

PRESS RELEASE

Krka Reports First Quarter 2025 Business Results

Novo mesto, 15 May 2025

In the first quarter of 2025, the Krka Group generated revenue of €522.1 million, up 7% year on year, yielding net profit of €152.5 million, up 54% year on year. The Supervisory Board of Krka discussed the Q1 2025 business report of the Krka Group and Krka at its regular meeting yesterday.

President of the Management Board and Chief Executive Jože Colarič explained: 'The Krka Group continues to operate successfully in 2025. In the first quarter of 2025, we generated the highest sales and net profit to date. Sales increased in five of six sales regions, most key markets, and across all product and service groups. We extended our product portfolio with four new prescription pharmaceuticals. Year-on-year, product and service sales increased by 8% and net profit by over 50%. The high increase in net profit ensued from the net financial result impacted by changes in the value of the Russian rouble. We continue to generate robust cash flow from operating activities, which is sufficient for the smooth settlement of our operating liabilities, investments and the realisation of the long-term dividend policy. The Supervisory and Management Boards proposed shareholders be paid a dividend of €8.25 gross per share for 2024, a 10% increase on last year. Shareholders will vote on this proposal at the 31st Annual General Meeting (AGM) on 10 July 2025.

We continue investing in our joint venture Krka Pharma Private Limited, established with our partner Laurus Labs Ltd. in Hyderabad, India, in April 2024, where we hold a 51% stake.'

Financial highlights

€ thousand	Jan–Mar 2025	Jan–Mar 2024	Index
Revenue	522,114	486,145	107
– Of which revenue from products and services	521,456	484,104	108
Gross profit	304,417	279,941	109
Earnings before interest, tax, depreciation and amortisation (EBITDA)	145,862	138,468	105
Operating profit (EBIT)	122,690	114,188	107
Profit before tax (EBT)	179,514	118,644	151
Net profit	152,484	98,772	154
R&D expenses	49,519	46,864	106
Investments	21,066	26,996	78

Performance ratios

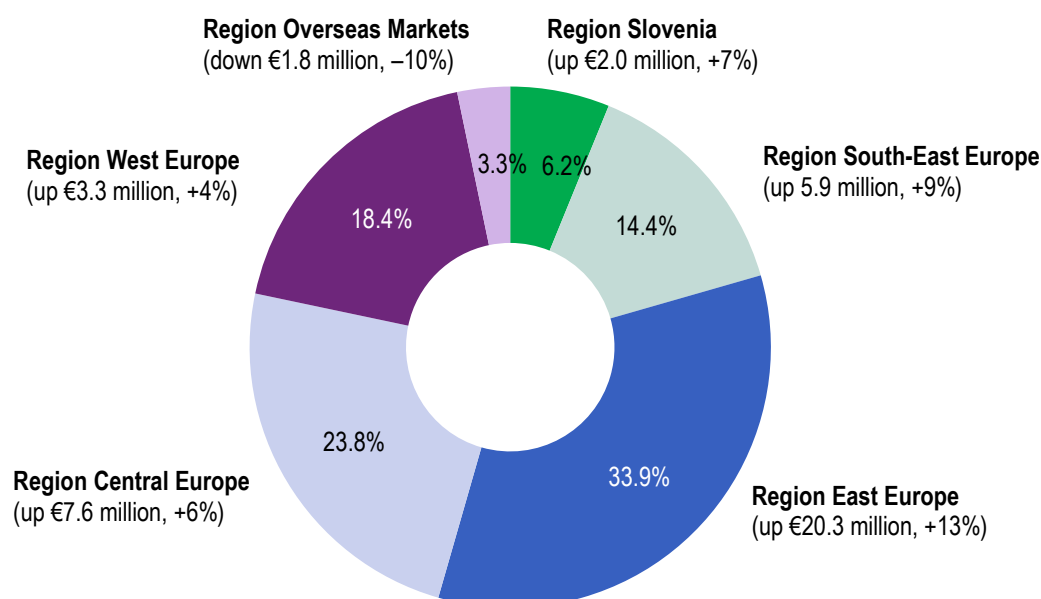
	Jan–Mar 2025	Jan–Mar 2024
Gross profit margin	58.3%	57.6%
EBITDA margin	27.9%	28.5%
EBIT margin	23.5%	23.5%
EBT margin	34.4%	24.4%
Net profit margin (ROS)	29.2%	20.3%
Return on equity (ROE)	26.2%	17.7%
Return on assets (ROA)	20.5%	14.1%
Liabilities/Equity	0.276	0.256
R&D expenses/Revenue	9.5%	9.6%

Sales

Product and service sales by region

€ thousand	Jan–Mar 2025	Jan–Mar 2024	Index
Region Slovenia	32,161	30,124	107
Region South-East Europe	75,019	69,100	109
Region East Europe	176,766	156,422	113
Region Central Europe	124,381	116,797	106
Region West Europe	96,074	92,773	104
Region Overseas Markets	17,055	18,888	90
Total	521,456	484,104	108

Q1 2025 product and service sales by region



The figures in parentheses show year-on-year changes in sales by region compared to the first quarter of 2024.

Region East Europe, our largest region in terms of sales value, generated €176.8 million in product sales. The Russian Federation, our largest individual market, recorded product sales of €95.3 million, up 12% from last year. Ukraine, our third largest individual market in size, recorded product sales of €27.9 million, up 11% year on year. We generated €16.8 million in product sales in Uzbekistan, up 11%. We also recorded sales growth in all other markets of eastern Europe and central Asia, except in Georgia and Kazakhstan.

Region Central Europe, our second largest sales region, recorded product sales of €124.4 million. Product sales in Poland, Krka's second largest individual market in size, recorded €64.0 million in sales, a 14% year-on-year increase. Product sales in Czechia totalled €16.4 million, up 10%. We increased sales in Slovakia and Lithuania as well.

Generating €96.1 million, Region West Europe was the third largest region in terms of sales value. In Germany, the largest regional market and our fourth largest individual market in size, product sales amounted to €24.3 million, up 4% year on year. We recorded the highest sales growth in the Netherlands, where sales increased by 78%, followed by Belgium (up 45%), Austria (up 40%), Scandinavia, and Italy (up 15%).

Region South-East Europe generated product sales of €75.0 million. We increased sales in all regional markets. In Romania, product sales totalled €20.4 million, up 9% year on year, and in Croatia €13.9 million, up 3%.

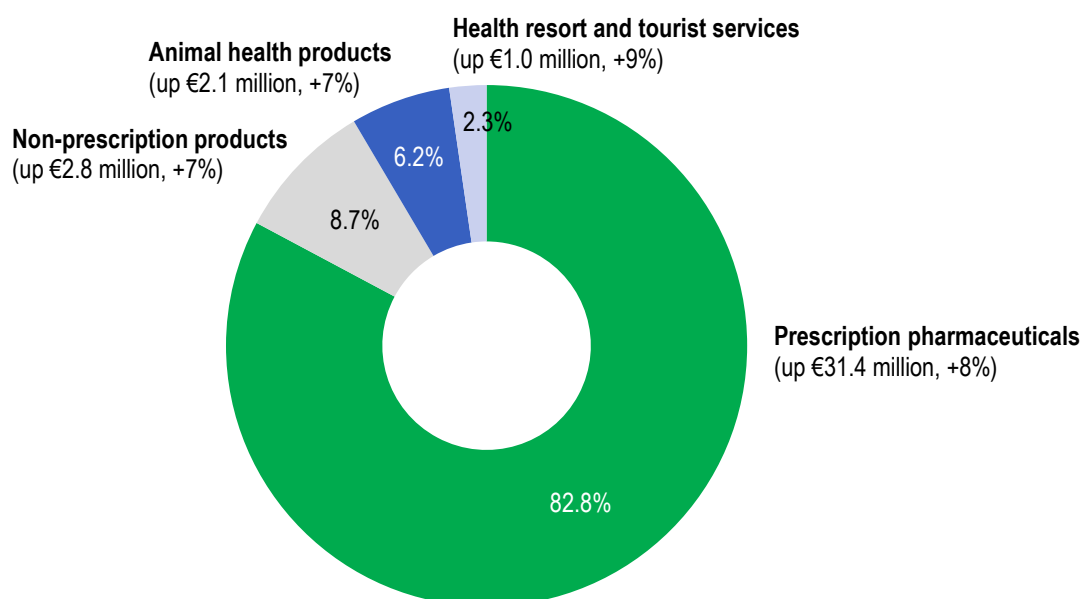
Product and service sales in Region Slovenia totalled €32.2 million. According to the latest data, we held a 7.6% share of the Slovenian market in terms of sales value, and remained the leading supplier of pharmaceuticals in the country.

Region Overseas Markets generated product sales of €17.1 million, mainly on the back of sales results in the Far East and Africa.

Product and service sales by group

€ thousand	Jan–Mar 2025	Jan–Mar 2024	Index
Human health products	477,202	442,988	108
– Prescription pharmaceuticals	431,584	400,179	108
– Non-prescription products	45,618	42,809	107
Animal health products	32,310	30,163	107
Health resort and tourist services	11,944	10,953	109
Total	521,456	484,104	108

Q1 2025 product and service sales by group



The figures in parentheses show year-on-year changes in product and service sales by group compared to the first quarter of 2024.

Research and development

In the first quarter of 2025, we added four new prescription pharmaceuticals to our product portfolio. They are marketed under different brand names in individual markets.

We obtained marketing authorisations for our innovative single-pill antidiabetic agent, Dagrado (dapagliflozin/sitagliptin) film-coated tablets. This medicine of choice inhibits SGLT2 and dipeptidyl-peptidase 4 and improves glycaemic control in adults with type 2 diabetes mellitus when treatment with both dapagliflozin and sitagliptin is appropriate.

We were granted marketing authorisations for an innovative combination of rosuvastatin and perindopril, Pixoroso film-coated tablets. This lipid modifying agent is indicated for patients with concomitant arterial hypertension and hyperlipidaemia to achieve target values of lipids and blood pressure by taking one tablet per day.

We finalised the marketing authorisation procedure in certain European markets for a new strength of Co-Amlessa (perindopril/amlodipine/indapamide) tablets to enable tailoring of the treatment to the needs of individual patients.

We were the first generic manufacturer who was granted marketing authorisations for a single-pill analgesic Delanxara (tramadol/dexketoprofen) film-coated tablets. One tablet contains two active ingredients with different mechanisms of action, generating a synergistic and complementary effect to alleviate moderate to severe acute pain at a relatively low dosage.

We finalised more than 200 registration procedures in the period and received approvals for more than 4,900 regulatory variations.

Investments

In the first quarter of 2025, the Krka Group allocated €21.1 million to investments, of which €15.3 million to the controlling company.

We upgraded automated washing systems in Notol, our solid dosage forms production plant in Novo mesto, Slovenia. We also expanded granulation and tablet output capacities.

We intend to increase the production capacities by installing additional equipment at Notol 2, another production plant in Novo mesto.

We installed a coating line and a container filling-and-packaging line at the Solid Dosage Products plant in Novo mesto, Slovenia.

Installation of a new suspension inspection line is currently in progress at the Sterile Products Department in Novo mesto, Slovenia, which is expected to increase the production capacities significantly.

Works are currently underway for the construction of a new building, which will be connected to the existing plant, Powders and Solutions, at the Bršljin Department in Novo mesto, Slovenia, to increase our production capacities. Installation of new packaging lines in the existing facility will boost the capacities for packaging animal health tablets and spot-on products.

At the Ljutomer plant, Slovenia, we intend to increase production capacities for uncoated lozenges and upgrade the line for continued production of lozenges. We are about to start building an automated high-bay warehouse and expanding the plant.

The construction of a technically and technologically advanced waste water treatment plant in Krško, Slovenia, has been completed and installation works are currently underway. We plan to postpone the construction of other buildings for a few years. We are still in the process of obtaining the environmental protection and chemical safety (SEVESO) permits.

At the production and distribution centre in Jastrebarsko, Croatia, investments are currently in progress to boost production output.

At our subsidiary TAD Pharma in Germany, we refurbished the old wing of the office building to increase its energy efficiency. An extension to the commissioning warehouse will provide additional capacities.

We also intend to ensure smooth purified pharmaceutical water supplies and upgrade the granulation line at our subsidiary Krka - Polska.

We plan the complete renovation of Hotel Vital in Terme Dolenjske Toplice to enhance and diversify our wellness service portfolio.

Employees

At the end of March 2025, the Krka Group had 12,925 employees on its payroll, with 5,331 or 41% working outside Slovenia. When accounting for agency workers, the Krka Group had 12,967 persons on its payroll, an increase of 110 on year-end 2024. Among all employees, 47% hold at least a university-level qualification, including 201 with a doctoral degree.

Investor and share information

The Krka share price on the Ljubljana Stock Exchange increased by 23.7% during the first three months of 2025, trading at €172.00 on 31 March 2025. Holdings of Slovenian legal entities and institutional investors and treasury shares increased in the period, while stakes of foreign investors decreased. We recorded no change in other holdings. Krka had 47,460 shareholders at the end of March 2025.

Market capitalisation of Krka including treasury shares on the Ljubljana Stock Exchange totalled €5.6 billion as at 31 March 2025. The average daily trading volume of Krka shares amounted to €1.4 million.

In the first quarter of 2025, Krka acquired 102,348 treasury shares, holding 2,209,685 treasury shares as at 31 March 2025, or 6.738% of its share capital.

Sustainability (ESG)

On 31 January 2025, Krka received the S&P Global CSA from S&P Global, the international credit and ESG rating agency. The score 56 out of 100 is higher than the 2023 score. As at 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 and governance practices, 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.

2025 Krka Group plans

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. We intend to allocate €150 million for investments, of which €30 million through joint ventures, primarily aimed at increasing and upgrading production capacities and infrastructure.

The semi-annual 2025 performance estimate will be released at the 31th AGM of 10 July 2025, and the 2025 semi-annual report on 24 July 2025.