

**Gedeon Richter**

**Report to the Budapest Stock Exchange  
3 months to March 2022**



## Contents

Executive Summary .....	4
Extraordinary events impacting the reporting period .....	5
Notes to Specialty Sales.....	7
Notes to Pharmaceutical Sales.....	13
Background Information on Pharmaceutical Sales .....	15
Background Information on Wholesale and Retail Sales .....	17
Information on Business Segments .....	18
Consolidated Financial Statements .....	19
Consolidated Balance Sheet – Assets .....	19
Consolidated Balance Sheet – Equity and Liabilities .....	20
Consolidated Statement of Changes in Equity .....	21
Consolidated Income Statement – HUF.....	23
Consolidated Income Statement – EUR .....	24
Consolidated Cash-flow Statement.....	25
Notes to Consolidated Financial Statements .....	26
Corporate matters .....	30
Risk management .....	32
Disclosures.....	33

Consolidated figures are prepared in accordance with relevant IFRS regulations and presented in million Hungarian Forint (HUFm). The Report may also contain figures in other currencies but only for indicative purposes.

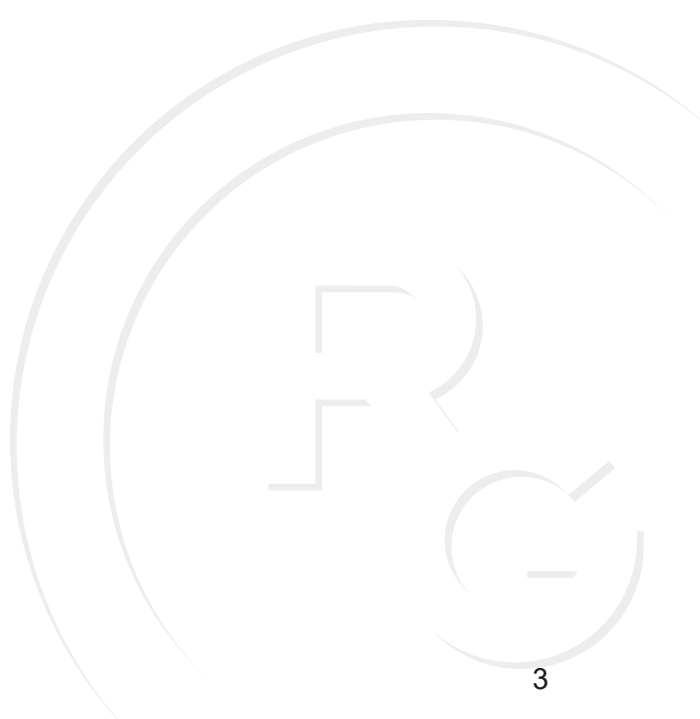
Detailed explanations to selected items presented in the tables are offered in the two ‘Notes’ sections as numbered in the respective tables.

“Anomalies in global supply chains went from bad to worse as Russia attacked Ukraine in February. Shipping delays and pressures on production costs, particularly from chemicals, energy prices and wages, start weighing on our margins. The negative financial effects will only escalate later as the majority of our first quarter 2022 sales were covered by inventories.

In line with our mission to protect human health as well as generally accepted industry practice, we continue to supply Russian patients with our products. The logistical and payments situation remains manageable for now. In March we saw massive stockpiling by Russian households given concerns over future shortages or price hikes. We expect this market to be highly volatile in the rest of the year.

We stay committed to our 2022 goals in growing our newly launched Women’s Health brands and to our R&D agenda. The recently announced agreement with our strategic partner AbbVie opens up the way to new original compounds in neuropsychiatry that leverage the know-how and experience accumulated from the success of cariprazine.”

Gábor Orbán



## Executive Summary

Consolidated sales	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March				3 months to March	
Total	168,057	140,894	27,163	19.3	458.1	389.0

Pharma sales	HUFm				Notes	EURm	
	2022	2021	Change			2022	2021
	3 months to March					3 months to March	
Hungary	11,402	11,016	386	3.5	6)	31.1	30.4
Europe*	45,567	36,886	8,681	23.5	7)	124.2	101.8
CEE	21,044	17,969	3,075	17.1		57.4	49.6
WEU	24,523	18,917	5,606	29.6		66.8	52.2
CIS	29,674	26,400	3,274	12.4	8)	80.9	72.9
Russia	19,477	18,165	1,312	7.2		53.1	50.1
Ukraine	2,223	2,416	-193	-8.0		6.1	6.7
Other CIS	7,974	5,819	2,155	37.0		21.7	16.1
USA	31,612	24,479	7,133	29.1	9)	86.2	67.6
China	4,694	1,624	3,070	189.0	10)	12.8	4.5
Latin America	3,414	3,448	-34	-1.0	11)	9.3	9.5
RoW	8,945	8,216	729	8.9	12)	24.4	22.7
Total	135,308	112,069	23,239	20.7		368.9	309.4

\* excluding Hungary

Specialty sales	HUFm				Notes	EURm	
	2022	2021	Change			2022	2021
	3 months to March					3 months to March	
cariprazine	29,030	21,487	7,543	35.1	1)	79.1	59.3
Vraylar® royalty	27,479	20,801	6,678	32.1		74.9	57.4
Reagila®	1,551	686	865	126.0		4.2	1.9
WHC	45,962	39,050	6,912	17.7	2)	125.3	108.0
Bemfola®	5,772	5,255	517	9.8	3)	15.7	14.5
Evra®	5,291	3,373	1,918	56.9	4)	14.4	9.3
OCs	25,150	24,723	427	1.7		68.6	68.3
teriparatide	3,536	2,375	1,161	48.9	5)	9.6	6.6
Total	78,528	62,912	15,616	24.8		214.0	173.9
Proportion to Pharma sales (%)	58.0	56.1					

Wholesale and retail sales	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March				3 months to March	
Total	34,401	31,210	3,191	10.2	93.8	86.2

Exchange rate gain / loss at consolidated sales level:

HUF +1,578m

**Selected exchange rates – period averages**

	2022 Q1	2021 Q1
EURHUF	366.80	362.18
USDHUF	327.95	301.37
RUBHUF	3.77	4.01
CNYHUF	50.46	46.73

**Selected consolidated business metrics**

	HUFm	
	2022	2021
	3 months to March	
Gross margin %	57.1	55.5
Operating margin %	22.3	17.3
Profit margin attributable to owners of the parent %	22.0	19.1

**Extraordinary events impacting the reporting period****Russian – Ukrainian conflict**

Russia attacked Ukraine in late February, following Moscow's recognition of the Donbass republics of Donetsk and Lugansk.

As a pharmaceutical company we have a special responsibility to provide a safe and continuous supply of medicines to patients and healthcare professionals who rely on our products worldwide. Cutting off supply of potentially life-saving medicines would be incompatible with the pharmaceutical industry's mission to protect human health. In that spirit, similarly to all multinational pharmaceutical companies present in the country, we continue to supply also Russian patients with our products.

With commercial operations disrupted in Ukraine currently it is impossible to provide regular shipments and to ensure timely supply. On 24 February 2022 we closed our representative office in Kiev, nevertheless Richter preserved all of its local employees, exceeding 200 people on the payroll. Similarly, the Company also assisted those who fled the country providing them and their families with housing and employment in Hungary. In addition to the above Richter offered all of its local stocks for humanitarian relief and has sent since then further non-commercial shipments via the Maltese Order and the Hungarian Red Cross. Richter is prepared to resume its business activities as soon as the situation enables commercial activities. During the quarter the first six weeks' worth of realised sales to Ukraine were paid in full by our partners.

Business in Russia suffered slight temporary delays in the early days of the conflict, but shipments have since then broadly returned to their pre-war routine. Shipments are made via road freight transport through Slovakia, Poland, Belarus and Latvia. Market intelligence data suggest that in the first two months retail pharmaceutical sales in Russia increased by more than 33% in RUB terms primarily due to price increases.

In March stockpiling also occurred at final consumer level. Payments have been received in due order during the reported period.

As an additional cautionary measure we serve Russian wholesalers exclusively from our local warehouse. Following previously established practice, invoices are issued in RUB. Approximately half of our local turnover is naturally hedged, covering the RUB incurred costs of the local manufacturing and marketing activities. The remainder part is hedged in HUF using forward contracts with reputed banks with subsidiaries both in Russia and in the EU.

Hungarian Export Credit Insurer (MEHIB) suspended new contracting for Russian, Belorussian and Ukrainian buyers' credit in late February, early March 2022. Risks related to buyers' credit were therefore mitigated via credit insurances preceding that date and alternative methods (e.g. advance payments, financial guarantees) have been implemented since then. Towards the end of the reported period we encountered difficulties in Russia in the process of settlement of customer payments and foreign exchange bank transfers, but these issues have been contained at manageable levels so far. Russian subsidiaries of the Group have at their disposal significant reserves; nevertheless, risks impacting logistics and the supply chain are increasing.

Subsidiaries of the Group located in Russia or Ukraine presented the following combined exposure on the balance sheet items as of 31 March 2022:

Items of exposure at consolidated level (HUFm)	Russia	Ukraine	Total
Property, plant and equipment	17,606	463	<b>18,069</b>
Intangible assets	107	1	<b>108</b>
Trade receivables	25,640	17	<b>25,657</b>
Inventories	20,980	2	<b>20,982</b>
Cash and cash equivalents	3,292	16	<b>3,308</b>
<b>Total exposure</b>	<b>67,625</b>	<b>499</b>	<b>68,124</b>

The Parent company has the largest exposure from among all members of the Group as a consequence of most transactions with Russian and Ukrainian subsidiaries being carried out by it.

Items of exposure at Parent company level (HUFm)	Russia	Ukraine	Total
Loans conceded to subsidiaries	15,976	902	<b>16,878</b>
Trade receivables	30,332	2,171	<b>32,503</b>
- out of which Trade receivables due from subsidiaries	23,552	0	<b>23,552</b>
Inventories	2,952	853	<b>3,805</b>
Cash and cash equivalents	5,393	0	<b>5,393</b>
<b>Total exposure</b>	<b>54,653</b>	<b>3,926</b>	<b>58,579</b>

Group sales in the countries affected	Russia	Ukraine	Total
Sales during first 3 months 2022 (HUFm)	19,477	2,240	<b>21,717</b>
<i>As a percentage of total sales</i>	<i>11.6%</i>	<i>1.3%</i>	<i>12.9%</i>

## COVID-19 pandemic – crisis management

In the third year of the COVID-19 pandemic we continue to provide brief updates of its impact on the health and wellbeing of our employees and on our operations at large.

Having relieved restrictive measures both at the national and at the company level we have arrived at a sustainable level of promotional activities. We experienced a slight increase in the number of medical representatives' visits as the winter holiday season ended. In-person promotion averaged in the first quarter 2022 at around 87% of total marketing contacts in our geographies of direct sales operations. The health and wellbeing of our colleagues remained the focus of Management, with the supply of reputed and affordable medication maintained worldwide throughout the entire reported quarter.

## Notes to Specialty Sales

### 1) Cariprazine – Central Nervous System

**Vraylar<sup>®</sup> royalty income** due to Richter in the three months to March 2022 amounted to HUF 27,479m (USD 83.8m). This amount contributed materially to the sales levels achieved during the reported period.

**Proceeds from Reagila<sup>®</sup>** amounted to HUF 1,551m (EUR 4.2m) during the reported period.

Figures shown in the following table are actual figures except for royalty income recorded in the first quarter 2022 in respect of **Vraylar<sup>®</sup>** and **Reagila<sup>®</sup>**.

	Turnover (Royalties included)				
	2022	2021	2021	2021	2021
	Q1	Q4	Q3	Q2	Q1
USDm / <b>Vraylar<sup>®</sup></b> (royalty+API)	84.4	97.7	91.6	77.2	69.2
EURm / <b>Reagila<sup>®</sup></b> (royalty+product sales)	4.2	4.2	3.3	3.6	1.8

### Recent developments

#### USA

In late October 2021 Richter's partner, AbbVie announced that both phase III clinical trials which were ongoing in the USA to determine efficacy, safety, and tolerability of cariprazine as an adjunctive treatment of Major Depressive Disorder (MDD) had been completed. In one of the studies cariprazine showed a statistically significant change to week six in the Montgomery-Åsberg Depression Rating Scale (MADRS) total score compared with placebo while in the other it failed to reach statistical significance at its primary endpoints.

Based on the positive results of the clinical studies and the totality of data reported, AbbVie submitted during the reported quarter a supplemental New Drug Application (sNDA) with the U.S. Food and Drug Administration for the expanded use of cariprazine for the adjunctive treatment of MDD.

### Canada

On 27 April 2022 Richter's partner, AbbVie announced that Health Canada has approved **Vraylar®** (cariprazine) as monotherapy for the acute management of manic, mixed, and depressive episodes associated with bipolar I disorder in adults, as well as the treatment of schizophrenia in adults.

### Cariprazine market situation

#### WEU

Country	Launch	Reimbursed launch
Germany	Q2 2018	yes
UK	Q3 2018	yes
Finland	Q4 2018	yes
Sweden	Q4 2018	yes
Denmark	Q4 2018	yes
Netherlands	Q4 2018	yes
Italy	Q1 2019	yes
Ireland	Q3 2019	yes
Spain	Q3 2019	yes
Portugal	Q3 2019	yes
Belgium	Q1 2020	no*
Luxembourg	Q3 2020	yes
Austria	Q1 2021	no
Greece	Q3 2021	yes

#### CEE

Country	Launch	Reimbursed launch
Poland	Q1 2018	no*
Estonia	Q1 2018	no*
Slovenia	Q3 2018	yes
Hungary	Q4 2018	yes
Romania	Q4 2018	no
Bulgaria	Q1 2019	yes
Slovakia	Q1 2019	yes
Czech Republic	Q1 2019	yes
Latvia	Q2 2019	no*
Lithuania	Q1 2020	no
Croatia	Q4 2021	no

### Europe – Countries outside the European region

Country	Launch	Reimbursed launch
Switzerland	Q4 2018	yes
Norway	Q2 2019	yes
Montenegro	Q1 2020	yes
Serbia	Q1 2020	no*



**CIS**

Country	Launch	Reimbursed launch
Russia	Q4 2019	yes
Moldavia	Q4 2019	no
Ukraine	Q1 2020	no
Belarus	Q1 2020	no
Georgia	Q1 2020	no
Kazakhstan	Q1 2020	no
Uzbekistan	Q1 2020	no
Azerbaijan	Q3 2020	no

**Other markets**

Country	Launch	Reimbursed launch
Singapore	Q2 2020	no
Thailand	Q2 2020	no
Jordan	Q3 2020	no
Israel	Q4 2020	no**
Saudi Arabia	Q1 2021	no
Egypt	Q2 2021	no
Australia	Q3 2021	yes
United Arab Emirates	Q4 2021	no
Qatar	Q4 2021	no

\* Received reimbursement following the launch.

\*\* Reimbursed in schizophrenia indication, reimbursement for bipolar mania and depression is in progress.

Altogether by the end of first quarter 2022 cariprazine was available in 47 countries globally including the USA and Hungary, with reimbursement in most countries where a reimbursement system is in place.

**2) Women's Healthcare – Core Business****WHC sales by region**

	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March				3 months to March	
				%		
Hungary	1,199	1,332	-133	-10.0	3.3	3.7
Europe*	24,009	19,954	4,055	20.3	65.5	55.1
CEE	6,332	4,887	1,445	29.6	17.3	13.5
WEU	17,677	15,067	2,610	17.3	48.2	41.6
CIS	7,668	7,654	14	0.2	20.9	21.2
Russia	6,098	6,181	-83	-1.3	16.6	17.1
Ukraine	313	533	-220	-41.3	0.9	1.5
Other CIS	1,257	940	317	33.7	3.4	2.6
USA	2,596	2,122	474	22.3	7.1	5.9
China	3,828	951	2,877	302.5	10.4	2.6
Latin America	3,092	2,844	248	8.7	8.4	7.9
RoW	3,570	4,193	-623	-14.9	9.7	11.6
Total	45,962	39,050	6,912	17.7	125.3	108.0

\* excluding Hungary

WHC sales in the first quarter 2022 exceeded levels recorded in the same period of the previous year by HUF 6,912m or 17.7%. Higher sales levels recorded in China, WEU, CEE, USA and Other CIS countries were partly offset by lower turnover recorded in the RoW region, Ukraine, Hungary and Russia. Significantly higher sales reported in China for WHC products are primarily due to very low base period performance resulting from the uneven timing of shipments.

Sales of the WHC product group increased primarily due to the royalty and direct sales income received from **Evra**<sup>®</sup> and higher sales levels of **Bemfola**<sup>®</sup>. Turnover was also positively impacted by recent launches of **Drovelis**<sup>®</sup> and **Ryeqo**<sup>®</sup> across the European region.

### WHC sales by product groups

	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March			%	3 months to March	
Oral contraceptives	25,150	24,723	427	1.7	68.6	68.3
Drovelis <sup>®</sup>	909	-	909	n.a.	2.5	-
Non-oral contraceptives	6,177	3,952	2,225	56.3	16.8	10.9
Evra <sup>®</sup>	5,291	3,373	1,918	56.9	14.4	9.3
Infertility	6,801	6,008	793	13.2	18.5	16.6
Bemfola <sup>®</sup>	5,772	5,255	517	9.8	15.7	14.5
Cyclogest	969	665	304	45.7	2.6	1.8
Other WHC therapies	7,834	4,367	3,467	79.4	21.4	12.2
Ryeqo <sup>®</sup>	233	-	233	n.a.	0.6	-
Lenzetto <sup>®</sup>	1,188	722	466	64.6	3.2	2.0
<b>Total</b>	<b>45,962</b>	<b>39,050</b>	<b>6,912</b>	<b>17.7</b>	<b>125.3</b>	<b>108.0</b>

### Proportion of WHC sales to total pharmaceutical turnover – by region

	%	
	2022	2021
	3 months to March	
Hungary	10.6	12.2
Europe*	52.7	54.1
CEE	30.1	27.2
WEU	72.2	79.7
CIS	25.8	29.1
USA	8.2	8.7
China	81.3	57.8
Latin America	90.3	83.2
RoW	39.8	51.1
<b>Total</b>	<b>34.0</b>	<b>34.9</b>

\* excluding Hungary

## Western Europe Top 5 markets

	MEUR	
	2022	2021
	3 months to March	
Spain	9.6	8.2
Germany	9.4	9.0
Italy	6.9	5.1
France	6.4	4.8
UK	6.2	4.6
<b>Total Top 5 Sales</b>	<b>38.5</b>	<b>31.7</b>
<b>Total WEU Sales</b>	<b>48.2</b>	<b>41.6</b>
<b>Total Top 5 Sales %</b>	<b>79.9</b>	<b>76.2</b>

## 3) Bemfola® – Women's Healthcare

	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March				3 months to March	
				%		
Hungary	156	149	7	4.7	0.4	0.4
Europe*	4,676	4,257	419	9.8	12.7	11.7
CEE	587	583	4	0.7	1.6	1.6
WEU	4,089	3,674	415	11.3	11.1	10.1
CIS	19	20	-1	-5.0	0.1	0.1
Latin America	37	-	37	n.a.	0.1	-
RoW	884	829	55	6.6	2.4	2.3
<b>Total</b>	<b>5,772</b>	<b>5,255</b>	<b>517</b>	<b>9.8</b>	<b>15.7</b>	<b>14.5</b>

\* excluding Hungary

The positive impact of the removal of previous restrictions related to COVID-19 pandemic led to rebounding sales of Bemfola®. Turnover achieved by the product in the three months to March 2022 amounted to HUF 5,772m, exceeding base figures by HUF 517m or 9.8% primarily due to proceeds from WEU region. In EUR terms sales performance of this product reported for the first quarter 2022 increased by EUR 1.2m when compared to the performance of the same period in 2021.

#### 4) Evra® – Women’s Healthcare

	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March				3 months to March	
				%		
Hungary	-	-	-	n.a.	-	-
Europe*	2,690	1,261	1,429	113.3	7.3	3.5
CEE	832	217	615	283.4	2.2	0.6
WEU	1,858	1,044	814	78.0	5.1	2.9
CIS	93	64	29	45.3	0.2	0.2
Latin America	1,313	1,185	128	10.8	3.6	3.2
RoW	1,195	863	332	38.5	3.3	2.4
<b>Total</b>	<b>5,291</b>	<b>3,373</b>	<b>1,918</b>	<b>56.9</b>	<b>14.4</b>	<b>9.3</b>

\* excluding Hungary

The asset purchase agreement concluded in January 2021 with Janssen Pharmaceutica NV and the complementary transitional business licence agreement provided for a post-closing transitional support to facilitate the transfer of the Outside US marketing authorizations. Royalty type revenues linked to sales of Evra® and paid by Janssen during this transitional period are being reported as sales. In the reported period Evra® ranked 4<sup>th</sup> on our Top10 products list.

Royalty income recorded by this product amounted to HUF 2,818m (EUR 7.7m) in the first quarter 2022. Direct sales of Evra® during the first quarter 2022 totalled HUF 2,473m (EUR 6.7m).

#### 5) Teriparatide – biosimilar portfolio

Total sales proceeds from teriparatide amounted to HUF 3,536m (EUR 9.6m) in the three months to March 2022 period. Richter launched its biosimilar, Terrosa® in the EU in August 2019 while its license partner, Mochida Pharmaceuticals introduced the product in Japan in late November of the same year. In addition to the above, the product was launched during 2020 by Daewon Pharmaceutical Co. Ltd. in South Korea and by Avir Pharma Inc. in Canada, while our Israeli partner, Dexcel Pharma received marketing authorization for the product in the same year. The product was launched in March 2021 on the Israeli market. Sales proceeds from Japan contributed HUF 967m representing 27% of total sales achieved by the product.

## Notes to Pharmaceutical Sales

### 6) Hungary

The underlying market increased by 6.9% while retail sales of Richter products increased at a higher rate of 8.4% according to the latest available IQVIA (successor of IMS) data. The Company is now ranked third amongst players in the Hungarian pharmaceutical market with a market share of 4.5%. Taking into account the prescription drugs retail market alone, Richter qualifies for second place with a market share of 7.4%.

### 7) Europe

The **Central and Eastern European** region sales represented 46% of total European sales of the Group's pharmaceutical segment.

Turnover recorded in **Poland** increased by HUF 1,400m, 20.7% in the first quarter 2022 and totalled HUF 8,147m. Higher sales of **Evra**<sup>®</sup> having been launched directly by Richter in January 2022 and the recently launched **Drovelis**<sup>®</sup> have contributed the most to the turnover achieved. **Groprinosin** sales also resumed in the reported period having depleted previously accumulated stocks.

Sales growth of HUF 824m (28.2%) recorded in **Romania** by some well-established branded generic products partly resulted from a low base period performance. In this country total sales was HUF 3,744m during the reported period.

Turnover in the **Western European** region increased substantially by HUF 5,606m (29.6%). Growth recorded in France, Spain, Italy and UK contributed the most to the sales level achieved during the reported period. As far as the product portfolio is concerned increasing proceeds from **Evra**<sup>®</sup>, **Terrosa**<sup>®</sup> and **Bemfola**<sup>®</sup> were complemented by turnover of recently launched **Drovelis**<sup>®</sup>. In addition, proceeds from contract manufacturing activities at Richter-Helm Biologics also contributed to the substantial growth reported in this region. WEU sales represented 54% of total European pharmaceutical turnover.

### 8) CIS

Sales to **Russia** at HUF 19,477m (RUB 5,166.2m) increased by 7.2% in HUF terms (14.0% in RUB terms). The RUB depreciated against the HUF on an average of 6.0% compared to the first quarter 2021. Notwithstanding a volatile market environment presenting unforeseeable risks connected to the ongoing war and the subsequent sanctions imposed on Russia, business operations resumed at levels experienced prior to the pandemic.

Following a sudden devaluation of the RUB against the EUR an overall 23% price increase was implemented to our portfolio of non-essential drugs. As the price adjustment occurred at the end of the reported quarter its impact is negligible (0.5%) as far as the reported figures are concerned.

In-market intelligence (IQVIA, data relative to the first two months) suggests that the market grew by 33.6% in RUB terms mostly as a consequence of price increases. In the last month of the reported period stockpiling also occurred at final consumer levels.

At the same time turnover recorded in RUB terms by Richter products at retail level increased by 16.0%.

Sales of originator products continued to report a significant increase during the reported period while generic manufacturers recorded sales in line with Richter's performance when expressed in RUB terms. Partly attributable to international sanctions imposed on Russia significant stockpiling at final consumer level impacted the reported performance.

Sales levels during the reported period at EUR 53.1m increased by EUR 3.0m when compared to the same period in 2021 as the growth achieved in RUB terms was partly offset by a weaker EURRUB average exchange rate experienced during the reported quarter.

As a result of the uncertain financial environment Richter has stopped direct sales from Hungary to Russia switching instead to sales via Gedeon Richter RUS, the Group's local manufacturing unit and warehouse. To date we have not experienced any financial disruption to the timely payment of outstanding invoices.

Sales reported in **Ukraine** in the first quarter 2022, at EUR 6.1m declined by 9.0%. These figures include sales realised up to mid-February, when Richter was forced by the events to entirely suspend its commercial activities in this country. Sales to **Other CIS** markets reported a turnover of HUF 7,974m, representing a HUF 2,155m increase when compared to the sales performance achieved in the first quarter 2021. Unfavourable currency developments partly offset the achieved overall good turnover reported in this group of countries.

## 9) USA

Sales to the **USA**, our leading market as far as revenue is concerned, increased by HUF 7,133m (29.1%) or USD 15.2m (18.7%). Revenues linked to **Vraylar**<sup>®</sup> amounted to HUF 27,479m (USD 83.8m), a growth of 32.1% (21.4% in USD terms) when compared to first three months to March 2021.

Turnover recorded in respect of finished form **Plan B / Plan B One-Step** remained virtually flat during the reported period while an increase in API sales impacted positively our performance achieved.

## 10) China

Richter's Management considers this market to be of high importance and it focuses on the promotion of the current WHC portfolio while at the same time having a strategic objective to further enhance this product line. Sales growth of HUF 3,070m arose primarily from the higher sales of **Escapelle** and turnover from **Bromocriptin** resulting from uneven timing of shipments.

**11) Latin America**

Sales to this region remained virtually flat during the first quarter 2022. Higher turnover achieved in Ecuador and Columbia were more than offset by lower sales recorded in Brasil. As for product portfolio, royalty proceeds and direct sales of Evra® together with turnover of oral contraceptives contributed the most to the turnover achieved.

**12) Rest of the World**

Higher sales levels of teriparatide and Evra® contributed primarily to the sales growth achieved during the reported period. Geographically, growth was driven by higher turnover recorded in the Republic of Korea, Mongolia and Japan.

## Background Information on Pharmaceutical Sales

### by region in currencies of invoicing

	Currency (million)	2022 3 months to March	2021	Change %
Hungary	HUF	11,402	11,016	3.5
Europe*	EUR	124.2	101.8	22.0
CEE	EUR	57.4	49.6	15.7
WEU	EUR	66.8	52.2	28.0
CIS	EUR	80.9	72.9	11.0
	USD	90.5	87.6	3.3
Russia	RUB	5,166.2	4,529.9	14.0
Ukraine	EUR	6.1	6.7	-9.0
Other CIS	EUR	21.7	16.1	34.8
	USD	24.3	19.3	26.1
USA	USD	96.4	81.2	18.7
China	CNY	93.0	34.8	167.2
Latin America	USD	10.4	11.4	-8.8
RoW	EUR	24.4	22.7	7.5
	USD	27.3	27.3	0.0

\* excluding Hungary

## to Top 10 markets

	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March		%		3 months to March	
USA	31,612	24,479	7,133	29.1	86.2	67.6
Russia	19,477	18,165	1,312	7.2	53.1	50.1
Hungary	11,402	11,016	386	3.5	31.1	30.4
Poland	8,147	6,747	1,400	20.7	22.2	18.6
Germany	5,076	5,201	-125	-2.4	13.8	14.4
Spain	4,887	3,645	1,242	34.1	13.3	10.1
China	4,694	1,624	3,070	189.0	12.8	4.5
France	3,987	2,021	1,966	97.3	10.9	5.6
Romania	3,744	2,920	824	28.2	10.2	8.1
Italy	2,901	2,006	895	44.6	7.9	5.5
<b>Total Top 10</b>	<b>95,927</b>	<b>77,824</b>	<b>18,103</b>	<b>23.3</b>	<b>261.5</b>	<b>214.9</b>
<b>Total Sales</b>	<b>135,308</b>	<b>112,069</b>	<b>23,239</b>	<b>20.7</b>	<b>368.9</b>	<b>309.4</b>
<b>Total Top 10 / Total Sales %</b>					<b>70.9</b>	<b>69.4</b>

## of Top 10 products

	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March		%		3 months to March	
Vraylar® / Reagila® / cariprazine Oral	29,234	21,556	7,678	35.6	79.7	59.5
contraceptives	25,150	24,723	427	1.7	68.6	68.3
Bemfola®	5,772	5,255	517	9.8	15.7	14.5
Evra®	5,291	3,373	1,918	56.9	14.4	9.3
Mydeton	4,422	3,457	965	27.9	12.1	9.5
Cavinton	4,303	3,858	445	11.5	11.7	10.7
Verospiron	4,025	3,863	162	4.2	11.0	10.7
Panangin	3,723	3,562	161	4.5	10.2	9.8
Terrosa® / teriparatide	3,536	2,375	1,161	48.9	9.6	6.6
Groprinosin	3,098	1,774	1,324	74.6	8.4	4.9
<b>Total Top 10</b>	<b>88,554</b>	<b>73,796</b>	<b>14,758</b>	<b>20.0</b>	<b>241.4</b>	<b>203.8</b>
<b>Total Sales</b>	<b>135,308</b>	<b>112,069</b>	<b>23,239</b>	<b>20.7</b>	<b>368.9</b>	<b>309.4</b>
<b>Total Top 10 / Total Sales %</b>					<b>65.4</b>	<b>65.8</b>



## Background Information on Wholesale and Retail Sales

	HUFm				EURm	
	2022	2021	Change		2022	2021
	3 months to March				3 months to March	
				%		
Europe*	31,675	25,628	6,047	23.6	86.3	70.8
CEE	31,675	25,628	6,047	23.6	86.3	70.8
CIS	1,232	4,440	-3,208	-72.3	3.4	12.2
Other CIS	1,232	4,440	-3,208	-72.3	3.4	12.2
Latin America	1,494	1,142	352	30.8	4.1	3.2
Total	34,401	31,210	3,191	10.2	93.8	86.2

\* excluding Hungary

## Information on Business Segments

	Pharmaceuticals		Wholesale and retail		Other		Eliminations		Group total	
	3 months to March 2022	2021	3 months to March 2022	2021	3 months to March 2022	2021	3 months to March 2022	2021	3 months to March 2022	2021
	Not audited	Not audited	Not audited	Not audited	Not audited	Not audited	Not audited	Not audited	Not audited	Not audited
<b>P&amp;L items HUFm</b>										
<b>Revenues</b>	<b>135,308</b>	<b>112,069</b>	<b>34,401</b>	<b>31,210</b>	<b>1,808</b>	<b>1,683</b>	<b>(4,068)</b>	<b>(4,068)</b>	<b>168,057</b>	<b>140,894</b>
Cost of sales	(42,597)	(36,494)	(31,489)	(28,639)	(1,581)	(1,477)	3,603	3,924	(72,064)	(62,686)
Gross profit	92,711	75,575	2,912	2,571	227	206	143	(144)	95,993	78,208
<b>Profit from operations</b>	<b>37,051</b>	<b>24,471</b>	<b>181</b>	<b>43</b>	<b>92</b>	<b>23</b>	<b>159</b>	<b>(153)</b>	<b>37,483</b>	<b>24,384</b>
Net financial income	1,471	1,654	(155)	(251)	4	1	17	-	1,337	1,404
<b>Miscellaneous items</b>										
Capital expenditure HUFm	9,426	85,707	62	207	13	61	-	-	9,501	85,975
Number of employees at the end of the period	10,668	10,958	1,099	1,401	406	411	-	-	12,173	12,770
<b>Business metrics %</b>										
Gross margin	68.5	67.4	8.5	8.2	12.6	12.2	-	-	57.1	55.5
Operating margin	27.4	21.8	0.5	0.1	5.1	1.4	-	-	22.3	17.3

## Consolidated Financial Statements

Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
 Sector: Pharmaceutical  
 Reporting period: January-March 2022

Telephone: +36-1-431-5764  
 Fax: +36-1-261-2158  
 E-mail address: [investor.relations@richter.hu](mailto:investor.relations@richter.hu)  
 Investor relations manager: Katalin Ördög

## Consolidated Balance Sheet – Assets

	31 March 2022 Not audited HUFm	Notes	31 December 2021 Audited HUFm	Change %
<b>ASSETS</b>	<b>1,174,146</b>		<b>1,145,282</b>	<b>2.5</b>
Non-current assets	745,107	13)	732,660	1.7
Property, plant and equipment	277,551		278,394	-0.3
Investment property	110		110	0.0
Goodwill	35,742		35,005	2.1
Other intangible assets	218,664		220,915	-1.0
Investments in associates and joint ventures	10,925		10,800	1.2
Non-current financial assets at amortised cost	6,194		5,335	16.1
Non-current financial assets at FVTPL	98,407		93,758	5.0
Non-current financial assets at FVOCI	82,297		73,274	12.3
Deferred tax assets	12,457		12,285	1.4
Long term receivables	2,760		2,784	-0.9
Current assets	429,039	14)	412,622	4.0
Inventories	139,077		131,349	5.9
Contract assets	5,422		3,865	40.3
Trade receivables	174,458		184,760	-5.6
Other current assets	24,675		30,474	-19.0
Current financial assets at amortised cost	8,077		912	785.6
Current financial assets at fair value	2,218		296	649.3
Current tax asset	1,083		1,110	-2.4
Cash and cash equivalents	74,029		59,856	23.7

Prepared in accordance with IAS 34 Interim Financial Reporting

Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
 Sector: Pharmaceutical  
 Reporting period: January-March 2022

Telephone: +36-1-431-5764  
 Fax: +36-1-261-2158  
 E-mail address: [investor.relations@richter.hu](mailto:investor.relations@richter.hu)  
 Investor relations manager: Katalin Ördög

## Consolidated Balance Sheet – Equity and Liabilities

	31 March 2022 Not audited HUFm	Notes	31 December 2021 Audited HUFm	Change %
<b>EQUITY AND LIABILITIES</b>	<b>1,174,146</b>		<b>1,145,282</b>	<b>2.5</b>
Capital and reserves	953,704	15)	923,022	3.3
Share capital	18,638		18,638	0.0
Treasury shares	(2,941)		(2,862)	2.8
Share premium	15,214		15,214	0.0
Capital reserves	3,475		3,475	0.0
Foreign currency translation reserves	26,313		29,363	-10.4
Revaluation reserves for financial assets at FVOCI	(2,060)		1,346	n.a.
Cash-flow hedge reserve	(1,178)		(23)	n.a.
Retained earnings	887,236		849,735	4.4
Non-controlling interest	9,007		8,136	10.7
Non-current liabilities	100,710		99,047	1.7
Deferred tax liability	4,161		3,798	9.6
Non-current financial liabilities at FVTPL	64,657		63,819	1.3
Lease liability	12,191		12,722	-4.2
Other non-current liabilities and accruals	13,510		12,830	5.3
Provisions	6,191		5,878	5.3
Current liabilities	119,732	16)	123,213	-2.8
Trade payables	69,909		79,638	-12.2
Contract liabilities	2,266		1,593	42.2
Current tax liabilities	1,919		2,722	-29.5
Current financial liabilities at FVTPL	2,781		3,277	-15.1
Lease liability	4,703		4,595	2.4
Other current liabilities and accruals	36,175		28,267	28.0
Provisions	1,979		3,121	-36.6

Prepared in accordance with IAS 34 Interim Financial Reporting

Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
 Sector: Pharmaceutical  
 Reporting period: January-March 2022

Telephone: +36-1-431-5764  
 Fax: +36-1-261-2158  
 E-mail address: [investor\\_relations@richter.hu](mailto:investor_relations@richter.hu)  
 Investor relations manager: Katalin Ördög

## Consolidated Statement of Changes in Equity

HUFm	Share capital	Share premium	Capital reserve	Treasury shares	Revaluation reserves for financial assets at FVOCI	Foreign currency translation reserve	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total
Balance at 31 December 2020	18,638	15,214	3,475	(3,791)	974	21,039	751,408	<b>806,957</b>	6,982	<b>813,939</b>
Profit for the period	-	-	-	-	-	-	26,888	<b>26,888</b>	64	<b>26,952</b>
Exchange differences arising on translation of subsidiaries	-	-	-	-	-	1,955	-	<b>1,955</b>	61	<b>2,016</b>
Exchange differences arising on translation of associates and joint ventures	-	-	-	-	-	208	-	<b>208</b>	-	<b>208</b>
Changes in the fair value of financial assets at FVOCI	-	-	-	-	(403)	-	-	<b>(403)</b>	-	<b>(403)</b>
Total comprehensive income at 31 March 2021	-	-	-	-	(403)	2,163	26,888	<b>28,648</b>	125	<b>28,773</b>
Purchase of treasury shares	-	-	-	(791)	-	-	-	<b>(791)</b>	-	<b>(791)</b>
Transfer of treasury shares	-	-	-	(45)	-	-	45	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	389	<b>389</b>	-	<b>389</b>
<b>Transactions with owners in their capacity as owners for period ended</b>										
<b>31 March 2021</b>	-	-	-	<b>(836)</b>	-	-	<b>434</b>	<b>(402)</b>	-	<b>(402)</b>
<b>Balance at 31 March 2021</b>	<b>18,638</b>	<b>15,214</b>	<b>3,475</b>	<b>(4,627)</b>	<b>571</b>	<b>23,202</b>	<b>778,730</b>	<b>835,203</b>	<b>7,107</b>	<b>842,310</b>

Prepared in accordance with IAS 34 Interim Financial Reporting

Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
 Sector: Pharmaceutical  
 Reporting period: January-March 2022

Telephone: +36-1-431-5764  
 Fax: +36-1-261-2158  
 E-mail address: [investor\\_relations@richter.hu](mailto:investor_relations@richter.hu)  
 Investor relations manager: Katalin Ördög

HUFm	Share capital	Share premium	Capital reserve	Treasury shares	Revaluation reserves for financial assets at FVOCI	Foreign currency translation reserve	Cash-flow hedge reserve	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total
Balance at 31 December 2021	18,638	15,214	3,475	(2,862)	1,346	29,363	(23)	849,735	<b>914,886</b>	8,136	<b>923,022</b>
Profit for the period	-	-	-	-	-	-	-	37,054	<b>37,054</b>	852	<b>37,906</b>
Exchange differences arising on translation of subsidiaries	-	-	-	-	-	(2,591)	-	-	<b>(2,591)</b>	51	<b>(2,540)</b>
Exchange differences arising on translation of associates and joint ventures	-	-	-	-	-	(459)	-	-	<b>(459)</b>	-	<b>(459)</b>
Changes in the fair value of financial assets at FVOCI	-	-	-	-	(3,406)	-	-	-	<b>(3,406)</b>	-	<b>(3,406)</b>
Change in fair value of hedging instruments recognised in OCI	-	-	-	-	-	-	(1,155)	-	<b>(1,155)</b>	-	<b>(1,155)</b>
Total comprehensive income at 31 March 2022	-	-	-	-	(3,406)	(3,050)	(1,155)	37,054	<b>29,443</b>	903	<b>30,346</b>
Purchase of treasury shares	-	-	-	(79)	-	-	-	-	<b>(79)</b>	-	<b>(79)</b>
Recognition of share-based payments	-	-	-	-	-	-	-	447	<b>447</b>	-	<b>447</b>
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(32)	<b>(32)</b>
<b>Transactions with owners in their capacity as owners for period ended 31 March 2022</b>	-	-	-	(79)	-	-	-	447	<b>368</b>	(32)	<b>336</b>
Balance at 31 March 2022	18,638	15,214	3,475	(2,941)	(2,060)	26,313	(1,178)	887,236	<b>944,697</b>	9,007	<b>953,704</b>

Prepared in accordance with IAS 34 Interim Financial Reporting

Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
 Sector: Pharmaceutical  
 Reporting period: January-March 2022

Telephone: +36-1-431-5764  
 Fax: +36-1-261-2158  
 E-mail address: [investor.relations@richter.hu](mailto:investor.relations@richter.hu)  
 Investor relations manager: Katalin Ördög

## Consolidated Income Statement – HUF

For the year ended 31 December 2021	Audited HUFm	For the period ended 31 March			
		2022 Not audited HUFm	Notes	2021 Not audited HUFm	Change %
630,595	Revenues	168,057		140,894	19.3
(281,322)	Cost of sales	(72,064)		(62,686)	15.0
349,273	Gross profit	95,993	17)	78,208	22.7
(114,596)	Sales and marketing expenses	(32,506)	18)	(29,058)	11.9
(28,665)	Administration and general expenses	(7,493)	19)	(7,429)	0.9
(61,005)	Research and development expenses	(16,969)	20)	(15,555)	9.1
(9,493)	Other income and other expenses (net)	(1,568)	21)	(1,965)	-20.2
318	Reversal of impairment on financial and contract assets	26		183	-85.8
135,832	Profit from operations	37,483	22)	24,384	53.7
30,106	Finance income	16,479		5,876	180.4
(22,473)	Finance costs	(15,142)		(4,472)	238.6
7,633	Net financial income	1,337	23)	1,404	-4.8
3,110	Share of profit of associates and joint ventures	1,637		1,084	51.0
146,575	Profit before income tax	40,457		26,872	50.6
(856)	Income and deferred tax	(1,382)	24)	1,240	n.a.
(4,539)	Local business tax and innovation contribution	(1,169)		(1,160)	0.8
141,180	Profit for the period	37,906		26,952	40.6
139,626	Profit attributable to: Owners of the parent	37,054	25)	26,888	37.8
1,554	Non-controlling interest	852		64	n.a.
Statement of comprehensive income					
141,180	Profit for the period	37,906		26,952	40.6
631	Actuarial gain on retirement defined benefit plans	-		-	n.a.
2,154	Changes in the fair value of equity instruments at FVOCI	(1,322)		(215)	514.9
2,785	Items that will not be reclassified to profit or loss (net of tax)	(1,322)		(215)	514.9
8,626	Exchange differences arising on translation of subsidiaries	(2,540)		2,016	n.a.
(53)	Exchange differences arising on translation of associates and joint ventures	(459)		208	n.a.
(23)	Fair value loss on cash-flow hedges	(1,155)		-	n.a.
(1,620)	Changes in fair value of debt instruments at FVOCI	(2,084)		(188)	n.a.
6,930	Items that may be subsequently reclassified to profit or loss (net of tax)	(6,238)		2,036	n.a.
9,715	Other comprehensive income for the period	(7,560)		1,821	n.a.
150,895	Total comprehensive income for the period	30,346		28,773	5.5
149,092	Attributable to: Owners of the parent	29,443		28,648	2.8
1,803	Non-controlling interest	903		125	622.4
<b>HUF Earnings per share (EPS)</b>					
751	Basic	199		145	37.2
751	Diluted	199		145	37.2

Prepared in accordance with IAS 34 Interim Financial Reporting

Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
 Sector: Pharmaceutical  
 Reporting period: January-March 2022

Telephone: +36-1-431-5764  
 Fax: +36-1-261-2158  
 E-mail address: [investor.relations@richter.hu](mailto:investor.relations@richter.hu)  
 Investor relations manager: Katalin Ördög

## Consolidated Income Statement – EUR

For the year ended 31 December 2021	EURm	For the period ended 31 March		
		2022 Not audited EURm	2021 Not audited EURm	Change %
1,758.5	Revenues	458.1	389.0	17.8
(784.5)	Cost of sales	(196.4)	(173.1)	13.5
974.0	Gross profit	261.7	215.9	21.2
(319.6)	Sales and marketing expenses	(88.6)	(80.2)	10.5
(79.9)	Administration and general expenses	(20.4)	(20.5)	-0.5
(170.1)	Research and development expenses	(46.3)	(43.0)	7.7
(26.5)	Other income and other expenses (net)	(4.3)	(5.4)	-20.4
0.9	Reversal of impairment on financial and contract assets	0.1	0.5	-80.0
378.8	Profit from operations	102.2	67.3	51.9
84.0	Finance income	44.9	16.2	177.2
(62.7)	Finance costs	(41.3)	(12.3)	235.8
21.3	Net financial income	3.6	3.9	-7.7
8.7	Share of profit of associates and joint ventures	4.5	3.0	50.0
408.8	Profit before income tax	110.3	74.2	48.7
(2.4)	Income and deferred tax	(3.8)	3.4	n.a.
(12.7)	Local business tax and innovation contribution	(3.2)	(3.2)	0.0
393.7	Profit for the period	103.3	74.4	38.8
	Profit attributable to:			
389.4	Owners of the parent	101.0	74.2	36.1
4.3	Non-controlling interest	2.3	0.2	n.a.
358.59	Average exchange rate (EURHUF)	366.80	362.18	1.3
	Statement of comprehensive income			
393.7	Profit for the period	103.3	74.4	38.8
1.8	Actuarial gain on retirement defined benefit plans	-	-	n.a.
6.0	Changes in the fair value of equity instruments at FVOCI	(3.6)	(0.6)	500.0
7.8	Items that will not be reclassified to profit or loss (net of tax)	(3.6)	(0.6)	500.0
	Exchange differences arising on translation of			
24.1	subsidiaries	(6.9)	5.5	n.a.
	Exchange differences arising on translation of associates			
(0.2)	and joint ventures	(1.3)	0.6	n.a.
(0.1)	Fair value loss on cash-flow hedges	(3.1)	-	n.a.
(4.5)	Changes in fair value of debt instruments at FVOCI	(5.7)	(0.5)	n.a.
	Items that may be subsequently reclassified to profit or loss			
19.3	(net of tax)	(17.0)	5.6	n.a.
27.1	Other comprehensive income for the period	(20.6)	5.0	n.a.
420.8	Total comprehensive income for the period	82.7	79.4	4.2
	Attributable to:			
415.8	Owners of the parent	80.3	79.1	1.5
5.0	Non-controlling interest	2.4	0.3	700.0
	<b>EUR Earnings per share (EPS)</b>	<b>EUR</b>	<b>EUR</b>	<b>%</b>
2.09	Basic	0.54	0.40	35.0
2.09	Diluted	0.54	0.40	35.0

Prepared in accordance with IAS 34 Interim Financial Reporting



Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
 Sector: Pharmaceutical  
 Reporting period: January-March 2022

Telephone: +36-1-431-5764  
 Fax: +36-1-261-2158  
 E-mail address: [investor\\_relations@richter.hu](mailto:investor_relations@richter.hu)  
 Investor relations manager: Katalin Ördög

## Consolidated Cash-flow Statement

For the year ended 31 December 2021		For the period ended 31 March		
		2022 Not audited HUFm	Notes	2021 Not audited HUFm
	<b>Operating activities</b>			
146,575	Profit before income tax	40,457		26,872
44,922	Depreciation and amortisation	11,658		11,198
	Non cash items accounted through Consolidated Income			
(1,425)	Statement	(1,284)		(3,961)
(3,568)	Net interest and dividend income	(820)		(273)
(8)	Changes in provision for defined benefit plans	317		(16)
	Reclass of results on changes of property, plant and			
(939)	equipment and intangible assets	37		137
(1,391)	Gain on disposal of subsidiaries	-		-
2,591	Impairment recognised on intangible assets and goodwill	-		-
	Expense recognised in respect of equity-settled share-			
1,590	based payments	447		389
	<i>Movements in working capital</i>			
(36,470)	Decrease/(Increase) in trade and other receivables	14,936		16,558
(20,983)	Increase in inventories	(7,728)		(8,425)
17,173	(Decrease)/Increase in payables and other liabilities	(3,080)		(7,941)
(27)	Interest paid	(6)		(10)
(8,136)	Income tax paid	(3,005)		(2,955)
139,904	Net cash flow from operating activities	51,929		31,573
	<b>Cash flow from investing activities</b>			
(46,127)	Payments for property, plant and equipment	(7,314)	26)	(4,529)
(97,170)	Payments for intangible assets	(2,187)	27)	(81,446)
1,857	Proceeds from disposal of property, plant and equipment	491		472
693	Government grant received related to investments	-		544
(143,206)	Payments to acquire financial assets	(17,303)		(674)
	Proceeds on sale or redemption on maturity of financial			
30,998	assets	-		5,478
(1,294)	Disbursement of loans net	(7,560)		(1,327)
2,950	Interest received	660		126
9	Dividend receives	-		-
2,118	Net cash inflow from disposal of subsidiaries	-		-
(249,172)	Net cash flow to investing activities	(33,213)		(81,356)
	<b>Cash flow from financing activities</b>			
(819)	Purchase of treasury shares	(79)		(791)
(42,140)	Dividend paid	(32)		-
(2,055)	Principal elements of lease payments	(1,228)		(302)
(244,846)	Repayment of borrowings	(157,826)		-
315,119	Proceeds from borrowings	157,826		-
25,259	Net cash flow (to)/from financing activities	(1,339)		(1,093)
(84,009)	Net increase/(decrease) in cash and cash equivalents	17,377		(50,876)
142,068	Cash and cash equivalents at beginning of year	59,856		142,262
	Effect of foreign exchange rate changes on the balances			
1,603	held in foreign currencies	(3,204)		316
59,662	Cash and cash equivalents at end of period	74,029		91,702

Prepared in accordance with IAS 34 Interim Financial Reporting

## Notes to Consolidated Financial Statements

### 13) Non-current assets

The higher levels of Non-current financial assets at fair value through profit or loss and Non-current financial assets at fair value through other comprehensive income reflects the purchase of sovereign and corporate bonds, together with investment funds and positive fair value of interest rate swaps linked thereto.

### 14) Current assets

Higher Inventories were built up during the first quarter 2022 in order to reduce supply-related risks.

Trade receivables declined during the reported period.

### 15) Capital and reserves

Retained earnings amounted to HUF 887,236m and increased by HUF 37,501m. The increase was due to profits realized during the reported quarter.

### 16) Current liabilities

Level of Trade payables has declined, while Other current liabilities and accruals have increased during the reported period.

### 17) Gross profit and margin

Gross profit was positively impacted by

- a significant year-on-year increase (HUF 6,678m) in royalties receivable linked to sales of [Vraylar®](#) in the USA. This amount also reflects the impact of USDHUF exchange rate changes;
- turnover proceeds from certain traditional and WHC products increased.

Gross profit was not impacted negatively by any meaningful event during the reported quarter.

Gross profit was positively impacted by a higher amount of royalties received and direct sales proceeds from [Evra®](#), (HUF 1,918m) while gross margin remained broadly unchanged.

#### **Amortisation of acquired portfolio**

Amortisation of the marketing and intellectual property rights of the OC portfolio acquired from Grünenthal amounted to HUF 1,045m, a similar amount to the figure incurred in the base period.

Amortization of [Bemfola®](#) amounted to HUF 520m, and we accounted for HUF 945m in respect of [Evra®](#) on the same grounds during the reported quarter.

**Gross margin**

57.1%	55.5%
-------	-------

Gross margin increased during the reported period when compared to that achieved in the first quarter 2021. This increase was also a consequence of the higher turnover being achieved by the core Pharmaceutical segment, exceeded the sales growth reported by the lower margin Wholesale and retail business.

**18) Sales and marketing expenses**

Proportion to sales:

19.3%	20.6%
-------	-------

The proportion of Sales and marketing expenses to sales declined during the reported year. The monetary amount of these slightly increased primarily in our Western European, Latin American and CIS operations while in the base year promotional activities were partly restricted by COVID-19 pandemic related measures in most of the regions where direct marketing activities are carried out by Richter.

**Registration fee for medical representatives**

The annual registration fee payable in respect of medical representatives in Hungary amounted to HUF 139m in the first quarter 2022. In accordance with the regulations, tax payable in 2021 on this ground can be offset by 90% of the tax liability depending on the level of R&D expenditures and wage related expenses of the staff employed in this field. Given the high amounts directed to this activity Richter is practically exempted from the payment of this extraordinary tax from the second quarter of each year.

**19) Administrative and general expenses**

These expenses remained virtually unchanged during the reported period.

**20) Research and development expenses**

Proportion to sales:

10.1%	11.0%
-------	-------

The levels of such expenses have been determined primarily by the ongoing clinical trials carried out in co-operation with AbbVie together with development programs executed in the field of biotechnology and Women's Healthcare. Higher R&D costs resulted also from certain CNS projects successfully moving into their clinical phase.

**21) Other income and other expenses (net)****Claw-back**

Other income and expenses include in the first quarter 2022 liabilities amounting to HUF 1,627m in respect of the claw-back regimes. Such claw-backs increased primarily in Portugal and UK.

**One-off items**

No significant one-off item impacted the balance of other income and expenses during the first quarter 2022.



As the FX composition of Group revenues and expenditures significantly differ, operating profit is exposed to numerous currency fluctuations. The management of foreign exchange risk is based on a strategy approved by the Board of Directors. The financial function regularly evaluates the net groupwide risk exposure and analyses potential hedging opportunities. The Group currently uses only plain vanilla derivative instruments (e.g. forward contracts) for hedging purposes. Hedging transactions are concluded exclusively by the Parent Company and are executed in cases where the risk situation and the potential benefits are considered reasonable. In the fourth quarter of 2021 the Group introduced hedge accounting rules under IFRS9 in respect of the transactions hedging part of the 2022 exposures. While we regularly used derivatives to manage FX risk through the year, the open foreign currency forward contracts by the Group as of 31 December 2021 under cash flow hedge were USD 200m and USD 40m, EUR 7.431m and RUB 5.8bn presented as open “held for trading” foreign currency forwards.

In the first quarter of 2022 the Group has introduced a six-quarter rolling USD hedging as of 31 March of 2022 the open cash flow hedge were USD 244m. In this quarter we did not make new RUB hedges, so the open „held for trading” foreign currency forwards were RUB 4.3bn and USD 35m.

#### 24) Income and deferred tax

By virtue of Hungarian Tax Regulations, the base income of the Company, on which corporate tax is applied, may be reduced by the amount of direct costs incurred on R&D activities and 50% of royalties received. Other members of the Group are subject to customary tax regulations effective in their respective countries of incorporation.

In the first three months to March 2022 the Group reported HUF 1,382 tax expense, which resulted from a HUF 1,045m corporate tax expense, a HUF 1m extraordinary tax expense and a HUF 336m deferred tax expense.

#### 25) Net income margin attributable to owners of the parent

22.0 %	19.1%
--------	-------

#### 26) and 27) Capital expenditure

Capital expenditure for the Group including payments for intangible assets (HUF 2,187m) totalled HUF 9,501m in the first quarter 2022 when compared to HUF 85,975m reported for the same period 2021. Figure in the base period includes the settlement of the acquisition of intangible asset Evra contraceptive patch in the amount of HUF 76,721m.

## Corporate matters

### Information regarding Richter's Boards

At the Annual General Meeting held on 12 April 2022 the following were elected to be members of the Board of Directors for a 3 (three) year period until the 2025 AGM

Ms. Ilona Dávid  
Mr. István Hamecz.

At the Annual General Meeting held on 12 April 2022

Mr. Csaba Lajos Lantos  
was re-elected to be a member of the Board of Directors for a 3 (three) year period until the 2025 AGM.

Membership of Dr. György László Bagdy and Dr. Gábor Gulácsi on the Company's Board of Directors expired on the date of the 2022 AGM.

### Dividends

Dividends as approved by the shareholders at the Annual General Meeting on 12 April 2022 totalled HUF 41,934m in respect of 2021. The portion payable in relation to ordinary shares with a face value of HUF 100 amounted to HUF 225 per share, 225% of the nominal share value.

Payout procedures as decided by the Board of Directors shall be published in an official announcement by 12 May 2022. The starting date for distributing dividend payments is going to be 16 June 2022.

### Information regarding Richter shares

The number of shares in issue at 31 March 2022 was unchanged compared to 31 December 2021, i.e. 186,374,860 shares.

The number of shares held by the Parent company in Treasury increased during the first quarter of 2022.

	Ordinary shares				
	31 March 2022	31 December 2021	30 September 2021	30 June 2021	31 March 2021
Number	134,828	59,471	268,751	263,891	259,404
Book value (HUF '000)	975,485	512,049	2,333,589	2,292,721	2,254,114

On 31 March 2022 the Group's subsidiaries held a total of 3,000 ordinary Richter shares.

In accordance with a repurchase obligation related to employee share bonuses, the Company repurchased 9,971 shares from employees who resigned from the Parent company during the first quarter 2022.

In accordance with the foundation charter and the III. Incentive Policy of the Gedeon Richter Plc. Employee's Share-Ownership Trust ("Richter ESOT") 257,510 treasury shares were received during the first quarter 2022 from the ESOT. To expand the IV.

Remuneration Policy and to comply with the V. Remuneration Policy, 8,165 and 183,959 treasury shares were transferred to the ESOT.

Total number of Company shares held in Treasury including those transferred to ESOT was 545,204 at 31 March 2022

## Share ownership structure

The shareholder structure at 31 March 2022 is presented in detail in the following table:

Ownership	Ordinary shares	Voting rights	Share capital
	Number	%	%
Domestic ownership	66,132,567	35.51	35.48
State ownership total	126	0.00	0.00
out of which Municipality	126	0.00	0.00
Institutional investors	57,669,801	30.97	30.94
out of which Maecenas Universitatis Corvini Foundation	18,637,486	10.01	10.00
out of which Mathias Corvinus Collegium Foundation	18,637,486	10.01	10.00
out of which Foundation for National Health and Education of Medical Doctors	9,777,658	5.25	5.25
Retail investors	8,462,640	4.54	4.54
International ownership	119,686,489	64.26	64.22
Institutional investors	119,477,476	64.15	64.11
out of which FMR LLC	9,457,941	5.08	5.07
Retail investors	209,013	0.11	0.11
Treasury shares and shares transferred to ESOT*	545,204	0.22	0.29
Undisclosed ownership	10,600	0.01	0.01
Share capital	186,374,860	100.00	100.00

\* Treasury shares include the combined ownership of the Parent company, the ESOT Organisation and the subsidiaries.

Data in the above table were compiled based on the share registry amended with information provided by KELER Zrt. as clearing company, global custodians and nominees. Due to the confidential character of linked investor interests certain investment funds may keep a different record of their respective share capital and/or voting rights.



### Extraordinary announcements

- On 11 March 2022 Richter and AbbVie announced a new co-development and license agreement to research, develop and commercialize novel dopamine receptor modulators for the potential treatment of neuropsychiatric diseases. The collaboration is based on the results of preclinical research carried out by Richter and includes several new chemical entities selected for development. AbbVie and Richter have collaborated for 15 years on Central Nervous System projects, including globally launched products such as cariprazine ([Vraylar®](#) / [Reagila®](#)).
- On 27 April 2022 Richter's partner, AbbVie announced that Health Canada has approved [Vraylar®](#) (cariprazine) as monotherapy for the acute management of manic, mixed, and depressive episodes associated with bipolar I disorder in adults, as well as the treatment of schizophrenia in adults.

## Risk management

Richter is committed to long term value creation for its customers, investors, employees and to society at large. In order to succeed in this endeavour Richter operates a risk management system which abides by the highest international standards and best industry practices. Richter views Risk Management as one of the tools for effective Corporate Governance. Management attempts to identify, to understand and to evaluate in due time emerging risks and to initiate such successful corporate responses that ensure both a stable and sustainable operation of the Company and the implementation of its corporate strategy.

Most important risk factors for Richter Group are identified to be the following:

- Direct and indirect impacts of COVID-19 pandemic
- Outstanding contribution of cariprazine to the turnover and profits of the Company
- Higher risks associated with CNS research projects advancing into more advanced phases
- Development and licencing-in of WHC and biosimilar specialty products
- Maintaining the turnover arising from branded generic products and protection of sales levels of our traditional product portfolio
- Ensuring qualified workforce
- Health Authority Regulations
- Customers' high quality expectations
- Intellectual property, patents and litigation
- Environmental sustainability
- Privacy and Information security
- Contracts and liabilities
- Credit and collection
- Capital structure, cash management and financial investments
- Exchange rate volatility.
- Emerging risks related to war and political turmoil



## Disclosures

I, the undersigned declare, that Gedeon Richter Plc. takes full responsibility, that the interim management report published today, which contains the Group's 3 months to March 2022 results is prepared in accordance with the applicable accounting standards and according to the best of our knowledge. The report above provides a true and fair view of the financial position of Gedeon Richter Plc. and its subsidiaries included in the consolidation, it presents the major risks and factors of uncertainty, and it also contains an explanation of material events and transactions that have taken place during the reported period and their impact on the financial position of Gedeon Richter Plc. and its subsidiaries included in the consolidation.

Budapest, 10 May 2022



Gábor Orbán  
Chief Executive Officer

The financial statements in this report cover the activities of Gedeon Richter Group ('The Group' or 'Richter Group') and Gedeon Richter Plc. ('The Company' or 'Richter'). EUR and USD amounts have been converted from HUF at average exchange rates for indicative purposes only. Financial statements for twelve months period ended 31 December 2021 are audited. Financial statements for the three months period ended 31 March 2022 and 31 March 2021 are unaudited.