

**RECORDATI FIRST HALF 2022 RESULTS: REVENUE +15.8%, EBITDA<sup>(1)</sup> +11.5%, ADJUSTED NET INCOME<sup>(2)</sup> +7.1%.****2022 TARGETS CONFIRMED, WITH REVENUE EXPECTED AT TOP END OF THE GUIDANCE RANGE**

- Consolidated net revenue € 892.5 million, +15.8% or +8.7% organic<sup>(3)</sup> growth at constant exchange rate
- Newly acquired rare oncology franchise (EUSA Pharma), integrated into the business and fully operational, with revenue in the quarter of €46.1 million, ahead of plan
- EBITDA<sup>(1)</sup> € 334.9 million, up by +11.5%
- Adjusted net income<sup>(2)</sup> € 224.8 million, +7.1%
- Non-recurring costs of € 26.4 million, broadly in line with Plan
- Reported Operating income and Net income impacted by non-cash fair value adjustments related to EUSA Pharma Acquisition, hyperinflation accounting in Turkey and FX volatility
- Free cash flow<sup>(4)</sup> at € 218.7 million, increasing by +6.9%, confirms strong cash generation
- Net financial position<sup>(5)</sup>: net debt at € 1,439.7 million, around 2.2x EBITDA
- Shareholders' equity € 1,493.9 million.
- ESG commitment recognized by leading ESG indices and ratings
- Full year 2022 targets confirmed, with overall revenue expected at top end of guidance range

Milan, July 28<sup>th</sup>, 2022 – The Board of Directors of Recordati S.p.A. approved the interim financial statements at June 30<sup>th</sup> 2022, pursuant to Art. 154-ter of Italian Legislative Decree 58/1998 and subsequent amendments, prepared in accordance with said Decree and the CONSOB Issuers Regulation. The statements were prepared in accordance with International Accounting Standard (IAS) 34 requirements for interim reporting, based on the assessment, measurement and recognition criteria set by the IFRSs. The interim financial statements at June 30<sup>th</sup> 2022 – as well as the Independent Auditors' report on such statements - will be available within the legal deadline at the company's offices and on the company's website ([www.recordati.com](http://www.recordati.com)) and can also be viewed on the authorised storage system 1Info ([www.1Info.it](http://www.1Info.it)).

**Financial highlights**

- **Consolidated net revenue** in the first half was € 892.5 million, up by +15.8% over the same period of the previous year, including the consolidation, starting from April 1<sup>st</sup> 2022, of revenue of the recently acquired EUSA Pharma portfolio of rare and niche oncology products, at € 46.1 million. Net of the newly acquired business and of adverse impact of exchange rates (-€ 3.1 million) and adjusting for accounting of Eligard® revenue prior to switch to direct sales in 2021, organic growth in the period was +8.7%, reflecting strong momentum across both business units. Specialty & Primary Care grew by high single digit, slightly ahead of reference markets, driven by strong rebound of Cough & Cold and OTC products and broad-based growth of the portfolio, while legacy rare diseases portfolio (both endo and metabolic franchise) continued to grow double digit. Sales of recently acquired rare oncology portfolio (EUSA Pharma) grew by around +15% in first half 2022 (pro-forma), ahead of plan, with Q2 benefitting also from phasing of shipments to partners.

RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.

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SHARE CAPITAL € 26,140,644.50 fully paid up  
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Company subject to management and coordination by Rossini Luxembourg S.à.r.l

- Given the material adjustments to reported results arising from the EUSA Pharma acquisition (Purchase Price Allocation per IFRS3), in order to provide information in line with best practice in the sector, two additional disclosures have been introduced: **Adjusted gross profit**<sup>(6)</sup> and **Adjusted operating income**<sup>(7)</sup>, which exclude these effects.
- Reported Gross profit** was € 624.6 million, up by +10.6% over the same period of the previous year and was at 70.0% of revenue. The result includes € 16.9 million non-cash charge arising from the unwind of the fair value step up of acquired inventory of EUSA Pharma. **Adjusted gross profit**<sup>(6)</sup>, excluding the afore mentioned impact, was € 641.5 million, up by +13.6% over the same period of the previous year and was at 71.9% of revenue. The decrease in margin vs prior year also reflected the effect of hyperinflation accounting in Turkey, with criteria for application of IAS 29 triggered in April 2022 (with adjustments covering the full period starting Jan 1<sup>st</sup> 2022), which impacted gross profit and operating income by around € 5 million.
- Operating income** was € 232.3 million, down by -7.2% over the same period of the previous year and was at 26.0% of revenue. In addition to the charges arising from the fair value step up of acquired EUSA Pharma inventory, this reflects € 26.4 million of planned non-recurring costs, related mainly to the acquisition of EUSA Pharma for around € 15 million and to organisational restructuring, and also donations for Ukraine. **Adjusted operating income**<sup>(7)</sup>, excluding non-recurring costs and impact of charge from inventory fair value uplift, was € 275.5 million, up by +9.4%, over the same period of the previous year and was at 30.9% of revenue.
- EBITDA**<sup>(1)</sup> at € 334.9 million, was up by +11.5% compared to the first half of 2021, at 37.5% of revenue, reflecting the strong revenue growth and continued cost discipline, including benefits from optimisation of the go-to market model in SPC. These positive effects were only partially offset by the already mentioned impact of the application of IAS 29 on operating results.
- Net income** at € 151.4 million, was down -26.9% compared to the first half of 2021. The decrease is due to the material non-recurring costs and IFRS3 adjustments mentioned above and the higher incidence of financial charges which include € 4.7 million of net monetary losses from IAS 29 adjustments and € 18.7 million of FX losses (vs € 4.1 million loss in first half 2021). The latter were mainly determined by the significant revaluation of the Russian rouble and the US dollar against the euro, in particular towards the end of the second quarter of 2022 and are expected to in part reverse in second half of the year (based on RUB consensus forecast evolution).
- Adjusted net income**<sup>(2)</sup> was € 224.8 million, up by 7.1% over the same period in 2021, at 25.2% of revenue. Full reconciliation of Adjusted net income<sup>(2)</sup> to Reported net income is included in appendix.
- Free cash flow**<sup>(4)</sup> was € 218.7 million for the period, increasing by +6.9% compared to first half of 2021, confirming the strong cash generation of the Group.
- The **net financial position**<sup>(5)</sup> at June 30<sup>th</sup> 2022 recorded net debt of € 1,439.7 million compared to net debt of € 736.5 million at December 31<sup>st</sup> 2021. The significant increase is due to completion of EUSA Pharma acquisition, which was finalised on March 16<sup>th</sup> 2022. Furthermore, treasury shares were purchased for € 16.6 million, net of sales proceeds from exercise of stock options, and dividends were paid for € 119.5 million. Over the period, a total of € 54.0 million was paid for other intangible assets,

being mainly € 35.0 million paid to Tolmar International Ltd. pursuant to the license agreement for Eligard®.

- **Shareholders' equity** was € 1,493.9 million.

### **Management Comments**

*"In the first half of the year we posted a strong underlying operating performance across both Recordati business units - Specialty & Primary Care and Rare Diseases. The integration of EUSA Pharma is progressing smoothly and well, with revenue contribution in the second quarter ahead of plan", commented Rob Koremans, Chief Executive Officer.*

*"This positive performance is especially thanks to the strong commitment of our people across the company, who are dedicated to delivering on our mission to improve the lives of our patients and their families," Rob Koremans continued. "The strong momentum we are reporting today gives us confidence on outlook for our Group. We confirm our FY2022 targets, with total revenue expected at the top end of the guidance range".*

### **Corporate development news and other key events**

The acquisition of EUSA Pharma (UK) Limited was completed on March 16<sup>th</sup> 2022. This specialist global pharmaceutical company based in the United Kingdom, focuses on niche rare and oncology diseases. The integration of the business is progressing in line with plan and growth of the acquired portfolio is strong. The acquisition of EUSA Pharma represents an additional and significant step forward in achieving our strategy, which aims to increase our presence in the rare diseases segment and implement our mission: improving patients' lives by delivering innovative treatments that address serious unmet medical needs. The transaction integrates Recordati's global presence with new expertise and a highly efficient and focused commercial infrastructure, adding a product portfolio with four drugs with high growth potential in the niche treatment area of rare cancers, and providing a platform for possible future expansion. The consolidation of EUSA Pharma opening balances was included in the Recordati Group financial statements at March 31<sup>st</sup> 2022, with provisional recognition under Goodwill of the entire difference between the amount paid and carrying amount of the assets and liabilities acquired, as permitted by accounting standard IFRS3. The preliminary IFRS3 purchase price allocation resulted in approximately € 530 million of value assigned to acquired Intangibles and approximately € 140 million uplift to the value of acquired inventory, with € 141.5 million of Deferred Tax Liabilities and € 150.9 million Goodwill. As already communicated, income statement results have been consolidated as from the second quarter of 2022, with EUSA Pharma contributing strongly to the financial performance of the Group.

In the scope of the license and supply agreements closed in January 2021 with Tolmar International Ltd to market Eligard® (leuprorelin acetate), in Europe, Turkey, Russia and other countries, following a request from the European Medicines Agency (EMA), a new device was developed to make administration of the product easier. The relevant application for approval was submitted in the first quarter of 2022 and subsequently accepted by the authority. Eligard® is a medicinal product for the treatment of advanced hormone-dependent prostate cancer and for the treatment of high-risk localized and locally advanced hormone-dependent prostate cancer, in combination with radiotherapy. The active ingredient in Eligard®, leuprorelin acetate, presents in powder form, which is solubilized with a solvent and administered as a subcutaneous injection. Based on the agreements signed, a milestone of € 35 million was paid to Tolmar

International Ltd in second quarter on acceptance by regulatory authorities of the application. Eligard® performance was positive in first six months, with Recordati promotion stabilising in-market sales performance and returning product to growth in several markets.

Our focus and efforts in driving our ESG strategy have been further recognized in June 2022, by the FTSE4GOOD Index series inclusion reconfirmation and the increase rating from "Gold" to "Platinum" by EcoVadis.

## **Business outlook**

On February 24<sup>th</sup>, the Company announced the following financial targets for 2022, which include the contribution from the newly acquired EUSA Pharma as from the second quarter of the year: revenue between € 1,720 million and € 1,780 million, EBITDA<sup>(1)</sup> between € 630 million and € 660 million and adjusted net income<sup>(2)</sup> between € 450 million and € 470 million.

Given the strong momentum of the business, in spite of the impact of the conflict in Ukraine and growing inflationary pressures, the Company confirms its targets for the year, expecting overall Revenue at the top end of the guidance range (assumes EURRUB FY average @75), with EBITDA<sup>(1)</sup> and Adjusted Net Income<sup>(2)</sup> expected around the middle of the range, due to higher inflationary pressure in the second half of the year (including Turkey IAS 29 impact) and FX volatility. These targets include a contribution for the full year (Q2-Q4) from EUSA Pharma of close to € 130 million of revenue, with EBITDA margin of 25-30%.

Non-recurring costs, which are not included in EBITDA<sup>(1)</sup> or Adjusted net income<sup>(2)</sup>, are estimated at approximately € 40 million, with slight acceleration of right sizing in SPC.

Non-cash charges, arising from IFRS3 PPA from EUSA Pharma acquisition, are estimated for the full year (Q2-Q4) at around € 20 million for amortization and at around € 50 million from unwind of acquired inventory fair value step up.

Financial expenses are expected at € 53-55 million, assuming € 10-12 million FX losses (assumes year end EURRUB consensus of around @70) and assuming € 10 million of net monetary losses from IAS 29.

*(1) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3).*

*(2) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3), monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.*

*(3) Revenue excluding newly acquired rare oncology franchise (EUSA Pharma) and considering like for like sales treatment for Eligard® in 2022 vs 2021 (pre SOTC transition)*

*(4) Operating cash flow excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options.*

*(5) Cash and cash equivalents, less bank debts and loans, which include the measurement at fair value of hedging derivatives.*

*(6) Gross profit adjusted from impact of non-cash charges arising arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3).*

*(7) Net income before income taxes, financial income and expenses, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3).*

## Conference Call

Today, **July 28<sup>th</sup>**, at **4:00 p.m. CET (3:00 p.m. GMT)**, Recordati management will host a conference call with the financial community to present the results for the first half of 2022. The dial-in numbers for the conference call service are:

Italy + 39 02 802 09 11, toll free 800 231 525  
UK + 44 1 212818004, toll free (44) 0 800 0156371  
USA +1 718 7058796, toll free (1) 1 855 2656958  
France +33 1 70918704  
Germany +49 6917415712

Callers are invited to dial in 10 minutes before the conference call begins. If you require conference operator assistance to connect, please dial \*0.

The slides that will be referenced during the call will be available at [www.recordati.com](http://www.recordati.com) under Investors/Company Presentations.

The audio conference live webcast will also be available at the following [link](#)

***Recordati** (Reuters RECI.MI, Bloomberg REC IM), established in 1926, is an international pharmaceutical group listed on the Italian Stock Exchange (ISIN IT 0003828271), with a total staff of more than 4,300, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in Europe, Russia and other countries of the CIS, Ukraine, Turkey, North Africa, the United States, Canada, Mexico, some South American countries, Japan and Australia. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under licence, from a number of therapeutic areas, including a specialised business dedicated to rare diseases. Recordati is a partner of choice for new product licences for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2021 was €1,580.1 million, operating income was €490.2 million and net income was €386.0 million.*

Further information:

Recordati website: [www.recordati.it](http://www.recordati.it)

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*This document contains forward-looking statements relating to future events and future operating, economic and financial results of the Recordati group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may therefore differ materially from those forecast as a result of a variety of reasons, most of which are beyond the Recordati group's control. The information on the pharmaceutical specialties and other products of the Recordati group contained in this document is intended solely as information on the Recordati group's activities, and therefore, as such, it is not intended as medical scientific indications or recommendations, nor as advertising.*

**RECORDATI GROUP**

Summary of the consolidated results,  
prepared in accordance with International Financial Reporting Standards (IFRS)  
(€ thousands)

<b>INCOME STATEMENT</b>	<b>First half 2022</b>	<b>First half 2021</b>	<b>Change %</b>
<b>NET REVENUE</b>	<b>892,490</b>	<b>770,835</b>	<b>15.8</b>
Cost of sales	(267,880)	(205,940)	30.1
<b>GROSS PROFIT</b>	<b>624,610</b>	<b>564,895</b>	<b>10.6</b>
Selling expenses	(215,966)	(190,099)	13.6
Research and development expenses	(99,333)	(81,129)	22.4
General and administrative expenses	(50,850)	(40,729)	24.8
Other income/(expenses), net	(26,164)	(2,570)	n.a.
<b>OPERATING INCOME</b>	<b>232,297</b>	<b>250,368</b>	<b>(7.2)</b>
Financial income/(expenses), net	(38,147)	(14,868)	n.s.
<b>PRE-TAX INCOME</b>	<b>194,150</b>	<b>235,500</b>	<b>(17.6)</b>
Income taxes	(42,745)	(28,394)	50.5
<b>NET INCOME</b>	<b>151,405</b>	<b>207,106</b>	<b>(26.9)</b>
<b>Adjusted gross profit <sup>(1)</sup></b>	<b>641,462</b>	<b>564,895</b>	<b>13.6</b>
<b>Adjusted operating income <sup>(2)</sup></b>	<b>275,537</b>	<b>251,944</b>	<b>9.4</b>
<b>Adjusted net income <sup>(3)</sup></b>	<b>224,766</b>	<b>209,819</b>	<b>7.1</b>
<b>EBITDA <sup>(4)</sup></b>	<b>334,896</b>	<b>300,450</b>	<b>11.5</b>
Net income attributable to:			
Equity holders of the Parent	151,405	207,084	(26.9)
Non-controlling interests	0	22	n.a.
<b>EARNINGS PER SHARE</b>			
Basic <sup>(5)</sup>	€ 0.736	€ 1.006	(26.8)
Diluted <sup>(6)</sup>	€ 0.724	€ 0.990	(26.9)

<sup>(1)</sup> Gross profit adjusted from impact of non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory according to IFRS 3.

<sup>(2)</sup> Net income before income taxes, financial income and expenses, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory according to IFRS 3.

<sup>(3)</sup> Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.

<sup>(4)</sup> Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory according to IFRS 3.

<sup>(5)</sup> Earnings per share (EPS) are based on average shares outstanding during the respective period, 205,654,663 in 2022 and 205,792,226 in 2021. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 3,470,493 shares in 2022 and 3,332,930 shares in 2021.

<sup>(6)</sup> Diluted earnings per share is calculated by taking into account stock options granted to employees.

<b>COMPOSITION OF NET REVENUE</b>	<b>First half 2022</b>	<b>First half 2021</b>	<b>Change %</b>
<b>Total revenue</b>	<b>892,490</b>	<b>770,835</b>	<b>15.8</b>
Italy	146,308	140,067	4.5
International	746,182	630,768	18.3

Pending completion of independent audits

**RECORDATI GROUP**

(€ thousands)

Reconciliation of Net income to EBITDA<sup>(1)</sup>

	First half 2022	First half 2021
Net income	151,405	207,106
Income taxes	42,745	28,394
Financial income/(expenses), net	38,147	14,868
Non-recurring expenses	26,388	1,576
Non-cash charges from PPA inventory uplift	16,852	-
<b>Adjusted operating income<sup>(2)</sup></b>	<b>275,537</b>	<b>251,944</b>
Depreciation, amortization and write-downs	59,359	48,506
<b>EBITDA<sup>(1)</sup></b>	<b>334,896</b>	<b>300,450</b>

Reconciliation of Net income to Adjusted Net income<sup>(3)</sup>

	First half 2022	First half 2021
Net income	151,405	207,106
Amortization and write-downs of intangible assets (excluding software)	45,661	35,095
Tax effect	(9,076)	(7,311)
Non-recurring operating expenses	26,388	1,576
Tax effect	(7,063)	(429)
Non-cash charges from PPA inventory uplift	16,852	-
Tax effect	(3,202)	-
Monetary net (gain)/losses from hyperinflation (IAS29)	4,693	-
Tax effect	(892)	-
Non-recurring tax income	0	(26,218)
<b>Adjusted net income<sup>(3)</sup></b>	<b>224,766</b>	<b>209,819</b>

<sup>(1)</sup> Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3).

<sup>(2)</sup> Net income before income taxes, financial income and expenses, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3).

<sup>(3)</sup> Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.

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**RECORDATI GROUP**

Summary of the consolidated results,  
prepared in accordance with International Financial Reporting Standards (IFRS)  
(€ thousands)

<b>ASSETS</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
Property, plant and equipment	143,839	131,120
Intangible assets	1,711,717	1,138,786
Goodwill	709,042	553,209
Other equity investments and securities	19,570	34,124
Other non-current assets	51,987	32,937
Deferred tax assets	84,696	75,922
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,720,851</b>	<b>1,966,098</b>
Inventories	409,794	228,732
Trade receivables	386,711	307,778
Other receivables	53,934	44,880
Other current assets	18,030	12,984
Derivative instruments measured at fair value	21,016	11,149
Cash and cash equivalents	373,762	244,578
<b>TOTAL CURRENT ASSETS</b>	<b>1,263,247</b>	<b>850,101</b>
<b>TOTAL ASSETS</b>	<b>3,984,098</b>	<b>2,816,199</b>

Pending completion of independent audits



**RECORDATI GROUP**

Summary of the consolidated results,  
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(€ thousands)

<b>EQUITY AND LIABILITIES</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
Share capital	26,141	26,141
Share premium reserve	83,719	83,719
Treasury shares	(141,160)	(126,981)
Reserve for derivative instruments	115	(974)
Translation reserve	(138,728)	(213,086)
Other reserves	78,443	60,207
Profits carried forward	1,433,952	1,275,962
Net income	151,405	385,966
Interim dividend	0	(109,329)
<b>Shareholders' equity attributable to equity holders of the Parent</b>	<b>1,493,887</b>	<b>1,381,625</b>
Shareholders' equity attributable to non-controlling interests	0	0
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,493,887</b>	<b>1,381,625</b>
Loans - due after one year	1,450,217	760,473
Provisions for employee benefits	21,330	21,010
Deferred tax liabilities	167,462	26,675
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,639,009</b>	<b>808,158</b>
Trade payables	222,533	177,925
Other payables	166,710	145,170
Tax liabilities	38,541	29,543
Other current liabilities	7,078	6,508
Provisions for risks and charges	23,742	21,396
Derivative instruments measured at fair value	14,913	14,156
Loans - due within one year	303,406	223,061
Short-term debts to banks and other lenders	74,279	8,657
<b>TOTAL CURRENT LIABILITIES</b>	<b>851,202</b>	<b>626,416</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,984,098</b>	<b>2,816,199</b>

Pending completion of independent audits

**RECORDATI GROUP**

Summary of consolidated results prepared in accordance with International Financial Reporting Standards (IFRS)  
(thousands of €)

<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>First half 2022</b>	<b>First half 2021</b>
<b>OPERATING ACTIVITIES</b>		
Net income	151,405	207,106
Income taxes	42,745	28,394
Net interest	12,623	8,954
Depreciation of property, plant and equipment	12,895	12,633
Amortization of intangible assets	44,289	35,873
Write-downs	2,175	0
Equity-settled share-based payment transactions	3,822	1,970
Other non-monetary components	35,667	1,632
Change in other assets and other liabilities	(11,050)	(14,027)
<b>Cash flow generated/(used) by operating activities before change in working capital</b>	<b>294,571</b>	<b>282,535</b>
Change in:		
- inventories	(19,032)	(7,408)
- trade receivables	(24,191)	(34,947)
- trade payables	25,371	28,774
<b>Change in working capital</b>	<b>(17,852)</b>	<b>(13,581)</b>
Interest received	478	103
Interest paid	(8,569)	(9,147)
Income taxes paid	(42,515)	(46,563)
<b>Cash flow generated/(used) by operating activities</b>	<b>226,113</b>	<b>213,347</b>
<b>INVESTMENT ACTIVITIES</b>		
Investments in property, plant and equipment	(7,918)	(8,944)
Disposals of property, plant and equipment	514	158
Investments in intangible assets	(54,304)	(57,774)
Disposals of intangible assets	357	0
Acquisition of holdings in subsidiaries*	(653,759)	-
<b>Cash flow generated/(used) by investment activities</b>	<b>(715,110)</b>	<b>(66,560)</b>
<b>FINANCING ACTIVITIES</b>		
Opening of loans	1,281,410	219,106
Repayment of loans	(599,317)	(148,689)
Payment of lease liabilities	(4,852)	(4,735)
Change in short-term debts to banks and other lenders	60,510	16,890
Dividends paid	(119,544)	(108,699)
Purchase of treasury shares	(20,656)	(66,891)
Sale of treasury shares	4,022	26,433
<b>Cash flow generated/(used) by financing activities</b>	<b>601,573</b>	<b>(66,585)</b>
<b>Change in cash and cash equivalents</b>	<b>112,576</b>	<b>80,202</b>
Opening cash and cash equivalents	244,578	188,230
Currency translation effect	16,608	2,958
Effect of merger	-	479
<b>Closing cash and cash equivalents</b>	<b>373,762</b>	<b>271,869</b>

\*Acquisition of EUSA Pharma (UK) Limited (653,759): working capital (182,384), fixed assets (534,756), goodwill (150,850), other assets and liabilities 132,621, loans 81,610.

Pending completion of independent audits

**DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS**

The manager responsible for preparing the company's financial reports, Luigi La Corte, declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the Company's documentation, books and accounting records.