



GEDEON RICHTER

Extraordinary announcement

Gedeon Richter Plc. (hereinafter „Company”) hereby notifies its honourable shareholders that on **March 31, 2023** a draft resolution was filed by **Maecenas Universitatis Corvini Foundation** - as a shareholder holding at least 1% of the votes of the Company - (hereinafter „Shareholder”) to the Company’s Board of Directors in connection with agenda item No. 9, in subject of “*Resolution on the determination and allocation of the after-tax profit and the rate of dividends*”, of the Company’s Annual General Meeting published to be held on **April 25, 2023**.

The Company’s Board of Directors publish the proposed Shareholder’s draft resolution based upon regulations in Section 3:259 of the Hungarian Civil Code (hereinafter “Civil Code”) and point 11.5.3. of the Company’s Statutes, according to the followings:

„Proposal

With respect to Section 19.3. of the Statutes the decision on the determination and allocation of the after-tax profit and the rate of dividends belong to the competence of the General Meeting.

The Company’s Board of Directors in the announcement regarding the convocation of the General Meeting proposed the determination and payment of dividends on common shares equal to 390% of the nominal value, which is HUF 390.

Opposed to the Board of Directors’ above proposal, the Maecenas Universitatis Corvini Foundation proposes the payment of HUF 90.000.000.000 (that is ninety-billion Hungarian forints) as dividends.

Draft Resolution

[...]/2023.04.25. sz. AGM resolution

The General Meeting has decided thus that with respect to 2022 business year HUF 90.000.000.000 (that is ninety-billion Hungarian forints) shall be paid as dividend in year 2023.

With respect that the draft resolution initiated by the Shareholder corresponds to the regarding provisions of the Civil Code and to regulation of the Company’s Statutes, **the draft resolution in subject shall be submitted to Gedeon Richter Plc.’s Annual General Meeting to be held on April 25, 2023.**

The Company’s Board of Directors has examined the Shareholder’s motion and formed the below opinion:

Chemical Works of Gedeon Richter Plc.

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**Opinion of the Board of Directors of
Richter Gedeon Vegyészeti Gyár Nyilvánosan Működő Rt. („Company“)
on the proposal of
Maecenas Universitatis Corvini Alapítvány („Foundation“) dated March 31, 2023**

The Board of Directors examined the proposal of the Foundation, as the Foundation is a shareholder of the Company holding more than 1% of the Company's shares, concerning the draft resolution on the declaration of dividends submitted by the Board of Directors to the Company's General Meeting of Shareholders scheduled for 25 April 2023.

The Board of Directors does not support the Foundation's proposal.

The Board of Directors requests and proposes that the shareholders at the General Meeting adopt the Board of Directors' original proposal (*which relates to the declaration and payment of a dividend of HUF 390.00 per share, representing 40% of the profit after tax, totalling HUF 72,686,000,000, and which is 73.33% higher than the dividend paid in the previous year*) **and vote against the Foundation's proposed resolution.**

The Board of Directors proposes, in line with the dividend policy of the Company as demonstrated by the results achieved so far, to declare as dividends and pay to shareholders only that part of the profit after tax which allows a part of the profit to be transferred to retained earnings in an amount which ensures that the liquid funds necessary for the development of the Company will continue to be available. This is particularly true in the current global economic situation.

The Company has an outstanding and globally recognised track record of innovative pharmaceuticals research and development, with particular emphasis on originator research and biosimilar development in the central nervous system, acquisitions and licensing in the field of gynaecology, and a sales network in Western Europe, Latin America and Australia that has made the Company one of the world leaders in Women's Healthcare. It is well known that pharmaceuticals research and development and market network building is an extremely high-investment activity that only pays off over many years, but it is also a prerequisite for the Company's competitiveness. The Company's cautious and prudent dividend policy is evidenced by the steadily growing results over the past 30 years, with the value of the Company's shares increasing steadily, providing investors with security and a reasonable dividend, a practice fully in line with international standards for the pharmaceutical industry. Over the past 30 years, the shareholders of the Company have, without exception, supported the Board of Directors' dividend proposal with unanimity or majority of votes very close to unanimity majority. There is no reason to change this now.

In addition to the acquisition of a Women's Healthcare company or product and research and development activities, the Company will also make the investments required by its growth in the coming years to maintain competitive production, which also makes it essential to have financial backing from its own resources, as opposed to a bank loan, which is much more disadvantageous for the Company.

The Company's liquid funds will be very adversely affected by the extra profit special tax on the 2022 result, which will further reduce its resources. Including the 2023 special tax, the total payout in 2023 will be approximately HUF 56 billion.

The Company's Board of Directors therefore strongly opposes the Foundation's proposal to pay a higher dividend.

The relevant part of the dividend resolution proposed by the Board of Directors for the Annual General Meeting 2023 is as follows:

*“The AGM approved the rate of dividend relating to common shares payable after the result of business year 2022 in **40%** of the consolidated after tax profit attributable to the owners of the parent company after impairment related adjustments, which is **390 HUF/share**, and means a 46.4% effective payment ratio in proportion to the consolidated after-tax profit.*

*The AGM has thus approved the payment of **HUF 72,686 million as a dividend** (which is equal to 390% of the face value of the common shares, that is HUF 390 per share with a nominal value of HUF 100) relating to the common shares.”*

Budapest, April 6, 2023

Board of Directors of Gedeon Richter Plc.