

PRESS RELEASE

Otočec, 6 July 2023 – The 29th Annual General Meeting of Krka, d. d., Novo mesto is being held at the Otočec Šport Hotel today. The President of the Management Board and Chief Executive Jože Colarič has presented the key 2022 Krka Group business results and main operating estimates for the first half of this year. »We recorded growth across all sales regions and all groups of products and services. We are content with the estimated 7% sales growth, which has exceeded Krka's strategic target. Relative to the adjusted operating profit for the first half of 2022, the estimated operating profit for H1 2023 increased even more than sales despite inflation pressures, climbing 9%. This has resulted in the highest half-year EBIT in the history of Krka. Estimated half-year net profit was €170.1 million, 50% more than planned for the full-year 2023. This is, nevertheless, a decrease year-over-year because of high foreign exchange gains last year. The gap between the 2023 in 2022 net financial result is big over the half-year but is expected to close by the end of the year.«

The Supervisory Board is scheduled to discuss unaudited operating results of Krka and the Krka Group for the first half of 2023 at their regular meeting of 19 July, and a press release is due the next day.

As the AGM unfolds today, shareholders are going to vote on the proposed resolutions. Adopted resolutions will be released separately.

Estimated Operating Results for the First Half of 2023

Krka Group Financial Highlights

€ million	Estimate Jan–Jun 2023	Jan–Jun 2022	Index
Revenue	920.4	857.4	107
– Of that revenue from contracts with customers (products and services)	916.5	853.4	107
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	288.6	192.4	150
Operating profit (EBIT)*	236.2	139.3	170
Net profit	170.1	236.2	72
Ratios			
EBITDA margin	31.4%	22.4%	
EBIT margin	25.7%	16.2%	
Net profit margin (ROS)	18.5%	27.5%	

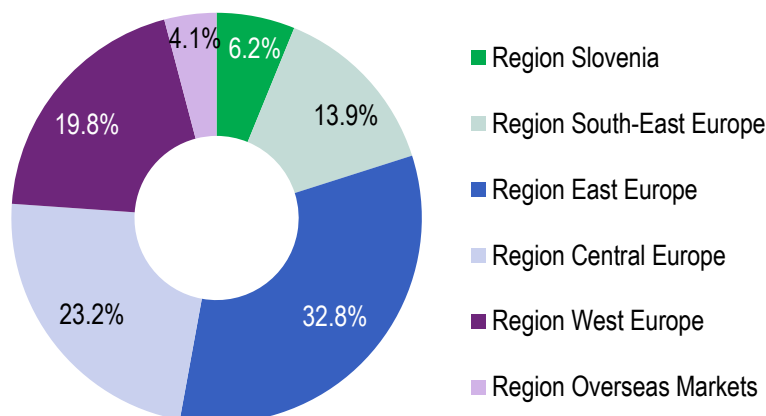
* The adjusted EBITDA totalled €270.1 million for the first half-year 2022, and the adjusted EBIT €217.0 million. Half-year 2023 EBITDA was up 7% relative to the half-year adjusted 2022 EBITDA, and **half-year 2023 EBIT climbed 9% relative to the half-year adjusted 2022 EBIT**.

Sales

Estimated Product and Service Sales by Region

€ million	Estimate Jan–Jun 2023	Jan–Jun 2022	Index
Region Slovenia	56.6	49.4	115
Region South-East Europe	127.4	119.3	107
Region East Europe	300.5	287.7	104
Region Central Europe	212.9	196.1	109
Region West Europe	181.4	168.5	108
Region Overseas Markets	37.6	32.5	116
Total	916.5	853.4	107

Estimated Sales in the First Half of 2023 by Region



The Group's largest region in terms of sales was Region East Europe, where product sales totalled €300.5 million. In the Russian Federation, Krka's largest single market, product sales totalled €179.8, up 4% year on year. In Ukraine, we sold €38.6 million worth of products, down 16% on the same period last year. Extraordinary circumstances and measures taken by distributors in inventory management have led to a contraction of the pharmaceutical market; however, the sales dynamics in the second quarter were more intense than in the first. In all other markets of eastern Europe and central Asia Krka's sales were up.

The second best result was recorded in Region Central Europe, where we sold €212.9 million worth of products. In Poland, Krka's second largest single market, product sales were €93.1 million, up 5% year on year, and in the Czech Republic product sales advanced by 15% to €34.5 million. Sales also increased in all other regional markets.

With €181.4 million worth of sales recorded there, Region West Europe was the third largest region. In Germany, Krka's largest market in the region and third largest single market, product sales amounted to €49.2 million, up 4% year-on-year. Sales growth was also recorded in all other regional markets, except the UK. The best results were reported for Portugal (up 24%), Ireland (up 20%), Austria (up 11%), and Scandinavia and Spain (sales up 10% in both).

In Region South-East Europe Krka generated product sales of €127.4 million, with sales increasing in all markets except Bulgaria.

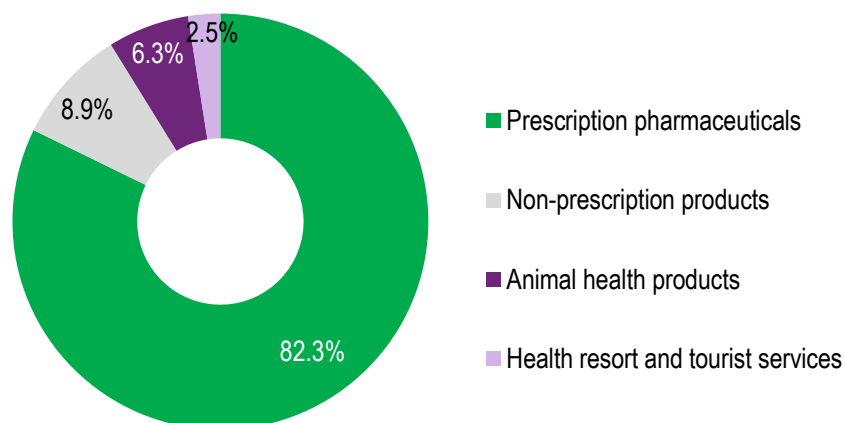
Product and service sales in Region Slovenia totalled €56.6 million. According to the latest data available Krka holds a 7.3% share of the Slovenian market in terms of the value of sales, and is thus the country's leading supplier of medicinal products.

Sales growth in Region Overseas Markets was fuelled chiefly by the sales results for the Far East and Africa, which increased by more than half.

Estimated Product and Service Sales by Product and Service Group

€ million	Estimate Jan–Jun 2023	Jan–Jun 2022	Index
Human health products	835.6	786.8	106
– Prescription pharmaceuticals	753.7	709.2	106
– Non-prescription products	81.9	77.6	106
Animal health products	58.0	47.2	123
Health resort and tourist services	22.8	19.4	118
Total	916.5	853.4	107

Estimated Half-Year 2023 Sales By Product and Service Group



New products

Krka is developing numerous products, obtaining marketing authorisations for them and launching them on different markets. **In the first half of 2023 we obtained marketing authorisations for five new products and for several existing ones.** A total of more than 260 marketing authorisation procedures were finalised in different markets.

The Krka product range in China was expanded. A cardiovascular agent containing perindopril tert-butylamine was launched. We obtained approvals to market a modern antithrombotic containing rivaroxaban in the form of film-coated tablets, and a gliclazide agent in the form of modified release tablets, used to treat diabetes.

As to animal health, a recently launched Krka product for companion animals is Robexera/Rogiola (robenacoxib), which was approved in EU markets in the form of chewable tablets for dogs. It treats chronic osteoarthritis and offers postoperative pain relief.

We obtained a Certificate of Suitability to the monograph of the European Pharmacopoeia (CEP) issued by the European Directorate for the Quality of Medicines & Health Care (EDQM) for our antibacterial agent norfloxacin, which is incorporated into the Krka product Nolicin.

Investments

According to estimates, the Krka Group allocated €45.6 million to investments in the first six months of the year, of which €36.5 million by the controlling company.

Employees

At the end of June 2023 the Krka Group had 11,653 people on payroll, up 55 on the year-end of 2022. Of these, 45% worked in subsidiaries and representative offices outside of Slovenia. As many as 51% of Krka employees have at least university-level education. Together with agency workers, Krka had a total staff of 12,641.

Share Information

At the end of June 2023 Krka had 47,125 shareholders. **On 30 June 2023 the Krka share traded at €116.00 on the Ljubljana Stock Exchange, up 26% on the year-end of 2022, when it traded at €92.00.**

In the first half of 2023, Krka repurchased a total of 41,279 treasury shares. At the end of June 2023, it held 1,827,128 treasury shares, accounting for 5.572% of the Company's total shares.

Krka Group 2023 Business Plan

Full-year sales of products and services are expected to reach €1,755 million. Net profit is planned in the region of €300 million. The total number of employees in Slovenia and abroad is expected to increase by 2%. We plan to allocate €130 million to investments, primarily to expand and technologically modernise production and development facilities and infrastructure.

Initial 2023 performance estimates are expected to be released on November 16.