



**Unaudited Interim Financial Report  
of the Krka Group and  
Krka, d. d., Novo mesto  
for the six months ended  
30 June 2024**

Novo mesto, July 2024

 **KRKA** | 70years

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## CONTENT

<b>Introduction .....</b>	<b>3</b>
Performance highlights for the period .....	3
Financial highlights.....	4
Krka d. d. ID card .....	5
Krka Group at a glance .....	5
Krka Group business objectives for 2024.....	5
<b>Business report.....</b>	<b>6</b>
Financial risks .....	6
Investor and share information.....	6
Krka Group performance analysis.....	8
Marketing and sales .....	11
Research and development .....	16
Investments.....	18
Employees .....	19
<b>Condensed consolidated financial statements of Krka Group, with Notes .....</b>	<b>20</b>
Consolidated statement of financial position of the Krka Group.....	20
Consolidated income statement of the Krka Group.....	21
Consolidated statement of other comprehensive income of the Krka Group .....	21
Consolidated statement of changes in equity of the Krka Group .....	22
Consolidated statement of cash flows of the Krka Group.....	24
Segment reporting of the Krka Group .....	25
Notes to consolidated financial statements of the Krka Group.....	26
<b>Condensed financial statements of Krka, d. d., Novo mesto, with Notes .....</b>	<b>33</b>
Statement of financial position of Krka, d. d., Novo mesto.....	33
Income statement of Krka, d. d., Novo mesto .....	34
Statement of other comprehensive income of Krka, d. d., Novo mesto .....	34
Statement of changes in equity of Krka, d. d., Novo mesto .....	35
Statement of cash flows of Krka, d. d., Novo mesto.....	37
Notes to financial statements of Krka, d. d., Novo mesto.....	38
<b>Statement of compliance.....</b>	<b>45</b>

## INTRODUCTION

Condensed consolidated financial statements of the Krka Group and condensed financial statements of Krka, d. d., Novo mesto (hereinafter also Krka, the Company, or the controlling company) for the first half of 2024 and the first half of 2023 are unaudited, while financial statements for the full financial year 2023 are audited. Krka has no authorised capital and made no conditional share capital increase.

Krka promptly announces all significant data changes in its listing prospectus in the Ljubljana Stock Exchange electronic information dissemination system (SEOnet) and in the Polish Financial Supervision Authority electronic information dissemination system (ESPI). Reports on business operations of the Krka Group and Krka are available on the Krka website [www.krka.biz](http://www.krka.biz).

The Supervisory Board of Krka discussed the unaudited interim report of the Krka Group and Krka for the first six months of 2024 at its regular meeting of 17 July 2024.

### Performance highlights for the period

- The Krka Group recorded €980.8 million in sales of products and services, of which product sales accounted for almost 98%.
- Product and service sales increased by 7% year on year.
- We generated 94% of product and service sales outside Slovenia. Exports accounted for 96% of product sales.
- Region East Europe, accounting for 33.9% of total sales, was Krka's largest sales region in size. Regions Central Europe and West Europe followed.
- The Krka Group operating profit (EBIT) totalled €237.7 million, up 1% year on year. The EBIT margin was 24.1%. Earnings before interest, tax, depreciation, and amortisation (EBITDA) amounted to €283.7 million, while EBITDA margin reached 28.8%.
- The Krka Group generated a net finance result of €29.6 million, of that net foreign exchange gains totalled €18.4 million.
- The Krka Group profit before tax increased by 29% year on year, and totalled €267.2 million.
- The Krka Group recorded net profit of €221.6 million, up 30% on the same period last year. Net profit margin was 22.5%.
- As at 30 June 2024, the Krka share traded at €138.00 on the Ljubljana Stock Exchange, up 25.5% on the year-end of 2023. Market capitalisation totalled €4.5 billion. In the first six months of 2024, Krka repurchased treasury shares in total of €10.5 million.
- We added to our product portfolio ten new prescription pharmaceuticals and one animal health product.
- The Krka Group allocated €54.9 million to investments, of that €40.9 million to the controlling company.
- At the end of June 2024, the Krka Group had 11,792 regularly employed persons on payroll. Total headcount, including agency workers, was 12,706.

## Financial highlights

€ thousand	Krka Group			Krka		
	Jan–Jun 2024	Jan–Jun 2023	Index	Jan–Jun 2024	Jan–Jun 2023	Index
Revenue	985,418	920,430	107	898,275	874,144	103
– Of that revenue from contracts with customers (products and services)	980,838	916,471	107	785,702	742,121	106
Gross profit	566,878	543,732	104	505,808	476,441	106
Earnings before interest, tax, depreciation and amortisation (EBITDA)	283,676	288,559	98	245,542	238,922	103
Operating profit (EBIT) <sup>1</sup>	237,675	236,233	101	210,140	198,971	106
Profit before tax (EBT)	267,248	206,856	129	245,130	197,384	124
Net profit	221,623	170,128	130	206,915	169,355	122
Effective tax rate	17.1%	17.8%		15.6%	14.2%	
R&D expenses	91,703	85,654	107	89,821	83,513	108
Investments	54,942	45,663	120	40,853	36,512	112

€ thousand	30 Jun 2024	31 Dec 2023	Index	30 Jun 2024	31 Dec 2023	Index
Non-current assets	1,017,717	1,059,267	96	1,036,979	1,076,235	96
Current assets	1,994,393	1,705,024	117	1,732,701	1,537,636	113
– Inventories	614,345	604,621	102	514,009	513,892	100
– Trade receivables	605,388	509,070	119	556,601	463,126	120
– Cash and cash equivalents	449,900	174,011	259	333,862	140,993	237
Equity	2,406,106	2,181,766	110	2,328,196	2,133,258	109
Non-current liabilities	151,357	149,218	101	120,704	118,930	101
Current liabilities	454,647	433,307	105	320,780	361,683	89
– Trade payables	153,894	153,762	100	173,172	175,847	98

RATIOS	Jan–Jun 2024	Jan–Jun 2023	Jan–Jun 2024	Jan–Jun 2023
Gross profit margin	57.5%	59.1%	56.3%	54.5%
EBITDA margin	28.8%	31.4%	27.3%	27.3%
EBIT margin	24.1%	25.7%	23.4%	22.8%
EBT margin	27.1%	22.5%	27.3%	22.6%
Net profit margin (ROS)	22.5%	18.5%	23.0%	19.4%
Return on equity (ROE) <sup>2</sup>	19.3%	15.4%	18.6%	15.8%
Return on assets (ROA) <sup>3</sup>	15.3%	12.5%	15.4%	13.1%
Liabilities/Equity	0.252	0.221	0.190	0.183
R&D expenses/Revenue	9.3%	9.3%	10.0%	9.6%

NUMBER OF EMPLOYEES	30 Jun 2024	31 Dec 2023	Index	30 Jun 2024	31 Dec 2023	Index
Balance at	11,792	11,780	100	6,524	6,509	100

SHARE INFORMATION	Jan–Jun 2024	Jan–Jun 2023	Index
Total number of shares issued	32,793,448	32,793,448	100
Earnings per share (EPS) in € <sup>4</sup>	14.40	10.97	131
Closing price at end of period in € <sup>5</sup>	138.00	116.00	119
Price/Earnings ratio (P/E)	9.58	10.57	91
Book value in € <sup>6</sup>	73.37	69.11	106
Price/Book value (P/B)	1.88	1.68	112
Market capitalisation in € thousand (end of period)	4,525,496	3,804,040	119

<sup>1</sup> The difference between operating income and expenses

<sup>2</sup> Net profit, annualised/Average shareholders' equity in the period

<sup>3</sup> Net profit, annualised/Average total asset balance in the period

<sup>4</sup> Net profit attributable to majority equity holders of the Krka Group, annualised/Average number of shares issued in the period, excluding treasury shares

<sup>5</sup> Share price on the Ljubljana Stock Exchange

<sup>6</sup> Equity at end of period/Total number of shares issued

## Krka d. d. ID card

**Registered office** Šmarješka cesta 6, 8501 Novo mesto, Slovenia

**Telephone** +386 (0) 7 331 21 11

**E-mail** info@krka.biz

**Website** www.krka.biz

**Core business** Manufacture of pharmaceutical preparations

**Business classification code** 21.200

**Year established** 1954

**Registration entry** 1/00097/00, District Court of Novo mesto, Slovenia

**Tax number** 82646716

**VAT number** SI82646716

**Company ID number** 5043611000

**Share capital** €54,732,264.71

**Total number of shares issued** 32,793,448 ordinary registered no-par value shares, KRKG stock symbol. Krka has been listed on the Ljubljana Stock Exchange since 1997 under the KRKG stock symbol, and since April 2012 additionally on the Warsaw Stock Exchange under the KRK stock symbol.

## Krka Group at a glance

The Krka Group develops, produces, markets, and sells human health products (prescription pharmaceuticals and non-prescription products), animal health products, and develops and markets health resort and tourist services. The Krka Group consists of the controlling company, Krka, d. d., Novo mesto, a subsidiary in Slovenia, Terme Krka, d. o. o., Novo mesto, and 33 subsidiaries outside Slovenia. The controlling company has a 100% stake in all subsidiaries except in Ningbo Krka Menovo Pharmaceutical Co. Ltd., where Krka holds a 60% stake and the Chinese partner, Ningbo Menovo Pharmaceutical Co. Ltd., a 40% stake.

Production takes place in the controlling company in Slovenia and at Krka subsidiaries in the Russian Federation, Poland, Croatia, and Germany. These subsidiaries, apart from Krka-Rus in the Russian Federation, deal with marketing and sales in addition to production. In China, production takes place in leased production facilities. Other subsidiaries outside Slovenia market and/or sell Krka products, but do not have production capacities. The subsidiary Terme Krka provides health resort and tourist services and is the owner of Golf Grad Otočec.

Together with Indian company Laurus Labs Ltd. (hereinafter Laurus), Krka established a joint venture, Krka Pharma Pvt. Ltd., in Hyderabad, India, in April 2024. Krka holds a 51% stake and Laurus a 49% stake in the new company. The joint venture will allow Krka to produce finished products for new markets. Through this company, we plan to enter the Indian market and other markets outside the European Union where Krka and Laurus are not yet present with their finished products.

## Krka Group business objectives for 2024

- Product and service sales are projected to reach €1,850 million.
- The proportion of sales in markets outside Slovenia is estimated at 94%.
- Prescription pharmaceuticals are expected to remain the most important product class, accounting for 81% of total sales.
- Profit is planned at just over €310 million.
- The total number of employees in Slovenia and abroad is projected to increase by 3%.
- We plan to allocate €150 million to investments, primarily for expanding and upgrading production facilities and infrastructure.

The 2024 business objectives derive from the *2024–2028 Krka Group Development Strategy* and are based on estimates, assessments, projections, and other available data. The Management Board believes the projections are reasonable. In the event of major changes in the business environment, e.g. price erosion, rising prices of raw materials, changes in exchange rates for certain currencies important for Krka, and lower demand for pharmaceutical products, the actual operating results can deviate from the plan.

## BUSINESS REPORT

### Financial risks

#### Foreign exchange risk

Krka's key currency risk management policy remains to mitigate currency risk exposure by natural hedging. We also use financial instruments to a limited extent.

The Russian rouble continues to represent the largest Krka Group currency risk. We utilize natural hedging strategies, because international markets offer no financial instruments to mitigate this risk.

From the beginning of the year to the end of June, the value of the rouble increased by 7.1%, while the average value of the rouble expressed in the euro in the first half of the year decreased by 14.9% year on year. In the first six months of 2024, the Krka Group recorded foreign exchange gains from its long position in the Russian rouble, which are recognised in the net finance result.

We hedged the risk exposure to the US dollar with financial instruments in the first half of 2024. Unlike with other currencies, exposure to the US dollar arises from a surplus of liabilities over assets from regular business operations, or in other words, the currency position is short. Exposure to the US dollar arises primarily from purchasing raw and other materials.

The value of the US dollar expressed in the euro increased by 3.2% over the first half of the year. The average value of the US dollar remained stable compared to the same period in 2023.

Other currencies relevant for Krka's sales remained stable during the first six months of 2024.

Taking into account net foreign exchange differences, gains and losses relating to financial instruments, interest income and expense, and other finance income and expenses, the total net finance result for the first six months of 2024 was positive and amounted to €29.6 million.

#### Credit risk

The key credit risk of the Krka Group arises from trade receivables. The centralised credit control process at the Krka Group level includes all customers with credit limits exceeding €20,000. Numbering over 670 at the end of the first half of 2024, they accounted for more than 95% of total trade receivables. Small customer credit control is decentralised and exercised in the sales network under the constant supervision of the controlling company.

Our credit risk management policy remained unchanged in the first six months of 2024. At the end of this period, more than 90% of the Krka Group trade receivables were insured with a credit insurance company.

The total value of trade receivables in euros at the end of June was 19% higher than at the beginning of the year. The maturity structure of receivables remained stable. The percentage of overdue receivables to total trade receivables remained within acceptable limits at the end of the first six months.

### Investor and share information

The Krka share increased by 25.5% over the six months, trading at €138.00 at the Ljubljana Stock Exchange on 30 June 2024. Year on year, shares held by international investors slightly decreased while the quantity of treasury shares increased, and there were no relevant changes as regards other shareholder groups. At the end of June 2024, Krka had 47,081 shareholders.



## Shareholder structure (%)

	30 Jun 2024	31 Dec 2023
Slovenian retail investors	41.2	41.1
Slovenski državni holding (SDH, Slovenian Sovereign Holding) and the Republic of Slovenia	16.2	16.2
Kapitalska družba, d. d. (Pension Fund Management) and Prvi pokojninski sklad (First Pension Fund)	10.8	10.9
Slovenian legal entities and institutional investors	5.5	5.5
Foreign investors	20.2	20.5
Treasury shares	6.1	5.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

In the first half of 2024, Krka acquired 86,363 treasury shares, thus holding 2,002,329 treasury shares on 30 June 2024, accounting for 6.106% of its share capital.

## Ten largest shareholders as at 30 June 2024

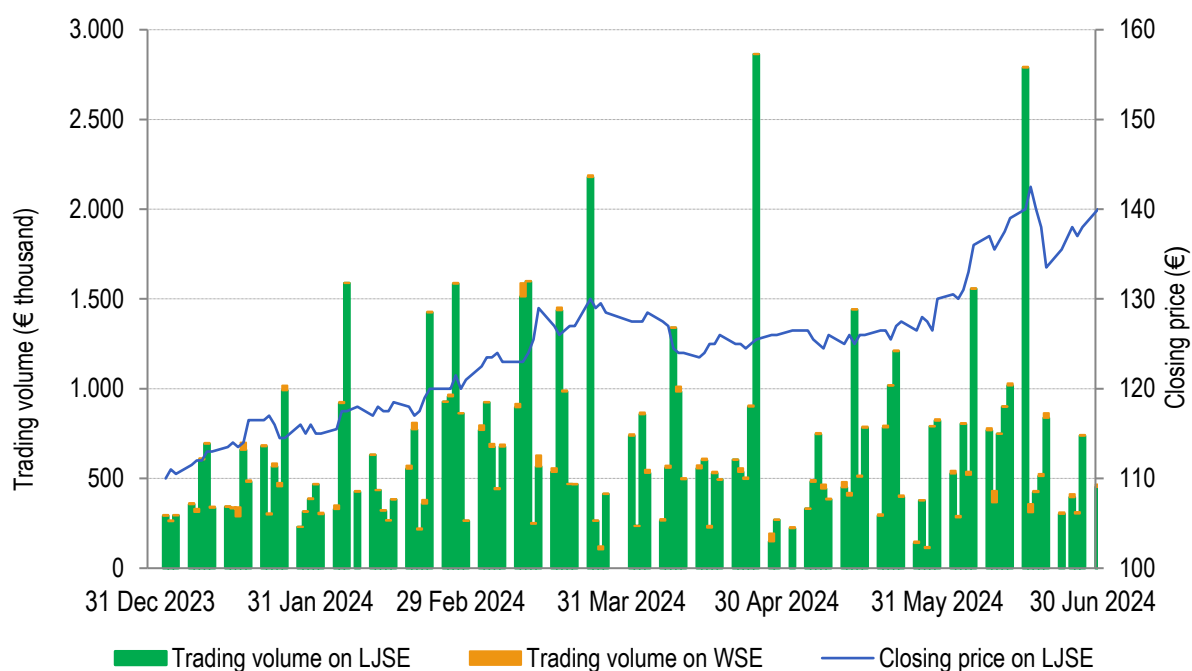
	Country	No. of shares	Equity (%)	Voting rights (%)
Kapitalska družba, d. d.	Slovenia	3,493,030	10.65	11.34
Slovenski državni holding, d. d.	Slovenia	2,949,876	9.00	9.58
Republic of Slovenia	Slovenia	2,366,141	7.22	7.68
OTP banka d.d.*	Croatia	1,474,438	4.50	4.79
Erste Group Bank AG – PZB Croatia Osiguranje*	Austria	1,331,938	4.06	4.33
Clearstream Banking SA*	Luxembourg	1,031,627	3.15	3.35
Luka Koper, d. d.	Slovenia	433,970	1.32	1.41
KDPW*	Poland	333,438	1.02	1.08
Privredna banka Zagreb d.d.*	Croatia	318,434	0.97	1.03
State Street Bank and Trust*	USA	311,432	0.95	1.01
<b>Total</b>		<b>14,044,324</b>	<b>42.83</b>	<b>45.61</b>

\* The shares are on custody accounts with the above banks and are owned by their clients.

## Equity holdings and voting rights of Management and Supervisory Board members as at 30 June 2024

	No. of shares	Equity (%)	Voting rights (%)
<b>Management Board members</b>			
Jože Colarič	22,500	0.069	0.073
Aleš Rotar	13,915	0.042	0.045
Vinko Zupančič	120	0.000	0.000
Milena Kastelic	505	0.002	0.002
<b>Total Management Board members</b>	<b>37,040</b>	<b>0.113</b>	<b>0.120</b>
<b>Supervisory Board members</b>			
Julijana Kristl	230	0.001	0.001
Matej Lahovnik	1,000	0.003	0.003
Mojca Osolnik Videmšek	617	0.002	0.002
Tomaž Sever	500	0.002	0.002
<b>Total Supervisory Board members</b>	<b>2,347</b>	<b>0.007</b>	<b>0.008</b>
<b>Total Management and Supervisory Board members</b>	<b>39,387</b>	<b>0.120</b>	<b>0.128</b>

## Krka share trading in the first six months of 2024



Market capitalisation of Krka at the Ljubljana Stock Exchange as at 30 June 2024 totalled €4.5 billion. The daily trading volume of the Krka share in the period averaged €0.6 million. The closing price broke a new record of €142.5 per Krka share on 18 June 2024, owing to good business performance. Krka shares have also been listed on the Warsaw Stock Exchange since April 2012.

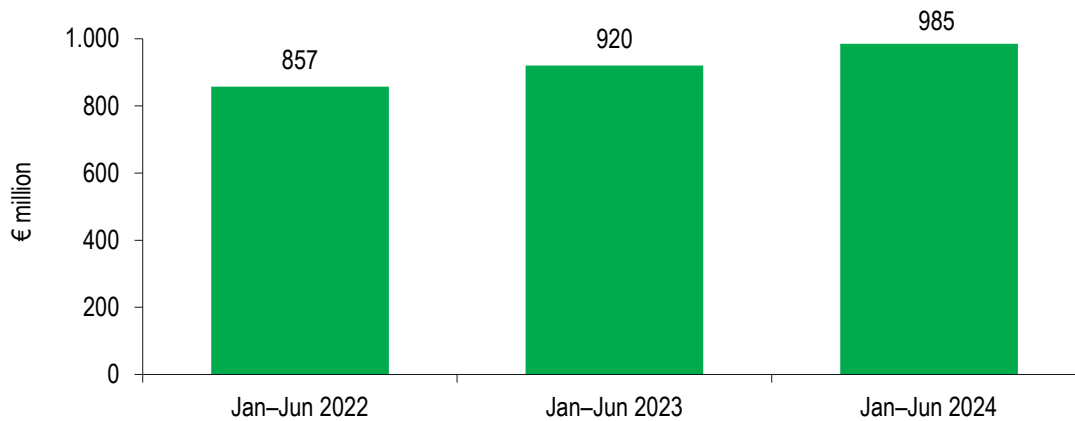
## Krka Group performance analysis

### Income

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Revenue from contracts with customers on sales of products and services	980,838	916,471	107
Revenue from contracts with customers on material, and other sales revenue	4,580	3,959	116
<b>Total revenue</b>	<b>985,418</b>	<b>920,430</b>	<b>107</b>
Other operating income	3,222	2,605	124
Finance income	35,176	10,319	341
<b>Total income</b>	<b>1,023,816</b>	<b>933,354</b>	<b>110</b>



## Sales by period



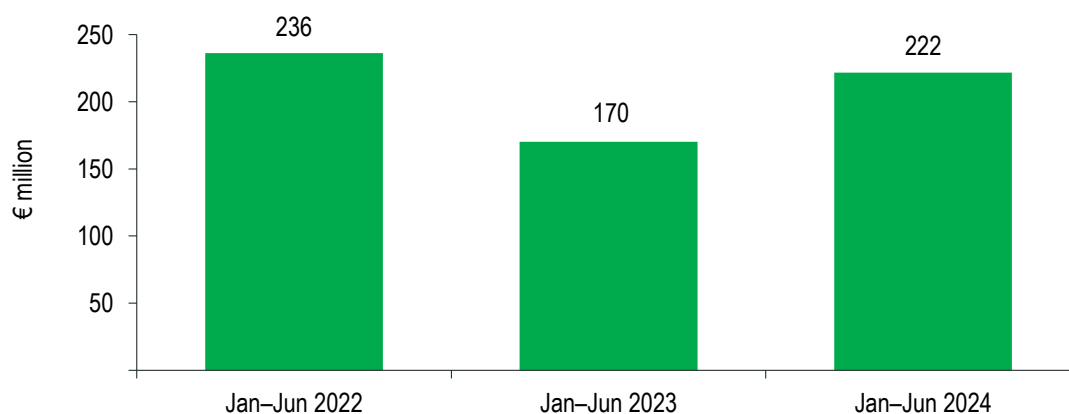
## Expenses

€ thousand	Jan-Jun 2024	Per cent of revenue (%)	Jan-Jun 2023	Per cent of revenue (%)	Index
Cost of goods sold	418,540	42.5	376,698	40.9	111
Selling and distribution expenses	182,032	18.4	172,490	18.7	106
R&D expenses	91,703	9.3	85,654	9.3	107
General and administrative expenses	58,690	6.0	51,960	5.7	113
<b>Total operating expenses</b>	<b>750,965</b>	<b>76.2</b>	<b>686,802</b>	<b>74.6</b>	<b>109</b>
Finance expenses	5,603	0.6	39,696	4.3	14
<b>Total expenses</b>	<b>756,568</b>	<b>76.8</b>	<b>726,498</b>	<b>78.9</b>	<b>104</b>

## Operating results

€ thousand	Jan-Jun 2024	Jan-Jun 2023	Index
Earnings before interest, tax, depreciation and amortisation (EBITDA)	283,676	288,559	98
Operating profit (EBIT)	237,675	236,233	101
Profit before tax	267,248	206,856	129
Net profit	221,623	170,128	130

## Net profit by period



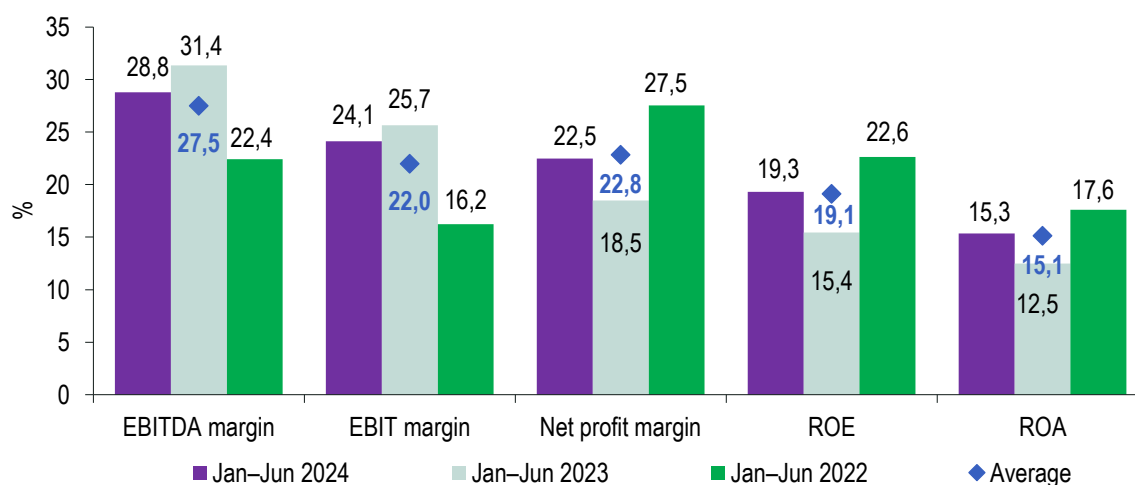
## Assets

€ thousand	30 Jun 2024	Share (%)	31 Dec 2023	Share (%)	Index
<b>Non-current assets</b>	<b>1,017,717</b>	<b>33.8</b>	<b>1,059,267</b>	<b>38.3</b>	<b>96</b>
Attributable to:					
– Property, plant and equipment	805,803	26.8	790,345	28.6	102
– Intangible assets	100,778	3.3	102,348	3.7	98
<b>Current assets</b>	<b>1,994,393</b>	<b>66.2</b>	<b>1,705,024</b>	<b>61.7</b>	<b>117</b>
Attributable to:					
– Inventories	614,345	20.4	604,621	21.9	102
– Trade receivables and other receivables	640,917	21.3	560,434	20.3	114
<b>Total assets</b>	<b>3,012,110</b>	<b>100.0</b>	<b>2,764,291</b>	<b>100.0</b>	<b>109</b>

## Equity and liabilities

€ thousand	30 Jun 2024	Share (%)	31 Dec 2023	Share (%)	Index
<b>Equity</b>	<b>2,406,106</b>	<b>79.9</b>	<b>2,181,766</b>	<b>78.9</b>	<b>110</b>
<b>Non-current liabilities</b>	<b>151,357</b>	<b>5.0</b>	<b>149,218</b>	<b>5.4</b>	<b>101</b>
Attributable to provisions:	126,905	4.2	124,398	4.5	102
– Provisions for post-employment benefits and other non-current employee benefits	115,614	3.8	113,286	4.1	102
– Provisions for lawsuits	10,582	0.4	10,582	0.4	100
– Other provisions	709	0.0	530	0.0	134
<b>Current liabilities</b>	<b>454,647</b>	<b>15.1</b>	<b>433,307</b>	<b>15.7</b>	<b>105</b>
– Trade payables	153,894	5.1	153,762	5.6	100
– Contract liabilities	165,453	5.5	162,173	5.9	102
– Other current liabilities	135,300	4.5	117,372	4.2	115
<b>Total equity and liabilities</b>	<b>3,012,110</b>	<b>100.0</b>	<b>2,764,291</b>	<b>100.0</b>	<b>109</b>

## Performance ratios



All performance ratios are in line with the Krka Group key strategic objectives.

## Marketing and sales

The Krka Group revenue amounted to €985.4 million in the first half of 2024, of which revenue from contracts with customers on sales of products and services totalled €980.8 million. Sales in markets outside Slovenia amounted to €920.9 million, accounting for 94% of total Krka Group sales. Sales volume increased by 3% year on year.

### Krka Group product and service sales by region

Sales increased in all sales regions and most markets.

#### Product and service sales by Region

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Region Slovenia	59,911	56,635	106
– Per cent of total sales	6.1	6.2	
Region South-East Europe	137,442	127,449	108
– Per cent of total sales	14.0	13.9	
Region East Europe	332,445	300,477	111
– Per cent of total sales	33.9	32.8	
Region Central Europe	227,572	212,908	107
– Per cent of total sales	23.2	23.2	
Region West Europe	183,918	181,360	101
– Per cent of total sales	18.8	19.8	
Region Overseas Markets	39,550	37,642	105
– Per cent of total sales	4.0	4.1	
<b>Total</b>	<b>980,838</b>	<b>916,471</b>	<b>107</b>

### Region Slovenia

As regards sales value, Krka held a 7.4% share of the market and remained the leading supplier of pharmaceuticals in Slovenia.

Products from our key therapeutic categories promoted in marketing campaigns contributed most substantially to sales, above all those for cardiovascular diseases; pain relief; the central nervous system; the gastrointestinal tract; cold and pain relief products; and vitamins and minerals.

Our key prescription pharmaceuticals for the treatment of cardiovascular diseases Prenessa (perindopril), Renewel (perindopril/indapamide), Amlessa (perindopril/amlodipine), and Amlewel (perindopril/amlodipine/indapamide) helped us reinforce our leading market position and recognition in the market of antihypertensive agents. Of our statin product group, we strengthened the leading market position of Sorvasta (rosuvastatin) and improved the visibility of the single-pill combination Sorvitimb (rosuvastatin/ezetimibe). We increased the visibility of Tezulix (ranolazine) indicated for the symptomatic treatment of stable angina pectoris. Of our antidiabetic agents, we increased the visibility of two antihyperglycemic agents from the dipeptidyl-peptidase 4 (DPP-4) inhibitor product group, a mono-component agent Maysiglu (sitagliptin) and a single-pill combination Maymetsi (sitagliptin/metformin).

We added to our product portfolio an oral anticoagulant, Daxanlo (dabigatran), and an antithrombotic agent, Xerdoxo (rivaroxaban).

As regards our pain relief range, we primarily focused on our non-opioid analgesic Algominal (metamizole), the analgesic Doreta (tramadol/paracetamol), in particular Doreta SR 75 mg/650 mg prolonged-release bilayer tablets, and the analgesic Nalgesin Forte (naproxen). We further strengthened the visibility of two central nervous agents, the antipsychotic Parnido (paliperidone) and the antidepressant Dulsevia (duloxetine). We increased the visibility of Vitamin D3 Krka 7000 IU (cholecalciferol), which is taken once per week.

We added Magnezij Krka Direkt containing 250 mg of magnesium in three different forms and eight group B vitamins to our portfolio of non-prescription products. The magnesium product group is our leading non-prescription category, followed by Daleron (paracetamol) and the analgesic Nalgesin S (naproxen). Fypryst Combo (fipronil/S-

methoprene) for protection against fleas and ticks is our leading animal health product, followed by the wide-spectrum parasiticide Milprazon (milbemycin/praziquantel).

## Region South-East Europe

### Product sales by market

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Romania	38,437	35,741	108
Croatia	26,130	24,382	107
Serbia	19,657	18,355	107
Bulgaria	15,396	14,094	109
North Macedonia	14,779	13,758	107
Bosnia and Herzegovina	12,756	11,679	109
Kosovo	4,968	4,798	104
Albania	1,981	1,969	101
Montenegro	1,699	1,264	134
Greece	1,639	1,410	116
<b>Total</b>	<b>137,442</b>	<b>127,449</b>	<b>108</b>

Holding a 7.5% market share as regards volume according to the latest available data, we are the most successful provider of prescription pharmaceuticals in the pharmacy segment of **Romania**. The most important medicines in terms of sales were Atoris (atorvastatin), Co-Prenessa (perindopril/indapamide), Nolpaza (pantoprazole), Teotard (theophylline), Doreta (tramadol/paracetamol), Roswera (rosuvastatin), and Co-Roswera (rosuvastatin/ezetimibe). Our best-selling non-prescription products were Bilobil (ginkgo leaf extract) and Nalgesin (naproxen). Products sold under the Fypryst brand, Selehold (selamectin), and Milprazon (milbemycin/praziquantel) remained our leading animal health products in terms of sales.

In **Croatia**, we increased sales of our prescription pharmaceuticals and animal health products, but recorded a year-on-year drop in sales of non-prescription pharmaceuticals. We ranked second as regards prescription pharmaceutical sales in the pharmacy segment. Emanera (esomeprazole), Atoris (atorvastatin), Co-Dalneva (perindopril/amlodipine/indapamide), Co-Perineva (perindopril/indapamide), Roswera (rosuvastatin), Dalneva (perindopril/amlodipine), Panatus (butamirate), Helax (alprazolam), and Valsacombi (valsartan/hydrochlorothiazide) drove sales of prescription pharmaceuticals. Nalgesin (naproxen), Septolete Duo (benzylamine/cetylpyridinium chloride), and B-Complex recorded the strongest sales of non-prescription products. The Fypryst brand products and Enroxil (enrofloxacin) generated the strongest sales of animal health products.

## Region East Europe

### Product sales by market

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Russian Federation	195,224	179,832	109
Ukraine	45,877	38,645	119
Uzbekistan	28,460	23,335	122
Belarus	13,668	12,101	113
Kazakhstan	11,662	10,536	111
Mongolia	7,772	7,482	104
Moldova	6,901	7,073	98
Azerbaijan	5,633	5,607	100
Georgia	5,369	5,015	107
Armenia	4,203	3,871	109
Kyrgyzstan	4,167	3,215	130
Tajikistan	2,311	2,018	115
Turkmenistan	1,198	1,748	69
<b>Total</b>	<b>332,445</b>	<b>300,477</b>	<b>111</b>

According to the latest available data from independent sources, we slightly exceeded average market growth in the **Russian Federation**. Growth expressed in the Russian rouble reached 33% and in the euro 9%. We also increased sales volume by 11% and ranked first largest foreign provider of generic medicines in the country.

Co-Dalneva (perindopril/amlodipine/indapamide), Lorista (losartan), Valsacor (valsartan), Lorista H and Lorista HD (losartan/hydrochlorothiazide), Co-Perineva (perindopril/indapamide), Roxera (rosuvastatin), Vamloset (valsartan/amlodipine), Nolpaza (pantoprazole), Valsacor H and Valsacor HD (valsartan/hydrochlorothiazide), and Dabixom (dabigatran) achieved highest sales. Co-Dalneva (perindopril/amlodipine/indapamide) and Dabixom (dabigatran) recorded the highest absolute growth. We launched an important cardiovascular agent, Telinstar (telmisartan/indapamide) in the first half of the year. We further remained the leading provider of prescription pharmaceuticals for the treatment of cardiovascular diseases.

Nalgesin (naproxen), Flebaven (diosmin/hesperidin), and the Herbion brand products generated the highest sales of non-prescription products. The leading animal health products comprised the Fypryst brand products that also achieved the highest absolute sales, Milprazon (milbemycin/praziquantel), and Selafort (selamectin).

In the first half of 2024, the Krka-Rus plant supplied 77% of all Krka products sold in the Russian Federation.

The situation in **Ukraine** further impacts reliability of the pharmaceutical market. As to the latest available data, we retained the second place among foreign providers of generic medicines in the pharmacy segment and outperformed the market growth rate. Prescription pharmaceuticals remained the leading sales group, primarily due to strong sales of Co-Amlessa (perindopril/amlodipine/indapamide), Co-Prelessa (perindopril/indapamide), Nolpaza (pantoprazole), and Roxera (rosuvastatin). Sales were driven by Nalgesin (naproxen), the Herbion brand products, and Septotele Total (benzylamine/cetylpyridinium chloride) of non-prescription products, and Milprazon (milbemycin/praziquantel) and Selafort (selamectin) of animal health products.

According to the latest available data, we remained the leading medicine provider and outstripped the market growth rate in **Uzbekistan**. Of our prescription pharmaceuticals, in particular Amlessa (perindopril/amlodipine), Nolpaza (pantoprazole), Co-Amlessa (perindopril/amlodipine/indapamide), and Valodip (valsartan/amlodipine) generated the strongest sales. Of our non-prescription products, Septotele Total (benzylamine/cetylpyridinium chloride) and Pikovit were bestsellers.

## Region Central Europe

### Product sales by market

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Poland	108,765	93,114	117
Czechia	31,531	34,517	91
Hungary	30,909	29,746	104
Slovakia	22,149	22,130	100
Lithuania	17,482	16,930	103
Latvia	10,397	9,811	106
Estonia	6,340	6,660	95
<b>Total</b>	<b>227,572</b>	<b>212,908</b>	<b>107</b>

**Poland** remained Krka's second largest single market. As per latest data, we ranked fifth largest provider of generic medicines in the country. We of all manufacturers had the most products listed on the new reimbursement list for patients aged 65 and older. Prescription pharmaceuticals remained the leading sales group, primarily due to strong sales of Atoris (atorvastatin), Roswera (rosuvastatin), Doreta (tramadol/paracetamol), Co-Valsacor (valsartan/hydrochlorothiazide), Valsacor (valsartan), Emanera (esomeprazole), and Nolpaza (pantoprazole). Other prescription pharmaceuticals that recorded strong sales were Coroswera (rosuvastatin/ezetimibe), Dulsevia (duloxetine), and Gliclada (gliclazide). Septanazal (xylometazoline/dexpanthenol) and products marketed under the Septotele brand generated the highest sales of our non-prescription products, while our best-selling animal health products were Milprazon (milbemycin/praziquantel), Floron (florfenicol), Enroxil (enrofloxacin), and the Fypryst band products.

Prescription pharmaceuticals remained the leading product group in **Czechia**, in particular Sorvasta (rosuvastatin), Atoris (atorvastatin), Lexaurin (bromazepam), Doreta (tramadol/paracetamol), Tonanda (perindopril/amlodipine/indapamide), Elicea (escitalopram), Pragiola (pregabalin), Nolpaza (pantoprazole),

Tonarssa (perindopril/amlodipine), and Kventiax (quetiapine). Nalgesin S (naproxen) and Nolpaza (pantoprazole) were primary non-prescription products.

Prescription pharmaceuticals accounted for the major part of sales in **Hungary**. Co-Prenessa (perindopril/indapamide), Roxera (rosuvastatin), Emozul (esomeprazole), Zyllt (clopidogrel), Zolsana (zolpidem), Valsacor (valsartan), Co-Valsacor (valsartan/hydrochlorothiazide), Co-Dalnessa (perindopril/amlodipine/indapamide), Atoris (atorvastatin), Ralago (rasagiline), and Tamloset (telmisartan/amlodipine) generated the strongest sales. Bilobil (ginkgo leaf extract) Septanazol (xylometazoline/dexpanthenol), and Nolpaza (pantoprazole) were our best-selling non-prescription products.

Sales in **Slovakia** were driven mainly by prescription pharmaceuticals Co-Prenessa (perindopril/indapamide), Atoris (atorvastatin), Nolpaza (pantoprazole), Co-Amlessa (perindopril/amlodipine/indapamide), Amlessa (perindopril/amlodipine), Prenessa (perindopril), Lexaurin (bromazepam), Co-Valsacor (valsartan/hydrochlorothiazide), and Valsacor (valsartan). Nalgesin S (naproxen), Flebaven (diosmin), Nolpaza (pantoprazole), Panzynom (pancreatin), and the Septolete brand products were the leading non-prescription products.

## Region West Europe

### Product sales by market

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Germany	45,628	49,207	93
Scandinavia	35,102	29,837	118
Portugal	18,106	16,856	107
United Kingdom	14,832	7,100	209
Italy	13,887	17,052	81
Spain	13,823	13,073	106
France	11,096	17,402	64
Ireland	7,642	7,479	102
Belgium	6,520	6,099	107
Netherlands	6,088	4,496	135
Austria	5,252	5,556	95
Other European countries	5,941	7,205	82
<b>Total</b>	<b>183,918</b>	<b>181,360</b>	<b>101</b>

The best-selling product group was prescription pharmaceuticals with medicines containing candesartan, esomeprazole, valsartan, and sitagliptin at the forefront. We remained one of the leading suppliers of sartan-based products and proton pump inhibitors in the markets of western Europe.

Paracetamol-based products and the Septolete brand products generated the highest sales of our non-prescription products.

The main sales drivers among animal health products for companion animals were milbemycin/praziquantel combination antiparasitics and fipronil products. Medicines containing toltrazuril sold best of our products for farm animals.

In **Germany**, which remained our largest regional market, cardiovascular agents and antidiabetics, followed by central nervous system agents and medicines for the treatment of gastrointestinal tract and metabolism, recorded the highest sales. Agents containing candesartan, sitagliptin, valsartan, and ramipril generated the strongest sales. According to the latest available data, we were one of the leading providers of generic gliptin varieties for the treatment of diabetes in the pharmacy segment. We were the leading provider in the country of ramipril/amlodipine single-pill combinations; candesartan/amlodipine single-pill combinations, and tramadol in combination with paracetamol.

## Region Overseas Markets

### Product sales by market

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Far East and Africa	18,362	16,245	113
Middle East	14,730	15,802	93
China	5,532	4,671	118
Americas	925	924	100
<b>Total</b>	<b>39,550</b>	<b>37,642</b>	<b>105</b>

We recorded growth in three out of four sales offices in the first half of 2024, the highest relative growth in **China**. Our **Middle East** sales office, however, recorded a drop in sales. We expect growth to continue in all regional sales offices as the situation improves in the upcoming months.

## Sales by product and service group

### Sales by product and service group

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Prescription pharmaceuticals	823,356	753,689	109
– Per cent of total sales	83.9	82.3	
Non-prescription products	73,787	81,914	90
– Per cent of total sales	7.5	8.9	
Animal health products	60,366	58,023	104
– Per cent of total sales	6.2	6.3	
Health resort and tourist services	23,329	22,845	102
– Per cent of total sales	2.4	2.5	
<b>Total</b>	<b>980,838</b>	<b>916,471</b>	<b>107</b>

## Prescription pharmaceuticals

All our regions increased product sales as follows: Region East Europe by 15%; Region South-East Europe, Region Central Europe, and Region Slovenia each by 8%; Region Overseas Markets by 6%, and Region West Europe by 3%.

As far as the two largest Krka's markets are concerned, year on year sales increased in Poland by 17% and in the Russian Federation by 12%, but they dropped in Germany by 8%. As to other major markets, sales growth was the highest in Uzbekistan (29%); Ukraine (27%); Scandinavia (16%); Croatia (8%); Serbia (8%); Slovenia (8%); Romania (8%); Hungary (4%); and Slovakia (2%).

The top ten prescription pharmaceuticals in terms of sales were product groups containing perindopril (Prenessa\*, Co-Prenessa\*, Amlessa\*, Co-Amlessa\*, Roxiper\*, Roxampex\*), valsartan (Valsacor, Co-Valsacor\*, Wamlox\*, Valtricom\*, Valarox\*), rosuvastatin (Roswera\*, Co-Roswera\*), losartan (Lorista\*, Lorista H\*, Lorista HD\*, Tenloris\*), pantoprazole (Nolpaza\*), atorvastatin (Atoris), esomeprazole (Emanera\*), tramadol (Doreta\*, Tadol\*), candesartan (Karbis\*, Karbicombi\*, Kandoset\*), and telmisartan (Tolura\*, Tolucombi\*, Telassmo\*).

Sales were driven in particular by product groups containing perindopril, rosuvastatin, and valsartan; sitagliptin (first launched on markets at the end of 2022), and dabigatran (first launched in 2023).

Telinstar\* (telmisartan/indapamide), a very new addition to our portfolio of antihypertensives, was first launched in the Russian Federation in the first six months of 2024, and will be launched on other markets as well.

## Non-prescription products

Overall, year-on-year non-prescription product sales dropped owing to sales decreases in Region East Europe (20%), Region Central Europe (12%), and Region Overseas Markets (22%). However, the following regions increased their non-prescription product sales: Region Slovenia (10%), Region West Europe (19%).

Nalgesin\* (naproxen), the Septolete\*, Herbion\*, Septanazal, and Bilobil brands generated the highest sales.



## Animal health products

The following regions saw sales increases in animal health products: Region South-East Europe (21%), Region East Europe (17%), Region Central Europe (10%), and Region Slovenia (1%). Region West Europe recorded a 14% drop in sales of animal health products.

Fypriyst (fipronil)\*, Ataxxa\* (imidacloprid/permethrin), and Cladaxxa\* (amoxicillin/clavulanic acid) generated the strongest sales.

## Health resort and tourist services

Terme Krka recorded 165,286 overnight stays in the first six months of 2024, 6% above the plan, and up 2% year on year. Terme Šmarješke Toplice recorded 55,959 overnight stays, while Terme Dolenjske Toplice recorded 53,795 overnight stays. Talaso Strunjan has undergone a major revamp and recorded 49,149 overnight stays. The percentage of foreign guests has been increasing and reached 11% in the first half of 2024. Most foreign guests came from Italy, Croatia, and Germany.

*\* Products marketed under different product brand names or the Krka trademark in individual markets are marked with an asterisk.*

## Research and development

In the first half of 2024, we added ten prescription pharmaceuticals and one animal health product to our product portfolio.

We finalised almost 600 registration procedures in the period and received approvals for more than 11,000 regulatory variations.

### Prescription pharmaceuticals

In the first half of 2024, we finalised registration procedures for ten new products and were granted new marketing authorisations for our already established products in additional markets.

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. 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 received a positive opinion from the European Medicines Agency for our oncology product **Pomalidomide Krka** (pomalidomide) hard capsules indicated for the treatment of adult patients with severe multiple myeloma. The medicine reduces signs and symptoms and slows down disease progression.

We were granted marketing authorisations under the decentralised procedure for our perindopril-arginine-based single-pill combination, **Co-Amlessa Neo\*** (perindopril arginine/amlodipine/indapamide) tablets. The vertically integrated model was applied in the production of this cardiovascular agent. Development, API synthesis, and finished product manufacturing processes are the result of our in-house expertise. The new formulation allows for adaptation to special requirements of individual markets. This medicine is used for the treatment of cardiovascular diseases.

We developed and registered 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 allows for even better adaptation to patients' needs.

We obtained marketing authorisations for new products in China. Marketing authorisations were granted for two cardiovascular single-pill combinations, our new **valsartan/amlodipine** film-coated tablets for treating

hypertension, and **atorvastatin/amlodipine** film-coated tablets for the concomitant treatment of arterial hypertension and hyperlipidemia. 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. From our central nervous system range, we obtained marketing authorisations for **aripiprazole** tablets. This atypical antipsychotic has fewer adverse reactions compared to other agents of the same product group.

We obtained additional marketing authorisations for already established products from various therapeutic categories in markets of the EU and the United Kingdom. We also obtained marketing authorisations on several markets under the decentralised procedure for another cardiovascular agent, **Valomindo\*** (valsartan/indapamide) modified-release tablets. This agent can facilitate treatment for many hypertensive patients who are already taking the active ingredients in two separate tablets. In new markets, we obtained additional marketing authorisations for our advanced platelet aggregation inhibitor, **ticagrelor** film-coated tablets, and **Pitipix\*** (pitavastatin) film-coated tablets for lowering high cholesterol levels. We also obtained marketing authorisations for **rosuvastatin/ezetimibe** film-coated tablets indicated for the treatment of hyperlipidemia, and an anticoagulant, **dabigatran-based** capsules used for the treatment and prevention of atherothrombotic and thromboembolic events in adults with various cardiovascular diseases. We obtained additional marketing authorisations for three antidiabetic agents: contemporary **dapagliflozin** film-coated tablets, and two single-pill combinations, **vildagliptin/metformin** and **sitagliptin/metformin** film-coated tablets. We also received marketing authorisations for our **naproxen** film-coated tablets for relieving pain, and for **lacosamide** film-coated tablets for the treatment of epilepsy.

We obtained marketing authorisations in eastern Europe for high-profile products from our key therapeutic categories. In new markets, we obtained marketing authorisations for our single-pill combination **Co-Roswera** (rosuvastatin/ezetimibe) film-coated tablets, also available as **Co-Roxera** or **Roxera Plus** in certain countries, indicated for hyperlipidemia. We also obtained marketing authorisations for **Telmista** (telmisartan), **Telmista H** (telmisartan/hydrochlorothiazide), and **Telmista AM** (telmisartan/amlodipine) tablets. We were granted approvals for marketing a new perindopril salt, **Perindopril Krka** (perindopril arginine), **Perindopril/Indapamide Krka** (perindopril arginine/indapamide), and **Perindopril/Amlodipine Krka** (perindopril arginine/amlodipine) tablets. We obtained additional approvals for an antithrombotic agent **Tigalant** (ticagrelor) film-coated tablets, and antidiabetic agents in film-coated tablets: **Glypvido Met** (vildagliptin/metformin), **Asiglia Met** (sitagliptin/metformin), and **Dapafors** (dapagliflozin). We also obtained additional marketing authorisation for our antibiotic **Linezolid Krka** (linezolid) solution for infusion.

In the markets of south-eastern Europe, we obtained marketing authorisations for a contemporary antidiabetic agent **Dagrafors** (dapagliflozin) film-coated tablets, and on a new market for **Maymetsi** (sitagliptin/metformin) film-coated tablets. We obtained approvals on new markets for two agents containing our new perindopril salt **Prelessaneo** (perindopril arginine), **Prenewelneo** (perindopril arginine/indapamide), and **Amlessaneo** (perindopril arginine/amlodipine) tablets. We also obtained marketing authorisations for a triple single-pill combination, **Roxampex** (perindopril/amlodipine/rosuvastatin) film-coated tablets, and a contemporary agent indicated for prevention of thrombosis **Aboxoma** (apixaban) film-coated tablets.

We extended our range of cardiovascular agents in overseas markets with **Sobycor** (bisoprolol) film-coated tablets. We also obtained marketing authorisations for **Vizarsin** (sildenafil) film-coated tablets indicated for the treatment of erectile dysfunction and **Nolpaza** (pantoprazole) gastro-resistant tablets used for treating gastroesophageal reflux disease, and gastric and duodenal ulcers. We were also granted marketing authorisations for **Galsya** (galantamine) prolonged-release tablets.

### Non-prescription products

We obtained additional marketing authorisations for our established products in the first six months of 2024. We received approvals in new markets for **Septotele Total** (benzylamine/cetylpyridinium chloride) lozenges, **Septanazal** (xylometazoline/dexpanthenol) nasal spray, and **Nolpaza Control** (pantoprazole) gastro-resistant tablets.

### Animal health products

New products from new therapeutic areas added to our options for treating companion animals. In the first six months of 2024, we obtained marketing authorisations for **Otomicol** (miconazole nitrate/prednisolone

acetate/polymyxin B sulfate) ear drops and cutaneous suspension for dogs, cats, and guinea pigs. We obtained marketing authorisations under the decentralised procedure 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.

We obtained approvals for our established products in additional markets. **Robexera** (robenacoxib) chewable tablets are indicated for relieving pain and treating inflammation associated with chronic osteoarthritis and soft tissue surgeries in dogs. Our single-pill combinations **Milprazon Chewable** (milbemycin/praziquantel) palatable chewable tablets for dogs and chewable tablets for cats are indicated for the treatment and prevention of internal parasite infections. Our triple combination **Dehinel Plus Flavour** (febantel/pyrantel/praziquantel) flavoured tablets are indicated for the treatment of internal parasite infections in dogs. **Ataxxa** (fipronil/S-methoprene) spot-on solution is a combination indicated for the treatment and prevention of external parasite infections in dogs and cats. We were also granted marketing authorisations for **Prinocate** (imidacloprid/moxidectin) spot-on solution, a combination indicated for the treatment and prevention of internal and external parasite infections in dogs and cats.

*\* Products marketed under different product brand names or the Krka trademark in individual markets are marked with an asterisk.*

## Investments

In the first half of 2024, the Krka Group allocated €54.9 million to investments, of that €40.9 million to the controlling company.

We upgraded water supply systems and automated washing systems in Notol, our solid dosage forms production plant in Novo mesto, Slovenia. We are also gradually replacing worn-out packaging lines. We have already replaced thirteen packaging lines and expect to receive the last three by the end of 2024. We also plan to increase capacities for compression mixture preparation and granulation at Notol and Notol 2 in Novo mesto, Slovenia. The logistic system is also due for upgrading, which will allow for reliable operations at Notol in the upcoming 20 years.

The investment in additional capacities for compression mixture preparation and granulation in the tablet compression process and in logistic capacities at the Solid Dosage Products plant in Novo mesto, Slovenia, is drawing to a close.

We have started extending the Sterile Products Department in Novo mesto, Slovenia. We expect the new production line for sterile solutions to increase animal health product production capacity and ensure long-term production of high-volume sterile products.

The upgraded Liquid Products Department in Novo mesto, Slovenia, is intended to ensure uninterrupted production of liquid animal health products.

We plan to build a new building for powders and solutions at the Bršljin Department in Novo mesto, Slovenia, for the production of animal health products. New packaging lines will boost production capacities for animal health tablets and liquid products.

In Novo mesto, Slovenia, the finishing works at a multi-purpose building called Paviljon 3 are in progress. The building design incorporates our microbiology laboratory extension and additional rooms for Supply Chain Management and other organisational units.

In Novo mesto, Slovenia, construction works for another multi-purpose building is about to start. This new construction design also features roofed cargo entry and the cargo vehicle control point.

We will decrease the excess effluent temperature at our wastewater treatment plant in Ločna, Novo mesto, Slovenia by using the excess temperature in heat generation, thus increasing our energy use efficiency. This investment supports the responsible management of natural resources in line with the strategic environmental goals of our *ESG Policy*.

We aim to expand the capacity for pharmaceutical water production through enhanced drinking water treatment in our Vodarna 2 water plant. This upgrade is intended to ensure redundancy and reliability across all stages of the treatment process and pharmaceutical water production from drinking water.

We increased capacities for granulation and packaging at our production site in Ljutomer, Slovenia. We expect to increase uncoated lozenge production capacity by installing new equipment.

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. Obtaining the environmental protection and chemical safety (SEVESO) permit is still pending. At the end of 2023, we started building a technologically and technically advanced wastewater treatment plant, but intend to postpone the construction of other buildings for a few years.

We are increasing production capacities for solid forms of animal health products in the production and distribution centre in Jastrebarsko, Croatia.

At TAD Pharma, Germany, we plan to refurbish the old section of the office building to increase its energy efficiency, and revamp the conference hall.

## Employees

At the end of June 2024, the Krka Group employed 11,792 persons, of whom 5,230 or 44% worked outside Slovenia. Including agency workers, the Krka Group employed 12,706 persons. Employees with at least university-level qualifications accounted for 50% of the total headcount, and 201 held doctoral degrees.

### Krka Group employees by education

	30 Jun 2024		31 Dec 2023	
	Number of employees	Share (%)	Number of employees	Share (%)
PhD	201	1.7	204	1.7
Master of Science	404	3.4	400	3.4
University degree	5,333	45.2	5,374	45.6
Higher professional education	1,975	16.8	1,914	16.2
Vocational college education	308	2.6	303	2.6
Secondary school education	2,664	22.6	2,634	22.4
Other	907	7.7	951	8.1
<b>Total</b>	<b>11,792</b>	<b>100.0</b>	<b>11,780</b>	<b>100.0</b>

We continuously attract new talented employees by providing scholarships. At the end of June, Krka had 66 scholarship holders, primarily pharmacy and chemistry students. We also offer scholarships to exceptional students from Krka's other fields of interest. Our staff development and succession planning system ensures that Krka Group employees fill the majority of our key professional and managerial positions.

We also invest in the knowledge and development of our employees. They receive further professional training in their specialised fields and participate in training programmes on quality, management, informatics, personal growth, and foreign languages in Slovenia as well as abroad. We deliver most educational programmes in-house and tailor them to employee needs, technological processes, market situations, and development needs of the Krka Group. We update the programmes regularly and introduce new forms of education adapted to the contemporary approaches to work.

At the end of June, 246 employees were enrolled in part-time studies co-funded by Krka, 22 of them at the postgraduate level.

Krka is also included in the national vocational qualification (NVQ) system. Between 2002 and the end of June 2024, we awarded 2010 NVQ certificates to Krka employees for four vocational qualifications. At the end of June, 137 Krka employees were included in obtaining a national vocational qualification.

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF KRKA GROUP, WITH NOTES

### Consolidated statement of financial position of the Krka Group

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Assets</b>			
Property, plant and equipment	805,803	790,345	102
Intangible assets	100,778	102,348	98
Loans	37,203	70,098	53
Investments	25,050	47,674	53
Deferred tax assets	47,798	47,728	100
Other non-current assets	1,085	1,074	101
<b>Total non-current assets</b>	<b>1,017,717</b>	<b>1,059,267</b>	<b>96</b>
Assets held for sale	41	41	100
Inventories	614,345	604,621	102
Contract assets	539	429	126
Trade receivables	605,388	509,070	119
Other receivables	35,529	51,364	69
Loans	10,848	58,719	18
Investments	277,803	306,769	91
Cash and cash equivalents	449,900	174,011	259
<b>Total current assets</b>	<b>1,994,393</b>	<b>1,705,024</b>	<b>117</b>
<b>Total assets</b>	<b>3,012,110</b>	<b>2,764,291</b>	<b>109</b>
<b>Equity</b>			
Share capital	54,732	54,732	100
Treasury shares	-149,022	-138,489	108
Reserves	178,085	154,495	115
Retained earnings	2,302,696	2,091,317	110
<b>Total equity holders of the controlling company</b>	<b>2,386,491</b>	<b>2,162,055</b>	<b>110</b>
Non-controlling interests	19,615	19,711	100
<b>Total equity</b>	<b>2,406,106</b>	<b>2,181,766</b>	<b>110</b>
<b>Liabilities</b>			
Provisions	126,905	124,398	102
Deferred income	5,336	5,547	96
Lease liabilities	8,480	8,547	99
Deferred tax liabilities	10,636	10,726	99
<b>Total non-current liabilities</b>	<b>151,357</b>	<b>149,218</b>	<b>101</b>
Trade payables	153,894	153,762	100
Lease liabilities	3,524	3,452	102
Income tax payables	25,510	8,960	285
Contract liabilities	165,453	162,173	102
Other current liabilities	106,266	104,960	101
<b>Total current liabilities</b>	<b>454,647</b>	<b>433,307</b>	<b>105</b>
<b>Total liabilities</b>	<b>606,004</b>	<b>582,525</b>	<b>104</b>
<b>Total equity and liabilities</b>	<b>3,012,110</b>	<b>2,764,291</b>	<b>109</b>

## Consolidated income statement of the Krka Group

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
<b>Revenue</b>	<b>985,418</b>	<b>920,430</b>	<b>107</b>
– Revenue from contracts with customers	983,973	917,716	107
– Other revenue	1,445	2,714	53
Cost of goods sold	-418,540	-376,698	111
<b>Gross profit</b>	<b>566,878</b>	<b>543,732</b>	<b>104</b>
Other operating income	3,222	2,605	124
Selling and distribution expenses	-182,032	-172,490	106
– Of that net impairments and write-offs of receivables	-1,190	3,471	
R&D expenses	-91,703	-85,654	107
General and administrative expenses	-58,690	-51,960	113
<b>Operating profit</b>	<b>237,675</b>	<b>236,233</b>	<b>101</b>
Finance income	35,176	10,319	341
Finance expenses	-5,603	-39,696	14
<b>Net finance result</b>	<b>29,573</b>	<b>-29,377</b>	
<b>Profit before tax</b>	<b>267,248</b>	<b>206,856</b>	<b>129</b>
Income tax expense	-45,625	-36,728	124
<b>Net profit</b>	<b>221,623</b>	<b>170,128</b>	<b>130</b>
Attributable to:			
– Equity holders of the controlling company	221,912	169,956	131
– Non-controlling interests	-289	172	
<b>Basic earnings per share* (€)</b>	<b>7.20</b>	<b>5.49</b>	<b>131</b>
<b>Diluted earnings per share** (€)</b>	<b>7.20</b>	<b>5.49</b>	<b>131</b>

\* Net profit/Average number of shares issued in the period, excluding treasury shares

\*\* All shares issued by the controlling company are ordinary shares, hence the diluted earnings per share ratio equalled basic earnings per share

## Consolidated statement of other comprehensive income of the Krka Group

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
<b>Net profit</b>	<b>221,623</b>	<b>170,128</b>	<b>130</b>
<b>Other comprehensive income for the period</b>			
<b>Other comprehensive income reclassified to profit or loss at a future date</b>			
Translation reserve	14,694	-46,769	
<b>Net other comprehensive income reclassified to profit or loss at a future date</b>	<b>14,694</b>	<b>-46,769</b>	
<b>Other comprehensive income that will not be reclassified to profit or loss at a future date</b>			
Change in fair value of financial assets	-1,851	9,140	
Deferred tax effect	407	-1,732	
<b>Net other comprehensive income that will not be reclassified to profit or loss at a future date</b>	<b>-1,444</b>	<b>7,408</b>	
<b>Total other comprehensive income for the period (net of tax)</b>	<b>13,250</b>	<b>-39,361</b>	
<b>Total comprehensive income for the period (net of tax)</b>	<b>234,873</b>	<b>130,767</b>	<b>180</b>
Attributable to:			
– Equity holders of the controlling company	234,969	132,018	178
– Non-controlling interests	-96	-1,251	8



## Consolidated statement of changes in equity of the Krka Group

€ thousand	Share capital	Treasury shares	Reserves						Retained earnings			Total equity attributable to the holders of the controlling company	Non-controlling interests	Total equity
			Reserves for treasury shares	Share premium	Legal reserves	Statutory reserves	Fair value reserve	Translation reserve	Other profit reserves	Retained earnings from previous periods	Profit for the period			
<b>Balance at 1 Jan 2024</b>	54,732	-138,489	138,489	105,897	14,990	30,000	-511	-134,370	1,544,595	246,699	300,023	2,162,055	19,711	2,181,766
<b>Net profit</b>	0	0	0	0	0	0	0	0	0	0	221,912	221,912	-289	221,623
<b>Total other comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	-1,441	14,498	0	0	0	13,057	193	13,250
<b>Total comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	-1,441	14,498	0	0	221,912	234,969	-96	234,873
<b>Transactions with owners, recognised in equity</b>														
Transfer of previous periods' profit to retained earnings	0	0	0	0	0	0	0	0	0	300,023	-300,023	0	0	0
Repurchase of treasury shares	0	-10,533	0	0	0	0	0	0	0	0	0	-10,533	0	-10,533
Formation of reserves for treasury shares	0	0	10,533	0	0	0	0	0	0	0	-10,533	0	0	0
<b>Total transactions with owners, recognised in equity</b>	0	-10,533	10,533	0	0	0	0	0	0	300,023	-310,556	-10,533	0	-10,533
<b>Balance at 30 Jun 2024</b>	54,732	-149,022	149,022	105,897	14,990	30,000	-1,952	-119,872	1,544,595	546,722	211,379	2,386,491	19,615	2,406,106



€ thousand	Share capital	Treasury shares	Reserves						Retained earnings			Total equity attributable to the holders of the controlling company	Non-controlling interests	Total equity
			Reserves for treasury shares	Share premium	Legal reserves	Statutory reserves	Fair value reserve	Translation reserve	Other profit reserves	Retained earnings from previous periods	Profit for the period			
<b>Balance at 1 Jan 2023</b>	54,732	-124,566	124,566	105,897	14,990	30,000	2,670	-85,919	1,442,702	200,273	353,271	2,118,616	19,893	2,138,509
<b>Net profit</b>	0	0	0	0	0	0	0	0	0	0	169,956	169,956	172	170,128
<b>Total other comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	7,408	-45,346	0	0	0	-37,938	-1,423	-39,361
<b>Total comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	7,408	-45,346	0	0	169,956	132,018	-1,251	130,767
<b>Transactions with owners, recognised in equity</b>														
Transfer of previous periods' profit to retained earnings	0	0	0	0	0	0	0	0	0	353,271	-353,271	0	0	0
Repurchase of treasury shares	0	-4,399	0	0	0	0	0	0	0	0	0	-4,399	0	-4,399
Formation of reserves for treasury shares	0	0	4,399	0	0	0	0	0	0	0	-4,399	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	1,321	1,321
<b>Total transactions with owners, recognised in equity</b>	0	-4,399	4,399	0	0	0	0	0	0	353,271	-357,670	-4,399	1,321	-3,078
<b>Balance at 30 Jun 2023</b>	54,732	-128,965	128,965	105,897	14,990	30,000	10,078	-131,265	1,442,702	553,544	165,557	2,246,235	19,963	2,266,198

## Consolidated statement of cash flows of the Krka Group

€ thousand	Jan–Jun 2024	Jan–Jun 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net profit</b>	<b>221,623</b>	<b>170,128</b>
<b>Adjustments for:</b>	<b>96,473</b>	<b>63,869</b>
– Amortisation/Depreciation	46,001	52,326
– Net foreign exchange gains and losses	7,839	-26,961
– Net write-offs and allowances for inventories	6,978	7,913
– Net impairments and write-offs of receivables	1,190	-3,471
– Investment income	-18,104	-10,771
– Investment expenses	2,862	2,097
– Income on financing activities	-2	-4
– Interest expense and other finance expenses	4,084	6,012
– Income tax expense	45,625	36,728
<b>Operating profit before changes in net current assets</b>	<b>318,096</b>	<b>233,997</b>
Change in trade receivables	-103,808	-36,428
Change in inventories	-16,703	-11,466
Change in trade payables	8,447	-17,945
Change in provisions	-880	-391
Change in deferred income	-211	-267
Change in other current liabilities	3,809	4,962
Income tax paid	-5,907	-59,433
<b>Net cash flow from operating activities</b>	<b>202,843</b>	<b>113,029</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	5,981	6,984
Dividends received	724	768
Proceeds from sale of property, plant and equipment	1,677	1,492
Acquisition of property, plant and equipment	-57,131	-53,680
Acquisition of intangible assets	-2,940	-3,195
Proceeds from non-current loans	30,777	3,392
Payments for non-current loans	-1,606	-1,525
Net proceeds from/payments for current loans	52,638	-714
Proceeds from sale of non-current investments	60,857	32,396
Payments for acquiring non-current investments	-18	-28
Proceeds from sale of current investments	230,252	0
Payments for acquiring current investments	-234,695	-471,840
Proceeds from derivatives	1,705	1,024
Payments for derivatives	-1,584	0
<b>Net cash flow from investing activities</b>	<b>86,637</b>	<b>-484,926</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-467	-3,559
Lease liabilities paid	-2,102	-2,044
Dividends and other profit shares paid	0	-1
Repurchase of treasury shares	-10,533	-4,399
Proceeds from payment of non-controlling interests	0	1,321
<b>Net cash flow from financing activities</b>	<b>-13,102</b>	<b>-8,682</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>276,378</b>	<b>-380,579</b>
Cash and cash equivalents at beginning of period	174,011	518,934
Effect of movements in exchange rates on cash held	-489	1,076
<b>Closing balance of cash and cash equivalents</b>	<b>449,900</b>	<b>139,431</b>

## Segment reporting of the Krka Group

€ thousand	European Union		South-Eastern Europe		Eastern Europe		Total segment reporting		Other		Eliminations		Total	
	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023
Revenue from sales to non-group customers	533,495	515,115	55,845	51,826	332,504	300,561	921,844	867,502	63,574	52,928			985,418	920,430
Revenue from sales to intra-group customers	208,136	209,562	34,995	32,543	335,836	328,096	578,967	570,201	14,070	16,773	-593,037	-586,974	0	0
<b>Total revenue</b>	<b>741,631</b>	<b>724,677</b>	<b>90,840</b>	<b>84,369</b>	<b>668,340</b>	<b>628,657</b>	<b>1,500,811</b>	<b>1,437,703</b>	<b>77,644</b>	<b>69,701</b>	<b>-593,037</b>	<b>-586,974</b>	<b>985,418</b>	<b>920,430</b>
Other operating income	2,830	1,978	17	16	328	193	3,175	2,187	47	418			3,222	2,605
Operating expenses	-442,134	-434,846	-37,620	-34,274	-222,787	-177,132	-702,541	-646,252	-48,424	-40,550			-750,965	-686,802
Intra-group operating expenses, including elimination of profits	-208,136	-209,562	-34,995	-32,543	-335,836	-328,096	-578,967	-570,201	-14,070	-16,774	593,037	586,975	0	0
<b>Operating profit</b>	<b>94,191</b>	<b>82,247</b>	<b>18,242</b>	<b>17,568</b>	<b>110,045</b>	<b>123,622</b>	<b>222,478</b>	<b>223,437</b>	<b>15,197</b>	<b>12,796</b>	<b>0</b>	<b>0</b>	<b>237,675</b>	<b>236,233</b>
Interest income	5,318	6,028	0	3	541	552	5,859	6,583	620	975			6,479	7,558
Intra-group interest income	2,657	1,557	0	0	0	0	2,657	1,557	0	0	-2,657	-1,557	0	0
Interest expense	-36	-94	-6	-6	-112	-49	-154	-149	-12	-2			-166	-151
Intra-group interest expense	-2,657	-1,557	0	0	0	0	-2,657	-1,557	0	0	2,657	1,557	0	0
<b>Net finance result</b>	<b>9,572</b>	<b>5,603</b>	<b>-127</b>	<b>-84</b>	<b>15,902</b>	<b>-34,073</b>	<b>25,347</b>	<b>-28,554</b>	<b>4,226</b>	<b>-823</b>			<b>29,573</b>	<b>-29,377</b>
Income tax expense	-19,770	-13,476	3,257	-2,485	-20,014	-19,058	-43,041	-35,019	-2,584	-1,709			-45,625	-36,728
<b>Net profit</b>	<b>83,993</b>	<b>74,374</b>	<b>14,858</b>	<b>14,999</b>	<b>105,933</b>	<b>70,491</b>	<b>204,784</b>	<b>159,864</b>	<b>16,839</b>	<b>10,264</b>	<b>0</b>	<b>0</b>	<b>221,623</b>	<b>170,128</b>
Investments	51,985	41,100	170	911	2,064	3,239	54,219	45,250	723	413			54,942	45,663
Depreciation of property, plant and equipment	28,916	34,514	976	1,031	9,397	9,927	39,289	45,472	1,392	1,517			40,681	46,989
Depreciation of right-of-use assets	1,525	1,522	58	54	272	282	1,855	1,858	39	40			1,894	1,898
Amortisation of intangible assets	2,098	2,086	172	160	985	1,041	3,255	3,287	171	152			3,426	3,439
	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
<b>Total assets</b>	<b>2,199,726</b>	<b>2,072,570</b>	<b>75,413</b>	<b>71,279</b>	<b>628,814</b>	<b>519,234</b>	<b>2,903,953</b>	<b>2,663,083</b>	<b>108,157</b>	<b>101,208</b>			<b>3,012,110</b>	<b>2,764,291</b>
Non-current assets exclusive of deferred tax assets	844,245	886,473	5,895	6,670	86,209	81,973	936,349	975,116	33,570	36,423			969,919	1,011,539
<b>Total liabilities</b>	<b>426,007</b>	<b>309,726</b>	<b>16,948</b>	<b>28,286</b>	<b>120,924</b>	<b>191,753</b>	<b>563,879</b>	<b>529,765</b>	<b>42,125</b>	<b>52,760</b>			<b>606,004</b>	<b>582,525</b>

## Notes to consolidated financial statements of the Krka Group

### Costs by nature

€750,965 thousand

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Cost of goods and materials	270,564	232,344	116
Cost of services	139,453	127,763	109
Employee benefits	273,805	254,965	107
Amortisation and depreciation	46,001	52,326	88
Net write-offs and allowances for inventories	6,978	7,913	88
Net impairments and write-offs of receivables	1,190	-3,471	
Formation of provisions for lawsuits	0	12	0
Other operating expenses	21,389	20,729	103
<b>Total costs</b>	<b>759,380</b>	<b>692,581</b>	<b>110</b>
Change in the value of inventories of finished products and work in progress	-8,415	-5,779	146
<b>Total</b>	<b>750,965</b>	<b>686,802</b>	<b>109</b>

### Employee benefits

€273,805 thousand

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Gross wages and salaries and continued pay	211,987	197,327	107
Social security contributions	13,151	13,835	95
Pension insurance contributions	31,125	27,924	111
Payroll tax	392	369	106
Post-employment benefits and other non-current employee benefits	2,968	2,476	120
Other employee benefits	14,182	13,034	109
<b>Total employee benefits</b>	<b>273,805</b>	<b>254,965</b>	<b>107</b>

### Other operating expenses

€21,389 thousand

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Grants and assistance for humanitarian and other purposes	967	900	107
Environmental protection expenditures	3,391	3,044	111
Other taxes and levies	12,776	13,580	94
Loss on sale and write-offs of property, plant and equipment and intangible assets	1,551	786	197
Other operating expenses	2,704	2,419	112
<b>Total other operating expenses</b>	<b>21,389</b>	<b>20,729</b>	<b>103</b>

Other levies include various taxes and levies on pharmaceuticals and fees paid to associates in individual foreign countries for pursuing promotional activities.

## Finance income and expenses

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Net foreign exchange gains	18,415	0	
Interest income	6,479	7,558	86
Derivative income	4,206	1,024	411
– Realised revenue	1,705	1,024	167
– Change in fair value	2,501	0	
Income from other financial instruments	5,350	955	560
– Realised revenue	6,733	0	
– Change in fair value	-1,383	955	
Dividend income	724	778	93
Other finance income	2	4	50
<b>Total finance income</b>	<b>35,176</b>	<b>10,319</b>	<b>341</b>
Net foreign exchange losses	0	-32,781	0
Interest expense	-166	-151	110
– Interest paid	64	-4	
– Interest expense on lease liabilities	-230	-147	156
Derivative expenses	-1,584	-900	176
– Realised expenses	-1,584	0	
– Change in fair value	0	-900	0
Other finance expenses	-3,853	-5,864	66
<b>Total finance expenses</b>	<b>-5,603</b>	<b>-39,696</b>	<b>14</b>
<b>Net finance result</b>	<b>29,573</b>	<b>-29,377</b>	

## Income tax expense

**€45,625 thousand**

Current income tax amounted to €44,554 thousand or 16.7% of profit before tax. Taking into account deferred tax of €1,071 thousand, the tax expensed in the income statement totalled €45,625 thousand. The effective tax rate was 17.1%.

## Property, plant and equipment

**€805,803 thousand**

€ thousand	30 Jun 2024	31 Dec 2023	Index
Land	64,636	64,368	100
Buildings	343,579	353,495	97
Equipment	304,391	292,123	104
Property, plant and equipment being acquired	81,543	68,666	119
Right-of-use assets	11,654	11,693	100
<b>Total property, plant and equipment</b>	<b>805,803</b>	<b>790,345</b>	<b>102</b>

The value of property, plant, and equipment accounted for 27% of the Krka Group balance sheet total. See the 'Investments' section in the business report for details on Krka's major investments.

## Intangible assets

€100,778 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Goodwill	42,644	42,644	100
Trademark	32,741	33,176	99
Concessions, trademarks and licences	14,847	15,556	95
Other intangible assets	8,370	7,592	110
– Long-term deferred operating costs	218	252	87
– Development-related projects	4,363	4,478	97
– Emission coupons	3,789	2,862	132
Intangible assets being acquired	2,176	3,380	64
<b>Total intangible assets</b>	<b>100,778</b>	<b>102,348</b>	<b>98</b>

## Loans

€48,051 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Non-current loans</b>	<b>37,203</b>	<b>70,098</b>	<b>53</b>
– Loans to others	37,203	40,098	93
– Deposits granted to banks	0	30,000	0
<b>Current loans</b>	<b>10,848</b>	<b>58,719</b>	<b>18</b>
– Portion of non-current loans maturing next year	8,089	6,956	116
– Loans to others	14	13	108
– Deposits granted to banks	2	50,002	0
– Current interest receivables	2,743	1,748	157
<b>Total loans</b>	<b>48,051</b>	<b>128,817</b>	<b>37</b>

## Investments

€302,853 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Non-current investments</b>	<b>25,050</b>	<b>47,674</b>	<b>53</b>
– Investments at fair value through OCI (equity instruments)	25,050	26,901	93
– Investments at amortised cost (debt instruments)	0	20,773	0
<b>Current investments including derivatives</b>	<b>277,803</b>	<b>306,769</b>	<b>91</b>
– Investments at fair value through profit or loss	247,320	236,751	104
– Investments at amortised cost (debt instruments)	30,483	70,018	44
<b>Total investments</b>	<b>302,853</b>	<b>354,443</b>	<b>85</b>

Investments at fair value through OCI comprised €1,091 thousand of investments in shares and interests in companies in Slovenia (end of 2023: €954 thousand), and €23,959 thousand of shares and interests in companies located outside Slovenia (end of 2023: €25,947 thousand).

Current investments at amortised cost (debt instruments) are bonds with a maturity of less than one year and with a credit risk rating that corresponds the globally understood definition of investment grade. All investments belong to the lower medium grade. Investments at amortised cost included no investments in Slovenian government bonds (end of 2023: €6,033 thousand), while investments in foreign government bonds amounted to €30,484 thousand (end of 2023: €84,758 thousand).

The decrease in investments at amortised cost (current and non-current) totalled €60,308 thousand compared to 31 December 2023 and occurred due to the maturity of government bonds. The increase in investments at fair value through profit or loss amounting to €10,569 thousand included acquisitions of treasury bills of €224,691 thousand, disposal of treasury bills due to their maturity totalling €213,382 thousand, revaluation of treasury bills of €643 thousand, and allowance for treasury bills totalling -€1,383 thousand.

## Inventories

€614,345 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Material	259,555	265,019	98
Work in progress	137,291	128,610	107
Finished products	184,686	177,247	104
Merchandise	19,093	11,476	166
Advances for inventories	13,720	22,269	62
<b>Total inventories</b>	<b>614,345</b>	<b>604,621</b>	<b>102</b>

## Trade and other receivables

€640,917 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Current trade receivables	605,388	509,070	119
Current receivables due from others	35,529	51,364	69
<b>Total trade and other receivables</b>	<b>640,917</b>	<b>560,434</b>	<b>114</b>

## Cash and cash equivalents

€449,900 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Cash in hand	127	71	179
Bank balances	449,773	173,940	259
<b>Total cash and cash equivalents</b>	<b>449,900</b>	<b>174,011</b>	<b>259</b>

Bank balances included a deposit of €310,905 thousand with a maturity of up to 90 days (31 December 2023: €118,000 thousand).

## Equity

€2,406,106 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Share capital	54,732	54,732	100
Treasury shares	-149,022	-138,489	108
Reserves	178,085	154,495	115
– Reserves for treasury shares	149,022	138,489	108
– Share premium	105,897	105,897	100
– Legal reserves	14,990	14,990	100
– Statutory reserves	30,000	30,000	100
– Fair value reserve	-1,952	-511	382
– Translation reserve	-119,872	-134,370	89
Retained earnings	2,302,696	2,091,317	110
<b>Total equity attributable to the holders of the controlling company</b>	<b>2,386,491</b>	<b>2,162,055</b>	<b>110</b>
Non-controlling interests	19,615	19,711	100
<b>Total equity</b>	<b>2,406,106</b>	<b>2,181,766</b>	<b>110</b>

## Trade payables

€153,894 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Current trade payables</b>	<b>153,894</b>	<b>153,762</b>	<b>100</b>
Payables to domestic suppliers	56,232	57,459	98
Payables to foreign suppliers	97,662	96,303	101
<b>Total trade payables</b>	<b>153,894</b>	<b>153,762</b>	<b>100</b>



## Provisions

€126,905 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Provisions for lawsuits	10,582	10,582	100
Provisions for post-employment benefits	95,958	94,282	102
Provisions for other non-current employee benefits	19,656	19,004	103
Other provisions	709	530	134
<b>Total provisions</b>	<b>126,905</b>	<b>124,398</b>	<b>102</b>

In 2014, the European Commission found that Krka had infringed the provision of Article 101 of the *Treaty on the Functioning of the European Union*, thereby distorting competition on the EU market for perindopril, and imposed a fine of €10 million on Krka. Krka paid the fine within the time limit set by the Commission.

In 2014, Krka brought an action against the Commission's decision before the General Court of the European Union. In December 2018, the Court ruled in favour of Krka, as it found that its actions did not constitute a restriction of competition, and that it did not infringe the provision of Article 101 of the *Treaty on the Functioning of the European Union*.

The Commission lodged an appeal against the decision of the General Court to the Court of Justice of the European Union. Therefore, Krka formed non-current provisions of €10 million.

On 27 June 2024, the Court of Justice of the European Union ruled on the Commission's appeal against the decision of the General Court of the European Union. It granted the Commission's appeal and returned the case to the General Court of the European Union for reconsideration.

## Deferred income

€5,336 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Grants received from the European Regional Development Fund and budget of the Republic of Slovenia intended for the production of pharmaceuticals in the new Noto1 2 plant	629	687	92
Grants received from the budget for the Dolenjske and Šmarješke Toplice health resorts and Golf Grad Otočec	3,102	3,144	99
Grants received from the European Regional Development Fund (Farma GRS)	1,486	1,567	95
Subsidy for acquisition of electric drive vehicles	2	1	200
Property, plant and equipment received free of charge	18	14	129
Emission coupons	10	10	100
Subsidy for purchase of joinery	89	90	99
Subsidy for acquisition of other equipment	0	1	0
Subsidy for increased gas prices	0	33	0
<b>Total deferred revenue</b>	<b>5,336</b>	<b>5,547</b>	<b>96</b>

## Current contract liabilities

€165,453 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Refund liabilities</b>	<b>160,885</b>	<b>154,065</b>	<b>104</b>
– Bonuses and volume rebates	159,061	152,347	104
– Rights of return	1,824	1,718	106
<b>Contract liabilities</b>	<b>4,568</b>	<b>8,108</b>	<b>56</b>
– Deferred revenue	1,440	1,381	104
– Advances from other customers	3,128	6,727	46
<b>Total current contract liabilities</b>	<b>165,453</b>	<b>162,173</b>	<b>102</b>

## Other current liabilities

€106,266 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Payables to employees – gross salaries, other receipts and charges	86,299	88,803	97
Derivatives	152	2,653	6
Other	19,815	13,504	147
<b>Total other current liabilities</b>	<b>106,266</b>	<b>104,960</b>	<b>101</b>

## Contingent liabilities

€18,710 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Guarantees issued	17,658	17,823	99
Other	1,052	1,417	74
<b>Total contingent liabilities</b>	<b>18,710</b>	<b>19,240</b>	<b>97</b>

## Fair value

€ thousand	30 Jun 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current financial assets</b>				
Loans	37,203		70,098	
Investments at fair value through OCI (equity instruments)	25,050	25,050	26,901	26,901
Investments at amortised cost (debt instruments)	0		20,773	
<b>Current financial assets</b>				
Loans	10,848		58,719	
Investments at fair value through profit or loss	247,320	247,320	236,751	236,751
Investments at amortised cost (debt instruments)	30,483		70,018	
Trade receivables	605,388		509,070	
Cash and cash equivalents	449,900		174,011	
<b>Non-current financial liabilities</b>				
Lease liabilities	-8,480		-8,547	
<b>Current financial liabilities</b>				
Derivatives	-152	-152	-2,653	-2,653
Lease liabilities	-3,524		-3,452	
Trade payables excluding advances	-153,894		-153,762	
Contract liabilities excluding advances	-159,061		-152,347	
Other liabilities excluding amounts owed to the state, to employees, and advances	-5,996		-5,160	
<b>Total</b>	<b>1,075,085</b>	<b>272,218</b>	<b>840,420</b>	<b>260,999</b>

In terms of fair value, assets and liabilities are classified into three levels:

- Level 1 – Assets at market price;
- Level 2 – Assets not classified within level 1 and the value of which is determined directly or indirectly based on observable market data;
- Level 3 – Assets the value of which cannot be determined using market data.

### Assets at fair value

€ thousand	30 Jun 2024				31 Dec 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>								
Investments at fair value through OCI	23,663	0	1,387	25,050	25,514	0	1,387	26,901
Investments at fair value through profit or loss	247,320	0	0	247,320	236,751	0	0	236,751
<b>Total assets at fair value</b>	<b>270,983</b>	<b>0</b>	<b>1,387</b>	<b>272,370</b>	<b>262,265</b>	<b>0</b>	<b>1,387</b>	<b>263,652</b>

## CONDENSED FINANCIAL STATEMENTS OF KRKA, D. D., NOVO MESTO, WITH NOTES

### Statement of financial position of Krka, d. d., Novo mesto

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Assets</b>			
Property, plant and equipment	600,550	595,525	101
Intangible assets	24,990	26,043	96
Investments in subsidiaries	356,765	357,265	100
Loans	20,222	41,243	49
Investments	25,049	47,673	53
Deferred tax assets	8,750	7,846	112
Other non-current assets	653	640	102
<b>Total non-current assets</b>	<b>1,036,979</b>	<b>1,076,235</b>	<b>96</b>
Assets held for sale	41	41	100
Inventories	514,009	513,892	100
Trade receivables	556,601	463,126	120
Other receivables	37,878	47,116	80
Loans	12,507	65,699	19
Investments	277,803	306,769	91
Cash and cash equivalents	333,862	140,993	237
<b>Total current assets</b>	<b>1,732,701</b>	<b>1,537,636</b>	<b>113</b>
<b>Total assets</b>	<b>2,769,680</b>	<b>2,613,871</b>	<b>106</b>
<b>Equity</b>			
Share capital	54,732	54,732	100
Treasury shares	-149,022	-138,489	108
Reserves	299,570	290,481	103
Retained earnings	2,122,916	1,926,534	110
<b>Total equity</b>	<b>2,328,196</b>	<b>2,133,258</b>	<b>109</b>
<b>Liabilities</b>			
Provisions	116,307	113,999	102
Deferred income	2,225	2,366	94
Lease liabilities	2,172	2,565	85
<b>Total non-current liabilities</b>	<b>120,704</b>	<b>118,930</b>	<b>101</b>
Trade payables	173,172	175,847	98
Borrowings	37,197	88,061	42
Lease liabilities	1,044	1,022	102
Income tax payables	20,876	0	
Contract liabilities	15,980	18,953	84
Other current liabilities	72,511	77,800	93
<b>Total current liabilities</b>	<b>320,780</b>	<b>361,683</b>	<b>89</b>
<b>Total liabilities</b>	<b>441,484</b>	<b>480,613</b>	<b>92</b>
<b>Total equity and liabilities</b>	<b>2,769,680</b>	<b>2,613,871</b>	<b>106</b>

## Income statement of Krka, d. d., Novo mesto

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
<b>Revenue</b>	<b>898,275</b>	<b>874,144</b>	<b>103</b>
– Revenue from contracts with customers	893,572	868,712	103
– Other revenue	4,703	5,432	87
Cost of goods sold	-392,467	-397,703	99
<b>Gross profit</b>	<b>505,808</b>	<b>476,441</b>	<b>106</b>
Other operating income	1,525	498	306
Selling and distribution expenses	-156,063	-149,043	105
– Of that net impairments and write-offs of receivables	-1,036	3,543	
R&D expenses	-89,821	-83,513	108
General and administrative expenses	-51,309	-45,412	113
<b>Operating profit</b>	<b>210,140</b>	<b>198,971</b>	<b>106</b>
Finance income	40,902	38,820	105
Finance expenses	-5,912	-40,407	15
<b>Net finance result</b>	<b>34,990</b>	<b>-1,587</b>	
<b>Profit before tax</b>	<b>245,130</b>	<b>197,384</b>	<b>124</b>
Income tax expense	-38,215	-28,029	136
<b>Net profit</b>	<b>206,915</b>	<b>169,355</b>	<b>122</b>
<b>Basic earnings per share* (€)</b>	<b>6.71</b>	<b>5.47</b>	<b>123</b>
<b>Diluted earnings per share** (€)</b>	<b>6.71</b>	<b>5.47</b>	<b>123</b>

\* Net profit/Average number of shares issued in the period, excluding treasury shares

\*\* All shares issued by the controlling company are ordinary shares, hence the diluted earnings per share ratio equalled basic earnings per share.

## Statement of other comprehensive income of Krka, d. d., Novo mesto

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
<b>Net profit</b>	<b>206,915</b>	<b>169,355</b>	<b>122</b>
<b>Other comprehensive income for the period</b>			
<b>Other comprehensive income that will not be reclassified to profit or loss at a future date</b>			
Change in fair value of financial assets	-1,851	9,115	
Deferred tax effect	407	-1,732	
<b>Net other comprehensive income that will not be reclassified to profit or loss at a future date</b>	<b>-1,444</b>	<b>7,383</b>	
<b>Total other comprehensive income for the period (net of tax)</b>	<b>-1,444</b>	<b>7,383</b>	
<b>Total comprehensive income for the period (net of tax)</b>	<b>205,471</b>	<b>176,738</b>	<b>116</b>

## Statement of changes in equity of Krka, d. d., Novo mesto

€ thousand	Share capital	Treasury shares	Reserves					Retained earnings			Total equity
			Reserves for treasury shares	Share premium	Legal reserves	Statutory reserves	Fair value reserve	Other profit reserves	Retained earnings from previous periods	Profit for the period	
<b>Balance at 1 Jan 2024</b>	54,732	-138,489	138,489	105,897	14,990	30,000	1,105	1,544,595	101,381	280,558	2,133,258
<b>Net profit</b>	0	0	0	0	0	0	0	0	0	206,915	206,915
<b>Total other comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	-1,444	0	0	0	-1,444
<b>Total comprehensive income for the period (net of tax)</b>	0	0	0	0	0	0	-1,444	0	0	206,915	205,471
<b>Transactions with owners, recognised in equity</b>											
Transfer of previous periods' profit to retained earnings	0	0	0	0	0	0	0	0	280,558	-280,558	0
Repurchase of treasury shares	0	-10,533	0	0	0	0	0	0	0	0	-10,533
Formation of reserves for treasury shares	0	0	10,533	0	0	0	0	0	0	-10,533	0
<b>Total transactions with owners, recognised in equity</b>	0	-10,533	10,533	0	0	0	0	0	280,558	-291,091	-10,533
<b>Balance at 30 Jun 2024</b>	54,732	-149,022	149,022	105,897	14,990	30,000	-339	1,544,595	381,939	196,382	2,328,196

€ thousand	Share capital	Treasury shares	Reserves					Retained earnings			Total equity
			Reserves for treasury shares	Share premium	Legal reserves	Statutory reserves	Fair value reserve	Other profit reserves	Retained earnings from previous periods	Profit for the period	
<b>Balance at 1 Jan 2023</b>	<b>54,732</b>	<b>-124,566</b>	<b>124,566</b>	<b>105,897</b>	<b>14,990</b>	<b>30,000</b>	<b>4,307</b>	<b>1,442,702</b>	<b>69,974</b>	<b>338,190</b>	<b>2,060,792</b>
<b>Net profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>169,355</b>	<b>169,355</b>
<b>Total other comprehensive income for the period (net of tax)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,383</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,383</b>
<b>Total comprehensive income for the period (net of tax)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,383</b>	<b>0</b>	<b>0</b>	<b>169,355</b>	<b>176,738</b>
<b>Transactions with owners, recognised in equity</b>											
Transfer of previous periods' profit to retained earnings	0	0	0	0	0	0	0	0	338,190	-338,190	0
Repurchase of treasury shares	0	-4,399	0	0	0	0	0	0	0	0	-4,399
Formation of reserves for treasury shares	0	0	4,399	0	0	0	0	0	0	-4,399	0
<b>Total transactions with owners, recognised in equity</b>	<b>0</b>	<b>-4,399</b>	<b>4,399</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>338,190</b>	<b>-342,589</b>	<b>-4,399</b>
<b>Balance at 30 Jun 2023</b>	<b>54,732</b>	<b>-128,965</b>	<b>128,965</b>	<b>105,897</b>	<b>14,990</b>	<b>30,000</b>	<b>11,690</b>	<b>1,442,702</b>	<b>408,164</b>	<b>164,956</b>	<b>2,233,131</b>



## Statement of cash flows of Krka, d. d., Novo mesto

€ thousand	Jan–Jun 2024	Jan–Jun 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net profit</b>	<b>206,915</b>	<b>169,355</b>
<b>Adjustments for:</b>	<b>63,850</b>	<b>38,531</b>
– Amortisation/Depreciation	35,402	39,951
– Net foreign exchange gains and losses	-1,881	1,229
– Net write-offs and allowances for inventories	6,591	6,598
– Net impairments and write-offs of receivables	1,036	-3,543
– Investment income	-22,654	-38,952
– Investment expenses	2,814	2,067
– Income on financing activities	0	-1
– Interest expense and other finance expenses	4,327	3,153
– Income tax expense	38,215	28,029
<b>Operating profit before changes in net current assets</b>	<b>270,765</b>	<b>207,886</b>
Change in trade receivables	-102,026	-68,461
Change in inventories	-6,707	7,206
Change in trade payables	-1,351	-48,064
Change in provisions	178	-106
Change in deferred income	-141	-226
Change in other current liabilities	-2,788	6,088
Income tax paid	4,102	-52,125
<b>Net cash flow from operating activities</b>	<b>162,032</b>	<b>52,198</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	4,558	5,594
Dividends received	724	768
Proportionate profit of subsidiaries	1,435	29,890
Proceeds from sale of property, plant and equipment	989	1,101
Acquisition of property, plant and equipment	-42,292	-43,770
Acquisition of intangible assets	-2,858	-3,081
Acquisition of subsidiaries and a share of non-controlling interests net of financial assets acquired	0	-2,002
Refunds of subsequent contributions to subsidiaries	500	500
Proceeds from non-current loans	31,017	3,102
Payments for non-current loans	-1,456	-852
Net proceeds from current loans	45,776	95
Proceeds from sale of non-current investments	60,854	32,387
Payments for acquiring non-current investments	-17	-11
Proceeds from sale of current investments	230,252	0
Payments for acquiring current investments	-234,695	-471,840
Proceeds from derivatives	1,705	1,024
Payments for derivatives	-1,584	0
<b>Net cash flow from investing activities</b>	<b>94,908</b>	<b>-447,095</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-2,253	-382
Net payments for/proceeds from current borrowings	-50,767	27,903
Lease liabilities paid	-578	-550
Dividends and other profit shares paid	0	-1
Repurchase of treasury shares	-10,533	-4,399
<b>Net cash flow from financing activities</b>	<b>-64,131</b>	<b>22,571</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>192,809</b>	<b>-372,326</b>
Cash and cash equivalents at beginning of period	140,993	470,297
Effect of movements in exchange rates on cash held	60	263
<b>Closing balance of cash and cash equivalents</b>	<b>333,862</b>	<b>98,234</b>

## Notes to financial statements of Krka, d. d., Novo mesto

### Costs by nature

€689,660 thousand

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Cost of goods and materials	267,400	270,250	99
Cost of services	176,375	169,089	104
Employee benefits	194,384	178,125	109
Amortisation and depreciation	35,402	39,951	89
Net write-offs and allowances for inventories	6,591	6,598	100
Net impairments and write-offs of receivables	1,036	-3,543	
Other operating expenses	15,667	15,003	104
<b>Total costs</b>	<b>696,855</b>	<b>675,473</b>	<b>103</b>
Change in the value of inventories of finished products and work in progress	-7,195	198	
<b>Total</b>	<b>689,660</b>	<b>675,671</b>	<b>102</b>

### Employee benefits

€194,384 thousand

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Gross wages and salaries and continued pay	150,867	138,277	109
Social security contributions	8,845	9,800	90
Pension insurance contributions	21,150	17,947	118
Post-employment benefits and other non-current employee benefits	2,716	2,232	122
Other employee benefits	10,806	9,869	109
<b>Total employee benefits</b>	<b>194,384</b>	<b>178,125</b>	<b>109</b>

### Other operating expenses

€15,667 thousand

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Grants and assistance for humanitarian and other purposes	860	780	110
Environmental protection expenditures	2,456	2,251	109
Other taxes and levies	9,124	9,638	95
Loss on sale and write-offs of property, plant and equipment and intangible assets	1,499	757	198
Other operating expenses	1,728	1,577	110
<b>Total other operating expenses</b>	<b>15,667</b>	<b>15,003</b>	<b>104</b>

Other levies include various taxes and levies on pharmaceuticals and fees paid to associates in individual foreign countries for pursuing promotional activities.

## Finance income and expenses

€ thousand	Jan–Jun 2024	Jan–Jun 2023	Index
Net foreign exchange gains	18,932	0	
Interest income	5,140	6,169	83
Derivative income	4,206	1,024	411
– Realised revenue	1,705	1,024	167
– Change in fair value	2,501	0	
Income from other financial instruments	5,350	955	560
– Realised revenue	6,733	0	
– Change in fair value	-1,383	955	
Income from dividends and other profit shares	7,274	30,668	24
– Dividends	724	778	93
– Profits of subsidiaries	6,550	29,890	22
Other finance income	0	4	0
<b>Total finance income</b>	<b>40,902</b>	<b>38,820</b>	<b>105</b>
Net foreign exchange losses	0	-36,350	0
Interest expense	-2,135	-1,394	153
– Interest paid	-2,094	-1,359	154
– Interest expense on lease liabilities	-41	-35	117
Derivative expenses	-1,584	-900	176
– Realised expenses	-1,584	0	
– Change in fair value	0	-900	0
Other finance expenses	-2,193	-1,763	124
<b>Total finance expenses</b>	<b>-5,912</b>	<b>-40,407</b>	<b>15</b>
<b>Net finance result</b>	<b>34,990</b>	<b>-1,587</b>	

## Income tax expense

**€38,215 thousand**

Current income tax amounted to €38,712 thousand or 15.8% of profit before tax. Taking into account deferred tax of -€497 thousand, the tax totalling €38,215 thousand was expensed in the income statement. The effective tax rate was 15.6%.

## Property, plant and equipment

**€600,550 thousand**

€ thousand	30 Jun 2024	31 Dec 2023	Index
Land	52,039	51,786	100
Buildings	232,743	242,811	96
Equipment	250,523	240,106	104
Property, plant and equipment being acquired	62,092	57,273	108
Right-of-use assets	3,153	3,549	89
<b>Total property, plant and equipment</b>	<b>600,550</b>	<b>595,525</b>	<b>101</b>

The value of property, plant and equipment accounted for 22% of the Krka balance sheet total. See the 'Investments' section in the business report for details on Krka's major investments.

## Intangible assets

€24,990 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Concessions, trademarks and licences	14,527	15,138	96
Other intangible assets	8,335	7,556	110
– Long-term deferred operating costs	183	216	85
– Development-related projects	4,363	4,478	97
– Emission coupons	3,789	2,862	132
Intangible assets being acquired	2,128	3,349	64
<b>Total intangible assets</b>	<b>24,990</b>	<b>26,043</b>	<b>96</b>

Intangible assets refer to software and registration documents for new pharmaceuticals.

## Loans

€32,729 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Non-current loans</b>	<b>20,222</b>	<b>41,243</b>	<b>49</b>
– Loans to subsidiaries	8,600	0	
– Loans to others	11,622	11,243	103
– Deposits granted to banks	0	30,000	0
<b>Current loans</b>	<b>12,507</b>	<b>65,699</b>	<b>19</b>
– Portion of non-current loans maturing next year	4,286	12,827	33
– Loans to subsidiaries	6,538	1,697	385
– Loans to others	14	13	108
– Deposits granted to banks	0	50,000	0
– Current interest receivables	1,669	1,162	144
<b>Total loans</b>	<b>32,729</b>	<b>106,942</b>	<b>31</b>

## Investments

€302,852 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Non-current investments</b>	<b>25,049</b>	<b>47,673</b>	<b>53</b>
– Investments at fair value through OCI (equity instruments)	25,049	26,900	93
– Investments at amortised cost (debt instruments)	0	20,773	0
<b>Current investments including derivatives</b>	<b>277,803</b>	<b>306,769</b>	<b>91</b>
– Investments at fair value through profit or loss	247,320	236,751	104
– Investments at amortised cost (debt instruments)	30,483	70,018	44
<b>Total investments</b>	<b>302,852</b>	<b>354,442</b>	<b>85</b>

Investments at fair value through OCI comprised €1,090 thousand of investments in shares and interests in companies in Slovenia (end of 2023: €953 thousand), and €23,959 thousand of shares and interests in companies located outside Slovenia (end of 2023: €25,947 thousand).

Current investments at amortised cost (debt instruments) are bonds with a maturity of less than one year and with a credit risk rating that corresponds the globally understood definition of investment grade. All investments belong to the lower medium grade. Investments at amortised cost included no investments in Slovenian government bonds (end of 2023: €6,033 thousand), while investments in foreign government bonds amounted to €30,484 thousand (end of 2023: €84,758 thousand).

The decrease in investments at amortised cost (current and non-current) totalled €60,308 thousand compared to 31 December 2023 and occurred due to the maturity of government bonds. The increase in investments at fair value through profit or loss of €10,569 thousand included acquisitions of treasury bills amounting to €224,691 thousand, disposal of treasury bills due to their maturity of €213,382 thousand, revaluation of treasury bills totalling €643 thousand, and allowance for treasury bills amounting to -€1,383 thousand.

## Inventories

€514,009 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Material	244,839	249,217	98
Work in progress	120,819	113,596	106
Finished products	106,614	110,199	97
Merchandise	28,118	18,705	150
Advances for inventories	13,619	22,175	61
<b>Total inventories</b>	<b>514,009</b>	<b>513,892</b>	<b>100</b>

## Trade and other receivables

€594,479 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Current trade receivables	556,601	463,126	120
– Receivables due from subsidiaries	334,467	268,438	125
– Receivables due from customers other than Group companies	222,134	194,688	114
Current dividend receivables	14,939	9,837	152
Current receivables due from others	22,939	37,279	62
<b>Total trade and other receivables</b>	<b>594,479</b>	<b>510,242</b>	<b>117</b>

## Cash and cash equivalents

€333,862 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Bank balances	333,862	140,993	237
<b>Total cash and cash equivalents</b>	<b>333,862</b>	<b>140,993</b>	<b>237</b>

Bank balances included a deposit of €310,905 thousand with a maturity of up to 90 days (31 December 2023: €118,000 thousand).

## Equity

€2,328,196 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Share capital	54,732	54,732	100
Treasury shares	-149,022	-138,489	108
Reserves	299,570	290,481	103
– Reserves for treasury shares	149,022	138,489	108
– Share premium	105,897	105,897	100
– Legal reserves	14,990	14,990	100
– Statutory reserves	30,000	30,000	100
– Fair value reserve	-339	1,105	
Retained earnings	2,122,916	1,926,534	110
<b>Total equity</b>	<b>2,328,196</b>	<b>2,133,258</b>	<b>109</b>

## Trade payables

€173,172 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Current trade payables</b>	<b>173,172</b>	<b>175,847</b>	<b>98</b>
Payables to subsidiaries	56,116	53,490	105
Payables to domestic suppliers	50,687	53,639	94
Payables to foreign suppliers	66,369	68,718	97
<b>Total trade payables</b>	<b>173,172</b>	<b>175,847</b>	<b>98</b>

## Provisions

€116,307 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Provisions for lawsuits	10,543	10,543	100
Provisions for post-employment benefits	87,242	85,564	102
Provisions for other non-current employee benefits	18,522	17,892	104
<b>Total provisions</b>	<b>116,307</b>	<b>113,999</b>	<b>102</b>

In 2014, the European Commission found that Krka had infringed the provision of Article 101 of the *Treaty on the Functioning of the European Union*, thereby distorting competition on the EU market for perindopril, and imposed a fine of €10,000 thousand on Krka. Krka paid the fine within the time limit set by the Commission.

In 2014, Krka brought an action against the Commission's decision before the General Court of the European Union. In December 2018, the Court ruled in favour of Krka, as it found that its actions did not constitute a restriction of competition, and that it did not infringe the provision of Article 101 of the *Treaty on the Functioning of the European Union*.

The Commission lodged an appeal against the decision of the General Court to the Court of Justice of the European Union. Therefore, Krka formed non-current provisions of €10,000 thousand.

On 27 June 2024, the Court of Justice of the European Union ruled on the Commission's appeal against the decision of the General Court of the European Union. It granted the Commission's appeal and returned the case to the General Court of the European Union for reconsideration.

## Deferred income

€2,225 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Grants received from the European Regional Development Fund and budget of the Republic of Slovenia intended for the production of pharmaceuticals in the new Notol 2 plant	629	687	92
Subsidy for acquisition of electric drive vehicles	2	1	200
Property, plant and equipment received free of charge	9	10	90
Emission coupons	10	10	100
Subsidy for purchase of joinery	89	90	99
Subsidy for acquisition of other equipment	0	1	0
Grants received from the European Regional Development Fund (Farma GRS)	1,486	1,567	95
<b>Total deferred revenue</b>	<b>2,225</b>	<b>2,366</b>	<b>94</b>

## Borrowings

€37,197 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Current borrowings</b>	<b>37,197</b>	<b>88,061</b>	<b>42</b>
– Borrowings from subsidiaries	36,887	87,655	42
– Current interest payable	310	406	76
<b>Total borrowings</b>	<b>37,197</b>	<b>88,061</b>	<b>42</b>

## Current contract liabilities

€15,980 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
<b>Refund liabilities</b>	<b>14,693</b>	<b>13,900</b>	<b>106</b>
– Bonuses and volume rebates	14,693	13,900	106
<b>Contract liabilities</b>	<b>1,287</b>	<b>5,053</b>	<b>25</b>
– Advances from other customers	1,287	5,053	25
<b>Total current contract liabilities</b>	<b>15,980</b>	<b>18,953</b>	<b>84</b>

## Other current liabilities

€72,511 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Payables to employees – gross salaries, other receipts and charges	68,428	72,498	94
Derivatives	152	2,653	6
Other	3,931	2,649	148
<b>Total other current liabilities</b>	<b>72,511</b>	<b>77,800</b>	<b>93</b>

## Contingent liabilities

€16,295 thousand

€ thousand	30 Jun 2024	31 Dec 2023	Index
Guarantees issued	15,243	15,238	100
Other	1,052	1,417	74
<b>Total contingent liabilities</b>	<b>16,295</b>	<b>16,655</b>	<b>98</b>

## Fair value

€ thousand	30 Jun 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current financial assets</b>				
Loans	20,222		41,243	
Investments at fair value through OCI (equity instruments)	25,049	25,049	26,900	26,900
Investments at amortised cost (debt instruments)	0		20,773	
<b>Current financial assets</b>				
Loans	12,507		65,699	
Investments at fair value through profit or loss	247,320	247,320	236,751	236,751
Investments at amortised cost (debt instruments)	30,483		70,018	
Trade receivables	556,601		463,126	
Cash and cash equivalents	333,862		140,993	
<b>Non-current financial liabilities</b>				
Lease liabilities	-2,172		-2,565	
<b>Current financial liabilities</b>				
Borrowings	-37,197		-88,061	
Derivatives	-152	-152	-2,653	-2,653
Lease liabilities	-1,044		-1,022	
Payables to suppliers and subsidiaries excluding advances	-173,172		-175,847	
Contract liabilities excluding advances	-14,693		-13,900	
Other liabilities excluding amounts owed to the state, to employees, and advances	-2,109		-1,333	
<b>Total</b>	<b>995,505</b>	<b>272,217</b>	<b>780,122</b>	<b>260,998</b>

In terms of fair value, assets and liabilities are classified into three levels:

- Level 1 – Assets at market price;
- Level 2 – Assets not classified within level 1 and the value of which is determined directly or indirectly based on observable market data;
- Level 3 – Assets the value of which cannot be determined using market data.



### Assets at fair value

€ thousand	30 Jun 2024				31 Dec 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>								
Investments at fair value through OCI	23,663	0	1,386	25,049	25,514	0	1,386	26,900
Investments at fair value through profit or loss	247,320	0	0	247,320	236,751	0	0	236,751
<b>Total assets at fair value</b>	<b>270,983</b>	<b>0</b>	<b>1,386</b>	<b>272,369</b>	<b>262,265</b>	<b>0</b>	<b>1,386</b>	<b>263,651</b>

## STATEMENT OF COMPLIANCE

The Management Board of Krka, d. d., Novo mesto hereby states that the condensed financial statements of Krka and the condensed consolidated financial statements of the Krka Group for the period ended 30 June 2024 have been prepared so as to provide a true and fair view of the financial position and operating results of the Krka Group and Krka. The condensed financial statements for the first half of 2024 have been prepared using the same accounting policies as for the 2023 annual financial statements of the Krka Group and Krka.

The condensed financial statements for the period ended 30 June 2024 have been prepared pursuant to IAS 34 – *Interim Financial Reporting* and have to be read in conjunction with the annual financial statements prepared for the financial year ended 31 December 2023.

The Management Board is responsible for taking the measures required to preserve the assets of the Krka Group and Krka, and to prevent and detect fraud and other forms of misconduct.

The Management Board states that all transactions between Krka Group subsidiaries have been executed according to the concluded purchase contracts, using market prices of products and services. No significant business transactions were concluded with other related parties.

Novo mesto, 10 July 2024



Jože Colarič  
President of the Management Board and CEO



Dr Aleš Rotar  
Member of the Management Board



Dr Vinko Zupančič  
Member of the Management Board



David Bratož  
Member of the Management Board



Milena Kastelic  
Member of the Management Board – Worker Director