

We celebrate the 70th anniversary of Krka

OUR INNOVATIONS AND SUSTAINABLE ORIENTATION FACILITATE CHANGES

Novo mesto, 23 April 2024

Seven decades have passed since a daring vision, creativity, and enthusiasm put Krka, a pharmaceutical company from Novo mesto, Slovenia, on the map. We celebrated the anniversary on the very day when Regional People's Committee Novo mesto issued a decision on establishment of Krka Pharmaceutical Laboratory of Novo mesto in 1954. Jože Colarič, the President of the Management Board and CEO, declared at the ceremony that: "We at Krka have generated changes for 70 years with a dynamic, flexible, but reliable tempo to promote health and benefit of present and future generations worldwide. Our position is stable and our foundations for the future are great." We decided to celebrate the anniversary in the spirit of social responsibility and sustainability. We therefore in the few past weeks donated most needed medical devices and equipment to paediatric wards of all ten Slovenian general hospitals and paediatric clinics of our two University Medical Centres, which will allow for even better diagnostics and treatment of children. We also focus on the environment. To mark Earth Day, we intend to plant honey trees in the surroundings of Krka business premises in Slovenia and abroad as our contribution to the quality living environment of future generations.

From a small laboratory to one of the leading generic pharmaceutical companies

The founder of Krka Boris Andrijanič and his successors Miloš Kovačič and Jože Colarič with their teams set the course, which has made Krka one of the leading pharmaceutical companies in the world. The present-day Krka has been created by generations harbouring the same values for 70 years: speed and flexibility, partnership and trust, and creativity and efficiency.

Krka has grown from a laboratory with nine into a company with almost 13,000 employees worldwide. To cite President of the Management Board and CEO Jože Colarič, Krka's range of products comprises more than 1,000 quality, safe, and efficacious products. They are marketed in more than 70 countries across the globe, improving the quality of life for more than 100 million people. "We provide therapies for all most common diseases of our time and expand the portfolio of our innovative generic products, introduce new dosage forms and strengths, and enter new markets, even the most challenging ones. Our goal is clear: to provide affordable therapy of highest quality and help people lead healthy and high-quality life," said Colarič.

We deftly navigate between business opportunities. Our marketing and sales teams are present almost in all markets of eastern, central, south-western and western Europe, and we are gaining momentum in the Far and Middle East, Africa, and Americas. We are also present in China, where we established a joint venture for production and marketing of pharmaceuticals together with a Chinese partner in 2017. We hope to enter new markets also owing to a recent contract signed on establishment of a joint venture with our business partner Laurus Labs from India.

Looking back at the seven decades gives us an insight of the most obvious milestones in Krka's operations, from first business transactions with foreign companies, construction of production and other facilities in Ločna, Novo mesto (Slovenia), to the watershed decision to replace licensed with our innovative generic products. At a very early stage, we joined our know-how in Institute, setting the foundations for high-quality research. We have four great development-and-control laboratories nowadays with 800 top experts cooperating closely from molecule selection to new product launches.

Quality, investments in development, and the vertically integrated business model drive our success

Quality and investments in development have always been vital for our competitive edge and long-term success and primary indicators of healthy business performance. Our constant progress and innovations in many areas rely on development, marketing and sales, technologies, and other business trends, as well as on continuous learning of employees. We meet the expectations of most demanding markets via prudent investments in contemporary development laboratories featuring state-of-the-arts equipment and highly automated and digitalised production.

Our formula for success derives from the vertically integrated business system, the vital source of our robustness and flexibility. The ESG score that we first received last year placed us among 10% of the highest ranking pharmaceutical companies in the world, confirming that the path we have taken is the right one. We foster innovation and promote it in all business areas.

Over the past two decades, the Krka Group has won several peaks. We continued to grow throughout that time. Our 2004 revenue totalled €470 compared to €1.8 billion last year. We recorded profit of €65 million in contrast to €313.7 million last year. We had 4,700 employees back then, while we number almost 13,000 today. In 2004, our output of tablets and capsules reached 4.8 billion compared to 16.9 billion last year. The numbers clearly speak of the progress we have made.

We are an important partner in the treatment of most common diseases. Our wide range of products comprises cardiovascular agents, accounting for more than 50% of our prescription pharmaceuticals, and agents for the central nervous system and gastrointestinal disorders. We have started focusing on antidiabetic and oncology agents, and medicines for the treatment of blood and blood-forming organs lately. In this way, we daily help to improve lives of persons diagnosed with hypertension and hyperlipidemia, depression, anxiety, dementia, heartburn, stomach problems, pain, diabetes, cancer, and many other conditions. We have also been extending our non-prescription product range, in particular for companion animals. Health resort and tourist services of Terme Krka are also an integral part of our portfolio.

We know that we perform successfully only when others thrive together with us. This is why we do not only care for health of human beings and animals the world over, but also of our

employees and all our partners, including buyers, suppliers, and stakeholders, and all those we live with. We have been engaged for seventy years in development of the wider environment and conserving the nature for the future generations.