September 15, 2017

Information Release

Disclosure and Reporting Update

Introduction

STADA Arzneimittel AG ("STADA") and its subsidiaries (together, the "STADA Group") provide the information release attached as Annex A hereto (the "Information Release") which contains an update on the STADA Group's recent developments, risk factors, and existing indebtedness.

This Information Release or any part of it is for informational purposes only and does not constitute, and should not be construed as, part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for, any securities in the STADA Group, and it is not intended to provide the basis of any investment decision nor does it nor is it intended to form the basis of any contract for acquisition of or investment in the STADA Group, financial promotion, or any offer or invitation in relation to any acquisition of or investment in the STADA Group in any jurisdiction, nor should it be considered as legal, financial or tax advice in relation to the same.

This Information Release may constitute a public disclosure of inside information by STADA under Regulation (EU) 596/2014 (16 April 2014).

Forward-Looking Statements

This Information Release contains forward-looking statements, including statements about market consolidation and our strategy, investment program, future operations, industry forecasts, expected acquisitions, transactions and investments (including the Acquisition), and target levels of leverage and indebtedness. Forward-looking statements provide our current expectations, intentions or forecasts of future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "seek," "target" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Our actual results could differ materially from those expected in our forward-looking statements for many reasons, including the factors described in "Risk Factors." In addition, even if our actual results are consistent with the forward-looking statements contained in this Information Release, those results or developments may not be indicative of results or developments in subsequent periods.

Other sections of this Information Release describe additional factors that could adversely affect our financial position, results of operations and liquidity. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as at the date of this Information Release, and we do not intend, and do not assume any obligation, to update forward-looking statements set out in this Information Release. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Information Release. As a result, you should not place undue reliance on these forward-looking statements.

STADA Vietnam J.V. Co. Ltd.

In STADA's balance sheets as of December 31, 2016 and March 31, 2017, STADA presented certain assets and liabilities separately as held for sale. As of March 31, 2017, such assets and liabilities related exclusively to its joint venture STADA Vietnam J.V. Co. Ltd. (which is between one of its subsidiaries in Vietnam, STADA Pharmaceutical (Asia) Ltd., and M.S.T. Commercial and Pharmaceutical Company Limited) (the ''Vietnamese Joint Venture''). During the second quarter of 2017, the STADA Group's management abandoned its intention to sell the Vietnamese Joint Venture and, consequently, it treated the Vietnamese Joint Venture as a regular subsidiary and presented all its assets and liabilities in its consolidated balance sheet for the six months ended June 30, 2017. When preparing its interim financial statements for the six months ended June 30, 2017, STADA was unable to obtain the Vietnamese Joint Venture's financial information for the period from April 1, 2017 through June 30, 2017, although its corporate governance rights with respect to STADA had not changed. As a result, STADA has estimated such information based on the most recent forecasts available to it; such estimated financial information accounted for 1% of the sales, 2% of the EBITDA and 1% of the net income of the STADA Group in the six months ended June 30, 2017. As of September 2017, the STADA Group has resumed negotiations with a view to a potential sale of the Vietnamese Joint Venture. As a result, the STADA Group expects to revert to presenting the assets and liabilities associated with the Vietnamese Joint Venture as held for sale in its financial statements as of and for the nine months ended September 30, 2017. Furthermore, if STADA's inability to obtain financial information on the Vietnamese Joint Venture were to continue, this could be regarded as factual evidence of STADA's loss of control and require STADA to deconsolidate the Vietnamese Joint Venture in accordance with IFRS 10. See ''*Risk Factors—Risks Relating to Our Business and Industry—We may be exposed to the risk of deconsolidation if we do not comply with the requirements set forth in IFRS 10, particularly with respect to our Vietnamese Joint Venture*.''

Annex A

Unless the context otherwise requires, capitalized terms herein have the meaning assigned to such terms in “Definitions” below.

Recent Developments

Findings of Report Commissioned by STADA’s Supervisory Board

As previously reported in the press, STADA’s outgoing Supervisory Board commissioned a confidential report by an external law firm to investigate the conduct of certain of STADA’s former executive officers who are no longer with STADA. The report relates to whether certain immaterial agreements entered into by STADA during their tenure, and in one case the accounting treatment of such an agreement, was appropriate and in the best interests of STADA. The report did not find evidence of self-enrichment, bribery or other criminal activity. While any action taken in respect of the report remains to be determined by STADA’s Supervisory Board and management, we do not expect the conduct detailed in the report, the findings of the report or any action taken in respect of the report will have a material impact on the business, operations, results or prospects of STADA..

Refinancing of Existing Debt

As of June 30, 2017, the STADA Group had Existing Debt with a book value of €1,432 million. A portion of such Existing Debt in a principal amount equal to €1,380 million (and with a book value of €1,376 million as of June 30, 2017) has become prepayable at the option of the holders and lenders in respect thereof, as the Acquisition triggered their right to exercise a change of control put right at par within approximately 142 days following the First Settlement Date. The residual amount of Existing Debt with a book value of €56 million, which does not provide for a change of control put right, is prepayable at STADA’s option. The aggregate principal amount of Existing Debt that is prepayable at STADA’s option, including both instruments with and without a change of control put right, is equal to €315 million (and a book value of €315 million as of June 30, 2017). As a result, subject to the proportion of holders and lenders who exercise their change of control put right and the amount STADA decides to refinance in its discretion, up to the entire amount of the Existing Debt (with a book value of €1,432 million and an aggregate principal amount of €1,436 million) may be refinanced in connection with the Transactions. The Sponsors may determine (or, prior to the Control Date, the Executive Board may determine) that the Existing Debt at the STADA should remain outstanding and not be refinanced with drawings under the Term Loan B Facility or cash available to the STADA. See “*Description of Description of the Existing Debt*.”

Risk Factors

Risks Relating to Our Business and Industry

The risks that might have a material impact on the business operations of the STADA Group include the following:

We operate in a highly competitive industry, which may adversely affect our sales, margins and operations.

Our industry is highly competitive and is driven by a variety of factors, including price, reliability of quality, local market expertise, distribution channels, portfolio breadth, marketing, packaging and brand loyalty. Our two segments, Generics and Branded Products, face intense competition from our competitors' products.

Many of our competitors are well-known pharmaceutical companies with substantial financial and other resources. Companies with more resources may have a greater ability to conduct the development work necessary to obtain marketing authorizations. Our products could, for example, be rendered obsolete or uneconomical through the development of new products or technological advances in manufacturing or production by our competitors. Our competitors' products may also be, or be perceived as being, more effective or more efficiently marketed and sold than our products. Our competitors may also be able to sustain a deliberate substantial reduction in the price of their products or services for longer periods. This is likely to result in significant price pressure in an increasingly commoditized market, which, in turn, may reduce our sales and market share. In addition, competition in certain of our markets is particularly intense due to the use of public tenders. Tender systems for generic pharmaceutical products have been implemented (by both public and private entities) in a number of significant markets in which we operate, such as Germany, in an effort to lower prices. Under such tender systems, governments or private entities do not directly set the prices of pharmaceutical products (including generic pharmaceutical products), rather manufacturers submit bids that establish prices for generic pharmaceutical products and governments or private entities select a winning bidder. These measures affect competition, marketing practices and reimbursement of drugs. See "*—Changes in large volumes of demand arising from tender systems could lead to delivery bottlenecks or unintentional increase in inventories.*"

The pharmaceutical industry is also characterized by continuous product development and technological change. Entry of new players in any of our markets may make it difficult for us to increase our market share, retain existing competitive positions or access new markets at all. If we fail to maintain our competitive position, through either product development or effective marketing, or if any of our larger competitors engage in pricing competition with us, there could be a material adverse effect on our business, financial condition and results of operations.

We are subject to extensive governmental regulation and changes in these regulations, or failure by us or any of our third party suppliers to comply with regulations, could harm our business.

We are subject to extensive, complex, costly and evolving regulations. These regulations govern, among other things, the development, authorization, manufacturing and procurement of contract manufacturing, wholesale distribution and supply, pharmacovigilance and promotion of our products. While the regulations in the European Union are to a certain extent streamlined, the regulatory environment outside Europe is fragmented and varies by country. Globally, we market our products in approximately 125 countries, mainly across Europe, the MENA region, Asia, Australia and South America, and each of these countries may regulate these areas differently.

In our Generics segment, we sell unbranded generics products mostly comprised of prescription products. In most countries, the pricing of prescription products is regulated either directly (for example through statutory price reductions) or indirectly (for example through reference and prices reimbursement rates payable by the health insurance system, mandatory discounts, terms and/or requirements concerning discounts, the creation of framework conditions to stimulate market forces and competition). Pricing also may be influenced by supranational regulations in the European Union. Any changes in these regulations or procedural rules, such as those governing public procurement and tender processes, could reduce the profitability of individual products and, in exceptional cases, could render the market introduction of a new product unprofitable.

The regulatory bodies in the jurisdictions where we operate rigorously monitor and enforce compliance with the relevant regulations by pharmaceutical companies, and our operations are subject to periodic inspections by the relevant regulatory authorities in our markets. As a manufacturer of pharmaceutical products, we are, for example, subject to principles of good manufacturing practice ("GMP") and good distribution practice ("GDP"), and compliance with these principles is assessed by the component regulators via regular site audits. Following these inspections, the relevant regulator may issue notices listing the conditions that inspectors believe may violate GMP, GDP or other applicable regulations, and warning letters that could modify certain activities identified during the inspection. Failure to comply with the applicable regulations can result in fines, unanticipated compliance expenditures, recall or seizure of products, total or partial suspension of production or distribution, suspension of the review of our product applications, enforcement actions, injunctions and criminal prosecution, as well as reputational harm, reduced sales and market share. Moreover, the production of biologics and biosimilars products is subject to a particularly complex regulation, which is also unclear in certain countries. Failure to comply with such regulations may lead to production failures, recalls or fines. In addition, we could incur substantial remediation costs. If any of these risks materialize, our sales could be materially and adversely affected.

While we believe that we are taking adequate measures to mitigate the regulatory risk, there is no assurance that, should regulatory scrutiny further increase, they will continue to be effective. In addition, continuing compliance with increased regulatory scrutiny is likely to increase our costs. We also have affiliations, in-licensing agreements and other arrangements with third parties that depend on regulatory approvals of their processes and products. These third parties are subject to similar regulatory compliance. If any of those third parties does not comply with our regulatory requirements, we could be adversely affected if their non-compliance results in an interruption in our supply of raw materials or ingredients or, in the case of any of our licensors, it hinders our ability to produce our in-licensed products.

Any failure by us or any of our third party suppliers or licensors to comply with governmental regulations, or any regulatory action taken against us, could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to changes in demand for our products due to economic, political and regulatory factors which are beyond our control.

Our results of operations have been, and continue to be, affected by the conditions in the global economy. For example, international conflicts, such as the conflict between Russia and Ukraine, and the political situation in certain countries in which we operate, such as the United Kingdom, may adversely affect the macroeconomic environment. See "—*We operate manufacturing facilities and have significant sales in Russia, which has experienced conflicts with certain of its neighboring countries and has been and may in the future be the subject of international sanctions*" and "—*The result of the United Kingdom's withdrawal from the European Union may have a negative*

effect on our business." These events have influenced, and may continue to influence, the development of our sales in the relevant markets.

While sales in our Generics segment, which mostly comprises non-discretionary prescription products, are less vulnerable to adverse economic conditions, our results of operations in the Branded Products segment, which is mostly comprised of self-pay OTC products, is more sensitive. An economic downturn and lower household incomes can significantly depress demand in the self-payment market, *i.e.* the market for pharmaceutical products for which consumers are not reimbursed as part of their individual national health insurance plan.

We believe that we are particularly exposed to a deterioration in the Russian economy. Russia accounted for €243 million, or 11%, of our sales in the year ended December 31, 2016. Russia does not have a comprehensive state healthcare system, and we estimate that the Russian self-payment market makes up 94% of the Russian pharmaceuticals market. As a result, Russia's recent economic deterioration had, and any future downturn may have, a particularly negative impact on our sales. In addition, the United Kingdom accounted for €198 million, or 9%, of our sales in the year ended December 31, 2016, 88% of which was in Branded Products. As a result, we believe we are also exposed to any deterioration in the UK economy, and there can be no assurance that Brexit (as defined below) or other factors may not result in a decline in the economic condition of the United Kingdom. In addition, our Generics segment is also exposed to fluctuations in the economy to the extent economic, political and regulatory factors induce cost-containment reform measures in any country, which could affect reimbursement rates and our sales of prescription drugs. For example, the sustained economic downturn in Spain has resulted in a number of cost-containment measures in recent years. See "*—Existing and future healthcare cost-containment reform measures by government health authorities or government-sponsored healthcare systems could adversely affect our business*."

Any of these factors, or others that we cannot anticipate, may adversely affect our business, results of operations and financial condition.

Existing and future healthcare cost-containment reform measures by government health authorities or government-sponsored healthcare systems could adversely affect our business.

In various countries where we operate, government health authorities provide healthcare at low direct cost to consumers and regulate pharmaceutical prices or patient reimbursement levels to control costs for the government-sponsored healthcare system. The continuing increase in healthcare expenditure has therefore been the subject of considerable government attention in many of the countries in which we operate, particularly as public resources have been stretched by the global economic crisis. Further, in recent years, the increasing average age of the population and the associated increasing demand for pharmaceutical products has led to rising healthcare costs.

Increasing expenditure on healthcare has been the subject of considerable public attention. In recent years, many countries across the globe have discussed or implemented a measure of healthcare reform. The primary focus of these reforms was to introduce cost-containment measures and optimize governmental healthcare spending, particularly for prescription drugs, which account for a major part of our sales. Measures implemented in line with these reforms are fragmented and vary by country. The Russian government, for example, has released a list of vital and essential pharmaceuticals ("VEP") which are subject to mandatory price caps. Overpricing can result in fines and other penalties. Certain European countries have introduced numerous austerity measures to lower healthcare spending, including mandatory discounts, clawbacks and price referencing rules. In certain cases, reimbursements for high-priced drugs were refused. The United Kingdom and Germany introduced new systems to determine cost effectiveness of drugs, which will decide the reimbursement level for a drug. In Spain the government's pricing and reimbursement policy is

focused on cost-containment measures as they attempt to reduce the financial deficit, which has repeatedly resulted in price cuts, reductions to wholesale and retail margins and cuts to the list of reimbursable drugs since 2000; we believe the pace at which these regulatory measures are enacted has accelerated in recent years. The Spanish government has also enacted four royal decree-laws since 2010 that have directly affected the pharmaceutical industry by means of price reduction of older pharmaceutical products, mandatory rebates on drugs and medical devices, and limitations for the numbers of products eligible for a reimbursement under the Spanish National Health Service. Certain countries also cut their healthcare expenditure budgets or fixed them at a particular amount. Furthermore, mandatory price cuts were introduced in respect of both generic and patented drugs.

While most of our Branded Products are non-reimbursable OTC drugs, which are generally less affected by the above measures, those measures may affect our Generics segment, which is mostly comprised of prescription products, in a number of ways. Cost control initiatives could decrease the price that we receive for any Generics product we develop in the future. As a result, we may be disincentivized from developing and marketing new products or from entering new markets. Existing regulations that affect the price of pharmaceutical and other medical products may also change before our products are approved for marketing. Our products may not be considered cost effective or adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an adequate return on our investment. The governments of the countries where we operate may, in the future, implement further regulations that impose additional pressure on the price of pharmaceutical products.

Any of the factors described above could have a material adverse effect on our financial condition and results of operations.

Obtaining and maintaining necessary government approvals for manufacturing and marketing our products is time consuming, and may not in each instance prove successful.

We must obtain a marketing authorization and other regulatory certifications, licenses and approvals prior to marketing or manufacturing new pharmaceutical products, which applies to both Generics and Branded Products. Although less onerous than for originator pharmaceutical companies, the process of obtaining marketing authorizations and other regulatory certifications, licenses and approvals to manufacture and market pharmaceutical products is rigorous, time consuming and costly. Depending on the country and therapeutic area, issuance of an approval may take over two years. As the authorization process is time-consuming, we may be unable to realize the momentum for the launch of new products, which may result in the loss of sales and market share. To the extent that we are unable to secure timely approvals for new products, we will depend on our existing products to maintain our sales. There is no assurance that these products will continue to remain competitive and generate sufficient sales over time.

There is no assurance that we will obtain the governmental approval of any application we submit for the commercial sale of a product in time, or at all. Delays in any part of the process or our inability to obtain or maintain regulatory approval in respect of our products could adversely affect our operating results by restricting or delaying the introduction of new products. For example, the EMA requested further clinical data in connection with the pending approval for pegfilgrastim, and we and our license partner, Gedeon Richter, agreed in November 2016 to withdraw the approval application and resubmit it once all the data has been successfully collected. If health or safety concerns arise with respect to a product, we may be forced to withdraw it from the market and could face legal action if any harm came from the use of such product. Furthermore, our products must be successfully registered in the markets in which they are commercialized. For example, in the Generics segment, a significant factor in the development and approval of each product is the strict observance of commercial property rights, such as patents and supplementary protection certificates.

Moreover, if we obtain regulatory agency approval for a drug, it may be limited with respect to the indicated uses for which the drug may be marketed, which could in turn restrict our potential market for the drug. The discovery of previously unknown problems with any of our pharmaceutical products could result in restrictions on the use of a drug including possible withdrawals of the drug from the market. Any delays in obtaining the governmental approval or authorization of new or existing products may have a material adverse effect on our financial condition and results of operations.

If we are unable to successfully develop, manufacture or commercialize new Generics Products in a timely manner, it could adversely affect our business and results of operations.

We are not an originator and do not conduct material proprietary research on new drugs, therefore, we do not typically incur material research expenses. As a generics company, however, we incur development costs in connection with marketing authorizations and the production of our new products, as well as other activities that facilitate their commercialization. As a result, future results of operations depend, to a significant extent, on our ability to develop, manufacture and successfully commercialize new products in a timely manner. The development, manufacturing and commercialization process is time consuming. We must develop, test and manufacture our products as well as successfully register them in each relevant jurisdiction. All of our products must meet and continue to comply with regulatory and safety standards in each of the markets they are to be commercialized. There is no assurance that the necessary marketing authorizations will be obtained in a timely manner or at all and delays or inability to obtain regulatory approval could adversely affect our business. See "*—Obtaining and maintaining necessary government approvals for manufacturing and marketing our products is time consuming, and may not in each instance prove successful*."

Our products currently under development, if and when fully developed and tested, may not perform as expected or may face greater than expected competition. In addition, our new products may be unable to achieve their planned value. Successful development and manufacture of new products also depends on our ability to secure, on a timely basis and on commercially reasonable terms, the required raw materials. In addition, there is no assurance that our new products will be accepted by the medical community in our target markets. See "*—Our ability to market our products successfully depends, in part, upon the acceptance of the products not only by end-users, but also by independent third parties, including public health insurers, doctors and pharmacists depending on the jurisdiction in which we operate.*" Finally, we are dependent on partnerships and joint ventures with third parties and we face the risk that some of these third parties may fail to perform their obligations under the relevant contracts, thus reducing our ability to successfully develop, manufacture or commercialize new products in a timely manner. See "*—We are exposed to default or counterparty risks in connection with our operating business or as a result of contracting parties' failure to meet their contractual obligations*."

Should any of the above risks materialize, it could have a material adverse effect on our business, our business, financial condition and results of operations.

We are subject to the risk of litigation and other claims.

From time to time, we are involved in various litigation matters, including product liability claims, warranty obligations claims, alleged violations of trade confidentiality and others. When we determine that a significant risk of a future claim against us exists, we record provisions in an amount equal to our estimated liability. However, there can be no assurance that our provisions will be sufficient to cover our actual litigation costs. In addition, third-party litigation, including litigation related to competition law, anti-trust law, tax law, patent law and to the implementation of individual regulatory requirements in the provision of healthcare at a national or supranational level, could have an indirect, materially adverse impact on us and the market environment in which we operate.

As of the date of this Information Release, we are involved in six pending general litigation claims none of which we consider to be material.

There can be no assurance that we will be successful in defending ourselves in pending or future litigation claims or similar matters under various laws or that product-specific provisions will be sufficient to cover litigation costs. Moreover, it may be difficult for us to obtain and enforce claims related to existing litigation under the laws of certain countries in which we operate at affordable costs and without any materially adverse effects on our business in such country.

Any of these events could result in considerable costs, including damages, legal fees and temporary or permanent ban on the marketing of certain products and this could have a material adverse effect on our business, financial condition and results of operations.

Third parties may claim that we infringe their proprietary rights, and as a result we may be prevented from manufacturing and selling our products.

There has been substantial litigation in the pharmaceutical industry with respect to the manufacture, use and sale of generic pharmaceutical products. These lawsuits relate to the validity and infringement of patents or proprietary rights of third parties. Originator and generic pharmaceutical companies are increasingly patenting not only the relevant molecules or manufacturing processes relating to a final dosage product, but also formulations and production processes of active pharmaceutical ingredients.

While we believe that our products do not infringe in any material respect upon commercial property rights of other parties, we believe that patent infringement claims are typical of our industry. While we generally take great care in ensuring that new products we launch do not violate any intellectual property rights of third parties and seek to refrain from selling products prior to the expiration of their patent protection, there can be no assurance that an intellectual property infringement claim could not be brought against us and that we would not be found to infringe on the commercial property rights of others. This is also due to the fact that, in certain countries, such as Italy, patent applications are not publicly disclosed until the patent is issued and, therefore, we may not be aware of currently filed patents.

As of the date of this Information Release, we are involved in four pending patent infringement actions. We believe that the claims alleged in these actions have no merit and that we will not be required to make any material compensation payment.

We may also be subject to significant damages or an injunction preventing us from manufacturing, selling or using some of our products in the event of a successful claim of patent or other intellectual property infringement. Furthermore, a significant third party claim could result in management's attention being distracted from current operations.

The outcome of intellectual property related proceedings could adversely affect, hinder, delay or prevent the manufacture, use, marketing or sale of our products or processes. We may also be required to pay substantial damages or change our product offerings or expend significant resources to develop non-infringing products or processes. Any of the above could affect our ability to compete or have a material adverse effect on our business, financial condition and results of operations.

We rely, in part, on license, collaboration and other agreements to develop our product portfolio. For example, we occasionally enter into research and development partnerships with universities. The underlying collaboration agreements may provide that we are granted the exclusive license to commercialize the final product. Our present and future licenses, collaborations and other intellectual property related agreements may impose various development, commercialization,

funding, milestone, royalty, diligence, sublicensing, insurance, patent prosecution and enforcement or other obligations on us. If we breach any of these obligations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages and our licensors may have the right to terminate the license. If our license or other intellectual property related agreements are terminated, we may be required to cease developing and commercializing drug candidates that are covered by the licensed intellectual property.

In addition, our licensing, collaboration and other agreements the agreements under which we license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected drug candidates. For example, such disputes may relate to: (i) the scope of rights granted under the agreement and other interpretation related issues, (ii) the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the agreement, (iii) the sublicensing of patent and other rights under our collaborative development relationships, (iv) our diligence obligations under the agreement and what activities satisfy those diligence obligations, (v) the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our collaborators and (vi) the priority of invention of patented technology.

To help protect any proprietary know-how we develop and any inventions for which patents may be unobtainable or difficult to obtain, we may have to rely on trade secret protection and confidentiality agreements. There can be no assurances that all of our employees, consultants, advisors and contractors that have access to our trade secrets and confidential information will agree to enter into agreements which prohibit the disclosure of confidential information and, where applicable, require disclosure and assignment to us of the ideas, developments, discoveries and inventions important to our business. Even where such persons entered into such agreements, these agreements may not provide adequate protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure or the lawful development by others of such information. If any of our trade secrets, know-how or other proprietary information is disclosed, the value of our trade secrets, know-how and other proprietary rights would be significantly impaired and our business and competitive position would suffer.

If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program or drug candidate, which could have a material adverse effect on the STADA Group's net assets, financial condition and results of operations.

Industrial action or adverse labor relations could disrupt our operations and have an adverse effect on our operating results.

Our operations depend on employees who are parties to collective bargaining arrangements, works agreements and/or benefits from local applicable law, defined benefit plans, regulation or custom regarding employee rights and benefits. If we are unable to maintain satisfactory employee relations or negotiate acceptable labor agreements in future, the results could include work stoppages, strikes or other industrial action or labor difficulties (including higher labor costs) at any or all of our global facilities.

While we believe that we have good relations with unions and employees generally, there can be no assurance that our relations will not deteriorate and that we will not experience labor disputes in the future. Any of these adverse labor situations could have a material adverse effect on our business, financial condition and results of operations.

Our reputation among end-users and other market participants may suffer due to product liability or contamination issues, whether actual or perceived.

Although generic companies, such as us, are engaged in the reproduction of pharmaceutical products and their active pharmaceutical ingredients that are vetted by regulations and often have been in the market for ten or more years, there is a risk that our Group may be liable, or incur costs related to, liability claims if any of their products cause injury or are found unsuitable during development, manufacture, sale or use. The risk exists even with respect to products that have received, or may receive in the future, regulatory approval for commercial use. Moreover, our products could contain contaminated substances that we do not identify during our manufacturing process, and adverse reactions resulting from human consumption of these ingredients could occur. We could also be subject to product liability claims as a result of defective raw materials we purchase from third parties. As of the date of this Information Release, we are involved in one such product liability claim in connection with one of our generics products distributed in France. See "*Business—Legal Proceedings.*"

Product liability lawsuits could be costly to defend, and could result in reduced sales, substantial monetary awards to clinical trial participants or customers, harm to our brand and reputation, the inability to commercialize products that we develop and diversion of management's time, attention and resources. Considerable sums in damages have been awarded in certain countries against pharmaceutical companies due to physical harm allegedly caused by the use of certain products. Product liability claims may force us to withdraw some of our products from the market, thus creating potential for further claims. Regardless of merit or eventual outcome, liability claims would likely result in negative publicity, decreased demand for any products that we may develop, injury to our reputation and suspension or withdrawal of clinical trials and require us to incur significant legal fees. We currently have insurance coverage for product liability claims. See "*Business—Insurance.*" However, such insurance may not be sufficient to cover all or even a material part of a significant product liability claim. Furthermore, at any time, insurance coverage may not be available on commercially reasonable terms or at all.

Our failure to successfully defend a product liability lawsuit could have a material adverse effect on our business, financial condition and results of operations.

Our ability to market our products successfully depends, in part, upon the acceptance of the products not only by end-users, but also by independent third parties, including public health insurers, doctors and pharmacists depending on the jurisdiction in which we operate.

Our ability to market our products successfully depends, in part, on the acceptance of products by independent third parties, including public health insurers, doctors, pharmacists, wholesalers, distributors, hospitals, group purchasing organizations, government representatives and other retailers, as well as end-users. In our Branded Products Segment, we rely to a significant extent on the strength of our brands and reputation and our acceptance by the third party agents and distributors. Examples of our strongest brands include APO-Go, Covonia, Ladival, Aqualor and Grippostad. Unanticipated side effects or unfavorable publicity concerning any of our products or brands, or the brands of our in-licensed products, could have an adverse effect on our ability to achieve acceptance by prescribing physicians, managed care providers, pharmacies and other retailers, customers and patients.

In addition to the strength of our brand and reputation, acceptance of any of our products among the medical community depends upon a variety of factors, many of which are beyond our control. With respect to Generics and prescription items in our Branded Products segment these factors include the following:

- acceptance by payors, physicians, pharmacists and end-customers of each product as an effective treatment;
- whether a physician is receptive to our product and how quickly the physician adopts it as an accepted treatment;
- the product's price;
- the product's perceived advantages and disadvantages relative to competing products or treatments;
- the prevalence and severity of side effects; and
- the adequate reimbursement by third parties, such as insurance companies.

If our products have received a marketing authorization from the regulatory authorities but do not achieve an adequate level of acceptance by independent third parties, we may be unable to generate sufficient or any sales from these products to make them profitable. If our products fail to maintain significant market acceptance, it could have a material adverse effect on our business, financial condition and results of operations.

If our suppliers or we encounter problems manufacturing products or cease to manufacture products, our business could suffer.

We strive to deliver high quality pharmaceutical products to our customers. The manufacture of our products is highly exacting and complex due, in part, to strict regulatory requirements governing their manufacture. We rely on complex machinery and information technology systems to support our manufacturing processes, as well as internal and external communications with respect to supplies, quality control and distribution. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials and environmental factors. If problems are severe, we may be forced to temporarily suspend all or part of our production until the problems are rectified. Any of this is likely to result in increased costs, lost sales, damage to customer relations, failure to perform existing contracts, time spent investigating the cause, remedial costs and, depending on the cause, similar losses with respect to other batches or products. In addition, although we have not encountered any material product recalls in recent years, where problems are not discovered before the product is released to the market, we may be forced to recall products from the market. In certain cases, we may face product liability claims and incur respective costs. See "*—Our reputation among end-users and other market participants may suffer due to product liability or contamination issues, whether actual or perceived.*"

The facilities used to manufacture our products are subject to periodic inspections by regulatory authorities to assess compliance with the relevant principles of GMP. See "*—We are subject to extensive governmental regulation and changes in these regulations, or failure by us or any of our third party suppliers to comply with regulations, could harm our business.*" While we manufacture most of our products, others are manufactured by our contract manufacturing partners. Although we are ultimately responsible for ensuring that our products are manufactured in accordance with the principles of GMP and believe that we diligently monitor our suppliers' compliance within the

applicable requirements, we do not control the day-to-day activities of, and we are dependent on, the contract manufacturing partners for their compliance with GMP requirements. If we or any of our suppliers were to violate the applicable principles of GMP, we or such supplier could be fined, and the competent regulator could impose a complete shutdown of such supplier's non-compliant manufacturing plant. As a result, we could become subject to a supply shortage with respect to the products we source from the sanctioned supplier. If our inventories of these products turn out to be insufficient, this could adversely affect our sales. If our manufacturing partners or we cannot successfully manufacture materials that conform to our specifications and the strict requirements of the relevant regulatory authorities, our manufacturing contractors and we will not be able to secure or maintain regulatory approval for our respective manufacturing facilities. If a regulatory authority does not approve a facility for the manufacture of our products or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities. Although we carry out compliance checks, the occurrence or suspected occurrence of production not in line with our specifications or regulatory requirements can lead to lost inventories, and in some cases product recalls and enforcement action, with consequential damage to our reputation and the risk of product liability. The investigation and remediation of any identified problems can cause manufacturing delays, substantial expense, lost sales and the delay of new product launches.

Any of the risks described above may have a material adverse effect on our business, financial condition and results of operations.

Our business could be adversely affected if we incur significant integration costs with respect to any of our bolt-on acquisitions or if we fail to successfully integrate such acquisitions.

In the past, we have grown through a combination of organic development and acquisitions, and we intend to continue this combination in the future. Examples of our recent acquisitions during the periods presented herein include our acquisition of the Argentinean generics manufacturer Laboratorio Vannier, which is specialized in certain niches that are generally subject to only a low degree of price regulations such as conditions of the central nervous system, cardiology and diabetes, a Serbian product portfolio aimed at gastrointestinal disorders, the British Branded Products company Natures Aid Limited, a well-known manufacturer of vitamins, minerals, food supplements and herbal products, the Russian Branded Products AndroDoz and NeroDoz, which are positioned in the area of men's health, SCIOTEC Diagnostic Technologies GmbH, an important player in the development and marketing of prescription-free, OTC products against enzymatic food intolerances (histamine, fructose and lactose intolerance), the Russian Branded Products portfolio Aqualor and the production and distribution rights for the Branded Product Flexitol for the United Kingdom and Ireland. Furthermore, we sold the French company Laboratoires d'études et de recherches en oligo éléments thérapie SA. We believe that none of these acquisitions materially affected the comparability of our results of operations. Although there are no material acquisitions currently pending or planned, acquisitions continue to be a part of our future growth strategy.

Growth through acquisitions entails certain risks, including the risk of a failure to realize the expected benefits of the acquisitions and incurrence of unexpected risks and obligations. While we conduct due diligence in preparation for each acquisition, it is possible that legal, tax and operational risks of the respective target, some of which may be unknown or undisclosed to us at the time of the acquisition, may materialize, have more severe consequences than expected or increase the costs for the integration of a target. In addition, acquisitions are also subject to the risk of overvaluation of the target and thus to the payment of consideration greater than the target market value. Also, we may be unable to evaluate the scale of a potential acquisition, which may result in being unable to allocate proper resources to execute the acquisition and subsequent integration efficiently.

The success of our acquisition strategy is dependent, among other things, on the successful integration of the products and businesses we acquire at the expected costs, and their subsequent

expansion into new markets or into existing markets in which we operate. Such integration and expansion may put a strain on our management resources, distracting our managers from their regular tasks and require additional management resources to be deployed, especially where a large scale acquisition is involved. Although we believe that our current managerial, administrative, technical and financial resources are capable of supporting our recent and proposed future expansion, there is no assurance that our existing resources will be sufficient for this purpose, or that we will be able to acquire necessary additional resources on commercially acceptable terms or at all. In addition, we may be unable to deploy sufficient resources to integrate a large scale acquisition, which may result in us being unable to realize desired synergies. There is also a risk that key employees of companies we acquire or key employees necessary to successfully commercialize products and technologies that we acquire, may seek employment elsewhere, including with our competitors. Any our failure to acquire, maintain and deploy adequate management, sales, administrative, technical and financial resources to support our expansion, could undermine our acquisition strategy.

In addition, our acquisitions of target companies or product portfolios may be subject to regulatory approval. There can be no assurance that we will be able to obtain regulatory approval for our future acquisitions without unreasonable expenses and within a reasonable time period or at all.

Our failure to integrate acquired businesses and products, or to realize the intended synergies, may prevent us from obtaining the advantages that the acquisitions were intended to create, or could have a material adverse effect on our business, financial condition and results of operations.

Our operations may be disrupted by accidents, equipment malfunctioning or other unexpected events.

Although we believe that we have adopted and maintain adequate safety precautions, if one or more of our production facilities were to suffer a serious accident, breakdowns, equipment malfunction or other unexpected events, a part of our production capacity could be jeopardized and our sales and net income would be materially adversely affected until we repair or find a replacement for any such facility or machinery. While we believe that we maintain sufficient insurance to cover any such property and other asset damages, depending on the risk and type of asset or property insured, any losses related to a serious accident, equipment malfunction or other unexpected event could exceed the amount of this coverage. In addition, the refurbishment or reconstruction of any of our production facilities or the construction of new facilities could be subject to regulatory approval by the competent health authorities of the jurisdictions in which they are located as well as the health authorities of some or all of the jurisdictions to which products from such facilities are exported, which could result in significant delays in the resumption of product manufacturing. If any of the above were to materialize, it could have a material adverse effect on our business, financial condition and results of operations.

Accidental contamination, non-compliance with environmental, health and safety laws or environmental, health and safety litigation or liability, could adversely impact our business and operating results.

Our product development and manufacturing processes involve the use of chemicals and include hazardous or toxic materials. These programs and processes expose us to risks of accidental contamination, events of non-compliance with environmental, health and safety laws and regulatory enforcement, personal injury, property damage and claims and litigation resulting from such events. If an accident occurs, or if contamination is discovered, we could be liable for cleanup obligations, damages or fines, which could have an adverse effect on our business, financial condition and results

of operations. We are currently not aware of any material contamination incidents or material non-compliance with environmental, health and safety laws.

The environmental laws of many jurisdictions in which we operate may impose potential obligations to clean up contaminated sites. These obligations may relate to sites that we acquire, own or operate, that we formerly owned or operated, or for which we may otherwise have retained liability or where waste from our operations was disposed. Were such environmental clean-up obligations to arise they could significantly reduce our operating results. In particular, any financial accruals which we may make for these obligations might be insufficient if the assumptions underlying the accruals proved to be incorrect, or if we are held responsible for additional contamination.

Stricter environmental, health and safety laws and enforcement policies could result in substantial costs and liabilities for us, and could result in handling, manufacture, use, reuse or disposal of substances or pollutants being subjected to more rigorous scrutiny by relevant regulatory authorities than is currently the case. Compliance with these laws could result in significant capital expenditures, as well as other costs, thereby potentially harming our business, financial condition and results of operations.

Failure to renew agreements with our material suppliers and wholesale customers on acceptable terms or the termination of such agreements by material suppliers or wholesalers could harm our business.

Although we have a large number of suppliers and customers and believe that our business is not materially dependent on any single one of them, failure to renew contracts with material suppliers, such as suppliers of active pharmaceutical ingredients, equipment (including, for example, medical devices) or other items and material customers, such as hospitals, pharmacies and drug stores could negatively impact our business. In addition, some of our major supply and wholesale contracts are subject to change of control provisions that may grant the respective counterparties the right to terminate the relevant contracts as a result of a change of control, which in certain but not all contracts may shorten the termination or contract period originally contemplated under the contract. At the end of a contract's term, which may be accelerated as a result of a change of control termination, these suppliers or wholesalers have a choice to either renegotiate their contract with us, increase or decrease its scope (with our consent), seek out our competitors to provide the same or similar services or cease outsourcing of the relevant activity. Whenever a contract expires or is due for renewal, suppliers and wholesalers may seek price adjustment from us. In addition, these parties may seek a price adjustment when their business experiences significant volume changes. Further, certain suppliers or wholesalers may seek to increase prices previously agreed with us due to pricing competition or other economic needs or pressures being experienced by the supplier or the wholesaler. If our contracts are terminated either by a material supplier or wholesaler (for example, as a result of a change of control event being triggered) or not extended upon their termination, if our material suppliers or wholesalers shift business away from us, or if we are unsuccessful in retaining high renewal rates and contract terms that are favorable to us, this can cause delays and may have a material adverse effect on our business and our respective operating segments, financial condition and results of operations.

Changes in large volumes of demand arising from tender systems could lead to delivery bottlenecks or unintentional increase in inventories.

Tender systems for generic pharmaceutical products have been implemented (by both public and private entities) in a number of significant markets in which we operate, such as Germany, in an effort to lower prices. Under such tender systems, governments or private entities do not directly set the prices of pharmaceutical products (including generic pharmaceutical products) but manufacturers submit bids that establish prices for generic pharmaceutical products and governments or private

entities select a winning bidder. These measures affect competition, marketing practices and reimbursement for drugs.

Initially, the tender system in Germany resulted in intense price-based competition, which pushed pricing of generics products to marginal-cost level. Although competition subsequently decreased and margins have partially recovered, as many smaller competitors proved unreliable in terms of their ability to fulfill large orders, there can be no assurance that new entrants will not intensify the level of competition again. Moreover, tender systems implemented by governmental institutions or public health insurance organizations could determine fluctuations in national markets leading to changes in large volumes of demand of pharmaceutical products. These fluctuations have a direct consequence on our business. Even if we undertake great efforts to avoid delivery bottlenecks or unintentional increase in inventories by way of scenario calculations and specific operational positioning of the respective supply chain, these events cannot generally be ruled out due to our extensive portfolio. Any of these events could have a material adverse effect on our financial condition and results of operations.

Any significant increases in the cost of active ingredients or auxiliary materials used in manufacturing our products or their availability could adversely impact our profit margins and operating results.

Affordable, high quality active ingredients or auxiliary materials are essential to our business due to the nature of the products we manufacture. Active ingredients and auxiliary materials are generally available from multiple suppliers and often sourced locally. We acquire these ingredients and auxiliary materials directly from the suppliers or enter into contracts with manufacturers producing the pharmaceutical products. Increased prices, rationing or shortages as well as fluctuation in prices can occur. In some cases, we manage these risks through mechanisms aimed at reducing our financial exposure, such as price escalation clauses (which link procurement prices to current selling prices) and specific procurement prices for specific sales volumes. However, there can be no assurance that rapid cost increases or extended supply shortages will not occur and adversely impact our financial condition and results of operations.

We are subject to risks associated with cross border sales and purchases.

We market our products in approximately 125 countries globally, with a direct presence in more than 30 countries from which we carry out our local and export sales. Due to differing regulatory regimes, certain of our products may be classified as Generics in some countries and as Branded Products in others. Different classifications could also result in pricing differences, which may be material. Cross border operations are subject to risks, including but not limited to:

- inadequate protection of intellectual property;
- difficulties and costs associated with complying with a wide variety of complex domestic and foreign laws, regulations and treaties, some of which are subject to change;
- legal uncertainties regarding, and timing delays associated with, customs procedures, tariffs, import or export licensing requirements and other trade barriers;
- differing local product preferences and product requirements;
- increased difficulty in collecting delinquent or unpaid accounts;
- risk of loss at sea or other delays in the delivery of products caused by transportation problems;

- differing tax regimes; and

- economic sanctions and restrictions on exports and other transfers of goods (see "—*Our international sales and operations increase the risks associated with economic and trade sanctions imposed by the European Union and other jurisdictions*").

Any of these factors, individually or in the aggregate, could adversely affect our operating results.

We are exposed to risks related to conducting operations in many different countries.

We develop, manufacture and market a broad range of generic and branded pharmaceutical products which are available in approximately 125 countries, including Serbia, the United Kingdom, Germany, Russia, Montenegro, Vietnam, Bosnia and Herzegovina, China, Argentina and Austria. Both of our operations and those of our local sales and business partners in these countries may be subject to the following risks: changes in the rate of economic growth; unsettled political or economic conditions; expropriation or other governmental actions; social unrest, war, terrorist activities or other armed conflict; bribery and corruption; national and regional labor strikes; confiscatory taxation or other adverse tax policies; deprivation of contract rights; trade regulations affecting production, pricing and marketing of products; anti-trust risks; reduced protection of intellectual property rights; restrictions on the repatriation of income or capital; exchange controls; inflation; currency fluctuations and devaluation; the effect of global environmental, health and safety issues on economic conditions, market opportunities and operating restrictions; and changes in financial policy and availability of credit. In addition, we or any of our local business partners may be subject to legal proceedings regarding bribery and corruption in these countries, and we are unable to ensure or monitor the lawful conduct of our business partners' operations. These factors could adversely affect our financial condition and results of operations.

The pricing of cross-border transactions is often the subject of negotiation with tax authorities, and any adjustments imposed may lead to greater or double taxation of profits.

Most national tax authorities follow the Organization for Economic Cooperation and Development or United Nations guidelines when considering the arm's length nature of cross-border pricing of goods and services. Adjustments made by a national tax authority may not lead to a corresponding adjustment in the other tax jurisdiction. Also, even where a corresponding tax adjustment is allowed, national tax rates may be different and may therefore increase our overall burden of taxation. Our cross-border trade is increasing and, although we benchmark our intercompany pricing regularly, the risk of an adverse adjustment will require constant monitoring, which may require a substantial amount of the management resources. Potential discrepancies in the adjustments made by the tax authorities in certain jurisdictions may result in an increased tax burden of our Group.

We operate manufacturing facilities and have significant sales in Russia, which has experienced conflicts with certain of its neighboring countries and has been and may in the future be the subject of international sanctions.

We operate two manufacturing facilities in Russia, which together employed 774 people as of December 31, 2016, and Russia accounted for €242.6 million, or 11.3%, of our sales in 2016. Russia has experienced conflicts with certain of its neighboring countries, including Ukraine. As a result of these conflicts, Russia has become subject to international sanctions (including sanctions by the European Union and Ukraine, which are most relevant to STADA's business) some of which impose restrictions on imports from Russia. These sanctions, coupled with low commodity prices, the devaluation of the Russian ruble against other major currencies and high inflation, contributed to the

decrease in our financial performance in Russia since 2014, which affected both our sales and earnings. Some of these sanctions have recently been extended in light of the continuing turmoil in Ukraine. While certain countries exempt pharmaceutical products, such as ours, from the scope of their sanctions, no such exemption applies under the Ukrainian sanctions regime. Because we serve the Ukrainian market through supplies from our presence in Russia, these sanctions currently prevent us from making any sales into Ukraine, which adversely affects our sales and profitability. Furthermore, the Ukrainian sanctions regime prohibits both our Ukrainian operations and their financing banks from making payments into Russia. As a result, our Russian presence is currently unable to collect its receivables against our Ukrainian operations from past deliveries. While discussions for a possible exemption for pharmaceutical products from the scope of these sanctions are currently ongoing and we may be able to reroute our sales, these sanctions are currently affecting our sales volume in Ukraine and there can be no assurance that we will be able to obtain an exemption for our pharmaceutical products or reroute our sales in the near future or at all. In addition, there is a risk that these countries may further expand the scope of their sanctions against Russia and that other countries will impose similar sanctions in the future. See *"—We are subject to risks associated with cross border sales and purchases."*

Moreover, our manufacturing facilities in Russia could be disrupted by the conflict with Ukraine or by other wars, political unrest, terrorist activity, or economic upheaval. Any such disruption could cause losses in efficiencies, delays in shipments of our products and the loss of sales and customers, and insurance proceeds may not adequately compensate us for our losses. Furthermore, our operations in Russia may be subject to risks arising from a less stable legal and regulatory framework and a less transparent enforcement of the law. This could result in, *inter alia*, an increased difficulty of enforcing contracts, collecting trade receivables, imposition of additional regulations, an increase in taxes or restriction of the import of products. Any of these factors could potentially affect our sales and the operation of our manufacturing facilities resulting in a material adverse effect on our financial condition and results of operations.

Our international sales and operations increase the risks associated with economic and trade sanctions imposed by the European Union and other jurisdictions.

Economic sanctions and restrictions on exports and other transfers of goods have in the past been imposed on companies engaging in certain types of transactions with specified countries in which we do business, including but not limited to Russia, Lebanon, Yemen, Sudan, Libya and Iran. Although pharmaceutical products are generally excluded from the scope of sanctions, our exports and transfers could be impacted by such sanctions, which would limit our ability to trade with sanctioned individuals and/or sanctioned countries and create practical complications with our exports, especially in terms of our interaction with banks and receiving payments from sanctioned countries. For example, the competent authorities could require banks to withhold payments due to us from sanctioned customers or countries. The European Union and other countries have also enacted sanctions that prohibit transactions by their citizens and domiciled entities involving certain specially designated individuals and entities from sanctioned countries or participating in sanctioned activities including, but not limited to, terrorism and drug trafficking. In addition, the European Union, the United States and certain other countries have recently implemented measures against Russia in connection with the continuing turmoil in Ukraine. See "*—We operate manufacturing facilities and have significant sales in Russia, which has experienced conflicts with certain of its neighboring countries and has been and may in the future be the subject of international sanctions*."

The terms of legislation and other rules and regulations which establish sanctions regimes are often broad in scope and difficult to interpret. Neither our affiliates nor we are currently the target of any such sanctions and we have adopted policies and procedures designed to comply with applicable sanction regulations. However, these regulations and their enforcement could potentially affect our

sales in the affected countries and force us to change or abandon our growth plans. In addition, failure to comply with such regulations could result in significant fines.

Although we currently do not have a direct presence in the United States and are mainly affected by sanctions implemented by the European Union, we may not exclude that sanctions enacted by the United States could affect us in the future. Any of the foregoing economic and trade sanctions could result in a material adverse effect on our financial condition and results of operations.

The result of the United Kingdom's withdrawal from the European Union may have a negative effect on our business.

The United Kingdom's initiation of the process to withdraw from the European Union pursuant to Article 50 of the Treaty on European Union following the national referendum in June 2016 ("Brexit"), has created significant uncertainty about the future relationship between the United Kingdom, one of our current markets, the EU and its remaining member states and may constitute an additional risk for the financial markets and the European economy. Brexit could, among other outcomes, significantly disrupt trade between the United Kingdom and the EU, cause political and economic instability in other countries of the EU, including in our main markets such as Germany, Italy and Spain, contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro and an increase in cost pressure in the healthcare system resulting, for example, in price reduction of our products. Brexit might also affect our ability to maintain the current level of sales in the United Kingdom, accounting for €198.3 million, or 9% of our consolidated sales as of December 31, 2016. Given the lack of comparable precedent, it is unclear what financial, trade and legal implications the Brexit will have and whether, and to what extent, our business might be affected. In addition, the Scottish regional government is actively considering a second referendum on Scottish independence from the United Kingdom which may lead to additional uncertainty and may affect our business activities in Scotland and other parts of the United Kingdom.

Our sales and profits from generic pharmaceutical products may decline as a result of competition, both from other pharmaceutical companies and as a result of increased governmental pricing pressure.

Our generics products face intense competition. Prices of generics typically decline, especially as additional generic pharmaceutical companies (including low-cost generic producers based in China and Vietnam) receive approvals and enter the market for a given product and competition intensifies. Consequently, our ability to sustain our sales and profitability on any given product over time is affected by the number of new companies selling such product and the timing of their approvals.

In addition, intense pressure from government healthcare authorities, particularly in highly regulated European markets, to reduce their expenditures on prescription drugs has resulted in lower pharmaceutical pricing, causing decreases in sales and profits.

Furthermore, brand pharmaceutical companies continue to defend their products vigorously. For example, brand companies often sell or license their own generic versions of their products, either directly or through other generic pharmaceutical companies (so-called "authorized generics"). No significant regulatory approvals are required for authorized generics, and brand companies do not face any other significant barriers to entry into such market. Brand pharmaceutical companies may also seek to delay introductions of generic equivalents, by a variety of commercial and regulatory tactics (such as, obtaining and enforcing new patents on drugs whose original patent protection is about to expire, questioning the quality and bioequivalence of generic pharmaceutical products, developing controlled-release or other slightly modified versions, which often reduce demand for the generic version of the existing product for which we are seeking approval, changing product claims

and product labeling or developing and marketing OTC versions of brand products that are about to face generic competition). These actions may increase the costs and risks of our efforts to introduce generics products and may delay or prevent such introduction altogether.

Our products may cause undesirable side effects or have other properties that delay or prevent their regulatory approval or limit their commercial potential.

Although we disclose all known material side effects of our Generics and Branded products in leaflets included in each product packaging, undesirable side effects caused by any of our product candidates could cause us or regulatory authorities to interrupt, delay or halt development, could result in the denial of regulatory approval of our product, lead to potential products liability claims and could damage our brand reputation.

Any of these events could prevent us from achieving or maintaining the commercial success of our product candidates, could substantially increase commercialization costs and, in general, could have a material adverse effect on our business, financial condition and results of operations.

Counterfeit versions of our products could harm our patients and reputation.

Our industry continues to be challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit products in a growing number of markets and over the Internet. Counterfeit products are frequently unsafe or ineffective, and can potentially be life-threatening. To distributors and patients, counterfeit products may be visually indistinguishable from the authentic version. Reports of adverse reactions to counterfeit drugs or increased levels of counterfeiting could materially affect patient confidence in the authentic product, and harm the business of companies, including ours, or lead to litigation. In addition, it is possible that adverse events caused by unsafe counterfeit products could mistakenly be attributed to the authentic product. While we are not aware of any material cases in the past, if one of our products was the subject of counterfeits in the future, we could incur substantial reputational and financial harm.

We commercialize some of our products under license from third party pharmaceutical companies.

As at December 31, 2016, we commercialized certain of our products under license from a variety of pharmaceutical companies. Our license agreements for in-licensed products typically provide that the licensor shall manufacture such products for an initial term of several years and impose payment and other material obligations on us. Although we believe that we currently comply with all of our material obligations under these licenses, should we breach any such obligations, our counterparties may be entitled to terminate the licenses. This may restrict, delay or eliminate our ability to continue commercializing these in-licensed products, which could adversely affect our business.

Our failure to in-license new products or compounds for development and distribution, replace existing products as needed or to retain our currently in-licensed products on a commercially reasonable basis, or at all, could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to recruit and retain key personnel, including qualified scientific, technical and sales employees.

We are highly dependent on our senior management and key employees, including our scientific, technical and sales personnel. The loss of any senior manager or key employee may significantly delay or prevent the achievement of our product development or business objectives.

Due to the specialized scientific nature of our business, we are highly dependent upon our ability to continue to attract and retain qualified scientific, technical and sales personnel. Loss of the services of, or failure to recruit, key management, scientific, technical or sales personnel could be materially detrimental to our business and financial condition. We face competition for scientific and technical personnel from other companies, academic institutions, government entities and other organization. Such competition is also enhanced by the reduction of specialized personnel in certain key functional areas, such as in the case of engineers in Germany. In addition, increasing demand for higher wages may make it difficult for us to retain the necessary personnel.

For example, on September 1, 2017, the Sponsors announced their intention to appoint Dr. Claudio Albrecht as new chief executive officer and Mr. Mark Keatley as new chief financial officer of STADA. However, STADA has not yet formally appointed these managers and there can be no assurance that unforeseen circumstances will not prevent or delay their appointment. In addition, Dr. Albrecht is expected to assume a non-executive role in due course, once a new CEO has been recruited on a more long-term basis.

The loss of any key personnel or the inability to attract, recruit and retain highly skilled employees required for our activities could have a material adverse effect on our business, financial condition and results of operations.

A breakdown in our information technology systems could result in a significant disruption of our business.

Our operations, including research, development, manufacturing, accounting, storage and delivery, are highly dependent on our information technology systems. We make continuous investments to appropriately adapt these complex and high-performing systems to changing business processes. Such systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking, physical damage to vital data centers and computer virus infection. In addition, the information technology system needs regular upgrading to accommodate expansion of our business and maintain the efficiency of our operations. If we face a breakdown in our system, we could experience significant business and operational delays across our businesses. In particular, any breakdown in our information technology systems could result in disruptions of our research, development, manufacturing, accounting and billing processes. To the extent that any disruption or security breach were to result in a loss of or damage to our data, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the development of our product candidates could be delayed. Any of this could have a material adverse effect on our business, financial condition and results of operations.

We handle personal data including, to a minor extent, sensitive patient data in the ordinary course of our business, and any failure to maintain the confidentiality of that data could result in legal liability for us and reputational harm to our business.

We process sensitive personal consumer data (including, in certain instances, consumer names, addresses, and to a minor extent, patient health data) as part of our business, and therefore we must comply with strict data protection and privacy laws in all the jurisdictions in which we operate.

These laws and rules impose certain standards of protection and safeguarding on our ability to collect and use personal information relating to customers and potential customers, and could make us liable in the event of a loss of control of such data or as a result of unauthorized third-party access. Unauthorized data disclosure could occur through cyber security breaches as a result of human error, external hacking, malware infection, malicious or accidental user activity, internal security breaches, and physical security breaches due to unauthorized personnel gaining physical access.

We and our customers and suppliers who carry out our outsourcing, have been in the past and could be in the future subject to breaches of security by hackers. A future breach of our system or that of one of our customers or outsourcing partners may subject us to material losses or liability, including fines, claims for unauthorized use of personal and sensitive data or other claims. A misuse of such data or a cybersecurity breach could harm our reputation, increase our operating expenses in order to correct the breaches or failures, expose us to uninsured liability, increase our risk of regulatory scrutiny, subject us to lawsuits, result in the imposition of material penalties and fines under any applicable international laws or regulations, and adversely affect our business and results of operations.

We have policies and procedures in place to seek to prevent such breaches and carry out detailed root cause analysis on any breach that does occur in order to ensure that similar occurrences do not arise. However, if a single material breach or series of less material breaches was to occur, we could face liability under data protection laws, could lose the goodwill of our clients and could have our reputation damaged, all of which could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to default or counterparty risks in connection with our operating business or as a result of contracting parties' failure to meet their contractual obligations.

We are exposed to default and counterparty risks in connection with deliveries of our products and services to customers or as a result of financing or hedging activities if contracting parties fail to meet their obligations. In addition, there is the risk that, in a difficult economic and financial environment, national healthcare systems may delay or fail to make payments to us or our business partners, thus generating or increasing default or counterparty risks. While we strive to maintain business relations with business partners of good financial standing and we adopt suitable measures to safeguard us against default risk, including guarantees, letters of credit, credit insurance or the transfer of assets, it cannot be ruled out that these measures are insufficient. In addition, in certain developing markets, we rely on third party distributors and other agents for marketing and distribution of products, who may have inadequate internal compliance resources.

Any of these risks could have a material adverse effect on our financial condition and results of operations.

The recent development of vaping products means the long-term health effects of vaping products use is not yet understood by medical professionals.

Our Branded Products portfolio features non-generic pharmaceutical products, including vaping products, such as electronic cigarettes and vaporizers. These battery-powered products enable users to inhale nicotine vapor without smoke, tar, ash, or carbon monoxide and are marketed as alternatives to traditional tobacco cigarettes and cigars. Although vaping products do not currently account for a material portion of our sales, with respect to such products, we are exposed to long-term health related risks. Because vaping products were recently developed, the medical profession has not had a sufficient period of time to study the long-term health effects of vaping products use. As a result, it is unclear how safe vaping products are for their intended use, or whether they may pose risks different from those posed by traditional cigarettes and cigars. If the medical profession were to determine conclusively that vaping products usage poses long-term health risks, vaping products usage could decline and we could be exposed to the risk of litigation, which could have a material adverse effect on our financial condition and results of operations.

Fluctuations in exchange rates may adversely affect our business and results of operations.

We market our products in approximately 125 countries, have a direct presence in Europe, the MENA region, Asia, South America and Australia, and operate 19 manufacturing facilities in ten countries. Accordingly, a significant portion of our sales, expenses, assets and liabilities are in currencies other than the euro, our reporting currency, and as such our results are subject to foreign exchange translation and transaction risks. Our primary foreign exchange rate risks relate to the Russian ruble, the Serbian dinar, the British pound sterling and, to a lesser degree, the Ukrainian hryvnia, Kazakhstani tenge, Vietnamese dong and the Swiss franc.

Transactional risk arises when we and our subsidiaries execute transactions in a currency other than our functional currency. To the extent that we incur expenses in one currency but generate sales in another, any change in the values of those non-euro currencies relative to euro could cause our profits to decrease or our products to be less competitive than those of our competitors. To the extent that cash and receivables that are denominated in currencies other than the euro are greater or less than our liabilities denominated in such non-euro currencies, we will be exposed to the risk of fluctuations and movements in the foreign exchange markets. Where we are unable to match sales and receivables denominated in foreign currencies with expenses and liabilities denominated in the same currency, our results of operations are affected by currency exchange rate fluctuations.

Additionally, currency risk arises in connection with the translation of the financial condition and results of operations of our international subsidiaries with non-euro reporting currencies. For example, a currency sensitivity analysis (translation risk) on the basis of our foreign currency items as of December 31, 2016, showed that in the financial year 2016, an appreciation or devaluation of the functional currency compared with the Russian ruble by 10% changed our EBITDA by approximately €1.8 million. At the same time, an appreciation or devaluation of the functional currency in relation to the British pound sterling of 10% would have led to a change in our EBITDA of approximately €0.6 million. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

We generally employ different financial derivatives to counter the risks associated with assets, liabilities and anticipated future cash flows denominated in foreign currency. However, to the extent that such financial instruments are not sufficient or not effective or due to a default risk of the relevant counterparty, fluctuations of local currencies could affect our financial condition and results of operations.

We may be exposed to transfer price risks in connection with our operating activities.

We take advantage of our international network and centralize our strategic functions. In particular, we transfer and provide goods and services among the companies of the Group by adopting a corporate tax-transfer frame model for the billing of intercompany services. There is a risk that tax authorities in individual countries assess the relevant transfer prices differently from our tax-transfer pricing model and address retroactive tax claims against one of our companies. While our tax-transfer pricing model has been agreed between the competent authorities in certain countries, in others such model is still under discussion with the authorities. There can be no assurances that our transfer prices will be accepted by all the relevant authorities. If they fail to be accepted, this could have a material adverse effect on our financial condition and results of operations.

Impairment of goodwill and other intangible assets may adversely affect our results of operations.

Subject to certain conditions, we capitalize development expenses incurred in connection with the approval process necessary to obtain marketing authorizations for our products and recognize

such expenses as intangible assets. In addition, as a consequence of our acquisition strategy, we regularly recognize significant amounts of goodwill on our balance sheet. As of June 30, 2017, we had intangible assets of €1,557.9 million of which €405.6 million related to goodwill.

All of our intangible assets are initially measured at cost. Intangible assets other than goodwill, or with a finite useful life, are amortized on a straight-line basis over their useful life. At the end of each financial year, and every interim accounting period, where there is any indication that an intangible asset may be impaired, its recoverable amount is calculated pursuant to impairment tests. We recognize the difference between the carrying amount and the recoverable amount as impairment loss in the income statement. The amount of impairment losses that we are required to recognize in the future may be significant, particularly in the event of material acquisitions or products that perform below our expectations. See "*—Our business could be adversely affected if we incur significant integration costs with respect to any of our bolt-on acquisitions or if we fail to successfully integrate such acquisitions"* and *"Our ability to market our products successfully depends, in part, upon the acceptance of the products not only by end-users, but also by independent third parties, including public health insurers, doctors and pharmacists depending on the jurisdiction in which we operate."*

The future development of the macroeconomic environment, unsuccessful acquisitions or other factors could lead to possibly significant impairments to be recognized in the future, with potentially a material adverse effect upon our business, financial condition and results of operations.

Our business is subject to other operating risks, including natural disasters, sabotage, terrorism and other criminal activities which may adversely affect our financial condition.

Our operations are subject to risks normally incidental to manufacturing operations which may result in work stoppages and/or damage to property. These risks include unexpected disruptions in infrastructure, strikes, accidents, natural disasters, sabotage, criminal activities and terrorism. While we protect ourselves against such risks to the extent possible and financially reasonable through appropriate insurance policies, it could not be excluded that this protection will not be sufficient and that any of these events could have a material adverse impact on our financial condition and results of operations.

We may be exposed to the risk of deconsolidation if we do not comply with the requirements set forth in IFRS 10, particularly with respect to our Vietnamese Joint Venture.

We believe that we currently comply with the consolidation requirements of IFRS 10 "Consolidated Financial Statements" in relation to control and consolidation of subsidiaries. If we failed to comply with the consolidation requirements set forth by this standard, which could be due to capital constraints, political or military conflicts, the absence of factual control over management or other barriers to our control over subsidiaries, we would have to deconsolidate such subsidiaries. For example, one of our subsidiaries, namely STADA Pharmaceutical (Asia) Ltd., has established the Vietnamese Joint Venture with M.S.T. Commercial and Pharmaceutical Company Limited in Vietnam. Recent events may have called our control over the Vietnamese Joint Venture into question. Due to an ongoing dispute with our joint venture partner, which resulted in a pending lawsuit, and our current inability to obtain financial information on our Vietnamese Joint Venture the deconsolidation of such joint venture in the near term has become increasingly probable. See "*Presentation of Financial Information—STADA Vietnam J.V. Co. Ltd.*" The effects of any deconsolidation will depend on the significance of the affected companies and could have a material adverse effect on our business, financial condition and results of operations.

We are subject to complex tax laws, and changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.

Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. We often rely on generally available interpretations of applicable tax laws and regulations. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our services to track and collect such taxes, which could increase our costs of operations and have a negative effect on our business, financial condition, operating results and cash flows.

Pending and future tax audits within the STADA Group and changes in fiscal regulations could lead to additional tax liabilities.

The STADA Group's business activity is assessed for tax purposes based on currently applicable tax legislation taking into account current case law and administrative interpretations. However, there may be uncertainties regarding the tax treatment of specific transactions and we may contest taxes assessed against us. As a result, there can be no assurances that the STADA Group's current and future position on taxation matters will be accepted by the relevant tax authorities. Such uncertainties in the applicable tax legislation or case law, as well as any changes in interpretation by the tax authorities, could have a material adverse effect on the STADA Group's net assets, financial condition and results of operations.

The STADA Group is regularly subject to tax audits. While the STADA Group believes that it has paid all material tax liabilities and filed all material tax returns as of the date of this Information Release, and made provisions that it believes to be adequate, with respect to material tax risks resulting from current or past tax audits, there can be no assurances that no tax deficiency will be asserted against the STADA Group or that the taxes assessed by the competent authorities pursuant to such tax audits will not exceed such provisions. All of the tax assessments issued for periods which were not yet finally audited may be subject to review. Additionally, mergers and restructuring measures as well as the implementation of fiscal unities (*steuerliche Organschaften*) may result in additional tax liabilities.

We could be adversely affected by changes to the composition of the Eurozone.

If one or more countries in the Eurozone default on their debt obligations and/or cease using the euro, there may be significant, extended and generalized dislocation in the financial markets and in the wider European economy, which may negatively affect our business, results of operations and financial condition. The departure of one or more countries from the Eurozone may lead to the imposition of exchange rate control laws. The departure or risk of departure from the euro by one or more eurozone countries could increase our exposure to changes in exchange rates and have negative effects on our existing relationships with our suppliers or customers, resulting in a negative impact on our business, financial condition and results of operations. In addition, the possible dissolution of the euro entirely, or the threat of such dissolution, could lead to increased market volatility, which in turn could have an adverse effect on our business. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations and for parties subject to other contractual provisions referencing the euro would be determined by laws in effect at such time. These potential developments could adversely affect our operations.

Market perceptions concerning the instability of the euro and the potential re-introduction of individual currencies within the Eurozone could also have adverse consequences for us. Financial markets and the supply of credit may be negatively impacted by recent developments in Greece and

fears surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrading of or defaults on sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the overall stability and sustainability of the euro given the economic and political circumstances in individual member states.

A deterioration in general economic conditions caused by instability in the Eurozone could have a material adverse effect on our business, financial condition, results of operations and prospects.

Property, Plant and Equipment

Manufacturing Facilities

As of December 31, 2016, we had a cost-effective manufacturing footprint that is well-diversified across 19 manufacturing sites.

Location	Number of employees (in full-time equivalents)
Vrsac, Serbia	853
Huddersfield, Great Britain	271
Bad Vilbel, Germany	135
Nizhny Novgorod, Russia	662
Pfaffenhofen, Germany	27
Podgorica, Montenegro	91
Obninsk, Russia	112
Sabac, Serbia	272
Preston, Great Britain	21
Ho-Chi Minh, Vietnam	659
Banja Luka, Bosnia and Herzegovina	90
Stari Banovci, Serbia	45
Tuy-Hoa, Vietnam	430
Bradbury, Great Britain	31
Ho-Chi Minh, Vietnam	237
Beijing, China	60
Dubovac, Serbia	51
Buenos Aires, Argentina	55
Tulln, Austria	10

Our manufacturing sites are regularly audited and certified by supervisory bodies, and even some of our non-European manufacturing facilities adhere to EU manufacturing standards. As a result, we have a strong performance and compliance track record. Moreover, local production provides a natural hedge for currency fluctuations and regulatory restrictions, and at times is an advantage in the marketing of products in certain countries. We continuously seek to improve and manage our costs in order to increase our margins and potential for growth and stable cash flows, and we intend to improve certain aspects of our manufacturing operations to achieve our ongoing cost savings initiatives.

Regulatory and Compliance

We do business in certain countries that are subject to economic sanctions or known to have weak measures against money laundering and terrorist financing, including Russia, Iran, Lebanon, Yemen, Sudan and Libya. For the year ended December 31, 2016, our sales in these countries, excluding Russia, accounted for less than €10.0 million. Our sales in Russia for the year ended December 31, 2016, were €92.5 million. We have specific procedures in place to ensure that our exports into these countries comply with the relevant international, regional and national regulations. For example, prior to entering into a contract with a customer, we conduct due diligence on our customers and obtain documentation from them that verifies their identity as well as the identity of their end customers and beneficial owners. In addition, we tailor our contracts to the specific contractual partners and export countries, providing for specific payment terms and requiring specific guarantees.

Legal Proceedings

From time to time we become involved in various claims and lawsuits arising in the ordinary course of our business, such as employee claims, disputes with our suppliers, authorities or business partners and intellectual property disputes. In particular, our partner in our Vietnamese Joint Venture recently brought an arbitration claim against us before a tribunal in Singapore, alleging that we violated a non-compete clause in the underlying joint venture agreement. We are currently evaluating the merit of this claim and offer no assurances in respect of the outcome of the dispute. Otherwise, we are currently not involved in any legal proceedings which, either individually or in the aggregate, are expected to have a material adverse effect on our financial position or results of operations. We note, however, that the outcome of legal proceedings can be extremely difficult to predict, and we offer no assurances in this regard.

Description of the Existing Debt

Notes

As of the date of this Information Release, we have outstanding indebtedness under two series of notes. The terms and conditions of each series include a change of control provision, which we expect will entitle each holder of the relevant series of notes to require STADA to redeem each note held by such holder at par following the First Settlement Date. In addition, STADA may redeem each series of notes in the event of certain adverse changes in taxation. Each series of notes also provides for a customary negative pledge clause which limits the ability of STADA and its material subsidiaries to incur liens on their respective assets to secure certain other indebtedness, without simultaneously securing the relevant series of notes on an equal and ratable basis. The terms and conditions governing each series provide for customary events of default. The most significant other terms of each series of notes are set forth below.

2018 Notes

On May 29, 2013, STADA Arzneimittel AG issued €350 million in aggregate principal amount of senior unsecured notes (the "2018 Notes"). The 2018 Notes mature on June 5, 2018, and bear interest at a fixed rate of 2.25% per annum. The 2018 Notes are senior unsecured obligations of STADA, ranking *pari passu* among themselves and *pari passu* with all other senior unsecured obligations of STADA. The net proceeds of the 2018 Notes were used for general financing purposes.

2022 Notes

On May 31, 2015, STADA Arzneimittel AG issued €300 million in aggregate principal amount of senior unsecured notes (the "2022 Notes"). The 2022 Notes mature on April 8, 2022, and bear interest at a fixed rate of 1.75% per annum. The 2022 Notes are senior unsecured obligations of STADA, ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of STADA. The net proceeds of the 2022 Notes were used for general corporate purposes and, in particular, to refinance senior unsecured notes in an aggregate principal amount of €350 million, which matured on April 21, 2015.

Loan Agreements

As of the date of this Information Release, we have outstanding indebtedness under two loan agreements with reputable banks, the details of which are set forth below. Each of these agreements provides for a change of control provision, which we expect will entitle the lender to terminate the loan and demand repayment at par following the First Settlement Date. In addition, each such agreement contains a customary negative pledge clause which limits the ability of STADA and its material subsidiaries to incur liens on their respective assets to secure certain other indebtedness, without simultaneously securing the relevant loan on an equal and ratable basis.

STADA Arzneimittel AG entered into the first loan agreement in October 2013. The agreement provides for a senior unsecured term loan in a principal amount of €40 million. The net proceeds were used to finance STADA's internationalization. Interest on the loan accrues at a variable rate equal to Euribor plus a customary margin. At each interest payment date, the loan may be prepaid at the borrower's election at par in full or in minimum increments of €1 million. As of June 30, 2017, an amount of €40 million was outstanding under this loan agreement. Any amounts outstanding under the loan must be repaid in full in October 2017. The loan agreement provides for customary events of default (including changes in STADA's corporate form and its entry into affiliation agreements (*Unternehmensverträge*) such as the DPLTA).

STADA Arzneimittel AG entered into the second loan agreement in December 2014. The agreement provides for a senior unsecured term loan in a principal amount of €25 million for the purpose of financing STADA's ordinary course working capital requirements. Interest on the loan accrues at a customary fixed rate. At each interest payment date, the loan may be prepaid at the borrower's election at par in full or in certain minimum increments. As of June 30, 2017, an amount of €25 million was outstanding under this loan agreement. Any amounts outstanding under the loan must be repaid in full in November 2018. The loan agreement provides for customary events of default.

As of June 30, 2017, STADA Arzneimittel AG had available credit facilities in an aggregate principal amount of €515 million, which have been provided by several German and international banks. Most of these credit facilities are committed and subject to a tenor of one year. A portion of such facilities contains a change of control clause or termination clause that is triggered in the event of a change of control. Due to sufficient alternative sources of cash and cash equivalents being available to STADA, such credit facilities are currently undrawn, except for the utilization of guarantee and letter of credit facilities in an aggregate principal amount equal to €4.8 million. We expect to terminate such credit facilities in light of the availability of the Revolving Credit Facility following the Acquisition.

Promissory Notes Loan Agreements (*Schuldscheindarlehen*)

STADA Arzneimittel AG entered into ten promissory loan notes agreements (*Schuldscheindarlehen*) with various lenders. Each of these ten agreements provides for the issuance of senior unsecured promissory loan notes and contains a change of control provision, which we expect will entitle the lenders to terminate the loan notes following the First Settlement Date and demand repayment at par. In addition, each agreement provides for a customary negative pledge clause which limits the ability of STADA and its material subsidiaries to incur liens on their respective assets to secure certain other indebtedness, without simultaneously securing the loan notes on an equal and ratable basis. We believe that lenders who waive their right to repayment upon a change of control will require us to secure indebtedness outstanding under the relevant loan notes *pari passu* with the New Senior Secured Credit Facilities. If certain customary events of default set forth in each agreement occur, then the entire aggregate principal amount of loan notes under such agreement becomes due and payable. The most significant other terms of each agreement are set forth below.

The first promissory loan notes agreement provides for the issuance of promissory loan notes in an aggregate principal amount of €124 million and was entered into in January 2014. Interest on the loan notes accrues at a customary fixed rate. The loan notes are not voluntarily prepayable at the borrower's option, except in the event of certain adverse changes in taxation. As of June 30, 2017, an amount of €124 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in January 2019.

The second promissory loan notes agreement provides for the issuance of promissory loan notes in an aggregate principal amount of €76 million and was entered into in January 2014. Interest on the loan notes accrues at a variable rate equal to Euribor plus a customary margin. At each interest payment date, the loan notes may be prepaid, in full but not in part, at the borrower's election at par. As of June 30, 2017, an amount of €76 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in January 2019.

The third promissory loan notes agreement provides for the issuance of promissory loan notes in an aggregate principal amount of €50 million and was entered into in November 2014. Interest on the loan notes accrues at a customary fixed rate. The loan notes are not voluntarily prepayable at the borrower's option, except in the event of certain adverse changes in taxation. As of June 30, 2017, an amount of €50 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in November 2019.

The fourth promissory loan notes agreement provides for the issuance of promissory loan notes in an aggregate principal amount of €6 million and was entered into in April 2016. Interest on the loan notes accrues at a variable rate equal to Euribor plus a customary margin. At each interest payment date, the loan notes may be prepaid, in full but not in part, at the borrower's election at par. As of June 30, 2017, an amount of €6 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in April 2023.

The fifth promissory loan notes agreement provides for the issuance of promissory loan notes in an aggregate principal amount of €68 million and was entered into in April 2016. Interest on the loan notes accrues at a variable rate equal to Euribor plus a customary margin. At each interest payment date, the loan notes may be prepaid, in full but not in part, at the borrower's election at par. As of June 30, 2017, an amount of €68 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in April 2021.

The sixth promissory loan notes agreement provides for the issuance of promissory loan notes in an aggregate principal amount of €55.5 million and was entered into in April 2016. Interest on the loan notes accrues at a customary fixed rate. The loan notes are not voluntarily prepayable at the borrower's option, except in the event of certain adverse changes in taxation. As of June 30, 2017, an amount of €55.5 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in April 2023.

The seventh promissory loan notes agreement provides for the issuance of promissory loan notes in an aggregate principal amount of €220.5 million and was entered into in April 2016. Interest on the loan notes accrues at a customary fixed rate. The loan notes are not voluntarily prepayable at the borrower's option, except in the event of certain adverse changes in taxation. As of June 30, 2017, an amount of €220.5 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in April 2021.

The eighth promissory loan notes agreement provides for the issuance of senior unsecured promissory loan notes in an aggregate principal amount equal to €20 million and was entered into in April 2014. Interest on the loan notes accrues at a variable rate equal to Euribor plus a customary margin. At each interest payment date, the loan notes may be prepaid, in full but not in part, at the borrower's election at par. As of June 30, 2017, an amount of €20 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in March 2019.

The ninth promissory loan notes agreement provides for the issuance of senior unsecured promissory loan notes in an aggregate principal amount equal to €25 million and was entered into in September 2015. Interest on the loan notes accrues at a variable rate equal to Euribor plus a customary margin. At each interest payment date, the loan notes may be prepaid, in full but not in part, at the borrower's election at par. As of June 30, 2017, an amount of €25 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in September 2019.

The tenth promissory loan notes agreement provides for the issuance of senior unsecured promissory loan notes in an aggregate principal amount equal to €20 million and was entered into in October 2015. Interest on the loan notes accrues at a customary fixed rate. The loan notes are not voluntarily prepayable at the borrower's option, except in the event of certain adverse changes in taxation. As of June 30, 2017, an amount of €20 million was outstanding under this agreement. Any amounts outstanding under the loan must be repaid in full in October 2020.

Non-Recourse Factoring Arrangements

As of the date of this Information Release, we have three factoring agreements in place. Under these agreements, we can sell and assign certain eligible trade receivables to our counterparty at a customary discount to face value. Such discount also includes a customary reserve amount. Our counterparty bears any default risk in excess of the reserve amount. Interest on any amounts outstanding under our factoring agreements accrues at a customary margin. Set forth below are the other key terms of each of our non-recourse factoring arrangements.

German Factoring Agreement

In September 2009, STADA Arzneimittel AG and certain of our German subsidiaries entered into a factoring agreement. As of the date of this Information Release, STADA Arzneimittel AG and its German subsidiaries ALIUD Pharma GmbH, STADApharm GmbH and STADA GmbH are a party to this factoring agreement. The agreement provides for the sale of trade receivables from our sales of pharmaceutical products in an aggregate amount of up to €91 million. It was entered into for an indefinite term and has been amended from time to time. As of June 30, 2017, an amount of €75.5 million was outstanding under this agreement.

United Kingdom Factoring Agreement

In December 2015, our UK subsidiary Thornton & Ross Limited entered into a factoring agreement. The agreement provides for the sale of credit-insured ordinary course trade receivables in an aggregate amount of up to £30 million. The agreement was renewed in 2016 and is currently scheduled to terminate in December 2017. As of June 30, 2017, an amount of £18.1 million was outstanding under this agreement.

Spanish Factoring Agreement

In July 2014, our Spanish subsidiary Laboratorio STADA SL entered into a factoring agreement with HSBC Trinkaus & Burkhardt AG. The agreement provides for the sale of trade receivables in an aggregate amount of up to €17.5 million. The agreement has been entered for an indefinite term, subject to either party's right to terminate upon three months' prior notice. As of June 30, 2017, an amount of €13.8 million was outstanding under this agreement.

Local Credit Lines

As of the date of this Information Release, our Serbian subsidiary Hemofarm AD Vrsac has five local credit facilities with reputable banks in place:

- The first facility agreement was entered in December 2010. It provides for a revolving unsecured credit facility in a principal amount equal to up to approximately €10 million that is available for drawdown in euro, Serbian dinar and U.S. dollar. Interest on the facility accrues at a variable rate equal to Belibor plus a customary margin. The agreement is currently scheduled to terminate in May 2018.

- The second facility agreement was entered in September 2015. It provides for a working capital facility in a principal amount equal to up to approximately €20 million that is available for drawdown in Serbian dinar. Interest on the facility accrues at a variable rate equal to Belibor plus a customary margin. The agreement is currently scheduled to terminate in January 2018.

- The third facility agreement was entered in February 2017. It provides for revolving unsecured credit facilities, letter of credit facilities and guarantee facilities in an aggregate principal amount equal to up to approximately €5 million. Each facility is available for drawing only in Serbian dinar. Interest on the facility accrues at a variable rate equal to Belibor plus a customary margin. The agreement is currently scheduled to terminate in January 2018.

- The fourth facility agreement was entered in May 2015. It provides for revolving unsecured credit facilities, letter of credit facilities and guarantee facilities in an aggregate principal amount of up to 1,500 million Serbian dinar (which is equal to approximately €12.5 million). Facility is available for drawdown in euro, Serbian Dinar and U.S. dollar. Interest on the facility accrues at a variable rate equal to Belibor plus a customary margin. The agreement is currently scheduled to terminate in May 2018.

- The fifth facility agreement was entered in August 2015. It provides for a revolving unsecured credit facility in a principal amount equal to up to approximately €10 million that is available for drawdown in Serbian dinar. Interest on the facility accrues at a variable rate equal to Belibor plus a customary margin. The agreement is currently scheduled to terminate in May 2018.

In addition, our Argentinian subsidiary Laboratorio Vannier S.A. has credit facilities in a principal amount equal to approximately €2.5 million.

Derivative Agreements

As of the date of this Information Release, we have certain derivate instruments in place (including foreign exchange forward contracts and cross-currency swap agreements) all of which relate to currency hedging of our intercompany and third party business..

Definitions

In this Information Release:

"Acquisition"	means the acquisition of the common shares in STADA by certain acquisition vehicles ultimately controlled by the Sponsors;
"Bain Capital"	means Bain Capital Investors, LP and its affiliates and, where applicable, the funds and limited partnerships managed or advised by them. In the context of its investment in Bain Holdco, references to Bain Capital include its co-investors in such investment;
"Branded Products"	means our Branded Products segment and products sold in such segment, as the context requires;
"Cinven"	means Cinven Capital Management (VI) Limited Partnership, acting through its general partner Cinven Capital Management (VI) General Partner Limited, Cinven Partners LLP, Cinven Limited and Cinven (Luxco 1) S.A. and their respective affiliates and, where applicable, the funds and limited partnerships managed or advised by them. In the context of its investment in Cinven Holdco, references to Cinven include its co-investors in such investment;
"Control Date"	means the earliest to occur of (a) the date on which the domination and profit and loss pooling agreement (including any agreement(s) that replace, supersede, amend or modify the same) which may be entered into between (i) the STADA, as dominated company, and (ii) Nidda Healthcare Holding AG and/or Nidda Healthcare GmbH, as dominating company (the "DPLTA") is registered in the commercial register of the STADA; (b) the date on which the Target is converted into a *Gesellschaft mit beschränkter Haftung* and (c) the date on which the STADA is merged into the Nidda Healthcare Holding AG and/or Nidda Healthcare GmbH pursuant to a merger related squeeze-out or the STADA shares of the minority shareholders are acquired pursuant to a squeeze-out and Nidda Healthcare Holding AG is converted into a *Gesellschaft mit beschränkter Haftung*;
"EU"	means the European Union;
"Existing Debt"	means the amount of the STADA's financial liabilities as per the interim financial statements for the six months ended June 30, 2017, as such amount may increase or decrease from time to time;
"First Settlement Date"	means August 22, 2017;
"Generics"	means our Generics segment and products sold in such segment, as the context requires;

"IFRS"	means International Financial Reporting Standards, as adopted by the EU;
"MENA"	means the Middle East and North Africa;
"OTC"	means over-the-counter;
"Sponsors"	means Bain Capital and Cinven, collectively;
"STADA," "we," "us," "our" and other similar terms	means the STADA Group, except where the context otherwise requires.
"STADA"	means STADA Arzneimittel AG;
"STADA Group"	means STADA together with its subsidiaries;
"Transactions"	means the acquisition of STADA by certain acquisition vehicles ultimately controlled by the Sponsors, together with any ancillary transactions undertaken by the Sponsors or their affiliates;
"United Kingdom" or "UK"	means the United Kingdom and its territories and possessions; and
"United States" or "U.S."	means the United States of America and its territories and possessions.

Contact:

STADA Arzneimittel AG / Investor Relations / Stadastraße 2–18 / 61118 Bad Vilbel – Germany / Phone: +49 (0) 6101 603-113 / E-mail: ir@stada.de

Or visit us in the Internet at www.stada.de