



Living a healthy life.

KRKA, d. d., Novo mesto

The Krka Group 2015 operating results

Data as of 31 December 2015

Sources: Press conference on 3 March 2016 and 2015 Annual Report

Krka's development strategy



Mission: Living a healthy life.

Our main purpose is to encourage people to lead a healthy, high-quality life.



Vision: We are continually consolidating our position as one of the leading generic pharmaceutical companies worldwide.

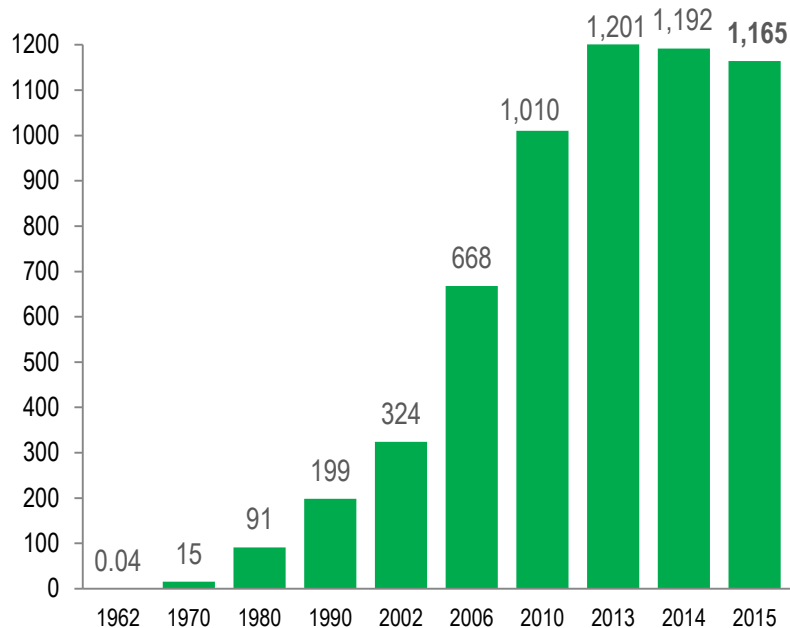
This is achieved independently through strengthening our long-term business ties and partnerships in the fields of development, product supply and marketing.



Values: Speed and flexibility
Partnership and trust
Creativity and efficiency

60-years of experience

Krka Group sales in million EUR



1954

Boris Andrijanič established a pharmaceutical laboratory in Novo mesto, which was named after the river Krka.

We acquired the first marketing authorisations.

1962

In Ločna, Novo mesto we built a new production plant with laboratories.

We began selling our medicines in foreign markets.

1980s

The U.S. Food and Drug Administration (FDA) approved the production of antibiotics.

1990

We kept expanding our marketing and sales network abroad and constructed new production plants.

1997

Krka shares were listed at the Ljubljana Stock Exchange.

2007

By merging with the German company TAD Pharma, we expanded our marketing and sales network to the Western European markets as well.

Today

Krka is one of the world's **leading generic pharmaceutical companies**.

Sales **exceeded one billion euros** for the fifth consecutive year.

Krka manufactures generic medicines with added value



Krka's generic medicines are based on:

- Our own innovative synthesis processes or processes for the isolation of active substances
- Our own innovative pharmaceutical formulations and technologies
- Extensive studies that ensure high quality, safety and efficacy of our medicines

*We develop and market added-value generic products, which we market under **our own brands**.*

*Each day **45 million patients** use Krka's medicine.*

We have submitted **patent applications** for over **350 innovations** and have been granted numerous patents in various European, American and Asian countries.

What are generic medicines?



Generic medicines are **equivalent in quality, efficacy and safety to originator medicines** and are produced after patent protection has expired.

They contain **the same active substances** as original products.

Owing to **improved synthesis processes and evaluation methods**, a generic active substance may even be of a higher quality than that of the originator.

*The global importance of generic medicines is increasing, as they are of **the same quality as the originator medicines** and thus offer an alternative to the treatment with originator products, available at a **more acceptable price.***

Vertical integration

Our competitive advantage is a vertically integrated business model, which enables **planning and control of the entire process** from customer demands, research and development, raw material production, purchasing, production, warehousing, control, quality assurance and distribution to marketing and monitoring of customer satisfaction.



*The careful monitoring of modern illnesses triggers relevant **research and development work in Krka's laboratories.***



*Our generic medicines are based on our **own innovative synthesis procedures.***

*Vertically integrated products are the result of Krka's own development and know-how, representing more than **70% of Krka's portfolio.***

The quality, safety and efficacy of Krka's products

We are committed to the quality, safety and efficacy of our products and services, so our manufacturing procedures, quality control and quality assurance comply with the guidelines of **good manufacturing practice**.



Our products are manufactured in modern, technologically advanced production plants.



The quality of our products is further underlined by modern and attractive packaging.

Committed to continuous improvement

The basic strategic quality management guideline focuses on the sustained quality of products and services.

Krka's integrated management system (IMS) provides a basis for efficiently implementing the company's business continuity and brings various aspects of operations.

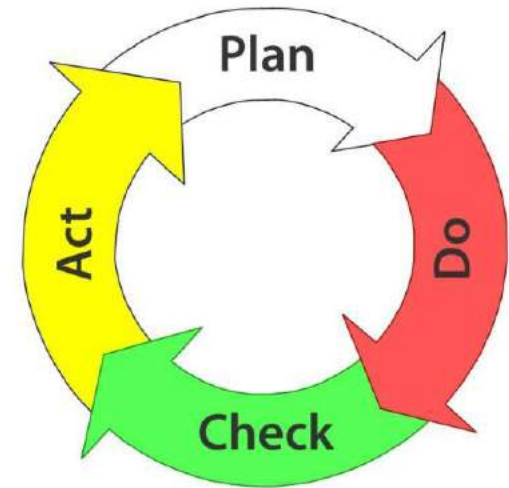


- **Quality** is regulated in compliance with Good Manufacturing Practice and by implementation of ISO 9001 standard.
- **Environmental care** is incorporated in the Krka system through implementation and application of the requirements of ISO 14001 standard.
- **Health and safety at work** are defined with OHSAS 18001 standard.
- **Foodstuffs safety** is defined with HACCP requirements.
- **Information security management** system is certified in compliance with ISO/IEC 27001.
- **Business Continuity Management** is defined by ISO 22301.

Monitoring of management system effectiveness

PDCA cycle: plan, do, check, act

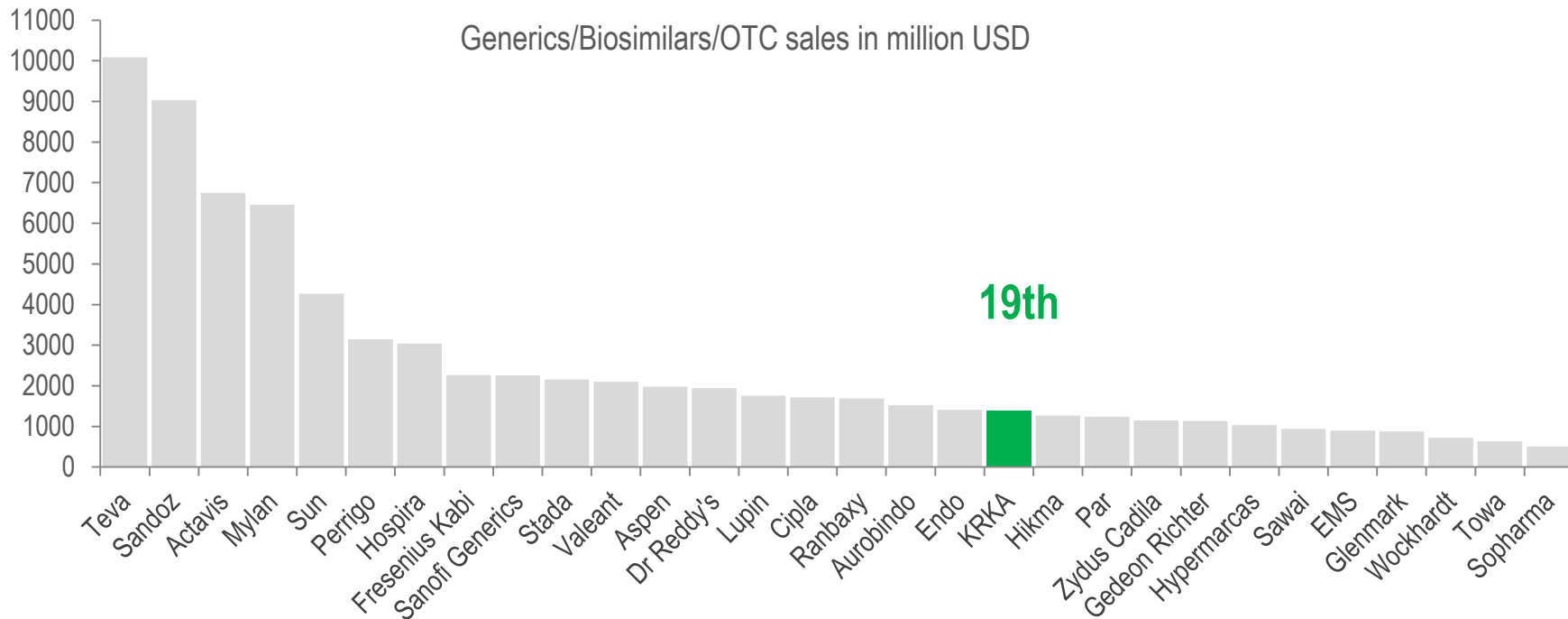
- Inspections by regulatory authorities: GMP, GCP, HACCP
- Internal audits
- Audits by institutions and business partners
- Customer satisfaction monitoring with customer opinion polls, at expert meetings, through product complaints
- Evaluation of processes on different levels: Krka Group, business programmes, operational functions



World generic market

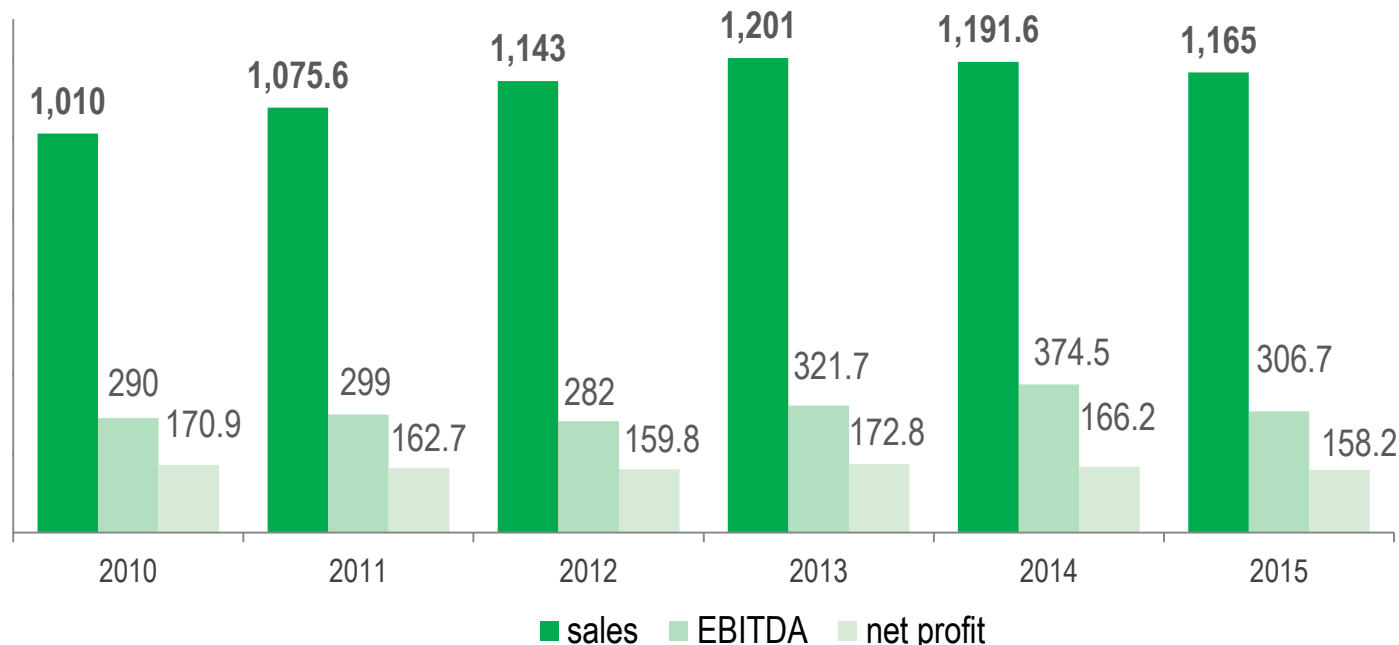
World generic market in 2014

Generics/Biosimilars/OTC sales in million USD



Krka's growth continues

Sales, EBITDA and net profit in million EUR



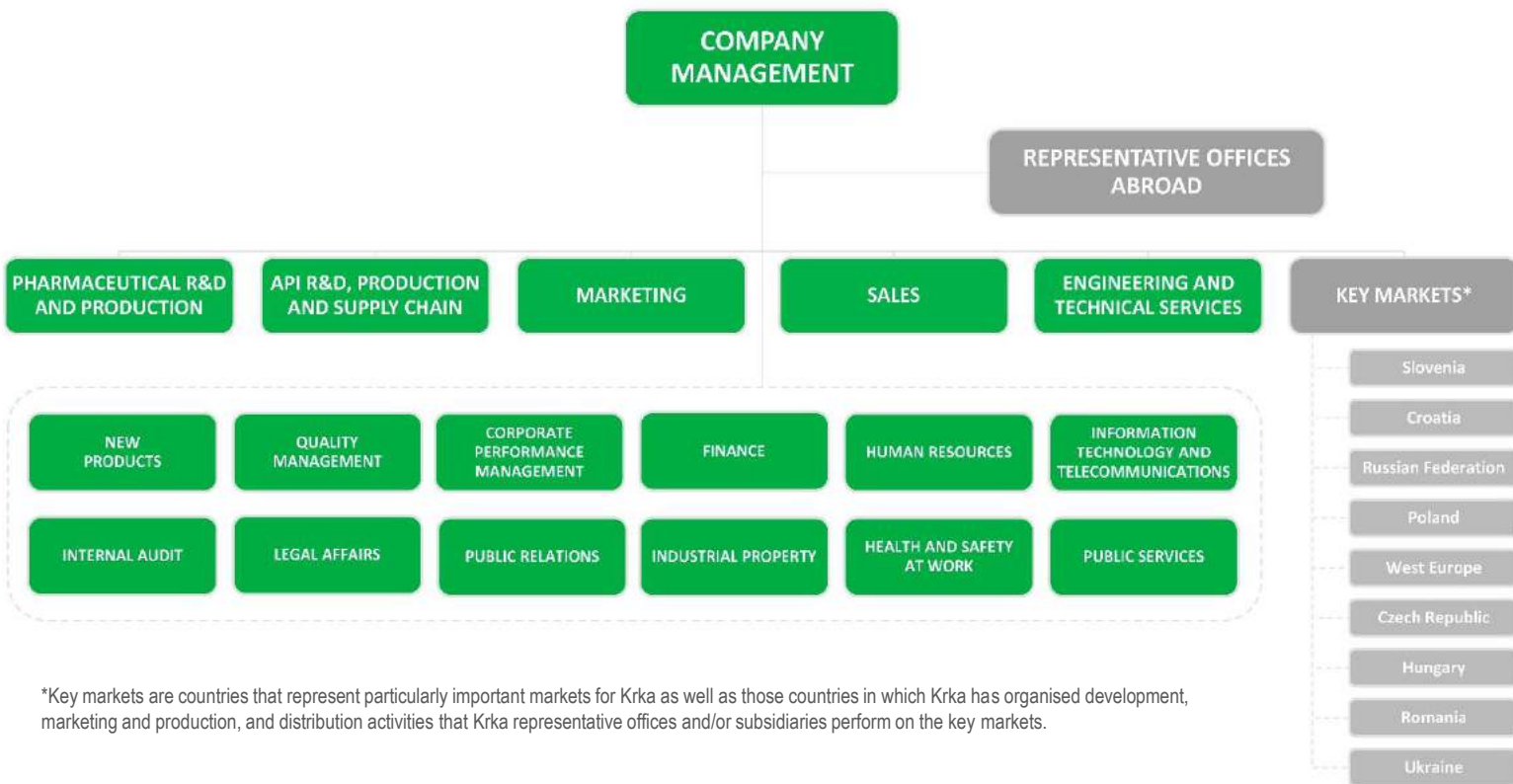
*The results of the last 10 years point to **stability and growth** in business operations. During this period, we **more than doubled the sales and operating profit** of the Krka Group.*

Krka's strategic objectives by 2020



- Report an average annual sales volume growth of at least 5%.
- At the same time with organic growth, expand through acquisitions and long-term partnerships (including joint ventures), for which – in case of available commercially appealing acquisition targets – a few hundred thousand EUR is earmarked.
- Have new products account for at least one third of total sales.
- Be the first generic producer to launch selected products on target markets.
- Strengthen the competitive advantage of our product assortment.
- Maintain the largest possible share of vertically integrated products.
- Improve asset efficiency.
- Increase product cost efficiency.
- Strengthen innovation across all business functions.
- Preserve independence.

Organisational chart



*All key business processes are managed **within Krka** according to the vertically integrated business model.*

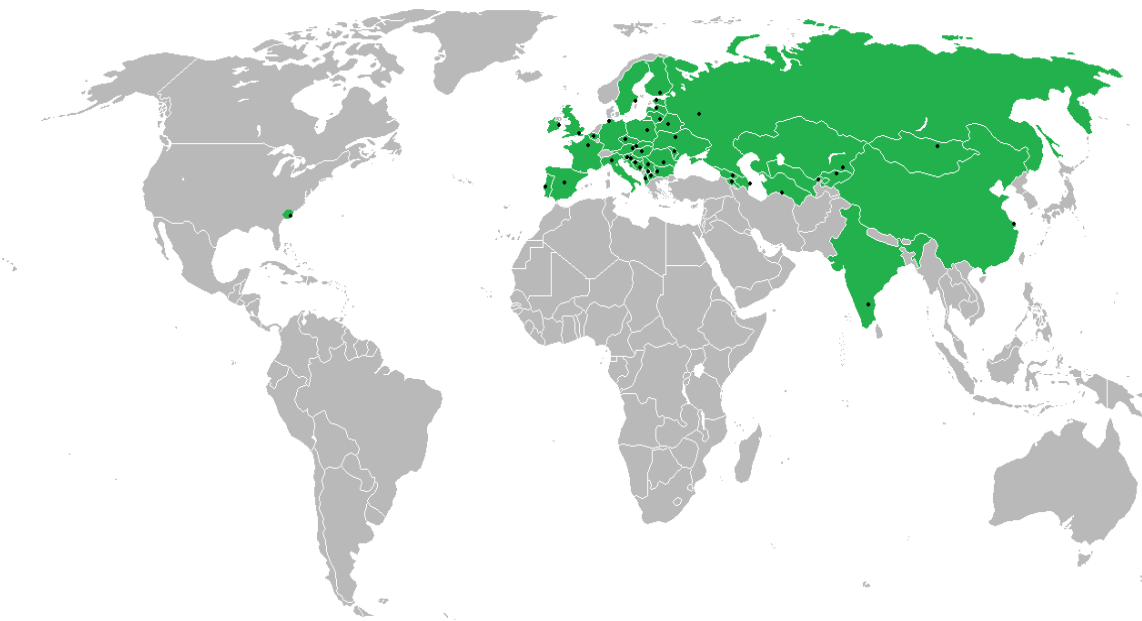
*Key markets are countries that represent particularly important markets for Krka as well as those countries in which Krka has organised development, marketing and production, and distribution activities that Krka representative offices and/or subsidiaries perform on the key markets.

Covering markets from Lisbon to Vladivostok

Outside Slovenia: **28 subsidiaries** and **19 representative offices** with almost **54% of all employees** in the Krka Group.

6 sales regions and
over **70 markets**

Production and distribution capacities are located in **Slovenia, the Russian Federation, Poland, Croatia and Germany.**



Subsidiaries

AUSTRIA

KRKA Pharma GmbH, Wien

BELGIUM

KRKA Belgium, SA

BULGARIA

KRKA Bulgaria EOOD

BOSNIA AND HERZEGOVINA

KRKA FARMA, d. o. o., Sarajevo

CZECH REPUBLIC

KRKA ČR, s. r. o., Prague

CROATIA

KRKA-FARMA, d.o.o., Zagreb

FINLAND

KRKA Finland Oy

FRANCE

KRKA France Eurl, Paris

IRELAND

KRKA PHARMA DUBLIN LIMITED, Dublin

ITALY

KRKA FARMACEUTICI Milano S.r.l.,
Milano

KAZAKHSTAN

LLC »KRKA Kazakhstan«, Almaty

LATVIA

SIA KRKA Latvija, Riga

LITHUANIA

UAB KRKA Lietuva, Vilnius

HUNGARY

KRKA Magyarország Kft., Budapest

MACEDONIA

KRKA-FARMA DOOEL Skopje

GERMANY

TAD Pharma GmbH, Cuxhaven

POLAND

KRKA - POLSKA, Sp. z o.o., Warsaw

PORTUGAL

KRKA Farmacêutica, Unipessoal Lda.,
Estoril

ROMANIA

KRKA ROMANIA S.R.L., Bucharest

RUSSIAN FEDERATION

KRKA-RUS LLC, Istra
KRKA FARMA LLC, Sergiev Posad

SLOVAKIA

KRKA Slovensko, s.r.o., Bratislava

SERBIA

KRKA-FARMA DOO BEOGRAD, Belgrade

SPAIN

KRKA FARMACÉUTICA, S.L., Madrid

SWEDEN

KRKA SVERIGE AB, Stockholm

UK

KRKA UK Ltd.

UKRAINE

KRKA UKRAINE LLC, Kiev

USA

KRKA USA LLC, Delaware

State-of-the-art facilities in Novo mesto ...



NOTOL and NOTOL 2 –
solid dosage form production



SINTEZA 4 – API production



Chemical development laboratory



OTO – plant for manufacturing
solid dosage forms



RKC 3 – Research and Development
Centre 3



Injections production

*Our own production capabilities in Slovenia, the Russian Federation, Poland, Croatia and Germany enable us to produce around **13 billion tablets, capsules, injections and other products per year.***

*The new **Notol 2** plant will allow us to increase annual production capacity by **4.5 billion tablets and capsules** over a two-year period.*

... and at other sites



PLANT IN
ŠENTJERNEJ
Slovenia



PLANT IN
LJUTOMER
Slovenia



TAD PHARMA
CUXHAVEN
Germany



KRKA – RUS
ISTRA
Russian Federation



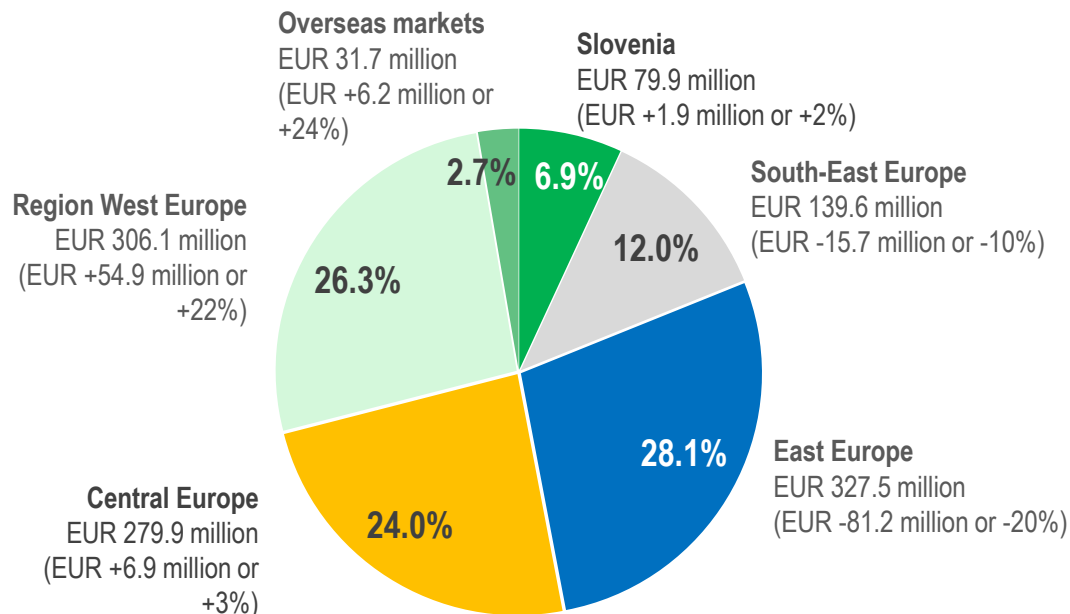
KRKA - POLSKA
WARSAW
Poland



KRKA-FARMA
JASTREBARSKO
Croatia

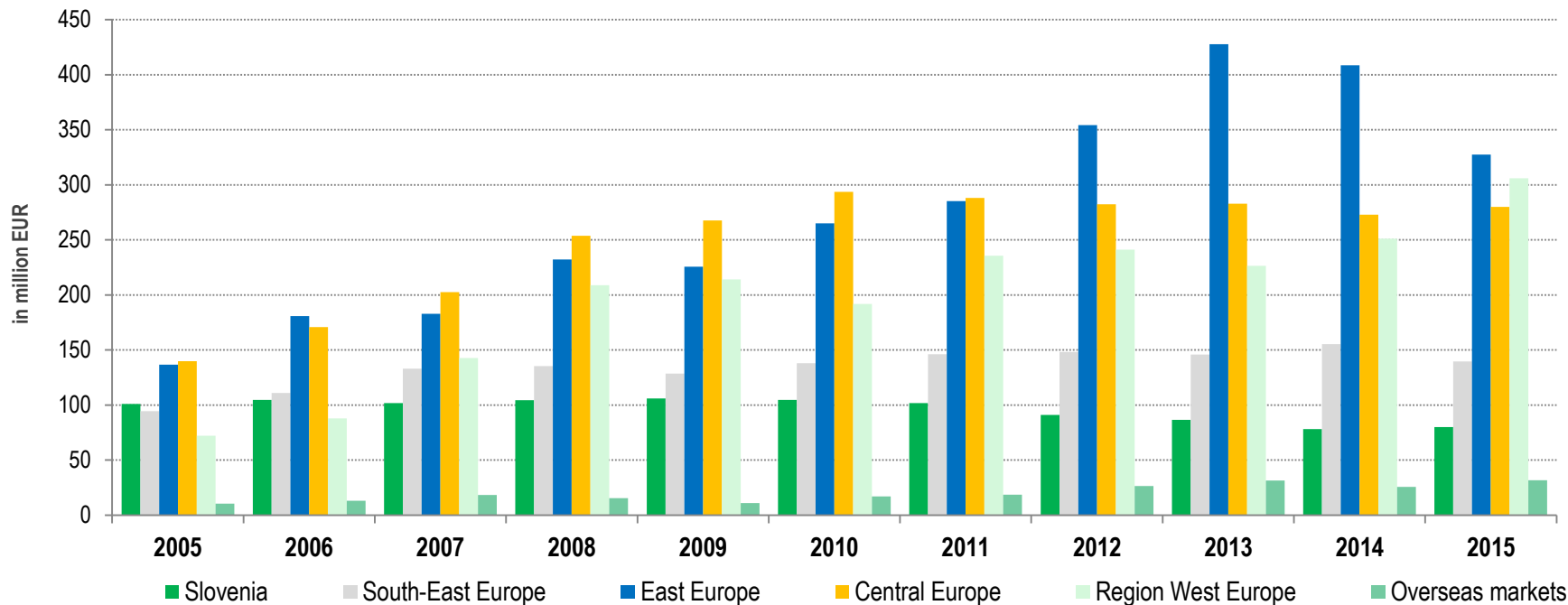
Krka Group sales by Region

2015: EUR 1,164.6 million worth of products and services



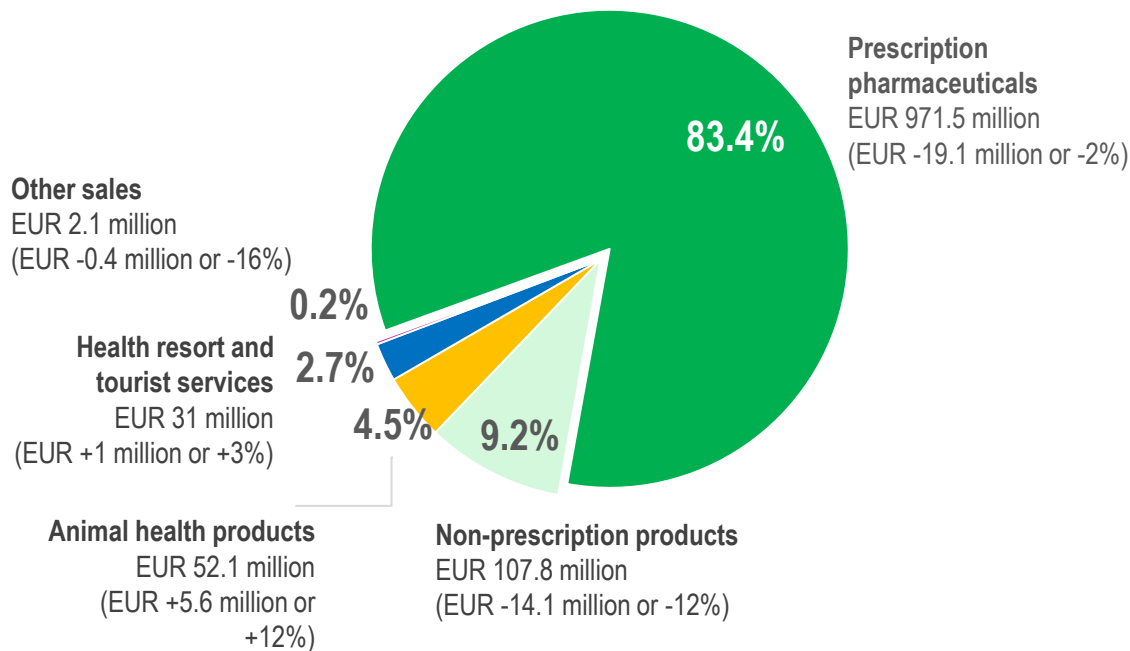
- Krka Group sales **decreased** in 2015 by **2%** compared to 2014.
- Krka holds a 9.5% market share in Slovenia and is the **market leader in the domestic market**.
- In the markets **outside Slovenia** we generated more than **93%** of overall sales of the Krka Group.
- The highest absolute sales growth was recorded in **Region West Europe** (up EUR 54.9 million) and the highest relative sales growth (up 24%) was recorded in Region Overseas Markets.
- **Region East Europe** with a 28% share in sales remains Krka's leading region in terms of sales value.

Krka Group sales by Region



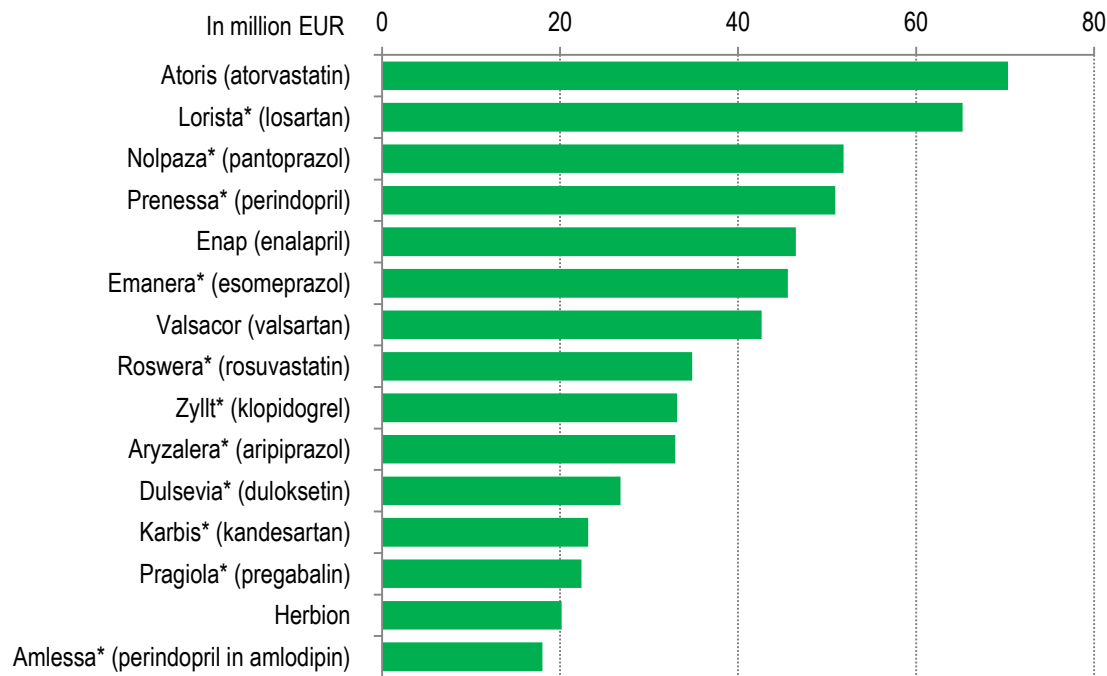
Krka Group sales by product and service group

2015: EUR 1,164.6 million worth of products and services



- **Prescription pharmaceuticals** remained the most important product group of the Krka Group sales, accounting for a 83.4% share in 2015.
- **The 10 leading prescription pharmaceuticals** in terms of sales were Atoris (atorvastatin), Lorista* (losartan), Nolpaza* (pantoprazole), Prenessa* (perindopril), Enap (enalapril), Emanera* (esomeprazole), Valsacor (valsartan), Roswera* (rosuvastatin), Zyllt* (clopidogrel), and Aryzalera* (aripiprazole). Products are marketed under different brand names in individual markets.

Sales of leading products in 2015



ATORIS®

Lorista®

Enap®

PRENESSA®

Nolpaza®

Nolpaza®
control

Herbion®

Medicines for the cardiovascular system



ATORIS®



Roswera®
Solvasta®
Roxera®



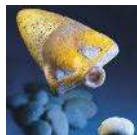
asilip®



Ezoleta®



Zyllt®
Kardogrel®



Enap®



PRENESSA®
PERINEVA®
PRENESSA®



AMLESSA®
DALNEVA®
DALNESSA®
TONARSSA®



ampril®
amprilan®



RAWEL® SR



Lonieta®
Lavestra®



Valacor®



Tolura®
Telmista®



Karbis®
Candecor®
Canocord®



Ifirmasta®
Trabel®



Olimestra®



Atordapin®
Amaloris®
Atorcombo®



Tenox®



Sobycor®
Niperten®



CORYOL®

Medicines for the central nervous system



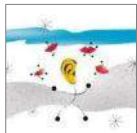
zolrix[®]
zalastā[®]



KVENTIAX[®]
QUENTIAx[®]



Aryzalerā[®]
Aripipan[®]
Arisppā[®]
Zylaxerā[®]



TORENDO[®]



ZYPŠILAN[®]
ZYPŠILA[®]
YPŠILA[®]



ecytara[®]
elicea[®]
escitalex[®]



ALVENTA[®] 1X
DAILY
OLWEXYA[®] 1X
DAILY



asentra[®] :)



mirzaten[®]



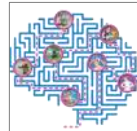
DULOxALTA[®]
DULSEVIA[®]



Yasnal[®]



NIMVASTID[®] ✓



Galsya[®] SR
Galnora[®]



memaxa[®]
marixino[®]
memando[®]
maruxa[®]



Rolpryna[®] SR
Ralnea[®]



Oprymeā[®]
Oprymeā[®]
prolonged-release tablets

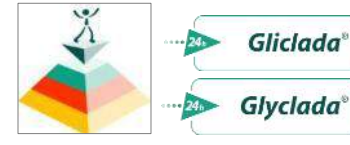
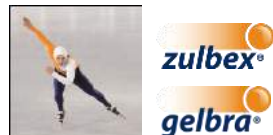


Helex[®]



Lexaurin

Pain relief medicines and medicines for the gastrointestinal tract and metabolism



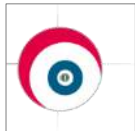
Systemic anti-infectives and medicines for the treatment of asthma, allergy, and for the genito-urinary system



Fromilid®
Fromilid® uno



AZIBIOT®



Ciprinol®

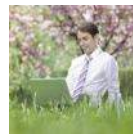


moloxin® moflaxa®
moxibiot® moflaxya®



Monkasta®

Monalux®



Dasselta®
Esradin®
Desradin®



Cezera®
Lertazin®



Tanyz®
Tanyz ERAS



FINPROS®



KAMIREN®
KAMIREN® XL



VIZARSIN®
VIZARSIN®
orodispersible tablets



asolfena®

Non-prescription products



Herbion[®]



Bilobil[®]



Septolete[®]



Nalgesin[®] S



SeptoAqua[®]



SeptaNazal[®]



Pikovit[®]



Duovit[®]



**Nolpaza[®]
control**



Naklofen[®] gel



**FITOVAL[®]
FORNIA
Hair
Expert.**

Animal health products



•• **Floron**[®]



Enroxil[®]



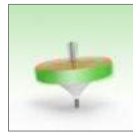
Entemulin[®]



egocin[®]



TRISULFON[®]



FLIMABEND[®]



TOLTAROX[®]
TOLZESYA[®]



quiflox[®]
marfloxin[®]



Enroxil[®]
Flavour



Ecocid[®] S



FYPRYST[®]



FYPRYST[®] **COMBO**



Milprazon[®]



Dehinel[®] **Plus**



RYCARFA[®]

Tourism

TERME  KRKA



Terme Dolenjske Toplice



Hotel Krka, Novo mesto



Talaso Strunjan



Golf Otočec



Hotel Grad Otočec



Terme Šmarješke Toplice

Quality in tourism

Spa services, modern thermal oases with top-level wellness programmes, active rest activities and relaxing at the sea shore. Excellent culinary delights, golf and idyllic nature.



Vitarium Spa & Clinique medical wellness centre (Terme Šmarješke Toplice) was again ranked **first among small wellness centres** in 2014.



Hotel Grad Otočec is a member of the elite hotel and restaurant association **Relais & Châteaux**.



Terme Krka is the first Slovenian company in this industry to be awarded the Certificate **Bureau Veritas Certification** for performance excellence and professionalism.

Values

*professional
and personal
attitude*

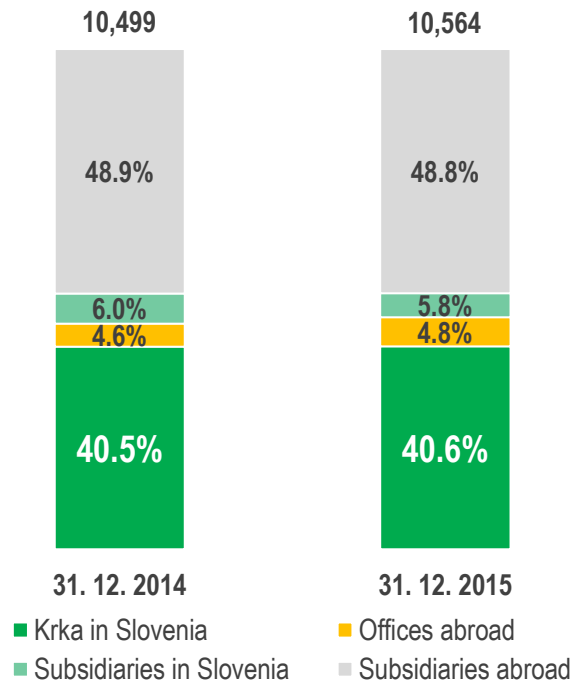
*friendliness and
orderliness*

*professional
competence
and efficiency*

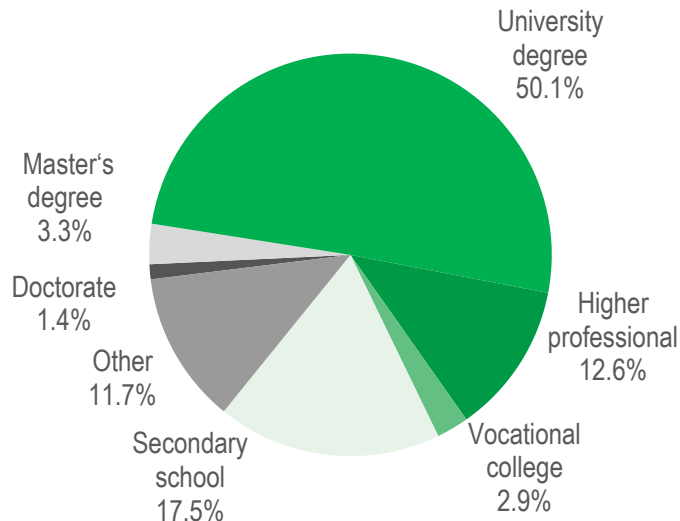
*innovation and
flexibility*

Highly qualified employees

Number of employees



Educational structure



*Of all the employees in the Krka Group, **55%** have completed **university level education**.*

***63.8%** of employees are **women**, who hold **45%** of management positions.*

*The average age is **39.2 years**.*

At the end of December 2015, the Krka Group had **10,564 employees**, 1% more than at the beginning of the year. **The number of employees abroad is by 750 higher** than the number of employees in Slovenia.

Care for continuous education and training of employees



Knowledge is a value in Krka. We develop our own educational programmes. We carefully plan employee recruitments, their induction to work, and personal and professional growth.

Internal training at Krka, in Slovenia and abroad

Professional knowledge, leadership, personal development, IT, foreign languages, quality assurance.

On-the-job training

Knowledge and skills transfer between employees; job training for pupils and students.

Part-time studies

National vocational qualifications

48 employees are enrolled in postgraduate studies of specialisation, master's or doctoral study programmes.

371 employees are enrolled in part-time studies.

We were among the first in Slovenia to develop programmes of national vocational qualifications. Since 2004 we have awarded **1,306 certificates**.



Environmental responsibility

Milestones in 2015



- Start-up of the state-of-the-art water purification system for the preparation of pharmaceutical waters and energy supply;
- ☐ decrease in the use of river water for energy by over 25%;
- ☐ implementation of a system of aerobic stabilisation of sludge at the treatment plant;
- ☐ reduction of sludge from the treatment plant by 462 t or 21%;
- ☐ reduction of waste for disposal in landfills by 5%;
- ☐ replacement of the steam boiler in Ločna;
- ☐ reconstruction of the dry air preparation system in Notolj;
- ☐ upgrading the energy monitoring and targeting (M&T) system;
- ☐ reducing fuel consumption in transport by 2.6%.

With the environmental certificate ISO 14001 and a comprehensive environmental licence we are committed to continually reducing our impact on the environment. This means reducing emissions into the environment and using natural resources and natural energy. Our responsibility towards the environment is laid down in our environmental policy.



We allocate EUR 5 to 6 million annually to environmental protection.

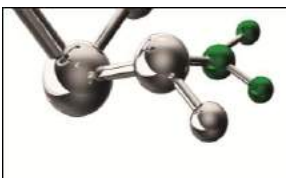
Krka's social responsibility



Social responsibility is one of Krka's main policies. We give sponsorship and grants to **healthcare, sports, charities, culture and art, and education**. In 2014, we allocated **0.35% of total sales** to sponsorship and grants.



In April 2015, we organised **Krka's week of charity and volunteering** for the fourth consecutive time. Under the slogan *Charity is also a part of us* **3,479 Krka employees** participated in the campaign.



For the past **44 years** we have been motivating secondary and university students for research and professional development by conferring **Krka Prizes**. There have been **over 2,400 winners** so far.



As part of the **Caring for Your Health – Together We Scale the Heights** project and in cooperation with the Slovenian Mountaineering and Climbing Association we signposted and organised 15 popular mountain paths.



Krka's share is one of the most traded securities on the Ljubljana Stock Exchange.

Share information



Information about the Krka share

- Krka shares have been listed on the Prime Market of the Ljubljana Stock Exchange (KRKG) **since 1997**.
- Reuters: KRKG.LJ
- Bloomberg: KRKG SV
- Average daily trading volume: EUR 0.6 million

Evaluation on 31 December 2015

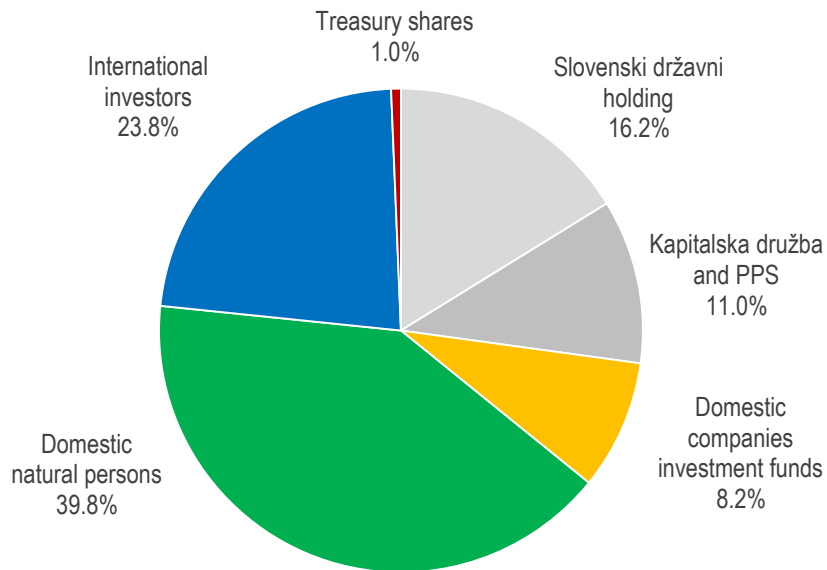
- Share price: EUR 65.20
- Market capitalisation: EUR 2.14 billion

The average daily trading volume of Krka shares, the most traded security on the Ljubljana Stock Exchange, was EUR 0.5 million in 2014.

Since 11 April 2012, Krka's shares have also been listed on the **Warsaw Stock Exchange**.

Stable shareholder structure

Shareholding structure



10 largest shareholders as of 31 December 2015

	Shareholding (in %)
Slovenski državni holding, d.d.	16.20
Kapitalska družba, d.d.	10.65
Societe Generale-Splitska banka, d.d.	6.40
Hypo Alpe-Adria-bank d.d.	3.47
KDPW	1.51
Luka Koper, d.d.	1.32
New World Fund Inc	1.22
Zavarovalnica Triglav, d.d.	1.18
The Bank of New York Mellon	0.89
The American Funds Insurance Series	0.71
Total	43.55

At the end of 2015 Krka had a total of **58,765 shareholders** or 4% less than at the end of 2014. Ten largest Krka's shareholders owned 43.55% of total issued shares or 44% of voting rights.

Research and development

Around 9% of sales revenues are allocated to research and development every year.

In 2015 the Krka Group obtained marketing authorisations for **24 new products** (19 prescription pharmaceuticals, three non-prescription products and two animal health products) in **58 different dosage forms and strengths**.

We obtained **560 new marketing authorisations** under various authorisation procedures.



The Slovenian Chamber of Commerce and Industry confers high awards to Krka employees for their innovations.

Research and development: new marketing authorisations

- **Rosmela/Rosudapin/Rosvaden** (amlodipine and rosuvastatin) – medicines for cardiovascular diseases with new fixed-dose combinations, in the form of film-coated tablets in six strengths.
- Medicines for the treatment of high blood pressure with a fixed-dose combination **Amlodipin/Valsartan Krka** in the form of film-coated tablets in five strengths.
- Medicine for lowering blood pressure from the group of ACE inhibitors and calcium antagonists with fixed-dose combination **Tenlisa** (amlodipine and lisinopril) in the form of tablets in two strengths.
- Medicine for the treatment of hypercholesterolaemia and prevention of cardiovascular diseases **Atorvastatin-K** with a new form of atorvastatin calcium in the form of film-coated tablets in six strengths (10 mg, 20 mg, 30 mg, 40 mg, 60 mg and 80 mg),
- Medicine from the group of cardioselective beta blockers for the treatment of high blood pressure and cardiac diseases **Bloxazoc** (metoprolol succinate) in the form of prolonged-release tablets in four strengths.
- **Dulsevia** (duloxetine), an antidepressant in the form of 30 mg and 60 mg gastro-resistant capsules, treating depression, generalised anxiety disorder and neuropathic pain in diabetes.
- Medicine for the treatment of Parkinson's disease **Ralago/Rasagea** (rasagiline) in the form of 1 mg tablets belongs to the group of monoamine oxidase B inhibitors and has a different mechanism of action than other Krka's antiparkinsonians.
- The medicine **Oprymea** (pramipexole) is used alone or in combination for the treatment of signs and symptoms of Parkinson's disease, in the form of prolonged-release tablets in additional strengths of 2.62 mg and 3.15 mg.
- **Kventiax/Quentiax** (quetiapine), an antipsychotic in the form of prolonged-release tablets in the new strength of 50 mg.

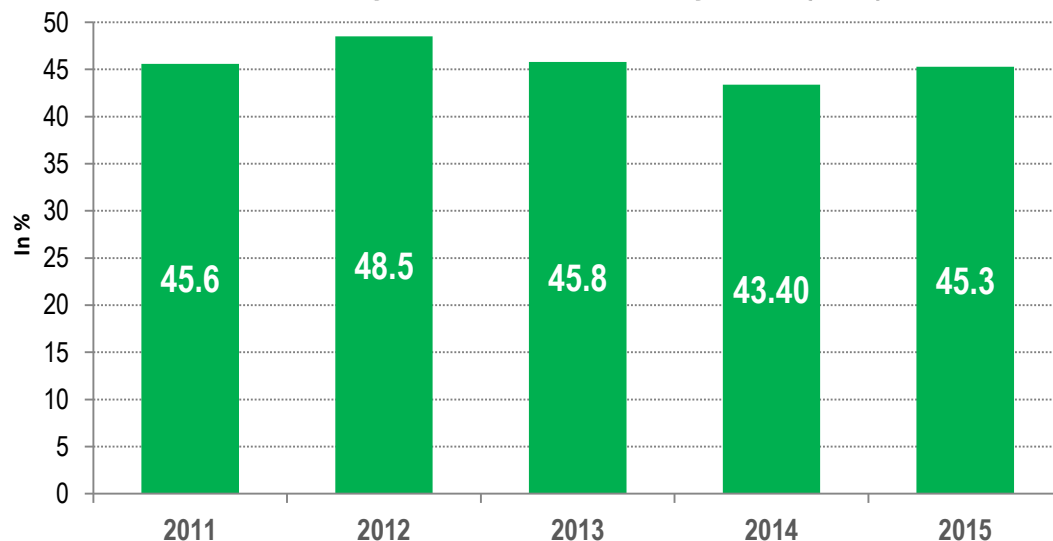
Research and development: New marketing authorisations

- **Loxentia** (duloxetine) is the first medicine used in the treatment of stress urinary incontinence in women in the form of 20 mg and 40 mg gastro-resistant capsules.
- **Doreta** (tramadol and paracetamol) contains a combination of two well-established analgesics in the form of 75 mg/650 mg prolonged-release tablets.
- **Levalox/Levaxela/Levnibiot/Leviaben** (levofloxacin), a quinolone antibiotic in the form of film-coated tablets in two strengths and in the form of solution for injection for treating infections of sinuses, lungs, the urinary tract, kidneys and bladder, chronic prostate infections, and dermal and subdermal infections.
- **Furocef/Ricefan** (cephuroxime), a cephalosporin antibiotic in the form of film-coated tablets in two strengths, is used for treating infections of the pharynx, sinuses, middle ear, lungs, the chest, the urinary tract and dermis.
- **Linezolid Krka**, an oxazolidinone antibiotic in the form of 600 mg film-coated tablets, treating severe pneumonia and severe skin and soft tissue infections.
- Antibiotic combination **Betaklav** (amoxicillin and clavulanic acid) is the medicine of first choice for treating respiratory infections, in the new form of 400 mg/57 mg powder for oral suspension.
- Oncology medicine **Tezalom** (temozolomide) is in the form of capsules and is used for treating brain tumours and metastatic melanoma.
- **Gliclada** (gliclazide) for treating type-2 diabetes, in the form of modified-release tablets in the new 90 mg strength.
- **Pragiola** (pregabalin), an antiepileptic in the form of capsules in eight strengths for treating epilepsy and generalised anxiety disorder.
- **Imatinib Krka** in the form of film-coated tablets in two strengths.
- **Septabene/Septotele total** (cetylpyridinium chloride and benzydamine chloride) in the form of lozenges and spray for the treatment of infections in the mouth and the throat.
- The alimentary tract medicine **Ulcavis/Ulcamed** (bismuth subcitrate) in the form of film-coated tablets.
- **Ataxxa** ((imidaclopride and permethrin) for preventing and treating infections with fleas and for preventing infestations with three types of ticks in dogs as a spot-on solution in four strengths.
- **Amatib** (amoxicillin) oral powder for treating respiratory tract infections, gastro-intestinal tract infections, meningitis, arthritis and secondary infections in pigs, and respiratory tract infections and gastro-intestinal tract infections in chicken.

New products in 2014

For several years, sales of new products, which are products we have launched in the last five years, have represented **over 40% of total sales**.

Share of new products in Krka Group sales (in %)



emanera[®]
emozul[®]



Roswera[®]
Sorvasta[®]
Roxera[®]



Karbis
Candecor
Canocord



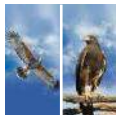
Tolura
Telmista[®]

The most important new products were **Emanera** (esomeprazole), **Roswera** (rosuvastatin), **Karbis** (candesartan) and **Tolura** (telmisartan). They were ranked among the 15 leading products in 2014.

Launches of new prescription products by Krka in the last two years



CO-AMLESSA
CO-DALNESSA
CO-DALNEVA
TONANDA **AMLEWEL**
 perindopril/indapamide/amlodipine



Atordapin **Amaloris**
Atorcombo
 amlodipine/atorvastatin



Elernap
Elyrno
 enalapril/mercanidipine



Tolucombi
Telmista H **Telmista HD**
 telmisartan/hydrochlorothiazide



SobyCombi
Niperten Combi
 bisoprolol/amlodipine



Tenlexis **Alentia**
Lentenz
 losartan/amlodipine



Valodip
Vamloset
 valsartan/amlodipine



BRAVADIN
 ivabradine



Arisppa **Aryzalera**
Aripipan **Zylaxera**
 aripiprazole



Oprymeo
enhanced-release tablet
 pramipexole



Pragiola **Pregabio**
Pregador
 pregabalin



aclexa
dilaxa
 celecoxib



DULOXALTA
DULSEVIA
 duloxetine



moloXin **moflaxa**
moXibiot **moflaxya**
 moxifloxacin



Meaxin
Neopax
Meapax
 imatinib



Ecansya **Cansata** **Tolnexa**
 capecitabin docetaxel
Lortanda **Likarda**
 letrozole

Escepran **Etadron**
 exemestane

Launches of new non-prescription products by Krka in the last two years



Herbion®

HERBION ICELAND MOSS SYRUP
Iceland moss extract

HERBION IVY SYRUP
ivy leaf extract



SeptaNazal®

xylometazoline hydrochloride/dexpanthenol



SeptoAqua®

sterile isotonic solution



Pikovit® UNIQUE

vitamins and minerals



Nalgesin®

naproxen sodium

Launches of new animal health products by Krka in the last two years



FYPRYST[®]
fipronil spray



marfloxin.
quiflox.
marbofloxacin



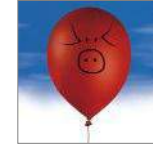
Milprazon.
milbemycin oxime/praziquantel



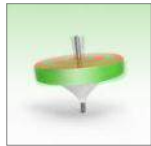
FYPRYST[®] COMBO
fipronil/S-methoprene



Ecoacid.
AdvAnced
peracetic acid



•• **Floron[®]**
oral powder
•• **Floron[®]**
MINIDOSE
florfenicol



FLIMABEND[®]
flubendazole



Enrox[®] Max
enrofloxacin



TOLTAROX[®]
TOLZESYA[®]
toltrazuril

Investments into production capacity and R&D infrastructure

In the coming years our production will increase from almost 13 billion tablets and capsules to more than 17 billion.

2011

RKC 3



OTO



2013

R&D production center Farma GRS



KRKA RUS 2



2014 - 2015

SINTEZA 1, Krško



NOTOL 2



*In the past 10 years, the Krka Group has allocated **EUR 1.2 billion** to investments.*

*There are currently **20 investment projects** underway that will allow us to increase our production by more than one third in the coming years.*

Investments

In 2015 the Krka Group allocated EUR 95.9 million to investments, of which the controlling company invested EUR 69.6 million and subsidiaries EUR 26.3 million. The total amount including commitments for investments following the concluded contracts is EUR 179 million.

- In Ločna in Novo mesto, Krka's central location, the construction of a **plant for the production of solid pharmaceutical dosage forms, Notol 2**, was completed. This is the largest investment in Krka's history and is valued at EUR 200 million. The capacity of the plant will gradually increase to the final, 4.5 billion tablets and capsules a year. A transport system was arranged with the finished products warehouse that was allocated EUR 2.6 million.
- After two years we completed the construction of the new building complex for the production of active pharmaceutical ingredients (APIs) in Krško. The investment is worth EUR 85 million and gives Krka new capacities for managing the entire process from development to production of raw materials and finished products. We began building **Sinteza 1 plant** in July 2012. Production in the plant's first module began in summer 2014 and in summer 2015 the plant's second module became operational as well. The production is now underway on all the lines. The plant enables small batch production of APIs and intermediates, though large batch production can also be established there if necessary.
- In Ljutomer we concluded our investment into a **new plant for the production of a new generation of lozenges** worth EUR 11.5 million. It was completed at the end of February 2015 and the regular production started in August 2015.
- Krka's key new investment of 2016 that will support development activities and quality assurance is the new **development and control centre RKC 4** in Ločna. The 18,000 m² complex will cost EUR 54 million; construction has already started and will last two years.
- One of the most important ongoing investments in Krka's subsidiaries is the **Krka-Rus 2** project. In the first phase we built a new factory and expanded the logistics centre. In 2015 we began to install additional technological and logistic equipment. In this way the production capacity will increase to two thirds of the planned final capacity, which will total 1.8 billion tablets and capsules a year. With the installation of other logistic equipment we will reach full capacity of the warehouse and logistic system. The value of the equipment is worth an estimated EUR 30 million.
- In the **distribution and production centre in Jastrebarsko**, Croatia we will renovate the warehouse and distributing centre because we intend to expand our production programme to gain new laboratory and production capacities for the production of solid pharmaceutical dosage forms. Documentation for the execution of works has been completed and the main technological equipment has been ordered. Production is planned to start in the first three months of 2017. The investment is estimated at EUR 31 million.

ID card

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Telephone	+386 7 331 21 11
Fax	+386 7 332 15 37
E-mail	info@krka.biz
Website	www.krka.si
Basic activity	Production of pharmaceutical products
Activity code	21,200
Year established	1954
Registration entry	1/00097/00, District Court in Novo mesto
VAT number	82646716
Company ID number	5043611
Share capital	EUR 59,126,194.28
President of the Management Board and Chief Executive	Jože Colarič
Number of employees on 31 December 2015	10,564



Living a healthy life.