and other receivables

€582,156 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Current trade receivables	552,041	509,070	108
Current receivables due from others	30,115	51,364	59
<b>Total trade and other receivables</b>	<b>582,156</b>	<b>560,434</b>	<b>104</b>

## Cash and cash equivalents

€315,786 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Cash in hand	85	71	120
Bank balances	315,701	173,940	181
<b>Total cash and cash equivalents</b>	<b>315,786</b>	<b>174,011</b>	<b>181</b>

Bank balances included a deposit of €147,000 thousand with a maturity of up to 90 days (31 December 2023: €118,000 thousand) and a deposit in USD amounting to €22,329 thousand (no such deposit on 31 December 2023).

## Equity

€2,204,101 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Share capital	54,732	54,732	100
Treasury shares	-155,121	-138,489	112
Reserves	160,000	154,495	104
– Reserves for treasury shares	155,121	138,489	112
– Share premium	105,897	105,897	100
– Legal reserves	14,990	14,990	100
– Statutory reserves	30,000	30,000	100
– Fair value reserve	-3,633	-511	711
– Translation reserve	-142,375	-134,370	106
Retained earnings	2,124,868	2,091,317	102
<b>Total equity attributable to the equity shareholders of the controlling company</b>	<b>2,184,479</b>	<b>2,162,055</b>	<b>101</b>
Non-controlling interests	19,622	19,711	100
<b>Total equity</b>	<b>2,204,101</b>	<b>2,181,766</b>	<b>101</b>

## Trade payables

€166,419 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Current trade payables</b>	<b>166,419</b>	<b>153,762</b>	<b>108</b>
Payables to domestic suppliers	56,303	57,459	98
Payables to foreign suppliers	110,116	96,303	114
<b>Total trade payables</b>	<b>166,419</b>	<b>153,762</b>	<b>108</b>



## Provisions

€116,482 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Provisions for lawsuits	38	10,582	0
Provisions for post-employment benefits	96,097	94,282	102
Provisions for other non-current employee benefits	19,741	19,004	104
Other provisions	606	530	114
<b>Total provisions</b>	<b>116,482</b>	<b>124,398</b>	<b>94</b>

Krka settled a fine of €10 million on the grounds of the decision by the Court of Justice of the European Union following the European Commission's appeal with regard to the dispute about the medicine containing perindopril. Krka, therefore, reversed provisions formed for this purpose.

## Deferred income

€5,250 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Grants received from the European Regional Development Fund and budget of the Republic of Slovenia intended for the production of pharmaceuticals in the new Notoj 2 plant	601	687	87
Grants received from the budget for the Dolenjske and Šmarješke Toplice health resorts and Golf Grad Otočec	3,081	3,144	98
Grants received from the European Regional Development Fund (Farma GRS)	1,446	1,567	92
Subsidy for acquisition of electric drive vehicles	1	1	100
Property, plant and equipment received free of charge	16	14	114
Emission coupons	10	10	100
Subsidy for purchase of joinery	89	90	99
Subsidy for acquisition of other equipment	0	1	0
Subsidy for trucks	6	0	
Subsidy for increased gas prices	0	33	0
<b>Total deferred revenue</b>	<b>5,250</b>	<b>5,547</b>	<b>95</b>

## Current contract liabilities

€176,197 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Refund liabilities</b>	<b>170,031</b>	<b>154,065</b>	<b>110</b>
– Bonuses and volume rebates	167,938	152,347	110
– Rights of return	2,093	1,718	122
<b>Contract liabilities</b>	<b>6,166</b>	<b>8,108</b>	<b>76</b>
– Deferred revenue	1,443	1,381	104
– Advances from other customers	4,723	6,727	70
<b>Total current contract liabilities</b>	<b>176,197</b>	<b>162,173</b>	<b>109</b>

## Other current liabilities

€100,798 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Payables to employees – gross salaries, other receipts and charges	79,329	88,803	89
Derivatives	3,400	2,653	128
Other	18,069	13,504	134
<b>Total other current liabilities</b>	<b>100,798</b>	<b>104,960</b>	<b>96</b>

## Contingent liabilities

€18,307 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Guarantees issued	17,292	17,823	97
Other	1,015	1,417	72
<b>Total contingent liabilities</b>	<b>18,307</b>	<b>19,240</b>	<b>95</b>

## Fair value

€ thousand	30 Sep 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current financial assets</b>				
Loans	33,038		70,098	
Investments at fair value through OCI (equity instruments)	22,890	22,890	26,901	26,901
Investments at amortised cost (debt instruments)	0		20,773	
<b>Current financial assets</b>				
Loans	11,439		58,719	
Investments at fair value through profit or loss	222,273	222,273	236,751	236,751
Investments at amortised cost (debt instruments)	30,503		70,018	
Trade receivables	552,041		509,070	
Cash and cash equivalents	315,786		174,011	
<b>Non-current financial liabilities</b>				
Lease liabilities	-9,184		-8,547	
<b>Current financial liabilities</b>				
Derivatives	-3,400	-3,400	-2,653	-2,653
Lease liabilities	-3,522		-3,452	
Trade payables excluding advances	-166,419		-153,762	
Contract liabilities excluding advances	-167,938		-152,347	
Other liabilities excluding amounts owed to the state, to employees, and advances	-6,489		-5,160	
<b>Total</b>	<b>831,018</b>	<b>241,763</b>	<b>840,420</b>	<b>260,999</b>

In terms of fair value, assets and liabilities are classified into three levels:

- Level 1 – Assets at market price;
- Level 2 – Assets not classified within level 1 and the value of which is determined directly or indirectly based on observable market data;
- Level 3 – Assets the value of which cannot be determined using market data.

## Assets at fair value

€ thousand	30 Sep 2024				31 Dec 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>								
Investments at fair value through OCI	21,503	0	1,387	22,890	25,514	0	1,387	26,901
Investments at fair value through profit or loss	222,273	0	0	222,273	236,751	0	0	236,751
<b>Total assets at fair value</b>	<b>243,776</b>	<b>0</b>	<b>1,387</b>	<b>245,163</b>	<b>262,265</b>	<b>0</b>	<b>1,387</b>	<b>263,652</b>

## CONDENSED FINANCIAL STATEMENTS OF KRKA, D. D., NOVO MESTO, WITH NOTES

### Statement of financial position of Krka, d. d., Novo mesto

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Assets</b>			
Property, plant and equipment	612,392	595,525	103
Intangible assets	23,384	26,043	90
Investments in subsidiaries	355,265	357,265	99
Loans	20,379	41,243	49
Investments	22,889	47,673	48
Deferred tax assets	6,411	7,846	82
Other non-current assets	666	640	104
<b>Total non-current assets</b>	<b>1,041,386</b>	<b>1,076,235</b>	<b>97</b>
Assets held for sale	41	41	100
Inventories	543,029	513,892	106
Trade receivables	524,723	463,126	113
Other receivables	16,810	47,116	36
Loans	9,631	65,699	15
Investments	252,776	306,769	82
Cash and cash equivalents	200,506	140,993	142
<b>Total current assets</b>	<b>1,547,516</b>	<b>1,537,636</b>	<b>101</b>
<b>Total assets</b>	<b>2,588,902</b>	<b>2,613,871</b>	<b>99</b>
<b>Equity</b>			
Share capital	54,732	54,732	100
Treasury shares	-155,121	-138,489	112
Reserves	303,984	290,481	105
Retained earnings	1,945,415	1,926,534	101
<b>Total equity</b>	<b>2,149,010</b>	<b>2,133,258</b>	<b>101</b>
<b>Liabilities</b>			
Provisions	106,018	113,999	93
Deferred income	2,161	2,366	91
Lease liabilities	2,143	2,565	84
<b>Total non-current liabilities</b>	<b>110,322</b>	<b>118,930</b>	<b>93</b>
Trade payables	184,402	175,847	105
Borrowings	43,707	88,061	50
Lease liabilities	1,054	1,022	103
Income tax payables	18,567	0	
Contract liabilities	10,915	18,953	58
Other current liabilities	70,925	77,800	91
<b>Total current liabilities</b>	<b>329,570</b>	<b>361,683</b>	<b>91</b>
<b>Total liabilities</b>	<b>439,892</b>	<b>480,613</b>	<b>92</b>
<b>Total equity and liabilities</b>	<b>2,588,902</b>	<b>2,613,871</b>	<b>99</b>

## Income statement of Krka, d. d., Novo mesto

€ thousand	Jan-Sep 2024	Jan-Sep 2023	Index
<b>Revenue</b>	<b>1,328,449</b>	<b>1,248,406</b>	<b>106</b>
– Revenue from contracts with customers	1,321,251	1,241,040	106
– Other revenue	7,198	7,366	98
Cost of goods sold	-583,293	-587,358	99
<b>Gross profit</b>	<b>745,156</b>	<b>661,048</b>	<b>113</b>
Other operating income	2,368	1,266	187
Selling and distribution expenses	-230,087	-217,918	106
– Of that net impairments and write-offs of receivables	476	4,348	11
R&D expenses	-133,296	-124,143	107
General and administrative expenses	-75,191	-67,505	111
<b>Operating profit</b>	<b>308,950</b>	<b>252,748</b>	<b>122</b>
Finance income	21,918	44,953	49
Finance expenses	-15,099	-51,012	30
<b>Net finance result</b>	<b>6,819</b>	<b>-6,059</b>	
<b>Profit before tax</b>	<b>315,769</b>	<b>246,689</b>	<b>128</b>
Income tax expense	-49,323	-34,624	142
<b>Net profit</b>	<b>266,446</b>	<b>212,065</b>	<b>126</b>
<b>Basic earnings per share* (€)</b>	<b>8.65</b>	<b>6.85</b>	<b>126</b>
<b>Diluted earnings per share** (€)</b>	<b>8.65</b>	<b>6.85</b>	<b>126</b>

\* Net profit/Average number of shares issued in the period, excluding treasury shares

\*\* All shares issued by the controlling company are ordinary shares. Diluted earnings per share equalled basic earnings per share.

## Statement of other comprehensive income of Krka, d. d., Novo mesto

€ thousand	Jan-Sep 2024	Jan-Sep 2023	Index
<b>Net profit</b>	<b>266,446</b>	<b>212,065</b>	<b>126</b>
<b>Other comprehensive income for the period</b>			
<b>Other comprehensive income that will not be reclassified to profit or loss at a future date</b>			
Change in fair value of financial assets	-4,011	13,063	
Deferred tax effect	882	-2,482	
<b>Net other comprehensive income that will not be reclassified to profit or loss at a future date</b>	<b>-3,129</b>	<b>10,581</b>	
<b>Total other comprehensive income for the period (net of tax)</b>	<b>-3,129</b>	<b>10,581</b>	
<b>Total comprehensive income for the period (net of tax)</b>	<b>263,317</b>	<b>222,646</b>	<b>118</b>

## 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 from previous periods	Profit for the period	
<b>Balance at 1 Jan 2024</b>	54,732	-138,489	138,489	105,897	14,990	30,000	1,105	1,544,595	101,381	280,558	2,133,258
<b>Net profit</b>	0	0	0	0	0	0	0	0	0	266,446	266,446
<b>Total other comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	-3,129	0	0	0	-3,129
<b>Total comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	-3,129	0	0	266,446	263,317
<b>Transactions with owners, recognised in equity</b>											
Formation of other profit reserves under the resolution of the AGM	0	0	0	0	0	0	0	75,503	-75,503	0	0
Transfer of previous periods' profit to retained earnings	0	0	0	0	0	0	0	0	280,558	-280,558	0
Repurchase of treasury shares	0	-16,632	0	0	0	0	0	0	0	0	-16,632
Formation of reserves for treasury shares	0	0	16,632	0	0	0	0	0	0	-16,632	0
Dividends paid	0	0	0	0	0	0	0	0	-230,933	0	-230,933
<b>Total transactions with owners, recognised in equity</b>	0	-16,632	16,632	0	0	0	0	75,503	-25,878	-297,190	-247,565
<b>Balance at 30 Sep 2024</b>	54,732	-155,121	155,121	105,897	14,990	30,000	-2,024	1,620,098	75,503	249,814	2,149,010

€ 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 from previous periods	Profit for the period	
<b>Balance at 1 Jan 2023</b>	<b>54,732</b>	<b>-124,566</b>	<b>124,566</b>	<b>105,897</b>	<b>14,990</b>	<b>30,000</b>	<b>4,307</b>	<b>1,442,702</b>	<b>69,974</b>	<b>338,190</b>	<b>2,060,792</b>
<b>Net profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>212,065</b>	<b>212,065</b>
<b>Total other comprehensive income for the period (net of tax)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,581</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,581</b>
<b>Total comprehensive income for the period (net of tax)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,581</b>	<b>0</b>	<b>0</b>	<b>212,065</b>	<b>222,646</b>
<b>Transactions with owners, recognised in equity</b>											
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 periods' profit to retained earnings	0	0	0	0	0	0	0	0	338,190	-338,190	0
Repurchase of treasury shares	0	-8,854	0	0	0	0	0	0	0	0	-8,854
Formation of reserves for treasury shares	0	0	8,854	0	0	0	0	0	0	-8,854	0
Dividends paid	0	0	0	0	0	0	0	0	-204,378	0	-204,378
<b>Total transactions with owners, recognised in equity</b>	<b>0</b>	<b>-8,854</b>	<b>8,854</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101,893</b>	<b>31,919</b>	<b>-347,044</b>	<b>-213,232</b>
<b>Balance at 30 Sep 2023</b>	<b>54,732</b>	<b>-133,420</b>	<b>133,420</b>	<b>105,897</b>	<b>14,990</b>	<b>30,000</b>	<b>14,888</b>	<b>1,544,595</b>	<b>101,893</b>	<b>203,211</b>	<b>2,070,206</b>

## Statement of cash flows of Krka, d. d., Novo mesto

€ thousand	Jan-Sep 2024	Jan-Sep 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net profit</b>	<b>266,446</b>	<b>212,065</b>
<b>Adjustments for:</b>	<b>100,847</b>	<b>61,060</b>
– Amortisation/Depreciation	53,177	59,730
– Net foreign exchange gains and losses	1,127	647
– Net write-offs and allowances for inventories	10,333	9,410
– Net impairments and write-offs of receivables	-476	-4,348
– Investment income	-22,780	-45,651
– Investment expenses	4,005	1,470
– Income on financing activities	-2	-1
– Interest expense and other finance expenses	6,140	5,179
– Income tax expense	49,323	34,624
<b>Operating profit before changes in net current assets</b>	<b>367,293</b>	<b>273,125</b>
Change in trade receivables	-62,961	-27,189
Change in inventories	-39,470	-12,521
Change in trade payables	-4,365	-46,098
Change in provisions	-11,176	-82
Change in deferred income	-205	-338
Change in other current liabilities	-7,672	-2,558
Income tax paid	-6,500	-67,980
<b>Net cash flow from operating activities</b>	<b>234,944</b>	<b>116,359</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	9,126	6,641
Dividends received	941	798
Proportionate profit of subsidiaries	13,663	29,890
Proceeds from sale of property, plant and equipment	2,632	1,407
Acquisition of property, plant and equipment	-61,232	-64,120
Acquisition of intangible assets	-3,918	-4,553
Acquisition of subsidiaries and a share of non-controlling interests net of financial assets acquired	0	-2,001
Refunds of subsequent contributions to subsidiaries	2,000	500
Proceeds from non-current loans	31,495	6,336
Payments for non-current loans	-2,132	-1,108
Net proceeds from/payments for current loans	45,579	-673
Proceeds from sale of non-current investments	60,866	33,037
Payments for acquiring non-current investments	-44	-16
Proceeds from sale of current investments	477,235	219,100
Payments for acquiring current investments	-455,480	-568,607
Proceeds from derivatives	1,719	1,042
Payments for derivatives	-1,584	-389
<b>Net cash flow from investing activities</b>	<b>120,866</b>	<b>-342,716</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-2,945	-1,719
Net payments for/proceeds from current borrowings	-44,300	40,134
Lease liabilities paid	-871	-856
Dividends and other profit shares paid	-230,884	-204,379
Repurchase of treasury shares	-16,632	-8,854
<b>Net cash flow from financing activities</b>	<b>-295,632</b>	<b>-175,674</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>60,178</b>	<b>-402,031</b>
Cash and cash equivalents at beginning of period	140,993	470,297
Effect of movements in exchange rates on cash held	-665	128
<b>Closing balance of cash and cash equivalents</b>	<b>200,506</b>	<b>68,394</b>

## Notes to financial statements of Krka, d. d., Novo mesto

### Costs by nature

€1,021,867 thousand

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Cost of goods and materials	380,415	387,239	98
Cost of services	260,084	247,478	105
Employee benefits	292,388	267,646	109
Amortisation and depreciation	53,177	59,730	89
Net write-offs and allowances for inventories	10,333	9,410	110
Net impairments and write-offs of receivables	-476	-4,348	11
Other operating expenses	24,308	21,092	115
<b>Total costs</b>	<b>1,020,229</b>	<b>988,247</b>	<b>103</b>
Change in the value of inventories of finished products and work in progress	1,638	8,677	19
<b>Total</b>	<b>1,021,867</b>	<b>996,924</b>	<b>103</b>

### Employee benefits

€292,388 thousand

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Gross wages and salaries and continued pay	227,713	208,210	109
Social security contributions	15,643	15,529	101
Pension insurance contributions	29,686	26,198	113
Post-employment benefits and other non-current employee benefits	4,073	3,348	122
Other employee benefits	15,273	14,361	106
<b>Total employee benefits</b>	<b>292,388</b>	<b>267,646</b>	<b>109</b>

### Other operating expenses

€24,308 thousand

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Grants and assistance for humanitarian and other purposes	1,452	1,300	112
Environmental protection expenditures	4,737	3,365	141
Other taxes and levies	14,092	13,740	103
Loss on sale of property, plant and equipment and intangible assets	1,681	750	224
Other operating expenses	2,346	1,937	121
<b>Total other operating expenses</b>	<b>24,308</b>	<b>21,092</b>	<b>115</b>

Other taxes and levies include various taxes and levies on pharmaceuticals and fees paid to medical representatives in individual foreign countries for pursuing promotional activities.



## Finance income and expenses

€ thousand	Jan–Sep 2024	Jan–Sep 2023	Index
Interest income	8,325	7,633	109
Derivative income	1,719	2,659	65
– Realised revenue	1,719	1,042	165
– Change in fair value	0	1,617	0
Income from other financial instruments	7,145	3,959	180
– Realised revenue	9,682	919	1,054
– Change in fair value	-2,537	3,040	
Income from dividends and other profit shares	4,729	30,698	15
– Dividends	760	808	94
– Profits of subsidiaries	3,969	29,890	13
Other finance income	0	4	0
<b>Total finance income</b>	<b>21,918</b>	<b>44,953</b>	<b>49</b>
Net foreign exchange losses	-6,626	-45,440	15
Interest expense	-2,834	-2,502	113
– Interest paid	-2,774	-2,447	113
– Interest expense on lease liabilities	-60	-55	109
Derivative expenses	-2,331	-389	599
– Realised expenses	-1,584	-389	407
– Change in fair value	-747	0	
Other finance expenses	-3,308	-2,681	123
<b>Total finance expenses</b>	<b>-15,099</b>	<b>-51,012</b>	<b>30</b>
<b>Net finance result</b>	<b>6,819</b>	<b>-6,059</b>	

## Income tax expense

**€49,323 thousand**

Current income tax amounted to €47,006 thousand or 14.9% of profit before tax. Taking into account deferred tax of €2,317 thousand, the tax expensed in the income statement totalled €49,323 thousand. The effective tax rate was 15.6%.

## Property, plant and equipment

**€612,392 thousand**

€ thousand	30 Sep 2024	31 Dec 2023	Index
Land	52,039	51,786	100
Buildings	228,594	242,811	94
Equipment	253,681	240,106	106
Property, plant and equipment being acquired	74,916	57,273	131
Right-of-use assets	3,162	3,549	89
<b>Total property, plant and equipment</b>	<b>612,392</b>	<b>595,525</b>	<b>103</b>

The value of property, plant and equipment accounted for 24% of the Krka balance sheet total. See the 'Investments' section in the business report for details on Krka's major investments.

## Intangible assets

€23,384 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Concessions, trademarks and licences	13,946	15,138	92
Other intangible assets	7,251	7,556	96
– Long-term deferred operating costs	166	216	77
– Development-related projects	4,223	4,478	94
– Emission coupons	2,862	2,862	100
Intangible assets being acquired	2,187	3,349	65
<b>Total intangible assets</b>	<b>23,384</b>	<b>26,043</b>	<b>90</b>

Intangible assets refer to software and registration documents for new pharmaceuticals.

## Loans

€30,010 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Non-current loans</b>	<b>20,379</b>	<b>41,243</b>	<b>49</b>
– Loans to subsidiaries	8,600	0	
– Loans to others	11,779	11,243	105
– Deposits granted to banks	0	30,000	0
<b>Current loans</b>	<b>9,631</b>	<b>65,699</b>	<b>15</b>
– Portion of non-current loans maturing next year	4,328	12,827	34
– Loans to subsidiaries	5,024	1,697	296
– Loans to others	13	13	100
– Deposits granted to banks	0	50,000	0
– Current interest receivables	266	1,162	23
<b>Total loans</b>	<b>30,010</b>	<b>106,942</b>	<b>28</b>

## Investments

€275,665 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Non-current investments</b>	<b>22,889</b>	<b>47,673</b>	<b>48</b>
– Investments at fair value through OCI (equity instruments)	22,889	26,900	85
– Investments at amortised cost (debt instruments)	0	20,773	0
<b>Current investments including derivatives</b>	<b>252,776</b>	<b>306,769</b>	<b>82</b>
– Investments at fair value through profit or loss	222,273	236,751	94
– Investments at amortised cost (debt instruments)	30,503	70,018	44
<b>Total investments</b>	<b>275,665</b>	<b>354,442</b>	<b>78</b>

Investments at fair value through OCI comprised €1,098 thousand of shares and interests in companies in Slovenia (end of 2023: €953 thousand), and €21,791 thousand of shares and interests in companies located outside Slovenia (end of 2023: €25,947 thousand).

Current investments at amortised cost (debt instruments) are bonds with a maturity of less than one year and a credit risk rating that corresponds to the globally understood definition of an investment grade. All investments belong to the lower medium grade. Investments at amortised cost included no investments in Slovenian government bonds (end of 2023: €6,033 thousand), while investments in foreign government bonds amounted to €30,503 thousand (end of 2023: €84,758 thousand).

The decrease in investments at amortised cost (current and non-current) totalled €39,515 thousand compared to 31 December 2023 and occurred due to the maturity of government bonds. The decrease in investments at fair value through profit or loss amounting to €14,478 thousand included acquisitions of treasury bills of €455,480 thousand, disposal of treasury bills due to their maturity totalling €477,235 thousand, revaluation of treasury bills of €131 thousand, realised finance income amounting to €9,683 thousand, and decrease in fair value of treasury bills totalling €2,537 thousand.

## Inventories

€543,029 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Material	255,441	249,217	102
Work in progress	114,965	113,596	101
Finished products	100,676	110,199	91
Merchandise	33,881	18,705	181
Advances for inventories	38,066	22,175	172
<b>Total inventories</b>	<b>543,029</b>	<b>513,892</b>	<b>106</b>

## Trade and other receivables

€541,533 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Current trade receivables	524,723	463,126	113
– Receivables due from subsidiaries	311,819	268,438	116
– Receivables due from customers other than Group companies	212,904	194,688	109
Current dividend receivables	0	9,837	0
Current receivables due from others	16,810	37,279	45
<b>Total trade and other receivables</b>	<b>541,533</b>	<b>510,242</b>	<b>106</b>

## Cash and cash equivalents

€200,506 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Bank balances	200,506	140,993	142
<b>Total cash and cash equivalents</b>	<b>200,506</b>	<b>140,993</b>	<b>142</b>

Bank balances included a deposit of €147,000 thousand with a maturity of up to 90 days (31 December 2023: €118,000 thousand) and a deposit in USD amounting to €22,329 thousand (no such deposit on 31 December 2023).

## Equity

€2,149,010 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Share capital	54,732	54,732	100
Treasury shares	-155,121	-138,489	112
Reserves:	303,984	290,481	105
– Reserves for treasury shares	155,121	138,489	112
– Share premium	105,897	105,897	100
– Legal reserves	14,990	14,990	100
– Statutory reserves	30,000	30,000	100
– Fair value reserve	-2,024	1,105	
Retained earnings	1,945,415	1,926,534	101
<b>Total equity</b>	<b>2,149,010</b>	<b>2,133,258</b>	<b>101</b>

## Trade payables

€184,402 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Current trade payables</b>	<b>184,402</b>	<b>175,847</b>	<b>105</b>
Payables to subsidiaries	52,801	53,490	99
Payables to domestic suppliers	52,756	53,639	98
Payables to foreign suppliers	78,845	68,718	115
<b>Total trade payables</b>	<b>184,402</b>	<b>175,847</b>	<b>105</b>

## Provisions

€106,018 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Provisions for lawsuits	0	10,543	0
Provisions for post-employment benefits	87,404	85,564	102
Provisions for other non-current employee benefits	18,614	17,892	104
<b>Total provisions</b>	<b>106,018</b>	<b>113,999</b>	<b>93</b>

Krka settled a fine of €10 million on the grounds of the decision by the Court of Justice of the European Union following the European Commission's appeal with regard to the dispute about the medicine containing perindopril. Krka, therefore, reversed provisions formed for this purpose.

## Deferred income

€2,161 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Grants received from the European Regional Development Fund and budget of the Republic of Slovenia intended for the production of pharmaceuticals in the new Noto1 2 plant	601	687	87
Subsidy for acquisition of electric drive vehicles	1	1	100
Property, plant and equipment received free of charge	8	10	80
Emission coupons	10	10	100
Subsidy for purchase of joinery	89	90	99
Subsidy for acquisition of other equipment	0	1	0
Grants received from the European Regional Development Fund (Farma GRS)	1,446	1,567	92
Subsidy for trucks	6	0	
<b>Total deferred revenue</b>	<b>2,161</b>	<b>2,366</b>	<b>91</b>

## Borrowings

€43,707 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Current borrowings</b>	<b>43,707</b>	<b>88,061</b>	<b>50</b>
– Borrowings from subsidiaries	43,360	87,655	49
– Current interest payable	347	406	85
<b>Total borrowings</b>	<b>43,707</b>	<b>88,061</b>	<b>50</b>

## Current contract liabilities

€10,915 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
<b>Refund liabilities</b>	<b>7,188</b>	<b>13,900</b>	<b>52</b>
– Bonuses and volume rebates	7,188	13,900	52
<b>Contract liabilities</b>	<b>3,727</b>	<b>5,053</b>	<b>74</b>
– Advances from other customers	3,727	5,053	74
<b>Total current contract liabilities</b>	<b>10,915</b>	<b>18,953</b>	<b>58</b>

## Other current liabilities

€70,925 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Payables to employees – gross salaries, other receipts and charges	62,192	72,498	86
Derivatives	3,400	2,653	128
Other	5,333	2,649	201
<b>Total other current liabilities</b>	<b>70,925</b>	<b>77,800</b>	<b>91</b>

## Contingent liabilities

€16,258 thousand

€ thousand	30 Sep 2024	31 Dec 2023	Index
Guarantees issued	15,243	15,238	100
Other	1,015	1,417	72
<b>Total contingent liabilities</b>	<b>16,258</b>	<b>16,655</b>	<b>98</b>

## Fair value

€ thousand	30 Sep 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current financial assets</b>				
Loans	20,379		41,243	
Investments at fair value through OCI (equity instruments)	22,889	22,889	26,900	26,900
Investments at amortised cost (debt instruments)	0		20,773	
<b>Current financial assets</b>				
Loans	9,631		65,699	
Investments at fair value through profit or loss	222,273	222,273	236,751	236,751
Investments at amortised cost (debt instruments)	30,503		70,018	
Trade receivables	524,723		463,126	
Cash and cash equivalents	200,506		140,993	
<b>Non-current financial liabilities</b>				
Lease liabilities	-2,143		-2,565	
<b>Current financial liabilities</b>				
Borrowings	-43,707		-88,061	
Derivatives	-3,400	-3,400	-2,653	-2,653
Lease liabilities	-1,054		-1,022	
Payables to suppliers and subsidiaries excluding advances	-184,402		-175,847	
Contract liabilities excluding advances	-7,188		-13,900	
Other liabilities excluding amounts owed to the state, to employees, and advances	-2,384		-1,333	
<b>Total</b>	<b>786,626</b>	<b>241,762</b>	<b>780,122</b>	<b>260,998</b>

In terms of fair value, assets and liabilities are classified into three levels:

- Level 1 – Assets at market price;
- Level 2 – Assets not classified within level 1 and the value of which is determined directly or indirectly based on observable market data;
- Level 3 – Assets the value of which cannot be determined using market data.

## Assets at fair value

€ thousand	30 Sep 2024				31 Dec 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>								
Investments at fair value through OCI	21,503	0	1,386	22,889	25,514	0	1,386	26,900
Investments at fair value through profit or loss	222,273	0	0	222,273	236,751	0	0	236,751
<b>Total assets at fair value</b>	<b>243,776</b>	<b>0</b>	<b>1,386</b>	<b>245,162</b>	<b>262,265</b>	<b>0</b>	<b>1,386</b>	<b>263,651</b>

## STATEMENT OF COMPLIANCE

The Management Board of Krka, d. d., Novo mesto hereby states that the condensed financial statements of Krka and the condensed consolidated financial statements of the Krka Group for the period ended 30 September 2024 have been prepared so as to provide a true and fair view of the financial position and operating results of the Krka Group and Krka. The condensed financial statements for the period January to September 2024 have been prepared using the same accounting policies as for the 2023 annual financial statements of the Krka Group and Krka.

The condensed financial statements for the period ended 30 September 2024 have been prepared pursuant to IAS 34 – *Interim Financial Reporting* and have to be read in conjunction with the annual financial statements prepared for the financial year ended 31 December 2023.

The Management Board is responsible for taking the measures required to preserve the assets of the Krka Group and Krka, and to prevent and detect fraud and other forms of misconduct.

The Management Board states that all transactions between Krka Group subsidiaries have been executed according to the concluded purchase contracts, using market prices of products and services. No significant business transactions were concluded with other related parties.

Novo mesto, 23 October 2024



Jože Colarič  
President of the Management Board and CEO



Dr Aleš Rotar  
Member of the Management Board



Dr Vinko Zupančič  
Member of the Management Board



David Bratož  
Member of the Management Board



Milena Kastelic  
Member of the Management Board – Worker Director