

Otočec, 7 July 2022

Today, the 28th Annual General Meeting of Krka, tovarna zdravil, d. d., Novo mesto is held at the Hotel Šport in Otočec, Slovenia. The President of the Management Board and Chief Executive Jože Colarič presented the key 2021 Krka Group business results and main operating estimates for the first half of this year. The Supervisory Board is scheduled to discuss unaudited operating results of Krka and the Krka Group for the first half of 2022 at their regular meeting of 20 July. A press release is due the next day.

According to the agenda, the shareholders are to discuss and vote on the proposed resolutions and the information on the adopted resolutions will be published in a separate notice.

### Estimated Operating Results for the First Half of 2022

The Krka Group generated revenue in total of €857.4 million, of which revenue from contracts with customers (products and services) reached €853.4 million, Krka's strongest half-year sales to date. Overall sales grew by 48.9 million or 6% year on year.

We sold €804 million worth of products in markets outside Slovenia, constituting 94% of Krka Group's total product-and-service sales. Sales volume amounted to 8.6 billion units, i.e. tablets, capsules, injections, etc., a 5% increase on the same period last year.

### Estimated Krka Group Financial Highlights

	Estimate	Adjusted	Jan–Jun	Index	Index
€ million	Jan–Jun 2022	Jan–Jun 2022	2021	estimate	adjusted
				Jan–Jun	Jan–Jun
				2022/	2022/
				Jan–Jun	Jan–Jun
				2021	2021
Revenue	857.4		808.6	106	
– Of that revenue from contracts with customers (products and services)	853.4		806.5	106	
Earnings before interest, tax, depreciation and amortisation (EBITDA)	192.4	270.1	255.0	75	106
Operating profit (EBIT)	139.2	217.0	200.5	69	108
Net profit	236.2		177.4	133	
<b>Ratios</b>					
EBITDA margin	22.4%	31.5%	31.5%		
EBIT margin	16.2%	25.3%	24.8%		
Net profit margin (ROS)	27.5%		21.9%		

The Krka Group estimated operating profit (EBIT) amounted to €139.2 million, down 31% year on year. We have already informed the public that, in our subsidiaries in the Russian Federation, we increased the inventories of raw materials, materials, bulk products, and products required for long-term uninterrupted supply of Krka's pharmaceuticals in the Russian market. The purchase is done in roubles. The inventories are current, necessary, and will be converted into finished products and sales in the upcoming months.

The value of the said inventories expressed in the euro further increased on account of significant strengthening of the rouble, which impacted the Krka Group income statement and temporarily reduced its EBITDA and EBIT. In order to present the results correctly, the table above also includes adjusted results in addition to accounting values. Adjusted EBITDA and EBIT do not include provisions for unrealised profit in inventory of intragroup companies in the amount of €77.7 million as a result of the strengthening of the rouble. The adjusted estimated operating profit (EBIT) of the Krka Group amounted to €217 million, up 8% year on year.

The net financial result of the Krka Group was estimated at €138 million, while net foreign exchange gains from the Russian rouble exchange rate were estimated at €123 million. Of that, estimated unrealised foreign exchange gains totalled €116 million.

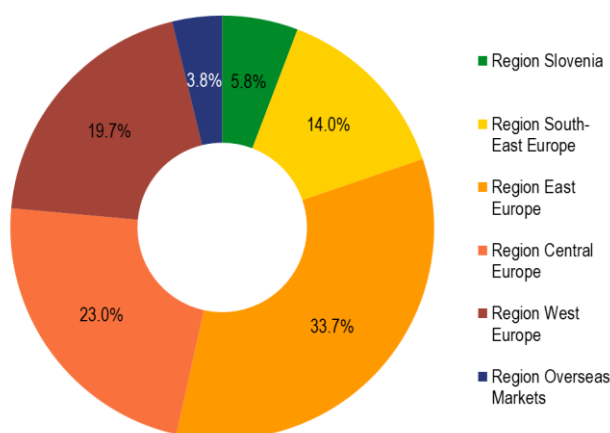
**The Krka Group recorded estimated net profit of €236.2 million, up 33% year on year.**

## Estimated Krka Group Sales by Region

### Product and Service Sales by Region

€ million	Estimate Jan–Jun 2022	Jan–Jun 2021	Index
Region Slovenia	49.4	41.8	118
Region South-East Europe	119.3	112.3	106
Region East Europe	287.7	276.5	104
Region Central Europe	196.1	188.9	104
Region West Europe	168.5	159.6	106
Region Overseas Markets	32.5	27.5	118
<b>Total</b>	<b>853.4</b>	<b>806.5</b>	<b>106</b>

**Accounting for 33.7%, the Krka Group's largest region in terms of sales was Region East Europe. Sales of products reached €287.7 million**, up €11.2 million or 4% year on year. Product sales in the Russian Federation, our largest individual market, totalled €172.7 million, a 3% year-on-year increase. In Ukraine, we generated €45.8 million in product sales, down 1% year on year. The situation in Ukraine and the Russian Federation requires



constant adaptation in many areas. The course of future events and their impact on Krka's annual performance are difficult to assess because of their complexity. However, the results for the first six months are encouraging. We recorded sales growth in all other markets of eastern Europe and central Asia, except Kyrgyzstan.

Second largest sales region was **Region Central Europe**, accounting for 23% of total Krka Group sales. **This region generated €196.1 million in product sales**, up €7.2 million or a 4% growth year on year. In Poland, our second largest individual market, product sales added up to €88.8 million, a 1% year-on-year increase. Sales denominated in

the Polish zloty grew by 3%. In the Czech Republic, we sold €30 million worth of products and achieved 16% growth. All three Baltic markets also recorded growth.

**Generating €168.5 million, Region West Europe** was the third largest region in terms of sales, accounting for 19.7% of Krka Group sales. Sales grew by €8.9 million or 6% year on year. In Germany, Krka's largest market in the region and third largest individual market, product sales amounted to €47.2 million, recording a 9% year-on-year increase. We achieved sales growth in most other regional markets as well, the highest in Benelux (29%), Scandinavia (17%), and Portugal (16%).

**In Region South-East Europe, product sales amounted to €119.3 million**, constituting 14% of Krka Group sales. Product sales increased by €7 million or 6% year on year. We recorded sales growth in all markets of the region and the highest absolute growth in Croatia, Romania and Serbia.

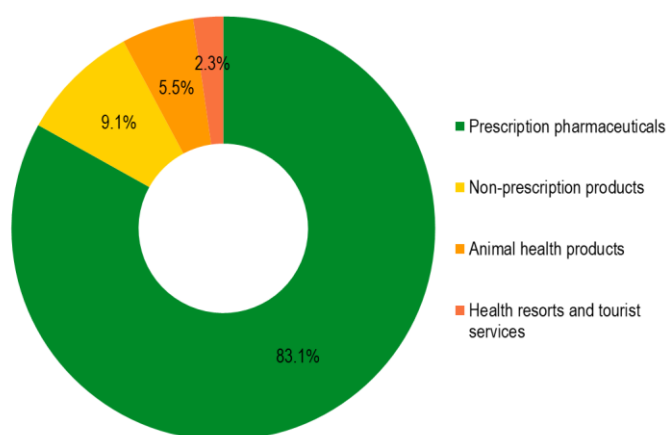
**Region Slovenia increased sales of products and services by 18% to €49.4 million.** Product sales amounted to €30 million, up 6% year on year. Health resorts and tourist services yielded sales total of €19.4 million, a 46% year-on-year growth. Domestic market sales accounted for 5.8% of Krka Group sales.

**Region Overseas Markets generated product sales of €32.5 million**, up 18%, constituting a 3.8% share of Krka Group sales.

## Estimated Krka Group Sales by Product and Service Group

### Sales by Product and Service Group

€ million	Estimate Jan–Jun 2022	Jan–Jun 2021	Index
Human health	786.8	748.2	105
– Prescription pharmaceuticals	709.2	689.1	103
– Non-prescription products	77.6	59.1	131
Animal health products	47.2	45.0	105
Health resorts and tourist services	19.4	13.3	146
<b>Total</b>	<b>853.4</b>	<b>806.5</b>	<b>106</b>



We generate €709.2 million in sales of prescription pharmaceuticals, up 3% year on year. Prescription pharmaceuticals accounted for 83.1% of total Krka Group sales. Year-on-year comparison shows that sales of non-prescription products increased by 31% to €77.6 million (i.e. 9.1% share of total sales). Sales of animal health products increased by 5% to €47.2 million, accounting for 5.5% of total sales. Health resorts and tourist services generated €19.4 million, 2.3% of total sales, up 46% year on year.

### New Products

Krka develops many products, obtains relevant marketing authorisations for them, and places them on markets. In the first half of 2022, we added four new products to our product portfolio.

We obtained marketing authorisations for the following prescription pharmaceuticals:

- An antithrombotic agent: **Dabiksom** (dabigatran etexilate);
- A new single-pill combination of perindopril arginine and amlodipine for the treatment of cardiovascular diseases, available on markets as: **Neoamlessini**, **Amlessa**, **AmlessaNEO**, **Aramlessa**, **Tonarssa NEO**, **Dalnessaneo**, **Dalnessa AS**, or **Aperneva**;
- A cardiovascular agent in China: **valsartan**.

We extended our portfolio of non-prescription products with Magnezij Krka 400 water soluble granules.

### Investments

According to estimates, the Krka Group allocated a good €49 million to investments in the first six months of the year, of which more than €35 million to the controlling company.

### Employees

At the end of June 2022, the Krka Group had 11,618 people on payroll, an increment of 107, up 1% on year-end 2021. Of these, 46% were employed in subsidiaries and representative offices abroad. A good 51% of employees had at least university-level education. Together with agency workers, Krka had a total of 12,576 people on payroll.

### Share Information

At the end of June 2022, Krka had 47,142 shareholders. On 30 June 2022, Krka share traded at €94.20 on the Ljubljana Stock Exchange, down 20% on year-end 2021, when it traded at €118.

In the first half of 2022, Krka repurchased a total of 21,689 treasury shares. At the end of June 2022, it held 1,705,597 treasury shares, accounting for 5.201% of total shares.

## 2022 Business Plan

**The Krka Group 2022 plan projects sales at €1.610 billion and net profit at approximately €300 million. We intend to allocate €130 million to investment projects, primarily to increase and upgrade the production facilities and infrastructure, and 10% of revenue to research and development.**

We carry out activities of a comprehensive upgrade of our ESG governance system.

The performance estimate for the first half of 2022 is encouraging and we believe we will achieve our plans. However, business results for the remaining part of 2022 may depend on any new situation that might arise, including a possible new wave of COVID-19 and the related restrictions imposed by individual countries, rising prices of raw materials, situation in eastern Europe, and exchange rate volatility. **The public announcement of 2022 performance is due on 17 November 2022.**

The Management Board remains committed to pursuing the strategy of a stable dividend policy and considering the Group's financial requirements for investments and acquisitions when determining the net profit share for dividend payment each year, and allocating at least 50% of net profit of the controlling company's equity holders for dividends.