

PRESS RELEASE

Krka Releases 2024 Unaudited Financial Statements

Novo mesto, 13 March 2025

Krka released the 2024 unaudited financial statements of the Krka Group and the controlling company Krka, d. d., Novo mesto today. The report was published after the Company's Supervisory Board discussed them at their meeting yesterday. The Krka Group generated revenue of €1,909.5 million last year, up €103.2 million or 6% on 2023. Krka Group unaudited net profit totalled €356.2 million. The 2024 annual report will be released on Thursday, 10 April 2025.

The President of the Management Board and Chief Executive Jože Colarič explained: 'As reported in January, the Krka Group performed successfully in 2024 and in line with expectations. We achieved the highest sales and EBITDA to date, totalling €520 million. Set side by side with the 2024 preliminary unaudited performance estimate for the Krka Group published in January, sales remained the same, while operating profit and net profit increased by €1.9 million and €2.8 million, respectively. Five year compound average growth rate of operating profit was 9.3% and of net profit was 7.8%. With our global market presence, prudent decision-making, and efficient adaptation to circumstances, we have always been up to challenges, and I believe this will also continue in the future. I believe in Krka and its employees.'

Financial highlights

€ thousand	Krka Group			Company		
	2024*	2023	Index	2024*	2023	Index
Revenue	1,909,544	1,806,391	106	1,766,021	1,674,572	105
– Of that revenue from contracts with customers (products and services)	1,899,848	1,798,969	106	1,538,576	1,449,739	106
Gross profit	1,093,883	1,026,709	107	983,768	888,427	111
Earnings before interest, tax, depreciation and amortisation (EBITDA)	520,085	504,215	103	457,150	402,547	114
Operating profit (EBIT)	427,572	399,621	107	385,997	322,308	120
Profit before tax (EBT)	419,078	367,126	114	380,968	329,049	116
Net profit	356,202	313,732	114	321,192	294,481	109
R&D expenses	184,855	178,582	104	179,822	173,783	103
Investments	117,049	131,932	89	87,800	111,751	79

Performance ratios

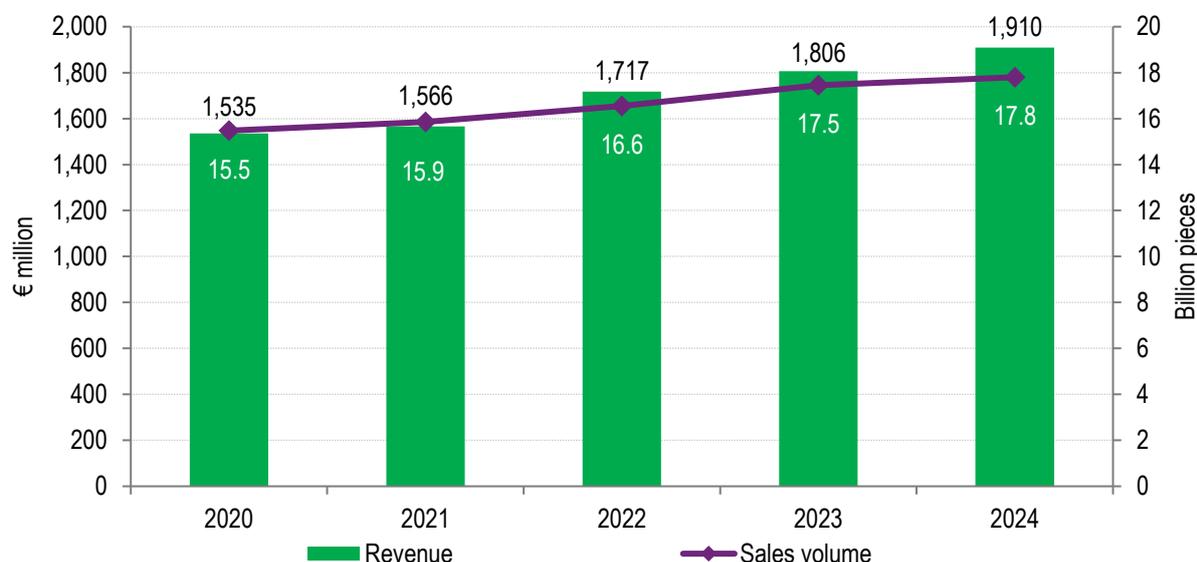
	Krka Group		Company	
	2024*	2023	2024*	2023
Gross profit margin	57.3%	56.8%	55.7%	53.1%
EBITDA margin	27.2%	27.9%	25.9%	24.0%
EBIT margin	22.4%	22.1%	21.9%	19.2%
EBT margin	21.9%	20.3%	21.6%	19.6%
Net profit margin (ROS)	18.7%	17.4%	18.2%	17.6%
Return on equity (ROE)	16.1%	14.5%	14.9%	14.0%
Return on assets (ROA)	12.7%	11.5%	12.3%	11.5%
Liabilities/Equity	0.273	0.267	0.199	0.225
R&D expenses/Revenue	9.7%	9.9%	10.2%	10.4%

* The 2024 data are unaudited.

Performance analysis

Operating income

Revenue



In 2024, the Krka Group generated revenue of €1,909.5 million, a €103.2 million or 6% increase on 2023, of which revenue from contracts with customers on sales of products and services reached €1,899.8 million and revenue from contracts with customers on sales of materials and other sales revenue constituted the difference. Five year compound average growth rate of sales volume was 4.3% and of sales value was 5%.

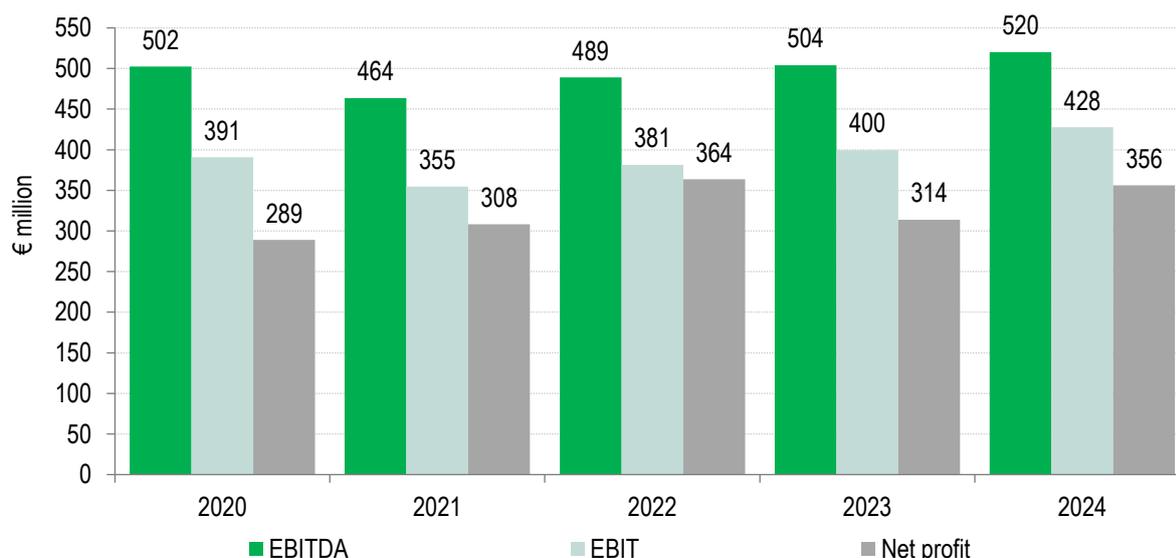
Operating expenses

The Krka Group posted operating expenses of €1,489.1 million, up €76.2 million or 5% on 2023.

Krka Group operating expenses comprised: cost of goods sold of €815.7 million; selling and distribution expenses of €373.4 million; R&D expenses of €184.9 million; and general and administrative expenses of €115.2 million. Operating expenses accounted for 78% of revenue and, over the past five years, ranged from 75% (in 2020) to 78% (between 2021 and 2024).

Costs of goods sold, up 5% on 2023, represented the largest Krka Group operating expense item. They accounted for 42.7% of total revenue in 2024, and 43.2% in 2023. Selling and distribution expenses increased by 7% compared to 2023, and accounted for 19.6% of total revenue, up 0.3 percentage points on 2023. R&D expenses increased by 4% and constituted 9.7% of total revenue (down 0.2 percentage points on 2023). General and administrative expenses amounted to 6.0% of total revenue, up 8%, while their proportion in revenue increased by 0.1 percentage point.

Operating results



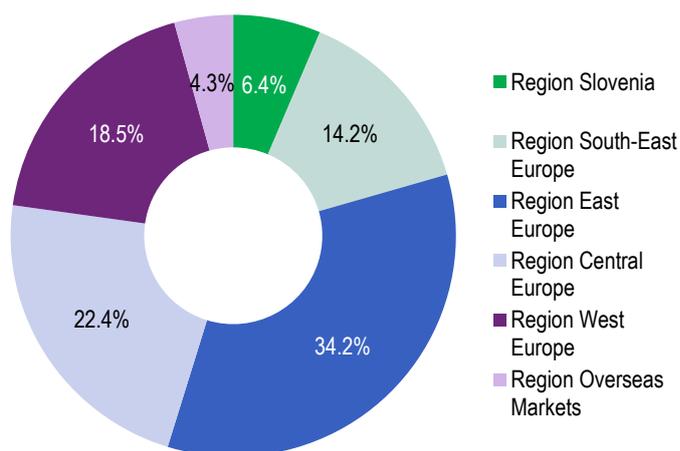
The Krka Group recorded operating profit (EBIT) totalling €427.6 million, up €28.0 million or 7% on 2023. The Krka Group posted earnings before interest, tax, depreciation, and amortisation (EBITDA) totalling €520.1 million, up €15.9 million or 3%. Five year compound average growth rate of EBIT was 9.3% and of EBITDA was 6.2%.

In 2024, Krka Group profit before tax increased by €52.0 million or 14% to €419.1 million. The effective tax rate for the Krka Group was 15.0%. The Krka Group recorded net profit of €356.2 million, up €42.5 million or 14% on 2023. Profit before tax and net profit increased year on year primarily owing to relatively lower cost growth compared to revenue growth and reduced financial loss as to the year before. Five year compound average growth rate of net profit was 7.8%.

Marketing and sales

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
Total	1,899,848	1,798,969	106



In 2024, the Krka Group generated €1,899.8 million revenue from contracts with customers on sales of products and services, an increase of €100.9 million or 6% year on year. We recorded sales growth in most sales markets.

Region East Europe recorded the highest sales, €650.3 million or 34.2% of total Krka Group sales, up 9% year on year. 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. In Ukraine, we made €96.0 million in product sales, up 15%

on 2023. Uzbekistan generated €53.7 million in product sales, up 10% year on year.

Region Central Europe, comprising the Visegrad Group and the Baltic states, followed with €426.5 million or 22.4% of total Krka Group sales, up 7% on 2023. 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 also in all other countries of the region.

Region West Europe ranked third in terms of sales with €351.8 million or 18.5% of total Krka Group sales. Germany, where product sales totalled €83.4 million, was the largest market in the region. 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.

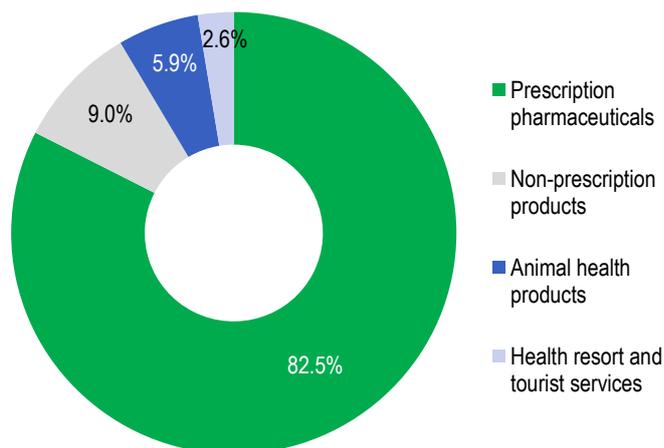
Product sales in Region South-East Europe amounted to €269.0 million, up 8% on 2023, accounting for 14.2% of total Krka Group sales. Romania and Croatia remained our two leading markets in the region, while Romania, Bulgaria, and Croatia recorded the highest absolute sales growth. Our product sales in Romania generated €77.6 million, up 7%, and in Croatia €49.0 million, up 7%. We increased sales in all regional markets.

Region Slovenia recorded sales of €121.0 million, up 6%, accounting for 6.4% of total Krka Group sales. The major part, totalling €71.7 million, was created by 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
Total	1,899,848	1,798,969	106



Sales of prescription pharmaceuticals generated €1,567.4 million, up 7% year on year, 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 respective sales by 8% each. Of our ten largest individual markets in size, prescription pharmaceuticals saw the highest absolute sales growth in Poland, the Russian Federation and Ukraine, and of our other markets in the United Kingdom and the Netherlands. Top-

ranking 2024 therapeutic classes of prescription pharmaceuticals included cardiovascular agents, central nervous system agents, and gastrointestinal tract medicines.

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

- perindopril (Prenessa, Co-Prenessa, Amlessa, Co-Amlessa, Roxiper, Roxampex);
- valsartan (Valsacor, Valsacombi, Vamloset, Co-Vamloset, Valarox);
- rosuvastatin (Roswera, Co-Roswera);
- pantoprazole (Nolpaza);
- losartan (Lorista, Lorista H, Lorista HD, Tenloris);
- atorvastatin (Atoris);
- esomeprazole (Emanera);
- naproxen (Nalgessin);
- tramadol (Doreta, Tadol); and
- candesartan (Karbisi, Karbicombi, Kandoset).

Sales of non-prescription products totalled €171.3 million, down 3% on 2023, accounting for 9.0% of total Krka Group sales. In 2024, we recorded the highest absolute sales increases in Poland, Slovenia, and Germany. Septotele, Nalgessin, Herbion, and Septanazal were our primary product brands in terms of sales.

Sales of animal health products grew by 7% and generated €111.8 million, accounting for 5.9% of overall sales. Sales generated in the Russian Federation, Spain, and Poland were the primary drivers of absolute growth. In 2024, the combination of milbemycin and praziquantel (Milprazon) remained the best-selling animal health product. It was followed by products containing fipronil (Fypryst, Fypryst Combo) and selamectin (Selehold).

Sales of health resort and tourist services totalled €49.4 million, up 3% on 2023 (2.6% of overall sales). We recorded 342,176 overnight stays, a 2% year-on-year increase.

Research and development

In 2024, we expanded our product range with twenty-two new products, including eighteen new prescription pharmaceuticals, and three additions to our portfolio of consumer health products and food supplements, and one veterinary medicine.

- We obtained marketing authorisations for four new single-pill cardiovascular agents. Kanpiduo (candesartan/indapamide) is a unique medication in Europe that combines candesartan, a contemporary angiotensin II receptor blocker, and indapamide, a diuretic. It is available in tablets. Taken once daily, this convenient medication provides stable blood pressure control in patients who have already been treated with candesartan and indapamide. We concluded marketing authorisation procedures for Valomindo (valsartan/indapamide) 80 mg/1.5 mg modified-release tablets, a new strength of this blood pressure lowering agent, and Co-Atoris (atorvastatin/ezetimibe) film-coated tablets indicated for the treatment of hyperlipidaemia and prevention of cardiovascular events in patients with coronary heart disease (CHD) and a history of acute coronary syndrome (ACS).

- We were granted marketing authorisations under the EU decentralised procedure for our triple single-pill combination Co-Amlessa Neo (perindopril arginine/amlodipine/indapamide) tablets. Our new perindopril formulation enables tailoring of the treatment to the needs of individual patients in various countries.
- As the first provider of generic medicines, we obtained marketing authorisations under the decentralised procedure for our antithrombotic agent Delianda (edoxaban) film-coated tablets. Edoxaban is a value-added antithrombotic agent. It is distinguished by once-daily administration, which ensures good patient compliance, and a reduced risk of bleeding.
- 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 marketing authorisations for Apremilast Krka (apremilast) film-coated tablets for safe and effective treatment of moderate to severe chronic plaque psoriasis in adult patients. 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 were granted marketing authorisations under the centralised procedure for our oncology agent Pomalidomide Krka (pomalidomide) hard capsules. It is indicated for the treatment of adult patients with advanced forms of multiple myeloma as it reduces signs and symptoms and slows down disease progression.
- We developed and were authorised to market 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. The new strength helps tailor the treatment to patients' needs. We are one of the few manufacturers whose vitamin D products were granted marketing authorisations as prescription pharmaceuticals.
- We also received approvals for Nalgesin Duo (naproxen/paracetamol) film-coated tablets, our innovative single-pill combination indicated for relieving mild to moderate pain. This is the first marketing authorisation for the single-pill combination of naproxen and paracetamol in the Russian Federation. We also supported it with our clinical study.
- We were granted marketing authorisations for several new products in China. Marketing authorisations were granted for two cardiovascular single-pill combinations, our new amlodipine/valsartan film-coated tablets for treating hypertension, and amlodipine/atorvastatin film-coated tablets for the concomitant treatment of arterial hypertension and hyperlipidaemia. 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. Also, we received approvals for our three combinations in film-coated tablets, containing hydrochlorothiazide and contemporary angiotensin II receptor blockers: a combination of losartan and hydrochlorothiazide; a combination of valsartan and hydrochlorothiazide; and a combination of olmesartan and hydrochlorothiazide. We were granted marketing authorisations for a central nervous system agent, aripiprazole tablets. This atypical antipsychotic is associated with fewer adverse drug reactions than other agents from the same product group.
- In 2024, we added three new products to our portfolio of consumer health products and food supplements. Herbion Iceland Moss lozenges contain dry extract of Icelandic moss, relieve irritation of the mucosa in the throat and mouth, and the associated dry cough, and can be taken by adults and adolescents 12 years of age and older.
- We added two new products to our portfolio of food supplements. They contain beta-glucan and a combination of vitamins and minerals for immune support. Imunogard Krka Junior strawberry-flavoured powder for solution contains beta-glucan, vitamins A, C, D, and zinc, and is intended for children aged three years and older. Imunogard Krka lemon-flavoured powder for solution contains beta-glucan, vitamins C, A, D, B₆, B₉, and B₁₂, and minerals zinc, selenium, and manganese. It can be taken by adults and adolescents aged 14 years and older.
- We obtained marketing authorisations for Otomicol, on other markets also marketed as Otosur, (miconazole/prednisolone/polymyxin) ear drops and cutaneous suspension. We obtained marketing authorisations 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.

In 2024, we finalised over 1,000 registration procedures for new and already established products and received approvals for more than 24,000 regulatory variations to ensure uninterrupted supply to various markets.

We filed nine patent applications for new technological solutions we evaluated as innovations at the global ranking level. As per priority applications from 2023, we filed seven international and two European patent applications. We were granted four patents in various countries. Overall, more than 200 valid patents protect our technological solutions.

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

Investments

In 2024, the Krka Group allocated €117.0 million to investments, of that €87.8 million to the controlling company.

Completed investments:

- We finished the construction of a new multi-purpose building Paviljon 3 in Ločna, Novo mesto, Slovenia. The building design incorporates additional facilities for our microbiological laboratory, Supply Chain, and other organisational units.
- We implemented a system for capturing the excess effluent temperature for heat generation to increase the energy use efficiency at our waste water 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 stages of process and pharmaceutical water production from drinking water.
- We increased capacities for granulation and packaging at our site in Ljutomer, Slovenia.

Investments in progress:

- We upgraded water supply systems and automated washing systems, and replaced 16 worn out packaging lines in Notol, our solid dosage forms production plant in Novo mesto, Slovenia. We also plan to increase the capacity for compression mixture preparation and to upgrade and expand the granulation capacity at Notol and Notol 2, both in Novo mesto, Slovenia. We are 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, container washing machine, and tablet press at the Notol plant in the next two years. The total value of plant renovations is estimated at €75 million.
- We started construction of another building at our central site in Ločna, Novo mesto, Slovenia. The investment is estimated at €17 million.
- At the Solid Dosage Products plant in Novo mesto, Slovenia, the investment in additional capacities for tableting mixture preparation, granulation, and logistic capacities is drawing to a close. Together with additional investments in equipment at this plant, the (investment) total is estimated at €35 million.
- We launched activities to expand production and packaging capacities for animal health products at the Bršljin Department of Powders and Solutions in Novo mesto, Slovenia. The investment is estimated at €35 million.
- Works for placement of personnel and material airlocks at the old section of our Ljutomer plant, Slovenia, are currently in progress. A newly installed inspection machine is expected to increase production capacities for uncoated lozenges, and a robotic cell for packaging optimisation. We are also starting to build an automated high-bay warehouse and expand the plant. The investment is valued at €58 million.
- 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. We are still in the process of obtaining the environmental protection and chemical safety (SEVESO) permits. At the end of 2023, the construction of a technically and technologically advanced waste water treatment plant started, 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 persons, of whom 41% or 5,247 worked outside Slovenia. Of all employees, 47% have at least university-level qualifications, and of that, 202 hold a doctoral degree. Including agency workers, the Krka Group employed 12,857 persons.

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 a sound 33% in 2024.

At the end of the year, Krka had 47,243 shareholders, on par with the year-end 2023. The shareholder structure of Krka is 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. As at 31 December 2024, Krka held 2,107,337 treasury shares, accounting for 6.426% of its share capital.

Sustainable operations

In 2024, we adopted a package of new corporate policies and codes on ESG governance in the Krka Group, comprising the *Environmental Policy of the Krka Group*, the *Human Rights Policy of the Krka Group*, the *Diversity, Equity and Inclusion Policy of the Krka Group*, the *Due Diligence Policy of the Krka Group*, and the *Code of Conduct for Business Partners of the Krka Group*. This package of new policies further enhanced corporate compliance in the Krka Group.

On 31 January 2025, the S&P Global Corporate Sustainability Assessment (CSA) performed by S&P Global, the international credit and ESG rating agency. The score 56 out of 100 is higher than the 2023 score. As of 31 January 2025, our S&P Global CSA Score ranked among the top 10% in the pharmaceutical industry.

The received independent sustainability rating reaffirms the outlined direction of the Krka Group's sustainable management practices and ESG governance, prioritising corporate social responsibility and care for the health and well-being of patients. We provide patients with access to high-quality, safe, and effective medicines produced in accordance with the highest standards of good manufacturing practice. In this process, we place strong emphasis on environmental protection and reduction of our environmental impact, while adhering to the highest standards of business ethics, integrity, and transparent operations in the Krka Group's governance.

The received score encourages and commits us to further improve the sustainability practices of the Krka Group.