



PRESS RELEASE

Novo mesto, 30 January 2025

## Krka Group 2024 Performance Estimate

The Management Board of Krka, d. d. held a press conference today to present the 2024 unaudited performance estimate for the Krka Group, which the Supervisory Board discussed at their meeting yesterday. The Krka Group generated revenue of €1,909.5 million, up €103.2 million or 6% on 2023. Earnings before interest, tax, depreciation and amortization (EBITDA) exceeded half a billion euro and amounted to €518.2 million, which corresponds to 27.1% of total revenue. Publication of the 2024 unaudited financial statements of the Krka Group and Krka is scheduled for Thursday, 13 March 2025.

*The President of the Management Board and Chief Executive Jože Colarič explained: 'The Krka Group continued successful business operations also in 2024. We recorded the strongest sales since incorporation and saw sales grow in the majority of our markets, most substantially in Region East Europe. We recorded estimated operating profit (EBIT) of €425.7 million, up 7%, and estimated net profit of €353.4 million, up €40 million or 13% on 2023. We obtained marketing authorisations for 22 new products, and completed more than 1,000 marketing authorisation procedures in various countries, extending our product portfolio and increasing availability of treatment. The Krka Group investments totalled €117 million. We allocated them to improvements in production technologies, development, and quality, augmenting key elements of our vertically integrated business model.'*

*We presented our 2025 objectives in the November public release on our business performance. We expect revenue to surpass €2 billion for the first time since incorporation. If the 2024 trends continue, we expect performance this year to be even more satisfactory. This is why we increased our 2025 profit plan to €365 million. We intend to allocate €150 million to investments in 2025, up 28% on investments realised last year.'*

### Krka Group performance estimates

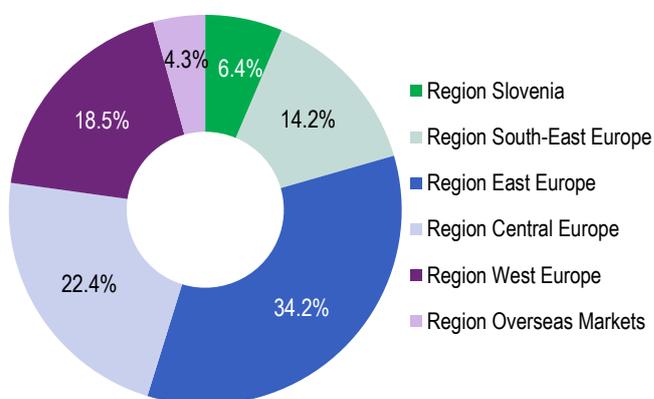
€ thousand	2024 estimate	2023	Index
Revenue	1,909,544	1,806,391	106
Of that revenue from contracts with customers (products and services)	1,899,848	1,798,969	106
Earnings before interest, tax, depreciation and amortisation (EBITDA)	518,179	504,215	103
Operating profit (EBIT)	425,666	399,621	107
Net finance result	-8,645	-32,495	
Profit before tax (EBT)	417,021	367,126	114
Net profit	353,421	313,732	113
Earnings per share (EPS) (€)	11.48	10.14	113
<b>Ratios</b>			
EBITDA margin	27.1%	27.9%	
EBIT margin	22.3%	22.1%	
EBT margin	21.8%	20.3%	
Net profit margin (ROS)	18.5%	17.4%	

## Sales

The Krka Group generated €1,909.5 million in revenue last year. Of that, revenue from contracts with customers on sales of products and services amounted to €1,899.8 million, while other revenue from contracts with customers on sales of materials and other sales revenue constituted the difference. Revenue was by €103.2 million or 6% higher than the year before. We recorded sales growth in most sales markets.

### Krka Group product and service sales by region

€ thousand	2024	2023	Index
Region Slovenia	121,004	113,777	106
Region South-East Europe	269,025	249,330	108
Region East Europe	650,339	593,951	109
Region Central Europe	426,530	397,079	107
Region West Europe	351,803	369,624	95
Region Overseas Markets	81,147	75,208	108
<b>Total</b>	<b>1,899,848</b>	<b>1,798,969</b>	<b>106</b>



Region East Europe generated €650.3 million and was the largest sales region in the Krka Group. In the Russian Federation, our product sales generated €373.3 million, up 8% on 2023, a 19% increase in sales denominated in the Russian rouble. We also increased sales in all other regional markets. Year on year, product sales in Ukraine totalled €96.0 million, up 15%, and in Uzbekistan €53.7 million, up 10%.

Region Central Europe, comprising the Visegrad Group and the Baltic states, followed with €426.5 million. Poland, the leading market in the region, generated product sales of

€206.1 million and recorded 14% growth. Product sales in Czechia totalled €58.6 million, down 4%, while in Hungary product sales increased by 2% to €53.3 million. We increased sales in other countries of the region.

Region West Europe recorded product sales of €351.8 million, and was the Krka Group's third largest sales region. The region's largest market was Germany, where product sales totalled €83.4 million. The Scandinavian countries, Portugal, Italy, and the United Kingdom followed. We recorded the highest absolute sales growth in the United Kingdom, the Netherlands, and the Scandinavian countries.

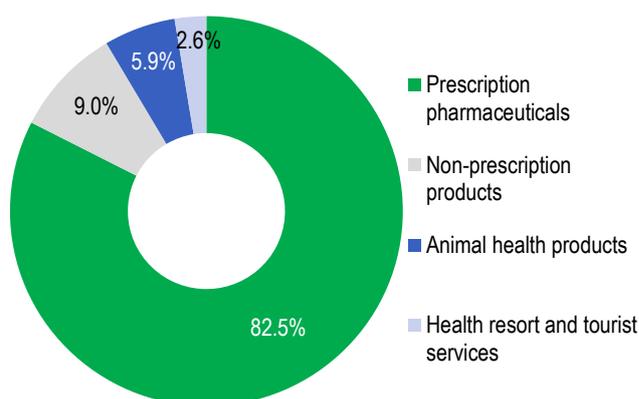
Sales in Region South-East Europe totalled €269.0 million. Romania and Croatia remained our two leading markets in the region. We recorded the highest absolute sales growth in Romania, Bulgaria, and Croatia. We generated product sales of €77.6 million in Romania, up 7%, and €49.0 million in Croatia, also up 7%. Sales increased in all markets in the region.

Region Slovenia recorded sales of €121.0 million. The major part, totalling €71.7 million, was generated through product sales, which increased by 8%. Health resort and tourist services yielded €49.4 million, up 3% on 2023.

Region Overseas Markets accounted for 4.3% in overall Krka Group sales and yielded €81.1 million in product sales, up 8% on 2023.

## Krka Group sales by product and service group

€ thousand	2024	2023	Index
Human health products	1,738,650	1,646,633	106
– Prescription pharmaceuticals	1,567,359	1,469,381	107
– Non-prescription products	171,291	177,252	97
Animal health products	111,847	104,640	107
Health resort and tourist services	49,351	47,696	103
<b>Total</b>	<b>1,899,848</b>	<b>1,798,969</b>	<b>106</b>



Sales of prescription pharmaceuticals totalled €1,567.4 million, up 7% on 2023, accounting for 82.5% of total Krka Group product and service sales. We increased sales in all our regions except in Region West Europe, where we recorded a 5% drop. Region East Europe increased sales by 12% and Region Slovenia by 9%, while Region Central Europe, Region South-East Europe, and Region Overseas Markets increased their sales by 8% each. Of our ten largest individual markets, prescription pharmaceuticals absolute sales growth was the highest in Poland, the Russian Federation, and Ukraine. Of our other markets, the United

Kingdom and the Netherlands saw the highest growth. Top-ranking therapeutic classes of prescription pharmaceuticals included cardiovascular agents, central nervous system agents, pharmaceuticals for the treatment of gastrointestinal disorders, medicines for pain relief, and anti-infectives for systemic use.

Sales of non-prescription products totalled €171.3 million, a 3% year-on-year drop, and accounted for 9.0% of total sales. Sales of animal health products grew by 7%, reaching €111.8 million (5.9% of overall sales). Sales of health resort and tourist services totalled €49.4 million, up 3% on 2023 (2.6% of overall sales).

## Research and development

In 2024, we added 22 new products to our portfolio and would like to highlight the following:

- We obtained marketing authorisations for our four new cardiovascular single-pill combinations and one naproxen/paracetamol single-pill combination for pain relief.
- We completed the first decentralised procedure for our generic edoxaban-based product.
- We obtained marketing authorisations under the centralised procedure for our pomalidomide-based oncology agent.
- We obtained approvals for marketing for seven new products in China.
- We extended our portfolio of consumer health products and food supplements with three new products.
- Approved was our new product for veterinary use.

We pursue our development strategy with project approach and constant investments and maintain the highest quality throughout a product's life cycle in compliance with requirements of all markets where we are present. We brought to the end more than 1,000 registration procedures for our new and established products, and received regulatory approvals for more than 24,000 variations in order to guarantee uninterrupted supplies to our markets.

In 2024, we filed nine patent applications for new technological solutions we had developed and evaluated as inventions at the global ranking level. Based on priority applications from 2023, we filed seven international and two European patent applications. We were granted four patents in different countries. Overall, more than 200 patents protect Krka's technological solutions.

We filed 134 applications for Krka trademarks in Slovenia. We also filed 75 international and 34 national trademark applications. Overall, we hold authorisations in various countries for 1,100 brand names.

## Investments

In 2024, the Krka Group allocated €116.9 million to investments, of that €87.8 million to the controlling company.

The list of our major investments completed in 2024 comprises as follows:

- We finished the construction of a new multipurpose building Paviljon 3 in Ločna, Novo mesto, Slovenia. The building houses additional facilities for our microbiology laboratory, Supply Chain Management, and other organisational units.
- We implemented a system that captures the excess effluent temperature for heat generation to increase 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 expanded the capacity for pharmaceutical water production through enhanced drinking water treatment in our Vodarna 2 water plant, also in Novo mesto, Slovenia. This upgrade ensures redundancy and reliability across all production stages of process and pharmaceutical water from drinking water.
- We increased capacities for granulation and packaging at our site in Ljutomer, Slovenia.

The list of investments in progress includes as follows:

- We upgraded water supply systems and automated washing systems in Notol, our solid dosage forms production plant in Novo mesto, Slovenia. We also replaced 16 packaging lines. We also plan to increase the capacity for compression mixture preparation and to upgrade and expand the granulation capacity at Notol and Notol 2 production plants in Novo mesto, Slovenia. We are currently upgrading the logistic system to allow for reliable operations of the Notol plant in the upcoming 20 years. We intend to replace an inspection machine, a container washing machine, and a tablet press at the Notol plant in the next two years. The total value of plant renovations has been estimated at €75 million.
- We started construction of another multipurpose building at the same location, at the estimated value of €17 million.
- 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. Together with additional investments in equipment in this plant, the total investment is estimated at €35 million.
- We have initiated activities to expand the capacity for production and packaging of animal health products at the Bršljin Department of Powders and Solutions in Novo mesto, Slovenia. The investment is estimated at €35 million.
- We are installing personnel and material airlocks at the old section of the Ljutomer plant, Slovenia. We aim to increase production capacity for uncoated lozenges by installing an inspection machine and optimise packaging by introducing a robotic cell. We are also starting to build an automated high-bay warehouse and expand the production plant. The investment is estimated at €58 million.
- Based on project documentation and an environmental impact assessment, 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. We are still in the process of obtaining the environmental protection and chemical safety (SEVESO) permits. The construction of a technically and technologically advanced wastewater treatment plant started at the end of 2023, but 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. An extension to the production and distribution building will provide additional capacities.

## Employees

At the end of 2024, the Krka Group employed 12,810 people, of whom 41% or 5247 worked outside Slovenia. Of all employees, 47% had at least university-level qualifications, and of that, 202 held a doctoral degree. Including agency workers, the Krka Group comprised 12,857 employees.

## Investor and share information

The Krka share price increased by just over 26% in 2024, reaching €139.00 as at 31 December 2024. Krka shareholders received a dividend of €7.50 per share in July 2024, up 13.6% year on year. Considering the share price at the end of the year, this constituted a 5% annual dividend yield. Total Krka share return amounted to slightly above 33% in 2024.

At the end of the year, Krka had 47,243 shareholders, on par with year-end 2023. The shareholder structure of Krka was stable, composed of domestic retail investors in 41.5% and foreign investors in 19.7%, and was subject to no major changes last year.

In 2024, we repurchased 191,371 treasury shares, and held 2,107,337 treasury shares as at 31 December 2024, accounting for 6.426% of its share capital.

## Sustainable operations

We have undertaken activities to implement the *EU Corporate Sustainability Reporting Directive (CSRD)* and the *European Sustainability Reporting Standards (ESRS)*, further upgrading sustainability reporting and governance in key sustainability areas. We conducted a reassessment of double materiality and adopted a few new corporate policies as part of our preparations for *ESRS* reporting. Adopting these policies further reinforced our ESG policy commitments to promote and implement sustainability principles in our operations to achieve long-term sustainable growth and strategic business objectives. Sustainability reporting for 2024 will be subject to external audit for the first time and will be included in our annual report, which is scheduled for publication in April 2025.

## Krka Group plans for 2025

This year, the Krka Group plans to reach a product and service sales target of just over €2 billion and net profit of €365 million. Estimated profit is higher than originally planned €354 million presented in our November press release for the period ended 30 September 2024. We plan to allocate €150 million for investments aimed primarily at increasing and upgrading production capacities and infrastructure.

The *2025 Krka Group Business Plan* is based on the *2024–2028 Krka Group Development Strategy*, which was adopted by the Management Board and presented to the Supervisory Board in November 2023. The *Plan* is based on expectations, estimates, forecasts, and other available data. The Management Board believes the projections are reasonable. In the event of major changes in the business environment, such as selling price erosion, rising prices of raw materials, exchange rate fluctuations of certain Krka's key currencies, and lower demand for pharmaceutical products, the actual operating results could deviate from the plan.