STADA

Annual Report 2023

DEAR INVESTORS, DEAR PARTNERS,

I am immensely proud of the group's outstanding performance in 2023. Against a backdrop of geopolitical conflicts and economic challenges, we were able to maintain our double-digit growth trend based on our unique culture.

This performance fully in line with our corporate vision, shows the benefit of having a consistent strategy that has delivered sustained strong growth over several years.

Above all, our ability to maintain double-digit sales and profit growth from continuing operations is down to one thing: the extraordinary dedication and expertise of our around 11,700 employees worldwide. Put simply, our unique culture drove our outstanding performance in 2023.

The extremely high levels of commitment and engagement among our global workforce is evidenced by 91% of all employees voluntarily offering feedback via a global survey conducted in November 2023. This participation rate, well above industry benchmarks, marked an increase from 81% in 2022 and 87% in May 2023, and is a testament to the speak-up culture we actively encourage, such as through our Compliance Reporting Portal.

> ***Our success is based on our culture and our purpose of Caring for People's Health as a Trusted Partner.***
>
> **Peter Goldschmidt**
> CEO

Employees' pride in purpose

The vast majority - 94% - of respondents stated that they were proud of STADA's corporate purpose of Caring for People's Health as a Trusted Partner. As this purpose starts with caring for our colleagues' health, it is pleasing to report that nine in 10 agreed with the statement: "I take care of my happiness at work."

To support our employees in taking care of their own health and personal growth, during 2023 we launched „CaringForYou", a new global initiative to raise awareness and actively support mental health and well-being. This offering includes a digital platform that is available to all employees and their families in more than 30 languages. Through an innovative employee app, all our colleagues around the world can now keep fully informed of the latest developments, while an exhibition using the latest in virtual reality and video displays is spreading the STADA story in our key production locations.

Network sustains supply

Sustaining access to high-quality, affordable medicines is the essence of STADA's purpose of Caring for People's Health as a Trusted Partner. Through our network of 17 production sites, supported by hundreds of trusted partners and external suppliers, STADA in 2023 supplied more than 1.1 billion packs of medicines and healthcare products.

Growing sustainably from an environmental, social and governance (ESG) perspective STADA's commitment to sustainability is as important to our employees as it is to our external partners and stakeholders. Therefore, it was gratifying to receive confirmation through an independent assessment that STADA is among the pharma industry's best in this regard. Leading agency Sustainalytics ranked STADA among the top 6% of pharmaceutical companies worldwide in terms of ESG.

We continue to invest in a sustainable medicines supply chain. Among these commitments is the more than €50 million we are investing in a new supply hub in Turda, Romania, on which construction is almost complete. Along with supporting security and autonomy of supply in Europe, the site will create around 400 jobs, and leverage industry-leading design concepts in design is repetitive, construction and energy conservation, including photovoltaic solar panels and low-energy lighting. Solar energy is also employed at our new state-of-the-art facility in Vietnam, which also helps to safeguard reliable supply to global markets through European certification for good manufacturing practice.

Our ability to overcome disruption to international supply chains and inflationary pressures that continue to drive up input costs for energy, raw materials, packaging and transport attests to the resilience of our technical operations around the world. Further investments into our facilities, into dual sourcing of raw materials and into holding security stocks enabled us in many cases to maintain strong supply levels and to step in to meet market demand in cases of supply constraints.

halmology biological medicine or the only medicine authorized in the European Union to treat a rare kidney disease.

With strong local brands and a well-stocked pipeline, as well as our highly dedicated and effective workforce, I have every confidence that STADA is ideally placed to continue its growth journey in 2024 and beyond.

Peter Goldschmidt

Broad-based portfolio

STADA's commitment to ensuring patients and healthcare professionals have reliable access to medicines of the highest quality covers essentially all therapeutic categories. This is reflected in all three of the group's product segments – Consumer Healthcare, Generics and Specialty – having contributed substantially to our double-digit sales and profit growth in 2023. As a result, STADA is not dependent on any single brand, product or therapeutic category.

Our progress reflects our ability to supply high-quality products reliably to around 115 countries worldwide.

Essentially all of our core countries contributed to our performance far exceeding industry averages.

Partnerships: "External is internal"

To a large extent, our ability to outperform our competitors is attributable to delivering on our vision of being a partner of choice across all of activities: be that acting as the exclusive marketing and distribution partner for Sanofi's Consumer Healthcare portfolio in around 30 European and Eurasian countries; partnering with leading developers and manufacturers to ensure we first-in and last-out with a broad range of Generics; or working closely with our Specialty partners to bring to market differentiated products such as our first opht-

CULTURE DRIVES PERFORMANCE

Alongside our purpose, STADA's growth and competitive advantage is based on its unique culture, guided by the values of Integrity, Entrepreneurship, Agility and One STADA. The deep purpose-driven engagement of its employees makes STADA the place to be.

Culture & People

STADA's unique Growth Culture is the framework for all employees to make an impact based on a self-empowered growth mindset. STADA recognizes Growth Culture and People as key drivers for the business performance and thus now drives all people activities under the new function name **Culture & People.**

STADA introduced several global caring programs. Under the umbrella of **#CaringForYou – Mental Health & Wellbeing,** STADA launched its global mental health & wellbeing program, offering all employees and their families the opportunity to start their personal Mental Health & Wellbeing journey. With this new global benefit available in over 30 languages, STADA highlights the importance of

CARING FOR YOU

Anchoring STADA's purpose: 'Caring for People's Health as a Trusted Partner'

At STADA, 'Caring for People's Health as a Trusted Partner' means caring for patients, but also caring for its own people. Demonstrating the importance of STADA's purpose as the company's guiding north star, prioritizing both physical and mental wellbeing holistically as key to personal growth. On a full spectrum from prevention to crisis management, more than 1,000 employees already used the outstanding self-care resources, customized training classes and access to a global network of certified coaches and therapists.

Caring DAY 07.12.

To celebrate STADA's purpose and create a direct positive impact on people's health, STADA introduced its yearly **Caring Day** on December 7. Focusing in 2023 on blood donation as essential part of healthcare systems, countless STADA employees demonstrated their support in wearing red on the STADA Caring Day. Groupwide, more than 1,000 blood donors and 2,000 active participants in diverse caring initiatives took part in the celebrations.

Deep purpose-driven employee engagement

The deep purpose-driven engagement is reflected as well in the 2023 employee surveys: an impressive 94% are proud of STADA's Purpose of 'Caring for People's Health as a Trusted Partner'. The outstanding **participation rate of 91%** in the November survey shows the continuously strong commitment and speak-up culture of all employees. Moreover, 90% of them agreed with the statement "I take care of my own happiness at work." This is clear proof of STADA's unique growth culture, which is based on a strong belief in self-empowerment of everyone.

Strongly committed to Equal Pay, diversity and uniqueness

STADA reinforced its **Equal Pay Commitment:** The company treats people as the foundation and ensures equal opportunities at all levels of the organization. Therefore, STADA is developing programs and establishing practices that enable diversity, uniqueness, and gender equity in our workplaces. For STADA, not gender but performance is the driver to differentiate pay and the organization firmly commits to the principle of equal pay for equal or comparable work. STADA is dedicated to the implementation of the UN 2030 Agenda, thus making Pay Equity a key people priority across all functions.

Paving the way for the future: Capability building

On STADA's growth journey to become the partner of choice in Consumer Healthcare, Generics, and Specialty, it is fundamental to constantly challenge the status quo and build critical capabilities needed for future growth. Emphasizing continuous learning as part of both individual and organizational growth, a training program on **Digital Commerce** was launched, available to all employees groupwide. So far, over 1,000 employees demonstrated a strong growth mindset and participated in the training.

Certification as Top Employer Europe 2023

STADA has strengthened its **position as an employer of choice** by receiving certification as a top employer in Germany, Serbia, Bosnia and Herzegovina, Montenegro and, for the first time, in Bulgaria. Recent highlights recognized through the certification included the company's Purpose & Values, the #CaringForYou program as well as STADA's continuous learning approach. With females making up more than half of STADA's global workforce and management team, and 88 nationalities represented in the organization globally, STADA benefits from a unique array of experiences, viewpoints, and talents.

Connecting People

STADA organised **Family Days** in various countries to give families and friends the opportunity to learn more about the workplace of their loved ones. It also gives employees the opportunity to share their personal stories and showcase their workplace, fostering a sense of pride and belonging. All over the world, from the UK to the Czech Republic and from Serbia to Vietnam, local STADA affiliates have initiated family days to strengthen the bond between employees, their families and the company.

"STADA is a testimony of Culture drives Performance. It is our ambition to continue building a sustainable environment in which our people grow and excel, today and tomorrow. I truly believe that a healthy, self-empowered organization translates to a strong growth culture that ultimately drives performance!"

Simone Berger
Chief People Officer

SUSTAINED PROGRESS PUTS STADA IN TOP 6% ON ESG

STADA is proud to be among the most sustainable pharmaceutical companies globally. This independent assessment reflects the group's commitment to working as a trusted partner with customer, regulator and capital market stakeholders to ensure that STADA has sound foundations for sustained success.

Assessing STADA for the first time as 'low risk' in its Environmental, Social and Governance (ESG) Risk Ratings, independent agency Sustainalytics in December 2023 ranked STADA among the top 6% of all companies within its Pharmaceuticals sector, comprising almost 900 companies appraised in terms of ESG risk.

Italy's 'Tour della Salute' health tour, sponsored by STADA's EG affiliate, offerd health screening in 20 cities between April and October 2023

Assessed as having low risk

"STADA Arzneimittel AG's management of ESG material risk is strong," Sustainalytics stated in improving STADA's risk rating from 22.2, or "medium risk" in December 2022, to 18.4, or "low risk", in December 2023. This assessment was based on a comprehensive framework of more than 70 management indicators designed to provide an in-depth analysis of a company's ESG strengths and weaknesses.

In particular, Sustainalytics assessed as "strong" STADA's risk management in terms of: product governance; business ethics; corporate governance; emissions, effluent and waste; carbon from own operations; and bribery and corruption. Working closely with stakeholders to make a positive impact on customers, society and the planet lies at the core of STADA's purpose: Caring for People's Health as Trusted Partner. This is reflected in the Group's membership of the United Nations Global Compact since 2021, through which it supports the Sustainable Development Goals, in particular: 3 – Good Health and Well-Being; 8 – Decent Work and Economic Growth; 9 – Industry, Innovation and Infrastructure; 12 – Responsible Consumption and Production; 17 – Partnership for the Goals. Progress in these areas is evidenced via annual Sustainability Reports.

Corporate committment, local engagement

Sustainability comes naturally at STADA. The Group's progress on ESG topics is a combination of a clear commitment to improvement at corporate level allied with a broad array of regional, national and local initiatives that make a real difference at community level. From Expo presentations in Romania and the Balkans, an extensive health tour in Italy, via mental health outreach campaigns in Serbia to medical aid provision in rural Vietnam, STADA is taking action that counts.

Semi-solid forms (e.g. creams, lotions)

Solid dosage forms (e.g. tablets, coated tablets, capsules)

Liquids

Sterile liquids

Packaging

Research & development

Huddersfield

Preston

Bad Vilbel

Pfaffenhofen

Uetersen

Bila Tserkva

Trinec

Tulln

Turda

Sabac

Vrsac/Dubovac

Banja Luka

Podgorica

Miyun

Tuy Hoa (PME1 and PME2)

Ensuring we protect the environment, make a positive impact on society and comply fully with all relevant governance regulations aligns perfectly with STADA's Purpose of Caring for People's Health as a Trusted Partner.

Christoph Dengler
Head of Global Legal

Through our network of 17 production sites worldwide, supported by partnerships with thousands of trusted suppliers, STADA makes a major contribution to providing patients access to high-quality, medicines.

Miguel Pagan
Chief Technical Officer

CONSUMER HEALTHCARE CONTINUES ITS SUCCESS STORY WITH STRONG GROWTH

STADA has become the market leader in Consumer Healthcare in Germany. The company has also secured market leadership in Serbia and ranks second in Belgium. Sales in France, Italy and Spain also grew strongly during the past financial year. This makes STADA the fourth-largest Consumer Healthcare company in Europe.

The CHC division grew by 17% on a global basis. The division's progress is thus even higher than the already strong performance of the STADA Group as a whole. More importantly, STADA's CHC segment is growing more than twice as fast as the market.

Sales increases for Aliud Nasal Spray, Grippostad, Silomat and Elotrans, among others, ensured STADA occupied the top position in CHC in Germany.

Local „hero brands" for global success

Strategically, STADA continues to focus on local "hero brands". Think globally, act locally - this motto remains the most important success factor. With strong local brands, STADA is both closer and faster to the customer and more flexible in competition.

> ***STADA CHC has strongly outperformed the market. By broadly activating our unique portfolio of local brand heroes across categories and countries, we have delivered exceptional growth of 17%. Testimony that our corporate culture - the agile and entrepreneurial thinking and actions of our employees – is the basis for our continuing success.***
>
> **Volker Sydow**
> Head of Global Consumer Healthcare

The local “hero brands“ have a high degree of brand awareness and strong customer loyalty.

They therefore make an active contribution to the company’s global success. With the additional acquisition of brands that fit perfectly into STADA’s company and portfolio, the Group is continuing its unique success story.

Continuous expansion of the brand portfolio

A second strategic focus is the extension of the portfolio. STADA has once again acquired established and leading local CHC brands from Sanofi, thereby expanding its portfolio in European markets such as Belgium, Germany, Hungary, Spain, Sweden and the United Kingdom. This acquisition is the latest example of STADA‘s continuous and successful business development.

In 2021, STADA acquired 16 brands from Sanofi and in 2022 signed an agreement for the distribution of Sanofi’s CHC portfolio in 10 countries in Central Asia, which became effective in 2023. In 2020, STADA also purchased from GSK 15 established OTC brands across numerous therapeutic areas in more than 40 countries. In the same year, STADA also expanded its portfolio by acquiring the Czech healthcare company Walmark.

The success story continues

STADA achieved double-digit CHC growth in Germany, France, Bulgaria, Italy, Spain, Romania and Switzerland.

Well-known brands gain market share

The non-prescription medicines market grew by 7% in 2023. The main drivers were cough and cold medicines, digestive remedies and analgesic medicines.

Cough and cold remedies in particular were in high demand in other European countries and in Germany. Well-known STADA brands such as Grippostad, Multilind, Kamistad and Synthol further expanded their strong market positions. Line extensions for Multilind, Lemocin, Elotrans, Nizoral/Terzolin, Cetraben, Hoggar and Lisomucil also contributed to market-share gains in the Consumer Healthcare segment.

Well-known STADA products also available in China

In addition to the European business, STADA has also expanded sales of cough and cold medicines in China. Since 2021, Eunova has been sold in China as “Cross Border Distribution“. In February 2023, it was voted the most popular vitamin B12 brand on Tmall, the country’s largest sales platform. Overall, the e-commerce/online sales segment grew by 29%. Growth was driven by Germany, the UK and China.

“Based on a thorough understanding of people’s needs and desires, we develop appealing innovations that extend the value of our strong local hero brands.”

Yann Brun
Head of Global Development, Portfolio, Regulatory and Business Development/Licensing

GENERICS: ENABLING AFFORDABLE ACCESS

Generic medicines make an important contribution to ensuring that patients all over the world have access to high-quality, affordable medicines. As a leading supplier of generics, STADA plays a key role in supporting health systems around the world.

Containing the same active ingredient at the same dose as an original reference medicine, and manufactured according to the same quality standards as all other medicines, generics enable a wide range of diseases and healthcare conditions to be treated at a fraction of the cost of original medicines.

Europe's fourth-largest supplier

For more than a century, since its formation by German pharmacists in 1895, STADA has been providing healthcare professionals with a wide range of high-quality medicines that they can prescribe and dispense for their patients with confidence. As Europe's fourth-largest manufacturer and supplier of generic medicines by value, as well as a key provider in selected other countries around the world, STADA makes a major contribution to the economic sustainability of healthcare systems.

Billions of savings generated

The „Global Use of Medicines 2024" report published by IQVIA has calculated, that competition upon loss of exclusivity for original small-molecule or non-biologic medicines would reduce medicines expenditure in 10 developed countries by US$133 billion between 2024 and 2028. The ability of healthcare systems and payers to realize such savings through generic competition creates the financial headroom for them to invest in novel therapies.

Generics lead on major diseases

IQVIA's analysis found that generics comprise around 80% by volume of medicines dispensed in therapeutic categories such as cardiovascular, central nervous system, immunology, oncology and respiratory. Across these therapeutic categories and many more, STADA supplies a broad range of products in multiple delivery forms that are used and dispensed in hospitals, clinics and pharmacies around the world every day. This reliable provision is based on competitive cost of goods and an efficient manufacturing network, combined with a powerful commercial platform and local expertise in countries throughout Europe and in selected emerging markets.

"Generic medicines are crucial in ensuring that patients have access to high-quality medicines at affordable prices, and are indispensable for the financial viability of healthcare systems. Therefore, European legislators must ensure that their decisions preserve and enhance patient access to these essential medicines."

Stephan Eder
Head of Western Europe

Working closely with a network of trusted development, manufacturing and distribution partners, the Group constantly replenishes its Generics portfolio. During 2023, additions to STADA's Generics offering included the anticoagulant apixaban, the diabetes drug sitagliptin and the analgesic tapentadol. Among further launches were tacrolimus for suppressing the immune system, such as after organ transplantation, as well as sugammadex for reversing the effect of muscle relaxants.

Launches contribute to 6% rise

These recent product introductions, along with growth drivers including abiraterone, candesartan and fluticasone/salmeterol, contributed to STADA's adjusted Generics sales increasing by 6% to 1.50 billion in 2023. Accounting for 40% of total group sales, the Generics segment remains a fundamental element of STADA's growth story.

Meeting antibiotic demand in Italy

Antibiotics are among the most important medicines in a doctor's armory, enabling often life-threatening infections to be treated effectively. When an original brand of amoxicillin antibiotics was withdrawn from the market in Italy at the end of 2022, STADA's local EG affiliate stepped up quickly. Acting with agility, EG secured extra supplies that aligned with market demand. In rapid time, the STADA affiliate became the market leader, supplying around one in five packs of amoxicillin in Italy.

Aiding access in Spain

Giving healthcare professionals and patients access to high-quality, affordable therapy options is central to the mission of STADA's Generics segment.

In Spain, the company delivered on this goal in 2023 by introducing Almagato STADApharm, the first generic alternative to the leading Almax non-prescription heartburn and acid reflux brand.

With almost one in three Spanish people affected by heartburn, according to data from the Spanish Society of Gastroenterology, Hepatology and Paediatric Nutrition (SEFHNP), Almagato STADApharm mint-flavored oral suspension sachets and chewable tablets represent an attractive addition to Spanish citizens' options for caring for their own health.

Supporting Red Cross in Germany

STADA's comprehensive OTC generics portfolio in Germany spans products for pain relief, stomach

remedies, cough & cold, allergy, skin/hair/nails, and vitamins and minerals. To highlight this breadth of offering, the company in 2023 launched the "STADA immer da" or "STADA is always there" campaign. Through a contribution for every OTC generics pack sold through pharmacies in Germany, STADA was able over the past year to donate more than €250,000 to good causes coordinated with the German Red Cross organization.

> ***Data from the STADA Health Report show that many Eastern Europeans see room for improvement in their national healthcare systems. The use of generics can simply ensure access to high-quality medicines at affordable prices.***
>
> **Christos Gallis**
> Head of Eastern Europe

SPECIALTY: SERVING SPECIFIC PATIENT NEEDS

As STADA's fastest-growing product segment in 2023, Specialty is an increasingly essential element of the group's growth strategy.

Specialty Pharmaceuticals serve specific needs of patients and their caregivers. By developing and supplying these medicines that are typically prescribed and administered by specialist doctors for chronic, complex, severe or rare diseases, the Specialty segment is central to STADA's purpose of Caring for People's Health as a Trusted Partner.

Such therapies include biological medicines that usually require cold-chain storage and administration via injection or infusion; device-aided therapies such as on-body pumps, pre-filled syringes or autoinjector pens; and 'orphan' medicines authorized for treating rare diseases that require specialist treatment.

Tackling chronic conditions

Working closely with trusted partners, STADA's Specialty segment develops, manufactures and supplies therapies that address many serious and chronic conditions, including cancer, arthritis, kidney disease and advanced Parkinson's disease.

A rapidly expanding portfolio in European, Eurasian, Middle Eastern and selected developing countries made Specialty STADA's fastest-growing product segment in 2023. A 25% increase in adjusted annual sales to € 748.8 million accounted for 20% of group sales. This increased role for Specialty within STADA corresponds closely to trends prevalent within the global

"Across therapeutic categories including nephrology, neurology, immunology, oncology and ophthalmology, STADA is bringing innovative Specialty products that meet the specific needs of patients and healthcare professionals."

Bryan Kim
Head of Global Specialty

pharmaceuticals industry. IQVIA forecasts in the report „Global Use of Medicines 2024“ that, by 2028, specialty medicines will account for 43% of global expenditure of medicines. Over the same period, IQVIA expects global spending on biotech medicines to grow by between 9.5% and 12.5% per year.

As one of the first companies to secure approval for, and introduce, a biosimilar in Europe more than 15 years ago with Silapo (epoetin zeta), STADA has since worked closely to build a powerful and diverse portfolio of biologic medicines, augmented by a promising pipeline. During 2023, the US Food and Drug Administration (FDA) approved the STADA-controlled Norbitec facility in Uetersen, Germany, as a manufacturing and storage site for epoetin alfa-epbx drug substance, an important biologic therapy for anemia.

In early 2023, STADA achieved a further milestone in its Specialty strategy by entering the European ophthalmology market through the launch of Ximluci (ranibizumab) in several countries such as Germany and the UK. Used to treat serious retinal diseases, Ximluci - a biosimilar alternative to the reference brand Lucentis - is STADA’s sixth marketed biosimilar. Across multiple markets, STADA continues to increase market share for biosimilars such as Hukyndra (adalimumab), Oyavas (bevacizumab) and Movymia (teriparatide).

First ustekinumab biosimilar approved

A further landmark in Specialty came towards the end of 2023 with the positive opinion issued by the European Medicines Agency for Uzpruvo (ustekinumab), STADA’s biosimilar to the blockbuster Stelara, which has annual sales in Europe of approximately €2.5 billion. With the first European marketing authorization for biosimilar ustekinumab now in hand, STADA is preparing to launch after the expiry of Stelara exclusivity rights in July this year.

“Complementing our strong local presence with consumer healthcare and generics by offering Specialty therapies that meet local market needs is central to our strategy for expanding rapidly in emerging markets.”

Stephane Jacqmin
Head of Emerging Markets

Yondelis®

Rupafin®
Rupatadine 10 mg

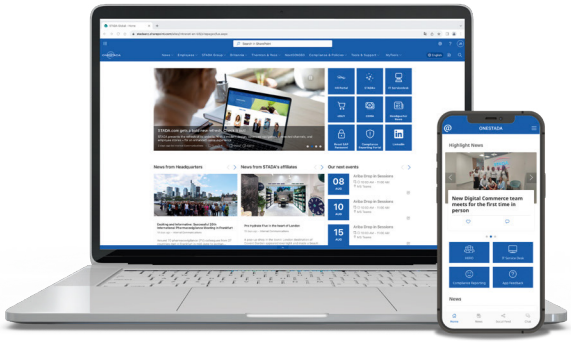
Beyond biosimilars, STADA’s Lecigon pump, a combination of three proven active ingredients for treating late-stage Parkinson’s disease, is now being used by more than 1,300 patients across 18 countries.
By recombining, reformulating and repositioning proven active ingredients, STADA adds value for healthcare professionals and patients.

A prime example is Kinpeygo targeted-release budesonide capsules, the first treatment approved in the European Union for the rare and debilitating kidney disease IgA nephropathy. This therapy is reaching an increasing number of patients in Germany and is now recommended for use by National Health Service trusts in England and Wales.

Augmented by a growing presence with products such as the antihistamine Rupafin (rupatadine) and oncology drug Yondelis (trabectadin) in the Middle East and North Africa, or the oral Parkinson’s medicine opicapone in Australia, Specialty is key element of STADA’s growth strategy.

ONE STADA STORY – WRITING THE NEXT CHAPTER

Integrity through transparency; Agility through responsiveness; Entrepreneurship through imagination; One STADA as our bedrock. Communication brings our values and purpose to life, internally and externally.



12,000 employees connected - A mobile upgrade for STADA

Whether in production or in the office - the new **@OneSTADA app** makes it even easier for colleagues to communicate with each other, share ideas and celebrate successes. The app is a platform that promotes team collaboration and strengthens the team spirit.

Central information hub
Central channel for internal communication and exchange

Customized settings
Subscribe to location-based content and country-specific news channels

Insight into daily services
Information on current events, canteen menu or contact with the IT service desk

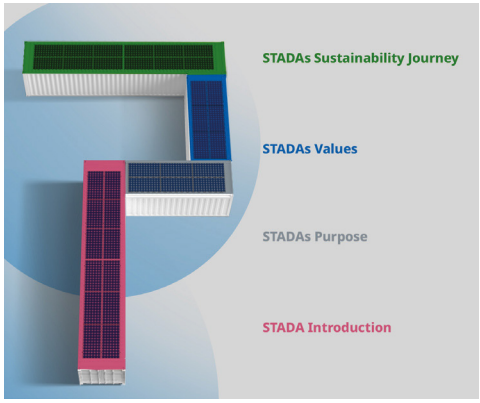
Connect, learn and share
Comment, exchange and share impressions and ideas via the social feed

STADA Expo: Reputation Building, Motivation of Employees, and Promotion of STADA

The STADA Expo is a multi-media and multi-cultural exhibition that showcases STADA's commitment to sustainable development and its focus on positively impacting people's health and the environment. An exhibition that celebrates STADA's heritage, culture, people and sustainable production.

STADA Expo in numbers:

- ***12.1 tons*** of refurbished materials in 4 recycled shipping containers
- ***7.5 kilometers*** of cables and 4.5 tons of multimedia equipment
- ***More than 40 sqm*** of screens and experience zones
- ***Roadshow in 7 cities*** in Serbia, Romania, Montenegro, and Bosnia-Herzegovina so far; continue in 2024
- ***More than 11,000 visitors*** (internal 55% - external 45%)



STADA Health Report

The fifth international STADA Health Report (the ninth in total) focuses on preventive health. Other topics include trends in health spending, acceptance of medical technologies, evaluation of health care systems and service providers as well as the further development of pharmacy services.

The representative survey of 32,000 people in 16 European countries focuses on the health-related needs, concerns, and behaviours of the European population. By providing scientifically based results on a wide range of topics that are of interest to both external and internal target groups, the report makes an important contribution to STADA's goal of "Caring for People's Health as a Trusted Partner".

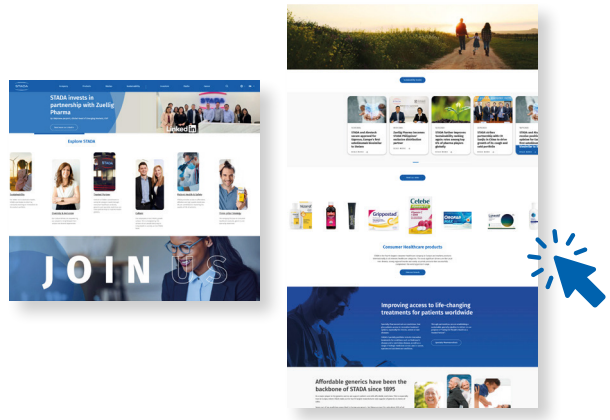
The kick-off press conference in Madrid was covered by a wide range of media, including well-known newspapers, online channels, national news agencies and TV stations. The results were widely discussed and shared on LinkedIn and Instagram. In addition to the international press conference, many affiliates organised additional events for local media and other stakeholders.

Another highlight in addressing stakeholders was the presentation of the Health Report at the Healthcare Summit of Politico, a leading international media platform for EU politics and business in Brussels.

Digital journey continues

The establishment of a STADA brand architecture and the launch of a website relaunch project were the first steps towards strengthening the STADA umbrella brand in 2017. Today, the transformation to a common design approach for the websites counts: 184 websites in the same content management system, all following the same digital style guide.

- » ***184*** Corporate and product websites launched up to December 2023
- » ***30*** Affiliates involved
- » ***21*** Sites launched in the past 12 months



"We are convinced that well-connected and committed employees strengthen the growth culture of our company."

Frank Staud
Head of Global Communications, Branding & Sponsoring

2023 IN FIGURES
STADA HAS OUTPERFORMED ITS COMPETITORS

With 14% sales and 19% profit growth on an adjusted basis, STADA maintained its strong growth momentum in 2023.

+14 %

Group sales 2023 (adjusted) € 3,734.8 million

+19 %

EBITDA 2023 (adjusted) € 802,0 million

95

Number of licensing deals in 2023

> ***STADA's ability to maintain double-digit growth on the top and bottom line is a testament to the effectiveness of our consistent strategy, vision, values and purpose.***
>
> **Boris Döbler**
> Chief Financial Officer

2023

86 %

On Time In Full supplies

> 1.1 billion

Packages sold

in top 6 %

of the global pharma companies on ESG

11,466 employees

worldwide (on average - based on FTE) + 8%

52 %

Women in leadership positions

94 %

employee satisfaction score

Our Purpose

Caring for People's Health as a Trusted Partner

1

Caring for People’s Health

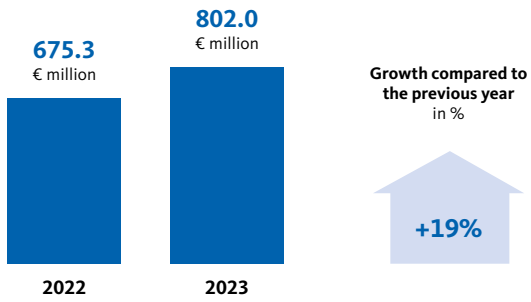
STADA's dedication to people's health is reflected in its commitment to improving society's access to competitive, off-patent treatments that meet the highest quality standards. STADA believes that everyone should have access to high-quality healthcare, regardless of their financial situation. By providing affordable treatments, STADA contributes to improving the health and well-being of people around the world.

STADA KEY FIGURES

Key figures for the Group, adjusted in € million	2023	2022	±
Group sales	3,734.8	3,288.3	+14%
Consumer Healthcare	1,489.2	1,275.6	+17%
Generics	1,496.8	1,413.9	+6%
Specialty	748.8	598.8	+25%
EBITDA	802.0	675.3	+19%
EBITDA margin	21.5%	20.5%	+1.0pp
Gross profit from sales	1,843.7	1,641.2	+12%
Gross margin	49.4%	49.9%	-0.5pp

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

EBITDA adjusted[3] increases by +19%



Reported key figures for the Group in € million	2023	2022	±
Group sales	3,734.8	3,297.7	+13%
Consumer Healthcare	1,489.2	1,281.4	+16%
Generics	1,496.8	1,413.9	+6%
Specialty	748.8	602.4	+24%
EBITDA	802.1	678.9	+18%
EBITDA margin	21.5%	20.6%	+0.9pp
Gross profit from sales	1,749.5	1,554.8	+13%
Gross margin	46.8%	47.1%	-0.3pp
Cash flow from operating activities from continuing operations	428.4	570.8	-25%
Investments	321.9	276.6	+16%
thereof organic	236.4	254.5	-7%
thereof acquisitions	85.5	22.1	>+100%
Employees (average number – based on full-time employees)	11,466	10,664	+8%

Non-financial key figures for the Group	2023	2022	
Sustainalytics ESG Risk Rating Score[1]	18.4 Low Risk	22.2 Medium Risk	
Women in management positions	52%	52%	

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) Adjusted for special items and currency effects..

1) Source: Sustainalytics. Copyright ©2023 Sustainalytics. All rights reserved. See also imprint. Additional information on STADA's sustainability activities can be found at https://www.stada.com/about-stada/sustainability.

REPORT OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

Dr. Günter von Au,
Chairman of the Supervisory Board
of STADA Arzneimittel AG

In the year under review, the Supervisory Board performed the duties incumbent upon it under the law and the Articles of Incorporation with great care. It continuously monitored the management of the Company and regularly advised the Executive Board, particularly on the course of business and business policy, corporate planning including financial, investment and personnel planning, accounting and the position and strategy of the Company and the Group. The Supervisory Board was involved directly and at an early stage in all decisions of fundamental importance for the Company.

Composition of the Executive Board and Supervisory Board

In financial year 2023, the Executive Board consisted of Peter Goldschmidt as Chief Executive Officer, Boris Döbler as Chief Financial Officer, Simone Berger as Chief People Officer and Miguel Pagan Fernandez as Chief Technical Officer.

On August 10, 2023, the Annual General Meeting resolved to re-elect Dr. Günter von Au, Tim Baltin, Dr. Eric Cornut, Benjamin Kunstler, Bruno Schick and Dr. Michael Siefke as shareholder representatives on the Supervisory Board of the Company, as the term of office had expired at the end of the Annual General Meeting on August 10, 2023. The new term of office for the six shareholder representatives on the Supervisory Board now runs until the end of the Annual General Meeting that resolves on ratification for the fourth financial year after the start of the term of office. This does not include the financial year in which the term of office begins.

Proven, trusting cooperation with the Executive Board

With the exception of specific Supervisory Board issues, the members of the Executive Board regularly participated in the meetings of the Supervisory Board in financial year 2023. For the first time since the beginning of the pandemic, it was possible for the Supervisory Board to once again hold its meetings in person at the Company's headquarters.

In financial year 2023, the STADA Group again achieved an excellent result and continued on its growth course. Although the reporting year continued to be shaped by geopolitical conflicts and economic challenges, STADA performed better than the industry average and benefited from its consistent growth strategy. With around 11,700 employees, the Group once again demonstrated its ability to perform at a high level.

Key topics discussed between the Executive Board, and the Supervisory Board included the business development of the Company and the Group, the fundamental positioning of the corporate strategy, corporate planning of the Company and the Group as well as the position of the Company and the Group, especially the net assets and financial position.

Due to geopolitical uncertainties, a particular focus also in financial year 2023 was on reporting on the situation together with developments in Ukraine and Russia. In September 2023, the Supervisory Board approved the transfer of STADA's former Russian subsidiaries, which since than are no longer part of the STADA Group.

The Supervisory Board talked regularly to the Executive Board about the Group's financial and liquidity situation, considering especially the investment plans in the Group and the relevant financing, the financing structures, refinancing strategies as well as the development of the debt-to-equity ratio.

The Supervisory Board discussed cost, tax and process optimization measures with the Executive Board and also dealt with all relevant investments and acquisitions. The Executive Board also informed the Supervisory Board regularly, promptly and comprehensively about the risk situation, risk management, internal control systems and questions related to compliance.

The Supervisory Board and the Executive Board also addressed market structures, development of demand, the competitive situation, price development, terms and discounts and the development of the market share of the Group and relevant competitors. The Supervisory Board also regularly obtained an overview of the Group's product development and product portfolio. The Supervisory Board also again addressed the topic of sustainability & ESG (Environmental, Social, Governance) in financial year 2023 and received regular reports from the Executive Board on the relevant developments and activities related to ESG within the Group. The importance of sustainability for STADA is also reflected in the fact that the Supervisory Board has once again linked part of the variable Executive Board remuneration to the achievement of defined ESG targets.

The Supervisory Board would like to thank the members of the Executive Board as well as the management and all employees of the Group worldwide for their extraordinary commitment and constructive cooperation over the course of the past financial year.

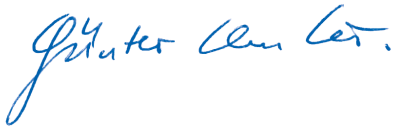
Annual and Consolidated Financial Statements, audit, Non-Financial Report

The Annual Financial Statements of STADA Arzneimittel AG and the Consolidated Financial Statements as of December 31, 2023 as well as the Combined Management Report for STADA Arzneimittel AG and the Group for financial year 2023 were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and issued with an unqualified audit opinion. The Audit Committee awarded the audit contract on behalf of the Supervisory Board and determined the main areas for the audit with the auditor. The auditor issued a Statement of Independence to the Supervisory Board.

On the basis of the preparation by the Audit Committee, the Supervisory Board examined the Financial Statements and the Consolidated Financial Statements prepared by the Executive Board, the Combined Management Report for STADA Arzneimittel AG and the Group on financial year 2023. The Supervisory Board had at its disposal all the necessary documents and the auditors' reports, which were also the subject of extensive discussion with the auditors and the Executive Board during the balance sheet meeting. Following the final results of its own audit, the Supervisory Board raised no objections and approved the results of the audit. It approved the Annual Financial Statements prepared by the Executive Board and audited by the auditors, as well as the Consolidated Financial Statements.

Furthermore, the Audit Committee and the Supervisory Board dealt with the Combined Separate Non-Financial Report for STADA Arzneimittel AG and the Group prepared by the Executive Board for financial year 2023. Auditing firm PricewaterhouseCoopers GmbH conducted an audit to obtain limited assurance and issued an unqualified audit opinion. The documents were carefully examined by the Audit Committee and the Supervisory Board at its balance sheet meetings and discussed with the Executive Board and auditor representatives. Following their review, the Supervisory Board had no objections.

Bad Vilbel, March 13, 2024



Dr. Günter von Au
Chairman of the Supervisory Board

Our Strongest Growth Drivers

Consumer Healthcare with Strong Local Brands

2

OneSTADA

Leverage the Power of the Team!

Communication

We communicate transparently and in a fact-based way.

We simplify and get to the point.

Teamwork

We contribute to the team's ambitions.

We collaborate to achieve common goals.

Personal Growth

We own our growth journey.

We strive to be the best at what we do.

Complexity

We navigate a complex environment.

We leverage our network for acceleration.

COMBINED MANAGEMENT REPORT OF THE EXECUTIVE BOARD

Fundamental Information about the Group

Business Year 2023 Overview

STADA continued its strong growth journey in the reporting year, achieving double-digit growth in sales and earnings from continuing operations. On an adjusted[1)] basis, Group sales rose by 14% to € 3.73 billion, while earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 19% to € 802.0 million.

In financial year 2023, STADA carried out a reorganization within the Group. In this context, STADA transferred its shareholdings in its former Russian subsidiaries to Nidda Lynx S.à r.l., a Luxembourg-based holding company held by Nidda Midco S.à r.l., in September 2023. Since then, the Russian companies are no longer subsidiaries of the STADA Group. The financial and other key figures in this Group management report include only the figures and data from continuing operations, unless stated otherwise.

Group sales and profit growth from continuing operations in the reporting period was the product of improved performances by all three of STADA's product segments: Consumer Healthcare, Generics and Specialty.

Similarly, all key regions contributed to the Group's sales and profits increase. This confirms STADA's broad-based strategy that is not dependent on individual products, categories or countries.

The Group's success is based on offering a broadly diversified portfolio of pharmaceuticals and healthcare products in around 115 countries worldwide, covering essentially all major therapeutic categories. Despite numerous geopolitical and macroeconomic challenges, STADA was able to maintain strong supply reliability, with service levels maintained at 86%.

To further support supply reliability, STADA invested considerably in its manufacturing and supply-chain network over the course of 2023. Such initiatives include a new supply-chain hub in in Turda, Romania, in which STADA is investing more than € 50 million. Construction is now essentially complete, and equipment is being installed and validated.

STADA's ability to step in to avert potential product shortages in Europe has been further strengthened by confirmation that its factory in Tuy Hoa, Vietnam, received certification in accordance with European good manufacturing practice (GMP) standards. This endorsement also serves as testament to the high quality of products supplied from the Vietnam site to local markets in South-East Asia.

Following an inspection of the Norbitec GmbH biologics facility in Uetersen, Germany, the US Food and Drug Administration midway through 2023 approved the STADA-controlled facility as a manufacturing and storage site for epoetin alfa-epbx drug substance.

In strengthening its global capacity to supply medicines around the world, STADA pays particular attention to doing so in a sustainable manner. The success of this approach was demonstrated in December 2023 by independent rankings agency Sustainalytics, which lowered the Group's Environmental, Social and Governance (ESG) risk rating from medium (22.2) to low (18.4). This low-risk ranking places STADA among an elite group as within the top 6% of pharma companies worldwide in terms of ESG risk rating.[1)]

In 2023, STADA reinforced its fourth-place ranking in Europe's consumer healthcare[2)] and generics[3)] markets, whilst significantly strengthening its offering of Specialty medicines that include biosimilars, Parkinson's disease therapies and an orphan medicine for a rare kidney disease.

With adjusted sales ahead by 17% to € 1.49 billion – accounting for 40% of total Group sales – the Consumer Healthcare segment continued to outpace its main competitors. In Germany, STADA became consumer healthcare market leader in 2023.

1) Where the term "adjusted" is used in this Chapter, it refers to the adjustment for special items and currency effects.

1) Source: Sustainalytics. Copyright © 2023 Sustainalytics. All rights reserved. See also Publishing information. Additional information on STADA's sustainability activities can be found at www.stada.com/sustainability.
2) Based on internal analysis by STADA using data from the following source: IQVIA CH Customized Insights based on CORP data attribute and CHC classes 1–19, 97, sales value in LC€/PUB, calendar year 2023, reflecting estimates of real-world activity in 26 countries in Europe (excludes Russia and Sweden). Copyright IQVIA. All rights reserved.
3) Based on internal analysis by STADA using data from the following source: IQVIA MIDAS® MAT/12/2023: sales values, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved.

In Europe and in terms of sales growth, STADA outperformed all other top-10 companies in consumer healthcare, thereby narrowing the gap to the top three largest corporations.[1)] The Group also improved its consumer healthcare market position in countries like France and Italy.[2)]

STADA's status as an attractive partner of choice for strong local consumer healthcare brands was evidenced again in mid-July through the acquisition from Sanofi of a further range of brands such as Antistax®, Lomudal®, Omnivit® and Opticrom®. Building on a successful partnership in 20 European countries, STADA was also appointed exclusive distributor for 19 Sanofi consumer healthcare brands in 10 Eurasian markets.

At the same time, STADA continued to strengthen its consumer healthcare presence in emerging markets. For example, in December 2023 the company struck a partnership in China with major local player CR Sanjiu to broaden the distribution and promotion of STADA's cough and cold brands including Shidagong, Gelite and Ruike.

Launches such as the anticoagulant apixaban, the diabetes drug sitagliptin and the analgesic tapentadol, as well as tacrolimus for and sugammadex for reversing the effect of muscle relaxants, contributed to STADA's adjusted Generics sales increasing by 6% to € 1.50 billion in 2023.

With a strong number four position in Europe's retail generics market and a well-stocked pipeline through both in-house development projects and strategic partnerships, STADA's Generics business remains a fundamental pillar of the company, contributing 40% of total Group sales.

Adjusted sales by STADA's Specialty segment increased by 25% to € 748.8 million in 2023 and accounted for 20% of Group sales.

Within this segment, STADA in early 2023 achieved a further 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.

Another landmark in Specialty came towards the end of 2023 with the positive opinion issued by the European Medicines Agency for Uzpruvo® (ustekinumab), STADA's biosimilar to the blockbuster Stelara®, which has annual sales in Europe of approximately € 2.5 billion. This positive opinion was the precursor to a marketing authorization for ustekinumab valid throughout the European Economic Area.

In addition to biosimilars, STADA's Lecigon® pump, a combination of three proven active ingredients for the treatment of late-stage Parkinson's disease, is now available in 18 countries, offering a treatment option for more than 1,300 patients. In nephrology, Kinpeygo®, the first treatment approved in the EU for the rare and debilitating kidney disease IgA nephropathy, is reaching an increasing number of patients in Germany and was, at the end of 2023, recommended by the UK's NICE agency for use within the country's National Health Service.

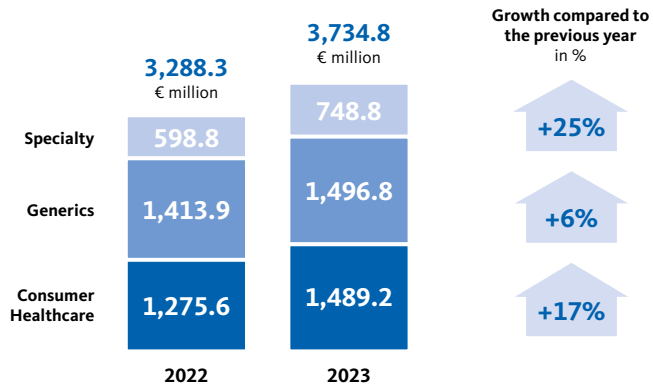
Group's Business Model

Focus of the business model on Consumer Healthcare, Generics and Specialty

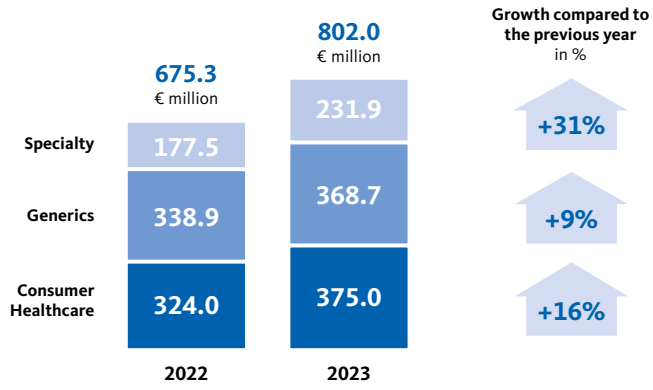
STADA is a leading healthcare and pharmaceutical company with a business model focused on the Consumer Healthcare, Generics and Specialty segments and a successful track record spanning more than 125 years. The Group develops, produces and markets a highly diversified product portfolio with more than 24,000 SKUs covering various therapeutic areas and a significant number of leading products. STADA distributes its products in approximately 115 countries and has a direct presence in all major European markets, as well as in the MENA region, Asia and Australia.

1) Based on internal analysis by STADA using data from the following source: IQVIA CH Customized Insights based on CORP data attribute (limited to Top 10 CORP) and CHC classes 1–19, 97, sales growth in LC€/PUB, calendar year 2023 vs calendar year 2022, reflecting estimates of real-world activity in 26 countries in Europe (excludes Russia and Sweden). Copyright IQVIA. All rights reserved.
2) Based on internal analysis by STADA using data from the following source: IQVIA CH Customized Insights based on CORP data attribute and CHC classes 1–19, 97, sales value in LC€/PUB, calendar year 2023, reflecting estimates of real-world activity for France and Italy only and comparing company ranking 2023 vs 2022 in the respective countries. Copyright IQVIA. All rights reserved.

Sales growth adjusted[1)]



EBITDA growth adjusted[1)2)]



1) Adjused for special items and currency effects.
2) Excluding Group holdings/other.

In terms of value, STADA ranks as the fourth-largest player in Europe in the market for Generics and OTC Medicines.[1)] The STADA Group's market position is strengthened as a result of its size, its well-known brands, its reputation, the breadth of its product portfolio, its local market expertise and its established distribution channels. The Group continually works to optimize its costs, including through a cost-effective manufacturing footprint comprising 17 production facilities across Europe and Asia. STADA has a strong product pipeline and launched approximately 880 products in financial year 2023. Its impressive track record is based on both organic growth and targeted acquisitions. The Group aims to further expand its business and continuously increase profitability by marketing its extensive product portfolio. In the reporting year, the Group generated sales, adjusted for special items and currency effects, of € 3,734.8 million and EBITDA adjusted for special items and currency effects of € 802.0 million.

STADA has categorized its products into the following three segments: Consumer Healthcare, Generics and Specialty:

CONSUMER HEALTHCARE

STADA's Consumer Healthcare segment comprises non-prescription medicines with regulatory status as over the counter (OTC) medicine or medical devices, cosmeceuticals and cosmetics, vitamins, minerals & supplements and also certain consumer products such as the household disinfectant Zoflora®. Consumer healthcare products are marketed through their product features as well as with a focus on awareness and trust in the product or company brand as well as endorsement by healthcare professionals such as pharmacists or doctors. Despite the fact that the Group has many strong and large brands many of which occupy a strong position in their respective markets[2)], the product portfolio of the Consumer Healthcare segment is highly diversified. The ten top selling consumer healthcare products accounted for 24% of sales in the Consumer Healthcare segment in 2023.

1) Based on internal analysis by STADA using data from the following source: IQVIA MIDAS® MAT/12/2023: sales values, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved.
2) Based on internal analysis by STADA using data from the following source: IQVIA CH Customized Insights based on International Product data attribute and CHC3 classes 01A3 DRY COUGH PRODUCTS, 02D1 MOUTH PAIN RELIEF, 03D3 ANTIDIARR ELECTROL, 06G3 ANTIFUNGALS SKIN/OTHER, 13A3 SLEEPING PRODUCTS, 03F1 PROBIOTICS DIGEST HEALTH, 10B2 TOPICAL ANTIVARICOSE, 03F1 PROBIOTICS DIGEST HEALTH, 04E1 VITAMINS A, D, sales value in LC€/PUB, calendar year 2023, reflecting estimates of real-world activity in Europe (excludes Russia and Sweden) and comparing company ranking 2023 vs 2022 in the respective countries. Copyright IQVIA. All rights reserved.

The top ten selling branded products (and their respective therapy and area of application) in the STADA Consumer Healthcare segment for the reporting year were:

	Product family/branded product	Therapy and area of application
1.	Grippostad®	Cough & cold
2.	Nizoral®	Derma
3.	Zoflora®	Disinfectant
4.	Paracetamol STADA	Pain & relief
5.	SNUP®	Cough & cold/allergy
6.	Ibuprofen STADA	Pain & relief
7.	Silomat®	Cough & cold
8.	HIRUDOID®	Pain & relief
9.	COVONIA®	Cough & cold
10.	Venoruton®	Pain & relief

In the 2023 financial year, sales in Consumer Healthcare amounted to € 1,489.2 million.

GENERICS

STADA's Generics segment comprises prescription drugs sold under an International Non-Proprietary Name (INN Generics). Generics offer a lower cost alternative to the substantially more expensive pharmaceutical originator products. Most of the products in the Generics segment require a prescription for purchase and are only available from pharmacies and hospitals. The market for prescription products is generally characterized by regulated pricing, with competition driven by the reliability of supply and cost competitiveness. STADA's Generics portfolio is broadly diversified, with the ten best-selling products contributing 18% of the Generics segment's sales in the reporting year.

The top ten products in terms of sales (and their respective therapy and area of application in the STADA Generics segment in financial year 2023 were:

	Product family/active ingredient	Therapy and area of application
1.	Tilidine	Pain & relief
2.	Amoxi-Clavulan	Antibiotics
3.	Atorvastatin	Cardiology
4.	Pantoprazole	Gastroenterology
5.	Ezetimibe	Cardiology
6.	Omeprazole	Gastroenterology
7.	Olmesartan	Cardiology
8.	Candesartan	Cardiology
9.	Bisoprolol	Cardiology
10.	Rosuvastatin	Cardiology

In 2023, the Group generated sales of € 1,496.8 million in the Generics segment.

SPECIALTY

The Specialty segment comprises the following four product sub-classes:

- Branded generics, i.e. prescription generics which, as opposed to INN Generics, are sold under a brand/fantasy name

- Specialty generics in accordance with the definition from IQVIA , i.e. prescription drugs for chronic and/or complex and/or rare and/or genetic indications for which four of the following seven criteria must be met: (I) high annual costs, (II) initiated and maintained by a specialist for drug therapy, (III) practitioner administered (IV) special procedure required (refrigerated, frozen, other biohazard), (V) reimbursement assistance required, (VI) limited distribution, (VII) extensive monitoring or comprehensive patient counseling required.[1)]

1) IQVIA 2022 ACTS Annual Report. Copyright IQVIA. All rights reserved.

- Biosimilars, i.e. biologic medical products that are almost an identical copy of an original product that is manufactured by a different company. Unlike generic drugs of the more common small-molecule type, biologics contain active substances from a biological source, such as insulin, growth hormones or monoclonal antibodies ("mabs") – and are often produced by cutting-edge technology. Despite that heterogeneity, biosimilars must maintain consistent quality and clinical performance throughout their lifecycle.

- Specialty pharmaceuticals with an innovative character, in particular the Parkinson's therapies APO-go®, Lecigon® and Kinpeygo®, the first and only drug approved in the EU for the treatment of the rare kidney disease IgAN nephropathy.

Given the growth potential, the Group is continuously expanding its existing product portfolio in the Specialty segment. The ten best-selling specialty pharmaceutical products accounted for 59% of sales in the Specialty segment in 2023.

In the Specialty segment, the ten best-selling specialty pharmaceuticals (with the corresponding reference product) in financial year 2023 were:

	Product family/ branded product	Active ingredient/ reference product	Therapy and area of application
1.	SILAPO®	Epoetin zeta biosimilar	Blood/blood formation
2.	APO-go®	Apomorphine	Nervous system
3.	Oyavas®	Bevacizumab biosimilar	Immune system
4.	Movymia®	Teriparatid biosimilar	Hormones
5.	Lecigon®	L-Dopa/Carbidopa/Entacapon	Nervous system
6.	Hukyndra®	Adalimumab biosimilar	Immune system
7.	Versatis®	Lidocain	Nervous system
8.	Bortezomib STADA	Bortezomib	Immune system
9.	Ocrevus®	Ocrelizumab	Immune system
10.	Kinpeygo®	Budesonid	Nephrology

In the reporting year, the Specialty segment generated sales of € 748.8 million.

Management and Control

The Executive Board of STADA Arzneimittel AG manages the businesses in accordance with the legal requirements, the Articles of Incorporation and the rules of procedure for the Executive Board. It is supported in this by an extended management team – with corporate management lying with the Executive Board.

The Executive Board is appointed and dismissed by the Supervisory Board in accordance with legal regulations. The STADA Supervisory Board is composed in accordance with the German One-Third-Participation Act (Drittelbeteiligungsgesetz) and consists of nine members, including six members who are shareholder representatives and three members who are employee representatives. The Supervisory Board monitors and advises the Executive Board in the management of the business.

On March 20, 2018, a domination and profit and loss transfer agreement between STADA Arzneimittel AG and Nidda Healthcare GmbH was entered into the commercial register at the district court in Frankfurt am Main which grants Nidda Healthcare GmbH the right to issue instructions to the Executive Board of STADA Arzneimittel AG with regard to the management of the Company. STADA, however, is a legally independent entity with the previously described bodies. The STADA Executive Board is also responsible for the management and representation of the Company. Insofar as no instructions are issued, the Executive Board of STADA can and must manage the Company on its own responsibility.

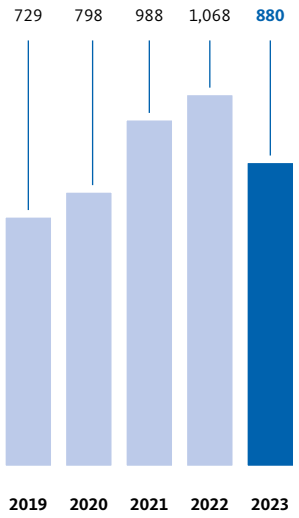
The Group's operational positioning is based on a primary sales and earnings responsibility for the Consumer Healthcare, Generics and Specialty segments by means of regional units to be able to react to country-specific market conditions. This positioning is supported by central Group functions such as product development, procurement, purchasing, production, quality management, finance, risk management, culture & people, legal, compliance and corporate governance.

Product Development

Strategic orientation of development activities

In the area of product development, STADA has established an international network of development hubs with a highly skilled workforce for example in Serbia, Germany, Czech Republic, the United Kingdom, Vietnam and Austria. The expertise in internal development lies in small molecule development, led by STADA's center of excellence in Vršac, Serbia. For consumer healthcare innovation, notably for household and dermocosmetic products, the UK site in Huddersfield acts as the global centre of excellence. In the context of the Specialty segment (e.g., hard-to-make) and pharmaceutical technologies, STADA has established a significant number of partnerships allowing for the reduction of upfront investment into in-house capacities with a high financial risk profile. Regardless of the model is internal or external, STADA's development activities are aligned with the Group strategy and steered by innovation, science, a deep understanding of our customer needs, quality, time-to-market and cost competitiveness with a strong return on investment.

5-year overview:
Number of product launches



Strong competence in development and regulatory

In financial year 2023, the Group again demonstrated its strength in development and regulatory with the introduction of 880 individual products worldwide (previous year: 1,068). As of December 31, 2023, STADA had a well-stocked product pipeline with more than 2,500 approval procedures for over 200 active pharmaceutical ingredients and combinations in more than 60 countries. These include relevant generics as well as numerous consumer healthcare products and specialty pharmaceuticals. In the reporting year, there were over 1,400 new marketing authorization applications and more than 1,000 new marketing authorizations.

In the Generics segment, for example, STADA in 2023 introduced Sugammadex, Fampridin and Apixaban, thereby offering healthcare professionals as well as patients additional alternatives.

Ongoing expansion of the biosimilar portfolio

With a view to growth prospects in the area of biosimilars, the Group is continuously driving the expansion of its biosimilar portfolio. At the end of 2023, STADA had approvals for six biosimilars. These included Silapo®, an erythropoietin biosimilar, Cegfila®, a pegfilgrastim biosimilar, and Movymia®, a teriparatide biosimilar, Oyavas®, a bevacizumab biosimilar, Hukyndra®, an adalimumab biosimilar and Ximluci®, a ranibizumab biosimilar. Furthermore, the Group has licensed further biosimilars that are currently in the development phase. As part of these efforts, there is a collaboration in place between STADA and Xbrane Biopharma AB, a Swedish biosimilar company, which to date has resulted in the approval of the aforementioned ranibizumab biosimilar. In addition, in the cooperation with Xbrane, there is also an option for further biosimilars. There is also an exclusive strategic partnership with Alvotech hf., an internationally-active biopharmaceutical company, and STADA for the marketing of three additional biosimilars in all European core markets and selected markets outside of Europe. This initially includes biosimilar candidates for the treatment of autoimmune diseases, cancer and inflammatory diseases as well as in the area of ophthalmology for patients throughout the world. In the fourth quarter of 2023, STADA announced that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) has issued a positive opinion for Uzpruvo®, a biosimilar candidate to Stelara® (ustekinumab). The European Commission granted approval for Uzpruvo® in the first current quarter of 2024.

Targeted cooperations and in-licensings for the ongoing expansion of the product portfolio

In addition to acquisitions, STADA relies on targeted cooperations and in-licensings for the expansion of the existing broad product portfolio covering all relevant therapeutical segments, both in prescription-based medicines and consumer health care products. Recent examples were the launches of Tapentadol for advanced pain management, Ranolazin for treatment of angina pectoris, or Ibu-Lysin for short-term symptomatic relief of headache and migraine. Through this approach, STADA anticipates achieving synergies that will lead to sustainable growth, ensuring its portfolio remains dynamic, diverse, and well-positioned in meeting the evolving needs of the healthcare landscape.

Ongoing expansion of the Consumer Healthcare segment and STADA's many strong local brands

In the Consumer Healthcare segment, the Group is continuously driving the expansion of existing product lines under strong local brands. Examples of the expansion of existing product lines in the year under review include Nizoral® Expert Daily Shampoo in various European markets, Elotrans® reload, Lemocin® ProHydro, Multilind® Hydro and Cetebe® Immun Aktiv in Germany, Cetraben® Pro-Hydrate5 and Oilatum® Sweet Dreams head-to-toe wash in the UK as well as Pulmex® baby bath in Switzerland. Examples of further international expansion of the business in financial year 2023 include the launch of Lunestil® in Romania, of Hoggar® Melatonin Duo in Germany and under Sedatol® Gold in Italy as well as Kamistad® Mouth Spray in the Baltics and Slovakia.

Procurement and Production

Central needs planning and numerous international production sites

The STADA Group has a centralized requirements planning system. As of December 31, 2023, there were 17 production sites including major locations such as in Serbia, Vietnam and the United Kingdom. Because a large part of the Group-wide production volume is manufactured in low-wage countries, STADA benefits from structural cost advantages. The Group also achieves lower unit costs as a result of higher capacity utilization.

Ongoing investments

STADA continually invests in the Group's own production facilities and test laboratories. Investments in the modernization and expansion of production plants and production facilities as well as testing laboratories amounted to € 86.0 million in 2023 (previous year: € 51.5 million). This includes € 40.0 million for a new supply chain and packaging site in the Romanian city of Turda. Since the beginning of the project, STADA has invested approximately € 54 million in the expansion of this new Romanian location.

Sales and Marketing

International Group structure with national-level sales companies

The STADA Group has an international sales structure made up of nationally focused sales companies. In accordance with the operational positioning, the subsidiaries that are active in sales are organized centrally, but they also have a strong market proximity and entrepreneurial agility. The Group sells its products, including the export share, in approximately 115 countries.

The local presence in 34 countries allows the Company to stay close to the local needs of its customers and patients and to optimally navigate the various regulatory requirements, tender and reimbursement regimes. Building on this strong local presence and infrastructure, STADA aims to continuously foster its marketing and sales capabilities. This comprises

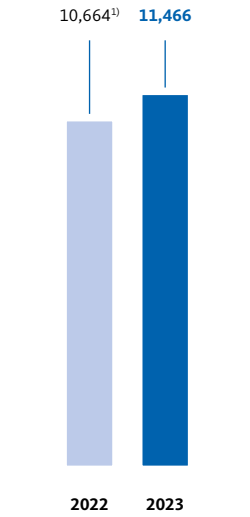
not only typical selling and marketing activities and investments, but also capabilities around trade terms and cost optimization, strategic pricing on consumer healthcare products, advanced tender analytics for generics as well as continued improvements in the area of tools and digitalization, including Customer Relationship Management tools and eCommerce.

Employees

Global Culture & People – strengthening STADA's special growth culture

At STADA, personnel policy is managed centrally by the Global Culture & People (HR) department at Group headquarters. The four global Centers of Expertise (CoE), Talent Acquisition & Employer Branding, Talent Management, Performance & Rewards as well as People Analytics & Digital Experience define priorities, standards, guidelines and processes implemented by the Group-wide companies and supplemented with a view to market-specific conditions. Given the macroeconomic situation, Global Culture & People in 2023 put a strong focus on Performance & Rewards given the overall macro-economic situation and implemented policy and benefits to remain competitive, especially in high inflation markets. In addition, Global Culture & People set up a dedicated Talent Acquisition & Employer Branding team to emphasize STADA's unique employee value proposition in each of its markets and to be a talent magnet in a candidate driven labor market environment. Furthermore, specific learning programs were implemented groupwide. The functional areas generally define the standards, guidelines and processes implemented by the Group-wide companies and supplemented with a view to market-specific conditions. There are also functional reporting lines from local HR managers to global Culture & People leadership and a global Culture & People management team with local representatives from the largest market regions.

Average annual number of employees



Two major employee surveys were also carried out in the reporting year, and a record level of participation was achieved in May. A clear signal that employees and the Company operate on a foundation of shared values.

Development in the number of employees

The average number of employees in the STADA Group increased by 8% to 11,466 in financial year 2023 (previous year: 10,664). The growth was primarily due to an increase in employee capacity in production, particularly in Serbia and Romania, as well as in sales & marketing, especially in Germany and the rest of Europe. Worldwide, the number of employees increased by 7% to 11,667 as of the balance sheet date (December 31, 2022: 10,859). This growth was mainly due to the reasons for the increase in the average number of employees described above.

The proportion of women employed in management positions at the Group in 2023 amounted to approximately 52% (previous year: approximately 52%).

There were several changes at subsidiaries in financial year 2023 – NextGEN360 Ltd (United Kingdom) and AO Nizhpharm as well as OOO Hemofarm (both Russia) and their units were deconsolidated in the course of the year and have no longer been part of the STADA Group since then. This means that 2,281 employees left the Group in the reporting year.

1) 2022 without Russian companies.

Declaration in accordance with Section 289f (4) of the German Commercial Code (HGB)

In accordance with Section 76 (4) AktG and Section 111 (5) AktG, the Executive Board and the Supervisory Board have agreed the following targets for the proportion of women in the first and second management levels below the Executive Board and for the proportion of women on the Executive Board and Supervisory Board.

A) SPECIFICATION BY THE EXECUTIVE BOARD PURSUANT TO SECTION 76 (4) AKTG REGARDING THE PROPORTION OF WOMEN IN THE TWO MANAGEMENT LEVELS BELOW THE EXECUTIVE BOARD

In financial year 2019, the Executive Board set a target for the proportion of women in the first management level at STADA Arzneimittel AG of 16.7% and 38.2% in the second management level pursuant to Section 76 (4) of the German Stock Corporation Act (AktG) with a deadline for implementation of December 31, 2023.

With a proportion of women at the first management level of 29.1% as of December 31, 2023, the target set in 2019 (16.7%) was exceeded. With a proportion of women at the second management level of 52.2% as of December 31, 2023, the target set in 2019 (38.2%) was exceeded.

At end of the financial year 2023, the Executive Board set a target for the proportion of women in the first management level at STADA Arzneimittel AG of at least 30% and at least 50% in the second management level in accordance with Section 76 (4) of the German Stock Corporation Act (AktG) with a deadline for implementation of December 31, 2028.

B) SPECIFICATION BY THE SUPERVISORY BOARD IN ACCORDANCE WITH SECTION 111 (5) AKTG AND REPORT ON THE ACHIEVEMENT OF TARGETS

Target for the proportion of women on the Executive Board

In December 2022, the Supervisory Board resolved to maintain the status quo of one woman on the Executive Board for the period until December 31, 2027.

Target for the proportion of women on the Supervisory Board

In December 2022, the Supervisory Board resolved to adhere to the previous target of one woman for the period until December 31, 2027 for the target proportion of women on the Supervisory Board.

Objectives and Strategies

Three strategic segments and five strategic priorities as the basis for long-term, profitable growth and a sustainable increase in value

With its business model the Group particularly aims to achieve long-term and profitable growth as well as to sustainably enhance Company value (see "Fundamental Information about the Group – Internal Management System").

In this regard, STADA focuses on the three strategic segments of Consumer Healthcare, Generics and Specialty, which are continuously being expanded through organic growth, suitable acquisitions and international partnerships in the areas of development and production.

In order to steadily drive its growth course, the Group is also focusing on the five strategic priorities "Leading marketing and sales capabilities", "Superior growth through portfolio acceleration", "Optimization of the cost-efficient operating model", "Highly efficient and reliable supply chain" and "Growth culture".

The five strategic priorities of the STADA Group

LEADING MARKETING AND SALES CAPABILITIES

STADA has a leading marketing and sales platform in Europe and selected international markets. STADA's flexible and highly synergetic marketing model allows the company to market its own products, partner products or potential future products and to draw on existing local platforms. With the targeted use of technology, STADA is in a very good position to adapt to any changing customer requirements and commercial opportunities that may arise from new technology solutions.

STADA has a strong track record in the successful acquisition and commercialization of licensed products, particularly in the area of Consumer Healthcare (CHC). In 2023, STADA was able to further strengthen its position as a preferred partner by acquiring additional leading local European consumer healthcare brands from Sanofi and concluding a distribution agreement for brands in Eurasia with Sanofi in the second quarter of 2023. A similar agreement was already signed between STADA and Sanofi in Northern Europe in 2022. The company's active acquisition policy opens up the opportunity for the Group to achieve geographical growth, particularly in markets that are already developed and profitable. The Group is, however, also open to new growth opportunities.

SUPERIOR GROWTH THROUGH PORTFOLIO ACCELERATION

STADA has an extensive product pipeline in Consumer Health Care (CHC), Generics and Specialty/Biosimilars. In CHC, STADA relies on a strategy of acquiring strong local brands and successfully integrating them. With successful product launches in 2023, including Elotrans® Reload, Zoflora®, Hoggar® Melatonin und Nizoral®, STADA further expanded its leading position in the CHC market and secured fourth place in the European CHC market as well as the top position in Germany.[1)]

In the generics business, STADA offers an extensive product range and significant supply security. In financial year 2023, STADA was also able to impress with successful product launches in the Generics segment, including Apixaban, Methylphenidat, Sugammadex and Tapentadol. The company was ranked in an impressive fourth position among the leading generics manufacturers in Europe.

In the Specialty segment, STADA has an attractive biosimilar pipeline for a broad spectrum of therapeutic areas. In financial year 2023, STADA, together with its cooperation partner Xbrane, was able to launch Ximluci® (ranibizumab biosimilar) in several European countries, thereby providing patients with a cost-effective option for the treatment of visual impairment in adults in all indications of the reference biologic. In addition, STADA and its cooperation partner Calliditas Therapeutics applied for full marketing authorization for Kinpeygo® in Europe. And, not least, STADA has also demonstrated its competence as a manufacturer of biosimilars with the FDA approval of the Norbitec plant in Uetersen.

OPTIMIZATION OF THE COST-EFFICIENT OPERATING MODEL

The issue of cost efficiency is key to successful sustainable development. Particularly in light of its extensive product range, the Group is taking advantage of the benefits of its own network of production sites in low-cost countries as well as its modern systems and technologies. Additional cost-saving opportunities arise from the global bundling of procurement activities as well as the optimization of operational processes, including in the supply chain and support functions.

1) Based on internal analysis by STADA using data from the following source: IQVIA CH Customized Insights based on CORP data attribute and CHC classes 1–19, 97, sales value in LC€/PUB, calendar year 2023, reflecting estimates of real-world activity for Germany only. Copyright IQVIA. All rights reserved.

HIGHLY EFFICIENT AND RELIABLE SUPPLY CHAIN

Thanks to a strict compliance system, STADA reliably delivers high-quality products. In the reporting year, a delivery readiness of 86% was achieved. To ensure the greatest possible supply security, the Group procures its active pharmaceutical ingredients from a number of suppliers, thus exhibiting a high degree of flexibility. Furthermore, in line with its integrated business planning approach, STADA has a broadly-positioned and flexible internal production.

GROWTH CULTURE

The tremendous commitment of employees and their identification with STADA's mission to care for people's health as a reliable partner, together with the corporate values of Integrity, Entrepreneurship, Agility and One STADA, all of which are firmly anchored in the Group, play a key role in the company's growth strategy. In recent years, the Group has not only succeeded in attracting talent in various divisions and at different levels of the company, but has also succeeded in retaining that talent. The outstanding work in HR management is reflected, among other things, in the Top Employers Institute's award as a top employer in Germany for the years 2021, 2022 and 2023. The Top Employers Institute recognizes companies for their outstanding human resources internationally. The evaluation criteria for the award includes personnel management and corporate culture, including workforce planning, talent acquisition, development programs, performance management and benefits. In the STADA employee survey last conducted in financial year 2023, in which 91% of employees took part, the company was rated with 8.0 out of a possible 10 points. STADA believes that this strong people engagement and growth mindset of the workforce are a key success factor and strategic advantage for the Company.

Internal Management System

The operating performance indicators of the business sectors in reporting year 2023 were adjusted Group sales and adjusted EBITDA, both adjusted for special items and currency effects. Management of the change of adjusted Group sales and adjusted EBITDA occurred at the segment level. These adjustments are intended to achieve a better comparison of financial years.

In order to ensure the Company's sustained success, the relative change in Group sales adjusted for special items and currency effects played an important role as a performance indicator in the reporting year. Using the EBITDA adjusted for special items and currency effects indicator, STADA measures its operational performance and the success of the individual segments, adjusted for the distorting effect of special items and currency effects in a year-on-year comparison. This includes earnings from associates and income from investments.

At the STADA Group, financial performance indicators for continuing operations that are used for control purposes, i.e. for Group sales adjusted for special items and currency effects and EBITDA adjusted for special items and currency effects in financial year 2023, were as follows in the STADA Group:

Financial performance indicator		Determination based on the consolidated income statement and the consolidated balance sheet in accordance with IFRS
Change in Group sales adjusted for special items and currency effects		**Group sales**
	±	Special items[1]
	±	Currency effects[2]
	=	**Group sales adjusted for special items and currency effects**
EBITDA adjusted for special items and currency effects		**Earnings before interest and taxes (EBIT)**
	±	Balance from amortization/depreciation and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets
	=	**Earnings before interest, taxes, depreciation and amortization (EBITDA)**
	±	Special items within operating profit excluding special items that relate to impairments and write-ups of fixed assets
	±	Currency effects[3]
	=	**Earnings adjusted for special items and currency effects before interest, taxes, depreciation and amortization**

1) The deduction of such effects which have an impact on the presentation of STADA's earnings situation and the derived key figures aims at improving the comparability of key figures with 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) Adjustment for currency effects is shown exclusively as an adjustment of the previous year. The currency adjustment for the 2022 financial year was carried out using the exchange rates for the reporting year.
3) The currency adjustment for the 2022 financial year was carried out using the exchange rates for the reporting year. In addition, the realized and unrealized exchange rate effects within operating profit were adjusted in both the reporting period and the corresponding prior-year period.

Information on the Voluntary Combined Separate Non-Financial Report

Because STADA Arzneimittel AG is no longer capital market-oriented in accordance with Section 264d of the German Commercial Code (HGB), it is not subject to a statutory obligation for non-financial reporting in accordance with Section 315b (1) HGB. This notwithstanding, STADA voluntarily prepares a Combined Separate Non-financial Report in accordance with the legal requirements pursuant to Section 315c in conjunction with Section 289c–e HGB.

Economic Report Group

Macroeconomic and Sector-Specific Environment

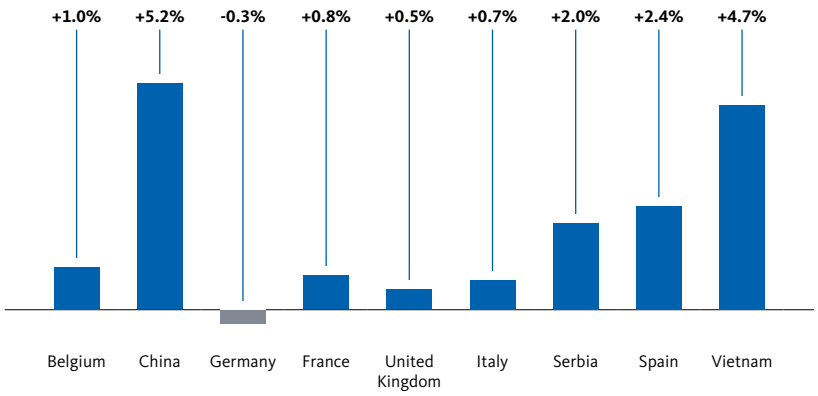
Macroeconomic development

According to the International Monetary Fund (IMF), the global economy has only recovered very slowly given the ongoing war in Ukraine and high inflation. While growth in global gross domestic product remained at 3.4% in 2022, it slowed to 3.1% in 2023.[1)] Global inflation fell from 8.8% in 2022 to 6.8% in 2023.[1)]

Despite the challenging conditions, STADA achieved a significant increase in Group sales adjusted for special items and currency effects in the reporting year (see "Economic Report – General Statements of the Executive Board on the Course of Business in 2023").

The following chart shows the economic development in selected countries.

Growth rates for gross domestic product 2023[1)] in %



1) Source: International Monetary Fund: World Economic Outlook October 2023/January 2024.

Sector-specific development

In financial year 2023, sales in the global generics market increased by approximately 8.1% year-on-year to approximately € 234.3 billion.[1)] The share of generics in the global pharmaceutical market thus amounted to roughly 17.8%.[1)]

Sales in the international OTC market rose by around 7.4% year-on-year to around € 188.4 billion in 2023.[2)]

Effects of the macroeconomic and sector-specific environment

Given the fact that STADA is active in the healthcare market and therefore operates in a sector relatively unaffected by cyclical factors, the Group's business development is generally less dependent on worldwide economic influences than it is on the regulatory environment in each respective healthcare system. In the reporting year, there were no significant changes in the regulatory environment relating to health care in the countries in which STADA operates that would have had a substantive impact on Group performance.

Generally, there is a greater impact on STADA from economic factors in those countries that belong to so-called self-payer markets, because demand there also depends on the purchasing power of the population.

1) Based on internal analysis by STADA using data from the following source: IQVIA Analytics Link – Forecast Link, including 75 countries, Q3 2023 edition, which data reflects estimates of real-world activity for retrospective periods, and current forecasts of future real-world activity for forecast period. Copyright IQVIA. All rights reserved.
2) Based on internal analysis by STADA using data from the following source: IQVIA OTC Review, including 56 countries, February 2024, which data reflects estimates of real-world activity for retrospective periods, and current forecasts of future real-world activity for forecast period. Copyright IQVIA. All rights reserved.

Course of Business and Net Assets, Financial Position and Results of Operations

Development of Financial Performance Indicators

Financial performance indicators for the STADA Group

The development of financial performance indicators for the STADA Group in the reporting year was as follows:

Financial performance indicators in € million	**2023**	**2022**	**±**
Group sales adjusted for special items and currency effects	**3,734.8**	**3,288.3**	**+14%**
Consumer Healthcare	1,489.2	1,275.6	+17%
Generics	1,496.8	1,413.9	+6%
Specialty	748.8	598.8	+25%
EBITDA adjusted for special items and currency effects	**802.0**	**675.3**	**+19%**
Consumer Healthcare	375.0	324.0	+16%
Generics	368.7	338.9	+9%
Specialty	231.9	177.5	+31%

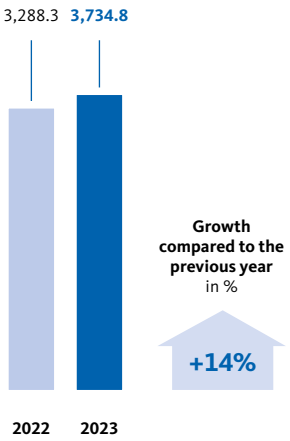
Detailed information on the development of financial performance indicators for STADA can be found in the following notes on earnings performance.

Development in 2023 Compared to Outlook

In its forecast for the previous year, the Executive Board assumed that Group sales adjusted for special items and currency effects would be in the high single-digit percentage range for the Group as a whole and that EBITDA, also adjusted for special items and currency effects, would be in the mid single-digit percentage range. The transfer of the investments in the former Russian subsidiaries in financial year 2023 had a significant impact on both Group sales and EBITDA, each adjusted for special items and currency effects, so that last year's forecast, in relation to the Group as a whole, can no longer be taken as a benchmark for the STADA Group's continuing operations. If the STADA Group's business reorganization had been known when last year's forecast was prepared, the Executive Board would have estimated an increase in sales adjusted for special items and currency effects in the low double-digit percentage range for continuing operations and EBITDA, also adjusted for special items and currency effects, also in the low double-digit percentage range.

With the development achieved in the reporting year, the forecast for adjusted Group sales and adjusted EBITDA was exceeded.

Group sales adjusted[1)]
in € million



Results of Sales and Operations of the Group

Significant increase in reported and adjusted Group sales

Reported Group sales increased by 13% to € 3,734.8 million in 2023 (previous year: € 3,297.7 million).

Group sales adjusted for special items and currency effects increased by 14% to € 3,734.8 million (previous year: € 3,288.3 million). This pleasing development was based in particular on sales growth in the regions[2)] Germany, Western Europe and Eastern Europe.

When applying the exchange rates for the reporting year compared to those for financial year 2022 for the translation of local sales contributions into the Group currency euro, STADA showed a negative **currency effect** in the amount of € 9.4 million or -0.3 percentage points.

In 2023, the development of national currencies of greatest relevance to STADA – the British pound, Swiss franc and Serbian dinar – relative to the Group currency euro was as follows compared to the previous year:

	Closing rate Dec. 31 in local currency			Average rate for the reporting period		
Significant currency relations in the national currency to 1 euro	**2023**	**2022**	**±**	**2023**	**2022**	**±**
Pound sterling	0.8691	0.8869	+2%	0.8699	0.8526	-2%
Swiss franc	0.9260	0.9847	+6%	0.9717	1.0052	+3%
Serbian dinar	117.1737	117.3224	0%	117.2532	117.4644	0%

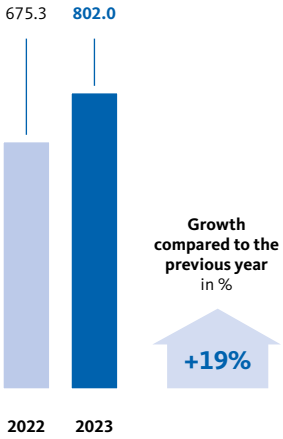
In terms of percentage changes compared with the previous year, depreciation of the respective national currency is shown in the table with a minus sign, while appreciation is shown with a plus sign.

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.

1) Adjusted for special items and currency effects.
2) STADA defines the regions as follows: Germany, Western Europe, Eastern Europe, Emerging Markets and Rest of World (RoW).

Pleasing development of earnings figures with significant increase in EBITDA

EBITDA adjusted[1)]
in € million



Despite challenging framework conditions, the STADA Group achieved a positive development of key earnings figures with a significant increase in EBITDA in the reporting year.

Reported operating profit increased in 2023 by 38% to € 583.4 million (previous year: € 422.0 million). **Operating profit adjusted for special items and currency effects** increased by 20% to € 682.4 million (previous year: € 568.4 million). The substantial increase in reported and adjusted operating profit was due in particular to strong sales growth in all of STADA's defined sales regions, a stable gross margin which in turn was attributable to cost savings, efficiency effects and price adjustments that offset the negative impact from an increased inflation rate.

Reported EBITDA showed growth of 18% to € 802.1 million (previous year: € 678.9 million). **EBITDA adjusted for special items and currency effects** showed an increase of 19% to € 802.0 million (previous year: € 675.3 million). The respective developments were attributable to the reasons already described for reported operating profit and adjusted operating profit.

The following tables show further key earnings figures of the STADA Group and the resulting margins, on both a reported and adjusted basis for 2023 and the previous year.

1) Adjusted for special items and currency effects.

DEVELOPMENT OF THE STADA GROUP'S KEY EARNINGS FIGURES
(adjusted for special items[1)] and currency effects[2)])

in € million	2023	2022	±
EBITDA	802.0	675.3	+19%
Consumer Healthcare	375.0	324.0	+16%
Generics	368.7	338.9	+9%
Specialty	231.9	177.5	+31%
EBITDA margin[3)]	21.5%	20.5%	
Consumer Healthcare	25.2%	25.4%	
Generics	24.6%	24.0%	
Specialty	31.0%	29.6%	

DEVELOPMENT OF THE STADA GROUP'S KEY EARNINGS FIGURES
(reported)

in € million	2023	2022	±
EBITDA	802.1	678.9	+18%
Consumer Healthcare	385.0	324.1	+19%
Generics	368.7	338.4	+9%
Specialty	228.7	178.2	+28%
EBITDA margin[4)]	21.5%	20.6%	
Consumer Healthcare	25.9%	25.3%	
Generics	24.6%	23.9%	
Specialty	30.5%	29.6%	

1) The deduction of such effects which have an impact on the presentation of STADA's earnings situation and the derived key figures aims at improving the comparability of key figures with 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) Adjustment for currency effects is shown exclusively as an adjustment of the relevant prior-year period. The currency adjustment for the previous year was carried out using the exchange rates for the reporting year. In addition, the realized and unrealized exchange rate effects were adjusted in the key earnings figures both in the reporting period and in the corresponding period of the previous year.
3) Based on relevant Group sales adjusted for special items and currency effects.
4) Based on relevant reported Group sales.

Effect of special items on earnings

In **financial year 2023**, the **special items** added up to a net burden of € 97.5 million before taxes. 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)]	2023 reported	Impairments/ write-ups on non-current assets	Effects from purchase price allocations and product acquisitions[2)]	Other[3)]	2023 adjusted for special items	Currency effects	2023 adjusted for special items and currency effects
Operating profit	**583.4**	**4.8**	**91.9**	**-9.5**	**670.6**	**11.7**	**682.3**
Result from investments measured at equity	0.1	—	—	—	0.1	—	0.1
Investment income	0.0	—	—	—	0.0	—	0.0
Earnings before interest and taxes (EBIT)	**583.5**	**4.8**	**91.9**	**-9.5**	**670.7**	**11.7**	**682.4**
Financial income and expenses	-191.1	—	10.2	—	-180.9	—	-180.9
Earnings before taxes (EBT)	**392.3**	**4.8**	**102.1**	**-9.5**	**489.8**	**11.7**	**501.5**
Earnings before interest and taxes (EBIT)	**583.5**	**4.8**	**91.9**	**-9.5**	**670.7**	**11.7**	**682.4**
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	218.6	-4.8	-94.3	—	119.6	—	119.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**802.1**	**0.0**	**-2.4**	**-9.5**	**790.3**	**11.7**	**802.0**

1) As a result of the presentation in € million, deviations due to rounding may occur in the tables.
2) Relates to additional depreciation, amortization and other valuation effects due to purchase price allocations and significant product acquisitions.
3) Relates primarily to effects form the deconsolidation of the UK subsidiary NextGEN360 Ltd.

In **financial year 2022**, **special items** added up to a net burden of € 140.9 million before taxes. 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)]	2022 reported	Impairments/ write-ups on non-current assets	Effects from purchase price allocations and product acquisitions[2)]	2022 adjusted for special items	Currency effects	2022 adjusted for special items and currency effects
Operating profit	**422.0**	**57.7**	**79.2**	**558.9**	**9.5**	**568.4**
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)	**422.0**	**57.7**	**79.2**	**558.9**	**9.5**	**568.4**
Financial income and expenses	-95.0	—	3.9	-91.1	0.3	-90.8
Earnings before taxes (EBT)	**327.0**	**57.7**	**83.1**	**467.8**	**9.8**	**477.6**
Earnings before interest and taxes (EBIT)	**422.0**	**57.7**	**79.2**	**558.9**	**9.5**	**568.4**
Balance from depreciation/amortization and impairments/write-ups on intangible assets (including goodwill), property, plant and equipment and financial assets	256.9	-57.7	-91.8	107.4	-0.5	106.9
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**678.9**	**0.0**	**-12.6**	**666.3**	**9.0**	**675.3**

1) As a result of the presentation in € million, deviations due to rounding may occur in the tables.
2) Relates to additional depreciation, amortization and other valuation effects due to purchase price allocations and significant product acquisitions.

Cost development and income statement

As mentioned above, sales increased by 13%. The **cost of sales** rose by 14% to € 1,985.4 million (previous year: € 1,742.9 million) and was thus at a rate slightly higher than sales. The **cost of sales ratio** increased to 53.2% (previous year: 52.9%).

Gross profit showed an increase to € 1,749.5 million (previous year: € 1,554.8 million). The gross margin fell to 46.8% (previous year: 47.1%) – in particular due to inflationary effects which were reflected in higher purchase prices for production and finished materials as well as higher write-downs on inventories. It was possible to minimize these effects to a significant extent by increasing sales prices and conscious cost management.

Selling expenses increased to € 791.4 million (previous year: € 731.8 million) slightly outperforming sales growth. This development is attributable to targeted investments to expand the product portfolio and increase the market share of the existing portfolio. The selling expense ratio declined to 21.2% (previous year: 22.2%).

General and administrative expenses increased to € 266.4 million (previous year: € 235.2 million). This development resulted, among other things, from inflation-related increases in material costs (such as rent and leasing expenses, insurance, energy, etc.) and personnel costs.

Research and development expenses were € 96.9 million (previous year: € 85.1 million). The sales-related ratio of research and development expenses was 2.6% (previous year: 2.6%).

Development costs reported by STADA include development expenses that cannot be capitalized, comprising in particular costs for regulatory requirements and the optimization of existing products. This cost item does not include payments for the development of new products, because these are usually capitalized by STADA. In financial year 2023, development expenses in the amount of € 31.4 million were capitalized for new products (previous year: € 33.5 million). This corresponds to a capitalization rate of 24.5% (previous year: 26.2%). This amount does not include capitalized borrowing costs and the capitalization of software totaling € 13.5 million (previous year: € 7.6 million).

Other income increased to € 85.0 million (previous year: € 66.3 million). This development was mainly due to income from the disposal of fixed assets in the amount of € 11.5 million, while income from write-ups also increased in 2023, amounting to € 30.0 million (previous year: € 12.7 million). The income from write-ups mainly related to two approvals in the Specialty segment due to improved future business prospects for these products.

Other expenses recorded a decrease to € 96.3 million (previous year: € 147.1 million). This development was mainly due to lower expenses from write-downs on approvals and receivables.

Financial income was € 2.9 million (previous year: € 1.7 million).

Financial expenses increased to € 194.0 million (previous year: € 96.7 million), mainly due to increased interest.

The **financial result**, which is composed primarily of financial income and financial expenses, was € -191.1 million (previous year: € -95.0 million). The largest operative-related individual item in this regard was the interest expense in the amount of € 194.0 million (previous year: € 96.7 million).

Expenses from **income taxes** were € 49.9 million (previous year: € 48.4 million). The reported tax rate was 12.7% (previous year: 14.8%). The tax rate adjusted for special items was 12.2% (previous year: 12.2%).

Results of Operations of the Segments

Substantial growth in the Consumer Healthcare segment

Reported sales for the **Consumer Healthcare** segment recorded growth of 16% to € 1,489.2 million in 2023 (previous year: € 1,281.4 million). **Sales** of the **Consumer Healthcare** segment **adjusted for special items and currency effects** increased by 17% to € 1,489.2 million (previous year: € 1,275.6 million). This sales growth was based in particular on sales growth in the regions[1)] Germany, Western Europe and Eastern Europe. Consumer Healthcare accounted for 40% of Group sales (previous year: 39%).

Within the Consumer Healthcare segment, the regions[1)] Germany, Western Europe and Eastern Europe accounted for the largest share of sales in the reporting year.

In **Germany,** sales generated with consumer healthcare increased by 20%, with sales increases for cough & cold products such as Grippostad® C and Silomat®, positive price effects and market share gains contributed to this development.

In **Western Europe**, currency-adjusted sales achieved with consumer healthcare products rose by 9%. All countries contributed to the positive development with predominantly high single-digit and double-digit sales growth. Sales growth was due to the activation of local brands, product launches, price adjustments and a stronger cold season at the beginning of the year.

In **Eastern Europe**, currency-adjusted sales generated with consumer healthcare increased by 31%. This development was mainly based on sales growth with acquired products in Eurasia, positive price effects and the activation of local brands.

In **Emerging Markets**, currency-adjusted sales achieved with consumer healthcare increased by 43%. This development was due in particular to gains in market share, product launchesand price adjustments.

1) STADA defines the regions as follows: Germany, Western Europe, Eastern Europe, Emerging Markets and Rest of World (RoW).

In 2023, STADA achieved sales of € 169.4 million with the Group's top three consumer healthcare products in terms of sales (previous year: € 142.1 million). These products thus had a 11% share of sales in the Consumer Healthcare segment (previous year: 11%).

Reported EBITDA for **Consumer Healthcare** was up 19% to € 385.0 million (previous year: € 324.1 million). This development was based on the strong sales growth, in particular from price increases, a higher share of profitable cough & cold products as well as an optimized cost of sales ratio. The **reported EBITDA margin** in the **Consumer Healthcare** segment amounted to 25.9% (previous year: 25.3%).

EBITDA adjusted for special items and currency effects for **Consumer Healthcare** increased by 16% to € 375.0 million (previous year: € 324.0 million). These developments were attributable primarily to the reasons already described for the reported EBITDA in the Consumer Healthcare segment. The **EBITDA margin** of **Consumer Healthcare adjusted for special items and currency effects** was 25.2% (previous year: 25.4%).

Positive development in the Generics segment

Reported sales for the **Generics** segment recorded growth of 6% to € 1,496.8 million in the reporting year (previous year: € 1,413.9 million). **Sales adjusted for special items and currency effects** for the **Generics** segment also increased by 6% to € 1,496.8 million (previous year: € 1,413.9 million). The respective developments were mainly based on sales increases in the regions[1)] Germany, Western Europe and Eastern Europe which also had the greatest significance for sales. Generics accounted for 40% of Group sales (previous year: 43%).

In **Germany**, sales generated with generics increased by 8%. The main growth drivers were increases in sales of the active ingredients tilidine and candesartan due to surcharges for discount agreements and as part of the dual tender strategy.

1) STADA defines the regions as follows: Germany, Western Europe, Eastern Europe, Emerging Markets and Rest of World (RoW).

In **Western Europe**, currency-adjusted sales of generics rose by 8%. This development was largely due to product launches, including apixaban and sitagliptin, as well as positive business development across all countries.

In **Eastern Europe**, currency-adjusted sales of generics increased by 7%. This development was mainly due to portfolio expansions in the Czech Republic and market share gains in Bulgaria and Ukraine.

In financial year 2023, STADA achieved sales amounting to € 125.0 million with products that contain the Group's top three active pharmaceutical ingredients in terms of sales (previous year: € 112.2 million). These products thus contributed 8% of sales in the Generics segment (previous year: 8%).

Reported EBITDA for **Generics** was up by 9% to € 368.7 million (previous year: € 338.4 million). This development is based primarily on the strong sales growth. The **reported EBITDA margin** for **Generics** was 24.6% (previous year: 23.9%).

EBITDA adjusted for special items and currency effects for **Generics** increased by 9% to € 368.7 million (previous year: € 338.9 million). This development was attributable in particular to the reasons previously mentioned for the reported EBITDA in Generics. The **EBITDA margin** of **Generics adjusted for special items and currency effects** increased to 24.6% (previous year: 24.0%).

Significant growth in the Specialty segment

Reported sales for the **Specialty** segment recorded growth of 24% to € 748.8 million in 2023 (previous year: € 602.4 million). **Sales** of the **Specialty** segment **adjusted for special items and currency effects** increased by 25% to € 748.8 million (previous year: € 598.8 million). The respective developments were mainly based on sales increases in the regions[1)] Germany, Eastern Europe and Rest of World, which also had the greatest significance for sales. Specialty contributed 20% to Group sales (previous year: 18%).

In **Germany**, sales of specialty pharmaceuticals increased by 37%. The largest growth was attributable to increases in sales of Kinpeygo® (budesonide) and the two biosimilars Hukyndra® (adalimumab) and Ximluci® (ranibizumab).

In **Eastern Europe**, specialty sales adjusted for currency effects rose by 36%. This development was mainly based on increased sales of Corpos® (ocrelizumab) in Serbia and Oyavas® (bevacizumab) in Greece and Romania. Market share gains with Hukyndra® (adalimumab) and the successful launch of Kinpeygo® (budesonide) in Greece also contributed to growth.

In **Rest of World**, currency-adjusted sales generated with specialty products increased by 29%. The increase was mainly due to sales growth with Epoetin biosimilar products.

In 2023, STADA achieved sales of € 257.1 million from the Group's top three specialty products in terms of sales (previous year: € 210.6 million). These products thus contributed 34% of sales in the Specialty segment (previous year: 35%).

Reported EBITDA for the **Specialty** segment increased by 28% to € 228.7 million (previous year: € 178.2 million). This development resulted primarily from the previously-mentioned sales growth. The **reported EBITDA margin** in the **Specialty** segment amounted to 30.5% (previous year: 29.6%).

EBITDA adjusted for special items and currency effects for the **Specialty** segment rose by 31% to € 231.9 million (previous year: € 177.5 million). This development was based primarily on the reasons already mentioned for reported EBITDA in the Specialty segment. The **EBITDA margin** of **Specialty adjusted for special items and currency effects** was 31.0% (previous year: 29.6%).

1) STADA defines the regions as follows: Germany, Western Europe, Eastern Europe, Emerging Markets and Rest of World (RoW).

Financial Position of the Group

Stable financial position

In financial year 2023, the STADA Group's financial position remained stable. In addition to a number of the items included in the cash flow statement, this is reflected in various key figures presented in this chapter, including in the liquidity analysis.

Principles and goals of STADA's financial management

Within its financing strategy, the Group focused on securing financial flexibility in the reporting year. STADA used shareholder loans, bank loans and factoring for financing.

The Group reduced financial risks to the extent possible using natural hedging and derivative financial instruments. STADA did not issue or hold derivative financial instruments for speculative purposes in 2023. The "Opportunities and Risk Report" contains more detailed information on managing individual financial risks.

Financing structure

Financing in the nominal amount of € 2,137.7 million was composed as follows as of December 31, 2023:

Financial instruments following exercising of put-rights and additional repayment in € million	**Nominal value**	**Maturity**
Bank loans	68.8	rolling
Total financial liabilities	**68.8**	
Loan from Nidda Healthcare Holding GmbH	2,068.9	
Total financing	**2,137.7**	

STADA and certain significant subsidiaries – in line with the instruction received from Nidda – granted certain in rem and contractual security to secure certain capital market indebtedness and other debt financing which is borrowed and/or guaranteed by Nidda and its affiliates.

For refinancing purposes, as of the balance sheet date, the Group had bank loans with a total nominal value of € 68.8 million (December 31, 2022: € 317.2 million). Due to the disposal of AO Nizhpharm from the STADA Group, bank loans have decreased significantly. Consequently, the loan granted by Nidda Healthcare Holding GmbH to AO Nizhpharm will also no longer be disclosed in the STADA Group.

In the reporting year, STADA Arzneimittel AG was financed at interest rates between 1.37% p.a. and 15.00% p.a. (previous year: 0.97% p.a. and 19.03% p.a.). As of December 31, 2023, the weighted average interest rate for non-current financial liabilities was approximately 8.90% p.a. (December 31, 2022: approximately 7.42% p.a.). As of the reporting date, the average weighted interest rate for current financial liabilities amounted to approximately 7.26% p.a. (December 31, 2022: approximately 5.05% p.a.). The average weighted interest rate as of December 31, 2023 for all Group financial liabilities amounted to approximately 8.85% p.a. (December 31, 2022: approximately 7.37% p.a.).

The following table shows the structure of financial liabilities of the STADA Group as of December 31, 2023:

Current remaining terms of financial liabilities as of Dec. 31, 2023 in k €	**< 1 year**	**1–3 years**	**3–5 years**	**>5 years**	**Total**	**thereof as of Dec. 31, 2023 > 1 year** in %
Amounts due to banks	68,761	–	–	–	68,761	0%
Amounts due to shareholders	929,609	1,139,303	–	–	2,068,912	55%
Accrued interest	20,101	–	–	–	20,101	0%
Total	**1,018,471**	**1,139,303**	**–**	**–**	**2,157,775**	**53%**

Liquidity analysis

The Group's liquidity was secure at all times in the 2023 financial year. It was based primarily on cash inflows from operating activities as well as the borrowing of funds. Cash inflows from operating activities were affected by the profitability of business activities and net working capital. STADA used shareholder loans, bank loans and factoring for financing in 2023.

Cash flow analysis

The table below summarizes the development of cash flow by its areas operating activities, investing activities and financing activities:

Cash flow statement (abridged) in k €	**2023**	**2022**
Operating cash flow (total)	543,299	738,586
thereof: from continuing operations	428,435	570,823
Investing cash flow (total)	-317,953	-242,761
thereof: from continuing operations	-239,014	-208,835
Free cash flow	**225,346**	**495,825**
Financing cash flow (total)	-275,677	-773,598
thereof: from continuing operations	-247,547	-606,004
Non-cash changes to cash and cash equivalents	-16,615	9,924
Cash flow	**-66,947**	**-267,848**

The following explanations relate – unless stated otherwise – to continuing operations.

Cash flow from operating activities consists of changes in items not covered by capital expenditures, 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. Cash flow from operating activities amounted to € 428.4 million in 2023 (previous year: € 570.8 million). This development was largely due to a significantly higher cash increase in working capital, particularly inventories. There were also higher payments for health insurance discounts in Germany. The significant increase in EBITDA adjusted for material non-cash effects and thus the gross cash flow partially compensated for these effects.

Cash flow from investing activities, which includes cash outflows for investments reduced by the inflows from disposals, amounted to € -239.0 million in financial year 2023 (previous year: € -208.8 million).

Cash flow from investing activities in financial year 2023 was mainly characterized by investments in intangible assets as well as property, plant and equipment. These related in particular to the acquisition of a product portfolio of consumer healthcare brands from Sanofi and investments in a new supply chain and packaging site in Romania.

For **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, STADA spent a total of € 139.3 million in the reporting year (previous year: € 150.8 million).

Investments in other intangible assets, i.e. investments in intangible assets in the context of ongoing operating business and thus without consideration of significant investments or acquisitions for the expansion of the product portfolio, amounted to € 27.6 million in 2023 (previous year: € 26.7 million). These comprise, in particular, individually immaterial payments for the development and acquisition of approvals or approval dossiers.

Payments for **investments in property, plant and equipment** in financial year 2023 amounted to € 97.4 million (previous year: € 58.1 million). The significant increase was attributable in particular to investments in a new supply-chain and packaging location in Romania.

Payments for **investments in financial assets** in the reporting year amounted to € 0.2 million (previous year: € 0.1 million).

As a result of **disposals**, STADA recorded an inflow of payments totaling € 25.5 million in cash flow from investing activities in 2023 (previous year: € 26.9 million). Proceeds in the reporting year resulted primarily from the disposal of intangible assets, mainly biosimilars in Germany, and from the sale of the British subsidiary NextGEN360 Ltd.

Cash flow from financing activities amounted to € -247.5 million in the reporting year (previous year: € -606.0 million) and was primarily characterized by the payment of the existing liabilities for the financial year 2022 from the domination and profit and loss transfer agreement with Nidda Healthcare GmbH as well as interest payments. Compared to the previous year, there were for the most part significantly lower payments from the repayment of financial liabilities, which in the reporting year included the scheduled repayment of promissory note loans of STADA Arzneimittel AG in the amount of € 7.0 million. The negative balance from borrowings and repayments in the previous year resulted primarily from the scheduled repayment of the STADA bond in the amount of € 267.4 million. There were significant repayments of shareholder loans in the previous year. Compared to the previous year, there were higher interest payments of € 177.8 million (previous year: € 103.6 million). By contrast, the settlement of existing liabilities for financial year 2022 under the domination and profit and loss transfer agreement with Nidda Healthcare GmbH resulted in lower payments of € 108.8 million compared to the previous year. Changes in minority interests in the previous year resulted from the final payments from earnout agreements in connection with the acquisition of additional shares in the Vietnamese company Pymepharco in the 2020 financial year.

Free cash flow, i.e. cash flow from operating activities plus cash flow from investing activities, amounted to € 189.4 million in 2023 (previous year: € 362.0 million). Compared to the previous year, free cash flow was characterized by significantly higher investments in property, plant and equipment, particularly in Romania. As in the previous year, STADA was able to finance all investments in future strategic development with cash flow from operating activities. **Free cash flow adjusted** for payments for significant investments or acquisitions and proceeds from significant disposals was € 304.5 million (previous year: € 488.9 million).

Cash flow for financial year 2023 net of all inflows and outflows from cash flow from operating activities, cash flow from investing and financing activities – each as a from continuing operations and discontinued operations – as well as changes in cash and cash equivalents due to exchange rates and/or the scope of consolidation was € -66.9 million (previous year: € -267.8 million).

Investments

Investment volume for the Group in 2023 amounted to € 321.9 million (previous year: € 276.6 million). In this regard, investments in property, plant and equipment amounted to € 145.0 million (previous year: € 101.1 million). In relation to Group sales, the share of investments in property, plant and equipment was 3.9% (previous year: 3.1%). Investments in intangible assets were € 176.7 million (previous year: € 175.5 million). In financial year 2023, as was also the case in the previous year, there were no business combinations in accordance with IFRS 3. In the reporting year, 45% of the total investment volume was used for property, plant and equipment (previous year: 37%) and 55% for intangible assets (previous year: 63%).

Acquisitions, cooperations and in-licensings for the further expansion of business activities

STADA generally pursues an active acquisition policy in order to drive organic growth through external growth stimulus. This notwithstanding, the Group only made one acquisition of leading consumer healthcare brands from Sanofi in financial year 2023. STADA also concluded a distribution agreement with Sanofi for brands in Eurasia in order to strengthen its position as a go-to partner.

For the expansion of the existing product portfolio, STADA relies on targeted **cooperations** and **in-licensings** in addition to acquisitions. In the reporting year, the Group recorded 91 in-licensing agreements 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 are offering 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 – after Silapo® (epoetin biosimilar), Cegfila® (pegfilgrastim biosimilar), Movymia® (teriparatide 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 US 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 in the second quarter of 2023 with the FDA approval of the Norbitec GmbH biologics facility in Uetersen, which makes it possible for a partner to market an Epoetin biosimilar in the USA.[2)]

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

In the third quarter of 2023, STADA announced that it would again acquire established and leading local consumer healthcare brands from Sanofi, expanding its portfolio in European markets including Belgium, Germany, Hungary, Spain, the UK and the Nordics.[1)] The transaction was completed as planned in the fourth quarter of 2023. The acquisition strengthens the Group's position as one of the four leading providers in the European consumer healthcare market and accelerated its growth course in line with its mission "Caring for People's Health as a Trusted Partner". The purchase price was € 77.6 million.

In addition, STADA announced in the third quarter of 2023 the submission of the application for a conversion of the conditional marketing authorization for Kinpeygo® to a standard or full marketing authorization to the European Medicines Agency (EMA).[2)] Kinpeygo® is used for the treatment of primary IgA nephropathy (IgAN) and the Committee for Medicinal Products for Human Use (CHMP) will now consider the application.

In the fourth quarter of 2023, STADA announced that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) has issued a positive opinion for Uzpruvo®, a biosimilar candidate to Stelara® (Ustekinumab).[1)] With the positive CHMP opinion for Uzpruvo, the EMA has for the first time proposed the approval of a biosimilar to the reference product Stelara®. A marketing authorization with the same indications as Stelara® – Crohn's disease, psoriasis and psoriatic arthritis – would be valid in all member states of the European Union (EU) as well as in Iceland, Liechtenstein and Norway.

Also in the fourth quarter of 2023, STADA announced that the Group is expanding and improving the distribution of cough & cold brands in China through a partnership with the leading local consumer healthcare company CR Sanjin.[2)]

1) See press release of July 12, 2023.
2) See press release of September 29, 2023.

1) See press release or November 10, 2023.
2) See press release or November 22, 2023.

Net Assets of the Group

Development of the balance sheet

Balance sheet (abridged)	**Dec. 31, 2023** in k €	**Dec. 31, 2023** in %	**Dec. 31, 2022** in k €	**Dec. 31, 2022** in %
ASSETS				
Non-current assets	**2,991,393**	**57.1%**	**3,478,238**	**60.4%**
Intangible assets	2,370,231	45.3%	2,851,567	49.5%
Property, plant and equipment	545,196	10.4%	550,264	9.6%
Other assets	75,965	1.5%	76,406	1.3%
Current assets	**2,245,783**	**42.9%**	**2,277,086**	**39.6%**
Inventories	1,098,103	21.0%	965,361	16.8%
Trade accounts receivable	731,283	14.0%	878,810	15.3%
Other assets	224,709	4.3%	174,281	3.0%
Cash and cash equivalents	191,687	3.7%	258,633	4.5%
Total assets	**5,237,176**	**100.0%**	**5,755,324**	**100.0%**
EQUITY AND LIABILITIES				
Equity	**1,158,487**	**22.1%**	**1,465,239**	**25.5%**
Non-current borrowed capital	**1,471,179**	**28.1%**	**2,911,305**	**50.6%**
Other non-current provisions	35,022	0.7%	33,349	0.6%
Financial liabilities	1,139,303	21.8%	2,572,779	44.7%
Other liabilities	296,853	5.7%	305,177	5.3%
Current borrowed capital	**2,607,510**	**49.8%**	**1,378,780**	**24.0%**
Other provisions	24,794	0.5%	23,605	0.4%
Financial liabilities	1,018,472	19.4%	60,546	1.1%
Trade accounts payable	694,557	13.3%	689,348	12.0%
Other liabilities	869,687	16.6%	605,281	10.5%
Total equity and liabilities	**5,237,176**	**100.0%**	**5,755,324**	**100.0%**

The development of the STADA Group's net assets in financial year 2023 is explained below using reported balance sheet items as a basis.

Net debt (including accrued interest) amounted to € 1,966.1 million as of December 31, 2023 (December 31, 2022: € 2,374.7 million). The figure includes a shareholders' loan of € 2,068.9 million.

The **equity ratio** was 22.1% as of the balance sheet date (December 31, 2022: 25.5%).

The **balance sheet total** fell to € 5,237.2 million as of December 31, 2023 (December 31, 2022: € 5,755.3 million).

Significant changes in assets are described below:

Intangible assets as of the balance sheet date were € 2,370.2 million (December 31, 2022: € 2,851.6 million). This development resulted primarily from the removal of the Russian companies.

As of December 31, 2023, intangible assets included goodwill in the amount of € 399.0 million (December 31, 2022: € 440.5 million). The change was due to the deconsolidation of the Russian companies. In addition, development costs of € 42.0 million were capitalized as internally generated intangible assets in 2023 (December 31, 2022: € 41.1 million). Amortization of capitalized development costs amounted to approximately € 17.7 million (December 31, 2022: approximately € 16.0 million). In total, STADA recognized impairments, due to write-ups, on intangible assets totaling € 168.3 million in the reporting year (previous year: € 53.8 million).

Property, plant and equipment fell to € 545.2 million as of December 31, 2023 (December 31, 2022: € 550.3 million). The decline was based on opposing effects: on the one hand, there were significant disposals from the deconsolidation of the Russian companies and, on the other hand, there were significant additions from investments in a new supply chain and packaging location in Romania.

Inventories amounted to € 1,098.1 million as of the balance sheet date (December 31, 2022: € 965.4 million). This development resulted mainly from the build-up of inventories as of the reporting date at a number of companies in order to ensure a high rate of supply.

In specific situations STADA, following the principle of market proximity, puts certain range considerations deliberately aside in favor of possible operating opportunities. In individual cases this – if the utilization of opportunities cannot be realized as expected – can lead to value allowances for inventories which burden earnings. Total burdens in the amount of € 82.7 million in the reporting year were incurred due to impairments net of reversals (previous year: € 68.2 million).

Trade accounts receivable recorded a decrease to € 731.3 million as of the reporting date (December 31, 2022: € 878.8 million). This development was primarily attributable to the deconsolidation of the Russian companies.

Insofar as the opportunity to attain a better market position exists, the Group accepts in exceptional cases, if necessary, higher current trade accounts receivable. In terms of its receivables management, STADA pays careful attention to the liquidity of customers as a general rule. However, defaults can never be entirely ruled out (see "Opportunities and Risk Report").

Other assets contains various items, including financial assets, investments accounted for at equity, deferred tax assets, other financial assets, other assets, return assets and income tax receivables.

Financial assets as of December 31, 2023 were € 3.1 million (December 31, 2022: € 13.2 million).

Investments measured at equity amounted to € 2.4 million as of the balance sheet date (December 31, 2022: € 2.6 million).

Deferred tax assets rose to € 54.8 million as of December 31, 2023 (December 31, 2022: € 53.2 million).

Other financial assets in the amount of € 124.9 million (December 31, 2022: € 70.1 million) included, among other things, positive market values of derivative financial instruments. This item also included receivables from factoring transactions, which for German Group companies amounted to € 4.1 million (December 31, 2022: € 6.1 million) and receivables due from Nidda Healthcare Holding GmbH and Nidda Healthcare GmbH in the amount of € 90.1 million (December 31, 2022: € 44.8 million).

Other assets recorded an increase to € 92.9 million as of December 31, 2023 (December 31, 2022: € 89.2 million). This development was mainly due to the increase in other assets. As of the balance sheet date, these included non-current assets from overfunded pension plans in the amount of € 3.4 million (December 31, 2022: € 3.2 million).

Cash and cash equivalents, which include cash and call deposits as well as current financial investments, decreased as of the balance sheet date to € 191.7 million (December 31, 2022: € 258.6 million). This development was attributable to the effects described as part of the explanations on the Consolidated Cash Flow Statement. Additional details on the development of cash and cash equivalents can be found in the Consolidated Cash Flow Statement.

As of December 31, 2023, **equity** fell to € 1,158.5 million (December 31, 2022: € 1,465.2 million).

Retained earnings including net income as of the balance sheet date amounted to € 650.4 million (December 31, 2022: € 1,135.8 million). Of that amount, € -73.1 million (previous year: € 355.1 million) was attributable to the result of the period. The decrease in retained earnings in the reporting year was primarily influenced by the profit transfer for financial year 2023 to Nidda Healthcare GmbH.

The increase in **other reserves** as of December 31, 2023 amounted to € -237.4 million (December 31, 2022: € -418.4 million) and resulted primarily from the deconsolidation of the Russian subsidiaries and related expenses from currency translation recognized directly in equity which had arisen for these companies as a whole by the time of disposal on September 30, 2023.

The Group's **current and non-current financial liabilities** (including accrued interest) of € 1,018.5 million and € 1,139.3 million respectively as of the balance sheet date (December 31, 2022: € 60.5 million and € 2,572.8 million, respectively) mainly comprised a shareholder loan in the amount of € 2,068.9 million as of the balance sheet date (December 31, 2022: € 2,301.8 million).

Trade accounts payable rose slightly to € 694.6 million as of December 31, 2023 (December 31, 2022: € 689.3 million). This change in trade accounts receivable was based in particular on reporting date effects within the Group companies.

Other liabilities as of the balance sheet date included deferred tax liabilities, other financial liabilities, other liabilities, contract liabilities and income tax liabilities.

Deferred tax liabilities showed a decrease to € 148.4 million as of the balance sheet date (December 31, 2022: € 175.9 million). The development is attributable to the disposal of the Russian companies.

Other financial liabilities increased to € 767.3 million as of the balance sheet date (December 31, 2022: € 480.6 million) and include liabilities from discount agreements of German STADA companies in the amount of € 195.1 million (December 31, 2022: € 177.9 million) and a liability from the domination and profit and loss transfer agreement with Nidda Healthcare GmbH in the amount of € 381.5 million (December 31, 2022: € 108.8 million).

Income tax liabilities recorded a decrease to € 40.3 million as of December 31, 2023 (December 31, 2022: € 51.9 million). This development was also attributable to the disposal of the Russian companies.

Other liabilities declined to € 209.6 million as of the balance sheet date (December 31, 2022: € 197.5 million).

General Statements of the Executive Board on the Group's Course of Business in 2023

Statement on business reorganization

In its forecast for the previous year, the Executive Board assumed that Group sales adjusted for special items and currency effects would be in the high single-digit percentage range for the Group as a whole and that EBITDA, also adjusted for special items and currency effects, would be in the mid single-digit percentage range. The transfer of the Russian subsidiaries in financial year 2023 had a significant impact on both Group sales and EBITDA, each adjusted for special items and currency effects, so that last year's forecast, in relation to the Group as a whole, can no longer be taken as a benchmark for the STADA Group's continuing operations. If the STADA Group's business reorganization had already been known at the time last year's forecast was prepared, the Executive Board would have estimated growth in sales adjusted for special items and currency effects in the low double-digit percentage range for continuing operations and EBITDA, also adjusted for special items and currency effects, also in the low double-digit percentage range.[1)]

High double-digit percentage increase in sales

Notwithstanding the difficult macroeconomic and geopolitical challenges, STADA's development in financial year 2023 was extremely successful and the company was able to continue the growth trajectory it has demonstrated in recent years. With sales growth of 14% adjusted for special items and currency effects, the Group surpassed the forecast for financial year 2023 published in the 2022 Annual Report. The positive development thus extended across all three strategic segments – Consumer Healthcare, Generics as well as Specialty – along with a majority of the countries in which STADA operates.

Encouraging development of key earnings figures and cash flow

STADA also surpassed its earnings forecast despite high inflation on the international procurement markets with an increase in EBITDA adjusted for special items and currency effects of 19% to € 802.0 million.

	Adjusted forecast for 2023	2023	Change from 2022	Status of adjusted forecast for 2023
Group sales (adjusted for special items and currency effects)	increase in the high single-digit percentage range	€ 3,734.8 million	+14%	forecast exceeded
EBITDA (adjusted for special items and currency effects)	increase in the mid single-digit percentage range	€ 802.0 million	+19%	forecast exceeded

Continuous development of sustainability and strong employee commitment

In the view of the Executive Board, strong results in sales and key earnings figures are based in particular on STADA's unique growth culture. The Group's successful development is also attributable the tremendous commitment on the part of employees, who identify with the Company's purpose – "Caring for People's Health as a Trusted Partner" – and embrace the corporate values of Integrity, Agility, Entrepreneurship and One STADA on a daily basis.

1) In terms of both sales adjusted for special items and currency effects as well as EBITDA, also adjusted for special items and currency effects, STADA did not meet the original forecast.

In line with the corporate purpose, the Group pressed ahead with its measures in the area of Environmental, Social and Governance (ESG) in the 2023 financial year. As part of these efforts, STADA published its Group-wide Sustainability Report 2022, among other things. In addition, the independent agency Sustainalytics rated STADA as "low risk" for the first time in its ESG risk rating, putting STADA among the top 6% of all companies within the pharmaceutical sector, which comprises 885 companies that were assessed in terms of ESG risks.[1)] This assessment is based on over 70 management indicators designed to provide an in-depth analysis of ESG strengths and weaknesses as they relate to a company's ESG risk management relative to its peers and overall industry performance. In particular, Sustainalytics rated STADA's risk management as "strong" in terms of: product governance, business ethics, corporate governance, emissions, wastewater and waste, our own CO_2 emissions as well as corruption and bribery.

1) Source: Sustainalytics. Copyright © 2023 Sustainalytics. All rights reserved. See also Publishing information. Additional information on STADA's sustainability activities can be found at https://www.stada.com/about-stada/sustainability.

Report on Post-Balance Sheet Date Events

Between the end of financial year 2023 and the signing date of the Combined Management Report and the Consolidated Financial Statements for 2023, there were no events with a significant or potentially significant impact on the net assets, financial position and results of operations of the STADA Group.

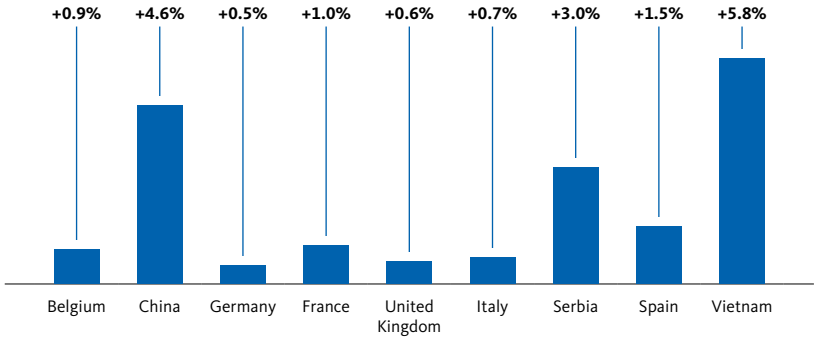
Report on Expected Developments

Macroeconomic outlook

For the current year 2024, the IMF estimates that the international economy will grow by 3.1%. Further global economic development will depend to a large extent on how quickly inflationary tendencies can be brought under control. The IMF forecasts a global inflation rate of 5.8% in 2024.[1)]

The following chart shows the economic forecast for selected countries.

Growth rates for gross domestic product 2024[1)] in %



1) Source: International Monetary Fund: World Economic Outlook October 2023/January 2024.

Sector-specific outlook

Data forecast by IQVIA, a leading global provider of advanced analytics, technology solutions and clinical contract research for the life science industry, forecasts average annual sales growth of 5% to 6% for the international pharmaceutical market from 2024 to 2028.[1)]

Data from IQVIA indicates an anticipated average annual sales growth of 4.9% for the global generics market between 2024 and 2028.[1)] However, it must be taken into account that the actual growth rates in reported sales in the markets where high discounts have to be granted are significantly lower than the gross sales before discounts generally recorded by the market research institutes.

According to STADA's calculations based on data from IQVIA[2)], the average annual sales volume for new active pharmaceutical ingredients (including biologics) available for generic competition from 2024 to 2028 in the largest European pharmaceutical markets in terms of sales – Germany, France, Italy, the United Kingdom and Spain – is expected to be over € 8.9 billion.[3)]

This outlook is in line with IQVIA's estimates, according to which annual generics growth in the EU (EU23) is expected to average 5.1%[4)] from 2024 to 2028. For selected Eastern European markets[5)], IQVIA data indicates an estimated average annual generics growth of 5.6% for this period.[1)]

1) Based on internal analysis by STADA using data from the following source: IQVIA Analytics Link – Forecast Link, including 75 countries, Q3 2023 edition, which data reflects estimates of real-world activity for retrospective periods, and current forecasts of future real-world activity for forecast period. Copyright IQVIA. All rights reserved.
2) IQVIA MIDAS® MAT/12/2023: sales values, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved.
3) Sales values in 2023 at ex-manufacturer prices for active pharmaceutical ingredients (including biologics) for which an expiry of the patent or other relevant commercial property rights relevant for generic competition is expected by 2028 from today's perspective were used. STADA's expectation as to when an active pharmaceutical ingredient will become available for generic competition is subject to continuous legal review and may change significantly in the future compared to the current expectation on which these data are based. The actual new sales volume that is becoming available for generic competition at the relevant dates is subject to fluctuations that may depend inter alia on a change in market profit, legal framework conditions or market structures.
4) See footnote 1; countries not covered: Malta, Luxembourg, Cyprus, and Denmark.
5) Russia, Serbia, Kazakhstan, Bosnia and Herzegovina.

According to IQVIA data, the estimates for the average sales-related growth rates of the global OTC market from 2024 to 2028 are 6.8% per year.[1)] For the European OTC market (EU23), the forecast for annual sales growth in this period is 6.5% according to IQVIA.[2)]

Basis of the outlook

The outlook for financial year 2024 was made taking into account the events known when this Annual Report was prepared. It is also based on the details of the overall economic outlook and the sector-specific outlook. The outlook also relies on the following assumptions:

- Largely unchanged regulatory conditions in the markets most relevant for STADA, not including the regulatory changes and market assessments known at the time the outlook was prepared
- No noteworthy, unforeseen disruptions in global supply chains compared to the current situation, in particular with regard to the availability of active ingredients from China and India
- Moderately, based on a high level, decreasing inflation rate on the procurement markets for goods and services that are relevant for STADA, which could require regular monitoring and, if necessary, a flexible adjustment of STADA's business strategy
- No significant disadvantageous changes in the Russia-Ukraine war as well as continuation of the currently prevailing sanctions and counter-sanctions
- Largely unchanged tax situation in the countries where STADA is active with Group companies
- Application of forward exchange rates at the time the outlook was prepared for the translation of significant foreign currency companies that differ from the Group currency euro

Summarizing outlook for the Group

Based on the continuation of the growth strategy successfully implemented in recent years, an assumed positive development of the sales markets relevant to STADA for Consumer Healthcare, Generics and Specialty and taking into account the assumptions described above, the Executive Board assumes that the Group will achieve sales growth adjusted for special items and currency effects in the mid single-digit to high single-digit percentage range in the current financial year 2024. For EBITDA, also adjusted for special items and currency effects, the Executive Board expects an increase in the low double-digit percentage range.

	2023	Forecast for 2024
Group sales (adjusted for special items and currency effects)	€ 3,734.8 million	increase in the mid single-digit to high single-digit percentage range
EBITDA (adjusted for special items and currency effects)	€ 802.0 million	increase in the low double-digit percentage range

1) Based on internal analysis by STADA using data from the following source: IQVIA OTC Review, including 56 countries, February 2024, which data reflects estimates of real-world activity for retrospective periods, and current forecasts of future real-world activity for forecast period. Copyright IQVIA. All rights reserved.
2) See footnote 1; countries not covered: Malta, Luxembourg, Cyprus, and Denmark.

Opportunities and Risk Report

As an internationally active pharmaceutical company, STADA is subject to a range of risks. These are necessary consequences of business activity, because the Group can only take advantage of opportunities if it takes risks.

Given the fact that the healthcare and pharmaceuticals sector is relatively non-cyclical compared to other sectors, economic cycles only have an impact on the Group to a certain extent. In addition, the dependence on negative developments or events is kept as low as possible due to the international positioning and the diversified focus on Consumer Healthcare, Generics and Specialty. Overall, the more than 125-year history in the pharmaceutical market forms a stable foundation for realistically assessing risks and for taking selected advantage of growth potential.

Comprehensive opportunities management to take advantage of growth potential

The Group continuously evaluates growth potential, because opportunity management is an ongoing task. Management continuously monitors the markets and competitors in order to recognize and analyze the changing requirements, trends and opportunities in the frequently fragmented markets and to focus its actions accordingly. Moreover, there is a regular exchange of experiences within the individual departments which makes it possible to identify and take advantage of additional opportunities and synergies.

Based on the continuous implementation of the numerous efficiency improvement initiatives and STADA's five strategic priorities, opportunity management serves to optimally exploit growth potential.

Risk Management

In line with opportunity management, STADA also defines risk management as an ongoing task of entrepreneurial activity in which the Group's risk potential is continuously evaluated. The risk strategy is applied in all business segments of the STADA Group and is closely linked with STADA's corporate strategy, forming the basis of the Executive Board's continuous risk management system. This system is then integrated into the value-based management and existing organizational structure of the Group. STADA's risk management system is based on the international risk management standard COSO II Enterprise Risk Management – Integrated Framework (2004) and has been adapted to STADA's requirements.

At STADA, risks are defined as possible future events or developments that could lead to a negative deviation from the forecasted targets. The objective of the Group-wide risk management system is to ensure, in all areas of the company, that these risks are identified and assessed throughout the Group as early as possible so that they can be managed and positively impacted with targeted measures in the Group. At the same time, it is important to fully comply with all relevant regulatory requirements for such a system. The company-wide standard and integrated approach to risk management is intended to ensure the efficiency of the Group-wide risk management system and make it possible to aggregate similar risks and provide transparent reporting.

STADA's risk strategy is substantiated by risk policy principles. This is to ensure that all risks are fully identified, presented transparently and comparably and are assessed. It obligates those responsible for risks to proactively recognize, manage and monitor the risks. The risk policy principles are defined in the risk management guide, which also sets out binding methodical and organizational standards for the approach to risks.

The **fundamental components of the Group-wide risk management system** which calls for quarterly regular reporting are:

1. The **Risk Management & Database department**, which is vertically and horizontally integrated into the Company and is responsible for the planning and further development of the risk management system (including the Group-wide establishment of the risk management software CRISAM® from CALPANA), as well as the methods and procedures used to identify and assess risks and support the local risk managers;

2. The local **risk officers** who identify and assess risks (as well as corresponding measures) and document and update them in the risk management system and who are integrated in all corporate units and subsidiaries throughout the Group;

3. **Review and coordination** by the Risk Management & Database department with the locally responsible risk officers on current issues and on the identified risk situation in the individual divisions in the Group (especially with regard to risk aggregates);

4. The Company-specific **Risk Management Guide**, which defines the risk management terms, risk policy and the risk management system including the risk management process and responsibilities;

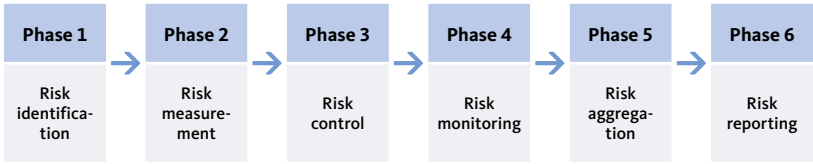
5. **Risk reporting** at Group and individual-company level.

STADA's Group-wide risk management covers STADA Arzneimittel AG and its Group companies as well as companies in which STADA holds a stake of at least 50%, even if they are not consolidated. Insofar as risks to the Group arise at subsidiaries in which STADA holds a stake of less than 50%, these risks are also recorded in the Group's risk management system.

The risk management system does not provide for a segregated identification of opportunities. Opportunities are identified and evaluated in the relevant business environments through regular exchanges of experience and continuous evaluation of growth potential. A comprehensive, systematic classification regarding the probability and effects of the opportunities is not performed.

At STADA, the **risk management process** is designed to identify, assess and manage at an early stage any risks that could have a significant impact on the achievement of the company's strategic, operational, financial or compliance-related goals. It comprises the phases of risk identification, risk measurement, risk control, risk monitoring, risk aggregation and risk reporting.

Risk management process of the STADA Group



The ongoing risk management process begins with risk identification (phase 1), in which all individual risks that could have a significant negative impact on STADA's business model are systematically recorded. Identification of individual risks is carried out, on the one hand, through decentralized self-assessments and, on the other hand, through centralized inquiries.

Risk measurement is carried out following risk identification (phase 2). This occurs on the basis of probability and potential impact (gross and net measurement); the evaluation should consider potential direct damage as well as indirect results caused by individual risks if they arise. Objective assessment and measurement criteria as well as existing historical data are used in the evaluation to as great an extent as possible.

As part of risk management (phase 3), suitable measures for risk avoidance, reduction, transferring and/or compensation are identified. In addition to cause-related (preventive) and effect-related (reactive) measures, the measures identified may also include measures in the context of risk transfer by insurance companies or transfer to other third parties.

The Risk Management and Database department ensures, through the ongoing risk monitoring (phase 4), that newly arising individual risks and changes in individual risks and any corresponding need for adjustment in risk management are checked for plausibility at an early stage and can thus be included in ad hoc reports, including beyond the quarterly reporting.

Before preparing the recipient-oriented risk report, the Risk Management & Database department summarizes the individual risks within a risk aggregate in the risk aggregation stage (phase 5) that have an identical or similar cause of risk in order to increase transparency.

Based on the individual risks identified in the Group-wide risk management system, recipient-oriented risk reports are prepared for management and the Supervisory Board as part of risk reporting (phase 6). The risk report at Group level is prepared in accordance with the requirements of auditing standard IDW PS 340 as amended and includes, among other things, a risk-bearing capacity calculation using a Monte Carlo simulation. In this calculation, the overall risk position is compared with the risk cover amount to ensure that sufficient funds are available to cover the risk. Further, significant individual risks and risk aggregates indicated are jointly discussed by the Executive Board and the Supervisory Board and if required, further measures to counter risks are addressed.

In the event of newly-identified significant individual risks or risk aggregates, as well as significant changes in the assessment of already known individual risks or risk aggregates, the Executive Board and, if applicable, the Supervisory Board are also informed immediately by means of ad hoc reporting outside the quarterly risk reporting.

Internal Audit conducts regular company internal and independent system audits with a focus on effectiveness, appropriateness and economic efficiency of the STADA risk management system established by the Executive Board. As part of the monitoring of the Executive Board, the Supervisory Board also looks at the effectiveness of the risk management system. In the scope of auditing the annual financial statements, STADA's auditor also reviews and evaluates whether the early risk detection system which is integrated into the risk management system is generally suitable to recognize risks that may jeopardize the continued existence of the Company at an early stage.

The relevant period for internal regular reporting to the Executive Board is the current year plus two additional years. In addition, there is an area-related internal recording and monitoring of long-term risks beyond this relevant period. The assessment of the individual risks as well as the overall risk situation of STADA in the Management Report relates to December 31, 2023. There were no relevant changes after the balance sheet date that would have necessitated an amended presentation of STADA's risk situation. There is, however, no way to fully identify and manage all risks with absolute certainty.

Internal Control and Risk Management System for the Group accounting process (voluntary report in accordance with Sections 289 [4], 315 [4] HGB)

The **Group-wide Internal Control and Risk Management System with regard to the financial reporting process (ICRMS)** is a component of STADA's Group-wide risk management system and aims to ensure the accuracy and effectiveness of accounting and financial reporting. STADA ensures the reliability of the accounting processes and the correctness of the financial reporting with a variety of measures and internal controls. These include the preparation of separate and Consolidated Financial Statements and Management Reports that comply with regulations. The ICRMS is constantly developed and is an

integral component of the accounting and financial reporting processes in all relevant legal units and central functions. The system contains principles, processes and preventative and disclosing controls.

It includes, among other things:

- Uniform accounting, measurement and account assignment specifications for the entire Group that are continuously examined, updated and regularly communicated,
- Supplementary processes instructions, Group-internal reporting formats as well as IT-based coordination processes for Group-internal balances,
- Processes that ensure the completeness of financial reporting,
- Processes for functional separation, the dual-control principle within the context of the preparation of financial statements and for authorization and access regulations for relevant IT accounting systems,
- External experts, who are consulted when necessary, for example for purchase price allocation in accordance with IFRS 3 or the measurement of pension provisions.

The primary control functions for the significant accounting processes are carried out by the respective plausibility tests integrated in the programs. Outside the software-supported systems, manual plausibility tests and verification of the completeness and accuracy of data and calculations are carried out at all Group levels. The vast majority of the separate financial statements of Group companies (included in STADA's Consolidated Financial Statements) are generally subject to review by the auditor once a year.

Responsibility for the introduction and the functionality of the ICRMS rests with the Executive Board of STADA Arzneimittel AG, which assesses its appropriateness and effectiveness at least once every financial year. Its appropriateness and effectiveness are also regularly examined across the Group by Internal Auditing.

Furthermore, the Audit Committee of the STADA Supervisory Board regularly monitors the accounting process and the effectiveness of the control system, the risk management system and the internal auditing system as well as the audit on the basis of Section 107 (3) AktG. The ICRMS for the accounting process cannot, however, offer any absolute security that false statements are not made in accounting.

Evaluation of Risk Categories

Since the introduction of the new CRISAM® risk management software at the end of 2020, individual risks have been assessed on a gross and net basis. The gross assessment of an individual risk shows the risk assessment prior to the consideration of implemented and effective control and monitoring instruments, while the net assessment shows the risk assessment after a successful implementation of control and monitoring instruments. In the quarterly risk reporting, individual risks are presented as net risks. If no segment is explicitly referenced, the described risks affect the three segments Consumer Healthcare, Generics and Specialty.

Within the risk management process described above, individual risks at STADA are assessed on the basis of the probability of occurrence and a potentially negative impact on the forecast financial targets in relation to adjusted EBITDA.

The underlying scale for the classification of the probability of occurrence and the potential impact is presented in the following diagram:

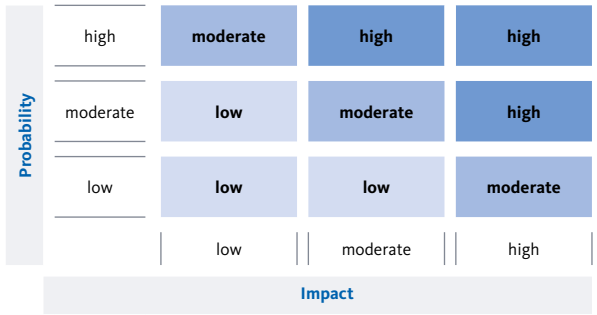
Scale for the classification of risk categories

	low	moderate	high
Probability	>0% to ≤30%	>30% to ≤70%	>70% to 100%
Impact over 36 months	up to ≤€ 5 million	>€ 5 million to ≤€ 10 million	>€ 10 million

Note on the probability category "moderate" and "high": In general, all individual risks with a probability of occurrence greater than 50% are reviewed for circumstances requiring recognition as a liability and corresponding provisions are formed.

The combination of these two factors leads to the risk matrix presented below in which the risk categories of the combined individual risks as well as aggregated risks are classified and presented according to their importance for the Group:

Risk matrix



STADA classifies the identified risks in the risk reporting in accordance with the risk categories presented below. The chart shows all relevant risk categories in accordance with the STADA evaluation scheme. Individual risks and aggregate risks that were classified as "high" as of the balance sheet date December 31, 2023 are to be considered particularly relevant.

Risk category	Risk subcategories (individual risk or aggregate risk)	Probability of occurrence	Net impact
Industry risks	Market position (price development)	moderate	high
	Market position (competitors)	moderate	high
Regulatory risks	Health policy (price change)	high	high
Economic risks	Economy (economic development)	moderate	high
Product portfolio risks	Licenses & approvals (approval)	moderate	high
	Quality (contamination)	moderate	high
Legal risks	Patent (patent violations)	moderate	high
Corporate strategy risks	No relevant risks	No relevant risks	no relevant risks
Performance-related risks	Production & purchasing (supply interruption)	moderate	high
Personnel risks	No relevant risks	no relevant risks	no relevant risks
Compliance risks	No relevant risks	no relevant risks	no relevant risks
Risks in relation to information technology	No relevant risks	no relevant risks	no relevant risks
Financial risks	Taxes (audits)	moderate	high
Other risks	Pandemic	moderate	high

As a supplement to the tabular presentation and regardless of the degree of assessment, the current main risk categories for the STADA business model, based on the general risk reporting from Risk Management as of December 31, 2023 are explained in detail below.

Business-related Risks

Risks that could have a significant influence on the net assets, financial position and results of operations of the STADA Group are described below. Risks that are not yet known or have been assessed as insignificant, could also influence the net assets, financial position and results of operations.

Industry risks, regulatory and economic risks

a) Industry risks

According to the STADA assessment scale, these are relevant risks.

STADA is subject to constantly changing market conditions in the individual national markets. In terms of competition, such risks exist on the basis of strong competition in particular in terms of pricing, range of products and services as well as supply and discount conditions of existing and new competitors. In terms of demand, there is also the risk of a potential increase in purchasing power of individual customer groups such as doctors, pharmacists, patients, health insurance organizations, buying groups, pharmacy chains, wholesalers or mail-order companies. Such developments could weaken STADA's competitive position, for example through the (partial) loss of newly planned tenders or through a (partial) loss of previously won tenders, and consequently result in a loss in sales or earnings. However, STADA principally takes advantage of opportunities arising in individual markets or individual products or product groups and is also willing to accept, if necessary,

temporary losses, for example, in national markets with major potential for growth or to maintain or expand its market position. Overall, STADA tries to counteract industry risks through a diversification of brands and products.

Since the outbreak of the Russia-Ukraine war in February 2022, business development of STADA has been impaired by various factors. Although pharmaceutical and medical products – as in historically comparable sanction and embargo situations – have been exempt from the sanctions imposed to date, these sanctions may result in supply chain difficulties and a decline in demand as a result of the massive economic restrictions. This could have an impact on the net assets, financial position and results of operations of the STADA Group.

In connection with the exit of the United Kingdom from the EU and its impact on buying power, there is still the risk that it could cause a shifting of market share toward local competitors in the self-payer area.

b) Regulatory risks

According to the STADA assessment scale, these are relevant risks.

The national markets in which STADA is active are characterized by a large number of regulations. The changing, lifting or passing of new regulations could have significant economic and strategic impacts on STADA and the economic success of individual products or investments. Regulations at a national or supranational level are highly significant if, for example, they affect the market structure, pricing, reimbursement or approvals of pharmaceutical products. This can mean that as a result of national regulations, the prices of pharmaceutical products are regulated directly (for example through statutory price reductions) or indirectly (for example through reference prices, mandatory discounts, terms concerning discounts, reduction or exclusion of cost reimbursement). Furthermore, direct costs for the fulfillment of requirements (e.g. during approval) or increased indirect costs (e.g. through evasive action by competitors or consumers) can be incurred. This can reduce the profitability of products affected in the markets and prevent the market launch of a product in individual cases. STADA assumes that the extent of price regulation and pricing pressure will remain, primarily in the Generics segment. STADA counters these risks, among other things, through a targeted expansion of the product portfolio in less regulated areas.

Exact forecasts concerning potential changes in national or supranational regulations as well as their effects on STADA's business activities are not possible since the introduction and scope of such regulations depend on the political process of the country in question or on court decisions, the consequences are influenced to a large degree by the reactions of the market participants affected. Changes in the regulatory environment in STADA's main markets by sales volume are continuously analyzed. Depending on the extent of state regulation, it could become necessary to adjust the business model in individual markets.

Based on the Russia-Ukraine war, in addition to the existing regulatory obstacles further regulatory obstacles may also be introduced. This could mean that imports and exports between individual countries could be significantly restricted or even banned altogether. These regulatory issues could range from additional document requirements for import and export to direct sanctions of certain goods. In such cases, it cannot be ruled out that delivery delays and subsequent supply bottlenecks, or even the impossibility of supplying individual products, may occur. Should such obstacles occur in the future, this could have substantial negative effects on the results of operations and financial position of the STADA Group.

c) Economic risks

According to the STADA assessment scale, these are relevant risks.

STADA's business success is, to a certain extent, dependent on economic influences, because an economic downturn often results in a reduction in purchasing power in the affected market. A reduction in purchasing power can particularly cause a reluctance to buy in the area of consumer healthcare, which is primarily a self-pay market. Furthermore, an economic downturn could intensify the already dominant cost pressure in individual

national healthcare systems and thus significantly increase the speed and scope of regional regulatory measures to contain costs. For STADA, this could result in significant disadvantages with reimbursable pharmaceutical products or in state-required price reductions and the elimination of reimbursability for individual products. In general, STADA is continuously working to counteract potential risks through performance increases or cost reductions.

Further economic risks exist in connection with the UK's exit from the EU ("Brexit") and the trade and cooperation agreement that subsequently took effect.

After the economic consequences of Brexit became apparent in the UK economy in 2022, these did not change significantly in the UK in 2023. To date, there has been no significant impact on STADA's business activities. Nevertheless, there is a risk that further negative consequences of the agreement will occur, which could then affect STADA. This could still lead to a noticeable economic downturn, which could increase cost pressure in the healthcare system and subsequently result in price reduction measures. As previously described, in the event of an economic downturn, there is the risk of a general reluctance to buy on the part of consumers in the self-payer area.

Product portfolio risks

According to the STADA assessment scale, these are relevant risks.

The continuous expansion of the product portfolio plays an essential role for the competitive position and business success at STADA. Associated with this is the risk that products to be added to the product portfolio either cannot be launched on the market, are launched belatedly or only launched at higher development and production costs than originally assumed due to unexpected events or faulty implementation. Reasons for this can include additional requirements from approval authorities, direct government price controls or additional approvals for reimbursement via the relevant national health system. The risks of development and approval processes for new products are continuously identified and assessed.

Furthermore, in the Generics and Specialty segments in particular, a significant factor in the development and approval of each product is the meticulous observance of relevant legislation such as commercial property rights. This involves the risk that individual regulations are potentiallyviolated despite careful review of the legal situation and the introduction of a new product is delayed or even hindered. This also applies retrospectively for products already introduced to the market. There is also the risk that, despite intensive review, potential side effects or quality defects in products are not uncovered until after approval or that new scientific findings and evaluations lead to a market recall and corresponding legal proceedings.

Legal risks

According to the STADA assessment scale, these are relevant risks.

STADA's business activities are subject to risks resulting from existing or potential future legal disputes. In addition to the risk of legal disputes within the scope of competition law, STADA's business activities, especially in the Generics and Specialty segments, are associated with an increased risk of legal disputes regarding commercial property rights (particularly patents and supplementary protection certificates), product liability, warranty obligations, breaches of duty of care as well as the allegations of violations of company or trade confidentiality. Substantial claims for damages and costs for legal defense may result from these legal disputes, especially if such proceedings take place in the USA. There is also the risk of a complete or temporary ban on the marketing of products and costs for product recalls, regardless of whether an actual claim for damages ultimately exists. In order to protect trade and business secrets, which are to be treated with confidentiality, STADA makes use of confidentiality agreements with employees, external alliance partners, service providers or other contractual partners.

Furthermore, it may be difficult for STADA to enforce its own claims under current law of a country where STADA undertakes business at affordable costs and without any materially adverse effects on business in this country. If, contrary to expectations, it turns out that this is not a case in a country, this can have significant negative impacts on the Group as a whole.

If there is a serious risk of future damage claims from third parties, STADA creates case-specific provisions for potential damage claims. However, STADA currently does not expect any negative effects on the net assets, financial position and results of operations from pending proceedings.

Operational risks

a) Corporate strategy risks

According to the STADA assessment scale, these are not relevant risks.

STADA's corporate strategy is mainly focused on growth and internationalization in the pharmaceutical market in the Consumer Healthcare, Generics and Specialty segments. STADA's growth strategy is associated with the risk that companies, products or other assets acquired in the past or in the future may only be able to be integrated with high integration costs or that intended synergy effects cannot be achieved at the desired level. Furthermore, acquired companies or products may not achieve the expected results on the market, as markets or market segments, which STADA focuses on, may develop differently than expected. STADA reduces these risks by means of careful analyses. Nevertheless, it cannot be ruled out that each of the situations mentioned above could lead to an impairment requirement on intangible assets or that expected results in individual markets cannot be achieved.

b) Performance-related risks

According to the STADA assessment scale, these are relevant risks.

The Group's own production facilities (including product development and logistics) are subject to the risk of defective or inefficient planning and production processes as well as of production faults or breakdowns as a result of this or as a result of external influence. Because hazardous substances are regularly used within these processes, such faults can also damage employees' and third parties' health or result in environmental damage. This could have a materially adverse effect on costs, competitiveness, supply availability and the associated expectations regarding units sold, sales and earnings as well as the image with clients.

Furthermore, STADA's ability to deliver can also be negatively impacted by the supplier's inability to deliver, as the change to another supplier is generally associated with delays. STADA restricts this risk by partially using more than one resource supply (dual sourcing).

A further negative influencing factor on the ability to deliver is the increasing amount volatility in individual national markets in the Generics and Specialty segments which regularly arise in the environment of tenders from state institutions or public health insurance organizations. Even if STADA makes every effort to avoid supply bottlenecks or an unintentional build-up of inventories, this cannot be ruled out in principle in view of the lack of complete planning certainty and the extensive portfolio.

STADA is dependent on global developments with respect to purchase prices for active ingredients or auxiliary materials required as well as on the prices negotiated with contract manufacturers in the case of products produced by these companies; these prices may fluctuate significantly, also depending on the product. To limit the risk of market-related margin losses due to reduced selling prices, STADA partly makes use of instruments towards suppliers that involve them in the market price risk such as retroactive negotiations or the agreement of special procurement prices for special sales volumes, in the context of tenders, for example. However, it cannot be ruled out that, as a result of the current eco-

nomic and geopolitical situation, procurement cost increases and/or supply shortages in the case of individual products will have materially adverse effects on the Group's sales and/or profit margins.

c) Personnel risks

According to the STADA assessment scale, these are not relevant risks.

STADA depends to a large extent on the commitment, motivation and abilities of its employees. The loss of specialists and managers as well as a prolonged search for reappointments in key positions could have significant adverse effects on the development of the Group. STADA's continued success also depends on its ability, in competition with other companies, to attract and keep qualified employees in the future for the long-term regardless of demographic challenges. Country, industry and business- specific fluctuation risks must be proactively identified and addressed specifically to maintain and achieve success and critical skills and competencies within the Company. STADA counters these risks through global employee development and succession processes through which the potential of employees is systematically identified and promoted. These processes support both young professionals and experienced highly-qualified employees in their professional development and to help STADA to develop, promote and retain performance-critical skills in the Company.

d) Compliance risks

According to the STADA assessment scale, these are not relevant risks.

It is STADA's expressed goal that all business activities are carried out exclusively within the framework of the respective laws and internal guidelines. STADA has therefore implemented a Group-wide compliance system, in which all employees are regularly informed about existing compliance guidelines at STADA, adapted to their individual area of responsibility. STADA believes that the compliance system is sufficient provision for the compliance with and observance of national and international regulations. Training courses and compliance guidelines cannot, however, fully guarantee that employees do not accidentally, negligently or deliberately breach laws or internal guidelines. Such breaches can disturb internal business processes and negatively influence the financial position.

e) Risks in relation to information technology

According to the STADA assessment scale, these are not relevant risks.

STADA's strategic goals can only be achieved through optimal alignment and appropriate support using a variety of IT systems and processes. Therefore, the Group has to make continuous investments to appropriately adapt these complex and powerful systems to changing business processes.

Global IT applications form the basis for the delivery of products to the global customers of the STADA Group as agreed upon. Inefficiencies in the IT processes in the Group, the failure of business-critical IT applications as well as the failure of a data center could have a direct impact on STADA's supply availability.

In addition, all IT systems used in the STADA Group could principally be affected by misuse of digital technologies as a means to perpetrate new types of crime that are constantly developing, so-called cyber and computer crime, that alongside the manipulation or failure of the affected IT systems could also result in the transfer of confidential information to third parties or a revocation of pharmaceutical approval due to the deficient validation of relevant IT systems.

To reduce the risk of failure and to protect against cyber-crime, STADA operates a quality management system for IT and redundantly designed data centers.

Financial risks

To the extent that it is possible, STADA counters financial risks with financial policy methods and specific risk management. The basic principles of financial policy and of financial risk management are determined or confirmed at least once annually by the Executive Board in the context of the budget process. Furthermore, transactions above a certain relevance threshold determined by the Executive Board require a prior decision on the part of the Executive Board and may also be subject to approval from the Supervisory Board. The Executive Board is also regularly informed of the nature, scope and amount of current risks.

a) Liquidity risks

According to the STADA assessment scale, these are not relevant risks.

Liquidity risks may result, for example, from the loss of existing cash items, lack of availability of credit, reduced access to financing of Nidda, fluctuation in the operational development of business as well as from sanctions or other regulations. In addition, potentially limited access to Russian credit institutions was triggered by the Russia-Ukraine war in 2023. The goal of the liquidity management is to ensure solvency and financial flexibility of the STADA Group at all times by way of maintaining a sufficient supply of liquidity reserves.

In 2023, STADA financed itself with loans from the shareholder, a promissory note loan (scheduled repayment April 2023), bank loans, a revolving credit facility and factoring.

b) Currency risks

According to the STADA assessment scale, these are not relevant risks.

Due to the international alignment of business activities, STADA is subject to risks arising from exchange rate fluctuations. These particularly result from fluctuations of the US dollar, Russian ruble, British pound, Swiss franc, Serbian dinar as well as the Ukrainian hryvnia in relation to the euro. A currency risk consists of potential changes in value, especially of receivables and liabilities in a currency other than the respective functional currency or as a result of exchange rate fluctuation (transaction risk). However, STADA is only subject to this risk to a limited extent, as the company counters currency-related risks through, in addition to natural hedges, the use of derivative financial instruments. These are used to hedge currency risks from oper-ating activities, financial transactions and investments. In the reporting year, STADA made use of foreign-exchange futures contracts and interest/currency swaps. The maturity of futures contracts is aligned with the terms of the underlying transactions. The remaining term of the contracts is currently up to one year.

Furthermore, currency risks also exist in relation to the conversion of the balance sheet items as well as the conversion of earnings and expenses of international Group companies outside of the euro zone (translation risk). In this connection, the Russia-Ukraine war could indirectly have a negative influence on the earnings situation and exchange rates.

The Russia-Ukraine war in particular may have an impact on the exchange rate development of the Russian ruble against the euro and the U.S. dollar due to Russia's disengagement from the international financial system and the freezing of the currency reserves of the central bank of the Russian Federation.

A currency sensitivity analysis on the basis of the outstanding foreign currency items as of December 31, 2023 showed that in financial year 2023, an appreciation or devaluation of the functional currency compared with the US dollar by 10% with otherwise unchanged conditions would change the EBITDA by approximately € 2.7 million (previous year: € 8.7 million). At the same time, an appreciation or devaluation of the functional currency in relation to the British pound of 10% with otherwise unchanged conditions would lead to a change in EBITDA of approximately € 1.0 million (previous year: € 4.4 million).

c) Interest rate risks

According to the STADA assessment scale, these are not relevant risks.

STADA is subject to interest rate risks from financial assets and financial liabilities, primarily in the euro zone. STADA calculates existing interest rate risks using sensitivity analyses, which show the effects of changes in market interest rates on interest payments, interest income and expenses as well as equity. Should the sensitivity analysis show that interest rate fluctuations could lead to significant impacts, STADA could use derivative hedging instruments to avoid the risk.

As a result of the Russia-Ukraine war, inflation rates have increased worldwide since 2022, partly due to rising energy prices. To combat inflation, various central banks raised their interest rates on several occasions, thus increasing the global market interest rate level. Any further interest rate hikes put in place by central banks to combat inflation may increase the pressure on the market interest rate level, and further market interest rate level increases could occur.

A sensitivity analysis has shown that an increase in market interest rates of 100 basis points in financial year 2023 would have led to a burden on earnings in the amount of € 17.6 million (previous year: € 19.3 million) and a decrease in market interest rates of 100 basis points would have led to a relief on earnings in the amount of € 21.3 million (previous year: € 23.7 million).

d) Default risks

According to the STADA assessment scale, these are not relevant risks.

STADA is exposed to a default risk in its operating business or as a result of financing activities if contracting parties fail to meet their obligations. Alongside the implementation of appropriate credit management processes, such transactions are generally only concluded with counterparties of impeccable financial standing to avoid default risks in financing activities.

Default risks also exist as a result of the supply of goods and services. STADA therefore strives to maintain business relations only with partners of impeccable financial standing. In addition, STADA partly uses suitable measures such as guarantees, loan insurances, or the transfer of assets to safeguard itself against default risk. Past due receivables in the operating area are continuously monitored and potential default risks are anticipated through the creation of valuation adjustments. Furthermore, there is the risk that in a difficult economic and financial environment, national healthcare systems delay or fail to make payments to STADA or business partners of STADA and that, as a result, directly or indirectly increased default risks arise.

e) Tax risks

According to the STADA assessment scale, these are relevant risks.

STADA's business activities in the individual national markets is subject to the applicable national or supranational legal tax regulations. Changes to the tax laws and their jurisdiction as well as different interpretations as part of external audits can result in risks with impacts on tax expenses, tax revenues, tax receivables and tax liabilities. The Group tax department identifies, evaluates and monitors tax risks as early as possible and systematically and initiates measures to reduce risk, where appropriate.

Furthermore, STADA takes advantage of an international network and carries out strategic Group functions centrally through STADA Arzneimittel AG. This means an overarching tax transfer-pricing model for the billing of the corresponding Group internal services is of increasing importance. Potential risks of non-recognition of these transfer prices for tax purposes, for example from retro-active tax claims of the local tax authorities against a subsidiary of the STADA Group, are limited by way of the introduction of corresponding agreement procedures and a comprehensive definition of transfer prices in the form of a Group guideline.

f) Impairment risks

According to the STADA assessment scale, these are not relevant risks.

The valuation rates of the assets included in the Group balance sheet are subject to changes in market and business relationships and thereby to changes in fair value. As part of an annual or case-related impairment test, significant non-cash burdens on earnings and impacts on balance sheet ratios may result. This applies in particular to goodwill, which primarily results from purchase price allocations linked to previous acquisitions, and to other intangible assets. Assets may also be impacted as a result of the Russia-Ukraine war. With regard to the Ukrainian subsidiaries, interruptions in the operating business as well as the possible destruction of STADA assets (including production facilities, inventories and uncollectible receivables) may occur as a result of military operations. All relevant risks are considered in the context of the preparation of the Consolidated Financial Statements.

Other risks (including climate-related risks)

According to the STADA assessment scale, this is a relevant risk.

STADA as a Group and the STADA subsidiaries in the markets, like any company, are subject to additional general business risks such as unexpected disruptions in infrastructure, strikes, accidents, sabotage, criminal activities, terrorism, war, climate-related risks (such as heat waves, floods, tornadoes and natural disasters) and other unforeseeable materially adverse influences. STADA protects itself against such risks to the extent possible and financially reasonable through appropriate insurance policies. However, it cannot be ruled out that these insurances are insufficient.

Should STADA no longer meet the necessary criteria in accordance with IFRS 10 ("Consolidated Financial Statements") for control, and consequently for consolidation, of subsidiaries due to particular capital constraints or other measures – such as may come as a result of political or military conflict – STADA would have to deconsolidate these companies. The resulting effects depend on the significance of the affected companies for STADA and could result in materially adverse effects for the Group.

The SARS-CoV-2 Corona virus that emerged in Wuhan, China, in December 2019 and the resulting Covid-19 pandemic currently have a limited global impact. It remains to be seen whether the measures have to be taken again due to new mutations of the Corona virus and further development of vaccines becomes necessary. Should measures become necessary again due to mutations of the coronavirus, delayed deliveries of active ingredients and products, fewer contacts with doctors and pharmacists as well as lower purchasing power and changes in consumer purchasing behavior remain significant sources of risk. This could again lead to a continued product shortages and lower sales volume with corresponding impacts on STADA's market situation and sales.

In principle, the Covid-19 pandemic has shown that pathogens, as a result of the increase in international interactions (globalization) and the associated increase in travel activitiy, can now spread rapidly around the world and develop into a pandemic in a relatively short space of time.

Summary Evaluation of Risks

The assessment of the overall risk situation is the result of the consolidated consideration of all significant individual risks on the basis of the applied risk management system.

While the assessments of individual risks changed in the reporting year due to the development of external conditions, changes in STADA's business portfolio, the effects of the Company's own counter-measures and adjustments to risk assessments, the overall risk situation for STADA did not change significantly overall in the reporting year compared to the previous year, despite regionally varying economic development.

In addition to the Russia-Ukraine war and the resulting economic restrictions on STADA's business activities in Ukraine, further risks are seen in the worldwide development of the general economic situation.

Should one or more of the above-mentioned risks or new risks arising in the course of business occur, this could have a material adverse effect on the Group's business activities. In particular, this could in each case be associated with material adverse effects on STADA's net assets, financial position and results of operations. This notwithstanding, from today's perspective, no risks are identifiable which, either individually or in their entirety, could jeopardize the Group's or individual companies' continued existence as a going concern. In terms of organization, STADA has taken all precautions necessary to remain informed of potential risk situations at an early stage and to be able to take appropriate measures.

Despite the existing risks, STADA continues to consider the going concern of the Group and the AG as not jeopardized given its global positioning.

Economic Report Individual Company

Results of Operations, Financial Position and Net Assets of STADA Arzneimittel AG (individual company)

Introduction

STADA Arzneimittel AG is the parent and lead Company of the STADA Group. It directly and indirectly holds shares in the companies that belong to the STADA Group.

In the evaluation of the results of STADA Arzneimittel AG, the operating profit of the activities of the Group companies in the Consumer Healthcare, Generics and Specialty segments should be taken into account. Profit or loss is significantly affected by the services including the delivery of goods to other Group companies, which result from the function of the STADA Arzneimittel AG as a parent company or holding company of the STADA Group. The costs for these strategic services are covered by the Group companies taking advantage of them and are accounted for under sales at STADA Arzneimittel AG. STADA Arzneimittel AG's net profit before profit transfer is also influenced by investment income.

For STADA Arzneimittel AG, sales and net profit before profit transfer are used as key financial performance indicators for the ability to pay a dividend to Nidda Healthcare GmbH and as management metrics.

For further information on the business activities of STADA Arzneimittel AG, in particular with regard to topics of "Research and Development", "Employees", "Macroeconomic and Sector-Specific Environment", as well as "Opportunities and Risks", reference is made to the statements regarding the STADA Group included in this Combined Management Report.

The Annual Financial Statements of STADA Arzneimittel AG are prepared in accordance with the provisions of the German Commercial Code (HGB) under consideration of the supplementing requirements of the German Stock Corporation Act (AktG). The provisions for major capital corporations apply.

Results of Operations of STADA Arzneimittel AG (individual company)

Results of operations in k €	**2023**	**2022**
Revenue	1,231,136	899,922
Net profit before profit transfer	**381,522**	**108,772**

In financial year 2023, **STADA Arzneimittel AG's sales** rose by 36.8% to € 1,231.1 million (previous year: € 899.9 million).

The increase resulted from internal Group sales which were higher by € 330.8 million and which were mainly attributable to higher delivery of goods.

Sales to third parties increased by € 0.4 million, mainly due to the delivery of goods.

Other operating income increased to € 194.4 million (previous year: € 72.7 million). The increase was due in particular to the disposal of the Nizhpharm AO investment in the amount of € 117.7 million (previous year: € 0.0 million) and income from the reversal of impairments on trade accounts receivable of € 8.3 million (previous year: € 0.0 million).

The cost of materials increased to € 538.1 million (previous year: € 354.9 million). Personnel expenses rose to € 145.3 million (previous year: € 124.3 million). Amortization/depreciation of non-current intangible assets and property, plant and equipment declined to € 114.9 million (previous year: € 117.6 million). This development was for the most part attributable to lower unscheduled amortization on approvals and brands. Other operating expenses increased to € 319.5 million (previous year: € 283.0 million), in particular due to internal Group write-downs of € 23.5 million (previous year: € 4.2 million) and increased consulting expenses of € 40.9 million (previous year: € 33.1 million).

In light of the economically successful financial year 2023, income from profit transfer agreements and associates of € 53.8 million (previous year: € 22.2 million) showed a positive development. Income from investments increased to € 101.4 million (previous year: € 60.3 million) which is mainly attributable to an increase in divident payments. Income from intercompany loans to associates decreased to € 6.9 million (previous year: € 31.2 million). Other interest and similar income showed a slight increase to € 41.1 million (previous year: € 23.2 million). Interest and similar expenses increased to € 140.0 million (previous year: € 87.4 million).

STADA Arzneimittel AG's net profit was, due to the domination and profit and loss transfer agreement, completely transferred to Nidda Healthcare GmbH. Prior to the profit transfer, net profit amounted to € 381.5 million (previous year: € 108.8 million). In the reporting year, there was tax income of € 8.7 million (previous year: tax expense of € 0.3 million).

Financial Position of STADA Arzneimittel AG (individual company)

STADA Arzneimittel AG's cash flow from operating activities increased to € 79.9 million in financial year 2023 (previous year: € -115.2 million). This increase resulted mainly from the higher annual result before profit transfer.

Cash flow from investing activities amounted to € 119.3 million (previous year: € 294.1 million) and was based primarily on the disposal of shares in associates as well as lower investments in intangible current assets.

Cash flow from financing activities was € -216.0 million (previous year: € -403.4 million). The decline was mainly due to a decrease in loan liabilities of € 158 million to € -1,705.3 million (previous year: € -1,863.3 million) and an increase in loan liabilities of € 82.4 million to € 448.6 million (previous year: € 366.2 million).

Cash and cash equivalents decreased to € 70.7 million (previous year: € 87.5 million). The primary goal of financial management is constant securing of liquidity and the limitation of risks associated with the financing.

Net Assets of STADA Arzneimittel AG (individual company)

Net assets in € million	**2023**	**2022**
Non-current assets	2,576.3	2,672.4
Current assets	1,369.6	1,096.0
Deferred expenses	20.0	16.9
Equity	886.8	886.8
Provisions	92.7	123.2
Liabilities	2,973.2	2,760.9
Deferred income	13.1	14.4

In financial year 2023, **STADA Arzneimittel AG's non-current assets** decreased to € 2,576.3 million (previous year: € 2,672.4 million). This development was based on a decrease in financial assets by € 95.4 million which is countered by a slight increase in intangible assets to € 965.6 million (previous year: € 963.9 million).

The decrease in financial assets resulted primarily from the repayment of one loan to an associate as well as the disposal of the Russian investment AO Nizhpharm.

Current assets of STADA Arzneimittel AG recorded a slight increase in 2023 to € 1,369.6 million (previous year: € 1,096.0 million). The reduced bank balances of € 70.7 million (previous year: € 87.5 million) were offset by increased receivables from associates in the amount of € 1,127.4 million (previous year: € 870.2 million). Inventories increased to € 136.6 million (previous year: € 114.0 million).

STADA Arzneimittel AG's equity remained unchanged at € 886.8 million (previous year: € 886.8 million). The equity ratio decreased to 22.4% (previous year: 23.4%).

STADA Arzneimittel AG's provisions were lower at € 92.7 million (previous year: € 123.2 million). The development was mainly the result of the decrease in tax provisions and other provisions.

STADA Arzneimittel AG's liabilities amounted to € 2,973.3 million (previous year: € 2,760.9 million). This increase was mainly the result of lower liabilities to associates. Trade accounts payable decreased to € 114.1 million (previous year: € 117.1 million). Other liabilities increased to € 22.2 million (previous year: € 17.9 million).

In addition to the assets recognized in the balance sheet, STADA took advantage of off-balance sheet assets. These primarily include leased or rented items within the usual framework such as company cars and rented building space.

The **balance sheet total** of **STADA Arzneimittel AG** rose to € 3,965.9 million (previous year: € 3,785.3 million).

Outlook for STADA Arzneimittel AG (individual company)

Contrary to the forecast in the Annual Report 2022 of a slight increase in sales of the individual company, a significant increase in sales was also recorded in the individual financial statements of STADA Arzneimittel AG in financial year 2023 due to the pleasing development of Group sales. STADA Arzneimittel AG's net income before profit transfer increased significantly in 2023, contrary to what had been forecast as a slight increase. This development was primarily based on the capital gain achieved from the sale of the associate Nizhpharm AO, increased income from investments and increased income from profit transfers.

The Executive Board anticipates a significant increase in sales for financial year 2024. A significant decline in net profit before profit transfer is forecast due to the non-recurring book gain on divestments in 2023.

On February 2, 2018, the Extraordinary General Meeting approved the conclusion of a domination and profit and loss transfer agreement between Nidda Healthcare GmbH and STADA Arzneimittel AG, which took effect on March 20, 2018. As a result, STADA Arzneimittel AG will no longer record any net income for financial years from 2018 onwards.

Sustainability is deeply-rooted in our DNA

With an unwavering focus on five SDGs

3

Integrity

Do the Right Thing When No One is Watching!

Trust

I respect confidentiality.

I do not play politics.

Compliance

I comply with rules and standards, internally and externally.

I do not hide mistakes.

Respect

I interact with others in a respectful way.

I give and ask for continuous feedback.

Speak-up

I address deficiencies.

I say what I mean.

Sustainability

I commit to our Sustainability goals.

I empower my uniqueness and I recognize differences as a strength.

COMBINED SEPARATE NON-FINANCIAL REPORT

Combined Separate Non-Financial Report

About the Non-Financial Reporting

STADA, as an internationally active healthcare Group, is convinced that responsible action as well as socially and ecologically sustainable business activities are the basis for long-term success and has therefore lived up to its responsibility for its employees, society and the environment for over 125 years. STADA is a member of the UN Global Compact and applies its principles for reporting in accordance with the German Commercial Code (HGB) to express its commitment to sustainable and responsible corporate governance and its support for the UN Sustainable Development Goals. STADA also uses the Global Reporting Initiative (GRI) as a framework for the materiality analysis.

Through its actions, STADA demonstrates its respect and appreciation for its employees, its investors, its partners and its customers as well as for the environment. For this reason, STADA's corporate mission and vision determine the path to sustainability, in which the Group essentially focuses on five United Nations Sustainable Development Goals:

Good Health and Well-Being

Decent Work and Economic Growth

Industry, Innovation and Infrastructure

Responsible Consumption and Production

Partnerships for the Goals

Sustainability is a top priority at STADA. For this reason, the Group published its second Group-wide Sustainability Report in the 2023 financial year. It can be found at www.stada.com/sustainability.

In this Non-Financial Report, STADA provides information on key topics and key figures of the Group.

STADA uses the framework of the Global Reporting Initiative (GRI) for the conduct of the materiality analysis, which is presented in the Sustainability Report 2022 (www.stada.com/sustainability). This materiality analysis is the basis for determining the non-financial topics that are considered material and takes into account the "inside out" and "outside in" perspectives.

The content of the Non-Financial Report includes the aspects listed in Section 289c (2) HGB relating to employee, environmental and social matters, respect for human rights and anti-corruption and anti-bribery measures. The aspects include various non-financial topics for which STADA provides information on concepts, processes, measures and key figures. In addition, information on the EU Taxonomy is included under "Other matters".

The non-financial reporting for STADA Arzneimittel AG and the Group has been prepared in the form of a Combined Separate Non-Financial Report (hereinafter "Non-Financial Report") pursuant to Sections 289b (3) and 315b (3) of the German Commercial Code (HGB) and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL from June 18, 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter "EU Taxonomy Regulation") for the period from January 1 to December 31, 2023.

COMBINED SEPARATE NON-FINANCIAL REPORT

Non-financial aspects in accordance with section 289c (2) HGB	Significant topics
Employee matters	3.1. Employee recruitment and retention
	3.2. Compatibility of family and career
	3.3. Compensation and benefits
	3.4. Education and training
	3.5. Employee communication
	3.6. Employee rights
	3.7. Occupational safety and health protection
	3.8. Promotion of equal opportunities
Environmental matters	5.1. Environment and resource management
	5.2. Energy consumption
	5.3. CO_2 emissions
Social matters	2.1. Good Clinical Practices
	2.2. Good Manufacturing Practices
	2.3. Good Pharmacovigilance Practices
	6. Value chain
Respect for human rights	4.4. Respect for human rights
Anti-corruption and anti-bribery measures	4.1. STADA Code of Conduct[1)]
	4.2. Compliance management
	4.3. Ethical marketing
	4.5. Access to intellectual property
	4.6. Data protection
	4.7. Non-financial risk management[1)]
Other matters	7. EU Taxonomy

1) From STADA's perspective, the topics 4.1. and 4.7. presented here are relevant topics, but were not identified as "material" in the context of the materiality analysis.

The Non-Financial Report has been subjected to a voluntary external limited assurance audit in accordance with ISAE 3000 (Revised) by the auditor. A corresponding report regarding this business assessment can be found in the chapter "Further Information".

Business reorganization in the STADA Group

STADA carried out a business reorganization in financial year 2023. In this context, STADA transferred its shareholdings in the former Russian subsidiaries to Nidda Lynx S.à r.l., a holding company based in Luxembourg and held by Nidda Midco S.à r.l., in September 2023. Since that time, the Russian companies are no longer subsidiaries of the STADA Group.

In principle, reporting date-based key figures as of the end of financial year 2023 do not include "discontinued operations", up to their deconsolidation at the end of September. Flow-based key figures, on the other hand, continue to include "discontinued operations". If these principles do not apply to certain key figures or disclosures, this is explicitly indicated (e.g. in an explanatory footnote).

Further successes in the area of sustainability

In accordance with its corporate purpose, the Group consistently pursued its measures in the area of environment, social and governance (ESG) in financial year 2023 and, in this context, STADA published its Group-wide Sustainability Report 2022 , among other activities. In addition, the independent agency Sustainalytics rated STADA as "low risk" for the first time in its Environmental, Social and Governance (ESG) risk rating, placing STADA among the top 6 percent of all companies in the pharmaceutical sector, which comprises 885 companies that were assessed with regard to ESG risks.[1)] This assessment is based on over 70 management indicators designed to provide an in-depth analysis of ESG strengths and weaknesses in terms of a company's ESG risk management relative to its peers and overall industry performance. In particular, Sustainalytics rated STADA's risk management as "strong" in terms of: product governance, business ethics, corporate governance, emissions, wastewater and waste, our own CO_2 emissions as well as corruption and bribery.

1. Description of the Business Model

STADA is an internationally-active healthcare Company that is focused on the three segments Consumer Healthcare, Generics and Specialty and that sells its products in about 115 countries. STADA Arzneimittel AG, based in Bad Vilbel, is the parent company of the Group. In financial year 2023, STADA generated Group sales of € 3,734.8 million and EBITDA of € 802.0 million, in each case adjusted for special items and currency effects.

1.1. Sustainable and profitable growth as well as long-term value enhancement on the basis of the three strategic segments and five strategic priorities

With its business model, the Group is particularly focused on achieving long-term and profitable growth as well as the sustainable enhancement of enterprise value (see "Fundamental Information about the Group – Internal Management System"). STADA's corporate strategy focuses on increased investments in its core markets, new product launches, new marketing channels and efficiency enhancements in marketing & sales as well as general and administrative expenses. The Group is also making targeted acquisitions and entering into strategic partnerships at an international level in the areas of development and production as a means to complement organic growth. Overall, these measures are geared toward ensuring that the Group continues to have a competitive product portfolio and that it can generate sustainable growth in the future.

1.2. Focus on growth markets

As a healthcare Company with a focus on the pharmaceutical market, STADA is active in one of the world's growth industries. Significant growth drivers include the continuously growing and aging world population, increasingly improved access to health care, particularly in emerging markets, and the availability of new medications – including those for so far untreatable or hard to treat diseases.

1) Source: Sustainalytics. Copyright © 2023 Sustainalytics. All rights reserved. See also Publishing information. Further information on STADA's sustainability activities can be found at https://www.stada.com/about-stada/sustainability.

In view of the fact that research is not necessary and development costs are relatively low, generics and biosimilars offer low-cost alternatives to the more expensive original products. Because they make a significant contribution to counteracting cost pressure burdens in the individual healthcare markets, they also show further growth potential in the future.

In the Consumer Healthcare segment, STADA benefits in particular from demographic change and increasing health awareness among the population.

1.3. STADA as a health partner

Since the founders of the Professional Community of German Pharmacists (STADA) in 1895 set a goal to care for the well-being of its patients by preparing certain medicines in accordance with standardized guidelines, preserving health has been at the core of Group-wide business activities. With its products, STADA contributes to efficient and affordable preventive healthcare and healthcare provision while at the same time seeking to reduce the burden on healthcare systems.

The Group sees itself not only as responsible for providing society with access to safe and affordable health care, but also has a broader understanding of its role as a healthcare partner. For this reason, STADA supports government efforts aimed at increasing social health literacy and achieving an awareness of the responsible handling of an individual's own health through the application of various measures such as the health tour "Tour de la Salute 2023" in Italy or the STADA Health Report.

In this context, the Group has been offering high-quality health information already since 2014 with the publication of the "STADA Health Report". A key element of this report is an annual study. Surveys carried out among the population on their attitudes, desires, concerns, behaviors and knowledge related to the topic of health form the basis of the respective studies. Since 2018, the survey has been conducted in various countries. For the STADA Health Report 2023, around 32,000 people in 16 European countries were surveyed (see https://www.stada.com/media/health-reports/stada-health-report-2023).

For STADA, caring for people's health begins with providing trusted solutions for prevention and treatment through a full range of pharmaceutical products. With its commitment to enhancing physical and mental well-being, the Group meets its mission of "Caring for People's Health as a Trusted Partner".

1.4. Product portfolio and development

In order to live up to its social responsibility and to safeguard its competitive position over the long term, the Group-wide product portfolio is being continuously expanded, for example in 2023 with the introduction of Sugammadex, Elotrans® reload and Ranibizumab.

STADA's business model is focused on supplying the global health-care market with a near-comprehensive portfolio comprising products with patent-free active ingredients at competitive prices. In the Consumer Healthcare segment, which also generally includes products with active ingredients that are no longer protected, the focus is on additional benefits for patients – such as a long-lasting effect and fewer side effects. In the Generics segment, STADA pursues the goal of launching a generic product in the respective market directly following expiration of the original product's patent protection. STADA is also expanding its range of medicines with added value for patients with the continuous expansion in the area of specialty pharmaceuticals.

A Group-wide "time-to-market" process has been put in place with the aim of expanding the product portfolio. Following a careful analysis of the global market, an in-depth evaluation of all product ideas for the consumer healthcare, generics and specialty pharmaceuticals sectors is carried out from a technical, regulatory and commercial perspective. All applicable quality requirements regarding the safety and efficacy of a product are reviewed during the development cycle and particularly in the context of the approval process.

The entire portfolio management process is monitored by the Executive Board by means of regular consultations in the form of reports, presentations or discussions. This ensures that the current portfolio composition follows the strategy of the Group as a whole. Continuous optimization of the product portfolio is monitored via the corresponding number of new product launches and the number of ongoing approval procedures (see "Fundamental Information about the Group – Group's Business Model").

2. Product Safety and Quality

Pharmaceuticals are products that have a direct impact on people's health. For this reason, STADA, as a pharmaceutical and healthcare Company, is responsible for ensuring the Group-wide safety of its products and thus also the safety of patients. In order to ensure that patients are provided with the best possible care, STADA's products are subject to strict requirements across the entire value chain – from clinical studies and production to pharmaceutical risk assessment. Internationally valid frameworks such as "Good Clinical Practice", "Good Manufacturing Practice" and "Good Pharmacovigilance Practice" are therefore particularly important for STADA.

2.1. Good Clinical Practice

To ensure product safety and quality, STADA complies with legal requirements and guidelines in its development activities or, in the case of local developments, with the respective national requirements. In addition, for the planning and execution of clinical trials, the Group follows so-called Good Clinical Practice (GCP), an international ethical and scientific standard for the planning, conduct, documentation and reporting of clinical trials in humans. Compliance with this standard ensures that the rights, safety and well-being of trial subjects are in accordance with the Declaration of Helsinki. It also ensures the credibility of data collected during clinical trials. Contract research organizations for the execution of clinical trials in Germany and internationally are qualified by STADA and regularly audited in order to ensure GCP compliance during the conduct of a study.

In addition, all clinical trials are monitored at trial sites so that any deviations from the GCP standard can be recognized at an early stage and corrected if necessary.

With regard to testing policy, STADA is committed to conducting no animal testing, except where such testing is required by law. Accordingly, STADA did not conduct any animal studies in 2023 – except for an animal testing study in the Netherlands for a single development project due to legal requirements and regulations – nor did the company initiate such studies through third parties.

2.2. Good Manufacturing Practices

STADA follows the Good Manufacturing Practices (GMP) at all of the Company's production sites. GMP lays out the quality requirements for all manufacturing, testing and approval procedures for medical products, active pharmaceutical ingredients and cosmetics that apply within the EU.

For certain products, several STADA locations are also certified in accordance with selected non-EU quality assurance systems or relevant ISO standards for medical products.

Group-wide quality management is carried out centrally by STADA Arzneimittel AG, whereby the individual national companies and local sites are supported by regional and local quality officers.

Within the scope of GMP auditprograms, compliance with GMP quality standards is regularly reviewed at both STADA's production facilities and at suppliers and contract manufacturers. After most of the travel restrictions imposed due to the Covid-19 pandemic were lifted, a majority of these audits were carried out on site in the reporting year.

Following the same principle, various EU and non-EU regulatory authorities carried out inspections at the Group's production facilities. In 2023, there were 36 inspections by supervisory authorities. Furthermore, 20 other external audits/ISO certifications were

carried out. No critical or recurring significant deviations were identified. ISO 9001 certification is not the main criteria for pharmaceutical production facilities, because the EU GMP guidelines apply in this sector. The site in Tulln does not produce pharmaceuticals and has an ISO 9001 certification.

Production site	ISO Certification[1]/EU GMP Guideline
Bad Vilbel, Germany	EU GMP, Russia GMP, Belarus GMP, Libya GMP
Pfaffenhofen, Germany	EU GMP
Uetersen, Germany	EU GMP, FDA
Preston, United Kingdom	EU GMP (Pre Brexit, now MHRA = local GMP), ISO 9001, HACCP
Huddersfield, United Kingdom	EU GMP (Pre Brexit, now MHRA = local GMP), Local GMP, ISO 9001, ISO 13485, ISO 14001, ISO 45001
Bila Tserkva, Ukraine	Local GMP, ISO 9001, ISO 14001, ISO 22000
Třinec, Czech Republic	EU GMP, Libya GMP (inspection executed, report and GMP certificate pending), ISO 13485, HACCP
Tulln, Austria	ISO 9001, ISO 13485
Turda, Romania (Packaging Center)	Initial GMP inspection for Batch Release executed, EU GMP certificate pending
Vršac, Serbia (Oral Dosage Forms/Sterile PSP)	EU GMP, local GMP (inspection successful, new certificate pending), Montenegro GMP, Gulf Cooperation Council GMP (inspection successful, certificate pending), ISO 9001, ISO 13485, ISO 14001, ISO 45001
Vršac, Serbia (Packaging Center)	EU GMP, ISO 9001, Gulf Cooperation Council GMP (inspection successful, certificate pending), ISO 14001, ISO 45001
Šabac, Serbia	EU GMP, local GMP, ISO 9001, ISO 14001, ISO 45001
Dubovac, Serbia	Local GMP, Russian GMP, ISO 9001, EAEU GMP, ISO 14001, ISO 45001
Banja Luka, Bosnia and Herzegovina	EU GMP, ISO 9001, ISO 14001, ISO 45001
Podgorica, Montenegro	EU GMP, ISO 9001, ISO 13485, ISO 14001, ISO 45001
Tuy Hoa, Vietnam (Pymepharco I)	EU GMP, local GMP, ISO 14001, ISO 45001
Tuy Hoa, Vietnam (STADA VN)	EU GMP, local GMP, ISO 14001, ISO 45001
Miyun, China	Local GMP, ISO 45001

1) ISO 9001 (quality management system), ISO 13485 (medical devices), ISO 14001 (environmental standard), ISO 45001 (occupational health and safety), ISO 22000 (food standard), HACCP (food standard)

2.3. Good Pharmacovigilance Practices

As part of a Group-wide global pharmaceutical safety system – the STADA Global Pharmacovigilance System – the safety of all STADA pharmaceuticals worldwide is monitored and ensured through the collection and evaluation of all reported pharmaceutical risks. STADA's subsidiaries work in accordance with standard operating procedures (SOPs) issued by the Corporate Pharmacovigilance department. In accordance with Good Pharmacovigilance Practices (GVP) and as part of the Global Pharmacovigilance Quality System, adherence to legal requirements and STADA standard operating procedures is monitored globally by means of a pharmacovigilance auditing system. Pharmacovigilance audits required in accordance with GVP are conducted by auditors from the Medical Affairs/Corporate Pharmacovigilance department. Additionally, STADA's GVP conformity is regularly inspected by authorities such as the German Federal Institute for Drugs and Medical Devices (BfArM). There were three official inspections in 2023 (France, Slovenia, Lithuania). No critical findings were made during any of these inspections. STADA undertaken the correction of the findings that were made.

In addition to the assurance of product safety, quality and effectiveness, STADA is also equally responsible for the safe use of its products by patients. In this context, the readability and comprehensibility of a drug's package insert take on a special meaning. As part of a pharmaceutical approval procedure, readability tests for package inserts – so-called "readability user tests" – are conducted early on with representative test subjects. Through the optimization of the layout, explanations for technical terms and the use of simple sentence structures, it is possible to ensure that patients can easily read and understand the package insert. As a result, both compliance (therapy adherence) for the patients is increased and abuse is also avoided.

3. Employees

With their skills, knowledge and commitment, STADA's employees form the foundation for the company's success. In financial year 2023, there were a number of changes to - subsidiaries – NextGEN360 Ltd (United Kingdom) and Nizhpharm JSC as well as Hemofarm Obninsk (both Russia) and their units were deconsolidated during the year and are no longer part of the STADA Group. Accordingly, 2,281 employees left the Group in the reporting year. As an internationally active company with 11,667 employees (on a full-time equivalent basis) from 89 nations as of the balance sheet date, STADA seeks to provide its employees with a supportive working environment.

WORLDWIDE MANAGEMENT

STADA's personnel strategy is managed centrally at Group headquarters in Bad Vilbel. A renaming also took place here in 2023. The "Human Resources" department was renamed "Culture & People".

The focus here was on the core areas of "Global Performance & Rewards", "Talent Management", "Talent Acquisition & Employer Branding" and "People Analytics & Digital Experience". These departments specify standards, guidelines and processes that are implemented by the international subsidiaries and supplemented in accordance with market-specific conditions. In view of a strong centrally-managed international Culture & People structure, there are also functional reporting lines from all regional HR managers to the global Culture & People leadership, as well as a global Culture & People management team with local representatives from the largest market regions.

3.1. Employee recruitment and retention

With an attractive working environment, STADA aims to attract and retain the best employees. To this end, STADA offers its workforce a wide range of social and monetary benefits in addition to a strong corporate vision, corporate goals and corporate values. In recognition of its efforts, STADA in 2023 was again recognized by the Top Employers Institute as a top employer in Germany, Serbia, Bosnia and Herzegovina, Montenegro and, for the first time, in Bulgaria. For the award, STADA successfully completed a multi-stage certification program in which the categories were audited and evaluated by independent experts. The re-qualified countries of Germany, Serbia, Bosnia and Herzegovina and Montenegro confirmed their excellent results, with Germany once again improving its performance compared to the previous year..

When it comes to recruiting personnel, STADA relies on value-based recruiting and uses various recruitment instruments including job advertisements, career fairs or direct approaches through professional and social networks such as LinkedIn and Xing.

Since October 2023, employees have been receiving a new global benefit, the #CaringFor You initiative – mental health and well-being for you and your families! In collaboration with Kyan Health, employees and their family members can participate in digital programs or 1:1 video sessions on mental health topics. Within the first eight weeks of the launch, 850 employees had already taken advantage of the offer.

3.2. Compatibility of family and career

STADA believes that a family-friendly personnel policy is extremely important. In particular, the company contributes to the compatibility of family and career through flexible working time models and subsidies for childcare costs. Not only that, STADA offers counseling and coaching for many situations in life, for example on the topic of caring for relatives, budgeting and health through the application of an Employee Assistance Program from PME Familienservice.

As of the balance sheet date December 31, 2023, approximately 5% of employees throughout the Group were employed on a part-time basis (thereof 91% female and 9% male employees).

In accordance with national regulations, STADA employees have the opportunity to take parental leave. In the 2023 financial year, 80 women and 21 men took advantage of this opportunity. In the same year, the re-entry rate[1] was 98%.

	Women		Men		Total	
Re-entry rate[1] in Germany after parental leave Employees by headcount	**absolute**	**in %**	**absolute**	**in %**	**absolute**	**in %**
Employees on parental leave in 2023	**80**	**79.21**	**21**	**20.79**	**101**	**100**
thereof still on parental leave/resting contract as of Dec. 31, 2023	46	94	3	6	49	49
thereof returned from parental leave in 2023	33	65	18	35	51	50
thereof left from parental leave[2] in 2023	1	100	0	0	1	1

3.3. Compensation and benefits

STADA offers its employees both performance-oriented as well as demand and market-oriented compensation. STADA's German employees are covered by the Federal Employers' Association for the Chemical Industry (BAVC) collective agreement and its benefits.

Social security for employees is an important part of the corporate culture. For this reason, STADA offers a wide range of voluntary additional benefits. In Germany, these include payments or subsidies for the commute to the workplace, supplementary occupational disability insurance in the chemical industry (BUC) for every employee covered by collective agreements and those covered by similar agreements, the promotion of the Chemie-Pensionfonds, as well as group accident insurance which also covers private accidents.

1) The re-entry rate is the ratio between the total number of employees who returned to work after parental leave and the total number of employees whose return to work after parental leave was agreed.
2) These include employee resignations and employer terminations, severance agreements and resignations after the expiration of the contract.

In preparation for the EU Pay Transparency Directive which will become national law from 2026, STADA submitted a Pay Equity Commitment already in 2023.

NEW FORMS OF WORK

Since 2021, STADA has been pressing ahead with the permanent implementation of new forms of work. It has been possible to work in a mobile office up to two days a week, to the extent that this is operationally feasible.

3.4. Training and development

Vocational training and development at all hierarchical levels helps to secure and strengthen the company's competitiveness. STADA therefore attaches great importance to training and development.

The ultimate objective is to meet the company's own needs for qualified junior staff and to fill as many management and professional positions as possible from our own ranks in the future. To this end, STADA uses internal promotion and targeted development programs.

The individual training of employees is defined and coordinated by the respective departments on a needs-oriented basis and in accordance with individual targets. This includes not only offers to improve professional competence, but also leadership, methodological and social competence as well as foreign language support. Within this framework, development discussions between employees and their supervisors form the basis for individual development.

In the reporting year, a comprehensive range of online language courses was introduced in collaboration with GoFluent. Employees also have the opportunity to take part in a steadily growing number of STADA-specific training courses such as "Finance for non-finance people".

GLOBAL TALENT MANAGEMENT

STADA has a global program for the promotion of talent aligned with the corporate culture and the goal of future growth. Over the course of three development cycles, participants are given a comprehensive understanding of STADA's purpose, values and strategy.

Two global programs are used in the Group with the aim of recruiting and promoting young talent. Over the course of the 24-month "Impact" trainee program, participants are trained in four functional areas at STADA and prepared for a potential long-term position in the STADA Group. The "Accelerate" program, which was started in financial year 2021, is targeted toward people with initial work experience and aims to train future managers during the 24-month program. STADA also offers students the opportunity to gain practical experience in the pharmaceutical industry with an internship or clerkship.

3.5. Employee communication

STADA's communication, both internally and externally, always contributes to the mission of "Caring for People's Health as a Trusted Partner", the vision of being the preferred partner for Consumer Healthcare, Generics and Specialty while growing stronger and being more profitable than the competition. At the same time, it contributes to the strengthening of the four corporate values Agility, Entrepreneurship, Integrity and One STADA. These values also form the binding framework for cooperation among the 11,667 employees throughout the world and are therefore of particular importance for internally.

Clear communication within the company is particularly important in times of geopolitical unrest and economic turbulence. This applies to all functions, areas and geographical regions.

To meet this need and also reach employees who do not have a PC workstation, STADA introduced a global employee app in 2023 that can be downloaded and used by all employees. The app makes it possible for employees to view current events or the canteen plan, for example, contact the IT Service Desk directly with technical questions and communicate even more easily with STADA colleagues worldwide.

In the first two weeks since its launch, more than 70% of global employees had already downloaded and registered for the app. The app focuses on STADA's commitment to engaged employees as well as to a strong sense of community. It keeps all employees up-to-date and facilitates collaboration by providing a platform for networking with colleagues.

The employee app is supported by intranet pages in nine different languages. The constant flow of information was maintained in 2023 through four global issues of the employee magazine "One STADA News", which is published in twelve different languages and with numerous local editions, as well as three global employee meetings. These were broadcast live on the intranet with simultaneous translations into what is now also a total of nine different languages. At country level, there were also many local events targeted at employees. For the global leadership team, there were monthly video conferences with the CEO as well as two in-person meetings in the spring and fall of 2023, focusing not only on strategic updates but also on corporate culture.

The "TechOps brochure" project, which was carried out for the first time in 2022, was advanced in order to provide even better information to around 6,790 STADA employees in the areas of production, logistics, supply chain and laboratories. Following initial publication in the UK, local editions followed in nearly all other production locations in the reporting year, including Germany, Serbia, the Czech Republic and Vietnam. The brochures are composed of global and local content for the respective country where it is produced. The messages are presented in a clearly structured manner so that the company's overall strategy can be firmly established in the workforce in a comprehensible and sustainable manner.

We also continued to communicate in various formats and channels about the internal growth initiative "STADA+", which was launched in 2020. "STADA+" promotes the corporate value of entrepreneurship by motivating employees to develop and advance business cases. Communication on submitted cases and various testimonials deepened the understanding of the initiative. Since its launch, a total of more than 125 business cases have been submitted and approved.

STADA's entrepreneurial mission is also communicated externally, in part through the Group's annual "Caring Day" which was held on December 7. This event offers every employee the opportunity to give something back to the community and to make a direct positive impact on people's health.

Special events were held at all STADA locations on December 7, 2023 – from local blood donations in places such as Vietnam, Serbia and Kazakhstan to discussion rounds with the Red Cross in Germany or with the NHS Blood Donation in the UK to STADA employees who volunteered in various voluntary organizations in Bulgaria.

EMPLOYEE RETENTION

Through regular, semi-annual employee surveys, all STADA employees around the world are encouraged to express their opinions, ideas and feelings through notices, posters, on-site information sessions and other measures. This success is evident from the fact that 91% of all employees took part in the last survey in November 2023. The participation rate improved significantly since 2022 (81%) and May 2023 (87%).

Of those surveyed, 94% said that they are proud of STADA's corporate mission "Caring for People's Health as a Trusted Partner". This excellent figure once again confirms how important the mission is for all employees worldwide. Taking care of people's health begins with your own employees. 90% of the employees surveyed agreed with the statement: "I make sure that I'm doing well at work."

Thousands of remarks and comments, including critical voices, are analyzed individually so that STADA can work to further improve the working environment.

To encourage this sense of personal responsibility, STADA launched #CaringForYou, a new global campaign dedicated to the mental health and well-being of employees. The campaign, supported by Kyan Health, aims to raise awareness of mental health. The program includes a digital platform available to all employees and their families that can be accessed in over 30 languages.

STADA cultivates an open feedback culture and promotes an open two-way exchange of ideas and information - from line managers to employees and vice versa. To this end, regular feedback interviews and employee surveys are conducted to assess work, the supervisor and the working atmosphere, among other things.

To further promote a "speak-up culture" and to comply with all legal requirements, an internal compliance portal known as "Compliance Reporting Portal" was established in the course of the financial year 2023, which reflects to one of the company's core values. The portal allows all employees to report concerns and problems anonymously. An internal awareness campaign is also currently being developed.

3.6. Employee rights

Taking local laws into account, STADA ensures that the rights of its employees are observed Group-wide.

The Company is committed to the principle of equal treatment and pursues violations of the German Non-Discrimination Act (AGG) with disciplinary consequences. In Germany, employees are informed about the applicable non-discrimination policy at an onboarding event when they join the company. This is in accordance with legal requirements. They also receive a form by which they confirm that they have been informed about the AGG. The signed form is added to the respective personnel file.

The Company continues to place importance on the fair involvement of employee representatives and expresses a clear commitment to the freedom of association as well as to the right of its workforce to membership in a trade union.

3.7. Occupational safety and health protection

Occupational safety and health protection are integrative components of operational management at STADA. STADA's global Health-Safety-Environment Management System (HSE Management System) lays out the framework for safe and healthy working conditions for employees as well as contractors and visitors and is operationally implemented through the location-specific management systems.

In financial year 2023, the HSE management system at the STADA location in Miyun, China, was certified in accordance with ISO 45001, bringing the total number of locations certified in accordance with this standard to nine as of December 31, 2023. Other production sites are in the process of preparing for the relevant certification.

Location	ISO 45001
Vršac, Serbia	✓
Dubovac, Serbia	✓
Šabac, Serbia	✓
Podgorica, Montenegro	✓
Banja Luka, Bosnia and Herzegovina	✓
Huddersfield, United Kingdom	✓
Tuy Hoa 1, Vietnam	✓
Tuy Hoa 2, Vietnam	✓
Miyun, China	✓

The definition and reporting of global and local targets and key performance indicators, which are fully integrated into operational management reporting, are an important part of continuously improving occupational health and safety. Accidents or near-misses are analyzed on a cross-functional foundation at the site on the basis of global specifications in order to identify the underlying causes. Lessons learned are communicated through the global HSE network to prevent accidents or near-misses from occuring again in the future.

In the reporting year, as a result of the broad range of measures, it was possible to again reduce the number of accidents (accidents ≥1 lost work day) as compared to 2022:

Health and safety: Accident rate	2023	2022
Accident rate[1)]	0.28	0.34

Occupational health protection is ensured by external company doctors and occupational health practitioners and includes mandatory preventive medical check-ups as well as additional voluntary health check-ups and consultations.

With site-specific offers in the area of health and sport, STADA aims to promote the improvement of its employees' health and the expansion of their own health awareness. In financial year 2023, these included, for example:

- Implementation of the global STADA program #CaringForYou which provides professional mental health and psychosocial support to STADA employees and their families around the world, supported by an app and local counselors
- Local campaigns during the "World Day of Safety and Health at Work" and the global "Health Challenges"
- Program for extended health check-ups for STADA employees as well as the continuation of the fitness offering provided through the supplier "Wellpass"
- Voluntary blood donations by STADA employees as part of the worldwide "We Care" Day

1) All production locations; accident rate calculated for every 200,000 working hours for accidents ≥1 lost day (not including commuting accidents).

3.8. Promotion of equal opportunities

As an internationally-active Group with locations in over 45 countries worldwide, cultural diversity is an important part of STADA.

In the STADA Group, diversity is regarded as a unique quality and differences are seen as a strength. In this respect, uniqueness includes personality, experience, gender, ethnicity, sexual identity and much more. The Group encourages every employee to leverage their uniqueness and sees this as a recipe for success in its growth culture.

In order to draw attention to and promote this diversity, STADA launched a communication campaign in financial year 2021 under the motto "#UniqueStartsWithU", which was continued in 2023. Within the scope of this campaign, various aspects of uniqueness were presented, including language, sexual orientation, gender, etc.

With regard to equal opportunities for women and men, STADA believes that a balanced representation of both genders when filling positions is extremely important. Also, as part of succession planning for managers, the Executive Board focuses on an appropriate advancement of women in order to steadily increase the proportion of women. When it comes to filling management positions, however, the professional and personal qualifications of the candidates, and not their gender, are always at the forefront.

The proportion of women employed in management positions at the Group in 2023 amounted to approximately 52% (previous year: approximately 52%).

Gender diversity is measured in various levels at STADA, with a division in "upper, middle and lower management levels". The "upper management level" includes all members of the STADA Global Leadership Team. In this Group, women had a share of 29% as of December 31, 2023 (December 31, 2022: 29%). For the "middle management level", the share of women was 52% (December 31, 2022: 52%). For the "lower management level", the proportion of women was 54% (December 31, 2022: 53%).

Women in management positions[1)]
Share of women as of December 31, 2023 *(December 31, 2022)*

1) Figures as of the reporting dates 2023 and 2022 calculated without the Russian subsidiaries.

In addition to gender diversity, age-related indicators were also developed in order to maintain a balanced and diverse workforce.

	2023		2022	
Gender Diversity as of December 31[1] based on full-time employees	**absolute**	**in %**	**absolute**	**in %**
Male	6,302	54	5,799	53
Female	5,363	46	5,058	47
Diverse	2	0	2	0
Total	**11,667**	**100**	**10,859**	**100**

Workforce by age as of December 31, 2023 based on full-time employees	**Employees**	**Share** in %
18–24 years	449	4
25–34 years	3,334	29
35–44 years	3,849	33
45–54 years	2,815	24
≥ 55 years	1,220	10
Total	**11,667**	**100**

Workforce by years of service as of December 31, 2023 based on full-time employees	**Employees**	**Share** in %
<5 years	6,299	54
5–14 years	2,744	24
15–29 years	2,314	20
>30 years	310	2
Total	**11,667**	**100**

1) Figures as of the reporting dates 2023 and 2022 calculated without the Russian subsidiaries.

4. Responsible Corporate Governance and Compliance

As an internationally-active Group, STADA is subject to a wide range of legal framework conditions. Adherence to these conditions forms the foundation of responsible, sustainable and successful corporate governance – because unlawful behavior or even the appearance of a breach of the law can lastingly damage the reputation and market position of the Company and cause significant financial loss. For this reason, the principles of transparent, responsible and value-oriented corporate governance determine the actions of STADA's Executive Board and Supervisory Board. Furthermore, in addition to legal requirements and further regulations, the regulatory framework in which the Company operates encompasses the provisions of its Internal Control and Risk Management System, the STADA Code of Conduct and Group-wide corporate policies on specific topics derived from it.

STADA's Code of Conduct is published on the Company's website at www.stada.com/de or www.stada.com.

4.1. STADA Code of Conduct

STADA's Code of Conduct and corporate policies not only serve the Company itself, but also its employees in particular as guidance for proper behavior when confronted with legal or ethical challenges in their daily work. They are also designed to help prevent unethical or illegal behavior such as acts of corruption. The Code of Conduct contains binding behavioral guidelines on topics such as anti-corruption, fair competition, social aspects regarding tolerance and respect as well as dealing with the media and taxes. In order to familiarize employees with the content of the Code of Conduct, they are instructed by a compliance officer, for example, in the context of an interactive e-learning including practical examples. Since 2022, all employees worldwide have submitted an annual electronic confirmation that they have read the Code of Conduct and that they act in accordance with its principles. All employees worldwide have also been required to submit an additional electronic confirmation regarding potential conflicts of interest.

4.2. Compliance Management

In order to ensure compliance with applicable law and internal rules, STADA implemented a comprehensive Compliance Management System comprising the main areas of anti-corruption, competition law, export and sanctions control, prevention of money laundering and data protection.

A key component of the Compliance Management System at STADA is the Corporate Compliance Office, which acts as an independent and objective advisor. Its function is to protect the Company from damage to its financial position and reputation, to safeguard STADA's management and employees from personal liability, prevent the occurrence of competitive disadvantages and strengthen the confidence of consumers, patients, contract partners and public authorities in STADA, including its integrity. It pursues internal and external indications of violations of law, clarifies issues, presents recommendations on the optimization of intra-Group processes and regularly conducts exchanges of information with other corporate departments, particularly with Internal Audit and Risk Management. Additionally, an Ombudsman is available to employees as well as business partners and other third parties as a neutral and independent contact person for reporting suspicious cases. The Ombudsman's contact details can be accessed on the Company's website at https://www.stada.com/compliance. The Ombudsman's task is to receive confidential information and, with the consent of the information provider or anonymously, to forward it to the Compliance Office. A decision is then made on how to proceed in each individual case. In addition, STADA introduced a Compliance Reporting Portal in 2023, where employees, third parties and contractual partners can also report suspicious activity or grievances, including the option to report anonymously.

There are decentralized compliance departments at the locations that manage the topic locally in a decentralized manner and act as contact persons on site. They support the Corporate Compliance Office and maintain an intensive dialog with it. There are also more than two dozen Compliance Coordinators at the local subsidiaries, who take on compliance tasks in addition to their original duties, are available as contacts for local compliance tasks and thus contribute to better compliance-related coverage of the Group.

Through a regular review of the existing Compliance Management System, it is continuously optimized and the international exchange among compliance officers is intensified. Since 2017, the subsidiaries have been providing extended reporting to the Compliance Office which aims to identify and clarify potential compliance risks and counter them with targeted measures, as this contributes to the continuous development and optimization of the Compliance Management System.

There is also a regular exchange with Internal Audit, where risks and further optimization to current developments are discussed. The optimization potentials that are identified are also shared with the subsidiaries.

In 2020 and 2021, STADA focused on, among other things, obtaining certification for the Compliance Management System taking into account ISO standards 19600 and 37301 in accordance with the auditing standard IDW PS980 for the STADA Group. This external audit covered both the appropriateness and the effectiveness of the Compliance Management System in the areas of anti-corruption, anti-money laundering, anti-trust law, export controls and data protection. The effectiveness audit of the Compliance Management System was successfully completed for the period from July 1, 2020 to December 31, 2020 with the so-called "unqualified audit opinion".

In the reporting year, STADA continued to develop its compliance activities in order to adapt to changing regulatory requirements and a dynamic market environment. For example, STADA introduced a digital whistleblower system ("Compliance Reporting Portal") in order

to expand its long-established whistleblower program with an additional channel for reporting suspicious cases. STADA also established a process for determining appropriate remuneration in dealings with healthcare professionals (e.g. doctors) in the various countries ("fair market value"), which ensures that such payments are appropriate. In addition, STADA updated a number of its guidelines in order to adapt them to changing market conditions and regulatory requirements (e.g. sanctions and export guidelines).

4.3. Ethical marketing

The global guideline on Marketing & Sales was updated in 2022. This serves as the framework in the area of marketing of pharmaceuticals within the STADA Group. The updated guideline now reflects all requirements from the Code of Conduct of Medicines for Europe, an association of European pharmaceutical companies in the area of biosimilars and generics, of which the STADA Group is a member. The most significant changes to this directive include the cross-border publication of payments to healthcare professionals and the dispensing of sample pharmaceuticals. STADA also defined a methodology for determining appropriate remuneration in interactions with healthcare professionals.

4.4. Respect for human rights

For STADA, good corporate governance means that the focus is not only on the achievement of goals, but also on how they are achieved. STADA's strategic priorities and values form the basis for its overall commitment to sustainable development in order to be profitable and achieve growth while ensuring the company has a positive impact on people and their health, the economy and the environment. STADA formally joined the UN Global Compact in financial year 2021, thus reaffirming its commitment to respecting and protecting international human rights.[1)]

In its "Declaration of Principles on STADA's Human Rights Strategy", STADA describes in detail its commitment to supporting and promoting internationally-recognized human rights and to protecting the environment. In accordance with the German Supply Chain Due Diligence Act (LkSG)[1)], this declaration also contains a description of the processes relating to corporate due diligence in dealing with protected legal positions. In addition to the Declaration of Principles, STADA has also implemented a Due diligence process for human rights. The identification of risks and potential impacts by means of regular risk analyses and the development of effective preventive and remedial measures are core factors when it comes to fulfilling due diligence obligations in the area of human rights and environmental protection.

In addition to the ombudsman, STADA also offers a STADA compliance reporting portal, which can be accessed via the company website, for whistleblowers with concerns, complaints and grievances relating to violations of human rights-related obligations. The reporting channels are accessible to the public. In addition to employees of the STADA Group, all external stakeholders (including suppliers, service providers, customers, patients and members of local communities) as well as any potentially affected person can report human rights violations at STADA or its business partners.

For at least ten years, the STADA Code of Conduct has laid out the Group's vision of achieving economic prosperity while assuming ethical responsibility and respecting human rights. The Code of Conduct, which is intended to provide employees in particular with guidance when it comes to correct behavior in the face of legal and ethical behavior, includes, among other things, rules of conduct for dealing with each other and with third parties as well as rules regarding tolerance, respect and discrimination. The Code of Conduct also explicitly emphasizes that STADA markets and sells its products in accordance with all relevant legal rules and regulations in the respective countries in which STADA operates. In particular, STADA rejects forced labor, exploitation or child labor of any kind.

Human rights issues also play an important role in STADA's purchasing practices and its sustainable procurement strategies. The Group expects its business partners to comply with all applicable laws, rules and regulations in the countries in which they operate or conduct business and to adhere to the standards set out in the Declaration of Principles on STADA's Human Rights Strategy. This also includes the introduction of relevant procedures

1) See STADA Arzneimittel AG | UN Global Compact: https://www.unglobalcompact.org/what-is-gc/participants/147513.

1) STADA falls within the scope of the LkSG as a result of the relevant employee threshold from January 1, 2024.

by STADA's business partners to ensure respect for human rights – including in their own supply chains (such as the introduction of effective management systems and governance structures as well as appropriate measures to combat corruption and fraud. With STADA's Business Partners Code of Conduct, the company establishes binding standards on human rights, environmental issues and ethical standards with partners in the company's direct sphere of influence.

In connection with the LkSG, STADA has taken the decision to introduce a system solution from EcoVadis. Suppliers are evaluated on the global platform in the areas of environment, labor and human rights, ethics and sustainable procurement. Implementation began in 2022. Further operational implementation has been taking place since 2023 to ensure full compliance with the obligations under the LkSG from January 1, 2024.

4.5. Access to intellectual property

STADA's approach as a generics manufacturer is to provide an accelerated, cost-efficient and reliable supply of generics. This means that, in addition to products from the original manufacturers, additional alternative pharmaceuticals are available to those who need them. This is important not only from a cost perspective, because it relieves the burden on healthcare systems, but also in the event of supply bottlenecks. Thus, at the same time, STADA fulfills its purpose of caring for people's health as a trusted partner.

Through its membership in Medicines for Europe, STADA also supports the implementation of the flexibilities of the TRIPS Agreement with a view to accelerating access to intellectual property.

As a generics manufacturer, the filing and enforcement of patents is not part of STADA's core business. If patents are sometimes filed, it is only in selected countries or regions. If patents are granted, they are enforced only in special cases and only in highly developed countries.

4.6. Data protection

STADA respects the personal rights of its stakeholders, processes personal data exclusively for specific business purposes and protects it from unauthorized access. The company takes necessary measures to treat personal data with confidentiality and to collect, process and use it exclusively in accordance with the applicable data protection regulations.

4.7. Non-financial risk management

Identification and evaluation of potential non-financial risks are documented within STADA's risk management system if they reach the value thresholds defined here. Further information on recorded risks as well as a detailed presentation of the risk management system can be found in the chapter "Opportunities and Risk Report". ESG risks in the respective management systems (e.g. occupational health and safety, environmental management, compliance) are also identified and assessed in a structured manner by the responsible departments and suitable measures are defined to manage them. The monitoring of the implementation of measures is the responsibility of the individual departments.

5. Environmental and Climate Protection

As a manufacturer of pharmaceutical products, STADA is aware of the impact that it has on the environment as a result of its consumption of natural resources and the generation of greenhouse gases, wastewater and waste. The Group therefore seeks to reduce this negative impact by complying with environmental regulations and continuously improving its processes.

5.1. Environment and resource management

The locations have implemented local processes to ensure compliance with environmental laws and to continuously improve their environmental performance based on Group-wide requirements. This means that as of December 31, 2023, there was a certified environmental management system in place at ten sites. Further certifications for other sites are currently being prepared.

Location	ISO 14001
Vršac, Serbia	✓
Dubovac, Serbia	✓
Šabac, Serbia	✓
Podgorica, Montenegro	✓
Banja Luka, Bosnia and Herzegovina	✓
Huddersfield, United Kingdom	✓
Bila Tserkva, Ukraine	✓
Tuy Hoa 1, Vietnam	✓
Tuy Hoa 2, Vietnam	✓

WASTE MANAGEMENT

Resource and waste management is also part of STADA's Operational Excellence processes. Within the scope of these processes, projects are carried out at site level to improve production yields and reduce material losses.

In addition to avoiding costs, this increases resource efficiency and reduces waste. The permanent reduction and legally-compliant disposal of waste and the resulting protection of natural resources is part of the site processes and is proactively followed within the framework of the global specifications and the certified environmental management systems in accordance with ISO 14001.

In addition to minimizing operational waste, STADA seeks to improve the ratio of recycling and landfilling of waste. This is an ongoing task, because not all countries in which STADA operates have a well-established waste recycling industry. In the current year, despite operational measures, the total amount of waste increased by approximately 10%, mainly due to the increased production volume.

WATER AND WASTEWATER MANAGEMENT

Water is mainly used in production processes for cleaning equipment and containers, controlling room humidity in production areas by means of air-conditioning systems, and for sanitary purposes. Global water demand in 2023 was approximately 1,030 million m³ (2022: 1,013 million m³). Because water scarcity and drought are a challenge as climate change progresses, STADA also determined its impact on water-poor areas in 2023 using the World Resources Institute's (WRI) Aqueduct Water Risk Atlas[1)], with the result that 5% (roughly 52,000 m³ in 2023) of total water consumption comes from sites in water-poor areas. STADA will assess the risk situation at the sites with regard to water shortages annually to quantify potential changes and to derive solutions.

Wastewater at all sites is monitored, controlled and discharged into municipal wastewater systems as an indirect discharge in accordance with local regulatory limits. At a number of sites, wastewater streams are subjected to pretreatment before being discharged. The plants are operated in compliance with local regulations and applicable discharge limits.

5.2. Energy consumption

A secure and stable energy supply is vital for STADA's production sites and the efficient use of energy is one of the pillars of the Group-wide CO_2 strategy.

1) https://www.wri.org/data/aqueduct-water-risk-atlas

In financial year 2023, STADA's total energy consumption amounted to 331 GWh, a decline of approximately -3% compared to 2022.

Energy consumption in GWh	2023	2022
Primary energy	171	183
Secondary energy – electricity, other purchased energies	160	159
Total	**331**	**342**

5.3. CO_2 emissions

STADA Arzneimittel AG took the decision in 2021 to support the 1.5 degree increase in global warming target based on the Paris Climate Agreement (COP21). With this in mind, STADA set the goal of reducing its own CO_2 emissions (Scope 1[1] and 2[2]) by 42% by 2030, taking the figures from 2020 as a basis.

In order to achieve this absolute reduction target, the STADA program is based on the three pillars:

- Energy efficiency and reduction
- On-site renewable energy generation
- Use of electricity from renewable sources

The electricity generated by STADA's own photovoltaic system at the Tuy Hoa site in Vietnam amounted to approximately 2,650 MWh in 2023, resulting in a reduction of approximately 1,900 tons of CO_2 (Scope 2). In 2023, STADA also installed a photovoltaic system on the laboratory building in Timisoara, Romania.

Once again in 2023, STADA further increased its share of electricity from renewable sources. After STADA started with its British sites in October 2022, the large Serbian production sites in Vršac and Šabac were also supplied with renewable electricity since July 2023. Thanks to the additional purchase of Energy Attribute Certificates (EAC) and its allocation on the Serbian energy market, 100% of the electricity consumed at STADA's production sites in the United Kingdom and Serbia has come from renewable sources since January 2023.

On the basis of these measures, STADA reduced its CO_2 emissions (Scope 1 and Scope 2) by approximately 10% from 2022 to 2023, from approximately 110 kt CO_2 to approximately 100 kt CO_2, and therefore remains on track to meet its overall reduction target.

Climate change: CO_2 emissions	2023	2022
Scope 1: CO_2 emissions (tons of CO_2 eq.)	42,700	42,400
Scope 2: CO_2 emissions (tons of CO_2 eq.)	57,000	67,500

6. Value Chain

Since STADA's success is determined by both security of supply as well as quality of supply and is characterized by cost-cutting efforts on the part of healthcare payers as well as price pressure in the sales markets, efficient and flexible supplier management is essential.

To ensure security of supply, the Group strives to diversify its range of suppliers – both geographically and at product level. Demand planning is carried out centrally in the STADA Group. In the reporting year, there were a total of 16 production sites at major locations, including Serbia, Vietnam and the United Kingdom. Investments in the modernization and expansion of production plants and production facilities as well as testing laboratories amounted to € 86.0 million in 2023 (previous year: € 51.5 million). This includes € 40.0 million for a new supply chain and packaging site in the Romanian city of Turda. Since the beginning of the project, STADA has invested approximately € 54 million in the expansion of this new Romanian location.

1) Scope 1: direct emissions (determined from measured values und consumption estimates).
2) Scope 2: indirect emissions (determined from measured values, consumption estimates, site or country-specific electricity conversion factors).

STADA's responsibility as a pharmaceutical manufacturer is based on close cooperation with its suppliers. To foster this cooperation, STADA established the External Supply Chain Organization (ESO) in 2021. The ESO focuses on managing STADA's long-term and business relationships that are based on a spirit of trust in order to promote the company's values. A supplier code was drawn up to strengthen the relationship with responsible partners and is currently being systematically rolled out.

STADA regularly conducts Good Manufacturing Practice (GMP) audits of suppliers within the scope of its quality management system so that it can ensure its products comply with standards, safety requirements as well as regulations. These audits are required at least every three years for batch releases, finished products, contract testing laboratories, intermediates and active ingredients. If necessary, audits are also carried out for new suppliers, quality problems, packaging materials and GMP service providers. In financial year 2023, 277 audits were requested, and all of them were carried out (272 on-site, five virtual). The result was assessed as "accepted" for 268 audits, while the finalization of the audit report had not yet been completed for seven audits as of December 31, 2023.

Two audits were assessed as "partially accepted", because one critical defect was initially identified in each case. In accordance with the regular process, deliveries are then stopped immediately until a sufficient action plan – with short deadlines for this critical defect – has been accepted by the manufacturer. In addition, a new on-site audit must verify that the action has been successfully initiated and that the corrective action does not result in the defect still being classified as "critical". Only then can deliveries be resumed by the manufacturer. For each batch, an internal "quality warning procedure" is then used to determine whether the batches were affected by the critical defect and, in the course of a risk assessment, whether the corrective/preventative measures for the quality of the batch were sufficient to release the batches for the market. For one manufacturer, deliveries were stopped – as described above – and the follow-up audit was carried out after one month, during which the measures initiated were accepted and it became possible to resume deliveries.

For the second manufacturer, there were still no active deliveries because the product had not yet been marketed. In this case, the follow-up audit was carried out in January 2024 and the measures were also accepted. The action plans of both manufacturers will be tracked until the final status "accepted" can be assigned.

STADA's Technical Operations (TechOps) unit is responsible for production and is headquartered in Germany. It operates a total of 16 active production facilities in ten countries in the European and Asia-Pacific regions with a total of 5,650 TechOps employees who produced 608.8 million packages in the reporting year.

STADA continues to work with the external sustainability assessment platform EcoVadis, and has made good progress in assessing and evaluating the ESG performance of raw material and packaging suppliers as well as Contract Manufacturing Organizations (CMO). The ESG assessment is based on a self-assessment by the company being assessed and by a review of related documents and information. This is just one way that STADA is pursuing the goal of improving the social and ecological aspects of its value chain. 67% of all suppliers in the area of direct purchasing such as External Supply Operations (ESO), Active Pharmaceuticals Ingredients (API), raw materials and packaging materials have already undergone the audit and assessment in 2023. Significant suppliers of goods and services that are not used in STADA products will be included in the assessment in 2024.

In order to ensure and improve the availability of pharmaceuticals, STADA continued its supply chain transformation in 2023.

STADA achieved excellent service levels in the second half of 2023 (OTIF Q4 2023 = 87%), recovering from the unprecedented supply challenges in the first quarter of 2023 (OTIF Q1 2023 = 81%), mainly due to improvements in planning and supplier delivery capabilities, demonstrating the transformation of the supply chain.

Examples of measures include, among other things:

- Introduction of monthly end-to-end meetings covering all areas of TechOps, even beyond the immediate supply chain area
- Introduction of forecast bias in the Executive S&OP meetings to identify systematic over and under forecasts
- Joint evaluation of the S&OP structure together with Camelot, identification of packages of measures to achieve harmonized structures in all regions. (Also at the top of the agenda for 2024: "Make S&OP the backbone of our business")
- Comprehensive review of safety and minimum/maximum stock levels with the aim of optimizing stock levels
- Clear prioritization of the improvement of service levels for A articles compared to B/C/D articles
- Introduction of S&OP meetings with external suppliers (in progress)
- Development of ad hoc reporting platforms to provide a easily-accessible basis for decision-making (started in the fourth quarter of 2023)
- Organizational review and fit-gap analysis (started in the fourth quarter of 2023)

Forecast Accuracy, Pack Fill Rate and On Time in Full in %	**2023**	**2022**
Forecast Accuracy (FCA)	63	65
Pack Fill Rate (PFR)	91	93
On Time in Full (OTIF)	86	80

7. EU Taxonomy

Background information

With the European Green Deal adopted in 2019, the EU Commission seeks to reduce net greenhouse gas emissions in the EU to zero by 2050. As part of these efforts, Regulation (EU) 2020/852 of the European Parliament and of the Council on sustainability-related disclosure requirements (hereinafter "EU Taxonomy") was adopted and the environmental objectives of:

- (1) climate change mitigation
- (2) climate change adaptation
- (3) sustainable use and protection of water and marine resources
- (4) transition to a circular economy
- (5) pollution prevention and control and
- (6) protection and restoration of biodiversity and ecosystems

In 2021, the EU Commission adopted the Delegated Act (EU) 2021/2139 ("Climate Delegated Act") for the environmental objectives (1) climate change mitigation and (2) climate change adaptation. The Delegated Act (EU) 2023/485, published on June 27, 2023, adapts the technical assessment criteria of some existing economic activities of environmental objectives (1) and (2) and also adds new economic activities. In addition, the Delegated Act (EU) 2023/2486 ("Environmental Delegated Act") published on June 27, 2023 defines the economic activities and the corresponding technical assessment criteria for the four environmental objectives (3) to (6). In addition, the Delegated Act specifies disclosure requirements for the existing disclosure requirements in accordance with Art. 8 of the EU Taxonomy Regulation.

The Climate and Environmental Delegated Acts contain the relevant economic activities including the technical assessment criteria to determine the conditions under which an activity is environmentally sustainable. The focus is on economic activities and sectors that have the greatest potential to make a significant contribution to achieving these environmental objectives.

For the 2023 reporting year, the newly included activities of the two environmental objectives and the activities of the four other environmental objectives are to be reported on for the first time. Initially, only taxonomy-eligibility is to be reported for these activities. Reporting on taxonomy-alignment is mandatory from the 2024 financial year. For the economic activities included under environmental objectives (1) and (2), both taxonomy-eligibility and taxonomy-alignment must be reported in the 2023 reporting year.

STADA's ambitions

In accordance with Article 8 (1) of the EU Taxonomy Regulation, STADA is not subject to the EU Taxonomy reporting obligation because STADA is not capital market-oriented. Nevertheless, for the 2023 reporting year, as was also the case in the 2022 reporting year, financial key figures in accordance with the EU Taxonomy are reported voluntarily to ensure comprehensive reporting in the non-financial report as well as consistency and transparency and to confirm STADA's commitment to its sustainability strategy.

STADA is a leading healthcare and pharmaceutical company with its Consumer Healthcare, Generics and Specialty segments. STADA's core business, the provision of pharmaceutical goods or services, is represented by two economic activities in environmental objective (5) pollution prevention and control. With the publication of the Environmental Delegated Act, STADA will therefore also report sales-related key figures in addition to the OpEx and CapEx-related key figures in financial year 2023.

For financial year 2023, sales, OpEx and CapEx activities, including those that are not directly related to STADA's core activities but nevertheless fall under the criteria of the EU Taxonomy, have been identified and published.

In 2023, STADA continued to expand its EU Taxonomy-related reporting process. Several Group-wide workshops were held in 2023 to further familiarize the Group with the EU Taxonomy reporting obligations.

An economic activity is taxonomy-aligned if it fulfills the description of an activity defined in the delegated acts. To determine taxonomy alignment, a taxonomy-eligible economic activity must

- make a significant contribution to the achievement of one or more EU environmental objectives
- not significantly affect any other of the EU environmental objectives and
- be in compliance with the minimum safety regulations.

Procedure for recording the 2023 KPIs

Procedure for determining taxonomy-eligible activities

STADA already analyzed and reported on sales, operating and capital expenditures with regard to taxonomy-eligible economic activities in financial years 2021 and 2022. In 2023, the newly-added economic activities of environmental objectives (3) to (6) in the Environmental Delegated Act and the amendments and extensions of environmental objectives (1) and (2) in the Climate Delegated Act were examined to determine the extent to which these economic activities correspond STADA's economic activities. This means that STADA has identified the economic activities that generate sales or for which OpEx or CapEx are undertaken that fall under the EU Taxonomy.

STADA initially examined the taxonomy-eligibility of those economic activities that serve the provision of goods or services on a market, thus (potentially) generating revenues. As a pharmaceutical group, STADA defines the research and development, manufacture and marketing of pharmaceutical products as its core business. The Group defines the identified (see reporting table opposite) as supporting economic activities that are necessary for the performance of the core business.

As a second step, economic activities were examined that are not part of STADA's core economic activities and which fall into the CapEx and OpEx categories. Based on the centrally identified potentially relevant activities, information and data on OpEx and CapEx were obtained from STADA's fully consolidated subsidiaries and consol-idated at Group level. Sales-related data was recorded and analyzed centrally at Group level by Headquarters.

STADA's economic activities are recorded under the environmental objectives (1) climate change mitigation (CCM), (4) transition to a circular economy (CE) and (5) pollution prevention and control (PPC)[1]. STADA identifies sales, OpEx and CapEx that contribute to one or more of these objectives. No economic activities were identified under objectives (2) climate change adaptation[2], (3) sustainable use and protection of water and marine resources and (6) the protection and restoration of biodiversity and ecosystems.

STADA's activities were allocated to the following economic activities in the EU Taxonomy:

Economic activities identified as taxonomy-eligible		Environmental objective	KPIs to be reported
1.1	Manufacture of active pharmaceutical ingredients (API) or active substances	PPC	Sales
1.2	Manufacture of medicinal products	PPC	Sales/OpEx
4.31	Production of heat/cooling from fossil gaseous fuels in an efficient district heating and cooling system	CCM	OpEx/CapEx
5.3	Construction, extension and operation of wastewater collection and treatment	CCM	OpEx/CapEx
5.4	Renewal of waste water collection and treatment	CCM	OpEx/CapEx
6.3	Passenger transportation in local and regional transport, road passenger transport	CCM	OpEx/CapEx
6.4	Operation of personal mobility devices, cycle logistics	CCM	OpEx
6.5.	Transport by motorbikes, passenger cars and light commercial vehicles	CCM	OpEx/CapEx
7.1/3.1	Construction of new buildings	CCM, CE[1]	CapEx
7.2/3.2	Renovation of existing buildings	CCM, CE[1]	OpEx/CapEx
7.3	Installation, maintenance and repair of energy efficiency equipment	CCM	OpEx/CapEx
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM	OpEx/CapEx
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM	CapEx
7.6	Installation, maintenance and repair of renewable energy technologies	CCM	OpEx/CapEx
7.7	Acquisition and ownership of buildings	CCM	OpEx

1) CCM = climate change mitigation, CCA = climate change adaptation, CE = transition to a circular economy, PPC = pollution prevention and control.
2) Economic activities listed under environmental objective (2) climate change adaptation are defined in the Climate Delegated Act exclusively as adapted activities and not as enabling activities. A climate risk and vulnerability analysis is required for adapted activities in order to be able to identify these activities as taxonomy-eligible under environmental objective (2) (see EU FAQ C/2023/305 question 18). STADA does not have a climate risk and vulnerability analysis for financial year 2023. In addition, STADA did not make any specific investments in 2023 with the aim of mitigating a climate risk that is considered to be significant. For these reasons, STADA does not report any activities as taxonomy-capable under environmental objective (2).

1) The economic activities "construction of new buildings" and "renovation of existing buildings" are taxonomy-eligible under environmental objectives (1) and (4). STADA reports relevant capital expenditures and operating expenses of these activities 100% under environmental objective 1, because this is the most relevant environmental objective for STADA.

STADA's core activities include the production and marketing of active pharmaceutical ingredients such as erythropoietin (Epo) (activity 1.1) and pharmaceuticals (activity 1.2). Products that do not correspond to the definition under 1.1 or 1.2, such as certain food supplements, cosmetics or disinfectants, were classified as not taxonomy-eligible.

In financial year 2023, STADA operated plants that use fossil gaseous fuels to generate heat/cooling (activity 4.31) and built (activity 5.3) and renovated (activity 5.4) waste water systems at its production sites.

STADA leases vehicles that are used for the transportation of passengers and their luggage in local and regional transport (activity 6.3). STADA also offers a company bike program (activity 6.4) and leased forklifts and vehicles in classes L and N1 (activity 6.5) as well as trucks (activity 6.6) in financial year 2023.

In 2023, STADA commissioned construction projects and acquired or leased real estate as the first owner (activity 7.1/3.1). Renovation costs were incurred that include demolition work, the construction of a new building or part thereof, and the extension of a building (activity 7.2/3.2). STADA also incurred expenses for the installation, maintenance and repair of energy-relevant new equipment such as windows or doors and HVAC (heating, ventilation, air conditioning) (activity 7.3). Expenses were also incurred for the installation, maintenance and repair of charging stations for electric vehicles (activity 7.4), the measurement, maintenance and monitoring of the energy efficiency of buildings (activity 7.5) and for solar/photovoltaic systems (activity 7.6). STADA also rented new buildings in financial year 2023 and carried out associated maintenance work (activity 7.7).

Procedure for determining taxonomy-eligible activities

For the activities included under environmental objectives (4) and (5), only reporting on taxonomy-eligibility and not on taxonomy-alignment is required in 2023, as explained above. Thus, only the taxonomy-eligible activities of environmental objective (1) was examined with regard to EU taxonomy-alignment. Taxonomy-eligible economic activities are taxonomy-aligned if they make a significant contribution to one of the environmental objectives, do not have a substantial impact on any of the other five EU environmental objectives (Do No Significant Harm – DNSH), and if they meet the minimum level of protection set out in Article 18 of the EU Taxonomy Regulation.

In the past reporting year 2022, STADA determined that the requirements for minimum protection were not yet met. In order to take appropriate measures and to be able to report on taxonomy-eligibility in the long term, STADA carried out a status analysis in financial year 2023 with regard to compliance with the minimum protection. The analysis focused on human rights (including employee rights), corruption/bribery, taxes and fair competition. The "Final Report on Minimum Safeguards"[1)] of the Platform on Sustainable Finance from October 2022 served as a guide. The analysis covered existing company guidelines and risk management processes in relation to the key topics mentioned above. The result shows that STADA already meets all requirements in the areas of corruption/bribery, taxes and fair competition. STADA does not yet meet the minimum safeguard requirements of the EU taxonomy in the area of human rights. As part of the LkSG, STADA has developed, among other things, a Standard Operating Procedure (SOP) for Responsible Procurement for STADA's suppliers which will be implemented in 2024. In 2024, STADA will define additional measures to meet the minimum safeguard requirements also in the area of human rights.

Because STADA does not meet the minimum safeguard requirements, no economic activities can be reported as taxonomy-eligible. For this reason, an analysis of the other taxonomy eligibility criteria (DNSH criteria and material contribution criteria) was not carried out.

1) https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

Calculation of the key figures

The sales key figure is calculated as the ratio of net sales from taxonomy-eligible or taxonomy-aligned economic activities in a reporting year to total net sales in that year. Total net sales for the reporting year 2023 form the denominator of the sales indicator and can be derived from the consolidated income statement.

The EU Taxonomy divides OpEx and CapEx ratios into three categories (a–c). Category a) includes capital expenditures or operating expenses for assets or processes that are related to taxonomy-eligible or taxonomy-aligned economic activities. Category b) includes capital expenditures or operating expenses that are part of a CapEx plan to expand or enable taxonomy-aligned economic activities. Category (c) includes non-sales related purchases of production from taxonomy-eligible or taxonomy-aligned economic activities and individual measures that allow the target activities to achieve reductions in greenhouse gases or become low-carbon. This year for the first time, STADA will perform sales-generating activities that correspond to one of the descriptions of taxonomy-eligible economic activities in the Environmental Delegated Act. Furthermore, the capital expenditures and operating expenses incurred were examined to determine whether they can be allocated to one of the activities or to an acquired product or to an individual measure. For this reason, the OpEx and CapEx ratios refer to individual measures in category a) or c).

The CapEx key figure is calculated as the ratio of additions from taxonomy-eligible or taxonomy-compliant economic activities in a reporting year (consolidated data obtained through STADA's subsidiaries) total additions to property, plant and equipment and intangible assets (including those from any business combinations) and rights-of-use assets in the reporting year. Total capital expenditures for the reporting year 2023 form the denominator of the CapEx indicator and can be derived from the Consolidated Balance Sheet (see chapter "Notes to the Consolidated Balance Sheet": "24. Intangible assets" and "25. Property, plant and equipment" from page 153 ff).

The OpEx key figure is calculated as the ratio of operating expenses from taxonomy-eligible or taxonomy-aligned economic activities in a reporting year (consolidated data obtained from STADA's subsidiaries) to total operating expenses in accordance with EU Taxonomy in that reporting year. Total operating expenses in reporting year 2023 form the denominator of the OpEx figure and comprise the total of the research and development costs, expenses for building modernization measures, short-term leasing, maintenance and repair, as included in the income statement. Research and development costs are direct expenses that cannot be capitalized in accordance with IAS 38.

To avoid double counting, during the analysis of STADA's economic activities, each relevant financial transaction was assigned to a single economic activity of only one environmental objective.

Because STADA sold its Russian associate Nizhpharm in financial year 2023 and classified it as a "discontinued operation", sales and OpEx of the company are not recognized in the income statement of "continuing operations". In this respect, the taxonomy-eligible activities of the former Russian subsidiaries are not included in the key figures.

Because the investment activities of the former Russian subsidiaries are reported in the statement of changes in non-current assets, the taxonomy-eligible activities of the former Russian subsidiaries are also listed in the CapEx indicator.

Results

SALES

With the publishing the economic activities under environmental objective (5), which includes STADA's core activities (production and marketing of active pharmaceutical ingredients and pharmaceuticals), STADA was able to identify that the economic activities "1.1 Manufacture of active pharmaceutical ingredients (API) or active substances" and "1.2 Manufacture of medicinal products" are relevant. For this purpose, STADA has examined all products and product groups to determine whether they comply with the definition under 1.1 and 1.2. If this is not the case, they were classified as not taxonomy-eligible.

CAPITAL EXPENDITURES

The CapEx identified as taxonomy-eligible at STADA relates to capital expenditures on assets or processes associated with taxonomy-eligible economic activities, as well as the acquisition of output from taxonomy-eligible economic activities and individual measures that can reduce greenhouse gas emissions.

OPERATING EXPENSES

In addition to CapEx, STADA has considered OpEx in greater detail and allocated these to taxonomy-eligible or taxonomy non-eligible economic activities.

As explained in the chapter "Procedure for determining taxonomy-eligible activities", no taxonomy-aligned activities were identified under sales, CapEx or OpEx in 2023.

The results are summarized in the following tables:

Development of KPIs compared to the previous year

Proportion of **Sales** from products or services associated with taxonomy-aligned economic activities – **disclosure covering year 2023**
in k €

				2023				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")								
Economic activities	**Code**	**Sales**	**Proportion of sales**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of taxonomy aligned (A.1) or eligible (A.2) sales 2022**	**Category enabling activity**	**Category transitional activity**
		in k €	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
of which transitional		–	–	–															
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	149,920	4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
Manufacture of medicinal products	PPC 1.2	3,017,649	81%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**3,167,569**	**85%**	**0%**	**0%**	**0%**	**85%**	**0%**	**0%**								**0%**		
Turnover of taxonomy-eligible activities (A.1+A.2)		**3,167,569**	**85%**	**0%**	**0%**	**0%**	**85%**	**0%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Sales of taxonomy-non-eligible activities		**567,274**	**15%**																
Total (A+B)		**3,734,843**	**100,0%**																

Codes in columns 5 to 10:

Y	Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N	No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL	Not eligible, taxonomy non-eligible activity for the relevant environmental objective
EL	Taxonomy-eligible activity for the relevant objective
N/EL	Taxonomy non-eligible activity for the relevant objective

Table according to footnote (c) of Environmental DA Annex V

	Proportion of sales/Total sales	
	aligned per objective	**eligible per objective**
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	–	85%
BIO	0%	0%

Proportion of **CapEx** from products or services associated with taxonomy-aligned economic activities – **disclosure covering year 2023**
in k €

			2023	Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")								
Economic activities	**Code**	**CapEx**	**Proportion of CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiverstiy**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiverstiy**	**Minimum safeguards**	**Proportion of taxonomy aligned (A.1) or eligible (A.2) CapEx 2022**	**Category enabling activity**	**Category transitional activity**
		in k €	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
of which transitiona		–	–	–															
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	1,959	0.61%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.00%		
Manufacture of medicinal products	PPC 1.2	4,726	1.47%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.00%		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM 4.31	315	0.10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	41	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Renewal of waste water collection and treatment	CCM 5.4	146	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Urban and suburban transport, road passenger transport	CCM 6.3	146	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	20,551	6.39%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.43%		
Construction of new buildings	CCM 7.1/ CE 3.1	40,625	12.63%	**EL**	N/EL	N/EL	N/EL	EL	N/EL								0.00%		
Renovation of existing buildings	CCM 7.2/ CE 3.2	5,480	1.70%	**EL**	N/EL	N/EL	N/EL	EL	N/EL								0.49%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1,249	0.39%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.34%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	81	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	324	0.10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	143	0.04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Acquisition and ownership of buildings	CCM 7.7	4,565	1.42%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.49%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**80,351**	**25%**	**23%**	**0%**	**0%**	**2%**	**0%**	**0%**								**5%**		
CapEx of taxonomy-eligible activities (A.1+A.2)		**80,351**	**25%**	**23%**	**0%**	**0%**	**2%**	**0%**	**0%**								**5%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy-non-eligible activities		**241,346**	**75%**																
Total (A+B)		**321.697**	**100%**																

Codes in columns 5 to 10:

Y	Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N	No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL	Not eligible, taxonomy non-eligible activity for the relevant environmental objective
EL	Taxonomy-eligible activity for the relevant objective
N/EL	Taxonomy non-eligible activity for the relevant objective

Table according to footnote (c) of Environmental DA Annex V

	Proportion of CapEx/Total CapEx	
	aligned per objective	**eligible per objective**
CCM	0%	23%
CCA	0%	0%
WTR	0%	0%
CE	–	14%
PPC	–	2%
BIO	0%	0%

Proportion of **OpEx** from products or services associated with taxonomy-aligned economic activities – **disclosure covering year 2023**
in k €

			2023		Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")									
Economic activities	**Code**	**OpEx**	**Proportion of OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiverstiy**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiverstiy**	**Minimum safeguards**	**Pro-portion of taxonomy aligned (A.1) or eligible (A.2) OpEx 2022**	**Category enabling activity**	**Category transitional activity**
		in T €	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
of which transitional		–	–	–															
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	1,211	0.78%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Manufacture of medicinal products	PPC 1.2	6,037	3.87%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM 4.31	144	0.09%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	525	0.34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.23%		
Renewal of waste water collection and treatment	CCM 5.4	76	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Urban and suburban transport, road passenger transport	CCM 6.3	553	0.35%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Operation of personal mobility devices, cycle logistics	CCM 6.4	85	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,049	0.67%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.31%		
Renovation of existing buildings	CCM 7.2/ CE 3.2	3,388	2.17%	**EL**	N/EL	N/EL	N/EL	EL	N/EL								4.12%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	177	0.11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	3	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	30	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Acquisition and ownership of buildings	CCM 7.7	244	0.16%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities (A.2)		**13,522**	**9%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**6%**		
OpEx of taxonomy-eligible activities (A.1+A.2)		**13,522**	**9%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**6%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy-non-eligible activities		**142,295**	**91%**																
Total (A+B)		**155,817**	**100%**																

Codes in columns 5 to 10:

Y	Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N	No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL	Not eligible, taxonomy non-eligible activity for the relevant environmental objective
EL	Taxonomy-eligible activity for the relevant objective
N/EL	Taxonomy non-eligible activity for the relevant objective

Table according to footnote (c) of Environmental DA Annex V

	Proportion of OpEx/Total OpEx	
	aligned per objective	**eligible per objective**
CCM	0%	4%
CCA	0%	0%
WTR	0%	0%
CE	–	2%
PPC	–	5%
BIO	0%	0%

Complementary Delegated Act Nuclear & Gas Templates

Regarding the activities of the Complementary Delegated Act, separate reporting obligations must be fulfilled on the basis of reporting forms. STADA has identified the economic activity 4.31 "Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system". In this context, STADA reports only taxonomy-eligible activities.

Template 1

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	Result
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Row	Fossil gas related activities	Result
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2

Taxonomy-aligned economic activities (denominator)

		Amount and proportion of sales						Amount and proportion of OpEx						Amount and proportion of CapEx					
Row	Economic activities		CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)			CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)			CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	**Total applicable KPI**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Template 3

Taxonomy-aligned economic activities (numerator)

		Amount and proportion of sales						Amount and proportion of OpEx						Amount and proportion of CapEx					
Row	Economic activities		CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)			CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)			CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Template 4

Taxonomy-eligible but not taxonomy-aligned economic activities

		Amount and proportion of sales						Amount and proportion of OpEx						Amount and proportion of CapEx					
Row	Economic activities		CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)			CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)			CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %	in k €	in %
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	144	2.3	144	2.3	0	0	315	0.4	315	0.4	0	0
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**–**	**–**	**–**	**–**	**–**	**–**	**6,130**	**97.7**	**6,130**	**97.7**	**0**	**0**	**73,351**	**99.6**	**73,351**	**99.6**	**0**	**0**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**–**	**–**	**–**	**–**	**–**	**–**	**6,274**	**100**	**6,274**	**100**	**0**	**0**	**73,666**	**100**	**73,666**	**100**	**0**	**0**

Template 5

Taxonomy non-eligible economic activities

Row	Economic activities	Sales		OpEx		CapEx	
		in k €	in %	in k €	in %	in k €	in %
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible i n accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**568,583**	**100**	**142,295**	**100**	**241,346**	**100**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**568,583**	**100**	**142,295**	**100**	**241,346**	**100**

At the core of what we do

Cost-effective Generics

4

Agility

Grow from Change and Challenges!

Open-mindedness

I am open to new possibilities.

I foster a solution-oriented approach.

Change

I drive change.

I adapt quickly.

Challenge

I embrace challenges as an opportunity.

I learn from failures.

Urgency

I prioritize importance vs. urgency.

I act straight away.

Martin Spatz
General Manager Austria

Jesus Corchero
Head of Global Operations

Paulina Romaniszyn
General Manager Poland

STADA CONSOLIDATED FINANCIAL STATEMENTS 2023

Consolidated Income Statement

Consolidated Income Statement in k €	**2023**	**2022**	**Note[1)]**
Sales	3,734,843	3,297,735	11.
Cost of sales	1,985,369	1,742,907	12.
Gross profit from sales	**1,749,473**	**1,554,827**	
Selling expenses	791,441	731,761	13.
General and administrative expenses	266,367	235,192	14.
Research and development expenses	96,927	85,056	15.
Other income	84,986	66,261	16.
Other expenses	96,321	147,067	17.
Operating profit	**583,403**	**422,011**	
Results from investments measured at equity	79	-8	
Financial income	2,876	1,715	
Financial expenses	194,012	96,723	
Financial result	**-191,057**	**-95,016**	18.
Earnings before taxes	**392,346**	**326,995**	
Income taxes	49,900	48,354	19.
Result from continuing operations	**342,446**	**278,641**	
Result from discontinued operations	-415,581	76,484	20.
Result of the period	**-73,135**	**355,125**	
thereof			
distributable to shareholder of STADA Arzneimittel AG (net income) from continuing operations	318,002	258,030	
distributable to shareholder of STADA Arzneimittel AG (net income) from discontinued operations	-415,581	76,484	
distributable to non-controlling interests from continuing operations	24,444	20,611	21.
distributable to non-controlling interests from discontinued operations	—	—	
Transfer of profits to Nidda Healthcare GmbH	381,522	108,772	

1) The following Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income in k €	2023	2022	Note[1]
Result from continuing operations	**342,446**	**278,641**	
Result from discontinued operations	-415,581	76,484	
Items to be recycled in the income statement in future:			
Currency translation gains and losses from continuing operations	**-10,215**	**-6,647**	35.
thereof income taxes	—	—	19.
Currency translation gains and losses from discontinued operations[2]	**200,947**	**36,737**	35.
thereof income taxes	-427	-53	19.
Gains and losses on financial assets (FVOCI) from continuing operations	**11**	**34**	47.
thereof income taxes	-1	-11	19.
Items not to be recycled in the income statement in future:			
Gains and losses on financial assets (FVOCI) from continuing operations	**-10,659**	**-3,356**	26.
Revaluation of net debt from defined benefit plans from continuing operations	**-5,590**	**3,491**	36.
thereof income taxes	752	445	19.
Revaluation of net debt from defined benefit plans from from discontinued operations	**—**	**63**	36.
thereof income taxes	—	—	19.
Other comprehensive income	**174,494**	**30,322**	
Consolidated comprehensive income	**101,359**	**385,447**	
thereof			
distributable to shareholder of STADA Arzneimittel AG (net income)	77,053	364,869	
distributable to non-controlling interests	24,306	20,578	
Consolidated comprehensive income distributable to shareholder of STADA Arzneimittel AG	**77,053**	**364,869**	
thereof			
from continuing operations	291,687	251,585	
from discontinued operations	-214,634	113,284	

1) The following Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
2) In financial year 2023, € 319.7 million of the change in the currency translation reserve resulted from the reclassification to profit or loss of exchange rate losses from the deconsolidated Russian companies previously recognized in equity up to the date of deconsolidation.

Consolidated Balance Sheet

Consolidated Balance Sheet in k €	**Dec. 31, 2023**	**Dec. 31, 2022**	**Note**[1)]
ASSETS			
Non-current assets	**2,991,393**	**3,478,238**	
Intangible assets	2,370,231	2,851,567	24.
Property, plant and equipment	545,196	550,264	25.
Financial assets	3,110	13,240	26.
Investments measured at equity	2,443	2,573	27.
Other financial assets	7,052	429	30.
Other assets	8,583	6,948	31.
Deferred tax assets	54,778	53,218	
Current assets	**2,245,783**	**2,277,086**	
Inventories	1,098,103	965,361	32.
Trade accounts receivable	731,283	878,810	28.
Return assets	682	978	29.
Income tax receivables	21,847	21,359	
Other financial assets	117,870	69,687	30.
Other assets	84,310	82,258	31.
Cash and cash equivalents	191,687	258,633	33.
Total assets	**5,237,176**	**5,755,324**	

1) The following Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

Consolidated Balance Sheet in k €	Dec. 31, 2023	Dec. 31, 2022	Note[1)]
EQUITY AND LIABILITIES			
Equity	**1,158,487**	**1,465,239**	35.
Share capital	162,090	162,090	35.1.
Capital reserve	514,206	514,206	35.2.
Retained earnings including net income	650,407	1,135,831	35.3.
Other reserves	-237,411	-418,366	35.4.
Treasury shares	-1,403	-1,403	35.5.
Equity attributable to shareholder of the parent company	**1,087,889**	**1,392,358**	
Shares relating to non-controlling interests	70,598	72,881	35.6.
Non-current borrowings	**1,471,179**	**2,911,305**	
Other non-current provisions	35,022	33,349	36.
Financial liabilities	1,139,303	2,572,779	37.
Other financial liabilities	135,054	125,626	40.
Other liabilities	13,354	3,670	41.
Deferred tax liabilities	148,445	175,881	
Current borrowings	**2,607,510**	**1,378,780**	
Other provisions	24,794	23,605	42.
Financial liabilities	1,018,472	60,546	37.
Trade accounts payable	694,557	689,348	38.
Contract liabilities	953	4,534	39.
Income tax liabilities	40,276	51,938	
Other financial liabilities	632,254	354,962	40.
Other liabilities	196,203	193,847	41.
Total equity and liabilities	**5,237,176**	**5,755,324**	

1) The following Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement in k €	**2023**	**2022**	**Note[1)]**
Result from continuing operations	342,446	278,641	
Depreciation and amortization net of write-ups of non-current assets	218,605	256,907	23.
Income taxes	49,900	48,354	19.
Income tax paid	-71,150	-64,577	
Income tax received	8,055	4,189	
Interest income and expenses	191,136	95,007	18.
Interest and dividends received	2,069	852	
Result from investments measured at equity	-79	8	27.
Result from the disposal of non-current assets	-11,118	-206	16./17.
Additions to/reversals of other non-current provisions	5,511	3,444	36.
Currency translation income and expenses	11,730	10,349	16./17.
Other non-cash expenses and gains[2)]	291,321	267,890	
Gross cash flow	**1,038,424**	**900,858**	
Changes in inventories	-321,892	-216,659	32.
Changes in trade accounts receivable	-79,962	-94,297	28.
Changes in trade accounts payable	45,376	120,549	38.
Changes in other net assets, unless attributable to investing or financing activities	-253,511	-139,628	
Operating cash flow from continuing operations	**428,435**	**570,823**	43.
Operating cash flow from discontinued operations	114,865	167,764	
Operating cash flow (total)	**543,299**	**738,586**	

1) The following Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
2) The non-cash additions to accruals for health insurance discounts in financial year 2023 amounting to € 196.7 million (previous year: € 183.2 million) are reported within gross cash flow and are therefore not included in changes in other net assets.

Consolidated Cash Flow Statement in k €	**2023**	**2022**	**Note**[1)]
Payments for investments in			
intangible assets	-163,039	-163,367	
property, plant and equipment	-97,426	-58,132	
financial assets	-200	-70	
business combinations in accordance with IFRS 3	-3,831	-14,139	
Proceeds from the disposal of			
intangible assets	19,876	19,484	
property, plant and equipment	999	1,949	
financial assets	—	—	
shares in consolidated companies	4,607	5,439	
Investing cash flow from continuing operations	**-239,014**	**-208,835**	43.
Investing cash flow from discontinued operations	-78,939	-33,926	
Investing cash flow (total)	**-317,953**	**-242,761**	
Borrowing of funds	191,812	467,461	37.
Settlement of financial liabilities	-95,795	-780,883	37.
Settlement of finance lease liabilities	-30,360	-28,447	
Interest paid	-177,843	-103,644	
Dividend distribution and profit transfer	-135,360	-145,801	35.
Changes in non-controlling interests	—	-14,690	35.
Financing cash flow from continuing operations	**-247,547**	**-606,004**	43.
Financing cash flow from from discontinued operations	-28,130	-167,594	
Financing cash flow (total)	**-275,677**	**-773,598**	
Changes in cash and cash equivalents	**-50,331**	**-277,773**	43.
Changes in cash and cash equivalents due to exchange rates	-16,615	9,924	
Net change in cash and cash equivalents	**-66,947**	**-267,848**	33.
Balance at beginning of the period	**258,633**	**526,482**	
Balance at end of the period	**191,687**	**258,633**	

1) The following Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

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	Currency translation reserve[1)]	FVOCI reserve	Treasury shares	Equity attributable to shareholder of the parent	Shares held by non-controlling interest	Group equity
Balance as of Dec. 31, 2023	**62,342,440**	**162,090**	**514,206**	**650,407**	**-233,784**	**-3,627**	**-1,403**	**1,087,889**	**70,598**	**1,158,487**
Profit transfer to Nidda Healthcare GmbH	—	—	—	-381,522	—	—	—	-381,522	—	-381,522
Dividend distribution	—	—	—	—	—	—	—	—	-26,588	-26,588
Other comprehensive income	—	—	—	-6,323	191,603	-10,648	—	174,632	-138	174,494
Result of the period	—	—	—	-97,579	—	—	—	-97,579	24,444	-73,135
Balance as of Jan. 1, 2023	**62,342,440**	**162,090**	**514,206**	**1,135,831**	**-425,387**	**7,021**	**-1,403**	**1,392,358**	**72,881**	**1,465,239**
Previous year										
Balance as of Dec. 31, 2022	**62,342,440**	**162,090**	**514,206**	**1,135,831**	**-425,387**	**7,021**	**-1,403**	**1,392,358**	**72,881**	**1,465,239**
Profit transfer to Nidda Healthcare GmbH	—	—	—	-108,772	—	—	—	-108,772	—	-108,772
Dividend distribution	—	—	—	—	—	—	—	—	-26,980	-26,980
Other comprehensive income	—	—	—	4,052	29,625	-3,322	—	30,355	-33	30,322
Result of the period	—	—	—	334,514	—	—	—	334,514	20,611	355,125
Balance as of Jan. 1, 2022	**62,342,440**	**162,090**	**514,206**	**906,037**	**-455,012**	**10,343**	**-1,403**	**1,136,261**	**79,283**	**1,215,544**

1) In financial year 2023, € 319.7 million of the change in the currency translation reserve resulted from the reclassification to profit or loss of exchange rate losses from the deconsolidated Russian companies previously recognized in equity up to the date of deconsolidation.

Notes to the Consolidated Financial Statements

General Information

1. Corporate information

STADA Arzneimittel Aktiengesellschaft (STADA Arzneimittel AG) as the parent Company of the STADA Group (hereafter referred to as "STADA"), based in Bad Vilbel, Germany, and whose registered office is in Stadastrasse 2–18, 61118 Bad Vilbel, is an internationally-oriented Company active throughout the world in the healthcare and pharmaceuticals markets, especially in the Generics, Consumer Healthcare and Specialty segments.

The Consolidated Financial Statements of STADA Arzneimittel AG for financial year 2023 were approved for publication by the Executive Board on March 13, 2024.

2. Basis of preparation of the financial statements

The Consolidated Financial Statements prepared for STADA Arzneimittel AG as parent Company as of December 31, 2023, were prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretations Committee (IFRS IC), as applicable in the European Union (EU), as well as in accordance with the supplementary provisions pursuant to Section 315e (1) of the German Commercial Code (HGB).

STADA is not capital market oriented in accordance with IFRS 8.2 but prepares segment reporting in accordance with IFRS 8 on a voluntary basis.

The financial year corresponds to the calendar year. The individual financial statements of the companies included in the scope of consolidation are prepared as of the same date as the Consolidated Financial Statements.

The structure of the consolidated income statement follows the cost-of-sales method, according to which expenses incurred in generating sales are divided into functional areas. In the statement of comprehensive income, use was made of the option to present this separately from the consolidated income statement. The balance sheet classification distinguishes between non-current and current assets and liabilities, some of which are presented in detail in the Notes according to their current or non-current distinction.

The Consolidated Financial Statements are prepared in euro. Unless otherwise indicated, figures in the Notes are shown in euro thousands (k €). Rounding is thus necessary, although this of course is not significant in its nature.

3. Consequences of new or amended standards and interpretations

In financial year 2023, STADA observed and, if relevant, applied the pronouncements and amendments to pronouncements published by the IASB and endorsed by the EU which were first applicable as of January 1, 2023. Initial application of the new standards had no or no material effects.

OECD PILLAR TWO MODEL RULES

The Group falls within the scope of the OECD Pillar Two model rules. The Pillar Two legislation was adopted in Germany, the country in which the Company is headquartered, and have been in effect since December 28, 2023. As the Pillar Two legislation was not yet in force on the reporting date, the Group is not currently subject to any taxes in this respect. The Group makes use of the exemption from the recognition of deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendment to IAS 12 published in May 2023.

In accordance with the legislation, the Group must pay an additional tax per country in the amount of the difference between the GloBE effective tax rate and the minimum rate of 15%.

The Group is currently in the process of assessing the impact of Pillar Two when the legislation takes effect. This analysis results in an average effective tax rate based on IFRS earnings of less than 15% for various jurisdictions for the 2023 reporting period.

Although the average effective tax rate is below 15%, the Group may not have to pay Pillar Two income taxes in relation to the jurisdictions. This is because of specific adjustments provided for in Pillar Two legislation, which result in deviations from the effective tax rates calculated in accordance with IAS 12.86.

Other reasons include tax advantages in Serbia that expired in 2023 and the introduction of a corporate income tax in the United Arab Emirates.

Given the complexity of applying the legislation and calculating GloBE income, it is not yet possible to reliably estimate the quantitative impact of the legislation that has been passed or that has already taken effect. Pillar Two could therefore have tax implications even for companies with an effective tax rate that exceeds 15%.

THE IASB HAS PUBLISHED THE FOLLOWING IFRS STANDARDS THAT WERE NOT YET APPLIED:

From today's perspective, no or no significant effects on the Consolidated Financial Statements are expected from the future application of the further standards (IFRS 9, IFRS 16, IAS 1, IAS 7) and interpretations not yet applied.

4. Changes in the methods for estimating the impairment test for goodwill and certain intangible assets and property, plant and equipment relating to Russia

As a result of the transfer of the Russian companies to Nidda Lynx S.à r.l., Russian business activities are significantly less material for the Group. Therefore, the uncertainty of the Russian business activities due to the current geopolitical situation was not taken into account in the cash flow projection using a scenario analysis as was the case in the previous year, but rather within the weighted average cost of capital (WACC) on the basis of a country risk premium derived from the respective country rating.

There were no other changes beyond this.

5. Scope of consolidation

All significant subsidiaries, joint ventures and associates are included in the Consolidated Financial Statements. Subsidiaries are companies that are directly or indirectly controlled by STADA and are therefore fully consolidated. Control exists if STADA Arzneimittel AG or its subsidiaries are in control of an investee, are exposed to variable backflows and, due to control over existing rights, are able to substantially influence the investee's variable backflows. Control is usually substantiated by a share of voting rights of more than 50%.

Joint arrangements are characterized by joint control by two or more parties and should be classified as either joint operations or as joint ventures. In joint operations, the parties that exercise joint control possess the rights to assets and liabilities included in the agreement. In joint ventures, however, the parties involved possess rights to the company's net assets. Joint ventures are to be included in the Consolidated Financial Statements using the equity method.

Associates are companies over which STADA can have significant influence and which are not subsidiaries or joint ventures. They are included in the Consolidated Financial Statements using the equity method.

Subsidiaries, joint ventures and associates whose influence, both individually and as a whole, on the net assets, financial position and results of operations of the STADA Group is insignificant, are not consolidated or accounted for using the equity method. Investments in these companies are accounted at amortized cost under financial assets. Accumulated, the sales and balance sheet total of these companies make up less than 1% of total Group sales and/or the balance sheet total.

Changes in the scope of consolidation resulted regarding the number of subsidiaries, joint ventures and associates included in financial year 2023 and are as follows:

Number of companies in the scope of consolidation	Germany	International	Total
Jan. 1, 2023	**11**	**83**	**94**
Additions	—	5	5
Disposals	—	10	10
Dec. 31, 2023	**11**	**78**	**89**

In the reporting year, the following changes occurred to STADA's scope of consolidation:

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. and Wavita EU s.r.o. into Walmark a.s. with effect from January 1, 2023.

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

In addition, the Azerbaijani subsidiary STADA Azerbaijan LLC was consolidated for the first time with effect from May 31, 2023 and the Georgian subsidiary STADA Georgia LLC was consolidated for the first time with effect from June 30, 2023. These entities were already established under company law in January 2023.

Founding and initial consolidation of a new Swiss subsidiary Optipharm AG. This company was founded on August 15, 2023 and was consolidated for the first time from September 1, 2023.

The UK subsidiary NextGEN60 Ltd was deconsolidated with effect from September 1, 2023 and had already been classified as held for sale as of June 30, 2023 in accordance with IFRS 5. The purchase price amounted to approximately € 9.5 million, of which approximately € 4.0 million had not been paid as of December 31, 2023. As part of the deconsolidation, assets of € 4.6 million including cash of approximately € 0.8 million and associated liabilities of € 7.3 million were disposed of. This resulted in income of € 11.5 million, which was reported under other income and included the realization of the currency translation reserve associated with this company in the amount of an expense of € 0.6 million through profit or loss.

In addition, the Russian subsidiaries AO Nizhpharm, OOO Hemofarm, OOO Aqualor, and Dialogfarma LLC were deconsolidated with effect from September 30, 2023.[1)]

The newly founded Moldovan company STADA Affiliate LLC (Moldavia) was consolidated for the first time as of December 31, 2023.

As of the balance sheet date December 31, 2023, 86 companies were thus included in STADA's consolidated financial statements as subsidiaries and three companies as associates.

The following condensed financial information is given for these three associates:

in € million	2023	2022
Share of result from continuing operations	0.1	-0.0
Share of comprehensive income	**0.1**	**-0.0**
Dividend distribution of AELIA SAS	-0.2	-0.2
Aggregate carrying amount	**2.4**	**2.6**

As of December 31, 2023, there were significant non-controlling interests in the German company BIOCEUTICALS Arzneimittel AG and the German company Norbitec GmbH.

1) For further information on the deconsolidation of the Russian entities, see Chapter 8 Business combinations and significant disposals.

In the following, the influence of other shareholders of BIOCEUTICALS Arzneimittel AG is presented:

Name of subsidiary: **BIOCEUTICALS Arzneimittel AG** Headquarters/place of founding: **Germany** **Financial information** in k €	**2023**	**2022**
Share of voting rights held by non-controlling interests	48.66%	48.66%
Result of non-controlling interests	16,650	14,066
Accumulated non-controlling interests	**41,871**	**46,727**
Non-current assets	61,195	68,044
Current assets	121,716	93,001
Non-current liabilities	13,710	15,430
Current liabilities	44,160	20,757
Sales	125,951	91,234
Earnings after taxes		
distributable to STADA	27,734	24,526
distributable to non-controlling interests	16,650	14,066
Total earnings	**44,384**	**38,592**
Dividends to non-controlling interests	21,506	22,139
Cash flow from operating activities	25,847	-3,642
Cash flow from investing activities	—	—
Cash flow from financing activities	-30,487	-4,905

In the following, the influence of other shareholders of Norbitec GmbH is presented:

Name of subsidiary: **Norbitec GmbH** Headquarters/place of founding: **Germany** **Financial information** in k €	**2023**	**2022**
Share of voting rights held by non-controlling interests	33.33%	33.33%
Result of non-controlling interests	7,093	5,671
Accumulated non-controlling interests	**14,030**	**12,020**
Non-current assets	6,769	6,919
Current assets	41,734	34,074
Non-current liabilities	790	471
Current liabilities	5,623	4,463
Sales	57,294	35,855
Earnings after taxes		
distributable to STADA	14,185	11,342
distributable to non-controlling interests	7,093	5,671
Total earnings	**21,278**	**17,013**
Dividends to non-controlling interests	5,082	4,841
Cash flow from operating activities	16,612	9,939
Cash flow from investing activities	-1,001	-1,216
Cash flow from financing activities	-15,247	-14,524

Subsidiaries, joint ventures and associates as well as all non-consolidated and other investments pursuant to the provisions of Section 313 (2) HGB are included in the Consolidated Financial Statements as investments and listed below.

DIRECT INVESTMENTS OF STADA ARZNEIMITTEL AG:

Name of the company, registered office	Share in capital	Form of consolidation
BEPHA Beteiligungsgesellschaft für Pharmawerte mbH, Bad Vilbel, Germany	100%	subsidiary
BIOCEUTICALS Arzneimittel AG, Bad Vilbel, Germany	51.34%	subsidiary
Ciclum Farma, Unipessoal, LDA, Paço de Arcos, Portugal	100%	subsidiary
EG Labo – Laboratoires Eurogenerics SAS, Boulogne-Billancourt, France	100%	subsidiary
EG S.p.A., Milan, Italy	100%	subsidiary
Laboratorio STADA, S.L., Barcelona, Spain	100%	subsidiary
Mobilat Produktions GmbH, Pfaffenhofen, Germany	100%	subsidiary
Natures Aid Deutschland GmbH, Bad Vilbel, Germany	100%	subsidiary
SCIOTEC Diagnostics Technologies GmbH, Tulln, Austria	100%	subsidiary
Spirig HealthCare AG, Egerkingen, Switzerland	100%	subsidiary
STADA Affiliate LLC, Chișinău, Moldavia	100%	subsidiary
STADA ARMENIA LLC, Yerevan, Armenia	100%	subsidiary
STADA Arzneimittel Gesellschaft m.b.H., Vienna, Austria	100%	subsidiary
STADA Azerbaijan LLC, Baku, Azerbaijan	100%	subsidiary
STADA d.o.o., Ljubljana, Slovenia	100%	subsidiary
STADA d.o.o., Zagreb, Croatia	100%	subsidiary
STADA Georgia LLC, Tiflis, Georgia	100%	subsidiary
STADA Hungary Kft., Budapest, Hungary	100%	subsidiary
STADA Kazakhstan LLP, Almaty, Kazakhstan	100%	subsidiary
STADA Kyrgyzstan LLC, Bishkek, Kyrgyzstan	100%	subsidiary
STADA M&D S.R.L., Bucharest, Romania	100%	subsidiary
STADA PHARMA Bulgaria EOOD, Sofia, Bulgaria	100%	subsidiary
STADA Regional Headquarters Company One-Person LLC, Jeddah, Saudi Arabia	100%	subsidiary/ not included

Name of the company, registered office	Share in capital	Form of consolidation
STADA PHARMA CZ s.r.o., Prague, Czech Republic	100%	subsidiary
STADA Pharma Services India Private Ltd., Mumbai, India	100%	subsidiary/ not included
STADA PHARM Sp. z o.o., Warsaw, Poland	100%	subsidiary
STADA PHARMA Slovakia s.r.o., Bratislava, Slovakia	100%	subsidiary
STADA Pharmaceuticals (Asia) Ltd., Hongkong, China	100%	subsidiary
STADA Pharmaceuticals Australia Pty. Ltd., Sydney, Australia	100%	subsidiary
STADA Poland Sp. z o.o., Warsaw, Poland	100%	subsidiary
STADA Service Holding B.V., Breda, Netherlands	100%	subsidiary
STADA (Shanghai) Trading Co. Ltd., Shanghai, China	100%	subsidiary
STADA SUBSIDIARY FE LLC, Tashkent, Uzbekistan	100%	subsidiary
STADA Sweden Holding AB, Stockholm, Sweden	100%	subsidiary
STADA Thailand Company, Ltd., Bangkok, Thailand	100%	subsidiary
STADA UK Holdings Ltd., Reading, United Kingdom	100%	subsidiary
Walmark a.s., Třinec, Czech Republic	100%	subsidiary
Xbrane Biopharma AB, Solna, Sweden	5.71%	investment

INDIRECT INVESTMENTS OF STADA ARZNEIMITTEL AG:

Name of the company, registered office	Share in capital	Form of consolidation
AELIA SAS, Saint-Brieuc, France	20%	associate
ALIUD PHARMA GmbH, Laichingen, Germany	100%	subsidiary
Biopharma-Invest LLC, Bila Tserkva, Ukraine	100%	subsidiary
Britannia Pharmaceuticals Ltd., Reading, United Kingdom	100%	subsidiary
Brituswip Ltd., Reading, United Kingdom	50%	joint venture/ not included
Centrafarm B.V., Breda, Netherlands	100%	subsidiary
Centrafarm Nederland B.V., Breda, Netherlands	100%	subsidiary
Centrafarm Services B.V., Breda, Netherlands	100%	subsidiary
Clonmel Healthcare Ltd., Clonmel, Ireland	100%	subsidiary
CNRD 2009 Ireland Ltd., Dublin, Ireland	50%	joint venture/ not included
Crosspharma Ltd., Belfast, United Kingdom	100%	subsidiary
Dak Nong Pharmaceutical JSC, Dak Nong, Vietnam	43%	associate/ not included
EG S.A., Brussels, Belgium	100%	subsidiary
Fresh Vape Electronic Cigarettes Ltd., Huddersfield, United Kingdom	100%	subsidiary/ not included
Genus Pharmaceuticals Holdings Ltd., Huddersfield, United Kingdom	100%	subsidiary
Genus Pharmaceuticals Ltd., Huddersfield, United Kingdom	100%	subsidiary
Healthypharm B.V., Breda, Netherlands	100%	subsidiary
Hemofarm A.D., Vršac, Serbia	100%	subsidiary
Hemofarm d.o.o. Banja Luka, Banja Luka, Bosnia and Herzegovina	91.50%	subsidiary
Hemofarm d.o.o. Sarajevo, Sarajevo, Bosnia and Herzegovina	100%	subsidiary
Hemofarm Komerc d.o.o., Skopje, Macedonia	99.18%	subsidiary/ not included

Name of the company, registered office	Share in capital	Form of consolidation
Hemomont d.o.o., Podgorica, Montenegro	71.02%	subsidiary
Hemopharm GmbH, Bad Vilbel, Germany	100%	subsidiary
Internis Pharmaceuticals Ltd., Huddersfield, United Kingdom	100%	subsidiary
Jinan Pharmaceuticals Co., Jinan, China	35.50%	associate/ not included
LCM Ltd., Huddersfield, United Kingdom	100%	subsidiary
Lobsor Pharmaceuticals AB, Uppsala, Sweden	100%	subsidiary
Lowry Solutions Ltd., Huddersfield, United Kingdom	100%	subsidiary/ not included
MAXIPARAPHARMACIE.COM, Toulouse, France	2.11%	investment
Natures Aid Ltd., Huddersfield, United Kingdom	100%	subsidiary
NEMUS LEX d.o.o., Zagreb, Croatia	100%	subsidiary
Norbitec GmbH, Uetersen, Germany	66.66%	subsidiary
Optipharm AG, Bern, Switzerland	100%	subsidiary
Pharmaceutical Plant Biopharma LLC, Bila Tserkva, Ukraine	100%	subsidiary
PharmTechService LLC, Bila Tserkva, Ukraine	50%	associate
Phu Yen Export Import Pharmaceutical JSC, Phu Yen, Vietnam	14%	investment
Pymepharco Joint Stock Company, Tuy Hoa, Vietnam	99.73%	subsidiary
Quang Tri Pharmaceutical JSC, Quang Tri, Vietnam	24.5%	associate/ not included
SAS SANTRALIA, Trélazé, France	26.57%	associate
SIA STADA Latvia, Riga, Latvia	100%	subsidiary
Socialites E-Commerce Ltd., Huddersfield, United Kingdom	100%	subsidiary/ not included
Socialites Retail Ltd., Huddersfield, United Kingdom	100%	subsidiary/ not included
STADA Bulgaria EOOD, Sofia, Bulgaria	100%	subsidiary

Name of the company, registered office	Share in capital	Form of consolidation
STADA CEE GmbH, Bad Vilbel, Germany	100%	subsidiary
STADA Consumer Health Deutschland GmbH, Bad Vilbel, Germany	100%	subsidiary
STADA Corp., New Jersey, USA	100%	subsidiary
STADA Estonia OÜ, Tallinn, Estonia	100%	subsidiary
STADA Genéricos, S.L., Barcelona, Spain	100%	subsidiary/ not included
STADA HEMOFARM S.R.L., Temeswar, Romania	100%	subsidiary
STADA IT Solutions d.o.o., Vršac, Serbia	100%	subsidiary
STADA, LDA, Paço de Arcos, Portugal	100%	subsidiary/ not included
STADA Medical GmbH, Bad Vilbel, Germany	100%	subsidiary
STADA MENA DWC-LLC, Dubai, United Arab Emirates	100%	subsidiary
STADA Nordic ApS, Herlev, Denmark	100%	subsidiary
STADA Pharma Magyarország Kft., Budapest, Hungary[1)]	100%	subsidiary
STADA Pharmaceuticals (Beijing) Ltd., Beijing, China	83.35%	subsidiary
STADA Philippines Inc., Manila, Philippines	100%	subsidiary
STADA Vietnam Ltd., Tuy Hoa City, Vietnam	100%	subsidiary
STADAPHARM GmbH, Bad Vilbel, Germany	100%	subsidiary
STADA-Ukraine DO., Kiev, Ukraine	100%	subsidiary
Sundrops Ltd., Huddersfield, United Kingdom	100%	subsidiary
Thornton & Ross Ireland Ltd., Clonmel, Ireland	100%	subsidiary
Thornton & Ross Ltd., Huddersfield, United Kingdom	100%	subsidiary
UAB STADA Baltics, Vilnius, Lithuania	100%	subsidiary
Vaping Holdco Limited, Stockport, United Kingdom	100%	subsidiary/ not included
Velefarm A.D., Belgrade, Serbia[1)]	19.65%	investment
Velexfarm d.o.o., Belgrade, Serbia	100%	subsidiary
WALMARK România S.R.L., Bucharest, Romania[1)]	100%	subsidiary
Well Light Investment Company Limited, Ho Chi Minh City, Vietnam	100%	subsidiary
Zeroderma Ltd., Huddersfield, United Kingdom	100%	subsidiary

1) Currently in the process of liquidation.

The exemption rule in Section 264 (3) HGB was applied to ALIUD PHARMA GmbH, BEPHA Beteiligungsgesellschaft für Pharmawerte mbH, Hemopharm GmbH, Mobilat Produktions GmbH, Natures Aid Deutschland GmbH, STADA CEE GmbH, STADA Medical GmbH, STADA Consumer Health Deutschland GmbH and STADAPHARM GmbH.

6. Principles for the consolidation of subsidiaries, joint ventures and associates

In accordance with IFRS, business combinations are to be accounted for using the acquisition method. Assets, liabilities and contingent liabilities from business combinations are generally recognized in full – irrespective of the amount of the share- holding – as of the acquisition date at their fair values. If the historical costs of the subsidiary acquired exceed the proportionate newly-measured net assets of the acquiree, STADA recognizes the positive difference as goodwill. After critical examination of the premises underlying the purchase price allocation, a negative difference is recognized through profit or loss in the period of the acquisition. In a business combination achieved in stages, it is necessary to carry out a revaluation through profit or loss of the shares previously held at the date control was achieved. The shares of non-controlling interests are disclosed in the amount of their share in the net assets of the subsidiary.

The acquisition of additional shares from an existing controlling position in a subsidiary is recognized through other comprehensive income in accordance with IFRS 10, as it is a transaction between the equity investors.

Subsidiaries are generally included in the Consolidated Financial Statements from the acquisition date to the end of control by the parent company. Receivables, liabilities, expenses, income and earnings between the companies included in the Consolidated Financial Statements are eliminated, intercompany value adjustments and provisions are reversed. If these consolidation measures result in deviations between the IFRS carrying amounts and the tax base of assets and liabilities, deferred tax liabilities are recognized.

Shares in joint ventures and associates are recognized according to the equity method at acquisition cost on the date when joint control is established (joint ventures) or when significant influence was established (associates) and carried forward from this date in the amount of the proportionate share of earnings in the financial year. A positive difference determined during the purchase price allocation is recognized as goodwill in the carrying amount of the investment in the associate. A negative difference is recognized in income in the period of the acquisition in the results from associates. Profit and loss from transactions with associates is recognized in the Consolidated Financial Statements only according to the share of minority interests.

If indications arise from the application of IFRS 9 that the carrying amount determined using the equity method might be impaired, an impairment test is carried out and, if applicable, an impairment loss in the amount of the difference between the carrying amount and the recoverable amount is recognized. The recoverable amount is the higher of the fair value less cost to sell and the value in use of the shares in an associate.

7. Currency translation

The functional currency of STADA Arzneimittel AG is the euro and represents the reporting currency of the Group.

In the separate financial statements of companies included in the Consolidated Financial Statements, foreign currency transactions are translated into the functional currency at the exchange rate applicable at the time of the transactions. On every reporting date, monetary items are translated using the closing rate. Resulting currency translation differences are recognized in income as exchange gains or losses. Non-monetary items are translated using the transaction rate.

The translation of the companies with a functional currency other than the euro included in the Consolidated Financial Statements into the Group currency is carried out using the closing rate method. Assets and liabilities are generally translated using the closing rate, while individual components of equity are translated using the historical rates at their respective dates of inflow from the Group's perspective. The income and expenses of the income statements are translated – and thereby also the resulting translation of the annual results to be entered in equity – using the average exchange rate of the period.

Currency translation differences arising from the use of different exchange rates are recognized directly in equity in "Currency translation reserve". These provisions are reversed and recognized in income if Group companies leave the scope of consolidation.

The exchange rate development of currencies important to STADA to the euro can be seen in the following chart:

	Closing rate Dec. 31 in local currency			Average rate for the reporting period		
Significant currency relations in the national currency to 1 euro	**2023**	**2022**	**±**	**2023**	**2022**	**±**
Pound sterling	0.8691	0.8869	+2%	0.8699	0.8526	-2%
Russian ruble	98.3376	77.1245	-28%	92.1908	73.6678	-25%
Serbian dinar	117.1737	117.3224	0%	117.2532	117.4644	0%
Swiss franc	0.9260	0.9847	+6%	0.9717	1.0052	+3%
Ukrainian hryvnia	41.9960	39.0370	-8%	39.5584	33.9744	-16%
US dollar	1.1050	1.0666	-4%	1.0816	1.0539	-3%

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

8. Business combinations and significant disposals

There were no material business combinations in accordance with IFRS 3 in the financial year just ended.

In financial year 2023, STADA underwent a business reorganization. In this context, STADA in September 2023 transferred the shareholdings in the former Russian subsidiaries to Nidda Lynx S.à r.l., a holding company based in Luxembourg and held by Nidda Midco S.à r.l. Since then, the Russian companies have ceased to be subsidiaries of the STADA Group. Unless indicated otherwise, the financial and other key figures relating to the income statement in these Consolidated Financial Statements only include the figures and data for continuing operations for both the current financial year and the previous year. Insofar as balance sheet-related financial and other key figures are listed, these also include the discontinued operation until the deconsolidation date of September 30, 2023.

9. Accounting policies

STADA's Consolidated Financial Statements are based on uniform accounting policies. The basis for these are the accounting requirements which are mandatory for all companies included in the Consolidated Financial Statements and which are described in more detail below insofar as they are significant for the Consolidated Financial Statements of STADA or for which option rights are exercised.

Sales are recorded when the power of disposition over delimitable goods is transferred to the customer so that the customer has the ability to determine the use of the delimitable goods and essentially derive economic benefit from them. This requires that a contract with enforceable rights and duties be in place and that, among other things, receipt of a consideration is highly likely. The customer's creditworthiness should be taken into consideration. The amount of sales is based on the transaction price to which STADA is presumptively entitled. The anticipated transaction price is affected by variable considerations, which should, however, be taken into consideration exclusively if it is highly likely that there will be no significant retraction of sales upon elimination of uncertainty with respect to the variable consideration. The amount of the variable consideration is deter- mined by applying the anticipated value method.

Expenses from the creation of provisions for returns are deducted from sales on the basis of estimated amounts. The estimates are based on experience regarding amounts used in the past. The estimated expense from the creation of provisions is determined as a percentage of sales. Discounts to health insurance organizations are also recognized with a reduction on sales based on the respective contract in force.

All STADA license agreements either are bound to the sales generated by the licensee or further activities of STADA are required which enable the licensee to use his or her right. As a consequence, sales are realized over the terms of the contract period.

Sales are always recognized only in the amount in which STADA expects the consideration to be settled. This means that expenses for the creation of deferrals for future sales deductions are taken into account in the period in which the sales are recognized.

Cost of sales includes the costs of conversion of the products sold and the purchase price of commercial goods sold or given free of charge. The expense is recognized in the period in which the associated income is realized. In addition, cost of sales also includes costs directly attributable to the commercial goods (e.g. cost of materials and personnel expenses), overhead costs (e.g. scheduled depreciation of production equipment and regulatory drug approvals and licenses) as well as value adjustments of excess or obsolete inventories.

Development costs consist of expenses involved initially in the technical implementation of findings in production and production processes and ultimately their commercial implementation.

As a rule, the objective of a development process at STADA is to obtain national or multinational regulatory drug approval. Downstream from the development process is an evaluation process at the end of which a decision on the actual execution of a development is made. Within the development process itself, development costs relative to approvals for new drugs obtained by STADA result in capitalization as intangible assets if all the following preconditions are met:

- It is technically possible to complete the asset (generally, achieve regulatory approval), enabling it to become available for use or sale.
- The intention and ability, as well as the necessary resources, exist to complete the asset and to use (i.e. usually to market it oneself) or sell it in the future.
- The intangible asset provides the Group with a future economic benefit.
- It is possible to reliably calculate the development costs of the intangible asset.

STADA immediately recognizes development costs not eligible for capitalization as expense in the periods in which they are incurred. These include expenses for technical and regulatory maintenance of products marketed.

Goodwill is not amortized based on a schedule. Instead, an impairment test is performed at least once per year (impairment-only approach). For this purpose, goodwill is allocated to cash-generating units aggregated into operating segments, where a cash-generating unit corresponds to a market region within the three operating segments of the STADA Group for the purpose of an impairment test of goodwill.

STADA carries out impairment tests for capitalized goodwill at least once a year. Additional reviews also take place if indications of impairment become apparent. During the impairment test, the carrying amount of each cash-generating unit is compared with its recoverable amount. The carrying amount of a cash-generating unit comprises the carrying amounts of all assets and liabilities attributable to the valuation unit including the carrying amount of goodwill to be tested. If the recoverable amount of a cash-generating unit is lower than the carrying amount, an impairment loss results. The recoverable amount is generally defined as the higher of the fair value less costs to sell, if measurable, and the value in use of the cash-generating unit. The discounted cash flow method is used to determine the value in use, applying an individual interest rate for each cash-generating unit and a detailed planning period of three years. For the period after this three-year detailed planning horizon, a specific estimated growth rate in the amount of 50% of the expected long-term inflation rate is assumed. Significant assumptions made in order to determine the value in use include assumptions regarding sales development, regulatory conditions, investments, the discount rate, currency relations as well as the growth rate. These assumptions are made individually for each cash generating unit in accordance with the respective circumstances and are based in part on internally determined assumptions that both reflect past experience and include external market data. The discount rates used are determined on the basis of external factors derived from the market and are adjusted to reflect prevailing risks in the respective cash generating units.

Because sufficient coverage of the carrying amounts was determined in the context of the value in use method, STADA decided not to determine the recoverable amount on the basis of fair value less costs to sell. Due to the determination method, it can be assumed that the differences between the values are insignificant.

Other intangible assets with determinable useful lives are recognized at cost and amortized on a straight-line basis over the period of their useful life. Amortization begins when the asset is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the intended manner. The useful life of regulatory drug approvals, trademarks, dossiers with data for drug approvals or in preparation of drug approvals, software, concessions, property rights and similar rights is generally between 20 and 30 years.

Software is generally amortized between three and five years. The decision on the useful life is made individually for each asset based on the respective assessment of the product life cycle and/or the usefulness of the respective asset, which can differ significantly depending on the market and/or the type of asset. Expenses from scheduled amortization of intangible assets are allocated to the relevant functional costs and generally reported within cost of sales. If on the reporting date, there are indications that these assets are impaired, the recoverable amount of the asset is re-evaluated and impairment losses are recognized according to the difference to the carrying amount.

If the reasons for recognizing an impairment loss cease to exist, corresponding write-ups are carried out up to a maximum of the amortized cost, insofar as the estimates for the calculation of the recoverable amount of the asset justifies this.

Intangible assets with indeterminable useful lives are not amortized. In the context of annual impairment tests and addition- ally in all cases where there are indications of impairment, the recoverable amounts of these assets are compared with their carrying amounts and if necessary, an impairment loss is recognized. For this purpose, the fair value of the asset less costs to sell is determined using the relief from royalty method. At STADA, this affects the umbrella brand Hemofarm capitalized in the context of the acquisition of the Hemofarm group as well as the umbrella brand Pymepharco capitalized in the context of achieving control over Pymepharco. Impairment tests are carried out for the umbrella brands with indefinite useful lives exclusively at the level of sales to third parties generated using the respective umbrella brand. Intangible assets that are not yet available for use are also generally put through annual impairment tests. Furthermore, in each reporting period, an audit is carried out to check whether the reasons for recognizing an indefinite useful life continue to exist.

Internal development costs are capitalized in accordance with the criteria in IAS 38. Capitalized development costs consist mainly of costs that can be allocated to the projects, such as the costs of individuals working in development, material costs, external services and directly allocable overhead costs. Development costs are capitalized at the time when it is highly probable that they will be utilized. Internally created intangible assets are amortized on a straight-line basis over their useful life (generally 20 years). The useful life is determined individually for each asset. Past experience generally indicates a useful life of 20 years for the respective assets.

Property, plant and equipment is accounted at cost less depreciation and any impairment losses plus write-ups. Depreciation begins when the asset is available for use and is accordingly in the condition necessary for it to be capable of operating. Subsequent acquisition costs are capitalized.

Capitalization requires that a future economic benefit will flow to the company and that the cost of the asset can be reliably measured. Expenses for repairs and maintenance that do not represent significant replacement investments are recognized as expenses in the financial year in which they are incurred.

Items of property, plant and equipment are depreciated according to their useful life using the straight-line method. The depreciation period may be up to 50 years in the case of buildings, eight to 20 years in the case of technical facilities and four to ten years for other plant and office furniture and equipment. The component approach, according to which every significant component of property, plant and equipment with different useful lives, must be depreciated separately, is not applied at STADA due to a lack of relevance. To the extent necessary, impairment losses are recognized pursuant to IAS 36; these are reversed if the reasons for the original recognition of an impairment loss no longer exist, insofar as the estimates for the calculation of the recoverable amount of the asset justifies this.

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalized as part of the cost of the intangible asset or property, plant and equipment. Other borrowing costs are not capitalized. Where acquisitions are made in a currency other than the respective functional currency, subsequent changes in exchange rates have no impact on the recording of original historical costs.

Impairments on other intangible assets and property, plant and equipment exist when the recoverable amount of an asset is lower than its carrying amount. At each reporting date, STADA assesses whether indications for impairment are apparent. If this is the case, e.g. if certain defined critical values are exceeded, the asset's recoverable amount is determined. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use, where the value in use is calculated with a discounted cash flow method. Under this procedure, future cash flows of intangible assets are discounted at the weighted average cost of capital, which is determined individually with specific parameters. The fair value less costs to sell is used as part of the impairment test for umbrella brands and is determined using a discounted cash flow method. The present value of future cash flows is determined using the license price analogy method and discounted using a weighted average cost of capital, which is determined individually on the basis of specific parameters. Expenses arising from impairments are recognized under "Other expenses".

For the purpose of impairment tests of other intangible assets and property, plant and equipment, cash-generating units within the STADA Group are primarily defined as approvals under pharmaceutical law within the reportable segments Generics, Consumer Healthcare and Specialty.

If the reasons for an impairment no longer exist, the corresponding write-ups are carried out up to a maximum of the carrying amounts determined at amortized cost. Income from write-ups is reported under the item "Other income".

Inventories include such assets that are held for sale in the ordinary course of business (finished goods), that are in the process of production for such sale (work in progress), and that are consumed in the production process or in the rendering of services (materials and supplies). Inventories are measured at the lower of cost and net realizable value. Historical costs or costs of sales are determined based on weighted average costs. Costs of sales include both costs that are directly incurred in production and overheads that can be allocated to the production process, including reasonable depreciation on production facilities. Financing costs are not included, but are instead recognized as an expense in the period in which they occur. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial assets can be divided into the following categories in accordance with IFRS 9: Measurement at amortized cost ("AC"), financial assets at fair value through profit or loss ("FVPL") and financial assets at fair value through other comprehensive income ("FVOCI"). Financial assets are accounted for and measured in accordance with IFRS 9. This involves classifying a financial asset (debt instrument) on the basis of its contractual cash flow characteristics and business model.

Financial assets are initially recognized at fair value plus transaction costs if they are financial assets that are not measured at fair value through profit or loss.

Assets held to collect contractual cash flows, where these cash flows exclusively represent interest and principal payments, are measured at amortized cost ("AC"). Interest income from these financial assets is recognized in financial income using the effective interest method. Gains or losses on derecognition are recognized directly in the income statement and – together with foreign currency gains and losses – reported under other income or expenses.

Assets held to collect contractual cash flows and to sell the financial assets, and where the cash flows exclusively represent interest and principal payments, are measured at fair value through other comprehensive income ("FVOCI"). Changes in the carrying amount are recognized in other comprehensive income, with the exception of interest income and foreign currency gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income or expense. Interest income from these financial assets is recognized in financial income using the effective interest method. Foreign currency gains and losses are recognized in other income or expenses in the same way as impairment losses. Because other investments are held for strategic reasons, it was decided to exercise the FVOCI option, since this allows for a more appropriate presentation. Changes in fair value are recognized in other comprehensive income. The gains and losses recognized in other comprehensive income are not recycled through profit or loss on disposal and no impairment losses are recognized in profit or loss (FVOCI without recycling).

Assets that do not meet the criteria of the "AC" or "FVOCI" category are classified as "at fair value through profit or loss" ("FVPL"). Gains or losses on a debt instrument subsequently measured at FVPL are recognized in profit or loss net in other income or expense in the period in which they occur.

Receivables eligible for factoring are included in trade accounts receivable. Based on the present business model, they are measured at fair value recorded directly in equity. Changes in the fair value of these receivables are therefore recognized directly in equity in the FVOCI reserve. In this context, financial assets measured at fair value through other comprehensive income are generally subject to the same impairment model as financial assets measured at amortized cost.

In accordance with IFRS 9, expected losses are accounted for on the basis of the expected credit loss model. STADA has applied the simplified approach for trade accounts receivable. The general approach is usually applied to other financial assets.

A financial asset is deemed to be purchased or originated credit-impaired if there is objective evidence of impairment at the time of initial recognition. Such impaired financial assets are referred to as purchased or originated credit-impaired (POCI) financial assets. POCI financial assets are measured in such a way that they reflect the expected credit losses at the time of initial recognition during the term and all subsequent changes in the expected credit losses, whether positive or negative, are recognized in the income statement.

Trade accounts receivable are measured at amortized cost less impairments using the effective interest rate method. Impairments are made in the form of individual impairments and general individual impairments for specific defaults and expected default risks resulting from the insolvency of customers. To quantify the expected default risk, STADA determines the expected future cash flows from receivables grouped by debtor. To this end, the maturity structures of net receivables and experience relating to derecognition of receivables in the past, the creditworthiness of the customers as well as changes in payment conditions are taken into account. In addition, a trade credit insurance that covers part of the loss in case of default is to be taken into consideration for various Group companies. The required impairment determined reduces the assets' carrying amounts through recognition of an impairment account.

The loss is recognized in profit and loss under "Other expenses". Bad debts are derecognized against the impairment account. Subsequent cash receipts for receivables already derecognized are presented net of expenses under "other income".

Financial liabilities are measured on initial recognition at fair value plus transaction costs directly attributable to the acquisition. For financial liabilities that subsequently continue to be measured at fair value, any transaction costs are recognized as an expense in the period in which they occur. This relates to the accounting of derivative financial instruments with negative market values. STADA reports these financial liabilities in the "Other financial liabilities" item.

Fair value hedges serve to hedge against the risk of market value fluctuations. The results from the hedging instruments are generally recognized in income statement items in which the hedged underlying transaction is also reflected. Within the scope of fair value hedge accounting, in addition to the fair value change in the derivative, the opposing fair value change in the underlying transaction is recognized in profit or loss, insofar as it is attributable to the hedged risk.

STADA has so far not made use of the option to designate financial liabilities on initial recognition as financial liabilities to be recognized at fair value through profit or loss.

Leases in which the Group is the lessee are recognized as rights of use within non-current assets and as corresponding lease liabilities within other financial assets. Excepted from this are short-term leases with a maximum term of 12 months as well as leases for low-value assets with a value of below € 5,000. Here, STADA applies the option to recognize such leases as expenses at the time of the lease payment. Upon initial recognition, the lease liability is measured at the present value of the outstanding lease payments and discounted at the interest rate underlying the lease. If the interest rate underlying the lease cannot be determined, STADA uses a marginal debt rate of the lessee, i.e. the interest rate that the lessee would have to pay if he had to borrow funds to acquire an asset with a comparable value for a comparable term with comparable security in a comparable economic environment. STADA also makes use of the lease provision not to separate non-lease components from lease components and recognizes corresponding leases as a single agreement.

A **discontinued operation** is a component of the Group's business whose operations and cash flows can be clearly distinguished from the rest of the Group and which

1. represents a separate major line of business or geographical area of operations and
2. is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs on disposal or, if earlier, when the operation meets the criteria to be classified as held for sale.

If an operation is classified as a discontinued operation, the income statement, statement of comprehensive income and cash flow statement for the comparative year are adjusted to reflect the same treatment as if the operation had been discontinued from the beginning of the comparative year. In the cash flow statement, the cash flows of continuing operations are presented separately from those of discontinued operations.

10. Estimates, assumptions and discretion in the application of accounting principles

The presentation of the net assets, financial position and results of operations in the Consolidated Financial Statements is determined by recognition and valuation methods. To a certain extent, STADA makes estimates and assumptions relating to the future that are based on past experience as well as other factors that are considered to be appropriate in the particular circumstances. Although the estimates and assumptions are constantly re-evaluated, estimates derived in this way may differ from actual circumstances.

STADA assumes that the Covid-19 pandemic has been largely overcome and will not have any far-reaching impact on STADA's business activities in the course of 2024. It cannot be ruled out, however, that regional infection surges will occur repeatedly in the future, which could possibly lead to regional restrictions, with these regional restrictions having a negative impact on the affected regions.

The ongoing Russia-Ukraine war and the sanctions imposed on Russia, Russian companies and individuals as well as the countermeasures initiated by Russia were still ongoing at the time of preparation of the Consolidated Financial Statements. It is not possible to predict when the conflict will be resolved. Depending on the duration and extent of the conflict, business operations may be significantly negatively impacted because, on the one hand, the Ukrainian subsidiaries could be directly impacted by the conflict and, on the other hand, the conflict has a material impact on various macroeconomic developments that could negatively impact the STADA Group's business activities. Here, for example, rising interest rates, negative exchange rate developments, adverse price developments in the international energy markets as well as rising or sustainably high inflation should be mentioned. At this point in time, STADA anticipates that the assumptions that were made appropriately reflect the situation at the time of the preparation of the Consolidated Financial Statements.

Furthermore, climate-related risks can affect estimates and assumptions when applying accounting policies. For example, climate protection requirements can have an influence on cost structures in the area of production or the purchase of products and/or raw materials and supplies. However, STADA assumes that climate-related risks have been adequately taken into account in STADA's Consolidated Financial Statements.

The significant estimates, accounting judgments and related assumptions for the accounting issues concerned are outlined below.

As part of purchase price allocations in business combinations, goodwill is the difference between the acquired net assets evaluated according to IFRS 3 and the consideration transferred plus the fair value of the previously held shares and the amount recognized of non-controlling interests. Various valuation methods are used for this that are primarily based on estimates and assumptions. Insofar as contingent purchase price components are agreed, the expected future consideration is measured in the context of the business combination and recognized as other financial liability. At STADA, these are future milestone payments or license fees, the probability of which STADA estimates at the time of the company acquisition and discounts based on the expected payment dates in order to determine the amount of the other financial liability. In the following periods, this assessment is updated and the change is recognized at fair value through profit or loss in other income or in other expenses.

STADA carries out an impairment test for capitalized goodwill at least once a year. The discounted future cash flows of the cash-generating units, aggregated into operating segments, which are based on certain assumptions, are to be determined for this purpose. In this regard, both an allocation from "corporate assets" to the carrying amounts of the respective cash-generating units and an allocation from "corporate costs" are carried out in the calculation of the respective value in use on the basis of individual appropriate distribution keys. The discounted cash flow method is used to determine the value in use, applying an individual interest rate for each group of cash-generating units and a detailed planning period of three years. For the period subsequent to the end of this three-year detailed planning horizon, a specific forecast growth rate of 50% of the expected long-term inflation rate is assumed. The key assumptions that are used to determine the value in use include assumptions regarding the development of sales, the regulatory framework, investments, the discount rate, currency relations and the growth rate. These assumptions are made individually for each group of cash-generating units in accordance with the respective circumstances and are based in part on internally determined assumptions that reflect both past experience and external market data. The discount rates used are determined on the basis of external factors derived from the market and adjusted to the risks prevailing in the respective cash-generating units.

For items of property plant and equipment and intangible assets, the expected useful lives and associated amortization or depreciation expenses are determined on the basis of the expectations and assessments of management. If the actual useful life is less than the expected useful life, the amount of depreciation or amortization is adjusted accordingly. As part of the determination of impairment losses on fixed assets, estimates relating to the cause, timing and amount of the impairments are also made. Particularly in the context of impairment tests for as yet unused approvals, which are reported as advance payments, the growth rates applied for the present value test as well as the long-term price and cost development of active pharmaceutical ingredients are based on best possible estimates. This also applies to the impairment tests of other intangible assets with indefinite useful lives.

Development costs are capitalized based on the assessment of whether the capitalization requirements of IAS 38 are met. Planning calculations are necessary to determine the future economic benefit, which are by their nature subject to estimates and may therefore deviate from actual circumstances in the future.

STADA makes valuation allowances on receivables in order to anticipate losses expected in relation to insolvency of customers. The maturity structure of the net receivables and past experience in relation to bad debts as well as the customers' creditworthiness are used as the criteria for evaluating the appropriateness of the valuation allowances. This does not, however, exclude the possibility that the actual derecognitions will exceed the expected valuation allowances due to a significant worsening in the financial position of the customer. Accounting judgments and estimates regarding the assessment of the value of receivables relate particularly to impaired receivables from debtors in CEE countries.

STADA operates in various countries and is obliged to pay respective income tax expenses in each tax jurisdiction. In order to calculate income tax provisions and deferred taxes in the Group, the expected income tax as well as the temporary differences resulting from the different treatment of certain items according to IFRS and their accounting in accordance with tax law are each to be determined on the basis of assumptions. If the final taxation imposed deviates from the assumed values, this has a corresponding effect on actual and deferred taxes and thus on the business, financial and earnings situation of the Group in the respective period. Furthermore, increasing importance within the STADA Group is being allotted to a comprehensive tax transfer pricing model for the payment of intercompany services. Potential risks of nonrecognition of these transfer prices for tax purposes is limited by way of the introduction of corresponding agreement procedures and a comprehensive definition of transfer prices in the form of a Group guideline. If it is probable that the amounts recognized in the tax returns cannot be realized, tax liabilities are recognized that are measured at the most probable amount or the expected value.

When determining the fair values of derivatives and other financial instruments, for which no market price in an active market is available, valuation models based on input parameters observable in the market are applied. The cash flows, which are already fixed or calculated by means of the current yield curve using so-called "forward rates", are discounted to the measurement date with the discount factors determined by means of the yield curve valid on the reporting date.

The amount of pension obligations from defined benefit plans is calculated using actuarial methods. This procedure is based upon assumptions, among other things, regarding the discount rate, life expectancy and future salary and pension increases. Changes to these assumptions can significantly influence the amount of future pension costs. For German Group companies, pension obligations are calculated based on the biometric accounting principles of the Heubeck 2018 G mortality tables. Outside Germany, country-specific mortality tables are used. Future pension benefits are subject to individual pension agreements. The discount rate shall be based on long-term rates of return on high quality corporate bonds with fixed interest rates at the reporting date. In countries where there is no liquid market in such corporate bonds, the discount rate is determined on the basis of market yields on government bonds.

The creation of other provisions is based on the assessment of management regarding the probability and amount of an outflow of resources. STADA creates provisions if there is a present external obligation and a probable outflow of resources, i.e. if it is more likely to occur than not. Provisions in relation to pending legal disputes are created based on how STADA estimates the prospects of success of these methods. The determination of provisions for damages is also associated with substantial estimates and can change due to new information. The same applies for the recognition of the amount of contingent liabilities.

Expenses from the creation of provisions for warranties are considered in sales and charged against income. Estimated values based on past experience are used for this purpose. This means that the actual expenses for returns may differ from the estimate and sales would accordingly turn out to be higher or lower. The same applies for the consideration of discounts (e.g. discounts to health insurance organizations) prescribed by law and due to other regulatory requirements. These are recognized with a reduction on sales based on the respective underlying contract with an estimated amount in expectation of probable sales.

Notes to the Consolidated Income Statement

11. Sales

Sales at STADA primarily resulted from the supply of products and, to a lesser extent, from license revenues. For information on the reporting of sales, please refer to the details included in the Accounting Policies.

Sales generated in financial year 2023 amounted to € 3,734.8 million (previous year: € 3,297.7 million) with € 3,666.4 million (previous year: € 3,217.6 million) attributable to product deliveries and € 80.7 million (previous year: € 82.7 million) to license income. License revenue of € 12.1 million was attributable to Consumer Healthcare (previous year: € 3.6 million), € 1.8 million to Generics (previous year: € 1.5 million) and € 66.8 million to Specialty (previous year: € 77.6 million).

This development was primarily attributable to sales increases in the Consumer Healthcare segment in the regions[1)] Eastern Europe, Germany and Western Europe, in the Generics segment in the regions[1)] Europe and Germany as well as in the Specialty segment in the regions[1)] Eastern Europe, Germany and Rest of World. For a breakdown of sales by segment and country, please refer to Note 44. "Segment reporting".

12. Cost of sales

Cost of sales is divided into the following items:

in k €	2023	2022
Material expenses	1,533,915	1,346,981
Impairment, depreciation and amortization	169,990	162,723
Expenses from inventory write-downs	82,650	68,191
Remaining cost of sales	198,814	165,014
Total	**1,985,369**	**1,742,907**

1) STADA defines the regions as follows: Germany, Western Europe, Eastern Europe, Emerging Markets and Rest of World (RoW).

Impairment, depreciation and amortization in the amount of € 170.0 million (previous year: € 162.7 million) mainly included amortization on intangible assets, the ownership of which represents a necessary condition for the marketing of the products manufactured – drug approvals in particular.

Expenses from inventory write-downs included inventories written down to net realizable value netted with reversals. The reversals amounted to € 5.6 million in financial year 2023 (previous year: € 11.1 million).

13. Selling expenses

In addition to the costs for sales departments and the sales force, selling expenses also comprise the costs for advertising and marketing activities including samples for doctors. They also include all costs for logistics that are incurred for completed final products. Discounts in the form of free retail packages, so-called discounts in kind – insofar as this is possible under the legal regulations in a national market – are not included. The resulting expenses are reported as part of cost of sales.

In the reporting year, marketing expenses in the amount of € 351.3 million (previous year: € 342.8 million) corresponded to a share of 44.4% in selling expenses (previous year: 46.8%). In addition, selling expenses included depreciation in the amount of € 16.4 million (previous year: € 15.1 million).

14. General and administrative expenses

Personnel and material costs of service and administrative units are reported under general and administrative expenses, unless they have been charged to other functional areas as internal services.

In 2023, the general and administrative expenses included depreciation in the amount of € 24.0 million (previous year: € 18.2 million).

General and administrative expenses showed an increase of € 266.4 million (previous year: € 235.2 million). The development resulted, among other things, from higher rent and leasing expenses. The share of general and administrative expenses in Group sales amounted to 7.1% (previous year: 7.1%).

15. Research and development expenses

For information on the composition of research and development expenses, please refer to the details included in the Accounting Policies.

In financial year 2023, research and development expenses increased by € 11.9 million compared to the previous year.

Research and development expenses included depreciation in the amount of € 3.5 million (previous year: € 3.2 million). Development costs for new products in the amount of € 31.4 million (previous year: € 33.5 million) were capitalized in financial year 2023 (see the Notes on the item "Intangible assets").

16. Other income

Other income is divided into the following items:

in k €	2023	2022
Income from write-ups	29,995	12,692
Income from the reversal of impairments on receivables	4,918	3,284
Income from the disposal of non-current assets	11,536	637
Income from charges to associates	10,731	4,167
Remaining other income	27,805	45,481
Total	**84,986**	**66,261**

Income from write-ups in financial year 2023 primarily relates to two approvals in the specialty pharmaceuticals area in the amount of € 30.0 million, which is attributable to improved future business prospects for these products. In the previous year, this also related to one approval in the area of specialty pharmaceuticals in the amount of € 11.3 million. The write-ups relate to various pharmaceutical approvals and trademarks, which are fully attributable to cost of sales.

The income from disposals of fixed assets amounting to € 11.5 million in the reporting year relates to the deconsolidation of the British subsidiary NextGEN360 Ltd.

Miscellaneous other income decreased to € 27.8 million in financial year 2023 and mainly includes income not directly attributable to functional costs, which is made up of many immaterial individual items in the Group companies. In the previous year, the remeasurement of an earnout liability in connection with the acquisition of the Swedish company Lobsor Pharmaceuticals in the amount of € 16.8 million was reported under this item.

17. Other expenses

Other expenses are broken down as follows:

in k €	2023	2022
Impairment losses on non-current assets excluding goodwill	34,758	70,380
Other personnel expenses	8,190	14,353
Expenses from valuation allowances in accounts receivable	5,833	14,949
Losses from the disposal of non-current assets	418	430
Currency translation expenses	11,730	10,349
Expenses for legal disputes	10,086	5,903
Remaining other expenses	25,305	30,703
Total	**96,321**	**147,067**

Other expenses include impairment losses in the amount of € 34.8 million (previous year: € 70.4 million) that exclusively relate to impairment losses on non-current assets excluding goodwill in the reporting year. The impairment losses related for the most part to various pharmaceutical approvals and trademarks, the scheduled amortization of which is reported within cost of sales. Impairment losses in intangible assets of € 33.2 million mainly related to one approval in the the area of specialty pharmaceuticals (€ 11.4 million) and one approval for consumer healthcare products (€ 3.2 million) due to negative future business prospects. The interest rates applied in the impairment test that resulted in an impairment loss ranged from 7.5% to 10.7%. Impairment losses are generally recognized in cost of sales. There were also impairment losses of € 8.8 million from the realignment of sales activities for a development project.

Furthermore, other expenses included personnel expenses in the amount of € 8.2 million (previous year: € 14.4 million) which in the reporting year mainly resulted from expenses for severance payments in Germany, Belgium and the United Kingdom (previous year: expenses due to the plant closure of Mobilat Produktions GmbH). Regular personnel expenses are appropriately allocated to the functional areas.

In other expenses, there were expenses from impairments on receivables in the amount of € 5.8 million in the reporting year (previous year: € 14.9 million).

In the reporting year and in the previous year, there were net exchange rate expenses of € 11.7 million (previous year: € 10.3 million).

Expenses for legal disputes amounting to € 10.1 million (previous year: € 5.9 million) included in other expenses in the reporting year mainly relate to legal disputes in Germany, Italy and the United Kingdom.

18. Financial result

The **result from investments measured at equity** in financial year 2023 relates, as was also the case in the previous year, to the companies AELIA SAS, SAS SANTRALIA and PharmTechService LLC accounted for using the equity method.

Financial income and financial expenses were composed of the interest result and other financial income and other financial expenses.

The interest result developed as follows:

in k €	2023	2022
Interest income	2,876	1,715
Interest expense	193,899	96,723
Interest result	**191,023**	**95,008**
thereof from financial instruments of the valuation categories in accordance with IFRS 9:		
loans and receivables (AC)	2,739	1,715
financial assets at fair value through other comprehensive income (FVOCI)	-6,432	-2,210
financial assets and liabilities at fair value through profit and loss (FVPL)	-11,858	-6,153
financial liabilities measured at amortized costs (AC)	-174,289	-87,911

The interest result in financial year 2023 included a net interest expense from other non-current provisions, which comprises interest income on plan assets as well as interest expenses from pension obligations and other non-current provisions, in the amount of € 1.2 million (previous year: € 0.4 million).

The interest result includes further interest expenses in connection with leases in accordance with IFRS 16 in the amount of € 5.7 million (previous year: € 3.3 million).

In the reporting year, STADA Arzneimittel AG refinanced at interest rates between 1.37% p.a. and 7.50% p.a. (previous year: 1.37% p.a. and 5.30% p.a.). In addition, the Group financed itself at interest rates of between 1.37% p.a. and 15.00% p.a. (previous year: 0.97% p.a. and 19.03% p.a.). As of December 31, 2023, the weighted average interest rate for non-current financial liabilities was approximately 8.90% p.a. (December 31, 2022: approximately 7.42% p.a.). The average weighted interest rate for current financial liabilities was approximately 7.26% p.a. as of the balance sheet date (December 31, 2022: 5.05% p.a.). For all of the Group's financial liabilities, the weighted average interest rate as of December 31, 2023 was approximately 8.85% p.a. (December 31, 2022: approximately 7.37% p.a.).

Borrowing costs capitalized as part of the cost of qualifying assets amounted to € 12.8 million in financial year 2023 (previous year: € 6.9 million). A capitalization rate of 7.2% for intangible assets (previous year: 3.6%) and 7.3% for property, plant and equipment (previous year: no capitalization) was taken as a basis.

Other financial expenses amounted to € 0.1 million in financial year 2023, there was no other financial income. In the previous year, exclusively other financial income in the amount of € 0.3 million was recorded.

19. Income tax expense

The item income tax expenses includes taxes on income and earnings paid or owed in the individual countries as well as deferred tax liabilities. Other taxes that cannot be meaningfully attributed to the sales, administration or research and development functions are included in other expenses.

Actual income tax expenses recognized in the income statement can be divided according to timing as follows:

in k €	2023	2022
Actual income tax expense	**61,344**	**70,943**
Tax expense in the current period	64,841	59,180
Tax expense (previous year: tax income) from previous periods	-3,497	11,763

Deferred taxes recognized in the income statement are made up of the following:

in k €	2023	2022
Deferred taxes	**-11,444**	**-22,589**
from temporary differences	-13,461	-19,733
from loss/interest carryforwards	2,017	-2,856

For temporary differences from Group investments amounting to € 12.3 million (previous year: € 22.6 million), no deferred tax liabilities were recognized, as in the foreseeable future it is unlikely that there will be a reversal of these temporary differences.

The nominal income tax rate for STADA Arzneimittel AG in Germany in financial year 2023 amounted to 28.3%. This figure includes corporate income tax at a rate of 15.0% and the solidarity surcharge of 5.5% on corporate income tax as well as trade income tax at an assessment rate of 357%. STADA Arzneimittel AG's nominal income tax rate is thus unchanged compared to the previous year.

The following overview explains how the effective income tax expense reported in the income statement was derived from the expected income tax expense. The expected income tax expense is calculated by applying the nominal tax rate of STADA Arzneimittel AG to earnings before taxes. The tax effects of the respective tax rates to be applied locally depending on their applicable national and legal forms are reported in a separate reconciliation.

in k €	2023	2022
Earnings before taxes	**392,346**	**326,995**
Nominal income tax rate of STADA Arzneimittel AG (in %)	28.3%	28.3%
Expected income tax expense	**111,112**	**92,605**
Deviation in local tax rate	-19,736	-21,011
Tax effects from tax rate changes	4,166	-723
Tax effects from loss carryforwards, tax credits, interest carryforwards and prior-year taxes	12,654	6,515
Tax effects from non-deductible expenses and tax-free earnings	4,520	20,642
Tax effect from the fiscal unity with the shareholder	-55,371	-50,071
Other tax effects	-7,445	397
Income tax expense shown on the income statement	**49,900**	**48,354**
Effective income tax rate (in %)	12.7%	14.8%

Without the tax effect from the fiscal unity with the shareholder in the amount of € -55.4 million (previous year: € -50.1 million), the effective tax rate would have been 26.8% (previous year: 30.0%).

As in the previous year, tax effects from loss/interest carryforwards resulted for the most part from unusable interest expenses due to the interest barrier rule that was newly-introduced in the United Kingdom, Sweden, the Netherlands and the Czech Republic. The effects from changes in tax rates mainly related to deferred tax liabilities in the United Arab Emirates following the decision to increase the tax rate from 0% to 15% from June 1, 2023.

The tax expense of STADA Arzneimittel AG, as in the previous year, was mainly influenced by the domination and profit and loss transfer agreement with the shareholder Nidda Healthcare GmbH. This resulted in a change in the tax status of STADA Arzneimittel AG, which has been included in the single tax entity of Nidda BondCo GmbH with its tax results since 2018 and must pay corporate tax. No tax allocation agreement was concluded with Nidda Healthcare GmbH as the direct parent company and/or Nidda BondCo GmbH as the indirect parent company.

Income taxes are therefore reported in accordance with the formal approach. Accordingly, all deferred taxes of the German controlling company STADA Arzneimittel AG are reported by the controlling company Nidda BondCo GmbH. Nidda BondCo GmbH is also obligated to pay corporate tax, solidarity surcharge and trade tax on the taxable income of STADA Arzneimittel AG.

The actual income tax expenses and deferred taxes recognized in the balance sheet were as follows:

in k €	Dec. 31, 2023	Dec. 31, 2022
Income tax receivables	21,847	21,359
Income tax liabilities	40,276	51,938

in k €	Dec. 31, 2023	Dec. 31, 2022
Deferred tax assets	54,778	53,218
Deferred tax liabilities	148,445	175,881
Deferred taxes as of December 31	-93,667	-122,663
Difference compared to previous year	28,996	10,738
thereof		
recognized in income	11,444	22,589
recognized through other comprehensive income	751	434
acquisitions/disposals/changes in the scope of consolidation	-167	-305
disposal from discontinued operations	15,193	-11,590
currency translation differences	1,775	-390

Deferred taxes result from the following balance sheet items and loss carryforwards:

	Deferred tax assets		Deferred tax liabilities	
in k €	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Intangible assets	2,991	3,230	125,932	171,578
Property, plant and equipment	209	2,156	18,262	20,342
Financial assets	100	469	–	22
Inventories	30,240	31,693	8,330	6,394
Receivables	4,871	4,187	820	2,416
Other assets	3,820	20,237	550	470
Other non-current provisions	2,059	962	911	507
Other provisions	3,822	3,793	7	–
Liabilities	14,325	26,859	3,757	14,866
Loss carryforwards	2,465	346	–	–
Total	**64,902**	**93,932**	**158,569**	**216,595**
Offsetting	10,124	40,715	10,124	40,715
Deferred taxes as per balance sheet	**54,778**	**53,218**	**148,445**	**175,881**

Deferred tax liabilities reported by STADA resulted, among other things, from deferred taxes in the context of purchase price allocations carried out under IFRS 3. The decrease in deferred tax liabilities from intangible assets compared with the previous year resulted mainly from regular amortization and impairment losses on intangible assets that were subject to purchase price allocation in accordance with IFRS 3. Overall, deferred tax liabilities increased as of December 31, 2023 to € 148.4 million (December 31, 2022: € 175.9 million) the disposal of deferred tax liabilities in connection with discontinued operations. The increase in deferred tax assets from loss carryforwards resulted in particular from future utilization of tax loss carryforwards in Vietnam.

Tax advantages that are expected from the future utilization of tax loss carryforwards are reported under the item "Tax loss carryforwards", insofar as their utilization is probable. Tax loss carryforwards capitalized as of December 31, 2023 amounted to € 10.0 million in financial year 2023 (December 31, 2022: € 1.4 million).

The future usable tax loss carryforwards and similar items are listed in the following chart according to their expiry date:

in k €	Dec. 31, 2023	Dec. 31, 2022
Loss carryforwards expiry date within		
1 year	–	–
2 years	–	–
3 years	1,371	–
4 years	944	–
5 years	7,533	–
After 5 years	113	–
Unlimited carryforward	–	1,390

Deferred tax assets of € 2.5 million (previous year: € 0.3 million) have been recognized for companies that incurred a loss in the current or previous year. Management expects to generate sufficient taxable income in future periods to realize the benefits of the deferred tax assets.

No deferred taxes were recognized for the following tax loss carryforwards and similar items as it is not probable that they will be realized in the foreseeable future:

in k €	Dec. 31, 2023	Dec. 31, 2022
Expiry date for loss carryforwards and similar items within		
1 year	1,374	1,647
2 years	2,202	1,520
3 years	3,134	3,883
4 years	9,787	3,577
5 years	3,109	3,878
After 5 years	3,466	26,339
Unlimited carryforward	236,425	226,412
Temporary differences	–	–

20. Result from discontinued operations

STADA carried out a business reorganization in financial year 2023. In this context, in September 2023, STADA transferred its shareholding in the Russian subgroup AO Nizhpharm, which, in addition to AO Nizhpharm, also includes its shareholdings in OOO Aqualor and OOO Hemofarm as well as a 50% share in Dialogfarma LLC (collectively "Nizhpharm" or "discontinued operations") to Nidda Lynx S.à r.l., a holding company held by Nidda Midco S.à r.l., based in Luxembourg.

Since that time, the Russian companies are no longer Group companies of the STADA Group. The objective of the business reorganization was to make the Russian units more flexible and adaptable to the rapidly changing business and regulatory environment. The remaining STADA Group will continue to supply medical products to the Russian entities that comply with applicable laws, rules and regulations.

The business reorganization was structured as a payment in lieu of repayment of a loan to the shareholder and was carried out non-cash, in this respect the STADA Group has not recorded any cash inflows. Prior to the completion of the reorganization, Nizhpharm did not qualify as a discontinued operation or as a disposal group. The income statement, statement of comprehensive income as well as the cash flow statement for the period from January 1, 2023 until the loss of control by the STADA Group on September 29, 2023, as well as for the entire previous year, were adjusted accordingly and the Russian subsidiaries were presented as discontinued operations as of September 29, 2023 in order to present them separately from the continuing operations of the remaining Group.

Given the fact that Nizhpharm represents a discontinued operation, it was measured in accordance with IAS 36 upon initial classification as a discontinued operation and subsequently measured in accordance with IFRS 5 prior to deconsolidation. Measurement in accordance with IAS 36 resulted in impairment losses on other intangible assets in the amount of € 128.9 million and on goodwill in the amount of € 35.9 million. The fair value of the consideration corresponded to the equivalent value of the loan, which was transferred to Nidda Lynx S.à r.l. for repayment instead of payment. The recoverable amount of the cash-generating unit Nizhpharm amounted to € 528 million.

The effects of the disposal on the Group's balance sheet items by maturity of the summarized balance sheet items are as follows:

in € million	Sep. 30, 2023
Total assets removed from balance sheet	**733.2**
Non-current assets	238.8
Current assets	421.4
Cash & cash equivalents	73.0
Total liabilities removed from balance sheet	**-495.2**
Non-current liabilies	-190.4
Current liabilities	-304.8
Net assets removed from balance sheet	**238.0**

Non-current assets mainly comprised intangible assets. Inventories and trade accounts receivable made up the majority of current assets. Non-current liabilities mainly consisted of financial liabilities, while current liabilities were largely characterized by accounts payable.

The number of employees for discontinued operations is approximately 2,200.

Following the disposal, the STADA Group continues to supply medical products to Nizhpharm. Although transactions between our continuing and discontinued operations have been fully eliminated in our Consolidated Financial Statements, management has allocated intercompany sales and cost of goods sold in a manner that reflects the continuation of these transactions after disposal. Charges to and debits from Nizhpharm are presented gross in the profit or loss of the remaining Group if the transactions are intended to be continued after the disposal and gross in the profit or loss of Nizhpharm if the transactions are not intended to be continued after the disposal. Management believes that this presentation is most useful to the users of the Consolidated Financial Statements.

Result from discontinued operations[1)] in € million	**2023**	**2022**
Sales	299.9	499.5
Cost of sales	106.2	205.4
Loss from measurement at fair value	164.7	—
Other expenses	129.7	196.6
Earnings before taxes	**-100.7**	**97.5**
Taxes on income	13.4	-21.0
Loss from the sale of the discontinued operations	-328.2	—
Result from discontinued operations	**-415.5**	**76.5**

1) In the 2023 financial year, there was a cumulative reserve of € 319.7 million recognized in other comprehensive income for discontinued operations.

The result from discontinued operations is entirely attributable to the shareholders of STADA Arzneimittel AG.

Loss from the sale of discontinued operations € million	**2023**
Reclassification adjustment of foreign exchange losses recognized previously in equity	-319.7
Further loss on deconsolidation	-8.5
Loss from the sale of the discontinued operations	**-328.2**

21. Result of the period

in k €	**2023**	**2022**
Result of the period	**-73,135**	**355,125**
thereof distributable to the shareholder of STADA Arzneimittel AG (net income)	97,579	334,514
thereof distributable to non-controlling interests	24,444	20,611

Income distributable to non-controlling interests relates, as was also the case in the previous year, to the subsidiaries BIOCEUTICALS Arzneimittel AG, Hemofarm d.o.o. Banja Luka, Hemomont d.o.o., Norbitec GmbH, Pymepharco JSC and STADA Pharmaceuticals (Beijing) Ltd.

22. Number of employees and personnel expenses

The average number of employees at STADA by functional area is as follows:

in k €	2023	2022
Technical Operations (Production/Quality Assurance/Logistics/Procurement/Supply Chain)	6,689	6,153
Marketing/Sales	3,306	3,116
Administration with Finance/IT	830	800
Product Development	641	595
Entire Group	**11,466**	**10,664**
Personnel expenses in € million	**578.2**	**497.9**

The average number of employees in the STADA Group increased by 8% to 11,466 in financial year 2023 (previous year: 10,664). The increase was primarily attributable to an increase in employee capacities in production, particularly in Serbia and Romania, as well as in sales & marketing, particularly in Germany and the rest of Europe. The number of employees increased by 7% to 11,667 as of the balance sheet date (December 31, 2022: 10,859). The increase was due in particular to the reasons for the increase in the average number of employees described above.

There were several changes at subsidiaries in financial year 2023 – NextGEN360 Ltd (United Kingdom) and AO Nizhpharm as well as OOO Hemofarm (both Russia) and their units were deconsolidated in the course of the year and have no longer been part of the STADA Group since then. This means that 2,281 employees left the Group in the reporting year.

Personnel expenses, which are included in expenses of the individual functional areas according to their functional relevance, increased in financial year 2023 to € 578.2 million (previous year: € 497.9 million). Among other things, the increase was due to the increased number of employees.

23. Scheduled depreciation, amortization and impairment losses

Scheduled depreciation, amortization and impairment losses were incurred on intangible assets and property plant and equipment as follows:

in k €	2023	2022
Scheduled depreciation/amortization	**213,842**	**199,219**
Intangible assets	147,602	137,834
Property, plant and equipment	66,240	61,385
Impairment losses	**34,758**	**70,380**
Intangible assets	33,189	52,537
Property, plant and equipment	1,569	17,843
thereof		
land and buildings	16	6,008
plant and machinery	597	6,310
other fixtures and fittings, tools and equipment	10	2,183
rights of use	–	2,789
advance payments	947	554

While depreciation and amortization are included in expenses of the individual functional areas according to their functional relevance, there is a presentation within other expenses for impairment losses.

Impairment losses on intangible assets reported under other expenses relate to various drug approvals and trademarks that would have been fully attributable to cost of sales.

Scheduled depreciation and amortization increased by 7% compared to the previous year. More information on amortization, depreciation and impairment losses is included in the Notes on non-current assets.

Notes to the Consolidated Balance Sheet

24. Intangible assets

Intangible assets developed as follows in financial year 2023:

2023 in k €	Regulatory drug approvals, trademarks, customer relationships, software, licenses and similar rights	Rights of use	Goodwill	Advance payments[1] made and capitalized development costs for current projects	Total
Costs as of Jan. 1, 2023	**3,869,751**	**29,067**	**514,296**	**338,720**	**4,751,834**
Currency translation	-159,361	-0	-8,328	-5,286	-172,976
Changes in the scope of consolidation	-474,420	—	-43,526	-19,247	-537,193
Additions	100,465	1,148	—	75,093	176,705
Disposals	2,403	932	—	31,947	35,282
Transfers	110,248	—	—	-110,131	117
Costs as of Dec. 31, 2023	**3,444,280**	**29,282**	**462,442**	**247,202**	**4,183,206**
Accumulated depreciation as of Jan. 1, 2023	**1,775,180**	**13,450**	**73,809**	**37,827**	**1,900,267**
Currency translation	-47,625	-0	-2,783	-3,638	-54,046
Changes in the scope of consolidation	-308,207	—	-43,526	-10,826	-362,559
Scheduled depreciation/amortization	164,388	5,429	—	-885	168,932
Impairment losses	146,163	—	35,927	16,233	198,323
Disposals	2,372	932	—	4,686	7,991
Write-ups	29,995	—	—	—	29,995
Transfers	1,223	—	—	-1,180	43
Accumulated depreciation as of Dec. 31, 2023	**1,698,754**	**17,947**	**63,427**	**32,846**	**1,812,974**
Residual carrying amounts as of Dec. 31, 2023	**1,745,526**	**11,336**	**399,015**	**214,356**	**2,370,231**
Residual carrying amounts as of Dec. 31, 2022	**2,094,571**	**15,617**	**440,486**	**300,893**	**2,851,567**

1) The advance payments made mainly include advance payments for development projects.

Additions within pharmaceutical approvals and trademarks mainly resulted from the acquisition of additional leading local European consumer healthcare brands from Sanofi in the amount of € 77.6 million.

The additions within advance payments made and capitalized development costs for current costs mainly resulted from a large number of different development projects.

Impairment losses from continuing operations in the amount of € 33.2 million mainly related to an approval in the specialty pharmaceuticals area (€ 11.4 million) and an approval for consumer healthcare products (€ 3.2 million) due to negative future business prospects. Conversely, there was a write-up of € 30.0 million for two approvals in the specialty pharmaceuticals area, which is attributable to improved future business prospects for these products. The interest rates applied in the impairment test that resulted in an impairment loss or reversal of an impairment loss ranged from 7.5% to 10.7%. In total, the recoverable amount for assets subject to impairment amounted to € 54.9 million and for assets subject to reversal of impairment € 55.5 million. There were also impairment losses in the amount of € 8.8 million from the repositioning of sales activities for a development project.

Further impairment losses of € 164.7 million were recognized in the context of discontinued operations. These resulted from a comparison between the assets and liabilities of the disposal group and the current market value less costs to sell. This resulted in a shortfall, € 35.9 million of which is attributable to goodwill and € 128.8 million of which is attributable to other intangible assets.

The umbrella brand Hemofarm which was capitalized in 2006 in the context of the acquisition of the Hemofarm group is included in capitalized trademarks recognized as an intangible asset with an indefinite useful life, because STADA intends to make continuing use of it. As of December 31, 2023, this umbrella brand continues to have a carrying amount of € 39.4 million (December 31, 2022: € 39.3 million).

In the context of the impairment test of December 31, 2023, an unchanged royalty rate of 2% as well as a discount rate of 12.1% were used (December 31, 2022: 11.8%). There was no necessity for impairment for the reporting year. Even a 1% increase in the interest rate, a 10% reduction in sales revenue or a 0.5 percentage point reduction in growth rates would not result in any need for impairment.

Furthermore, in the context of the control achieved over Pymepharco in 2013, the umbrella brand Pymepharco was capitalized as an intangible asset with an indefinite useful life as a trademark, because STADA intends to continue to use the trademark. As of December 31, 2023, it has a carrying amount of € 8.7 million (December 31, 2022: € 9.3 million). In the context of the impairment test of December 31, 2023, an unchanged royalty rate of 2% as well as a discount rate of 11.9% were used (December 31, 2022: 12.0%). There was no necessity for impairment for the reporting year. Even a 1% increase in the interest rate, a 10% reduction in sales revenue or a 0.5 percentage point reduction in growth rates would not result in any need for impairment.

Borrowing costs capitalized in 2023 for intangible assets and directly attributable to the acquisition or the production amounted to € 9.9 million (previous year: € 6.9 million). In financial year 2023, the capitalization rate taken as a basis for determining borrowing costs eligible for capitalization was 7.2% (previous year: 3.6%).

Development costs of € 42.0 million were capitalized in the reporting year (previous year: € 41.1 million). Capitalized development costs consist mainly of costs that can be allocated to the projects, such as the costs of individuals working in development, material costs and external services, together with directly allocable overhead costs. Internally created intangible assets are amortized on a straight-line basis over their useful life (generally 20 years). STADA immediately recognizes development costs that do not qualify for capitalization as expense in the period in which they are incurred (see Note 15.). In financial year 2023, these development costs amounted to € 96.9 million (previous year: € 85.1 million).

Amortization of intangible assets mainly relates to regulatory drug approvals as well as trademarks and is recognized in the income statement primarily under cost of sales. In the reporting year, this related to an amount of € 147.6 million (previous year: € 137.8 million).

In financial year 2023, impairments on intangible assets for continuing operations were recognized in the total amount of € 33.2 million (previous year: € 52.5 million).

Details on changes in the scope of consolidation can be found in the Note on the scope of consolidation (see Note 5.).

Intangible assets developed as follows in the previous year:

2022 in k €	Regulatory drug approvals, trademarks, customer relationships, software, licenses and similar rights	Rights of use	Goodwill	Advance payments[1] made and capitalized development costs for current projects	Total
Costs as of Jan. 1, 2022	**3,695,156**	**12,132**	**510,183**	**319,903**	**4,537,375**
Currency translation	42,074	—	4,112	-152	46,034
Additions	52,575	17,216	—	105,660	175,451
Disposals	4,484	280	—	2,267	7,032
Transfers	84,430	—	—	-84,424	6
Costs as of Dec. 31, 2022	**3,869,751**	**29,067**	**514,296**	**338,720**	**4,751,834**
Accumulated depreciation as of Jan. 1, 2022	**1,536,052**	**10,152**	**72,639**	**52,906**	**1,671,749**
Currency translation	4,271	—	1,171	1,180	6,622
Scheduled depreciation/amortization	170,735	3,578	—	—	174,313
Impairment losses	64,960	—	—	1,525	66,485
Disposals	4,051	280	—	1,922	6,252
Write-ups	12,706	—	—	—	12,706
Transfers	15,920	—	—	-15,863	57
Accumulated depreciation as of Dec. 31, 2022	**1,775,180**	**13,450**	**73,809**	**37,827**	**1,900,267**
Residual carrying amounts as of Dec. 31, 2022	**2,094,571**	**15,617**	**440,486**	**300,893**	**2,851,567**
Residual carrying amounts as of Dec. 31, 2021	**2,159,104**	**1,979**	**437,545**	**266,997**	**2,865,626**

1) The advance payments made mainly include advance payments for development projects.

The additions to advance payments and capitalized development costs for current costs resulted primarily from a large number of different development projects.

Impairment losses from continuing operations in the amount of € 52.5 million primarily related to two approvals for consumer healthcare products (€ 4.3 million), four approvals in the area of specialty pharmaceuticals (€ 14.9 million) and one approval in the area of generics (€ 5.8 million), which is attributable to a mixture of higher interest rates and more uncertain future prospects for the Russian market, which are depicted as part of scenario analyses. The approvals are held by companies that are not allocated to discontinued operations. In addition, there were impairment losses on intangible assets in Ukraine due to the increased country risk premium, which led to a significant increase in the WACC determined for the country. As a result, an impairment loss was recognized for three approvals for consumer healthcare products (€ 5.9 million). There were also impairment losses on intangible assets due to negative future business prospects and higher interest rates, particularly for five approvals for consumer healthcare products (€ 8.5 million) and three approvals in the specialty pharmaceuticals area (€ 4.4 million). This was offset by a write-up of € 11.3 million on one approval in the specialty pharmaceuticals area, which is attributable to improved future business prospects for this product. The interest rates applied as part of the impairment test, which led to an impairment or write-up, were between 6.7% and 26.8%. In total, the recoverable amount for these assets amounted to € 140.2 million. The basis for the impairment was the calculated value in use, which is almost equal to the fair value.

The following amortization expense is expected for intangible assets in the next five years:

Expected amortization in k €	
2024	151,181
2025	150,869
2026	145,486
2027	138,167
2028	138,749

The following table shows which groups of cash-generating units the capitalized goodwill can be attributed to:

Residual carrying amount in € million	**Dec. 31, 2023**	**Dec. 31, 2022**
Consumer Healthcare	157.4	165.9
Generics	93.4	94.5
Specialty	148.2	180.1
Total	**399.0**	**440.5**

Compared to the previous year, there was a decline in the carrying amounts of goodwill within CGU Consumer Healthcare and Specialty due to discontinued operations in addition to exchange rate-related changes.

In the context of the regular impairment test for capitalized goodwill as of **November 30, 2023**, the expected cash inflows were determined using the discounted cash flow method based on the following parameters defined for the individual segment-related groups of cash-generating units:

According to segment, defined group of cash-generating units	**Growth rates of the forward projection phase** in %	**Pre tax WACCs** in %
Consumer Healthcare	1.2%	10.9%
Generics	1.0%	11.1%
Specialty	1.1%	10.4%

In the previous year, the parameters applied as of **November 30, 2022** were as follows:

According to segment, defined group of cash-generating units	**Growth rates of the forward projection phase** in %	**Pre tax WACCs** in %
Consumer Healthcare	1.4%	9.4%
Generics	1.1%	9.6%
Specialty	1.3%	9.1%

The discounted cash flow method is used to determine the value in use of the group of cash-generating units, based on an individual interest rate for the group of cash-generating units and a detailed planning period of three years. Such a detailed planning period reflects the assumptions regarding short to medium-term market developments. For the period after this three-year detailed planning period, a specific estimated growth rate of 50% of the expected long-term inflation rate is assumed. The detail planning phase for determining the value in use are based on assumptions from past experience expanded to include current developments and reviewed using external market data and analyses. The most important assumptions include the development of future selling prices, amounts and costs, the influence of the regulatory market environment, investments, market share, exchange rates and growth rates. The Covid-19 pandemic is expected to have only a temporary impact that will be offset within a year, so no discount has been planned. Accordingly, the interest rate determined on the group of cash-generating units includes the market parameters influenced by the Covid-19 pandemic. Significant changes in the assumptions mentioned above would affect the calculation of the values in use of the cash-generating units. The discount rates used are determined on the basis of external factors derived from the market and adjusted for the risks prevailing in the respective group of cash-generating units.

Changes in the calculation parameters used for the impairment tests may impact the fair values of the groups of cash-generating units. For this reason, a sensitivity analysis for the various groups of cash-generating units was performed with a 1.0 percentage point increase in the discount rate, a 0.5 percentage point decrease in the growth rate and a 10.0 percentage point reduction in EBIT. Even when using these assumptions, there was no need to recognize an impairment loss for any group of cash-generating units.

25. Property, plant and equipment

Property, plant and equipment developed as follows in financial year 2023:

2023 in k €	Land, leasehold rights and buildings including buildings on third-party land	Plant and tools and machinery equipment	Other plants and business equipment	Rights of use	Advance payments and construction in progress	Total
Costs as of Jan. 1, 2023	**315,485**	**427,791**	**138,516**	**127,684**	**80,570**	**1,090,046**
Currency translation	-7,150	-16,129	-4,500	-3,057	-4,372	-35,209
Changes in the scope of consolidation	-18,806	-47,293	-14,758	-9,343	-9,920	-100,122
Additions	3,849	9,198	7,338	39,393	85,214	144,991
Disposals	0	4,044	3,403	17,833	1,815	27,095
Transfers	8,121	25,343	6,878	-26	-40,409	-93
Costs as of Dec. 31, 2023	**301,499**	**394,865**	**130,070**	**136,818**	**109,267**	**1,072,519**
Accumulated depreciation as of Jan. 1, 2023	**130,596**	**240,762**	**99,881**	**68,133**	**409**	**539,781**
Currency translation	-1,902	-8,929	-2,085	-1,521	15	-14,422
Changes in the scope of consolidation	-5,353	-28,569	-8,484	-5,441	—	-47,846
Scheduled depreciation/amortization	8,306	23,813	11,898	27,987	—	72,003
Impairment losses	16	597	10	—	1,280	1,902
Disposals	—	3,913	3,073	16,266	825	24,077
Write-ups	—	-0	—	—	—	-0
Transfers	1	—	6	-26	—	-19
Accumulated depreciation as of Dec. 31, 2023	**131,664**	**223,761**	**98,153**	**72,866**	**879**	**527,323**
Residual carrying amounts as of Dec. 31, 2023	**169,835**	**171,105**	**31,917**	**63,952**	**108,388**	**545,197**
Residual carrying amounts as of Dec. 31, 2022	**184,889**	**187,029**	**38,635**	**59,552**	**80,161**	**550,264**

The borrowing costs capitalized in 2023 for property, plant and equipment that can be directly allocated to the acquisition or production amounted to € 2.9 million (previous year: no capitalization). The financing cost rate used to determine the borrowing costs eligible for capitalization was 7.3% in financial year 2023 (previous year: no capitalization).

STADA continuously invests in the Group's own production facilities and testing laboratories. In the reporting year, investments amounting to € 86.0 million (previous year: € 51.5 million) were made for the expansion and modernization of production sites, manufacturing facilities as well as testing laboratories (maintenance CapEx). This includes € 40.0 million (previous year: € 4.4 million) for a new supply chain and packaging site in the Romanian city of Turda. Since the start of the project, STADA has invested approximately € 54 million in the expansion of this new Romanian site.

Rights of use were comprised of the following:

in k €	Dec. 31, 2023	Dec. 31, 2022
Land and buildings		
Accumulated costs	83,736	80,309
Accumulated depreciation	47,144	40,676
thereof scheduled depreciation in the current financial year	14,212	13,084
Net carrying amount	**36,592**	**39,632**
Plant and tools, vehicles and other equipment		
Accumulated costs	53,083	47,375
Accumulated depreciation	25,722	27,457
thereof scheduled depreciation in the current financial year	13,775	12,102
Net carrying amount	**27,361**	**19,919**
Rights of use		
Accumulated costs	136,818	127,684
Accumulated depreciation	72,866	68,133
thereof scheduled depreciation in the current financial year	27,987	25,186
Net carrying amount	**63,952**	**59,552**

Property, plant and equipment developed as follows in the previous year:

2022 in k €	Land, leasehold rights and buildings including buildings on third-party land	Plant and tools and machinery equipment	Other plants and business equipment	Rights of use	Advance payments and construction in progress	Total
Costs as of Jan. 1, 2022	**305,619**	**398,351**	**129,309**	**114,185**	**69,400**	**1,016,863**
Currency translation	477	1,342	-1,365	1,201	479	2,135
Additions	4,103	10,283	8,248	23,564	54,919	101,117
Disposals	1,145	3,265	12,806	11,309	1,538	30,063
Transfers	6,431	21,081	15,131	44	-42,692	-6
Costs as of Dec. 31, 2022	**315,485**	**427,791**	**138,516**	**127,684**	**80,570**	**1,090,047**
Accumulated depreciation as of Jan. 1, 2022	**117,663**	**210,625**	**98,488**	**49,459**	**387**	**476,624**
Currency translation	-156	876	228	516	-107	1,357
Changes in the scope of consolidation	—	—	—	—	—	—
Scheduled depreciation/amortization	8,266	25,759	11,118	25,186	—	70,330
Impairment losses	6,008	6,310	2,183	2,789	554	17,843
Disposals	1,137	2,796	12,105	9,820	425	26,284
Write-ups	—	31	—	—	—	31
Transfers	-48	18	-30	3	0	-57
Accumulated depreciation as of Dec. 31, 2022	**130,596**	**240,762**	**99,881**	**68,133**	**409**	**539,781**
Residual carrying amounts as of Dec. 31, 2022	**184,889**	**187,029**	**38,635**	**59,552**	**80,161**	**550,264**
Residual carrying amounts as of Dec. 31, 2021	**187,955**	**187,725**	**30,820**	**64,726**	**69,013**	**540,240**

In the previous year, impairment losses mainly related to property, plant and equipment in the Ukraine CGU due to the impact of the Russia-Ukraine war (€ 13.4 million).

26. Financial assets

Financial assets developed as follows in financial year 2023:

2023 in k €	Shares in associates and other investments	Total
Costs as of Jan. 1, 2023/ fair value as of Jan. 1, 2023	**28,076**	**28,076**
Currency translation	415	415
Changes in the scope of consolidation	-208	-208
Additions	200	200
Disposals	145	145
Change in the fair value (FVOCI)	-10,659	-10,659
Costs as of Dec. 31, 2023/ fair value as of Dec. 31, 2023	**17,679**	**17,679**
Accumulated depreciation as of Jan. 1, 2023	**14,836**	**14,836**
Currency translation	15	15
Changes in the scope of consolidation	-150	-150
Disposals	132	132
Accumulated depreciation as of Dec. 31, 2023	**14,569**	**14,569**
Residual carrying amounts as of Dec. 31, 2023	**3,110**	**3,110**
Residual carrying amounts as of Dec. 31, 2022	**13,240**	**13,240**

Additions to shares in associates and other investments relate to an investments in Saudi Arabia.

The change in fair value (FVOCI) results from the exercising of the option in accordance with IFRS 9 to recognize changes in the fair value of equity instruments in other comprehensive income. In the reporting year, this related to the investment in Xbrane Biopharma AB.

Financial assets are the carrying amounts of those shares in non-consolidated investments. There is currently no intention to sell these financial assets.

Financial assets developed as follows in the previous year:

2022 in k €	Shares in associates and other investments	Total
Costs as of Jan. 1, 2022/ fair value as of Jan. 1, 2022	**33,386**	**33,386**
Currency translation	-1,050	-1,050
Changes in the scope of consolidation	-500	-500
Additions	70	70
Disposals	473	473
Change in the fair value (FVOCI)	-3,356	-3,356
Costs as of Dec. 31, 2022/ Fair Value as of Dec. 31, 2022	**28,076**	**28,076**
Accumulated depreciation as of Jan. 1, 2022	**15,283**	**15,283**
Currency translation	27	27
Disposals	473	473
Accumulated depreciation as of Dec. 31, 2022	**14,836**	**14,836**
Residual carrying amounts as of Dec. 31, 2022	**13,240**	**13,240**
Residual carrying amounts as of Dec. 31, 2021	**18,104**	**18,104**

27. Investments measured at equity

The disclosure as of the reporting date related to the accounting of shares in the associates PharmTechService LLC, as well as SAS SANTRALIAand AELIA SAS using the equity method.

Investments measured at equity developed as follows in financial year 2023 compared with the previous year:

in k €	2023	2022
As of Jan. 1	**2,573**	**2,939**
Dividend distribution	-150	-150
Results from associates	79	-8
Changes in the scope of consolidation	-2	—
Currency translation	-57	-208
As of Dec. 31	**2,443**	**2,573**

28. Trade accounts receivable

Trade accounts receivable are composed as follows:

in k €	Dec. 31, 2023	Dec. 31, 2022
Trade accounts receivable from third parties	809,002	961,376
Trade accounts receivable from non-consolidated companies	1,577	2,049
Valuation allowances vis-à-vis third parties	-107,853	-110,496
Financial assets (FVOCI)	28,556	25,881
Total	**731,283**	**878,810**

Various collateral exists for a portion of trade accounts receivable the value of which was not impaired in the form of bank or corporate guarantees, pledged inventories and letters of credit. Furthermore, there is commercial credit insurance for certain markets and customers. These are taken into account in the calculation of the default risk.

The regulations on the classification of financial assets resulted for receivables eligible for factoring due to the current business model, that these financial assets, which continue to be included in trade accounts receivable, are measured at fair value without effect on profit or loss under IFRS 9. Changes in the fair value of these receivables are recognized directly in equity in the FVOCI reserve. Financial assets measured at fair value recorded directly in equity are generally subject to the same impairment model as financial assets measured at amortized cost.

Overall, impairments on trade accounts receivable developed as follows:

in k €	2023	2022
As of Jan. 1	**110,496**	**103,455**
Added	5,224	14,911
Utilized	-1,034	-3,590
Reversed	-5,674	-3,815
Changes in the scope of consolidation	-817	–
Currency translation differences	-342	-465
As of Dec. 31	**107,853**	**110,496**

VALUE ADJUSTMENT MATRIX

The figures for financial year 2023 were as follows:

Trade accounts receivable in k €	**Credit default rate**	**Trade accounts receivable, net**	**ECL IFRS 9**	**IVA w/o ECL IFRS 9**	**Trade accounts receivable, gross**
Cluster 1 – low risk	0%–1.5%	702,994	4,058	103,116	806,110
Cluster 2 – medium risk	1.6%–3.0%	2,327	114	565	2,892
Cluster 3 – increased risk	3.1%–5.0%	–	–	–	–
Cluster 4 – high risk	>5.0%	–	–	–	–
Total		**705,321**	**4,172**	**103,681**	**809,002**

The previous year resulted in the following presentation:

Trade accounts receivable in k €	**Credit default rate**	**Trade accounts receivable, net**	**ECL IFRS 9**	**IVA w/o ECL IFRS 9**	**Trade accounts receivable, gross**
Cluster 1 – low risk	0%–1.5%	317,925	2,331	8,485	326,410
Cluster 2 – medium risk	1.6%–3.0%	538,339	3,052	96,628	634,966
Cluster 3 – increased risk	3.1%–5.0%	–	–	–	–
Cluster 4 – high risk	>5.0%	–	–	–	–
Total		**856,264**	**5,383**	**105,113**	**961,376**

For trade accounts receivable, an expected default on receivables is calculated over their terms on the basis of a portfolio-specific default rate. The default rate indicates the probability that a debtor will default within a period of one year. The default rates consider the industry risks and the economic environment of the respective country. Each cluster is allocated to a different bandwidth of expected default rates.

29. Return assets

As of December 31, 2023, return assets due after one year amounted to € 0.7 million (previous year: € 1.0 million). The return assets relate to anticipated returns in connection with contracts with customers for which reutilization is expected.

30. Other financial assets

Other financial assets were composed as follows:

	Dec. 31, 2023		Dec. 31, 2022	
in k €	Total	thereof: current	Total	thereof: current
Loan receivables (including accrued interest)	7,081	501	–	–
Derivative financial assets	1,055	1,055	899	899
Other financial assets	116,786	116,315	69,217	68,788
Total	**124,922**	**117,870**	**70,116**	**69,687**

The derivative financial assets included the positive market values of currency forwards (see Note 47.1.).

Other financial assets included receivables from factoring companies in Germany in connection with amounts retained from receivables sold in the amount of € 4.1 million (previous year: € 6.1 million) and receivables from Nidda Healthcare Holding GmbH, Nidda Healthcare GmbH in the amount of € 94.9 million (previous year: € 45.6 million). In addition, other financial assets also comprise many immaterial individual items in the Group companies.

With the deconsolidation of Nizhpharm in September 2023, in the STADA Group a loan receivable from Nizhpharm with a nominal volume of € 14.0 million was recognized for the first time in the Consolidated Financial Statements. As of the balance sheet date, the carrying amount of the loan (including accrued interest) amounted to € 7.1 million. An impairment loss of € 7.9 million was recognized at the time of addition which amounted to € 8.0 million on the balance sheet date.

As of December 31, 2023, other financial assets included impairments in the amount of € 17.6 million (December 31, 2022: € 9.6 million).

31. Other assets

Other assets were composed as follows:

	Dec. 31, 2023		Dec. 31, 2022	
in k €	Total	thereof: current	Total	thereof: current
Other receivables due from the tax authorities	28,400	28,374	28,482	28,455
Prepaid expenses/deferred charges	49,137	46,276	50,334	48,148
Other assets	15,356	9,660	10,389	5,654
Total	**92,893**	**84,310**	**89,205**	**82,258**

As of the balance sheet date, other assets included non-current assets from over-funded pension plans in the amount of € 3.4 million (December 31, 2022: € 3.2 million) and also consisted of many immaterial individual items in the Group companies.

As of December 31, 2023, other assets included value adjustments of € 0.2 million (December 31, 2022: € 0.2 million).

32. Inventories

in k €	2023	2022
Materials and supplies	211,498	235,554
Work in progress	67,683	77,668
Finished goods and merchandise	768,729	622,155
Advance payments to suppliers	50,193	29,984
Total	**1,098,103**	**965,361**

In financial year 2023, impairments netted with reversals were made on the net realizable value of inventories in the amount of € 82.7 million (previous year: € 68.2 million), which were already deducted from the amounts shown above through profit and loss. In financial year 2023, reversals here amounted to € 5.6 million (previous year: € 9.8 million).

33. Cash and cash equivalents

Cash and cash equivalents include cash on hand and call deposits as well as current and highly liquid financial investments with a maximum term of 90 days from the date of acquisition. In certain countries, specific transactions are subject to special monitoring in the context of the requirements of the respective national bank or foreign exchange acts in force. Restrictions on the availability of cash and cash equivalents amount to € 4.6 million (previous year: € 4.7 million).

The development in cash and cash equivalents from € 258.6 million as of December 31, 2022 to € 191.7 million as of December 31, 2023 resulted from the effects described as part of the explanations in the Consolidated Cash Flow Statement. Further details on the development of cash and cash equivalents can be found in the Consolidated Cash Flow Statement.

34. Non-current assets and disposal groups held for sale as well as associated liabilities

As of December 31, 2023, as was also the case in the previous year, there are no assets held for sale in the STADA Group.

35. Equity

Group equity amounted to € 1,158.5 million as of the balance sheet date (December 31, 2022: € 1,465.2 million). This corresponds to an equity ratio of 22.1% (December 31, 2022: 25.5%).

35.1. SHARE CAPITAL

As of December 31, 2023, share capital amounted to € 162,090,344.00 (December 31, 2022: € 162,090,344.00) and was divided into 62,342,440 registered shares (December 31, 2022: 62,342,440), each with an arithmetical share of share capital of € 2.60 per share, and is fully paid. Each share grants one vote in the Annual General Meeting.

Authorized capital as of December 31, 2023 is comprised as follows:

	Amount in €	**Shares**	**Purpose**
Authorized capital	81,045,159.00	31,171,215	Increase of share capital (until June 5, 2023)

35.2. CAPITAL RESERVE

Changes in the capital reserve of the Group are shown in the consolidated statement of changes in shareholders' equity and particularly include the capital reserve of STADA Arzneimittel AG. Differences from the capital reserve determined in accordance with the provisions of German commercial law primarily result from the recognition at their market value of the shares of STADA Arzneimittel AG newly issued in 2003 as well as the associated treatment of issuing costs, which were deducted from the capital reserve.

35.3. RETAINED EARNINGS INCLUDING NET INCOME

Retained earnings including net income comprises net income for the financial year as well as earnings generated in previous periods, provided these were not distributed or transferred under a profit transfer agreement, including 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.

In the context of measuring the defined benefit obligations as of December 31, 2023, net expense in the amount of € 5.6 million after deferred taxes – not considering amounts attributable to non-controlling interests – resulted from the remeasurement (previous year: income of € 3.6 million). It is mainly based on the decrease in the discount rate for various defined benefit plans in the STADA Group underlying the measurement of December 31, 2023 in comparison with December 31, 2022. In addition, this item also includes currency translation differences related to the revaluation of net debt recognized in equity from performance-oriented pension plans as well as the deferred taxes they incur, which, in financial year 2023, amounted to an expense recognized in equity of € 0.7 million (previous year: income of € 0.5 million).

35.4. OTHER RESERVES

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 income of the financial statements of companies included in the Group, which are reported in the statement of changes in equity under the "currency translation reserve".

As part of the application of IFRS 9, other reserves also include the "FVOCI reserve". Changes in the fair value of receivables measured at fair value through other comprehensive income as well as the equity instruments measured at fair value through other comprehensive income are recorded here with no effect on profit or loss.

The increase in other reserves compared to the previous year was mainly due to the deconsolidation of the Russian subsidiaries and the expenses realized in this context from the currency translation recognized directly in equity, which had resulted for these companies as a whole by the time of disposal in September 2023.

35.5. TREASURY SHARES

As of the balance sheet date, the Company held 84,273 treasury shares (December 31, 2022: 84,273), each with an arithmetical par value of € 2.60, which is equivalent to 0.14% (December 31, 2022: 0.14%) of the share capital. In financial year 2023, no treasury shares were sold.

35.6. SHARES RELATING TO NON-CONTROLLING INTERESTS

Shares held by non-controlling interests related as of December 31, 2023 to the minority interests of other shareholders in the subsidiaries BIOCEUTICALS Arzneimittel AG, Hemofarm Banja Luka, Hemomont, Norbitec GmbH, Pymepharco, and STADA Pharmaceuticals (Beijing).

In the financial year, the change in non-controlling interests mainly resulted from the consolidated net profit attributable to non-controlling interests and dividend distributions to minority shareholders. This item also includes currency translation gains and losses resulting from the currency translation of the financial statements of consolidated companies, insofar as these are attributable to non-controlling interests.

36. Other non-current provisions

Other non-current provisions made by STADA as of the reporting date in Germany and outside Germany include pension provisions and other non-current provisions in the form of anniversary provisions as well as provisions for working time accounts and early retirement as follows:

in k €	Dec. 31, 2023	Dec. 31, 2022
Germany	15,263	16,861
International	19,759	16,488
Total	**35,022**	**33,349**

In Germany, STADA has plan assets in the form of reinsurance policies, which are used to serve the pension entitlements of a small number of former employees. In addition, there are plan assets for a pension obligation which was outsourced to a pension fund. All further pension entitlements are financed internally within the scope of pension provisions. In addition, there are plan assets in a number of international subsidiaries in the form of, among other things, insurances, government bonds and securities funds.

In financial year 2023, the plan assets of three subsidiaries exceeded their pension obligations. After application of the asset ceiling rules, the asset surpluses for two companies were reported under other assets as assets from overfunded pension plans in the amount of € 3.4 million (previous year: € 3.2 million).

Plan assets can be broken down by investment category and quoted market price as follows:

in k €	Dec. 31, 2023	Dec. 31, 2022
Plan assets with quoted market price	**62,580**	**54,832**
thereof cash and cash equivalents	1,995	1,795
thereof equity securities	7,282	6,413
thereof debt securities	39,167	33,157
thereof real estate	9,107	8,020
thereof derivatives	—	—
thereof shares in investment funds	5,029	5,447
thereof other	—	—
Plan assets without quoted market price	**34,543**	**32,834**
thereof insurance policies	34,543	32,834
Total	**97,123**	**87,666**

For German Group companies, pension obligations developed as follows:

Defined benefit obligations (DBO) for pension commitments in k €	**2023**	**2022**
As of Jan. 1	**32,158**	**43,174**
Current service cost	—	10
Past service cost	—	—
Plan settlements	—	—
Interest cost	1,254	546
Benefits paid from plan assets from settlements	—	—
Other benefits paid from plan assets	-1,617	-1,573
Benefits paid by the employer from settlements	—	—
Other benefits paid by the employer	-753	-750
Remeasurements:		
gains (-)/losses (+) due to changed demographic assumptions	—	—
gains (-)/losses (+) due to changed financial assumptions	2,448	-9,574
gains (-)/losses (+) due to experience-based changes	823	325
As of Dec. 31	**34,313**	**32,158**

For international Group companies, pension obligations developed as follows:

Defined benefit obligations (DBO) for pension commitments in k €	**2023**	**2022**
As of Jan. 1	**71,193**	**82,707**
Current service cost	3,213	3,008
Past service cost	1,491	112
Plan settlements	-51	-182
Interest cost	2,591	1,120
Benefits paid from plan assets from settlements	—	-357
Other benefits paid from plan assets	-1,769	26
Benefits paid by the employer from settlements	-504	-259
Other benefits paid by the employer	-1,002	-774
Employee contributions	1,162	835
Insurance premiums for death and disability benefits	-377	-375
Business combinations	—	—
Disposals	-990	—
Reclassifications	—	5,194
Remeasurements:		
gains (-)/losses (+) due to changed demographic assumptions	-1,067	398
gains (-)/losses (+) due to changed financial assumptions	4,152	-23,481
gains (-)/losses (+) due to experience-based changes	2,125	2,851
Currency changes	2,314	470
Other	-103	-100
As of Dec. 31	**82,378**	**71,193**

In financial year 2023, there were special occurences in Switzerland and the United Kingdom in particular, which were recognized in their entirety as past service cost. In Switzerland, the statutory retirement age for women was raised from 64 to 65; as a result, contributions to the plan were also revised. These changes resulted in an expense of € 0.6 million. In the United Kingdom, benefits were partially recalculated in connection with current case law. These measures resulted in an expense of € 0.8 million. There were also other special events with an immaterial impact on the balance sheet.

The fair value of plan assets underlying the pension obligations developed as follows for German group companies:

Fair value of plan assets in k €	**2023**	**2022**
As of Jan. 1	**25,108**	**31,703**
Interest income	968	391
Employer contributions	—	—
Employee contributions	—	—
Benefits paid from plan assets from settlements	—	—
Other benefits paid from plan assets	-1,617	-1,573
Return on plan assets (not included in interest result)	1,660	-5,413
Other	—	—
As of Dec. 31	**26,119**	**25,108**

The fair value of plan assets underlying the pension obligations developed as follows for international Group companies:

Fair value of plan assets in k €	**2023**	**2022**
As of Jan. 1	**62,558**	**71,993**
Interest income	2,251	862
Employer contributions	4,916	4,609
Employee contributions	1,162	835
Benefits paid from plan assets from settlements	—	-357
Other benefits paid from plan assets	-1,769	26
Insurance premiums for death and disability benefits	-377	-375
Business combinations	—	—
Disposals	—	—
Reclassifications	—	4,471
Return on plan assets (not included in interest result)	-67	-19,654
Currency changes	2,463	264
Other	-133	-116
As of Dec. 31	**71,004**	**62,558**

Net debt from defined benefit plans developed as follows for German Group companies:

Net debt from defined benefit plans in k €	**2023**	**2022**
As of Jan. 1	**7,050**	**11,471**
Expenses from pension plans recognized in the income statement	286	165
Remeasurements:		
gains (-)/losses (+) due to changed demographic assumptions	—	—
gains (-)/losses (+) due to changed financial assumptions	2,448	-9,574
gains (-)/losses (+) due to experience-based changes	823	325
Return on plan assets (not included in interest result)	-1,660	5,413
Employer contributions	—	—
Benefits paid by employer from settlements	—	—
Other benefits paid by the employer	-753	-750
Reclassifications	—	—
As of Dec. 31	**8,194**	**7,050**

Net debt from defined benefit plans developed as follows for international Group companies:

Net debt from defined benefit plans in k €	**2023**	**2022**
As of Jan. 1	**9,230**	**10,714**
Expenses from pension plans recognized in the income statement	5,037	3,212
Remeasurements:		
gains (-)/losses (+) due to changed demographic assumptions	-1,067	398
gains (-)/losses (+) due to changed financial assumptions	4,152	-23,481
gains (-)/losses (+) due to experience-based changes	2,125	2,851
Return on plan assets (not included in interest result)	67	19,654
gains (-)/losses (+) due to changes in asset ceiling	-546	582
Employer contributions	-4,916	-4,609
Benefits paid by employer from settlements	-504	-259
Other benefits paid by the employer	-1,002	-774
Business combinations	—	—
Disposals	-990	—
Reclassifications	—	723
Currency changes	-142	219
As of Dec. 31	**11,444**	**9,230**

The amount of the pension provisions recognized as of the balance sheet date for companies with plan assets were as follows:

in k €	Dec. 31, 2023	Dec. 31, 2022
Present value of the defined benefit obligations fully or partially funded by plan assets	105,785	91,476
Fair value of plan assets	97,123	87,666
Defined benefit obligations in excess of plan assets	**8,662**	**3,810**
Present value of unfunded defined benefit obligations	10,906	11,875
Net defined benefit liability	**19,568**	**15,685**
Effect of asset ceiling (in accordance with IAS 19.64)	70	595
Net defined benefit liability recognized in the balance sheet	**19,638**	**16,280**

The asset ceiling developed as follows:

Change in asset ceiling in k €	2023	2022
As of Jan. 1	**595**	**–**
Interest income	14	–
Remeasurements:		
Changes in asset ceiling (not included in interest result)	-546	582
Currency changes	7	13
As of Dec. 31	**70**	**595**

Expenses for defined benefit plans amounted to net expenses in the total amount of € 5.3 million in financial year 2023 (previous year: € 3.4 million) and consisted of the following components:

in k €	2023	2022
Current service cost	3,213	3,018
Past service cost	1,491	112
Plan settlements	-51	-182
Net interest expense:		
interest expense (DBO)	3,845	1,666
interest income (plan assets)	-3,219	-1,253
interest income from reimbursement	–	–
interest expense (+)/interest income (-) from the limit on an asset	14	–
Administration costs	30	16
Other	–	–
Total	**5,323**	**3,377**

Income from plan assets amounted to € 2.6 million in financial year 2023 (previous year: expense of € 5.0 million) for German Group companies and € 2.2 million (previous year: expense of € 18.8 million) for international Group companies.

The amount of income from plan assets for German Group companies is largely determined by the fact that the plan assets of a commitment are adjusted to the full value of the gross obligation on the basis of the reinsurance available for this purpose. The income from plan assets outside Germany is mainly attributable to the positive development of plan assets in the United Kingdom, Ireland and Switzerland.

The following actuarial parameters were used as a basis for measuring the German pension obligations and pension costs:

Parameters for pension obligations for German Group companies (weighted) in %	**Dec. 31, 2023**	**Dec. 31, 2022**
Discount rate	3.5%	4.0%
Salary trend	3.3%	3.3%
Pension trend	1.8%	1.6%
Inflation	2.3%	2.0%

The following actuarial parameters were used as a basis for measuring the international pension obligations and pension costs:

Parameters for pension obligations for International Group companies (weighted) in %	**Dec. 31, 2023**	**Dec. 31, 2022**
Discount rate	2.9%	3.8%
Salary trend	2.4%	2.5%
Pension trend	0.9%	1.0%
Inflation	1.9%	2.1%

A sensitivity analysis was carried out in which only one assumption was changed in each case and all other assumptions remained the same. In the following, the change in the defined benefit obligation of the pension obligations (DBO) for German Group companies is presented according to a change in the discount rate, salary trend and pension trends:

Change in the defined benefit obligation for pension obligations (DBO) as of Dec. 31, 2023 (k € 34,313) for changed assumptions in k €	**Dec. 31, 2023**	**Dec. 31, 2022**
Discount rate +0.5%	-1,609	-1,480
Discount rate -0.5%	1,748	1,598
Salary trend +0.5%	—	—
Salary trend -0.5%	—	—
Pension trend +0.5%	1,768	1,634
Pension trend -0.5%	-1,642	-1,520

The salary trend is no longer relevant, because all plan participants have already reached their regular pension age.

The change in the defined benefit obligation of the pension obligations (DBO) for international Group companies is presented below according to a change in the discount rate, salary trend and pension trends:

Change in the defined benefit obligation for pension obligations (DBO) as of Dec. 31, 2023 (k € 82,378) for changed assumptions in k €	**Dec. 31, 2023**	**Dec. 31, 2022**
Discount rate +0.5%	-3,641	-3,005
Discount rate -0.5%	4,051	3,314
Salary trend +0.5%	801	738
Salary trend -0.5%	-765	-698
Pension trend +0.5%	1,788	1,542
Pension trend -0.5%	-436	-600

As of December 31, 2023, the weighted duration of the pension obligations amounted to 10 years (December 31, 2022: 10 years) for German Group companies and 13 years (December 31, 2022: 13 years) for international Group companies.

In the coming financial years, the following payments from the Company and from plan assets overall are expected for defined benefit plans:

Expected pension payments in accordance with maturity dates in k €	**Germany**	**International**
Less than 1 year	2,326	3,380
Between 1 and 2 years	2,334	4,042
Between 2 and 3 years	2,319	3,835
Between 3 and 4 years	2,303	4,560
Between 4 and 5 years	2,285	4,700
Between 5 and 10 years	11,088	24,192

For the coming financial year, employer contributions consisting of direct pension payments and contributions to the plan assets, are expected in the amount of € 0.7 million for German Group companies and € 5.3 million for international Group companies.

The regulations of IAS 19 require a presentation of the benefit plans that generate obligations for the Company. For the STADA Group, pension plans in Germany, the United Kingdom and Switzerland account for the largest share of total obligations with approximately 80%. Accordingly, the following details focus on these countries.

In Germany, the legal framework for company pension plans is provided by the Company Pensions Act (Betriebsrentengesetz – BetrAVG) in which minimum legal requirements are applied to company pension plans. Regulations and legal precedents within labor law must also be followed. The retirement benefit plans are predominantly based upon the final salary and are concluded with newly hired employees. Plan participants are primarily beneficiaries. Benefits are paid out in the form of a pension. In the calculation of the amount of the pension obligations, the Heubeck 2018 G mortality tables were used as a basis for consideration of mortality and fluctuation. There is also an early retirement arrangement for selected employees.

In Germany, STADA has plan assets in the form of reinsurance policies and in the form of assets in a pension fund. As of December 31, 2023, plan assets amounted to € 26.1 million and were composed of three different plans. There were no plan assets for two additional plans.

In the context of risk assessment, the life expectancy of plan participants plays a smaller role in Germany, as the material obligation regarding its amount and including associated risks was outsourced externally. Furthermore, there is also the common risk of the interest rate development.

The pension commitment for the former Chairman of the Executive Board Hartmut Retzlaff was transferred to a pension fund in full in financial year 2014. Despite the transfer, the necessity remains, due to the secondary liability of STADA, to treat the benefit plan as a defined benefit plan in accordance with IAS 19 and measure and recognize it accordingly in the balance sheet. The existing plan assets lead to a provision of zero due to offsetting that must be carried out at the time of the plan amendment for this benefit plan. Because the pension commitment is fully funded, no further provisions are expected in the future.

In the United Kingdom, STADA provides its employees with defined benefit plans that are concluded for new hires. The employees can also no longer earn an additional increase in their entitlements. The pension plans are subject to the UK Trust Law and the UK Pension Regulator. The pension plans are monitored by trustees who determine the investment strategy. The trustees are also responsible for fulfilling the legally required pension plan funding and thereby ensuring sufficient assets to cover the technical provisions of the plan. The pension plan is subject to risks relating to the discount rate and participant life expectancy as well as inflation risk, if these values develop contrary to expectations. If the discount rate is low, the level of funding decreases, which may require the payment of additional contributions. There is a financing risk in plan assets in that plan assets could develop contrary to expectations and plan assets could therefore only compensate in part for changes in the obligations.

As of December 31, 2023, plan assets amounted to € 18.0 million. All assets have quoted market prices on an active market. In the calculation of the amount of the pension obligations, the mortality tables of the S3 Series (S3PA) were used as a basis for consideration of the mortality also including the projection table CMI 2022 as well as the long-term trend toward improved mortality of 1.25%. Fluctuation assumptions are no longer relevant for the pension plan.

In Switzerland, every employer must offer its employees a pension plan in accordance with federal pension law (Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge – BVG). Employees whose salary exceeds the entry limit are obliged to be insured – this is re-determined periodically. The BVG requires a minimum plan (the "BVG minimum") that must always be covered. STADA's Swiss benefit plan includes benefits in case of death, disability, departure and upon reaching retirement age. The annual pension is calculated based on a savings account and conversion rate determined according to the age of retirement. Plan participants can opt for a capital option. In the calculation of the amount of the pension obligations, the BVG 2020 GT mortality tables were used as a basis for consideration of mortality and fluctuation under consideration of future improvements in the mortality rate in accordance with the CMI model.

Various Group companies additionally grant their employees defined contribution plans. Here, Group companies pay defined contributions to independent institutions due to legal or contractual requirements or on a voluntary basis; liabilities beyond this do not exist. The contributions for defined contribution plans, which are reported as expense in the respective period in the relevant functional areas, amounted to € 35.7 million in financial year 2023 for continuing operations (previous year: € 31.3 million).

The other non-current provisions developed as follows:

Other non-current provisions in k €	**2023**	**2022**
As of Jan. 1	**13,825**	**15,584**
Current service cost	849	2,379
Past service cost	-215	—
Plan settlements	—	—
Interest cost	543	121
Benefits paid	-3,397	-2,982
Business combinations	—	—
Remeasurements:		
gains (-)/losses (+) due to changed demographic assumptions	-319	2
gains (-)/losses (+) due to changed financial assumptions	134	-2,473
gains (-)/losses (+) due to experience-based changes	501	639
Currency changes	20	15
Reclassifications	—	540
As of Dec. 31	**11,941**	**13,825**

The past service income resulted primarily from the conversion of the German anniversary bonus to fixed amounts.

37. Financial liabilities

Financial liabilities are comprised as follows in accordance with their remaining terms as of the reporting date:

Current remaining terms of financial liabilities as of Dec. 31, 2023 in k €	**< 1 year**	**1–3 years**	**3–5 years**	**>5 years**	**Total**	**thereof as of Dec. 31, 2023 > 1 year** in %
Amounts due to banks	68,761	—	—	—	68,761	0%
Amounts due to shareholders	929,609	1,139,303	—	—	2,068,912	55%
Accrued interest[1)]	20,101	—	—	—	20,101	0%
Total	**1,018,471**	**1,139,303**	**—**	**—**	**2,157,775**	**53%**

1) Mainly attributable to shareholder loans.

Financial liabilities are comprised as follows in accordance with their remaining terms:

Current remaining terms of financial liabilities as of Dec. 31, 2022 in k €	**< 1 year**	**1–3 years**	**3–5 years**	**>5 years**	**Total**	**thereof as of Dec. 31, 2022 > 1 year** in %
Promissory note loans	6,999	—	—	—	6,999	0%
Amounts due to banks	46,180	134,944	136,075	—	317,199	85%
Amounts due to shareholders	—	1,011,787	1,289,973	—	2,301,760	100%
Accrued interest[1)]	7,367	—	—	—	7,367	0%
Total	**60,546**	**1,146,731**	**1,426,048**	**—**	**2,633,326**	**98%**

STADA and certain significant subsidiaries have – in accordance with the instruction received from Nidda – provided certain in rem and contractual securities to collateralize capital market liabilities and other financing liabilities that have been raised or guaranteed by Nidda and its associates.

In addition, STADA received a loan with a nominal volume of € 2,068.9 million from Nidda Healthcare Holding GmbH intended, among other things, to refinance the repayment of financial liabilities and the financing of acquisition activities.

1) Mainly attributable to shareholder loans.

The contractually agreed undiscounted cash flows, as of the reporting date December 31, 2023, from interest payments and repayment of financial liabilities for the coming years are presented in the following table:

Cash flow from financial liabilities in k €	**Interest rate fixed**	**Interest rate variable**	**Repayment**
2024	169	169,327	998,370
2025	—	113,833	—
2026	—	84,742	1,139,303
>2026	—	—	—

The following projection of cash flow from financial liabilities was generated in the previous year:

Cash flow from financial liabilities in k €	**Interest rate fixed**	**Interest rate variable**	**Repayment**
2023	43,244	146,028	53,304
2024	42,692	73,582	1,012,209
2025	34,920	97,826	135,171
>2025	35,472	68,263	1,426,696

For financial liabilities existing as of the reporting date, a repayment in accordance with the maturity disclosed in the balance sheet was generally assumed. The variable interest payments from the promissory note loans were determined based on the interest rate last fixed before December 31, 2023.

For financial liabilities[1], the cash-effective changes of which included in cash flow from financing activities resulted in the reporting year in the following reconciliation:

Financial liabilities in k €	2023	2022
As of Jan. 1	**2,633,325**	**3,047,985**
Cash inflows from additions	191,812	467,461
Cash outflows from repayments	-95,795	-894,512
Changes in the scope of consolidation	-289,533	—
Effects from currency translation	-61,251	17,835
Other non-cash effective changes	-237,734	1,907
Interest payments	-197,418	-149,317
Interest expenses	214,369	141,966
As of Dec. 31	**2,157,775**	**2,633,325**

Internal measures to ensure the necessary liquidity for repayment of financial liabilities are detailed in the Notes on the capital management of liquidity risk (see Note 48.5.).

1) For information on the reconciliation of lease liabilities, please see Note 40. "other financial liabilities".

38. Trade accounts payable

Trade accounts payable are comprised as follows:

in k €	Dec. 31, 2023	Dec. 31, 2022
Trade accounts payable to third parties	494,656	439,147
Trade accounts payable to parent companies and non-consolidated Group companies	5,627	5,413
Advances received on orders from third parties	1,475	707
Liabilities from outstanding accounts	192,799	244,080
Total	**694,557**	**689,348**

For the most part, the changes were based on trade accounts payable on offsetting reporting date effects within the individual Group companies.

39. Contract liabilities

Contract liabilities in the reporting year amounted to € 1.0 million (previous year: € 4.5 million) and consisted exclusively of advance payments received where it is assumed that performance will be rendered in 2024. No income from contractual obligations that were rendered in previous periods were recognized.

40. Other financial liabilities

Other financial liabilities are broken down as follows:

	Dec. 31, 2023		Dec. 31, 2022	
in k €	Total	thereof: current	Total	thereof: current
Purchase price liabilities	79,868	4,307	73,487	5,662
Liabilities from leases	84,856	25,363	80,895	23,095
Liabilities to shareholders from domination and profit and loss transfer agreements	381,522	381,522	108,772	108,772
Liabilities from derivative financial instruments	240	240	1,856	1,856
Other financial liabilities	220,822	220,822	215,577	215,577
Total	**767,309**	**632,254**	**480,587**	**354,962**

As in the previous year, purchase price liabilities as of December 31, 2023 resulted mainly from liabilities from earnout agreements in connection with the acquisition of Lobsor Pharmaceuticals.

The earnout liability from the acquisition of Lobsor Pharmaceuticals increased by € 7.6 million to € 79.9 million in the reporting year. The increase was mainly the result of interest compounding effects. The contingent consideration was remeasured using the income capitalization approach, for which the expected country sales at the defined license rates were used and discounted using a discount factor of 12% (previous year: 12%).

Lease liabilities[1)] are due as follows:

	Lease installments		Interest		Lease liabilities	
Dec. 31 in k €	2023	2022	2023	2022	2023	2022
Remaining term up to 1 year	29,322	27,510	3,958	4,415	25,363	23,095
Remaining term over 1 year	66,192	66,567	6,700	8,766	59,493	57,800
Total	**95,514**	**94,077**	**10,658**	**13,181**	**84,856**	**80,895**

In financial year 2023, liabilities from leases in the amount of € 32.2 million were repaid. This was offset by non-cash changes in lease liabilities in the amount of € 36.2 million.

Liabilities to shareholders from the domination and profit and loss transfer agreement relate to liabilities from the profit transfer in the amount of € 381.5 million (previous year: € 108.8 million) in accordance with the current domination and profit and loss transfer agreement with Nidda Healthcare GmbH.

1) In the 2023 financial year, lease liabilities in the amount of € 32.2 million were repaid (previous year: € 31.3 million). This was offset by non-cash changes in lease liabilities in the amount of € 36.2 million (previous year: € 40.9 million).

In addition, negative market values of derivatives measured at fair value through profit or loss were reported in liabilities from derivative financial instruments. In financial year 2023, this related to currency forwards (see Note 47.1.). Within the scope of the maturity date analysis, the following contractually agreed remaining terms result for these derivative financial liabilities:

Derivative financial liabilities in k €	**Dec. 31, 2023**	**Dec. 31, 2022**
Remaining term up to 1 year	240	1,856
Remaining term over 1 year to 3 years	–	–
Remaining term over 3 years to 5 years	–	–
Remaining term over 5 years	–	–
Total	**240**	**1,856**

Other financial liabilities primarily include liabilities from discount agreements of German STADA companies in the amount of € 195.1 million (previous year: € 177.9 million). Other financial liabilities are recognized in the amount of € 220.8 million (previous year: € 215.6 million) within one year and in the amount of € 0.0 million (previous year: € 0.0 million) after one year and up to five years.

The contractually agreed undiscounted cash flows, as of the reporting date December 31, 2023, from interest payments and repayment for liabilities from leases as well as from derivative financial instruments for the coming years are presented in the following table:

	Cash flow from leases			**Cash flow from derivatives**		
in k €	**Interest rate fixed**	**Interest rate variable**	**Repay-ment**	**Interest rate fixed**	**Interest rate variable**	**Repay-ment**
2024	3,958	–	25,363	–	–	–
2025	3,114	–	22,455	–	–	–
>2025	3,586	–	37,038	–	–	–

The following projection of cash flows from lease liabilities and derivatives was made for the previous year:

	Cash flow from leases			**Cash flow from derivatives**		
in k €	**Interest rate fixed**	**Interest rate variable**	**Repay-ment**	**Interest rate fixed**	**Interest rate variable**	**Repay-ment**
2023	4,415	–	23,095	–	–	–
2024	3,098	–	18,202	–	–	–
>2024	5,669	–	39,598	–	–	–

Included were all financial instruments used by STADA which existed as of the respective reporting date and for which payments had already been contractually agreed.

Further details on liabilities from derivative financial instruments can be found in the Notes on financial instruments in Note 47. and Note 48.

41. Other liabilities

Other liabilities were comprised as follows:

	Dec. 31, 2023		Dec. 31, 2022	
in k €	Total	thereof: current	Total	thereof: current
Tax liabilities (except income taxes)	22,417	22,417	26,052	26,052
Personnel related liabilities	97,887	97,808	86,886	86,824
Other liabilities	89,254	75,978	84,580	80,971
Total	**209,558**	**196,203**	**197,518**	**193,847**

As a result of the decision to close the Mobilat Produktions GmbH production plant in the previous year, the Group currently recognizes € 4.7 million (previous year: € 4.8 million). This relates to the estimated restructuring expenses and demolition costs.

These costs were recognized in full in other liabilities in the current reporting period and are expected to be paid in full at the end of the 2024 financial year.

42. Other provisions

Other provisions are composed as follows:

in k €	Dec. 31, 2023	Dec. 31, 2022
Provisions for damages	3,748	1,229
Provisions for returns	21,045	22,376
Total	**24,794**	**23,605**

Provisions for damages include possible utilization from pending legal disputes including the associated legal costs and developed as follows:

in k €	2023	2022
As of Jan. 1	**1,229**	**1,073**
Added	2,570	165
Utilized	—	—
Reversed	35	10
Changes in the scope of consolidation	-16	—
Currency translation differences	0	2
As of Dec. 31	**3,748**	**1,229**

Utilization is expected within the next twelve months.

Provisions for returns developed as follows:

in k €	2023	2022
As of Jan. 1	**22,376**	**18,839**
Added	12,878	16,577
Utilized	7,580	11,500
Reversed	2,732	2,481
Changes in the scope of consolidation	-3,023	—
Currency translation differences	-874	941
As of Dec. 31	**21,045**	**22,376**

Other Disclosures

43. Notes to the cash flow statement

The following explanations relate – unless indicated otherwise – to continuing operations.

Cash flow from operating activities 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. Cash flow from operating activities amounted to € 428.4 million in the reporting year (previous year: € 570.8 million). This development resulted primarily from a significantly higher cash-related increase in working capital, particularly inventories. There were also higher payments for health insurance discounts in Germany. The significant increase in EBITDA adjusted for material non-cash effects, and therefore in gross cash flow, partially offset these effects.

Cash flow from investing activities reflects the cash outflows for investments reduced by the inflows from disposals. This amounted to € -239.0 million in the reporting year (previous year: € -208.8 million).

In financial year 2023, payments for investments in intangible assets in the amount of € 163.0 million (previous year: € 163.4 million). Of this total, € 135.5 million (previous year: € 136.6 million) related to significant investments in intangible assets for the expansion of the product portfolio, especially as relates to the acquisition of product portfolio of consumer healthcare brands from Sanofi. In the reporting year, in the context of business combinations, there were cash outflows in connection with earnout agreements as part of the acquisition of Swedish company Lobsor Pharmaceuticals in financial year 2020.

For acquisitions in the context of business combinations in accordance with IFRS 3 and of significant investments in intangible assets for the expansion of the product portfolio, STADA thus spent a total of € 139.3 million in financial year 2023 (previous year: € 150.8 million).

Payments for investments in property, plant and equipment amounted to € 97.4 million in financial year 2023 (previous year: € 58.1 million). The significant increase was influenced in particular by investments in a new supply chain and packaging site in Romania.

Proceeds from the disposal of fixed assets amounted to € 25.5 million in the financial year (previous year: € 26.9 million) and mainly resulted from the disposal of intangible assets, mainly biosimilars in Germany, as well as the sale of the British subsidiary NextGEN360 Ltd in the reporting year.

Cash flow from financing activities comprise payments from changes in financial liabilities, for dividend distributions as well as from additions to equity. Interest paid is also included. Cash flow from financing activities amounted to € -247.5 million in financial year 2023 (previous year: € -606.0 million) and was primarily characterized by the payment of the existing liabilities 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 previous year, there were mainly significantly lower payments from the repayment of financial liabilities, which in the reporting year included the scheduled repayment of promissory note loans of STADA Arzneimittel AG in the amount of € 7.0 million. The negative balance from borrowings and repayments in the previous year resulted primarily from the scheduled repayment of the STADA bond in the amount of € 267.4 million. There were also substantial repayments of shareholder loans in the previous year. Compared to the previous year, interest payments were also significantly higher at € 177.8 million (previous year: € 103.6 million). The settlement of the existing liabilities for financial year 2022 from the domination and profit and loss transfer agreement with Nidda Healthcare GmbH resulted in lower payments of € 108.8 million compared to the previous year. Changes in minority interests in the previous year resulted from the final payments from earnout agreements in connection with the acquisition of additional shares in the Vietnamese company Pymepharco in financial year 2020.

Free cash flow as the total of cash flow from operating activities and cash flow from investing activities amounted to € 189.4 million in financial year 2023 (previous year: € 362.0 million).

As described in detail in Note 20. "Result from discontinued operations", the sale of our former subgroup AO Nizhpharm was settled non-cash by transferring the shares in this company as payment instead of repayment of a loan to Nidda Lynx. Given the nature of this transaction, it is not included in the cash flow statement, with the exception of the disposal of cash and cash equivalents amounting to € 73.0 million, which Nizhpharm recognized at the time of disposal. This disposal is reported under cash flow from investing activities from discontinued operations.

Cash pursuant to IAS 7 was made up of cash and cash equivalents.

Free cash flow, adjusted for effects from payments for significant investments and acquisitions and effects of proceeds from significant disposals is calculated as follows:

in k €	2023	2022
Operating cash flow from continuing operations	**428,435**	**570,823**
Investing cash flow from continuing operations	**-239,014**	**-208,835**
+ payments for investments in business combinations in accordance with IFRS 3 (incl. VAT)	3,831	14,139
+ payments for significant investments in intangible assets for the expansion of the product portfolio	135,482	136,636
– proceeds from disposals in significant disinvestments	19,668	18,429
– proceeds (+)/payments (-) from disposals in consolidated companies	4,607	5,439
– proceeds (+)/payments (-) from the sale of non-current assets held for sale (IFRS 5)	–	–
Adjusted free cash flow from continuing operations	**304,458**	**488,894**

44. Segment reporting

STADA is not capital market-oriented as defined by IFRS 8.2, but prepares segment reporting in accordance with IFRS 8 on a voluntary basis.

The allocation of product areas in the STADA Group is based on sales differentiation. Thus, the allocation to the individual product areas is determined to a large extent by the sales positioning. If this positioning changes for parts of the product portfolio, associated sales are reallocated.

Consumer Healthcare products are non-prescription products for the healthcare market whose commercial property rights have expired and whose sales positioning meets one of the following criteria:

- Nutritional supplements including vitamins, minerals, probiotics or dietary supplements, or
- the product contains one or more active pharmaceutical ingredients, or
- the product is not classified as a pharmaceutical product (does not contain active pharmaceutical ingredients).

Generics are prescription products for the healthcare market that are sold under the international non-proprietary name (INN) and do not meet the definition of specialty pharmaceuticals.

Specialty products are products for the healthcare market that meet one of the following criteria:

- Branded generics, i.e., prescription generics sold under a brand/fantasy name, in contrast to INN generics, or
- Specialty generics as defined by IQVIA, i.e., prescription medications for chronic, complex or rare diseases plus six other criteria, three of which must be met, as listed below:
  1. high annual cost,
  2. drug therapy specialist initiated and maintained,
  3. special procedure required (refrigerated, frozen, other biohazard),
  4. reimbursement assistance required,
  5. limited distribution,
  6. extensive monitoring or comprehensive patient counseling required, or
- Biosimilars.

All other income, expenses and assets, which cannot be directly allocated to the segments as well as the elimination of sales between product areas, are recognized under the reconciliation Group holding/other and consolidation.

Disclosures on significant non-cash items include impairments on inventories and receivables; they do not, however, include depreciation and amortization or the netting of impairments and write-ups. In addition, further significant non-cash items, particularly non-cash effects from accruals for health insurance organization billings are included here.

44.1. INFORMATION BY OPERATING SEGMENT

in k €	2023	2022
Consumer Healthcare		
External sales	**1,489,202**	**1,281,356**
FX adjustment[1]	—	-5,740
Sales adjusted for special items and currency effects	**1,489,202**	**1,275,616**
Operating profit	286,451	203,716
Depreciation/amortization	92,646	92,213
Impairment losses	5,907	29,140
Reversals	—	965
EBITDA	**385,021**	**324,102**
Special items within EBITDA	-10,044	—
thereof:		
effects from purchase price allocation including product acquisitions[2]	-3,566	
other	-6,478	
FX adjustment[3]	—	-79
EBITDA adjusted for special items and currency effects	**374,977**	**324,023**
Other significant non-cash expenses (+)/income (-) within the operating result	32,871	32,393

in k €	2023	2022
Generics		
External sales	**1,496,797**	**1,413,874**
FX adjustment[1]	—	12
Sales adjusted for special items and currency effects	**1,496,797**	**1,413,886**
Operating profit	314,614	287,717
Depreciation/amortization	48,774	37,695
Impairment losses	5,292	13,043
Reversals	—	21
EBITDA	**368,724**	**338,430**
Special items within EBITDA	3	—
thereof:		
effects from purchase price allocation including product acquisitions[2]	3	
other		
FX adjustment[3]	—	490
EBITDA adjusted for special items and currency effects	**368,727**	**338,920**
Other significant non-cash expenses (+)/income (-) within the operating result	204,838	193,416

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

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

in k €	2023	2022
Specialty		
External sales	**748,844**	**602,505**
FX adjustment[1]	—	-3,669
Sales adjusted for special items and currency effects	**748,844**	**598,836**
Operating profit	182,336	115,213
Depreciation/amortization	52,807	46,014
Impairment losses	23,559	28,263
Reversals	29,995	11,330
EBITDA	**228,716**	**178,157**
Special items within EBITDA	3,215	—
thereof:		
effects from purchase price allocation including product acquisitions[2]	1,240	
other	1,975	
FX adjustment[3]	—	-636
EBITDA adjusted for special items and currency effects	**231,931**	**177,521**
Other significant non-cash expenses (+)/income (-) within the operating result	40,935	37,242

in k €	2023	2022
Reconciliation Group holdings/other and consolidation		
External sales	**—**	**—**
FX adjustment[1]	—	—
Sales adjusted for special items and currency effects	**—**	**—**
Operating profit	-199,997	-184,635
Depreciation/amortization	19,615	23,297
Impairment losses	—	-66
Reversals	—	376
EBITDA	**-180,374**	**-161,779**
Special items within EBITDA	-4,971	-12,637
thereof:	—	—
effects from purchase price allocation including product acquisitions[2]	—	-12,637
other	-4,971	—
FX adjustment[3]	11,730	9,223
EBITDA adjusted for special items and currency effects	**-173,615**	**-165,193**
Other significant non-cash expenses (+)/income (-) within the operating result	12,970	-2,889

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

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

in k €	2023	2022
Group		
External sales	**3,734,843**	**3,297,735**
FX adjustment[1)]	—	-9,397
Sales adjusted for special items and currency effects	**3,734,843**	**3,288,338**
Operating profit	583,403	422,011
Depreciation/amortization	213,842	199,219
Impairment losses	34,758	70,380
Reversals	29,995	12,692
EBITDA	**802,087**	**678,910**
Special items within EBITDA	-11,797	-12,637
thereof:		
effects from purchase price allocation including product acquisitions[2)]	-2,323	-12,637
other	-9,474	—
FX adjustment[3)]	11,730	8,998
EBITDA adjusted for special items and currency effects	**802,020**	**675,271**
Other significant non-cash expenses (+)/income (-) within the operating result	291,614	260,162

For reasons of materiality, the two areas of Group Holding/Other and Consolidation are summarized in the reconciliation.

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

44.2. RECONCILIATION OF SEGMENT RESULTS TO NET PROFIT

in k €	2023	2022
EBITDA adjusted for special items and currency effects for operating segments	975,635	840,464
EBITDA adjusted for special items and currency effects for Group holdings/other and consolidation	-173,615	-165,193
EBITDA adjusted for special items and currency effects EBITDA	**802,020**	**675,271**
Special items within EBITDA	-11,797	-12,637
Exchange rate effects within EBITDA	11,730	8,998
Depreciation, amortization, impairment losses and reversals	218,605	256,907
Financial income	2,876	1,715
Financial expenses	194,012	96,723
Earnings before taxes, Group continued operations	**392,346**	**326,995**

44.3. INFORMATION BY COUNTRY

	Sales development by location of the company		Non-current assets	
in k €	2023	2022	2023	2022
Germany	994,959	844,274	1,455,838	1,439,320
United Kingdom	338,674	319,803	372,484	376,535
Italy	320,973	300,278	31,847	31,936
Belgium	238,669	229,308	4,771	5,012
Other countries	1,841,568	1,604,072	1,050,488	1,549,028
Total, Group	**3,734,843**	**3,297,735**	**2,915,428**	**3,401,831**

In the presentation of sales by company headquarters, sales with external third parties are shown according to the headquarters of the invoicing company in the countries mentioned.

The information on assets by country relates to components of non-current assets (intangible assets and property, plant and equipment).

44.4. INFORMATION ON IMPORTANT CUSTOMERS

In accordance with IFRS 8.34, a company must indicate if sales from transactions with a single external customer or customer group accounts for at least 10% of the company's sales. In the reporting year, this applied to one customer. The identified sales revenue with this customer amounted to € 652.8 million (previous year: € 484.1 million). The sales generated were attributable to the Generics, Specialty and Consumer Healthcare operating segments. The same information also applied to the previous year.

45. Contingent liabilities

Contingent liabilities describe possible obligations to third parties based on past events but which will not become manifest until the occurrence of one or more uncertain future events, which are not under STADA's control. As of the reporting date, these contingent liabilities were considered improbable and are therefore not accounted. In addition, there are also contingent liabilities for current obligations, for which however the associated outflow of resources is not considered probable or the amount of the obligation cannot be adequately estimated.

At STADA, there are contingent liabilities in connection with, among other things, patent risks for certain active pharmaceutical ingredients and the current or pending legal proceedings associated with them. The possible obligations as of December 31, 2023 amounted to € 59.3 million (December 31, 2022: € 24.0 million). The increase of € 35.3 million compared with the previous year is mainly due to the elimination of patent risks for active pharmaceutical ingredients.

Provisions were not created for contingent liabilities as the probability of an outflow of assets is below 50%. Outflows potentially resulting from these risks would generally be short-term.

46. Other financial obligations

In addition to the contingent liabilities, there are also other future financial obligations which can be broken down as follows:

in k €	Dec. 31, 2023	Dec. 31, 2022
Obligations from leases	27,149	35,554
Other financial obligations	112,438	112,880
Total	**139,587**	**148,433**

In the disclosures on future obligations from leasing relationships as of December 31, 2023, however, obligations from short-term leases as well as leases for low-value assets are included because these are not accounted for in other financial liabilities. They also include those obligations from leases that do not qualify for capitalization as a right of use in accordance with IFRS 16 (contracts for cloud solutions would be included here).

The total of future payments under leases can be broken down according to their remaining term as follows:

Lease liabilities in k €	**Dec. 31, 2023**	**Dec. 31, 2022**
Remaining term up to 1 year	13,048	16,440
Remaining terms over 1 year to 5 years	14,101	19,113
Remaining terms over 5 years	—	—
Total	**27,149**	**35,554**

The obligations for short-term leases amounted to € 0.2 million as of December 31, 2023 (December 31, 2022: € 0.5 million).

In financial year 2023, lease payments in the amount of € 40.9 million (previous year: € 34.8 million) were recognized as an expense. Included in this figure were expenses in the amount of € 1.3 million for short-term leases (previous year: € 1.1 million) and € 0.8 million for leases for low-value assets (previous year: € 1.4 million).

Other financial obligations include long-term obligations for logistics and accounting services. Furthermore, contingent liabilities in the amount of € 54.0 million (previous year: € 54.8 million) in Spain, Belgium and the United Kingdom, as well as additional guarantees assumed by the STADA Group are included in other financial liabilities, among other things.

47. Disclosures about financial instruments

47.1. CARRYING AMOUNTS, VALUATION RATES AND FAIR VALUES IN ACCORDANCE WITH VALUATION CATEGORIES

The following disclosures are made on carrying amounts, valuation rates and fair values by valuation category, whereby the following abbreviations are used for the valuation categories pursuant to IFRS 9: AC (at amortized cost) refers to financial assets measured at amortized cost, FVPL (fair value through profit and loss) refers to financial assets measured at fair value through profit and loss, FVOCI (fair value through other comprehensive income) refers to assets and liabilities measured at fair value through other comprehensive income, AC refers to financial liabilities measured at amortized cost.

Carrying amounts, valuation rates and fair values in accordance with valuation categories in k €	**Category**	**Carrying amount Dec. 31, 2023**	**Amortized cost**	**Fair value not included in the income statement**	**Fair value included in the income statement**	**Valuation rate in accordance with IFRS 16**	**Fair Value Dec. 31, 2023**
ASSETS							
Cash and cash equivalents	AC	191,687	191,687	–	–	–	191,687
Financial assets:							
at fair value through other comprehensive income	FVOCI	1,416	–	1,416	–	–	1,416
Trade accounts receivable:							
at amortized cost	AC	702,727	702,727	–	–	–	702,727
at fair value through other comprehensive income	FVOCI	28,556	–	28,556	–	–	28,556
Other financial assets:							
at amortized cost	AC	123,867	123,867	–	–	–	123,867
Derivative financial assets:							
derivative financial assets with hedge accounting	n/a	1,055	–	–	1,055	–	1,055
derivative financial assets without hedge accounting (FVPL)	FVPL	–	–	–	–	–	–
EQUITY AND LIABILITIES							
Trade accounts payable	AC	694,557	694,557	–	–	–	694,557
Amounts due to banks	AC	68,761	68,761	–	–	–	68,761
Promissory note loans	AC	–	–	–	–	–	–
Financial liabilities due to shareholders	AC	2,068,912	2,068,912	–	–	–	2,085,133
Unpaid interest[1)]	AC	20,101	20,101	–	–	–	20,101
Other financial liabilities	AC	602,344	602,344	–	–	–	602,344
Purchase price liabilities	FVPL	79,868	–	–	79,868	–	79,868
Lease liabilities	n/a	84,856	–	–	–	84,856	n/a
Derivative financial liabilities with a hedging relationship	n/a	240	–	–	240	–	240
Thereof aggregated by IFRS 9 valuation categories							
Financial assets at amortized cost	AC	1,018,281	1,018,281	–	–	–	1,018,281
Financial assets (FVOCI)	FVOCI	29,972	–	29,972	–	–	29,972
thereof without recycling		1,416	–	1,416	–	–	1,416
thereof with recycling		28,556	–	28,556	–	–	28,556
Financial liabilities measured at amortized cost	AC	3,454,676	3,454,676	–	–	–	3,416,742

1) Mainly from financial liabilities due to shareholders.

For the previous year, the following disclosures are made on carrying amounts, valuation rates and fair values by valuation category:

Carrying amounts, valuation rates and fair values in accordance with valuation categories in k €	**Category**	**Carrying amount Dec. 31, 2022**	**Amortized cost**	**Fair value not included in the income statement**	**Fair value included in the income statement**	**Valuation rate in accordance with IFRS 16**	**Fair Value Dec. 31, 2022**
ASSETS							
Cash and cash equivalents	AC	258,633	258,633	—	—	—	258,633
Financial assets:							
at fair value through other comprehensive income	FVOCI	11,597	—	11,597	—	—	11,597
Trade accounts receivable:							
at amortized cost	AC	852,929	852,929	—	—	—	852,929
at fair value through other comprehensive income	FVOCI	25,881	—	25,881	—	—	25,881
Other financial assets:							
at amortized cost	AC	69,217	69,217	—	—	—	69,217
Derivative financial assets:							
derivative financial assets with hedge accounting	n/a	—	—	—	—	—	—
derivative financial assets without hedge accounting (FVPL)	FVPL	899	—	—	899	—	899
EQUITY AND LIABILITIES							
Trade accounts payable	AC	689,348	689,348	—	—	—	689,348
Amounts due to banks	AC	317,199	317,199	—	—	—	343,641
Promissory note loans	AC	6,999	6,999	—	—	—	7,041
Financial liabilities due to shareholders	AC	2,301,760	2,301,760	—	—	—	2,369,551
Unpaid interest	AC	7,367	7,367	—	—	—	7,367
Other financial liabilities	AC	324,349	324,349	—	—	—	324,349
Purchase price liabilities	FVPL	73,487	—	—	73,487	—	73,487
Lease liabilities	n/a	80,895	—	—	—	80,895	n/a
Derivative financial liabilities with a hedging relationship	n/a	1,856	—	—	1,856	—	1,856
Thereof aggregated by IFRS 9 valuation categories							
Financial assets at amortized cost	AC	1,180,780	1,180,780	—	—	—	1,180,780
Financial assets (FVOCI)	FVOCI	37,478	—	37,478	—	—	37,478
thereof without recycling		11,597	—	11,597	—	—	11,597
thereof with recycling		25,881	—	25,881	—	—	25,881
Financial liabilities measured at amortized cost	AC	3,647,022	3,647,022	—	—	—	3,741,297

Since cash and cash equivalents as well as trade accounts receivable mainly have short residual terms, their carrying amounts as of the closing date correspond approximately to their fair value.

Deviations of the fair values from the carrying amounts occur as shown in the chart above in the case of promissory note loans, bonds as well as liabilities to banks. The cash flows calculated by means of the current yield curve were discounted to the measurement date to determine the fair values for liabilities to credit institutes and shareholders. The curve was adjusted using a self-assessed credit spread derived from the most recently concluded financing transactions. The resulting fair value is to be classified in hierarchy level 3.

Financial assets include the loan to Nizhpharm in the amount of € 7.1 million, which was classified as POCI on initial recognition. The calculated fair value is allocated to hierarchy level 3. Loan receivables from the former Russian subsidiary Nizhpharm classified as POCI were classified as at risk of default at the time of addition, as there is objective evidence of impairment. Due to the sanctions imposed on Russia by the European Union and the counter-sanctions imposed by the Russian government, there is uncertainty as to whether these loans can be repaid when they fall due. The potential impairment was determined as part of a scenario analysis. Based on the different values of different variables (including exchange rate development, Russian inflation rate, change in market demand and market share), four scenarios were developed and each was assigned a probability of occurrence.

The fair values of the remaining financial receivables as well as held-to-maturity financial investments with remaining terms of more than one year correspond to the present values of the payments associated with the assets, taking into account the current interest parameters, which reflect market and partner-related changes in conditions and expectations. Trade payables and other financial liabilities also regularly have short residual terms, so that the values recognized in the balance sheet correspond approximately to the fair values.

The table 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 Listed prices in active markets		Level 2 Valuation methods with input parameters observable in the market		Level 3 Valuation methods with input parameters not observable in the market	
Fair values by levels of hierarchy on a recurring basis in k €	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**
Financial assets (FVOCI)						
Financial assets	1,416	11,597	–	–	–	–
Factorable receivables	–	–	28,556	25,881	–	–
Financial assets (FVPL)						
Currency forwards	–	–	–	899	–	–
Derivative financial assets with a hedging relationship						
Fair value hedges	–	–	1,055	–	–	–
Financial liabilities (FVPL)						
Currency forwards	–	–	–	–	–	–
Interest/currency swaps	–	–	–	–	–	–
Purchase price liabilities	–	–	–	–	79,868	73,487
Derivative financial liabilities with a hedging relationship						
Fair value hedges	–	–	240	1,856	–	–

Financial assets recognized at fair value through other comprehensive income (FVOCI) include receivables that can be factored. These financial assets, which are still included in trade accounts receivable, are recognized at fair value through other comprehensive income. 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 level 1.

In the context of the preparation of the financial statements, STADA reviews the allocation to the respective hierarchy levels according to 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. In the financial year, there were no reclassifications between the respective hierarchy levels.

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.

The fair values of currency forwards were determined in the Group's own system according to standardized procedures and using customary financial mathematical methods based on current data such as spot prices and swap rates provided by a recognized information service.

As of the balance sheet date, STADA designates currency forwards (EUR/CZK, EUR/GBP, EUR/ CHF, EUR/HUF and EUR/PLN) as fair value hedges that are concluded to hedge the currency risks from 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 spot components of the currency forwards of the currency forwards. The objective of fair value hedges is to hedge against the currency risk of these financial liabilities. Credit risks are not part of this hedging. The effectiveness of the hedging relationship is reviewed both prospectively on each closing date. As of the closing date, all designated hedging relationships were sufficiently effective.

47.2. NET EARNINGS FROM FINANCIAL INSTRUMENTS BY VALUATION CATEGORY

Net earnings recognized through profit or loss from financial assets and liabilities can be broken down as follows:

		From subsequent measurement				Net earnings	
Net earnings by valuation category in k €	**From interest and dividends**	**at fair value**	**currency translation**	**value adjustment**	**From disposals**	**Dec. 31, 2023**	**Dec. 31, 2022**
Financial assets at amortized cost	2,739	—	760	-1,028	—	2,471	-14,553
Financial assets (FVOCI)	-6,432	—	—	—	—	-6,432	-2,210
Financial assets (FVPL)	—	-887	—	—	-271	-1,158	1,038
Financial liabilities measured at amortized cost	-174,289	—	-11,591	—	—	-185,880	-98,706
Financial liabilities (FVPL)	—	-9,541	—	—	-2,058	-11,599	-2,143
Total	**-177,982**	**-10,428**	**-10,831**	**-1,028**	**-2,329**	**-202,598**	**-116,574**

The disclosure of interest from financial instruments is made in financial income and financial expenses in the interest result. Dividends received are disclosed in investment income. With the exception of the valuation results from currency swaps recognized at fair value through profit or loss, which are reported under financial income or financial expenses and partially also in the currency translation result, disclosure of the remaining components of net earnings is made in other income or other expenses. Earnings from the disposal of financial instruments relate to the fulfillment of currency swaps.

Total interest income and expenses from financial instruments not measured at fair value through profit or loss

in k €	2023	2022
Interest income		
from financial assets measured at amortized cost	2,739	1,429
Interest expense		
from financial liabilities measured at amortized cost	174,289	91,578

47.3. FACTORING

Factoring transactions with the transfer of essentially all opportunities and risks

There are revolving receivables selling agreements with banks and financial institutes (together "receivables buyers") with the transfer of essentially all opportunities and risks for two agreements without a general purchase limit and for one agreement with a purchase limit of € 36.0 million. The agreements have an unlimited term with regular termination possibilities, whereby STADA is free to decide if and in what amount the revolving nominal volume is utilized. The risks that are relevant for the risk evaluation with regard to the sold receivables are the credit risk as well as the risk of delayed payment (late payment risk). In return for a fixed program fee and, for two programs, through payment of a monthly discount fee recognized in expenses at the time of derecognition, both risks are fully transferred to the buyer of the receivable.

The nominal volume of receivables sold by STADA but not yet paid under the factoring agreements amounted to € 59.0 million on the reporting date.

Factoring transactions with distribution of essential opportunities and risks for which control of the asset remains with STADA

There are factoring agreements pursuant to which STADA, on a revolving basis, sells trade accounts receivable up to a total general purchase limit of € 136.3 million to banks and financial institutes. The agreements have an unlimited term with regular termination possibilities, whereby STADA is free to decide if and in what amount the revolving nominal volume is utilized. The risks that are relevant for the risk evaluation with regard to the sold receivables are the credit risk as well as the risk of delayed payment (late payment risk). The credit risk is partially transferred to the buyer of the receivable. The late payment risk continues to be borne in its entirety by STADA. The maximum credit risk to be borne by STADA, translated into euro, amounted to € 1.4 million as of the reporting date. The other credit-risk related defaults are assumed by the buyer. The late payment risk continues to be borne in its entirety by STADA. The maximum risk of loss for STADA resulting from the credit risk and the late payment risk from the receivables sold as of the reporting date, translated into euro, amounted to € 1.7 million. The nominal volume of receivables sold by STADA but not yet paid under the factoring agreements amounted to € 84.3 million on the reporting date. The ongoing commitment of STADA as of December 31, 2023, translated into euro, amounted to € 1.6 million and the carrying amounts of the associated liability, translated into euro, amounted to € 1.7 million.

48. Risk management, derivative financial instruments and disclosures on capital management

48.1. PRINCIPLES OF RISK MANAGEMENT

The basic principles of finance policy and of financial risk management are determined or confirmed at least once annually by the Executive Board in the context of the budget process. Furthermore, transactions above a certain relevance threshold determined by the Executive Board require a prior decision on the part of the Executive Board and may also be subject to approval from the Supervisory Board. The Executive Board is also regularly informed of the nature, scope and amount of current risks.

48.2. CURRENCY RISKS

STADA's Group and reporting currency is the euro. Due to the international alignment of business activities, STADA is subject to risks arising from exchange rate fluctuations.

On the one hand, these risks consist of potential changes in value, especially of receivables and liabilities in a currency other than the respective functional currency as a result of exchange rate fluctuation (transaction risk).

However, STADA is only subject to this risk to a limited extent, as the Company counters currency-related risks through, in addition to natural hedges, the use of derivative financial instruments. These are used to hedge currency risks from operating activities, financial transactions and investments. In the reporting year, STADA made use of foreign-exchange futures contracts and currency swaps. The maturity dates of futures contracts is adjusted to the term of the underlying transaction. The remaining term of the contracts is currently up to one year.

In the context of the Consolidated Financial Statements, on the other hand, exchange rate fluctuations lead to an accounting effect as a result of the conversion of the balance sheet items as well as the conversion of earnings and expenses of international Group companies with a different functional currency than euro (translation risk). The appreciation of the euro as compared to the other currencies is generally negative and depreciation is generally positive.

STADA determines quantitative disclosures on risks in connection with currency changes by means of aggregating all of the Group companies' foreign currency items that are not denominated in the respective Group company's functional currency. In case of hedging transactions, they are compared with the balances of assets or equity and liabilities from the aggregation. This results in the subsequent material outstanding foreign currency items as of the respective reporting dates, which in case of a change to the foreign currency item due to a 10% appreciation or a 10% depreciation of the euro in comparison with respective functional currency are as follows:

Dec. 31, 2023 in k €	**Russian ruble**	**Romanian leu**	**Sebian Dinar**
Outstanding foreign currency item	50,733	22,312	40,261
Income (+)/expense (-) from an appreciation of the euro in comparison to the respective functional currency by 10%	-5,073	-8,093	3,974
Income (+)/expense (-) from a depreciation of the euro in comparison to the respective functional currency by 10%	5,073	8,093	-3,974
Equity increase (+)/equity reduction (-) from an appreciation of the euro in comparison to the respective functional currency by 10%	—	-172	-17,259
Equity increase (+)/equity reduction (-) from a depreciation of the euro in comparison to the respective functional currency by 10%	—	172	17,259

Dec. 31, 2022 in k €	**Russian ruble**	**Romanian leu**	**US dollar**
Outstanding foreign currency item	-40,320	-30,520	86,814
Income (+)/expense (-) from an appreciation of the euro in comparison to the respective functional currency by 10%	-13,324	-5,287	-8,681
Income (+)/expense (-) from a depreciation of the euro in comparison to the respective functional currency by 10%	13,324	5,287	8,681
Equity increase (+)/equity reduction (-) from an appreciation of the euro in comparison to the respective functional currency by 10%	-20,275	-168	-208
Equity increase (+)/equity reduction (-) from a depreciation of the euro in comparison to the respective functional currency by 10%	20,275	168	208

In this regard, any currency risk is isolated, i.e. it is taken into account without mutual dependencies.

The reported outstanding foreign currency items in Romanian leu, Serbian dinar and, in the previous year, Russian ruble are a balance of foreign currency holdings at foreign Group companies in euros and outstanding foreign currency holdings in Russian ruble, Romanian leu and Serbian dinar. The reported outstanding foreign currency positions in Russian ruble in the financial year and in U.S. dollars in the previous year relate exclusively to outstanding foreign currency holdings. From the Group's perspective, the currency risk for outstanding foreign currency balances in euro arises from the functional currency of the respective international Group company. Overall, based on outstanding foreign currency items as of the reporting date, an appreciation or a devaluation of the respective functional currency by 10% compared to the currencies of relevance for the Group would have led to an effect on earnings in the amount of an expense of € 32.9 million (previous year: € 46.5 million) or in the amount of earnings of € 32.9 million (previous year: € 46.5 million).

48.3. INTEREST RATE RISKS

STADA is subject to interest rate risks from the investment of financial assets as well as financial debts, primarily in the euro zone.

On December 31, 2023, an average of 0.0% (previous year: 4.6%) of financial liabilities denominated in euro had fixed interest rates.

In 2023 as in the previous year, STADA did not enter into any interest rate hedging transactions.

STADA calculates existing interest rate risks using sensitivity analyses, which show the effects of changes in market interest rates on interest payments, interest income and expenses as well as equity. The following factors – if relevant – are generally included in the calculation:

- Changes in the market interest rate of original financial liabilities with variable interest rates that were not hedged against interest rate risks

in € million	Dec. 31, 2023	Dec. 31, 2022
Income (+)/expense (-) from an increase in the market interest rate level of 100 basis points	-17.6	-19.3
Income (+)/expense (-) from a decrease in the market interest rate level of 100 basis points	+21.3	+23.7

The interest rate risk is of secondary importance at STADA.

48.4. DEFAULT RISKS

STADA is exposed to a default risk in its operating business if contracting parties fail to meet their obligations. Alongside the implementation of appropriate credit management processes, such transactions are generally only concluded with counter-parties of impeccable financial standing to avoid default risks in financing activities.

Default risks also exist as a result of the supply of goods and services. STADA therefore strives to maintain business relations only with partners of impeccable financial standing. In addition, STADA partly uses suitable measures such as guarantees, loan insurances, or the transfer of assets to safeguard itself against default risk. Past due receivables in the operating area are continuously monitored and potential default risks are anticipated through the creation of valuation adjustments. Furthermore, there is the risk that in a difficult economic and financial environment, national healthcare systems delay or fail to make payments to STADA or business partners of STADA and that, as a result, directly or indirectly increased default risks arise.

STADA's maximum credit default risk is calculated from the carrying amount of the financial assets recognized. In addition, STADA granted guarantees, which amounted to a total nominal volume of € 69.1 million (previous year: € 60.0 million) as of the reporting date (see Note 46.). STADA has various forms of collateral for credit securities such as mortgages, bank or corporate guarantees, assignments of receivables and pledged inventories. Furthermore, there is commercial credit insurance for certain markets and customers.

48.5. LIQUIDITY RISKS

Liquidity risks may result, for example, from the loss of existing cash items, lack of availability of credit, reduced access to financing markets or fluctuation in the operational development of business. The goal of liquidity management is to ensure solvency and financial flexibility of the STADA Group at all times by maintaining a sufficient supply of liquidity reserves. STADA finances itself with short-term and long-term borrowings from banks, promissory note loans, bonds and factoring as well as shareholder loans. Furthermore, STADA also has solid cash flow from operating activities.

48.6. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING INSTRUMENTS

STADA counters currency risks with derivative financial instruments which are exclusively used to hedge currency risks resulting from operating activities and financial transactions. Derivative financial instruments are neither held nor issued for speculation purposes.

The total volume of currency rate related derivatives is comprised as follows:

	Dec. 31, 2023		Dec. 31, 2022	
in k €	Nominal value	Fair value	Nominal value	Fair value
Derivatives without hedging relationship				
Currency swaps and currency forwards	—	—	33,929	899
Derivatives with hedging relationship				
Currency swaps and currency forwards	88,287	814	38,029	-1,856
Total	**88,287**	**814**	**71,958**	**-957**

As of the balance sheet date, STADA designates currency forwards (EUR/CZK, EUR/GBP, EUR/ CHF, EUR/HUF and EUR/PLN) as fair value hedges that are concluded to hedge the currency risks from 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 spot components of the currency forwards of the currency forwards. The objective of fair value hedges is to hedge against the currency risk of these financial liabilities. 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. In the reporting period, new fair value hedges with a nominal volume totaling € 250.3 million were designated for reduction of the fair value risk (previous year: € 77.1 million). At STADA, as of December 31, 2023, there were currency derivatives with a negative fair value of k € 240 (December 31, 2022: k € 1,856) which were designated as hedging instruments within the scope of fair value hedges. Losses recognized in currency translation of k € 592 (previous year: gains of k € 2,157) resulted in financial year 2023 from the carrying amount adjustment of the underlying transaction, from the changes in fair values of the spot components of the hedging transactions, gains of k € 592 (previous year: losses of k € 2,157) were recognized in the currency translation result.

Hedging of currency risk in k €	Remaining term up to 1 year	Total nominal volume Dec. 31, 2023	Total nominal volume Dec. 31, 2022	Average hedging rate/price
Currency swaps GBP	34,695	34,695	—	0.8820
Currency forwards GBP	7,877	7,877	—	0.8836
Currency swaps CHF	1,065	1,065	—	0.9386
Currency swaps CZK	39,988	39,988	38,029	24.0959
Currency forwards HUF	1,728	1,728	—	405.0957
Currency forwards PLN	2,934	2,934	—	4.4309

Hedging of currency risk as of Dec. 31, 2023 in k €	**Carrying amount**	**Balance sheet item**	**Fair value adjustments for measurement of inefficiencies**	**Nominal volume**
Currency forwards				
Derivative assets	1,055	other financial assets	—	42,922
Derivative liabilities	-240	other financial liabilities	—	45,365

Previous year:

Hedging of currency risk as of Dec. 31, 2022 in k €	**Carrying amount**	**Balance sheet item**	**Fair value adjustments for measurement of inefficiencies**	**Nominal volume**
Currency forwards				
Derivative assets	—	other financial assets	—	—
Derivative liabilities	-1,856	other financial liabilities	—	38,029

48.7. DISCLOSURES ON CAPITAL MANAGEMENT

The objectives of capital management are the safeguarding of operational business activities, the creation of a solid equity base for financing profitable growth, to ensure debt servicing, increase enterprise value and to ensure an appropriate transfer of profits under the profit and loss transfer agreement. In addition to optimizing working capital and generating sufficient cash flows, the objective of capital management is to ensure that Group companies have an equity base in line with local requirements so that they can continue as a going concern.

Legal requirements are taken into account for the implementation and audit of the Group's capital and liquidity.

An important key figure for capital management at STADA is the net debt to adjusted EBITDA ratio, which amounted to 2.5 in financial year 2023 (previous year: 3.0). For the calculation of the key figure the balance sheet figures for the discontinued operations within the current and non-current financial liabilities as well as the cash and cash equivalents have been excluded for comparison purposes.

in k €	**Dec. 31, 2023**	**Dec. 31, 2022**
Non-current financial liabilities	1,139,303	2,219,582
Current financial liabilities	1,018,472	58,801
Gross debt	**2,157,775**	**2,278,384**
Cash and cash equivalents	191,687	251,616
Net debt	**1,966,088**	**2,026,767**
EBITDA (adjusted)	**802,020**	**675,271**
Net debt to adjusted EBITDA ratio	**2.5**	**3.0**

The current shareholder loan was also included in the calculation of net debt. This amounts to € 2,068.9 million as of December 31, 2023 (December 31, 2022: € 2,301.8 million) and is reported under non-current financial liabilities.

The financing structure, liquidity and financial risk positions are managed centrally within the Group. In addition, the combined expertise is used to advise and support Group companies wherever possible in Germany and internationally in all relevant financial matters, including fundamental considerations and structuring of acquisition and investment projects.

49. Related party transactions

Nidda Healthcare GmbH holds 100% of outstanding shares in STADA Arzneimittel AG. The STADA Consolidated Financial Statements are included in the financial statements of the Nidda Group. There is a domination and profit and loss transfer agreement in place between Nidda Healthcare GmbH and STADA Arzneimittel AG.

In the scope of the ordinary course of business, STADA Arzneimittel AG and/or its consolidated companies as well as their parent companies have entered into related party transactions. In accordance with IAS 24, directly or indirectly controlled, for reasons of materiality not consolidated, subsidiaries, associates and joint ventures as well as parent companies and associates and persons in key positions and their close relatives are considered related parties. Generally, all transactions with related companies and persons are settled at conditions in line with the market.

49.1. TRANSACTIONS WITH RELATED PERSONS

Persons in key positions are the board members of STADA Arzneimittel AG, the remuneration of whom is presented as the summary in Note 50.

Share-based remuneration in the form of a share purchase plan

The main shareholders of Nidda German Topco GmbH's most senior parent company, Nidda Topco S.à r.l., Luxembourg, have offered a share purchase plan to selected managers of the Group, including all members of STADA's Executive Board and some members of its Supervisory Board (managers in key positions). Pursuant to the conditions of the offer, the managers in question are authorized to acquire a stake in a German limited partnership (GmbH & Co KG). The limited partnership stake in the partnership amounts to € 7.3 million (previous year: € 7.3 million) and is held by managers in key positions (22%; previous year: 22%), other managers (42%; previous year: 46%) and the main shareholders of Nidda Topco S.à r.l., Luxembourg, as well as third parties (36%; previous year: 32%). Accordingly, the partnership holds 8% (previous year: 8%) of ordinary shares issued of Nidda Topco S.à r.l., Luxembourg.

The purchase price of the limited partnership stake in the GmbH & Co KG is determined on each acquisition date on the basis of the fair value of the ordinary shares of Nidda Topco S.à r.l., Luxembourg, and the additional special features of the program. The fair value of the ordinary shares of Nidda Topco S.à r.l., Luxembourg, is determined on the basis of the discounted cash flow valuation taking into account the expected cash flow from the investment in STADA as well as for the financing instruments issued by the Nidda Group companies. The purchase price calculation is considered to be the fair value of the limited partnership stake in the GmbH & Co KG, but not as the granting of additional remuneration for the management. In the event of continued employment by the company, the management will participate in the change in the fair value of the ordinary shares of Nidda Topco S.à r.l., Luxembourg, through this investment by ultimately selling the shares together with the other shareholders of Nidda Topco S.à r.l., Luxembourg.

Neither Nidda Topco S.à r.l., Luxembourg, nor Nidda German Topco GmbH or any other Group company is obligated to pay any amount to the management under this program. In accordance with IFRS 2, the program is treated as a share-based remuneration plan that does not grant any or no significant additional remuneration to managers.

49.2. TRANSACTIONS WITH RELATED COMPANIES

Bain Capital Investors, LLC, Wilmington, Delaware, USA, and Cinven Partnership LLP, UK, exercise direct joint control over the subsidiary Nidda Topco S.à r.l., which in turn indirectly over the following subsidiaries – Nidda Midco S.à r.l., Nidda German Topco GmbH, Nidda German Midco GmbH, Nidda BondCo GmbH and Nidda Healthcare Holding GmbH – through the direct shareholder Nidda Healthcare GmbH which holds the outstanding shares in STADA Arzneimittel AG. The direct subsidiary of Cinven Partnership LLP, UK, Cinven Capital Management (VI) General Partner Limited, St. Peter Port, Guernsey, is the fund manager for certain entities of the Sixth Cinven Fund in the sense of an investment management company.

Trade accounts receivable and trade accounts payable of the STADA Group essentially relate to related party transactions as follows:

Receivables and liabilities with related parties in k €	**2023**	**2022**
Trade accounts receivable		
Associates	28	30
Joint ventures	–	–
Non-consolidated subsidiaries	76	7
Non-consolidated joint ventures	–	2
Non-consolidated associates	963	1,847
Other related parties	57,345	–
Other financial receivables		
Associates	106	68
Joint ventures	–	–
Parent entities	94,899	45,992
Non-consolidated subsidiaries	19	17
Non-consolidated joint ventures	–	–
Other related parties	12,889	–

Receivables and liabilities with related parties in k €	**2023**	**2022**
Trade accounts payable		
Associates	–	–
Joint ventures	–	–
Parent entities	5,535	5,258
Non-consolidated subsidiaries	83	155
Non-consolidated joint ventures	–	–
Other related parties	60,931	1,643
Financial liabilities		
Associates	–	–
Joint ventures	–	–
Parent entities	2,088,507	2,308,383
Non-consolidated subsidiaries	–	–
Non-consolidated joint ventures	–	–
Other related parties	–	–
Other financial liabilities		
Associates	–	–
Joint ventures	–	–
Parent entities	381,522	108,772
Non-consolidated subsidiaries	–	–
Non-consolidated joint ventures	–	–
Other related parties	–	–

The receivables and liabilities from business relationships between STADA and other investments of Bain Capital and Cinven are presented under "Other related parties", resulting in outstanding trade accounts payable of € 0.9 million as of the reporting date December 31, 2023 (December 31, 2022: € 1.6 million).

Receivables and liabilities from business relationships between STADA and the deconsolidated Russian companies are presented under "Other related parties", resulting in outstanding trade accounts receivable and trade accounts payable as of the reporting date December 31, 2023 in the amount of € 57.3 million and € 60.0 million respectively.

Income and expenses of the STADA Group essentially relate to related party transactions as follows:

Transactions with related parties in k €	**2023**	**2022**
Sales		
Associates	—	—
Joint ventures	—	—
Non-consolidated subsidiaries	—	—
Non-consolidated joint ventures	—	—
Non-consolidated associates	1,856	2,665
Other related parties	42,837	—
Other income		
Associates	—	—
Joint ventures	—	—
Parent entities	251	126
Non-consolidated subsidiaries	—	—
Non-consolidated joint ventures	—	—
Other related parties	7,413	—
Other expenses		
Associates	—	—
Joint ventures	—	—
Parent entities	11,738	10,430
Non-consolidated subsidiaries	1,643	1,211
Non-consolidated joint ventures	—	—
Other related parties	9,731	5,259
Interest income		
Associates	—	—
Joint ventures	—	—
Parent entities	—	—
Non-consolidated subsidiaries	—	—
Non-consolidated joint ventures	—	—
Other related parties	508	—
Interest expense		
Associates	—	—
Joint ventures	—	—
Parent entities	174,754	86,853
Non-consolidated subsidiaries	—	—
Non-consolidated joint ventures	—	—
Other related parties	—	—

Expenses and income from transactions with other investments of Bain Capital and Cinven are presented under "Other related parties". The transaction volume with these companies amounted to a total of € 8.8 million in 2023 (previous year: € 5.3 million) and related to a number of smaller transactions for the purchase of goods and services, all of which were carried out at arm's length.

Expenses and income from business relationships with the deconsolidated Russian companies from deconsolidation on September 30 to the end of 2023 are presented under "Other related parties".

In addition, the following disclosures on related party transactions are made:

As of December 31, 2023, STADA Arzneimittel AG has a financial obligation to Nidda Healthcare Holding GmbH in the amount of € 1,705.3 million (December 31, 2022: € 1,863.3 million) with an interest rate of EURIBOR +3.5% p.a. (December 31, 2022: EURIBOR +3.5% p.a.). In addition, STADA Arzneimittel AG reported receivables from Nidda Healthcare Holding GmbH and Nidda Healthcare GmbH in the amount of € 90.1 million as of December 31, 2023 (December 31, 2022: € 44.8 million). In addition, as of December 31, 2023 STADA UK Holding shows a financial liability in the amount of € 363.6 million (December 31, 2022: € 356.3 million) with a variable interest rate of Compound SONIA +9.75% p.a. to Nidda Healthcare Holding GmbH. Financial liabilities also include accrued interest from the above-mentioned loans from Nidda Healthcare Holding GmbH in the amount of € 19.6 million (December 31, 2022: € 6.6 million). Further details on financial liabilities can be found in Note 37.

In September 2023, Nidda German Topco granted a loan to STADA Arzneimittel AG by way of a distribution in kind to its parent company Nidda MidCo S.à r.l., Luxembourg. With effect from September 29, 2023, STADA Arzneimittel AG transferred its shares in Nizhpharm to Nidda Lynx S.à r.l. in lieu of payment to settle the aforementioned loan. The loan was valued at an amount of € 238.0 million. The value of Nizhpharm was determined by an external valuation report at the same value and confirmed by a fairness opinion. Prior to the deconsolidation of Nizhpharm, the net Group assets of Nizhpharm and its investments were adjusted to the value determined by the expert opinion (see also Note 20. "Result from discontinued operations").

With the deconsolidation of Nizhpharm, the STADA Group received a loan from Nizhpharm in the nominal amount of € 14.0 million. The loan has a term until December 2054 with a variable interest rate. As of the balance sheet date, the loan was valued at € 7.1 million (including accrued interest). There was a need to recognize impairment losses in the amount of € 6.9 million.

Due to the Russian counter-sanctions, no interest payments can currently be made on the loans. Interest income for the loan since October 1, 2023 until Decemebr 31, 2023 amounts to € 0.2 million.

There are also business relationships between STADA and its parent companies, which consist in particular of a consulting agreement for management services and an agency agreement. Services are invoiced to STADA Arzneimittel AG in the context of the agency agreement. Outstanding trade accounts payable amounted to € 5.5 million as of the reporting date of December 31, 2023 (December 31, 2022: € 5.3 million). The transaction volume with these companies amounted to a total of € 11.7 million in 2023 (December 31, 2022: € 10.4 million).

50. Remuneration of the Executive Board and the Supervisory Board

The core elements of the system applied for members of the Executive Board include non-performance related remuneration that takes the tasks and performance of the member of the Executive Board into consideration along with a component that depends on the achievement of annual performance goals ("Short-Term Incentive", STI). In addition to the annual performance-related remuneration, members of the Executive Board receive a long-term planned remuneration component ("Long-Term Incentive", LTI). The LTI is a performance-based cash plan, which means it is cash-settled – the payout at the end of the vesting period is limited to a maximum amount ("cap"). The individual performance-related components are also limited to a maximum amount.

The remuneration system for the Supervisory Board includes an annual fixed remuneration as well as a variable component, depending on an average performance figure from the last three years. The Chairman of the Supervisory Board receives triple this amount and his deputy twice the amount. In addition, Supervisory Board members receive a fixed remuneration for committee activities.

For explanations on share-based remuneration in the form of a stock purchase plan for persons in key positions, we refer to Note 49.1.

Presented below is the total remuneration of the Executive Board and the Supervisory Board of STADA Arzneimittel AG pursuant to IAS 24. Insofar as there are deviations, separate disclosures are made in accordance with Section 314 (1) No. 6 HGB in connection with Section 315e HGB.

	Members of the Executive Board		Members of the Supervisory Board	
in k €	2023	2022	2023	2022
Short-term remuneration current	4,119	4,255	828	828
Long-term remuneration non-current	1,188	818	—	—
Expenses for pension commitments earned in the current year	—	—	—	—
Total remuneration	**5,307**	**5,073**	**828**	**828**

Total Executive Board remuneration in accordance with Section 315e HGB at STADA Arzneimittel AG amounted to € 5.3 million (previous year: € 5.1 million).

Remuneration to former members of the Executive Board and their surviving dependents (Section 315e HGB) amounted to € 0.6 million for financial year 2023.

As of December 31, 2023, as was the case in the previous year, there were no outstanding liabilities to members of the Executive Board in office in the financial year from severance payments. There were outstanding liabilities to them from bonuses of € 3.3 million (December 31, 2022: € 2.6 million). As in the previous year, there were no outstanding liabilities to former members of the Executive Board arising from severance payments. There were, however, bonuses in the amount of € 0.1 million (December 31, 2022: none).

The fair value of pension commitments to former Executive Board members amounted to k € 30,020 as of December 31, 2023.

In addition to the remuneration for their Supervisory Board activities, employee representatives on the Supervisory Board receive a salary commensurate with their position and duties.

There were no loans granted to members of the Executive Board or Supervisory Board at STADA Arzneimittel AG as of the reporting date. STADA has also not taken on any contingent liabilities for the benefit of the members of governing bodies of STADA Arzneimittel AG.

51. Fees for the auditor

For the services provided by the auditors, PricewaterhouseCoopers GmbH, the following fees were recognized as expenses in financial year 2023 and in the previous year:

in k €	2023	2022
Fees for the auditor	739	680
thereof for audit services	581	623
thereof for other confirmation services	158	57
thereof for other services	0	—
thereof for tax consultancy services	0	—

The fees for audit services relate to payment for the audit of the Consolidated Financial Statements and for the audit of the Financial Statements of STADA Arzneimittel AG and its German subsidiaries at the end of the financial year. Fees for other confirmation services related to the audit of the non-financial report of STADA Arzneimittel AG.

52. Events after the end of the financial year

Between the end of financial year 2023 and the signing date of the Combined Management Report and the Consolidated Financial Statements for 2023, there were no events with a significant or potentially significant impact on the net assets, financial position and results of operations of the STADA Group.

53. Dividend

In view of the domination and profit and loss transfer agreement dated December 19, 2017, the annual result in the annual financial statements of STADA Arzneimittel AG under commercial law, an amount of € 381,521,971.08 will be transferred to Nidda Healthcare GmbH. Due to the profit transfer, the annual result in the separate financial statements of STADA Arzneimittel AG amounts to € 0.00, as in the previous year.

Bad Vilbel, March 13, 2024

Peter Goldschmidt
Chairman
of the Executive Board/
CEO

Boris Döbler
Chief Financial Officer/
CFO

Miguel Pagan Fernandez
Chief Technical Officer/
CTO

Simone Berger
Chief People Officer/
CPO

Our fastest-growing segment

Specialty Pharmaceuticals

5

Entrepreneurship
Dream Big and Make it Happen!

Risk-taking

II am unafraid to take thoughtful risks.

I eliminate the unnecessary.

Innovation

I create value.

I challenge the status-quo.

Anticipation

I anticipate business needs.

I am proactive.

Self-empowerment

I take ownership of my ideas.

I act as enterprise leader.

FURTHER INFORMATION

Responsibility Statement

To the best of our knowledge and in accordance with the applicable reporting principles for consolidated financial statements reporting, the Consolidated Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Combined Management Report includes a fair review of the course of business and business performance and the net assets, financial position and results of operations of the Group, together with a description of the principal opportunities and risks associated with the Group's expected development.

Bad Vilbel, March 13, 2024

Peter Goldschmidt	Boris Döbler	Miguel Pagan Fernandez	Simone Berger
Chairman of the Executive Board CEO	Chief Financial Officer CFO	Chief Technical Officer CTO	Chief People Officer CPO

Independent Auditor's Report

To STADA Arzneimittel AG, Bad Vilbel

Audit Opinions

We have audited the consolidated financial statements of STADA Arzneimittel AG, Bad Vilbel, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of STADA Arzneimittel AG, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards) as an unaudited part of the group management report.

The other information comprises further

- the separate non-financial report pursuant to §§ 289b to 289e HGB and §§ 315b to 315c HGB

- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German

legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main, March 13, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd. Guido Tamm)
Wirtschaftsprüfer
(German Public Auditor)

(sgd. ppa. Florian Strauß)
Wirtschaftsprüfer
(German Public Auditor)

Independent Practitioner's Report on a Limited Assurance Engagement on Non-Financial Reporting[1)]

To STADA Arzneimittel AG, Bad Vilbel

We have performed a limited assurance engagement on the combined separate non-financial report of STADA Arzneimittel AG, Bad Vilbel, (hereinafter the "Company") for the period from 1 January to 31 December 2023 (hereinafter the "Combined Separate Non-financial Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Combined Separate Non-financial Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "7. EU Taxonomy" of the Combined Separate Non-financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Combined Separate Non-financial Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "7. EU Taxonomy" of the Combined Separate Non-financial Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Audit Firm's Independence and Quality Management

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis – IDW QMS 1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

1) PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the combined separate non-financial report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Combined Separate Non-financial Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Combined Separate Non-financial Report, other than the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report, is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "7. EU Taxonomy" of the Combined Separate Non-financial Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Separate Non-financial Report about the preparation process, about the internal control system relating to this process and about disclosures in the Separate Non-financial Report
- Identification of likely risks of material misstatement in the Combined Separate Non-financial Report
- Analytical procedures on selected disclosures in the Combined Separate Non-financial Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Combined Separate Non-financial Report
- Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Combined Separate Non-financial Report
- Inquiries on the relevance of climate-risks

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Separate Non-financial Report of the Company for the period from 1 January to 31 December 2023 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "7. EU Taxonomy" of the Combined Separate Non-financial Report. We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, March 13, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke
Wirtschaftsprüfer
German public auditor

Claudia Niendorf-Senger
Wirtschaftsprüferin
German public auditor

Boards of the Company

The STADA Supervisory Board
(as of March 1, 2024)

Dr. Günter von Au, Munich, Germany (Chairman)
Markus Damm[1)], Wetter, Germany (Deputy Chairman)

Tim Philipp Baltin, Frankfurt am Main, Germany
Dr. Eric Cornut, Binningen, Switzerland
Benjamin Kunstler, London, United Kingdom
Dr. Klaus Scheja[1)], Ilschhausen, Germany
Bruno Schick, Frankfurt am Main, Germany
Dr. Michael Siefke, Gräfelfing, Germany
Jens Steegers[1)], Frankfurt am Main, Germany

The STADA Executive Board
(as of March 1, 2024)

Peter Goldschmidt
Chairman of the Executive Board
(since September 1, 2018)
Member of the Executive Board
since 2018, contract until
December 31, 2026

Boris Döbler
Chief Financial Officer
(since January 1, 2023)
Member of the Executive Board
since 2023, contract until
December 31, 2026

Miguel Pagan Fernandez
Chief Technical Officer
(since July 1, 2018)
Member of the Executive Board
since 2018, contract until
December 31, 2026

Simone Berger
Chief People Officer
(since April 1, 2021)
Member of the Executive Board
since 2021, contract until
December 31, 2026

1) Employee representative.
The Supervisory Board members can be contacted via STADA Arzneimittel AG's business address.

The Executive Board members can be contacted via STADA Arzneimittel AG's business address.

Glossary A–Z

Adalimumab
Adalimumab is a recombinant monoclonal antibody produced in ovarian cells of the Chinese hamster. Adalimumab is designed to recognize and bind to a specific substance in the body called tumor necrosis factor (TNF). This substance is involved in the development of inflammation and is found in substantial quantities in patients with the diseases for which adalimumab is used to treat. By binding to TNF, adalimumab inhibits its activity and thereby reducing inflammation and other symptoms of the diseases. It is used to treat conditions such as: plaque psoriasis, psoriatic arthritis, rheumatoid arthritis, axial spondyloarthritis, Crohn's disease, ulcerative colitis, polyarticular juvenile idiopathic arthritis, hidradenitis suppurativa (acne inversa) or non-infectious uveitis.

Approval
Permission under drug law to market a drug in a national market.

Audit
In the pharmaceutical market: Control of equipment and documentation from manufacturers or upstream suppliers.

Active ingredient
In the pharmaceutical market: the active ingredient of a dosage form (also API – Active Pharmaceutical Ingredient).

Bevacizumab
Bevacizumab is a humanized monoclonal antibody (a specific protein normally produced by the immune system to protect the body from infection and cancer). Bevacizumab is a drug used to treat adult patients with advanced colorectal cancer, metastatic breast cancer, non-small cell lung cancer in combination with chemotherapy treatment, among others.

Biosimilar
A biosimilar is a drug with an active pharmaceutical ingredient produced in a biotechnological process that has been developed in comparison with an original product already on the market. It is so similar to the original product that it has proven therapeutic equivalence and is comparable in terms of safety and quality. Therefore, a biosimilar is an equivalent successor product of an off-patent biopharmaceutical product.

Commercial property rights
Offer inventors or companies protection against competition for an invention for a limited period of time. The best-known commercial property right is the patent.

Dossier
Comprises all scientific and technical documentation for an application for marketing approval of a pharmaceutical product, describing the quality, safety and efficacy of this pharmaceutical product.

Epoetin or erythropoietin
Epoetin or erythropoietin is a biopharmaceutical active ingredient in protein form that is produced from living cell lines. The erythropoietin biosimilar developed by BIOCEUTICALS Arzneimittel AG is epoetin zeta. Erythropoietin is used, among other things, in nephrology for dialysis patients to stimulate blood formation and in cancer therapy.

EU taxonomy
In light of global warming, European states have committed themselves to greater climate protection. In this regard, both the Paris Climate Agreement of 2015 and the European Green Deal call for sustainable investments as an important starting point. A key instrument on which the European Commission is currently working on is Sustainable Finance Taxonomy. In the future, this will help classify economic activity throughout the EU according to its sustainability. As a first step, the taxonomy places a special focus on climate targets. In the long term, it should also cover social aspects and good corporate governance in addition to various environmental objectives.

GMP
Good Manufacturing Practice – international production standard in the pharmaceutical industry.

Orphan drug
The so-called "orphan drugs" are pharmaceutical products for the prevention, diagnosis and treatment of rare diseases. Rare diseases include those disorders that affect only a relatively small number of people. In Europe, a disease is classified as rare if it affects no more than one in 2,000 people. Orphan drugs are generally approved by the European regulatory authority and are subject to market exclusivity over similar drugs.

Patent
In the pharmaceutical market: commercial property right granting market exclusivity for a limited period (in the EU 20 years, for example) for active pharmaceutical ingredients.

Pegfilgrastim
Pegfilgrastim is a recombinant, PEGylated human granulocyte colony-stimulating factor (G-CSF) used to stimulate leukocyte production and is administered to cancer patients to alleviate neutropenia (decreased number of neutrophils, a type of white blood cell).

Prescription
The legal requirement that drugs may only be dispensed to patients on the basis of a doctor's prescription, depending on their risk potential.

Ranibizumab
Ranibizumab is a monoclonal antibody fragment, used in the treatment of wet age-related macular degeneration (AMD) and for impaired visual acuity associated with a diabetic macular edema.

Teriparatide
Teriparatide is a fragment of the human parathormone for hypodermic injection which is produced biotechnologically. Teriparatide is used to treat postmenopausal women with manifest osteoporosis at high risk of fracture, men with osteoporosis associated with high risk of fracture, and glucocorticoid-induced osteoporosis in adults at increased risk of fracture.

Publishing Information

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STADA Arzneimittel AG,
Bad Vilbel, Germany

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Lydia Gorges, Berlin, Germany
Goyo Conde, Madrid, Spain
STADA Group

The Annual Reports can be found on the Company website (www.stada.com/de and www.stada.com).

Forward-looking statements

This STADA Arzneimittel AG (hereinafter "STADA") annual report contains certain statements regarding future events that are based on the current expectations, estimates and forecasts on the part of the Company management of STADA as well as other currently available information. 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 stakeholders, 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 health-care policy and in the healthcare system 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 on in this Annual Report)

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Rounding

In the general portion of this Annual Report, STADA key figures are, as a rule, rounded to € million, while the Notes present these figures with greater accuracy normally in k €. Due to rounding of these figures, differences may arise in individual figures between the general portion and the Notes, as well as from the figures actually achieved in euros; by their nature, these differences cannot be considered material.

FIVE-YEAR CONSOLIDATED FINANCIAL SUMMARY

Financial key figures in € million	**2023**	**2022**	**2022**[1)]	**2021**[1)]	**2020**[1)]	**2019**[1)]
Total Group sales	3,734.8	3,297.7	3,797.2	3,249.5	3,010.3	2,608.6
Consumer Healthcare	1,489.2	1,281.4	1,620.2	1,284.0	1,120.4	870.4
Generics	1,496.8	1,413.9	1,436.3	1,326.8	1,304.4	1,253.8
Specialty	748.8	602.4	740.7	638.7	585.5	484.4
Operating profit	583.4	422.0	568.5	455.0	322.8	385.8
EBITDA	802.1	678.9	884.7	776.5	568.2	612.8
EBIT	583.5	422.0	568.5	455.3	322.9	385.8
Earnings before taxes (EBT)	392.3	327.0	424.5	332.4	220.5	340.7
Operating cash flow[2)]	428.4	570.8	738.6	598.2	405.9	495.4

Asset/capital structure in € million	**2023**	**2022**	**2022**[1)]	**2021**[1)]	**2020**[1)]	**2019**[1)]
Total equity and liabilities	5,237.2	5,755.3	5,755.3	5,756.9	5,258.2	3,864.1
Non-current assets	2,991.4	3,478.2	3,478.2	3,468.3	3,322.9	2,288.2
Current assets	2,245.8	2,277.1	2,277.1	2,288.6	1,935.3	1,575.8
Equity	1,158.5	1,465.2	1,465.2	1,215.5	1,017.4	1,195.5
Equity-to-assets ratio in %	22.1%	25.5%	25.5%	21.1%	19.3%	30.9%
Non-current borrowed capital	1,471.2	2,911.3	2,911.3	3,053.9	2,930.9	1,416.3
Current borrowed capital	2,607.5	1,378.8	1,378.8	1,487.5	1,310.0	1,252.3
Net debt[3)]	1,966.1	2,374.7	2,374.7	2,521.5	2,463.0	1,078.8

1) Unchanged as reported.
2) The prior year figures for 2019 were adjusted with regard to changed reporting of interest paid in accordance with IAS 8. Accordingly, interest paid is no longer reported under cash flow from operating activities but within cash flow from financing activities. For financial years prior to 2019, this reporting change was not accounted for retroactively.
3) Since financial year 2021, accrued interest relating to financial liabilities has been reported under the balance sheet item "Financial liabilities" and is therefore also included (as an increase) in the calculation of net debt.

FIVE-YEAR CONSOLIDATED FINANCIAL SUMMARY

Capital expenditure/depreciation and amortization in € million	**2023**	**2022**	**2022**[1)]	**2021**[1)]	**2020**[1)]	**2019**[1)]
Total capital expenditure	321.9	276.6	276.6	385.7	1,455.1	311.6
on intangible assets	176.7	175.5	175.5	279.6	1,324.4	195.6
on property, plant and equipment	145.0	101.1	101.1	105.1	129.3	110.4
on financial assets/associates	0.2	0.1	0.1	1.0	1.4	5.6
Total depreciation and amortization	248.6	269.6	329.0	325.7	248.8	235.6
on intangible assets	180.8	190.4	240.8	260.1	180.0	178.3
on property, plant and equipment	67.8	79.2	88.2	65.6	63.7	56.7
on financial assets	—	—	—	—	—	0.6
on non-current assets held for sale	0.0	0.0	0.0	0.0	5.1	—

Employees	**2023**	**2022**	**2022**[1)]	**2021**[1)]	**2020**[1)]	**2019**[1)]
Average number per year	11,466	10,664	12,984	12,497	12,301	10,626
Number as of the balance sheet date	11,667	10,859	13,183	12,520	12,310	11,100

1) Unchanged as reported.

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