

ERRATA CORRIGE: this Press Release cancels and replaces the previous press release, published on SDIR today at 13:01 as in the description of the business outlook the figure of the new 2022 guidance for the overall Revenues was incorrectly indicated in around € 1,870 million instead of the correct figure of around € 1,860 million, as already indicated also in the presentation made available to the public earlier today.

**RECORDATI: 2022 FIRST NINE MONTHS RESULTS AHEAD OF EXPECTATIONS.
REVENUE +19.1%, EBITDA⁽¹⁾ +15.2% AND ADJUSTED NET INCOME⁽²⁾ +13.5%.
FY 2022 RESULTS GUIDANCE REVISED UPWARDS.**

- Consolidated net revenue € 1,377.5 million, +19.1% or +10.4% organic ⁽³⁾ growth at constant exchange rate
- Recently acquired oncology franchise fully integrated and contributing €91.1 million revenue
- EBITDA ⁽¹⁾ € 516.2 million, +15.2%, margin of 37.5%
- Adjusted net income ⁽²⁾ € 355.9 million, +13.5%
- Non-recurring costs of € 32.2 million, mainly related to EUSA Pharma acquisition and right sizing of Specialty & Primary Care
- Operating income and net income impacted by non-recurring items, non-cash fair value adjustments associated with the acquisition of EUSA Pharma and by higher net financial charges
- Strong Free cash flow ⁽⁴⁾ at € 346.3 million and positive operating performance result in net debt/EBITDA ratio of just below 2, with net debt at € 1,336.9 million
- Shareholders' equity € 1,610.5 million
- Further recognition of ESG commitment, with "Platinum" rating from EcoVadis and upgraded score from Moody's ESG Solutions
- Full year 2022 targets revised upward: overall revenue now around € 1,860 million, with EBITDA⁽¹⁾ of around € 670 million
- Resolution to distribute an interim 2022 dividend of € 0.55 per share

Milan, 8th November 2022 — The Board of Directors of Recordati S.p.A. approved the Group's Interim Report at 30th September 2022, representing additional voluntary financial reporting ⁽⁶⁾. The Report was prepared using the assessment, measurement and recognition criteria prescribed by international accounting standards (IFRS). The Group's Interim Report at 30th September 2022 will be available tomorrow at the company's offices and on the company's website (www.recordati.it) and can also be viewed on the authorised storage system 1Info (www.1Info.it).

Financial highlights

- **Consolidated net revenue** in the first nine months of 2022 was € 1,377.5 million, up 19.1% compared to the same period of the previous year, including € 91.1 million of Q2-Q3 revenue from the rare and niche oncology product portfolio acquired with EUSA Pharma, consolidated since the second quarter. Net of the new acquisition and of the slightly adverse currency exchange rate effect of € 1.7 million (-0.1%), organic ⁽³⁾ growth was 10.4%, driven by strong performance of the portfolio across both business units. In the Specialty & Primary Care segment, the Group recorded continued strong growth in sales of medical specialties for seasonal flu and gastrointestinal diseases, in addition to higher contribution of Eligard®, while in the Rare Diseases segment, in addition to the contribution of the

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BUS. REG. OF MILAN, MONZA, BRIANZA and LODI 00748210150
TAX CODE/VAT NO. 00748210150
MILAN ECONOMIC AND ADMINISTRATIVE INDEX (REA) 401832

Company subject to management and coordination by Rossini Luxembourg S.à.r.l

new oncology portfolio, we continued to achieve strong growth of the endocrinology franchise, with particularly strong Q3 revenue also of the rare metabolic portfolio.

- The application of standard IAS29 “Financial Reporting in Hyperinflationary Economies” in Turkey, for the period from 1st January 2022 has had a slightly dilutive effect on margins, resulting in higher revenue of € 5.4 million, but with a negative impact of € 6.4 million on gross profit and around € 7 million on operating income and EBITDA due to revaluation of inventory and COGS.
- As noted in our Q2 results, given the material adjustments to reported results arising from the EUSA Pharma acquisition (Purchase Price Allocation per IFRS 3), in order to provide information in line with best practice in the sector, two additional disclosures have been introduced: **adjusted gross profit**⁽⁷⁾ and **adjusted operating income**⁽⁸⁾, which exclude these effects.
- **Gross profit** was € 954.7 million, up 13.2% compared to the same period of the previous year, with a ratio to sales of 69.3%. The result includes € 35.6 million non-cash charge arising from the unwind of the fair value step up of acquired inventory of EUSA Pharma; net of this effect, the **adjusted gross profit**⁽⁷⁾ was € 990.4 million, up 17.5%, with margin of 71.9% reflecting the slightly dilutive effect of the gradual shift to the direct sales model for Eligard® in the first half of 2021 and the effect of the application of IAS 29, as pointed out above.
- **Adjusted operating income**⁽⁸⁾ was € 423.7 million, up 13.0% over the same period of the previous year, with a ratio of 30.8%, with strong revenue growth in part offset by return of activities in the field. **Operating income** was € 355.9 million, down 4.6% over the same period of the previous year, with a ratio to revenue of 25.8%. In addition to the charges arising from the fair value adjustment of the acquired EUSA Pharma inventory mentioned above, operating income reflects € 32.2 million of planned non-recurring costs, of which around € 19.2 million mainly related to the acquisition of EUSA Pharma, approximately € 11.1 million for actions to improve the efficiency of the sales force in the Specialty & Primary Care segment, in addition to donations to Ukraine.
- **EBITDA**⁽¹⁾ was € 516.2 million, increasing by 15.2% compared to the first nine months of 2021 and with a ratio to revenue of 37.5%, which reflects the increase in revenue and actions taken to sustain margins, also including the benefits of the actions started in 2021 to increase the effectiveness of the Specialty and Primary Care commercial organisation, mainly in Germany and Turkey, now extended also to Italy. As already mentioned, the strong EBITDA performance absorbs an adverse impact from the application of IAS 29 in Turkey of approximately € 7 million.
- **Net income** at € 241.5 million, was down 18.5% compared with the first nine months of 2021. The strong positive operating performance of the Group is offset by the material non-recurring costs and IFRS 3 adjustments and to the higher incidence of financial charges, including € 18.2 million of FX losses (compared to losses of € 6.8 million in the first nine months of 2021) and € 5.6 million of monetary net losses from the application of IAS 29. These FX losses, mostly unrealised, were determined by the significant revaluation of the Russian rouble and the US dollar against the euro, in particular in the second quarter of 2022. To note, 2021 results also included €26.2 million non-recurring tax benefits.
- **Adjusted net income**⁽²⁾ was € 355.9 million, up 13.5% compared to the same period in 2021, at 25.8% of revenue.

- **Free cash flow** ⁽⁴⁾ in the period was € 346.3 million, down just € 6.6 million compared to the first nine months of 2021, absorbing the non-recurring costs related to the acquisition of EUSA Pharma and the organisational restructuring of the Specialty & Primary Care segment.
- The **net financial position** ⁽⁵⁾ at 30th September 2022 recorded net debt of € 1,336.9 million compared to net debt of € 736.5 million as of 31st December 2021. The significant increase is mainly attributable to the cash-out of € 707.0 million to acquire EUSA Pharma, which was completed on 16th March 2022, and to the acquired net debt of € 28.4 million. During the period € 35.0 million was paid to Tolmar International Ltd. related to the development of a new device to make administration of Eligard® easier, 24.0 million US dollars to Novartis, of which 14 million in the context of the agreements for the transfer of the assets related to Signifor® LAR microparticle production phase and € 5.0 million in the context of the licence agreements with Helsinn for Ledaga®. In addition, treasury shares were purchased for a total of € 30.0 million, net of proceed from sales for exercises of stock options, and dividends of € 120.0 million were paid.
- Thanks to excellent operating results and strong cash generation, the **Group's net debt to EBITDA ratio** as of 30 September was just below 2.
- **Shareholders' equity** was € 1,610.5 million.

Management Comments

"In the first nine months of the year, the Group recorded very positive operating results, with revenue and underlying operating profits growing and trending above expectations, on the back of continued recovery of the pharmaceutical markets and thanks to the excellent performance of our portfolio of products. We have also continued to progress on ESG efforts, recognised with upgraded rating by several agencies," commented Rob Koremans, Chief Executive Officer.

"The strong momentum combined with the achievement of important milestones to support our growth, such as the approval of a new device to administer Eligard®, poises us for further growth and create value for all our stakeholders. We have revised upwards our full year 2022 targets to reflect the strong performance to date," concluded Mr Koremans.

Corporate development news and other key events

The acquisition of EUSA Pharma (UK) Limited was completed on March 16th, 2022. This specialist global pharmaceutical company based in the United Kingdom, focuses on niche rare and oncology diseases. The acquisition of EUSA Pharma is 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 of four drugs with high growth potential for the treatment of niche rare cancers and providing a platform for possible future expansion. The consolidation of the opening balances of EUSA Pharma in the Recordati Group occurred with reference to the date of 31st March 2022, taking into account the fair value adjustments resulting from the Purchase Price Allocation process, with recognition in the item "Goodwill" of the difference between the acquisition cost and the fair value of the assets and liabilities acquired. As permitted by the accounting standard IFRS 3, this valuation process should

be considered still provisional, considering the limited period that has passed since the completion of the acquisition operation. Income statement results have been consolidated as from the second quarter of 2022, contributing strongly to the Group's performance.

Pursuant to the license and supply agreements signed 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 new device variation 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 of 2022 on acceptance of the variation. On 22nd September 2022 the Reference Member State (Germany) approved the variation regarding the new device to administer Eligard®, and on the same date the procedures to achieve the national approval started. The payment to Tolmar International Ltd of a milestone of € 70 million is linked to the conclusion of the national approvals of the new device in certain countries and the fulfilment of other contractual conditions. Worthy of note, Eligard® performance was very positive in the first nine months, with Recordati promotion stabilising in-market sales performance and returning the product to growth in several markets.

On 30th September 2022, following the acquisition of the rights for Signifor® LAR completed in October 2019 and the issue of the required authorization by the competent Swiss regulatory authority, our subsidiary Recordati AG finalised the transfer from Novartis Pharma of the assets related to the Signifor® LAR microparticle production phase conducted in Novartis manufacturing plant in Basel, with payment of the residual milestone due. The transfer of control of the assets and of the associated risks to Recordati AG is effective from 1st October 2022.

Our focus and efforts in driving our ESG strategy have been further recognized, by the FTSE4GOOD Index series inclusion reconfirmation and the increase rating from "Gold" to "Platinum" by EcoVadis. Furthermore, the A rating awarded by MSCI was confirmed and, in September 2022, our total ESG coverage was declared "Robust" according to the analysis by Moody's ESG Solutions.

Business outlook

On 24th February 2022, 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 ⁽¹⁾ between € 630 and € 660 million and adjusted net income ⁽²⁾ between € 450 and € 470 million.

Given the strong momentum of the business, the Company has revised upwards its full year 2022 guidance. The new guidance expects overall Revenue of around € 1,860 million, with EBITDA ⁽¹⁾ of around € 670 million and Adjusted Net Income⁽²⁾ of around € 460 million.

These results include slightly dilutive effect of Turkey IAS 29 application (expected impact of + € 15 million on Revenue and - € 8 million on EBITDA).

Non-recurring costs, which are not included in EBITDA⁽¹⁾ or Adjusted net income⁽²⁾, are still estimated at

approximately € 40 million, with acceleration of right sizing in SPC. Non-monetary adjustments originating from the application of the standard IFRS 3 for the purchase price allocation of EUSA Pharma, are estimated for 2022 (Q2-Q4) as approximately € 20 million for intangible amortization and approximately € 50 million for the revaluation at fair value of the inventories acquired. Financial expenses are now expected at around € 60 million, due to enduring strength of RUB and assuming around € 10 million of net monetary losses from IAS 29.

Additional resolutions

Interim dividend 2022

The Board of Directors passed a resolution to distribute an interim 2022 dividend to shareholders of € 0.55 (gross of tax withholdings) per share outstanding at the ex-dividend date, thus excluding treasury stock held in the Company's portfolio on that date. The 2022 interim dividend will be payable as of 23rd November 2022 (record date 22nd November 2022), with coupon no. 30, to shareholders registered on 21st November 2022.

The Independent Auditor EY S.p.A. has issued the opinion required by Art. 2433 – *bis*, paragraph 5 of the Italian Civil Code, which is available at the company's offices.

The Directors' Report and Recordati S.p.A. financial statements as of 30th June 2022, based on which the latter's Board of Directors resolved the distribution of the interim dividend, are available at the company's office and website (www.recordati.it), and can also be viewed on the authorised storage system 1Info (www.1Info.it).

⁽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⁾ Please note that Italian Legislative Decree 25/2016, which implements Directive 2013/50/EU, no longer stipulates the submission of an interim management report, which was previously required in terms of paragraph 5 of Art. 154-ter of Italian Legislative Decree 58/1998.

⁽⁷⁾ 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.

⁽⁸⁾ 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, **8th November**, at **4:00 p.m. CET (3:00 p.m. GMT)**, Recordati management will be hosting a conference call with the financial community to present the results for the first nine months 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 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.*

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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 activities of the Recordati Group, and, as such, it is not intended as a medical scientific indication or recommendation, or as advertising.

RECORDATI GROUP

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

INCOME STATEMENT	First nine months 2022	First nine months 2021	Change %
NET REVENUE	1,377,542	1,156,189	19.1
Cost of sales	(422,804)	(313,005)	35.1
GROSS PROFIT	954,738	843,184	13.2
Selling expenses	(331,226)	(287,007)	15.4
Research and development expenses	(155,700)	(119,691)	30.1
General and administrative expenses	(80,542)	(60,057)	34.1
Other income/(expenses), net	(31,389)	(3,502)	n.s.
OPERATING INCOME	355,881	372,927	(4.6)
Financial income/(expenses), net	(46,163)	(22,191)	n.s.
PRE-TAX INCOME	309,718	350,736	(11.7)
Income taxes	(68,260)	(54,350)	25.6
NET INCOME	241,458	296,386	(18.5)
Adjusted gross profit ⁽¹⁾	990,380	843,184	17.5
Adjusted operating income ⁽²⁾	423,741	374,990	13.0
Adjusted net income ⁽³⁾	355,870	313,429	13.5
EBITDA⁽⁴⁾	516,154	447,886	15.2
Net income attributable to:			
Equity holders of the Parent	241,458	296,386	(18.5)
Non-controlling interests	0	0	-
EARNINGS PER SHARE			
Basic ⁽⁵⁾	€ 1.174	€ 1.439	(18.4)
Diluted ⁽⁶⁾	€ 1.155	€ 1.417	(18.5)

⁽¹⁾ 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.

⁽²⁾ 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).

⁽³⁾ 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.

⁽⁴⁾ 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).

⁽⁵⁾ Earnings per share (EPS) are based on average shares outstanding during the respective period, 205,637,085 in 2022 and 205,919,516 in 2021. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 3,488,071 shares in 2022 and 3,205,640 shares in 2021.

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

COMPOSITION OF NET REVENUE	First nine months 2022	First nine months 2021	Change %
Total revenue	1,377,542	1,156,189	19.1
Italy	210,054	201,603	4.2
International	1,167,488	954,586	22.3

RECORDATI GROUP

(€ thousands)

Reconciliation of Net income to EBITDA⁽¹⁾

	First nine months 2022	First nine months 2021
Net income	241,458	296,386
Income taxes	68,260	54,350
Financial income/(expenses), net	46,163	22,191
Non-recurring operating expenses	32,218	2,063
Non-cash charges from PPA inventory uplift	35,642	-
Adjusted operating income⁽²⁾	423,741	374,990
Amortization and write-downs	92,413	72,896
EBITDA⁽¹⁾	516,154	447,886

Reconciliation of Net income to Adjusted Net income⁽³⁾

	First nine months 2022	First nine months 2021
Net income	241,458	296,386
Amortization and write-downs of intangible assets (excluding software)	71,502	52,748
Tax effect	(14,238)	(10,996)
Non-recurring operating expenses	32,218	2,063
Tax effect	(8,491)	(554)
Non-cash charges from PPA inventory uplift	35,642	-
Tax effect	(6,772)	-
Monetary net (gain)/losses from hyperinflation (IAS 29)	5,619	-
Tax effect	(1,068)	-
Non-recurring tax income	-	(26,218)
Adjusted net income⁽³⁾	355,870	313,429

⁽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 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).

⁽³⁾ 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.

RECORDATI GROUP

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

ASSETS	30/09/2022	31/12/2021
Property, plant and equipment	147,226	131,120
Intangible assets	1,714,511	1,138,786
Goodwill	707,709	553,209
Other equity investments and securities	26,972	34,124
Other non-current assets	55,526	32,937
Deferred tax assets	83,358	75,922
TOTAL NON-CURRENT ASSETS	2,735,302	1,966,098
Inventories	403,981	228,732
Trade receivables	393,437	307,778
Other receivables	49,625	44,880
Other current assets	17,479	12,984
Derivative instruments measured at fair value	31,421	11,149
Cash and cash equivalents	346,609	244,578
TOTAL CURRENT ASSETS	1,242,552	850,101
TOTAL ASSETS	3,977,854	2,816,199

RECORDATI GROUP

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

SHAREHOLDERS' EQUITY AND LIABILITIES	30/09/2022	31/12/2021
Share capital	26,141	26,141
Share premium reserve	83,719	83,719
Treasury shares	(149,782)	(126,981)
Reserve for derivative instruments	3,193	(974)
Translation reserve	(114,669)	(213,086)
Other reserves	90,398	60,207
Profits carried forward	1,430,014	1,275,962
Net income	241,458	385,966
Interim dividend	0	(109,329)
Shareholders' equity attributable to equity holders of the Parent	1,610,472	1,381,625
Shareholders' equity attributable to non-controlling interests	0	0
TOTAL SHAREHOLDERS' EQUITY	1,610,472	1,381,625
Loans - due after one year	1,404,176	760,473
Provisions for employee benefits	21,390	21,010
Deferred tax liabilities	163,776	26,675
TOTAL NON-CURRENT LIABILITIES	1,589,342	808,158
Trade payables	219,638	177,925
Other payables	166,787	145,170
Tax liabilities	50,344	29,543
Other current liabilities	6,602	6,508
Provisions for risks and charges	16,939	21,396
Derivative instruments measured at fair value	21,578	14,156
Loans - due within one year	290,496	223,061
Short-term debts to banks and other lenders	5,656	8,657
TOTAL CURRENT LIABILITIES	778,040	626,416
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,977,854	2,816,199

RECORDATI GROUP

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

CASH FLOW STATEMENT	First nine months 2022	First nine months 2021
OPERATING ACTIVITIES		
Net income	241,458	296,386
Income taxes	68,260	54,350
Net interest	19,583	13,326
Depreciation of property, plant and equipment	19,675	18,928
Amortization of intangible assets	70,563	53,968
Write-downs	2,175	0
Equity-settled share-based payment transactions	6,036	3,621
Other non-monetary components	49,242	2,211
Change in other assets and other liabilities	(5,759)	(14,632)
Cash flow generated/(used) by operating activities before change in working capital	471,233	428,158
Change in:		
- inventories	(30,379)	7,837
- trade receivables	(30,925)	(29,721)
- trade payables	21,114	34,730
Change in working capital	(40,190)	12,846
Interest received	1,026	214
Interest paid	(14,385)	(11,476)
Income taxes paid	(55,992)	(61,599)
Cash flow generated/(used) by operating activities	361,692	368,143
INVESTMENT ACTIVITIES		
Investments in property, plant and equipment	(15,987)	(15,344)
Disposals of property, plant and equipment	547	158
Investments in intangible assets	(67,697)	(61,400)
Disposals of intangible assets	511	0
Acquisition of holdings in subsidiaries*	(653,759)	(304)
Cash flow generated/(used) by investment activities	(736,385)	(76,890)
FINANCING ACTIVITIES		
Opening of loans	1,357,032	219,065
Repayment of loans	(738,467)	(216,381)
Payment of lease liabilities	(7,355)	(7,203)
Change in short-term debts to banks and other lenders	(8,768)	(762)
Dividends paid	(120,017)	(109,389)
Purchase of treasury shares	(39,138)	(66,891)
Sale of treasury shares	9,149	37,863
Cash flow generated/(used) by financing activities	452,436	(143,698)
Change in cash and cash equivalents	77,743	147,555
Opening cash and cash equivalents	244,578	188,230
Currency translation effect	24,288	5,662
Effect of merger	-	479
Closing cash and cash equivalents	346,609	341,926

*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.

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.