

Extraordinary announcement

Mr Erik Bogsch continues as Chairman of the Board of Directors while Mr Gabor Orban becomes CEO effective 1 November 2017

The Board of Directors wishes to inform the shareholders of Gedeon Richter Plc. that Mr Erik Bogsch has submitted a letter requesting to be relieved from his duty after 25 years of service as Chief Executive Officer effective 1 November 2017.

At its meeting held on 2 October 2017 the Board of Directors has appointed Mr Gabor Orban, Chief Operating Officer, member of the Board of Directors as the new Chief Executive Officer effective 1 November 2017.

According to the decisions taken at this meeting, Mr Bogsch will continue to act as Chairman of the Board of Directors and in addition as of 1 November 2017 will assume the role of Executive Chairman having a focus on the commercial activities as well as international, public and government relations for the Company.

The establishment of an Executive Chairman role was taken in light of the progress the Company has achieved over the past decades in terms of implementing its corporate strategy. According to the Board's assessment the challenge for Company management at present is to counter the headwinds in the highly competitive generic and branded markets by building an innovative product portfolio and thereby sustaining the Company's growth record.

In order to pursue the objectives mentioned above, two distinct but equally important management tasks must be carried out simultaneously. The first is to efficiently operate the supply chain into traditional markets while remaining competitive in the fields of R&D, manufacturing, quality assurance and logistics in the face of price erosion generated by both authorities and competitors, having at the same time to deal with cost pressures from various sources.

The second task, clearly distinguishable from the first, is to continue implementing the specialty pharma strategy by strengthening the recently established international sales network in Western Europe and overseas, while continuously broadening the high added value innovative product portfolio. This requires exploiting the full business potential of existing flagship products, managing ongoing partnership collaborations and screening for new acquisition targets and commercial and/or scientific partnering opportunities.

The implementation of Gedeon Richter's specialty pharma strategy, focused on intellectual added value guarantees the Company's continued success as a Budapest based specialty pharma company with a broad women's health care product portfolio, strong competence in bringing original and biosimilar products to market and supplying traditional markets with top quality and affordable pharmaceutical products.

Gedeon Richter Plc.