

## **Explanation of proposed resolutions for The 31st Annual General Meeting of Krka, d. d., Novo mesto due on 10 July 2025**

At several meetings, the Management and Supervisory Boards of Krka, d. d., Novo mesto (also Krka or the Company) discussed the materials for convening the 31st Annual General Meeting (AGM) and drafted the Agenda and the resolutions as follows:

### **Add 1.**

The Chair of the AGM is elected for each assembly separately. Ixtlan Forum, d. o. o., Ljubljana is proposed as the vote enumerator based on its good references. This company has performed the voting and vote enumerating procedures at Krka's AGMs for years.

### **Add 2.**

The Supervisory Board reviewed the *2024 Annual Report of Krka, d. d., Novo mesto and the Krka Group*. The Board had no comments or reservations and approved the report unanimously. The *2024 Annual Report of Krka, d. d., Novo mesto and the Krka Group* was approved. The Supervisory Board also deliberated on the auditor's report and the work of the certified auditor. The Supervisory Board had no comments about either of these. Item 2.1 is of informative nature and is as such not subject to vote.

In accordance with the provisions of the *Companies Act*, Krka drew up the *Report on Remuneration of Management and Supervisory Board Members* (hereinafter the *Remuneration Report*), which includes a comprehensive overview of remunerations, as well as bonuses and benefits of any kind it provided or owed to an individual member of the management and supervisory bodies in the past financial year. The *Remuneration Report* contains all elements set out in the *Companies Act*, Article 294 b, Paragraph 2. The auditors reviewed the *Remuneration Report* and prepared their own report, which is attached to the *Remuneration Report*. The *Remuneration Report* is submitted to the AGM in the same manner as the annual report. The AGM has the right to an advisory vote on the *Remuneration Report* for the past financial year. After voting at the AGM, the Company must immediately publish the *Remuneration Report* on its website, where it must remain publicly available free of charge for ten years at least.

The Management Board drafted a proposal for appropriation of the 2024 distributable profit in total of €370,068,816.48. The Supervisory Board of the Company endorsed the proposal. The Supervisory and Management Boards jointly propose that the resolution on the appropriation of distributable profit be adopted by the AGM. The proposal follows the Company's strategic guidelines for dividend policy. Also, the Supervisory and Management Boards propose that the AGM ratify and approve their work in the financial year 2024.

### **Attachments**

- *2024 Annual Report*  
(at [https://seonet.ljse.si/default.aspx?doc=SEARCH&doc\\_id=91242](https://seonet.ljse.si/default.aspx?doc=SEARCH&doc_id=91242))
- *2024 Supervisory Board Report of Krka, d. d., Novo mesto*  
(at [https://seonet.ljse.si/default.aspx?doc=SEARCH&doc\\_id=91221](https://seonet.ljse.si/default.aspx?doc=SEARCH&doc_id=91221))
- *Report on Remuneration of Management and Supervisory Board Members of Krka, d. d., Novo mesto in 2024*

*This translation is for convenience purposes only.*

### **Add 3.**

On 21 August 2025, the terms of office expire to Supervisory Board members Jože Mermal, Matej Lahovnik, Boris Žnidarič, and Julijana Kristl.

At their meeting of 12 March 2025, the Supervisory Board took a decision that candidates be nominated by members of the Supervisory Board and nominations reviewed by the Human Resource Committee and the Supervisory Board at their meetings on 14 May 2025, when they draw up the proposal for voting at the AGM.

In candidacy evaluations, members of the Human Resource Committee and the Supervisory Board focused on fulfilment of legal and statutory requirements, competency criteria, and conditions set out in the *Rules of Procedure of the Supervisory Board* and the *Slovenian Corporate Governance Code for Listed Companies*. The proposal complies with the reviewed *Diversity Policy for Management and Supervisory Bodies of Krka* adopted by the Supervisory Board in accordance with the *Companies Act*, Article 254 c, Paragraph 2.

The Committee received from candidates references, statements, and evidence of the candidates' suitability for the Krka Supervisory Board membership. The Supervisory Board considered the Human Resource Committee's proposal and in line with it proposes Jože Mermal, Julijana Kristl, Sanja Savič and Boštjan Furlan be appointed to the Supervisory Board as members for a five-year term of office commencing on 22 August 2025.

Before elections of members to a management or supervisory body, a large listed company must inform all subjects eligible to vote about its obligations to meet gender balance targets and the ensuing penalties in case of non-fulfilment.

Krka is liable to meet gender balance targets on company management and supervisory boards in accordance with the Companies Act (ZGD-1), Article 254 b. The voting proposal follows the published Diversity Policy for Management and Supervisory Bodies of Krka that complies with the Companies Act, Article 254 c, Paragraph 2. The policy was adopted on 12 March 2025 by the Supervisory Board. Notwithstanding the Companies Act, Article 392, election of a candidate who does not meet gender balance criteria is valid, in which case the candidate who has not been elected has the right to compensation under general rules of the civil law and compensation for discrimination under the law governing protection against discrimination (Companies Act, Article 254. d).

### **Candidate presentations**

#### **Jože Mermal**

Jože Mermal (born 1954) comes from Ljubljana and holds a university degree in economics. Since 2019, when BTC introduced the one-tier management system, Mermal has chaired the company's management board. He had successfully managed BTC for 26 years before that, having worked creatively in many senior managerial positions since 1978.

He was the driving force behind the project to restructure and transform public warehouses into BTC City, a thriving, dynamic, and rapidly expanding company that has also become one of Europe's largest business, shopping, entertainment, recreation, culture, and innovation centres. As the founder and strategist of BTC, he has been supporting investments in development to reach the company's goal, which is to make BTC an open company for future generations.

In partnership with the Municipality of Ljubljana, he has been involved in setting up a 230 hectare urban regeneration project for the city of Ljubljana, the Šmartinska District Partnership. Crystal Palace, the Radisson Blu Plaza Hotel, and Ikea have been constructed as part of the project.

Under his management, ABC Accelerator was established in 2015. Its principal function is the development of a start-up business ecosystem. He also holds key managerial roles in various sports organisations and at international sporting events.

Under his management, BTC has received a plethora of awards and prizes for various community projects. He is also involved in cultural, sporting, educational, humanitarian, and scientific events.

He has received several awards for his work, including Manager of the Year in 1997 and the Primus Award for Excellence in Communication in 2001 by the Slovenian Public Relations Society. He is a keen advocate of culture and was named Cultural Patron of the Year in 2011. His visionary management and creativity at BTC earned him the Vision Manager Award in 2012, which is conferred by public relations experts from south-eastern Europe. In 2013, the Municipality of Ljubljana conferred the Marjan Rožanc Award on Mermal for sporting achievements. The Chamber of Commerce and Industry of Slovenia awarded him for exceptional business and entrepreneurial achievements in the category of large companies in 2013. Under Mermal's management, BTC has become the first—and, to this date, the only—Slovenian company listed on the London Stock Exchange. In 2015, he received a gold plaque from the Managers' Association of Slovenia for more than two decades of support. The highest managerial lifetime achievement award followed it, the Best Manager of South-Eastern Europe 2016 award, which is bestowed by the Independent Agency for the Selection and Promotion of Managers.

Mermal was awarded the title of a 2017 honorary citizen of Ljubljana, the highest honour bestowed by the Municipality of Ljubljana, for his contribution to the renown, significance, and development of the municipality and its inter-city and international relations. At the awards for best managers and companies from central and south-eastern Europe, he received the Best Manager and Best Company in Europe lifetime achievement award in 2019. In 2020, the Managers' Association of Slovenia awarded Mermal the Lifetime Achievement Award in Management. In 2024, he was honoured with two lifetime achievement awards. At the Fourth World Congress of Entrepreneurs in Montenegro, he was presented with the Stvaratelj za stoljeća 2023 grand award and recognition for his lifetime entrepreneurial accomplishments. He also received the SPORTO award for his exceptional promotion of sports brands.

He holds a Certificate of Qualification for members of supervisory boards or boards of directors issued by Nebra d. o. o., Ljubljana, Slovenia.

Mermal is independent in relation to Krka and his membership of the Supervisory Board of Krka does not constitute a conflict of interest as per Corporate Governance Code for Listed Companies, which he declared in a written statement. He currently chairs the Supervisory Board of Krka, d. d., Novo mesto and sits on the supervisory board of IEDC d. o. o. (Ltd). Mermal is a citizen of the Republic of Slovenia.

### **Prof. Dr Julijana Kristl**

Juliana Kristl (born 1953) holds a PhD in pharmaceutical sciences. She upskilled through programmes at the University of Geneva and the University of Lyon, as well as within the pharmaceutical industry. Kristl worked at the Faculty of Pharmacy at the University of Ljubljana until her retirement (1977–2021). Professor emeritus, Kristl is committed to research, gaining and sharing know-how with students and the scientific and business communities.

Her scientific career started in the area of pharmaceutical technology. Her greatest achievements include sustainable development and deploying pharmaceutical nanotechnology in Slovenia and beyond. Her work initially focused on developing and evaluating API nanodelivery systems that support innovative modes and new treatment mechanisms. Other notable achievements include lipid and polymer nanostructure (various nanoparticles and nanofibres) research and development, the

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discovery of mechanisms for increasing active ingredient solubility and bioavailability, and understanding the correlation between the structural composition and the real-time cell response on contact with them. Owing to her achievements, she is a pharmaceutical nanotechnologist of global renown.

In 2021, the Ministry of Education, Science and Sport of the Republic of Slovenia awarded Kristl the Zois Lifetime Achievement Award. She was awarded emeritus status by the University of Ljubljana in 2022 for her significant contribution to the development of pharmaceutical science and dedicated pedagogical and scientific work.

Throughout her career, she held many managerial posts, serving as Vice-Dean, Head of the Chair of Pharmaceutical Technology, Dean of the Faculty of Pharmacy, and as Vice-Rector at the University of Ljubljana (two terms). She is an active member of many prominent commissions and committees at state and university levels. Since 2021, she has actively participated in the council of the Slovenian Quality Assurance Agency for Higher Education, Slovenian Directors' Association, Slovenian Pharmaceutical Society, and the Outstanding Achievements Awards and Recognition Committee of the Republic of Slovenia.

She holds a certificate from the Slovenian Directors' Association evidencing her qualifications for non-executive membership on supervisory or management boards.

Kristl is independent in relation to Krka and her membership of the Supervisory Board of Krka does not constitute a conflict of interest as per Corporate Governance Code for Listed Companies, which she declared in a written statement. She is a supervisory board member of Krka, d. d., Novo mesto. Kristl is a citizen of the Republic of Slovenia.

## **Sanja Savič**

Sanja Savič (born 1981) holds a master's degree in law and is the director of legal department at PwC Svetovanje d. o. o., a part of PricewaterhouseCoopers in Slovenia.

She has been focusing on corporate law throughout her career and is a member of the Section of Corporate Lawyers of the Republic of Slovenia. She has been serving as a consultant to many Slovenian and international companies from various industries, including the automotive, pharmaceutical, finance, real estate, aviation, food, waste management, publishing, wholesale, education, IT, energy sector, and telecommunications. She has managed several acquisitions, due diligence reviews, and corporate restructuring. She is also an expert in tax, labour law, and corporate compliance. She deals with business development, drawing up strategies, personnel recruitment, their development, and mentoring. Savič has authored and co-authored several articles on the above topics published in many Slovenian magazines: The Finance Business Daily, the Davčno-Finančna Praksa tax and finance magazine, the Delo daily newspaper, the Svet Kapitala business weekly, and the Direktor magazine for directors. She participates in expert and economic associations and their working bodies. She is a member of the Strategic Council for Taxes at the Chamber of Commerce and Industry of Slovenia, co-chairs the AmCham Future of Work and Education Committee, and is a member of the Section of Young Managers and the Artemida Award Selection Committee at the Managers' Association of Slovenia.

At the beginning of her career, she gained work experiences as a legal advisor at Zavod PIP, a non-profit organisation in Maribor that provides legal assistance to the underprivileged. Before joining PwC, she headed Deloitte Legal at the audit firm Deloitte Slovenia.

She holds a certificate for sitting on a supervisory or management boards from the Slovenian Directors' Association.

Savič is independent in relation to Krka and her membership of the Supervisory Board of Krka does not constitute a conflict of interest as per Corporate Governance Code for Listed Companies, which she declared in a written statement. She sits on no other board of supervision. Savič is a citizen of the Republic of Slovenia.

### **Boštjan Furlan**

Boštjan Furlan (born 1972) is a mechanical engineer. He sits on the executive board in charge of Lighting Business Division at Forvia Hella, one of the leading automotive technology companies, and directs Hella Saturnus Slovenija d. o. o.

He draws up strategic and short-term plans, manages projects, and is occupied with process optimisation, investments, innovation, and new business opportunities in world markets in line with trends in the automotive industries. Digitalisation, automation, introduction of lean manufacturing, implementation of efficient processes, and product mix restructuring are in the centre of his attention. He regularly deals with risk management, business organisation, key human resource issues, investments, and new product launches. In the period from 2014 to 2020, Furlan successfully managed restructuring of HELLA Saturnus Slovenija.

He advanced his managerial and recruitment skills through training programmes LEAD Program Hella; Management Academy GL; and Talent Review Management. He finished courses in innovation, development, manufacturing, and quality assurance.

He holds a Certificate of Qualification for members of supervisory boards or boards of directors issued by Nebra d. o. o., Ljubljana, Slovenia.

Furlan is independent in relation to Krka and his membership of the Supervisory Board of Krka does not constitute a conflict of interest as per Corporate Governance Code for Listed Companies, which he declared in a written statement. He sits on the supervisory board of Cinkarna Celje, d. d. Furlan is a citizen of the Republic of Slovenia.

### **Add 4.**

Two contracts concluded with the audit firm KPMG Slovenija, podjetje za revidiranje, d. o. o. expired: the contract on auditing financial statements of Krka, d. d., Novo mesto and consolidated financial statements of the Krka Group in the period from 2022 to 2024; and the contract on giving assurances about the consolidated sustainability report of the Krka Group for the financial year 2024. The Supervisory Board proposes the audit firm KPMG Slovenija, podjetje za revidiranje, d. o. o. be contracted for the upcoming four financial years from 2025 to 2028 for the services stated above.

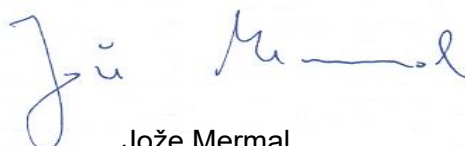
In compliance with the *Auditing Act*, Article 47, the statutory auditor must be appointed for at least three years (Article 47, Paragraph 5), whereby the cooperation with the same certified auditor, who is also the key audit partner, is limited to no more than seven subsequent years. The mandate of the statutory auditor can be renewed (*Auditing Act*, Article 47, Paragraph 6) without tendering and selection procedures if continuous cooperation with the same audit firm does not exceed ten years, the latest mandate included, which also complies with Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, Articles 16 and 17. This means that Krka, d. d., Novo mesto can conclude a contract with the same audit firm for another four financial years without a new selection procedure.

The audit firm KPMG Slovenija, podjetje za revidiranje, d. o. o, has acquired a thorough and comprehensive understanding of the processes in the Krka Group and proved a proficient and trustworthy partner. The firm is also an experienced auditor of controlling companies and groups from the pharmaceutical industry. The audit firm and its key audit partner have experience in auditing comparable groups of companies (Pliva and Lek) and subsidiaries of pharmaceutical companies (Roche, Pfizer, Bayer, GSK, Monsanto, Genera, Alkaloid). The audit firm is to ensure continued engagement and availability of key audit team members and in-house experts for all key audit areas and consultations on complex accounting, tax, sustainability, and other reporting issues.

Novo mesto, 15 May 2025

A blue ink signature of Jože Colarič, consisting of a large, stylized 'C' followed by a horizontal line.

Jože Colarič  
President of the Management Board and CEO

A blue ink signature of Jože Mermal, featuring a stylized 'J' followed by a series of loops and a horizontal line.

Jože Mermal  
President of the Supervisory Board