STADA INTERIM REPORT ON THE FIRST HALF OF 2023

STADA

Caring for People's Health

Peter Goldschmidt
CEO

STADA – Caring for People's Health

Dear Partners,

I am pleased to be able to report that STADA in the first half of 2023 remained on its growth journey in every respect. On the one hand, we are making a significant contribution to supplying patients with proven medicines as a trusted partner and, on the other hand, we have introduced many new products. The underlying conditions for our business are challenging. But despite ongoing geopolitical and macroeconomic turbulence, STADA was able to grow continuously in all three product segments and in all important regions in the first six months of 2023. Over the past five years, we have transformed STADA from a generics manufacturer to also offer consumer healthcare products and specialty pharmaceuticals. And this path is paying off: both in the generics arena and in consumer healthcare, we continue to be number 4 in Europe. In our important market of Germany, we even succeeded in overtaking Bayer Consumer with our two companies STADA and ALIUD to become number 1.

There are a variety of activities behind this pleasing development. Our recipe for success is to focus continuously on Consumer Healthcare, Generics and Specialty, and to realize synergies. However, our impressive growth course is primarily driven by our unique corporate culture, in which around 14,000 employees worldwide work together as One STADA to achieve a single overriding goal: "Caring for People's Health as a Trusted Partner". Especially in challenging times, it is particularly important to have this clarity about our purpose and values. That is why I am very pleased with the results of our latest global employee survey, conducted in May this year.

Outstandingly, 88% of our colleagues took the time to participate in the survey, which shows how engaged employees are across all functions and regions within the company. It is clear from the survey how important it is to us at STADA to always act with integrity. We always want to provide the best service, whether working with patients, doctors, nurses, pharmacists, PTAs, wholesalers or suppliers. Our employees take an above-average degree of pride in working for STADA, and our workforce demonstrates a deep conviction that we will achieve our business goals.

Our employees' pride and confidence are based on our ability to deliver the right product to the right place at the right time, on a consistent basis. Here, I would particularly like to highlight the performance of our approximately 7,000 colleagues who work in Technical Operations around the world. As a One STADA Team, we ensure that we maintain drug safety in the best possible way. For example, in the first half of 2023, we increased our internal production by around 15% to ensure that we have sufficient stocks. At the same time, we continued to work with thousands of trusted external partners to improve security of supply and address medicines shortages.

In the first six months of the current financial year, STADA achieved important milestones in supporting patients' access to the medicines they need. The US Food and Drug Administration (FDA) approved the delivery of the biological drug epoetin from a facility in Uetersen, Germany, to the USA, thus opening up an additional opportunity to expand our growth. Almost simultaneously, the authorities in the EU confirmed that our plant in Tuy Hòa, Vietnam, meets European GMP (Good Manufacturing Practice) standards. This means that in the future we will also be able to produce in Vietnam for Europe. Construction work on our supply chain hub in Turda, Romania, is progressing according to plan. This investment of more than € 50 million will add significant capacity to our supply network in Europe.

With initiatives such as photovoltaic cells in Vietnam and industry-leading design concepts in Turda, STADA continues to advance its contribution to sustainable pharmaceutical supply. Within the Group, we are pursuing a global sustainability policy. To this end, we are currently preparing the publication of our second STADA Global Sustainability Report in the third quarter of this year, which will provide insight into our numerous environmental, social and governance initiatives around the world. We are also among the leading pharmaceutical companies in the world in terms of ESG.

All these factors contributed to STADA's continuation of its growth journey in the first half of 2023. At Group level, adjusted sales increased by 16% to € 2.06 billion, while adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 30% to € 509 million. For the first time in the company's history, we expect to take our EBITDA to more than one billion euros in 2023. STADA is thus also in an excellent position compared to its competitors and is growing significantly stronger in terms of sales and profits.

The largest contribution to the Group's above-market performance was made by the very strong organic growth in our Consumer Healthcare segment. Several new product launches and product line extensions, as well as further optimized marketing of the product portfolio that we have successfully integrated in recent years, led to an adjusted sales increase of 19% to € 871 million. The Consumer Healthcare segment, which developed better than the market in several product categories, was the largest of STADA's three strategic product segments with a share of 42% of Group sales in the first six months of 2023.

In numerous markets, STADA offered partners, patients and consumers attractive new products under proven local brands. To name just a few examples: Sales of dermatological products were boosted by the launch of Nizoral Daily/Anti-Itch Shampoo in several European countries as well as the launch of the Cetraben Pro Hydrate Five range in the United Kingdom. Our sleeping and calming portfolio was strengthened by the melatonin-based additions Hoggar Melatonin Duo in Germany and Sedatol Gold in Italy. And we capitalized on the popularity of our rehydration product Elotrans in Germany and Austria to offer active people the dietary supplement Elotrans Reload.

Growth in Consumer Healthcare was also supported in the first half of the year by a further marketing and distribution agreement with Sanofi in Eurasia with brands such as Buscopan, Enterogermina, Finalgon and Maalox, after STADA had already concluded a similar agreement with Sanofi in Northern Europe in 2022. As part of the successful partnership with Sanofi, we also announced in mid-July of this year that we expect to launch a further portfolio of attractive brands acquired from Sanofi in the fourth quarter, including Antistax for pain and fatigue in the legs, the allergy eye drops Lomudal, Omnivit Vitamins and Opticrom Allergy Eye Drops.

STADA is increasingly seen as a preferred partner not only in self-medication, but also in our Generics and Specialty segments. New launches such as the anticoagulant apixaban in countries such as the United Kingdom, the diabetes drug sitagliptin in several European markets, the antiparasitic permethrin and the analgesic tapentadol contributed to STADA's adjusted Generics sales increasing by 8% to € 756 million in the first half of 2023. Our Generics contributed 37% to Group sales and thus remain a fundamental pillar of our business.

Adjusted sales by the Specialty Pharmaceuticals segment increased by 24% to € 432 million in the first six months of the current financial year and accounted for 21% of Group sales. In doing so, this STADA segment reached another milestone with its entry into the European ophthalmology market through the launch of Ximluci, a biosimilar alternative to the reference brand Lucentis, in several countries, such as Germany and the United Kingdom. Ximluci is STADA's sixth marketed biosimilar, with previous launches such as Hukyndra (adalimumab) continuing to gain traction and providing patients in additional countries with access to this important medicine. The biosimilar Movymia (teriparatide) for the treatment of osteoporosis became the market leader in Germany, and we are working hard to bring the next biosimilar in our pipeline, ustekinumab, to market. In addition, the strong sales growth of Silapo (epoetin), resulting in particular from higher royalty income from the United States and deliveries of bulk drug, had a positive impact on the segment's performance.

A further milestone is more than 1,000 patients being treated with STADA's Lecigon pump, a combination of three proven active ingredients for the treatment of late-stage Parkinson's disease, which was recently launched in additional countries including Bulgaria, Ireland, Spain and Switzerland. In nephrology, Kinpeygo, the first treatment approved in the EU for the rare, chronic and debilitating kidney disease IgA nephropathy, is reaching an increasing number of patients. We also aim to offer this therapeutic option in additional countries.

Our proven three-pillar strategy as well as the breadth of our portfolio in Consumer Healthcare, Generics and Specialty make me very confident that STADA is well equipped to remain on the road to success despite difficult operating conditions. In addition, our strongly filled pipeline is the best prerequisite for STADA to continue to be one of the fastest growing suppliers in the coming years. The great commitment, dedication and trust of our employees will ensure that we successfully continue on our growth journey and live our corporate purpose every day: "Caring for People's Health as a Trusted Partner".

STADA KEY FIGURES

Key figures for the Group, adjusted in € million	H1/2023	H1/2022	±
Group sales	2,058.9	1,779.3	+16%
Consumer Healthcare	870.6	731.0	+19%
Generics	756.2	700.0	+8%
Specialty	432.1	348.2	+24%
EBITDA	508.7	389.9	+30%
EBITDA margin	24.7%	21.9%	+2.8pp
Gross profit from sales	1,084.2	911.7	+19%
Gross margin	52.7%	51.2%	+1.4pp

Adjusted for special items[1] and currency effects[2]

Reported key figures for the Group in € million	H1/2023	H1/2022	±
Group sales	2,058.9	1,768.1	+16%
Consumer Healthcare	870.6	729.2	+19%
Generics	756.2	697.1	+8%
Specialty	432.1	341.8	+26%
EBITDA	487.1	450.2	+8%
EBITDA margin	23.7%	25.5%	-1.8pp
Gross profit from sales	1,025.9	851.9	+20%
Gross margin	49.8%	48.2%	+1.6pp
Cash flow from operating activities	326.7	333.2	-2%
Investments	120.3	94.5	+27%
thereof organic	112.3	88.5	+27%
thereof acquisitions	8.0	6.0	+33%
Employees (average number – based on full-time employees)	13,625	12,853	+6%

Non-financial key figures for the Group	H1/2023	H1/2022	
Sustainalytics ESG Risk Rating Score[3]	21.6 Medium Risk	26.7 Medium Risk	
Women in management positions	54%	53%	

1) Effects that influence the presentation of the results of operations and the resulting key figures in terms of their comparability.
2) Adjusted for distorting effects from the use of differing exchange rates in the comparative period and realized and unrealized exchange rate gains and losses.
3) Source: Sustainalytics. Copyright ©2023 Sustainalytics. All rights reserved. See also imprint. Additional information on STADA's sustainability activities can be found in the Sustainability Report at https://www.stada.com/about-stada/sustainability.

STADA Interim Report on the First Half of 2023

INTERIM GROUP MANAGEMENT REPORT OF THE EXECUTIVE BOARD

Earnings development of the Group

Significant increase in reported and adjusted Group sales

Reported Group sales increased by 16% to € 2,058.9 million in the first half of 2023 (1-6/2022: € 1,768.1 million). **Group sales adjusted for special items and currency effects** increased by 16% to € 2,058.9 million (1-6/2022: € 1,779.3 million). This pleasing development impacted all three segments and most European countries including Germany, France, the United Kingdom, Italy, Ireland, the Netherlands, Switzerland, Serbia and Spain.

Pleasing development of earnings figures with significant increase in EBITDA

Reported EBITDA increased by 8% to € 487.1 million in the first half of 2023 (1-6/2022: € 450.2 million). **EBITDA adjusted for special items and currency effects** increased by 30% to € 508.7 million (1-6/2022: € 389.9 million). The respective developments were mainly attributable to sales increases in nearly all major markets and all segments. The increase in reported EBITDA and EBITDA adjusted for special items and currency effects was based in particular on an improvement in the gross margin resulting from price adjustments, a favorable product mix and strict management of operating costs. Further, the development of reported EBITDA resulted in particular from increased exchange rate losses in connection with the measurement of a foreign currency loan.

Earnings impacted by special items and currency effects

Applying the exchange rates of the first half of 2023 compared with those of the first half of 2022 for the translation of local sales contributions into the Group currency euro, STADA recorded a positive **currency effect** on Group sales in the amount of € 11.2 million or 0.7 percentage points. Currency developments thus had only a marginal impact on the operating business.

Development of national currencies of greatest relevance to STADA, the British pound, the Russian ruble and the Serbian dinar in relation to the Group currency euro, was as follows in the reporting period compared to the corresponding period of the previous year:

	Closing rate June 30 in local currency			Average rate for the reporting period		
Significant currency relations in the national currency to 1 euro	**H1/2023**	**H1/2022**	**±%**	**H1/2023**	**H1/2022**	**±%**
Pound sterling	0.8583	0.8582	-0%	0.8766	0.8422	-4%
Russian ruble	97.4174	56.8643	-71%	83.4168	85.0365	+2%
Serbian dinar	117.2301	117.4055	0%	117.3072	117.5948	0%

In terms of percentage changes compared with the corresponding prior-year period, a depreciation of the respective national currency is shown in the table with a minus sign, while an appreciation is shown with a plus sign.

The Russian ruble depreciated significantly in the course of the first half of 2023, reaching a new low for the year as of the balance sheet date June 30, 2023. The average exchange rate relevant for the Group in the reporting period was 83.4168, and thus slightly above the level of the corresponding period in the previous year.

Since the currency relations in other countries of primary importance to STADA had only a limited impact on the translation of sales and earnings from the local currencies into the Group currency euro, they are not presented in this report.

In the **first half of 2023**, the Group recorded a burden on earnings of € 93.4 million before taxes due to **special items and currency effects**. This was mainly as a result of effects from purchase price allocations and product acquisitions (€ 60.8 million) as well as exchange rate effects from the Takeda financing (€ 19.6 million). The overview below shows the reconciliation of the reported financial performance indicators and other significant earnings figures of the STADA Group to those adjusted for special items as well as currency effects:

in € million[1]	H1/2023 reported	Impairments/ write-ups on non-current assets	Effects from purchase price allocations and product acquisitions[2]	Exchange rate effects from Takeda financing[3]	Other	H1/2023 adjusted for special items	Currency effects	H1/2023 adjusted for special items and currency effects
Operating profit	**350.1**	**14.6**	**53.2**	**19.6**	**1.4**	**438.9**	**5.8**	**444.6**
Result from investments measured at equity	0.0	–	–	–	–	0.0	–	0.0
Investment income	0.0	–	–	–	–	0.0	–	0.0
Earnings before interest and taxes (EBIT)	**350.1**	**14.6**	**53.2**	**19.6**	**1.4**	**438.9**	**5.8**	**444.7**
Financial income and expenses	-112.2	–	7.6	–	–	-104.6	–	-104.6
Earnings before taxes (EBT)	**237.9**	**14.6**	**60.8**	**19.6**	**1.4**	**334.3**	**5.8**	**340.1**
Earnings before interest and taxes (EBIT)	**350.1**	**14.6**	**53.2**	**19.6**	**1.4**	**438.9**	**5.8**	**444.7**
Balance from depreciation/ amortization and impairments/ write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	137.0	-14.6	-58.3	–	–	64.1	–	64.1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**487.1**	**0.0**	**-5.1**	**19.6**	**1.4**	**502.9**	**5.8**	**508.7**

1) As a result of the presentation in € million, deviations due to rounding may occur in the tables.
2) Relates to additional depreciation and other measurement effects due to purchase price allocations as well as significant product acquisitions.
3) Exchange rate effects in connection with a loan for the acquisition of the Takeda product portfolio.

In the **first half of 2022**, **special items and currency effects** added up to a burden on earnings of € 66.8 million before taxes. This resulted primarily from impairments/write-ups within fixed assets (€ 66.3 million), effects from purchase price allocations and product acquisitions (€ 62.6 million) as well as offsetting exchange rate effects from the Takeda financing (€ -61.2 million). The overview below shows the reconciliation of the reported financial performance indicators and other significant earnings figures of the STADA Group to those adjusted for special items and currency effects:

in € million[1]	H1/2022 reported	Impairments/ write-ups on non-current assets	Effects from purchase price allocations and product acquisitions[2]	Exchange rate effects from Takeda financing[3]	Provisions for damages	H1/2022 adjusted for special items	Currency effects	H1/2022 adjusted for special items and currency effects
Operating profit	**266.5**	**66.3**	**63.0**	**-61.2**	**-0.0**	**334.6**	**-2.6**	**331.9**
Result from investments measured at equity	-0.0	—	—	—	—	-0.0	—	-0.0
Investment income	0.0	—	—	—	—	0.0	—	0.0
Earnings before interest and taxes (EBIT)	**266.5**	**66.3**	**63.0**	**-61.2**	**-0.0**	**334.5**	**-2.6**	**331.9**
Financial income and expenses	-64.0	—	-0.3	—	—	-64.3	1.7	-62.7
Earnings before taxes (EBT)	**202.5**	**66.3**	**62.6**	**-61.2**	**-0.0**	**270.2**	**-0.9**	**269.3**
Earnings before interest and taxes (EBIT)	**266.5**	**66.3**	**63.0**	**-61.2**	**-0.0**	**334.5**	**-2.6**	**331.9**
Balance from depreciation/ amortization and impairments/ write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	183.6	-66.3	-58.8	—	—	58.5	-0.5	58.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**450.2**	**0.0**	**4.2**	**-61.2**	**-0.0**	**393.1**	**-3.1**	**389.9**

Cost/expense development of the STADA Group

Cost of sales increased by 13% to € 1,033.1 million in the reporting period (1-6/2022: € 916.2 million). Gross profit was up 20% to € 1,025.9 million (1-6/2022: € 851.9 million). The gross margin improved to 49.8% (1-6/2022: 48.2%). Gross margin adjusted for special items and currency effects increased to 52.7% (1-6/2022: 51.2%). The increase was based, among other things, on cost optimization and efficiency improvements throughout the entire value chain as well as on a changed country and product mix. In addition, price adjustments helped to ensure that inflationary effects on international procurement markets did not have a significant negative impact on gross margin in the first six months of 2023.

Selling expenses recorded an increase to € 443.3 million in the first half of 2023 (1-6/2022: € 404.1 million). The slightly lower increase compared to sales growth resulted in particular from targeted investments to expand the product portfolio of all segments and gain market share for the existing portfolio.

General and administrative expenses increased by 16% to € 139.4 million in the first six months of the current financial year (1-6/2022: € 119.7 million) and were thus in line with sales growth. The increase was due, among other things, to higher rental, travel and insurance costs. The administrative expense ratio thus remained unchanged at 6.8%.

1) As a result of the presentation in € million, deviations due to rounding may occur in the tables.
2) Relates to additional depreciation and other measurement effects due to purchase price allocations as well as significant product acquisitions.
3) Exchange rate effects in connection with a loan for the acquisition of the Takeda product portfolio.

Other income decreased in the reporting period by 77% to € 18.6 million (1-6/2022: € 82.3 million). This development was mainly attributable to exchange rate effects. While exchange rate income in the amount of € 67.2 million was included in other income in the corresponding prior-year period, there was a net exchange rate expense in the reporting period, which is recognized under other expenses. Other income in the prior-year period also included write-ups on intangible assets amounting to € 7.5 million. The write-ups on positive future prospects in Russia for the respective products related to five approvals in the Specialty segment (€ 6.8 million) and one approval in Consumer Healthcare (€ 0.7 million).

Other expenses decreased in the first half of 2023 by 38% to € 60.0 million (1-6/2022: € 97.0 million). The decrease resulted mainly from reduced impairment losses of € 14.6 million (1-6/2022: € 73.8 million). In the first half of 2023, the impairment losses of € 8.8 million mainly resulted from the repositioning of the sales activities of a development project in the Specialty area, which led to it being fully impaired. Impairment losses in the first six months of 2022 related to various pharmaceutical approvals and property rights as well as to property, plant and equipment. These related in particular to five approvals in the Specialty segment (€ 22.7 million), seven approvals in the Consumer Healthcare segment (€ 13.6 million) and one approval in the Generics segment (€ 6.1 million). This was due to a mix of increased interest rates and a more uncertain future outlook for these products in the Russian market, which were detailed as part of the scenario analyses. In addition, there were impairment losses on intangible assets and property, plant and equipment in Ukraine due to the increased country risk premium, which resulted in a significant increase in the weighted average cost of capital (WACC) determined for the country. As a result, an impairment loss was recognized for three approvals in Consumer Healthcare (€ 5.9 million) and for all property, plant and equipment such as machinery and equipment (€ 17.3 million). In addition, other expenses included exchange rate expenses of € 25.4 million, while exchange rate income was reported under other income in the corresponding prior-year period.

Financial income fell in the reporting period to € 2.4 million (1-6/2022: € 2.6 million).

Financial expenses increased to € 114.6 million in the first six months of the current financial year (1-6/2022: € 66.6 million).

Income tax expenses recorded an increase to € 55.9 million in the reporting period (1-6/2022: € 33.3 million). The reported tax rate was 23.5% (1-6/2022: 16.4%).

The following tables show further key earnings figures for the Group and the resulting margins on both a reported and an adjusted basis for the first half of 2023 and the corresponding prior-year period:

Development of the STADA Group's earnings figures (reported)

in € million	H1/2023	H1/2022	±
EBITDA	487.1	450.2	+8%
Consumer Healthcare	254.7	189.9	+34%
Generics	191.6	171.1	+12%
Specialty	138.9	87.5	+59%
EBITDA margin[1]	23.7%	25.5%	
Consumer Healthcare	29.3%	26.0%	
Generics	25.3%	24.5%	
Specialty	32.1%	25.6%	

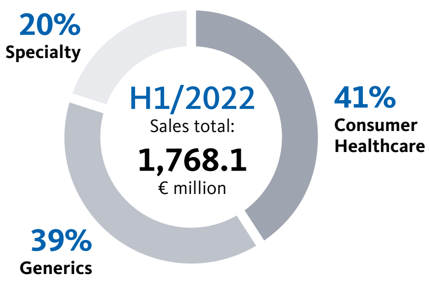
1) Based on relevant reported Group sales.

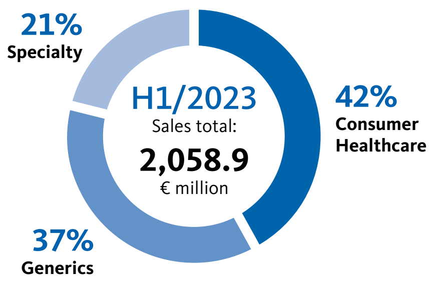
Development of the STADA Group's key earnings figures (adjusted for special items[1] and currency effects[2])

in € million	H1/2023	H1/2022	±
EBITDA	508.7	389.9	+30%
Consumer Healthcare	251.2	190.3	+32%
Generics	191.6	171.7	+12%
Specialty	140.3	89.8	+56%
EBITDA margin[3]	24.7%	21.9%	
Consumer Healthcare	28.9%	26.0%	
Generics	25.3%	24.5%	
Specialty	32.5%	25.8%	

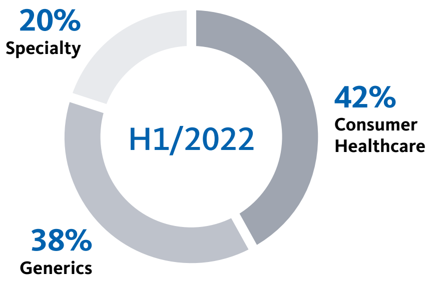
Sales and Earnings Development of the Segments

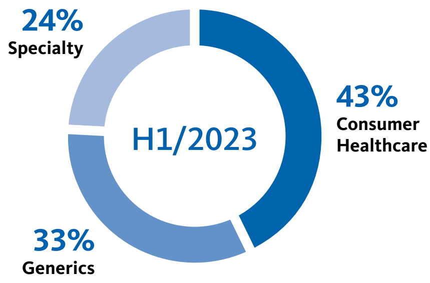
Segments Consumer Healthcare, Generics and Specialty
Share of sales in the first six months (reported) in %





Segments Consumer Healthcare, Generics and Specialty
Share of EBITDA (reported)[4] in the first six months in %





1) The elimination of effects which have an impact on the presentation of STADA's results of operations and the derived key figures improves the comparability of key figures from previous years. To achieve this, STADA uses adjusted key figures which, as so-called pro-forma figures, are not governed by the accounting requirements in accordance with IFRS. Since other companies may not calculate the pro-forma figures presented by STADA in the same way, STADA's pro-forma figures are comparable only to a limited extent with similarly designated disclosures by other companies.

2) Adjustments for currency effects are shown exclusively as an adjustment of the corresponding prior-year period. The currency adjustment for the first six months of 2022 was carried out using the exchange rates for the reporting period. In addition, the earnings figures are adjusted for realized and unrealized exchange rate effects in both the reporting period and the corresponding prior-year period.
3) Based on relevant Group sales adjusted for special items and currency effects.
4) Not including reconciliation holding.

Significant growth in the Consumer Healthcare Segment

Reported sales of the Consumer Healthcare segment recorded an increase of 19% to € 870.6 million in the first six months of 2023 (1-6/2022: € 729.2 million). **Sales** of the **Consumer Healthcare** segment **adjusted for special items and currency effects** increased by 19% to € 870.6 million (1-6/2022: € 731.0 million). In addition to increased demand for cough and cold products, an increase in market share, price adjustments and positive effects from distribution collaborations, sales growth was driven by new product launches such as Elotrans Reload, Nizoral daily/anti-itch shampoo, Cetraben Pro Hydrate Five range, Hoggar Melatonin Duo and Sedatol Gold. In this context, all of the top 10 countries in the Consumer Healthcare segment contributed to the increase with growth rates in the mid single-digit to high double-digit percentage range. Consumer Healthcare accounted for 42% of Group sales (1-6/2022: 41%).

Reported EBITDA for Consumer Healthcare increased by 34% to € 254.7 million (1-6/2022: € 189.9 million). The reported EBITDA margin for Consumer Healthcare was 29.3% (1-6/2022: 26.0%). **EBITDA adjusted for special items and currency effects** for **Consumer Healthcare** recorded growth of 32% to € 251.2 million (1-6/2022: € 190.3 million). The **EBITDA margin adjusted for special items and currency effects** for **Consumer Healthcare** was 28.9% (1-6/2022: 26.0%). The respective developments were mainly the result of strong sales growth in combination with a prudent increase in distribution costs.

Within the Consumer Healthcare segment, especially the regions[1] Europe, the United Kingdom, Germany and Eurasia had the greatest sales significance in the first half of the current financial year.

Pleasing Development in the Generics Segment

Reported sales with the Generics segment increased by 8% to € 756.2 million in the reporting period (1-6/2022: € 697.1 million). **Sales** of the **Generics** segment **adjusted for special items and currency effects** increased by 8% to € 756.2 million (1-6/2022: € 700.0 million). The increase occurred in a number of countries and was mainly based on market share gains as well as new product launches including apixaban, sitagliptin, permethrin as well as tapentadol, together with a high level of supply security. Generics contributed 37% to Group sales (1-6/2022: 39%).

Reported EBITDA for Generics increased by 12% to € 191.6 million (1-6/2022: € 171.1 million). The reported EBITDA margin for Generics was 25.3% (1-6/2022: 24.5%). **EBITDA adjusted for special items and currency effects** of the **Generics** segment recorded growth of 12% to € 191.6 million (1-6/2022: € 171.7 million). The **EBITDA margin adjusted for special items and currency effects** for **Generics** was 25.3% (1-6/2022: 24.5%). These developments were based in particular on sales growth combined with an improvement of the gross margin along with value-generating investments in marketing and sales.

Within the Generics segment, it was mainly the regions[1] Europe and Germany that had the greatest significance in terms of sales in the reporting year.

1) STADA defines the regions as follows: Germany, the United Kingdom, Europe, Eurasia and Rest of World (including Emerging Markets and USA).
Europe includes all Continental European countries except Germany, the United Kingdom, Kazakhstan, Moldova, Russia and Belarus.
Eurasia includes Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Uzbekistan and Belarus.

Strong growth in the Specialty Segment

Reported sales of the Specialty segment increased by 26% to € 432.1 million in the first six months of 2023 (1-6/2022: € 341.8 million). **Sales** of the **Specialty** segment **adjusted for special items and currency effects** increased by 24% to € 432.1 million (1-6/2022: € 348.2 million). The respective growth was mainly attributable to increases in the biosimilars area. The successful launch of Hukyndra (adalimumab biosimilar) made a particularly strong contribution here. In addition, Kinpeygo (the first drug approved in the EU for the treatment of a rare kidney disease) performed very well. Sales growth was also driven by the positive development of Lecigon (an innovative gel formulation containing a fixed combination of levodopa, carbidopa and entacapone for continuous intestinal administration in advanced Parkinson's disease). In addition, the strong sales growth of Silapo (epoetin biosimilar), resulting in particular from higher royalty income in the USA and the supply of a drug, had a positive impact on the development of the segment, based on the approval of the US Food and Drug Administration (FDA) for Norbitec's biologics facility in Uetersen. Specialty Pharmaceuticals accounted for 21% of Group sales (1-6/2022: 20%).

Reported EBITDA for Specialty was up 59% to € 138.9 million (1-6/2022: € 87.5 million). The reported EBITDA margin for Specialty was 32.1% (1-6/2022: 25.6%). **EBITDA adjusted for special items and currency effects** for **Specialty** increased by 56% to € 140.3 million (1-6/2022: € 89.8 million). The **EBITDA margin adjusted for special items and currency effects** for **Specialty** was 32.5% (1-6/2022: 25.8%). The respective developments resulted primarily from the sales increases with high-margin products as well as an optimization of the operational function costs.

Within the Specialty segment, it was mainly the regions[1)] Europe, Eurasia, Rest of World (particularly USA) and Germany that had the greatest sales significance in the reporting period.

Net assets, financial position and cash flow

As of June 30, 2023, the **equity ratio** was 24.9% (December 31, 2022: 25.5%). **Net debt** amounted to € 2,349.3 million as of the balance sheet date (December 31, 2022: € 2,374.7 million).

Financing in the nominal amount of € 2,595.8 million was composed as follows as of June 30, 2023:

Financial instruments following exercising of put-rights and additional repayment in € million	Nominal value	Maturity
Bank loans	281.7	rolling
Loan from Nidda Healthcare Holding GmbH	2,314.1	
Total financing	**2,595.8**	

In April 2023, the remaining promissory note loans in the amount of € 7.0 million were repaid. For its refinancing, the Group had bank loans in the nominal amount of € 281.7 million as of the balance sheet date (December 31, 2022: € 317.6 million).

1) STADA defines the regions as follows: Germany, the United Kingdom, Europe, Eurasia and Rest of World (including Emerging Markets and USA).
Europe includes all Continental European countries except Germany, the United Kingdom, Kazakhstan, Moldova, Russia and Belarus.
Eurasia includes Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Uzbekistan and Belarus.

Intangible assets were € 2,688.8 million as of June 30, 2023 (December 31, 2022: € 2,851.6 million). On this date, intangible assets included € 435.8 million of goodwill (December 31, 2022: € 440.5 million). The decrease was based in particular on currency effects as well as scheduled amortization. Impairment losses in the amount of € 14.3 million were also recognized. In the first half of 2023, the impairment losses of € 8.8 million mainly resulted from the repositioning of the sales activities of a development project in the Specialty area, which led to it being fully impaired.

Property, plant and equipment increased as of the balance sheet date to € 563.8 million (December 31, 2022: € 550.3 million). The increase resulted primarily from investments in Romania and Serbia.

Financial assets as of June 30, 2023 were € 11.8 million (December 31, 2022: € 13.2 million).

Investments measured at equity amounted to € 2.6 million as of the balance sheet date (December 31, 2022: € 2.6 million).

Inventories showed an increase to € 1,128.9 million as of June 30, 2023 (December 31, 2022: € 965.4 million). This increase was due in particular to the strong growth in sales and to the increase in contingency stock, especially of active ingredients and raw materials as well as packaging materials, in order to be able to guarantee supply capability also in the future.

Trade receivables decreased to € 860.4 million as of the balance sheet date (December 31, 2022: € 878.8 million), despite the significant increase in business volume. This development resulted mainly from a changed country mix as well as the depreciation of the Russian ruble.

Income tax receivables increased to € 37.3 million as of June 30, 2023 (December 31, 2022: € 21.4 million).

Other financial assets decreased to a total of € 20.7 million as of the balance sheet date (December 31, 2022: € 70.1 million). This decrease resulted mainly from lower receivables from settlements with the Nidda companies.

Retained earnings including net income comprise net income for the first half of 2023 as well as the earnings achieved in previous periods, provided these these were not distributed, including the amounts transferred to retained earnings. In addition, revaluations of net debt from defined benefit plans that were recognized through other comprehensive income are reported under this item, taking deferred taxes into account.

Other reserves include results recognized directly in **equity**. This relates, among other things, to foreign exchange gains and losses resulting from the currency translation with no effect on the income of financial statements from companies included in the Group, which are reported in the statement of changes in equity under the currency translation reserve. The reported decrease in other reserves as of June 30, 2023 resulted in particular from the depreciation of the Russian ruble since December 31, 2022 and to the resulting expense from currency translation for companies that report in this currency.

As of the balance sheet date, the Group's **current and non-current financial liabilities** in the amount of € 89.1 million and € 2,528.4 million (December 31, 2022: € 60.5 million and € 2,572.8 million) included a shareholder loan in the amount of € 2,313.8 million (December 31, 2022: € 2,301.8 million).

Trade accounts payable increased to € 729.7 million as of June 30, 2023 (December 31, 2022: € 689.3 million). The increase was mainly due to reporting date effects and the build-up of inventories.

Deferred tax liabilities increased to € 186.1 million as of the balance sheet date (December 31, 2022: € 175.9 million).

Other financial liabilities rose to € 487.9 million as of June 30, 2023 (December 31, 2022: € 480.6 million).

Other liabilities recorded a decrease to € 163.0 million as of the balance sheet date (December 31, 2022: € 197.5 million).

Cash flow from operating activities, which comprises positions not covered by investments, financing, currency differences from the translation of foreign transactions and transactions in foreign currencies or by changes in the scope of consolidation and evaluation, amounted to € 326.7 million in the first half of 2023 (1-6/2022: € 333.2 million). The increase was mainly attributable to a significantly higher cash-effective increase in working capital, especially inventories. There were also higher payments for health insurance rebates in Germany. The significant increase in EBITDA adjusted for major non-cash effects, and thus in gross cash flow, largely offset these effects, however.

Cash flow from investing activities, which reflects the cash outflows for investments reduced by the inflows from disposals, amounted to € -93.1 million in the period under review (1-6/2022: € -96.5 million). Cash flow from investing activities was mainly influenced by investments in intangible assets and property, plant and equipment. A total of € 30.1 million was spent on acquisitions, including business combinations in accordance with IFRS 3 (including VAT) from previous years, and significant investments in intangible assets for the expansion of the product portfolio (1-6/2022: € 51.1 million). The investments in property, plant and equipment related, among other things, to the supply chain and packaging location in Romania.

Free cash flow, i.e. operating cash flow plus cash flow from investing activities, amounted to € 233.6 million in the first half of 2023 (1-6/2022: € 236.7 million). **Free cash flow adjusted** for payments for significant investments or acquisitions and proceeds from significant disposals was € 261.4 million (1-6/2022: € 287.8 million).

Cash flow from financing activities was € -207.3 million (1-6/2022: € -453.3 million) and was primarily characterized by the payment of liabilities existing for financial year 2022 from the domination and profit and loss transfer agreement with Nidda Healthcare GmbH as well as interest payments. Compared to the corresponding period of the previous year, lower payments from the repayment of financial liabilities were recorded, which included the scheduled repayment of promissory note loans of STADA Arzneimittel AG in the amount of € 7.0 million in the first half of 2023.

Cash flow for the current financial year net of all inflows and outflows from cash flow from operating activities, cash flows from investing and financing activities as well as changes in cash and cash equivalents due to exchange rates and/or the scope of consolidation amounted to € 9.6 million in the first six months of 2023 (1-6/2022: € -189.1 million).

Acquisitions, cooperations and licensings

STADA generally pursues an active acquisition policy to accelerate organic growth through external growth impulses. Despite the fact that the Group did not make any acquisitions in the first half of 2023, it strengthened its position as a go-to partner through a distribution agreement signed with Sanofi in the second quarter of 2023 relating to brands in Eurasia such as Buscopan, Enterogermina, Finalgon and Maalox. This comes after STADA had already concluded a similar agreement with Sanofi in Northern Europe in 2022.

For the expansion of the existing product portfolio, STADA relies on targeted **cooperations** and **in-licensings** in addition to acquisitions. In the reporting period, 38 in-licensing agreements were concluded for future product launches.

In the second quarter of 2023, STADA announced that, with the launch of Ximluci (ranibizumab biosimilar) in several European countries, the company and its cooperation partner Xbrane will offer patients a cost-effective option for the treatment of visual impairment in adults in all indications of the reference biologic.[1)] Ximluci (ranibizumab biosimilar) is the sixth biosimilar in STADA's specialty portfolio – following Silapo (epoetin biosimilar), Cegfila (pegfilgrastim biosimilar), Movymia (teriparatid biosimilar), Oyavas (bevacizumab biosimilar) and Hukyndra (adalimumab biosimilar). It is also the first product to be developed as part of a strategic collaboration between STADA and Xbrane.

Also in the second quarter of 2023, Xbrane announced that the U.S. Food and Drug Administration (FDA) had accepted the supplemental Biologics License Application (sBLA) for its ranibizumab biosimilar candidate.

STADA achieved an important milestone in its Specialty and TechOps strategy with the FDA approval of Norbitec's biologics facility in Uetersen, which will enable the company to launch an epoetin biosimilar for a partner in the USA.

In the current third quarter of 2023, STADA announced that it will further expand its European Consumer Healthcare portfolio by acquiring another range of well-established and leading local consumer healthcare brands from Sanofi in European countries including Belgium, Germany, Hungary, Spain, the United Kingdom and Nordic countries.[2)] The acquisition strengthens the position of the Group as a top-four player in Europe's consumer healthcare market and supports its growth acceleration in line with its purpose of "Caring for People's Health as a Trusted Partner".

1) See press release of April 3, 2023.
2) See press release of July 12, 2023.

Sustainability at STADA

The topic of sustainability plays an important role in the STADA Group. Sustainable and responsible corporate governance is demonstrated, among other things, by the fact that STADA is a member of the UN Global Compact and has a Sustainability Policy. In addition, the Group was able to improve its Sustainalytics rating in the “Medium Risk” category from 26.7 in the first half of 2022 to 21.6 in the first six months of 2023. This progress is a strong basis for the Group-wide Sustainability Report, which STADA will publish in the current third quarter of 2023.

The Group consistently aligns its activities with the four corporate values Agility, Entrepreneurship, Integrity and One STADA, thus allowing it to live up to its mission “Caring for People’s Health as a Trusted Partner”. STADA’s stated purpose to its customers, partners and employees, however, is more extensive and also includes society as well as the environment. Because sustainable conduct as one of the most important requirements for all Group activities is firmly established, there are clearly defined goals and established processes in the Group that ensure, among other things, compliance with legal regulations.

The Group has been making a significant contribution to society for more than 125 years by providing access to affordable medical care with its generics and specialty pharmaceuticals portfolio and thereby reducing the cost pressure that burdens health care systems. In addition, with its consumer healthcare portfolio, STADA contributes both to health care in general as well as to preventive health care.

The topic of diversity in every respect also plays an important role in the Group, because each employee contributes to STADA’s success story with his or her individual experience, personality, personal and professional background as well as with their skills.

Further information on the topic of sustainability can be found at www.stada.com/about-stada/sustainability.

In terms of equal opportunities for women and men, STADA believes that a balanced representation of both genders when filling positions is extremely important. The Executive Board considers, for example, the appropriate promotion of women in the context of succession planning for executives. Generally when it comes to filling management positions, however, professional and personal qualifications, and not gender, are at the forefront. As a result of the high number of qualified female employees, the share of women employed in the Group in management positions was around 54% in the first half of 2023.

Women in management positions
Share of women in the first six months of 2023 in percent (first six months of 2022)

Report on expected development and associated material opportunities and risks

Based on a continuation of the growth strategy that has been successfully implemented in recent years, an expected positive development of the sales market for consumer healthcare, generics and special pharmaceuticals relevant for STADA and taking into account the premises outlined in the Annual Report 2022, the Executive Board expects the Group to achieve sales growth in the high single-digit to double-digit percentage range in financial year 2023, adjusted for special items and currency effects. This figure is above the relevant market growth rate[1)] after adjustment. For EBITDA, adjusted for special items and currency effects, the Executive Board also anticipates an increase in the high single-digit to double-digit percentage range, meaning that adjusted sales and adjusted EBITDA in the 2023 financial year have been updated compared with the outlook presented in the Annual Report 2022.

Peter Goldschmidt   Boris Döbler   Miguel Pagan Fernandez   Simone Berger

1) IQVIA World Pharmaceutical Market Forecast May 2022.

STADA Interim Consolidated Financial Statements on the First Half of 2023 (abridged)

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement in k €	**H1/2023**	**H1/2022**
Sales	2,058,905	1,768,130
Cost of sales	1,033,054	916,195
Gross profit from sales	**1,025,851**	**851,934**
Selling expenses	443,322	404,051
General and administrative expenses	139,381	119,721
Research and development expenses	51,731	46,925
Other income	18,606	82,325
Other expenses	59,960	97,034
Operating profit	**350,063**	**266,527**
Results from investments measured at equity	34	-9
Investment income	—	—
Financial income	2,395	2,572
Financial expenses	114,602	66,582
Financial result	**-112,174**	**-64,019**
Earnings before taxes	**237,889**	**202,508**
Income taxes	55,937	33,276
Earnings after taxes	**181,952**	**169,233**
thereof		
distributable to shareholder of STADA Arzneimittel AG (net income)	166,093	158,008
distributable to non-controlling interest	15,859	11,225
Transfer of profits to Nidda Healthcare GmbH	87,109	107,534

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income in k €	H1/2023	H1/2022
Earnings after taxes	**181,952**	**169,233**
Items to be recycled in the income statement in future:		
Currency translation gains and losses	**-102,254**	**204,866**
thereof		
income taxes	2,102	-895
Gains and losses on financial assets (FVOCI)	**-2**	**-306**
thereof		
income taxes	-2	-4
Items not to be recycled in the income statement in future:		
Gains and losses on financial assets (FVOCI)	**-724**	**-6,461**
Revaluation of net debt from defined benefit plans	**158**	**3,766**
thereof		
income taxes	-105	-393
Other comprehensive income	**-102,822**	**201,865**
Consolidated comprehensive income	**79,130**	**371,098**
thereof		
distributable to shareholder of STADA Arzneimittel AG (net income)	63,411	359,795
distributable to non-controlling interest	15,719	11,303

CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet in k €	**June 30, 2023**	**Dec. 31, 2022**
ASSETS		
Non-current assets	**3,326,401**	**3,478,238**
Intangible assets	2,688,767	2,851,567
Property, plant and equipment	563,844	550,264
Financial assets	11,839	13,240
Investments measured at equity	2,593	2,573
Other financial assets	423	429
Other assets	8,404	6,948
Deferred tax assets	50,532	53,218
Current assets	**2,410,366**	**2,277,086**
Inventories	1,128,886	965,361
Trade accounts receivable	860,360	878,810
Return assets	1,404	978
Income tax receivables	37,267	21,359
Other financial assets	20,258	69,687
Other assets	86,278	82,258
Cash and cash equivalents	268,191	258,633
Non-current assets and disposal groups held for sale	7,722	—
Total assets	**5,736,766**	**5,755,324**
EQUITY AND LIABILITIES		
Equity	**1,430,671**	**1,465,239**
Share capital	162,090	162,090
Capital reserve	514,206	514,206
Retained earnings including net income	1,214,584	1,135,831
Other reserves	-520,817	-418,366
Treasury shares	-1,403	-1,403
Equity attributable to shareholder of the parent company	**1,368,660**	**1,392,358**
Shares relating to non-controlling interest	62,011	72,881
Non-current borrowings	**2,876,958**	**2,911,305**
Other non-current provisions	28,363	33,349
Financial liabilities	2,528,386	2,572,779
Other financial liabilities	130,697	125,626
Other liabilities	3,387	3,670
Deferred tax liabilities	186,124	175,881
Current borrowings	**1,429,137**	**1,378,780**
Other provisions	29,876	23,605
Financial liabilities	89,074	60,546
Trade accounts payable	729,709	689,348
Contract liabilities	1,454	4,534
Income tax liabilities	57,241	51,938
Other financial liabilities	357,163	354,962
Other liabilities	159,618	193,847
Non-current liabilities and associated liabilities of disposal groups held for sale and disposal groups	5,002	—
Total equity and liabilities	**5,736,766**	**5,755,324**

CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement in k €	**H1/2023**	**H1/2022**
Earnings after taxes	181,952	169,233
Depreciation and amortization net of write-ups of non-current assets	136,975	183,646
Income taxes	55,937	33,276
Income tax paid (netted)	-40,639	-28,954
Interest income and expenses	112,207	64,010
Interest and dividends received	1,447	2,350
Result from investments measured at equity	-34	9
Result from the disposal of non-current assets	-696	9
Additions to/reversals of other non-current provisions	397	-634
Currency translation income and expenses	25,409	-67,187
Other non-cash expenses and gains[2)]	210,546	196,341
Gross cash flow	**683,501**	**552,098**
Changes in inventories	-230,544	-93,798
Changes in trade accounts receivable	-13,153	-22,269
Changes in trade accounts payable	15,112	38,280
Changes in other net assets, unless attributable to investing or financing activities	-128,250	-141,147
Operating cash flow	**326,666**	**333,164**
Payments for investments in		
intangible assets	-48,746	-70,077
property, plant and equipment	-45,698	-27,474
financial assets	—	-15
business combinations in accordance with IFRS 3	-1,600	-856
business combinations in accordance with IFRS 3 (VAT)	32	1,215
Proceeds from the disposal of		
intangible assets	2,547	32
property, plant and equipment	380	723
financial assets	—	—
shares in consolidated companies	—	—
non-current assets held for sale (IFRS 5)	—	—
Investing cash flow	**-93,085**	**-96,452**
Borrowing of funds	72,040	90,398
Settlement of financial liabilities	-58,209	-304,705
Settlement of finance lease liabilities	-15,334	-13,488
Interest paid	-95,027	-67,885
Dividend distribution and profit transfer	-110,772	-142,960
Changes in non-controlling interests	—	-14,690
Financing cash flow	**-207,303**	**-453,329**
Changes in cash and cash equivalents	**26,278**	**-216,618**
Changes in cash and cash equivalents due to the scope of consolidation	-3,278	—
Changes in cash and cash equivalents due to exchange rates	-13,443	27,494
Net change in cash and cash equivalents	**9,558**	**-189,124**
Balance at beginning of the period	**258,633**	**526,482**
Balance at end of the period	**268,191**	**337,358**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity in k € **2023**	**Number of shares**	**Share capital**	**Capital reserve**	**Retained earnings including net income**
Balance as of June 30, 2023	**62,342,440**	**162,090**	**514,206**	**1,214,584**
Profit transfer to Nidda Healthcare GmbH	–	–	–	-87,109
Dividend distribution	–	–	–	–
Change in treasury shares	–	–	–	–
Changes in retained earnings	–	–	–	–
Changes in non-controlling interests	–	–	–	–
Changes in the scope of consolidation	–	–	–	–
Other comprehensive income	–	–	–	-230
Net income	–	–	–	166,093
Balance as of Jan. 1, 2023	**62,342,440**	**162,090**	**514,206**	**1,135,831**
Previous year				
Balance as of June 30, 2022	**62,342,440**	**162,090**	**514,206**	**960,573**
Profit transfer to Nidda Healthcare GmbH	–	–	–	-107,534
Dividend distribution	–	–	–	–
Change in treasury shares	–	–	–	–
Changes in retained earnings	–	–	–	–
Changes in non-controlling interests	–	–	–	–
Changes in the scope of consolidation	–	–	–	–
Other comprehensive income	–	–	–	4,062
Net income	–	–	–	158,008
Balance as of Jan. 1, 2022	**62,342,440**	**162,090**	**514,206**	**906,037**

Currency translation reserve	FVOCI reserve	Treasury shares	Equity attributable to shareholder of the parent	Shares held by non-controlling interest	Group equity
-527,112	**6,295**	**-1,403**	**1,368,660**	**62,011**	**1,430,671**
—	—	—	-87,109	—	-87,109
—	—	—	—	-26,588	-26,588
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
-101,726	-726	—	-102,682	-140	-102,822
—	—	—	166,093	15,859	181,952
-425,387	**7,021**	**-1,403**	**1,392,358**	**72,881**	**1,465,239**
-250,520	**3,576**	**-1,403**	**1,388,522**	**66,447**	**1,454,969**
—	—	—	-107,534	—	-107,534
—	—	—	—	-24,139	-24,139
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
204,492	-6,767	—	201,787	78	201,865
—	—	—	158,008	11,225	169,233
-455,012	**10,343**	**-1,403**	**1,136,261**	**79,283**	**1,215,544**

NOTES

1. General

1.1. Basis for presentation

The Consolidated Interim Management Report has been prepared in accordance with the applicable WpHG regulations. The interim consolidated financial statements and accompanying condensed notes, as of June 30, 2023, are prepared in accordance with the International Accounting Standard (IAS) 34. These have not been reviewed by an auditor nor have they been audited in accordance with Section 317 HGB. The primary financial statements are presented in the format consistent with the consolidated financial statements as of December 31, 2022. In accordance with the provisions of IAS 34, a condensed reporting scope has been selected as compared with the Consolidated Financial Statements as of December 31, 2022.

The interim consolidated financial statements have been prepared in accordance with the Standards and interpretations in effect on the reporting date, and endorsed in the EU, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC), for financial periods starting as of January 1, 2023.

The accounting policies used to prepare the interim consolidated financial statements are consistent with those of the previous financial year and corresponding interim reporting period, except for the change described in Note 1.3. and the adoption of new and amended standards as set out in Note 1.2.

1.2. New and amended standards adopted by STADA

For the first half of 2023, there were no recently implemented accounting pronouncements that had a material effect on STADA's consolidated financial statements.

Impact of standards issued but not yet applied by STADA

There are no other IFRS standards or interpretations not yet effective that would be expected to have a material impact on the consolidated financial statements.

1.3. Scope of consolidation

The Consolidated Interim Financial Statements have been prepared for STADA Arzneimittel AG as parent company.

In the first six months of 2023, the following changes in STADA's scope of consolidation occurred:

There was a merger of the five Czech subsidiaries Proenzi s.r.o., DH-norm s.r.o., Idelyn s.r.o., VALOSUN a.s. as well as Wavita EU s.r.o. into Walmark a.s. effective January 1, 2023.

First-time consolidation of the subsidiary STADA Kyrgyzstan LLC as of March 31, 2023. The new founding of this company occurred already in December 2022.

In addition, the first-time consolidations of the Azerbaijani subsidiary STADA Azerbaijan LLC as of May 31, 2023 and the Georgian subsidiary STADA Georgia LLC as of June 30, 2023 took place. The founding of these entities under commercial law occurred already in January 2023.

As of the balance sheet date June 30, 2023, a total of 88 companies were included in STADA's Consolidated Interim Financial Statements as subsidiaries (December 31, 2022: 90 companies) and four companies were included as associates (December 31, 2022: four companies).

1.4. Business combinations

In the first half of 2023, there were no material business combinations in accordance with IFRS 3.

2. Notes to the Consolidated Income Statement

2.1. Sales

Reported Group sales increased by 16% to € 2,058.9 million in the first half of 2023 (1-6/2022: € 1,768.1 million). Group sales adjusted for special items and currency effects increased by 16% to € 2,058.9 million (1-6/2022: € 1,779.3 million). The positive development covered all three segments and a large number of countries including Germany, France, the United Kingdom, Italy, Ireland, the Netherlands, Switzerland, Serbia and Spain.

2.2. Cost of sales and gross profit

Cost of sales increased to € 1,033.1 million in the reporting period (1-6/2022: € 916.2 million). Gross profit increased by 20% to € 1,025.9 million (1-6/2022: € 851.9 million). The gross margin increased to 49.8% (1-6/2022: 48.2%). This increase was due, among other things, to cost optimization measures and efficiency improvements throughout the entire value chain, as well as on a change in the country and product mix. In addition, price adjustments helped to ensure that inflationary impacts on the international procurement markets did not have a significant negative impact on gross margin in the first six months of 2023.

2.3. Selling expenses

Selling expenses increased to € 443.3 million in the first half of 2023 (1-6/2022: € 404.1 million). The disproportionately low increase compared to sales growth resulted in particular from targeted investments to expand the product portfolio in all segments and to increase market share in the existing portfolio.

2.4. Administration costs

General and administrative expenses increased by 16% to € 139.4 million in the first six months of the current financial year (1-6/2022: € 119.7 million) and in line with the rate of increase in sales. The increase was due, among other things, to higher rental, travel and insurance costs. The administrative expense ratio thus remained unchanged at 6.8%.

2.5. Research and development expenses

Research and development costs increased in the first six months of the current financial year to € 51.7 million (1-6/2022: € 46.9 million).

2.6. Other income

Other income fell by 77% to € 18.6 million in the reporting period (1-6/2022: € 82.3 million). This development was mainly due to exchange rate effects. Whereas exchange rate gains of € 67.2 million were included in other income in the corresponding prior-year period, there was a net exchange rate expense in the reporting period, which is included in other expenses. Furthermore, other income in the corresponding prior-year period included write-ups of intangible assets amounting to € 7.5 million. The write-ups on positive future prospects in Russia for the respective products related to five approvals in the Specialty segment (€ 6.8 million) and one approval in Consumer Healthcare (€ 0.7 million).

2.7. Other expenses

Other expenses fell by 38% to € 60.0 million in the first half of 2023 (1-6/2022: € 97.0 million). The decrease was mainly due to lower impairment losses of € 14.6 million (1-6/2022: € 73.8 million). In the first half of 2023, impairment losses of € 8.8 million mainly resulted from the repositioning of the sales activities of a development project in the Specialty area, which led to it being fully impaired. Impairment losses in the first six months of 2022 related to various pharmaceutical approvals and property rights as well as to property, plant and equipment. These were primarily attributable to five approvals for Specialty products (€ 22.7 million), seven approvals in Consumer Healthcare (€ 13.6 million) and one approval in Generics (€ 6.1 million). This was due to a mix of increased interest rates and a more uncertain future outlook for these products in the Russian market, which were detailed as part of the scenario analyses. Additionally, there were impairment losses for intangible assets and tangible assets in Ukraine due to the increase of country market risk premium which led to a significant increase in the weighted average cost of capital (WACC) determined for the country. As a consequence, an impairment for three approvals for Consumer Healthcare products (€ 5.9 million) and for all tangible assets such as machines and equipment (€ 17.3 million) was recognized. Other expenses also included exchange rate expenses of € 25.4 million, whereas exchange rate income was reported under other income in the corresponding prior-year period.

2.8. Financial income

Financial income decreased slightly to € 2.4 million in the first half of 2023 (1-6/2022: € 2.6 million).

2.9. Financial expenses

Financial expenses increased to € 114.6 million in the first six months of the current financial year (1-6/2022: € 66.6 million).

2.10. Income tax expenses

Income tax expenses recorded an increase to € 55.9 million in the reporting period (1-6/2022: € 33.3 million). The reported tax rate was 23.5% (1-6/2022: 16.4%).

3. Notes to the Consolidated Balance Sheet

3.1. Intangible assets

Intangible assets amounted to € 2,688.8 million as of June 30, 2023 (December 31, 2022: € 2,851.6 million). As of this reporting date, intangible assets included € 435.8 million in goodwill (December 31, 2022: € 440.5 million). The decrease was based in particular on currency effects as well as scheduled amortization. Impairment losses in the amount of € 14.3 million were also recognized. In the first half of 2023, the impairment losses of € 8.8 million mainly resulted from the repositioning of the sales activities of a development project in the Specialty area, which led to it being fully impaired.

STADA also capitalized development expenses for new products in the amount € 16.9 million (1-6/2022: € 15.2 million).

3.2. Property, plant and equipment

Property, plant and equipment increased to € 563.8 million as of the balance sheet date (December 31, 2022: € 550.3 million). The increase resulted mainly from investments in Romania and Serbia.

STADA continuously invests in the Group's own production facilities and test laboratories. In the first half of 2023, investments in the amount of € 39.1 million were made for the expansion and modernization of production sites, manufacturing facilities as well as test laboratories (maintenance capex) (1-6/2022: € 15.5 million). This includes € 16.4 million for a new supply chain and packaging site in Turda, Romania. Since the start of the project, STADA has invested approximately € 31 million in the expansion of this new Romanian site.

3.3. Financial assets

Financial assets were at € 11.8 million as of June 30, 2023 (December 31, 2022: € 13.2 million).

3.4. Investments measured at equity

Investments measured at equity amounted to € 2.6 million as of the balance sheet date (December 31, 2022: € 2.6 million).

3.5. Inventories

Inventories showed an increase to € 1,128.9 million as of June 30, 2023 (December 31, 2022: € 965.4 million). This increase was due in particular to the strong growth in sales and to the rise in contingency stock especially active ingredients and raw materials such as packaging materials in order to be able to guarantee supply capability also in the future.

3.6. Trade accounts receivable

Trade accounts receivable decreased to € 860.4 million as of the balance sheet date (December 31, 2022: € 878.8 million), despite the significant increase in business volume. This development resulted from a change in the country mix and the depreciation of the Russian ruble.

3.7. Income tax receivables

Income tax receivables increased to € 37.3 million as of June 30, 2023 (December 31, 2022: € 21.4 million).

3.8. Other financial assets

Other financial assets decreased to a total of € 20.7 million as of the balance sheet date (December 31, 2022: € 70.1 million). This decrease was mainly due to lower receivables from settlements with Nidda companies.

3.9. Non-current assets and disposal groups held for sale

The non-current assets held for sale amounting to € 7.7 million and associated liabilities in the amount of € 5.0 million related to the consolidated UK subsidiary Nextgen360 Ltd. as of the balance sheet date, for which a sale is intended in the third quarter of the current financial year.

The non-current assets and disposal groups held for sale and the associated liabilities comprise the following balance sheet items as of June 30, 2023:

in k €	June 30, 2023	Dec. 31, 2022
Intangible assets	206	–
Tangible assets	930	–
Inventories	1,594	–
Trade receivables	1,044	–
Other assets	670	–
Cash and cash equivalents	3,278	–
Total assets held for sale	**7,722**	**–**
Trade payables	650	–
Income tax liabilities	1,722	–
Other current liabilities	2,630	–
Total liabilities associated with assets held for sale	**5,002**	**–**

3.10. Retained earnings and other reserves

Retained earnings including net income comprise net income for the first half of 2023 as well as the earnings achieved in previous periods, provided these were not distributed, including the amounts transferred to retained earnings. In addition, revaluations of net debt from defined benefit plans that were recognized through other comprehensive income are reported under this item, taking deferred taxes into account.

Other reserves include results recognized directly in equity. This relates, among other things, to foreign exchange gains and losses resulting from currency translation with no effect on income of financial statements of companies included in the Group, which are reported in the statement of changes in equity under the currency translation reserve. The decrease in other reserves reported as of June 30, 2023 was mainly due to the depreciation of the Russian ruble since December 31, 2022 and the resulting expenses not recognized in profit or loss from the currency translation of the companies reporting in this currency.

3.11. Financial liabilities

As of the balance sheet date, the Group's current and non-current financial liabilities of € 89.1 million and € 2,528.4 million respectively (December 31, 2022: € 60.5 million and € 2,572.8 million respectively) included in particular shareholder loans of € 2,313.8 million (December 31, 2022: € 2,301.8 million) as well as promissory note loans with a nominal value of € 0.0 million (December 31, 2022: € 7.0 million).

3.12. Trade accounts payable

Trade accounts payable rose to € 729.7 million as of June 30, 2023 (December 31, 2022: € 689.3 million). The increase was mainly due to reporting date effects and the build-up of inventories.

3.13. Deferred tax liabilities

Deferred tax liabilities increased to € 186.1 million as of the balance sheet date (December 31, 2022: € 175.9 million).

3.14. Other financial liabilities

Other financial liabilities rose to a total of € 487.9 million as of June 30, 2023 (December 31, 2021: € 480.6 million).

3.15. Other liabilities

Other liabilities fell to € 163.0 million as of the balance sheet date (December 31, 2022: € 197.5 million).

4. Notes to the Consolidated Cash Flow Statement

4.1. Operating cash flow

Operating cash flow, which consists of changes in items not covered by capital expenditure, financing, changes in exchange rates from the conversion of foreign financial statements or transactions in foreign currencies or through changes in the scope of consolidation and measurement, amounted to € 326.7 million in the reporting period (1-6/2022: € 333.2 million). This development was mainly due to a significantly higher cash-effective increase in working capital, especially inventories. There were also higher payments for health insurance rebates in Germany. The significant increase in EBITDA adjusted for major non-cash effects, and thus in gross cash flow, largely offset these effects, however.

4.2. Investing cash flow

Investing cash flow, which comprises cash outflows for investments less cash inflows from disposals, amounted to € -93.1 million in the first six months of the current financial year (1-6/2022: € -96.5 million). Investing cash flow was mainly influenced by investments in intangible assets as well as property, plant and equipment. For acquisitions, including business combinations in accordance with IFRS 3 (including sales tax) in previous years and significant investments in intangible assets for the expansion of the product portfolio, a total of € 30.1 million was spent in the reporting period (1-6/2022: € 51.1 million). The investments in property, plant and equipment related, among other things, to the supply chain and packaging location in Romania.

4.3. Financing cash flow

Financing cash flow amounted to € -207.3 million in the reporting period (1-6/2022: € -453.3 million) and was characterized in particular by the scheduled repayment of the bond as well as the payment of the liabilities existing for financial year 2022 under the domination and profit and loss transfer agreement with Nidda Healthcare GmbH as well as by interest payments. Compared to the corresponding period of the previous year, lower payments from the repayment of financial liabilities were recorded, which included the scheduled repayment of promissory note loans of STADA Arzneimittel AG in the amount of € 7.0 million in the first half of 2023.

4.4. Net cash flow of the current period

Cash flow for the current period net of all inflows and outflows from operating cash flow, investing cash flow and financing cash flow as well as changes in cash and cash equivalents due to exchange rates and/or the scope of consolidation amounted to € 9.6 million in the first six months of 2023 (1-6/2022: € -189.1 million).

5. Segment reporting

5.1. General information

The measurement approaches for segment reporting are in accordance with the financial reporting methods used in the IFRS Consolidated Financial Statements. Services between the segments are charged based on market prices.

The reported segment result corresponds to the operating profit of the STADA Group's income statement in accordance with IFRS. Reporting on the respective non-current assets per segment and the segment liabilities is waived, as this information is not used for the management of the Group.

5.2. Information by operating segment

in k €	H1/2023	H1/2022
Consumer Healthcare		
External sales	**870,597**	**729,168**
FX adjustment[1]	—	1,874
Sales adjusted for special items and currency effects	870,597	731,042
Operating profit	196,568	96,104
Depreciation/amortization	57,690	58,170
Impairment losses	466	36,337
Reversals	—	684
EBITDA	254,740	189,925
Special items within EBITDA	-3,566	-18
thereof:		
effects from purchase price allocation including product acquisitions[2]	-3,566	—
effects from deconsolidations	—	—
exchange rate expenses	—	—
expenses for damages	—	-18
other	—	—
FX adjustment[3]	—	334
EBITDA adjusted for special items and currency effects	251,174	190,241
Other significant non-cash expenses (+)/income (-) within the operating result	14,746	18,114

1) Adjustments for currency effects are shown exclusively as an adjustment of the prior-year period. The currency adjustment for the first half of 2022 was made using the exchange rates of the reporting period.
2) Relates to additional depreciation, amortization and other measurement effects due to purchase price allocations and significant product acquisitions.
3) The currency adjustments for the first half of 2022 were carried out using the exchange rates of the reporting period. In addition, the realized and unrealized exchange rate effects were included in operating profit in both the reporting period and the corresponding prior-year period.

in k €	H1/2023	H1/2022
Generics		
External sales	**756,188**	**697,113**
FX adjustment[1]	—	2,899
Sales adjusted for special items and currency effects	756,188	700,012
Operating profit	162,858	142,088
Depreciation/amortization	25,212	18,991
Impairment losses	3,492	10,045
Reversals	—	20
EBITDA	191,587	171,099
Special items within EBITDA	—	—
thereof:		
effects from purchase price allocation including product acquisitions[2]	—	—
effects from deconsolidations	—	—
exchange rate expenses	—	—
expenses for damages	—	—
other	—	—
FX adjustment[3]	—	570
EBITDA adjusted for special items and currency effects	191,587	171,669
Other significant non-cash expenses (+)/income (-) within the operating result	155,919	138,910

in k €	H1/2023	H1/2022
Specialty		
External sales	**432,120**	**341,849**
FX adjustment[1]	—	6,384
Sales adjusted for special items and currency effects	432,120	348,233
Operating profit	98,377	38,387
Depreciation/amortization	29,935	28,030
Impairment losses	10,633	27,924
Reversals	—	6,814
EBITDA	138,939	87,525
Special items within EBITDA	1,375	—
thereof:		
effects from purchase price allocation including product acquisitions[2]	—	—
effects from deconsolidations	—	—
exchange rate expenses	—	—
expenses for damages	—	—
other	1,375	—
FX adjustment[3]	—	2,241
EBITDA adjusted for special items and currency effects	140,314	89,766
Other significant non-cash expenses (+)/income (-) within the operating result	24,566	24,034

1) Adjustments for currency effects are shown exclusively as an adjustment of the prior-year period. The currency adjustment for the first half of 2022 was made using the exchange rates of the reporting period.
2) Relates to additional depreciation, amortization and other measurement effects due to purchase price allocations and significant product acquisitions.
3) The currency adjustments for the first half of 2022 were carried out using the exchange rates of the reporting period. In addition, the realized and unrealized exchange rate effects were included in operating profit in both the reporting period and the corresponding prior-year period.

in k €	H1/2023	H1/2022
Reconciliation Group holdings/other and consolidation		
External sales	**—**	**—**
FX adjustment[1]	—	—
Sales adjusted for special items and currency effects	—	—
Operating profit	-107,740	-10,052
Depreciation/amortization	9,546	12,135
Impairment losses	18	-469
Reversals	17	—
EBITDA	-98,195	1,615
Special items within EBITDA	18,006	-57,085
thereof:		
effects from purchase price allocation including product acquisitions[2]	-1,626	4,160
effects from deconsolidations	—	—
exchange rate expenses	19,632	-61,245
expenses for damages	—	—
other	—	—
FX adjustment[3]	5,777	-6,270
EBITDA adjusted for special items and currency effects	-74,412	-61,740
Other significant non-cash expenses (+)/income (-) within the operating result	23,783	-63,628
Group		
External sales	**2,058,905**	**1,768,130**
FX adjustment[1]	—	11,157
Sales adjusted for special items and currency effects	2,058,905	1,779,287
Operating profit	350,063	266,527
Depreciation/amortization	122,383	117,326
Impairment losses	14,609	73,837
Reversals	17	7,518
EBITDA	487,071	450,164
Special items within EBITDA	15,815	-57,103
thereof:		
effects from purchase price allocation including product acquisitions[2]	-5,192	4,160
effects from deconsolidations	—	—
exchange rate expenses	19,632	-61,245
expenses for damages	—	-18
other	1,375	—
FX adjustment[3]	5,777	-3,125
EBITDA adjusted for special items and currency effects	508,663	389,936
Other significant non-cash expenses (+)/income (-) within the operating result	219,014	117,430

1) Adjustments for currency effects are shown exclusively as an adjustment of the prior-year period. The currency adjustment for the first half of 2022 was made using the exchange rates of the reporting period.
2) Relates to additional depreciation, amortization and other measurement effects due to purchase price allocations and significant product acquisitions.
3) The currency adjustments for the first half of 2022 were carried out using the exchange rates of the reporting period. In addition, the realized and unrealized exchange rate effects were included in operating profit in both the reporting period and the corresponding prior-year period.

5.3. Reconciliation of segment results to net profit

in k €	H1/2023	H1/2022
Adjusted EBITDA for product divisions[1]	583,075	448,531
Special items within EBITDA[1]	-2,191	-18
Reconciliation Group holdings/other and consolidation	-98,195	1,615
Depreciation, amortization, impairment losses and reversals	136,975	183,645
Financial income	2,395	2,572
Financial expenses	114,602	66,582
Earnings before taxes, Group	**237,889**	**202,509**

6. Disclosures on fair value measurements and financial instruments

The chart below shows how the valuation rates of financial instruments measured at fair value were determined for the respective valuation categories of financial instruments:

	Level 1		Level 2		Level 3	
	Listed prices in active markets		Valuation methods with input parameters observable in the market		Valuation methods with input parameters not observable in the market	
Fair values by levels of hierarchy on a recurring basis in k €	**June 30, 2023**	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
Financial assets (FVOCI)						
Financial assets	10,273	8,946	–	–	–	–
Factorable receivables	–	–	27,691	48,043	–	–
Financial assets (FVPL)						
Currency forwards	–	–	–	–	–	–
Derivative financial assets with a hedging relationship						
Fair value hedges	–	–	147	458	–	–
Financial liabilities (FVPL)						
Currency forwards	–	–	–	1	–	–
Interest/currency swaps	–	–	–	–	–	–
Derivative financial liabilities with a hedging relationship						
Fair value hedges	–	–	1,206	1,244	–	–

Financial assets recognized at fair value through other comprehensive income (FVOCI) include factorable receivables. These financial assets, which are included in trade accounts receivable, are recognized at fair value through other comprehensive income and are therefore included in the table above. Changes in the fair value of these receivables – which differs from the measurement at amortized cost to only a minor extent – are recognized through other comprehensive income in the FVOCI reserve. This category also includes the shares in the Swedish company Xbrane. Because the company's shares are traded on the stock exchange, they have been classified in Stage 1.

1) Relates to additional depreciation and amortization and other valuation effects due to purchase price allocations and significant product acquisitions.

In the context of the preparation of the financial statements, STADA reviews the allocation to the respective hierarchy levels on the basis of information available on the determination of the fair values. If a need for reclassification is determined, the reclassification is carried out as of the beginning of the reporting period.

The fair values are analyzed in the context of the preparation of the financial statements. For this purpose, market comparisons and change analyses are carried out.

Derivative financial assets (FVPL) and derivative financial liabilities (FVPL) include positive or negative market values of derivative financial instruments (currency forwards and currency swaps) not part of a hedging relationship. The fair values of currency forwards are determined using financial mathematics based on current market data provided by a reputable information service, such as spot exchange rates or swap rates, in one system according to standardized procedures.

STADA designates forward exchange contracts as fair value hedges, which are concluded to hedge the currency risk of intercompany loans. The changes in value of the underlying transaction which result from changes to the respective currency exchange rates are offset by the changes in value of the currency forwards. The objective of fair value hedges is to hedge against the currency risk of these intercompany loans. Credit risks are not part of this hedging. The effectiveness of the hedging relationship is reviewed both prospectively and retrospectively on each closing date. As of the closing date, all designated hedging relationships were sufficiently effective.

The following disclosures are made for financial assets and liabilities whose fair value differs from the carrying amount as of June 30, 2023:

in k €	Carrying amount June 30, 2023	Fair value June 30, 2023	Carrying amount June 30, 2022	Fair value June 30, 2022
Liabilities to banks	281,454	315,161	415,922	426,728
Liabilities to shareholders	2,313,774	2,384,886	2,523,660	2,539,176
Promissory note loans	–	–	6,997	7,062
Bonds	–	–	–	–
Financial liabilities	**2,595,228**	**2,700,047**	**2,946,579**	**2,972,966**

As in the previous year, the financial liabilities presented in the table are assigned to the measurement category “liabilities measured at amortized cost” (AC) in accordance with IFRS 9.

For all other financial assets and liabilities not presented in the table above, the carrying amounts – approximately or based on valuation methods taking the listed prices on active markets or observable input parameters in the market as a basis – correspond to the respective fair values of the individual assets and liabilities.

7. Contingent liabilities and other financial obligations

Contingent liabilities describe possible obligations to third parties arising from past events that may lead to outflows of resources in the future depending on specific events. As of the balance sheet date, these contingent liabilities were considered not probable and are therefore not accounted for.

Compared with contingent liabilities of € 24.0 million at the end of 2022, significant potential obligations increased by € 66.3 million in the first six months of 2023 to € 90.3 million as of June 30, 2023. This development was mainly due to additional potential obligations from patent risks for active pharmaceutical ingredients and legal disputes.

In addition to the contingent liabilities, there are also other future financial obligations which are composed of the following:

in k €	June 30, 2023	Dec. 31, 2022
Obligations from leases	31,883	44,265
Other financial obligations	110,046	120,143
Total	**141,929**	**164,407**

The information on future obligations from leases includes obligations from short-term leases, leases of low-value assets and leases that do not meet the recognition criteria of an asset under IFRS 16.

Other financial obligations include long-term obligations for logistics and accounting services.

In addition, contingent liabilities and further guarantees assumed by the STADA Group are included in other financial obligations.

8. Related party transactions

In the scope of the ordinary course of business STADA Arzneimittel AG and/or its consolidated companies have entered into related party transactions. In accordance with IAS 24, “Related Parties” refers to directly or indirectly controlled subsidiaries that are not consolidated due to lack of material significance, associates and joint ventures as well as persons in key positions and their close relatives. In principle, all trades were settled with related companies and natural persons at market-rate conditions.

There were no significant changes in the first half of 2023 compared with the related party transactions made in the Annual Report 2022.

As in the previous year, as of June 30, 2023, there were no outstanding liabilities to members of the Executive Board and key management in office in financial year 2023 arising from severance payments. There were outstanding liabilities to these parties from bonuses amounting to € 1.7 million (December 31, 2022: € 2.6 million). As in the previous year, there were no outstanding liabilities to former Executive Board members for severance payments or bonuses.

9. Significant events after the closing date

In the current third quarter of 2023, STADA announced that it will further expand its European Consumer Healthcare portfolio by acquiring another range of well-established and leading local consumer healthcare brands from Sanofi in European countries, including Belgium, Germany, Hungary, Spain, the United Kingdom and Nordic countries.[1)] The acquisition strengthens the position of the Group as a top-four player in Europe’s consumer healthcare market and supports its growth acceleration in line with its purpose of “Caring for People’s Health as a Trusted Partner”.

1) See press release of July 12, 2023.

Further Information

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the rest of the financial year.

Bad Vilbel, August 15, 2023

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PUBLISHING INFORMATION

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Forward-looking statements: This Interim Report of STADA Arzneimittel AG (hereinafter referred to as “STADA”) contains certain statements regarding future events that are based on current expectations, estimates and forecasts of STADA’s company management and on other information which is currently available. They imply various known and unknown risks and uncertainties, which may result in actual earnings, the net assets, financial position and results of operations, growth or performance being materially different from the estimates expressed or implied in the forward-looking statements. Statements with respect to the future are characterized by the use of words such as “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate” and similar terms. Where necessary, STADA will also make forward-looking statements in other reports, presentations, documents sent to shareholders, and press releases. Moreover, from time to time our representatives may make verbal forward-looking statements. STADA is of the opinion that the expectations reflected in forward-looking statements are appropriate; however, it cannot guarantee that these expectations will actually materialize. Risk factors include in particular: The influence of regulation of the pharmaceutical industry; the difficulty in making predictions concerning approvals by the regulatory authorities and other supervisory agencies; the regulatory environment and changes in the healthcare policy and in the healthcare systems of various countries; acceptance of and demand for new drugs and new therapies; the results of clinical studies; the influence of competitive products and prices; the availability and costs of the active ingredients used in the production of pharmaceutical products; uncertainty concerning market acceptance when innovative products are introduced, presently being sold or under development; the effect of changes in the customer structure; dependence on strategic alliances; exchange rate and interest rate fluctuations, operating results, as well as other factors detailed in the annual reports and in other Company statements. STADA does not assume any obligation to update these forward-looking statements.

Supplementary information on Sustainalytics ESG Risk Rating Score (key figures and information in this interim report): This disclosure contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers.

Rounding: The key performance indicators presented in this interim report are generally stated in euro millions, while in the interim financial statements presented at the end of this report the same figures are generally stated more precisely in euro thousands. Differences between individual values may result from rounding and are naturally not of a significant nature.

This Interim Report is published in German (original version) and English (non-binding translation) and is solely subject to German law.

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1) Employee representative.

STADA

Caring for People's Health

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