

**Gedeon Richter**

**Report to the Budapest Stock Exchange  
6 months to June 2022**



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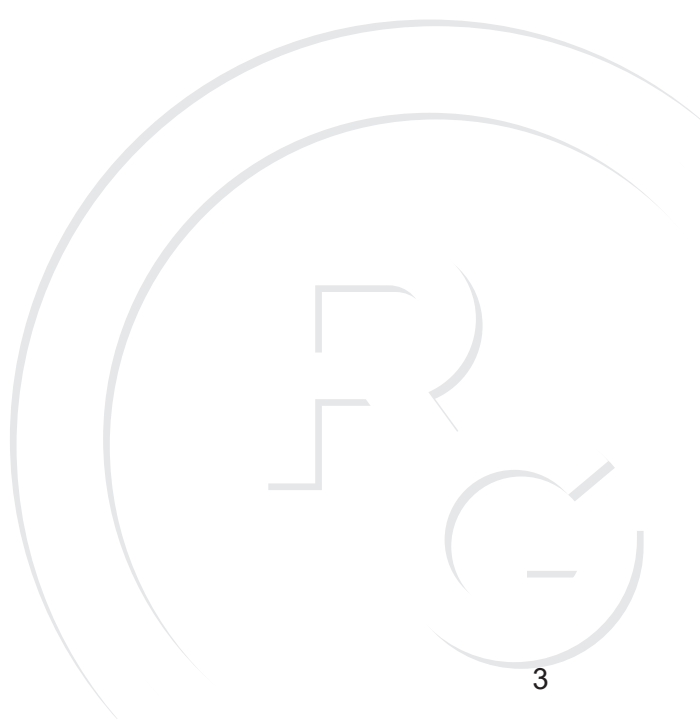
Consolidated figures are prepared in accordance with relevant IFRS regulations and presented in million Hungarian Forint (HUFm). The Report may also contain figures in other currencies but only for indicative purposes.

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

“Sales revenues grew dynamically in the first half of 2022 across all of our markets with the exception of Ukraine. Outsized gains from exchange rate movements combined with price increases lifted revenues in both HUF and EUR terms, while the specialty portfolio continued to provide strong underlying momentum. The solid performance of Vraylar continued and is now counted among the top 100 best selling drugs globally. The Russian business remains steady and recent RUB strength helped both the topline and margins.

We continue investing into our key Women’s Health brands and moving the biosimilar pipeline forward. Our original CNS R&D agenda was given a strong push after we joined forces with Abbvie in March, which resulted in a substantial down payment in the second quarter. We remain dedicated both to our 2022 financial goals and the pipeline progress objectives we had set out for ourselves despite the challenges in the macro environment.”

Gábor Orbán



## Executive Summary

Consolidated sales	HUFm				EURm	
	2022	2021	Change		2022	2021
	6 months to June				6 months to June	
				%		
Total	360,980	296,803	64,177	21.6	954.3	829.7

Pharma sales	HUFm				Notes	EURm	
	2022	2021	Change			2022	2021
	6 months to June					6 months to June	
				%			
Hungary	22,769	21,173	1,596	7.5	6)	60.2	59.2
Europe*	93,849	75,548	18,301	24.2	7)	248.1	211.2
CEE	42,308	35,027	7,281	20.8		111.8	97.9
WEU	51,541	40,521	11,020	27.2		136.3	113.3
CIS	69,657	58,559	11,098	19.0	8)	184.1	163.7
Russia	50,795	40,178	10,617	26.4		134.3	112.3
Ukraine	4,368	6,213	-1,845	-29.7		11.5	17.4
Other CIS	14,494	12,168	2,326	19.1		38.3	34.0
USA	70,738	53,879	16,859	31.3	9)	187.0	150.6
China	9,325	6,568	2,757	42.0	10)	24.7	18.3
Latin America	8,576	6,536	2,040	31.2	11)	22.7	18.3
RoW	17,835	15,085	2,750	18.2	12)	47.1	42.2
Total	292,749	237,348	55,401	23.3		773.9	663.5

\* excluding Hungary

Specialty sales	HUFm				Notes	EURm	
	2022	2021	Change			2022	2021
	6 months to June					6 months to June	
				%			
cariprazine	60,779	45,666	15,113	33.1	1)	160.7	127.6
Vraylar <sup>®</sup> royalty	57,330	43,720	13,610	31.1		151.6	122.2
Reagila <sup>®</sup>	3,449	1,946	1,503	77.2		9.1	5.4
WHC	105,956	82,821	23,135	27.9	2)	280.1	231.5
Bemfola <sup>®</sup>	11,195	10,425	770	7.4	3)	29.6	29.1
Evra <sup>®</sup>	11,801	5,929	5,872	99.0	4)	31.2	16.6
OCs	60,765	51,848	8,917	17.2		160.6	144.9
teriparatide	9,232	5,784	3,448	59.6	5)	24.4	16.2
Total	175,967	134,271	41,696	31.1		465.1	375.3
Proportion to Pharma sales (%)	60.1	56.5					

Wholesale and retail sales	HUFm				EURm	
	2022	2021	Change		2022	2021
	6 months to June				6 months to June	
				%		
Total	72,452	64,323	8,129	12.6	191.5	179.8

Exchange rate gain / loss at consolidated sales level: HUF +29,099m

**Selected exchange rates – period averages**

	2022 H1	2021 H1
EURHUF	378.27	357.71
USDHUF	347.21	297.19
RUBHUF	4.71	3.99
CNYHUF	52.37	45.96

**Selected consolidated business metrics**

	HUFm	
	2022	2021
	6 months to June	
Gross margin %	57.1	56.1
Operating margin %	24.8	20.5
Profit margin attributable to owners of the parent %	31.5	18.5

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

Russia initiated military action in 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 Russia, we also continue to supply these patients with our products.

Commercial operations disrupted in Ukraine in late February were only resumed in mid April at significantly lower levels compared to previous sales volumes. Richter offered humanitarian relief to the local population at large and assisted its employees who had left the country providing them and their families with housing and employment in Hungary. Sales realised to Ukraine during the first six months 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 mainly through Belarus. Market intelligence data suggest that in the first five months retail pharmaceutical sales in Russia increased by 30% in RUB terms primarily due to price increases.

A stockpiling impacted sales at the final consumer level in the first quarter. Payments have been received in due order during the entire reported period.

As of March 2022 we serve Russian wholesalers exclusively from the Gedeon Richter RUS warehouse. Invoices are issued in RUB as before. Approximately half of our local turnover is naturally hedged, covering the RUB incurred costs of local manufacturing and marketing activities. The remainder is hedged in HUF using forward contracts with well established 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. Russian subsidiaries of the Group have at their disposal significant reserves; nevertheless, risks around logistics and supply chains have to be considered.

## 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.

The number of medical representatives' visits increased slightly during the reported period. In-person promotion averaged 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 high quality and affordable medication maintained worldwide throughout the entire reported period.

## Notes to Specialty Sales

### 1) Cariprazine – Central Nervous System

**Vraylar® royalty income** due to Richter in the six months to June 2022 amounted to HUF 57,330m (USD 165.1m). This amount contributed materially to the sales levels achieved during the reported period. As Richter keeps its books in HUF the above royalty income was accounted for at its corresponding HUF value and the latter amount was reconverted into USD for presentation purposes only using the current period's average exchange rate.

**Proceeds from Reagila®** amounted to HUF 3,449m (EUR 9.1m) during the reported period.

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

	Turnover (Royalties included)				
	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
USDm / <b>Vraylar®</b> (royalty+API)	83.8	82.3	97.7	91.6	77.2
EURm / <b>Reagila®</b> (royalty+product sales)	4.8	4.3	4.2	3.3	3.6

## 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 in spite of showing positive results it did not reach statistical significance at its primary endpoints.

Based on the positive results of the clinical studies and all the necessary data reported, AbbVie submitted during the first quarter 2022 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, which was accepted for review in late April.

### 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
Indonesia	Q2 2022	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 half 2022 cariprazine was available in 48 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
	6 months to June				6 months to June	
				%		
Hungary	2,389	2,160	229	10.6	6.3	6.0
Europe*	50,366	40,596	9,770	24.1	133.2	113.5
CEE	12,849	9,901	2,948	29.8	34.0	27.7
WEU	37,517	30,695	6,822	22.2	99.2	85.8
CIS	22,598	17,620	4,978	28.3	59.7	49.3
Russia	19,043	13,661	5,382	39.4	50.3	38.2
Ukraine	926	1,739	-813	-46.8	2.4	4.9
Other CIS	2,629	2,220	409	18.4	7.0	6.2
USA	8,380	5,134	3,246	63.2	22.2	14.4
China	7,021	5,117	1,904	37.2	18.6	14.3
Latin America	7,544	5,168	2,376	46.0	19.9	14.4
RoW	7,658	7,026	632	9.0	20.2	19.6
Total	105,956	82,821	23,135	27.9	280.1	231.5

\* excluding Hungary



WHC sales in the first half 2022 exceeded levels recorded in the same period of the previous year by HUF 23,135m or 27.9%. Higher sales levels recorded in WEU, Russia, USA, Central and Eastern Europe, Latin America and China were partly offset by lower turnover recorded in Ukraine.

Sales of the WHC product group increased due to turnover of oral contraceptives and the royalty and direct sales income received from Evra<sup>®</sup>. Drovelis<sup>®</sup> launched in the second quarter 2021 also contributed materially to sales levels achieved during the reported period. In addition to the above turnover of emergency contraceptive Plan B also lifted US sales further.

### WHC sales by product groups

	HUFm				EURm	
	2022	2021	Change		2022	2021
	6 months to June				6 months to June	
				%		
Oral contraceptives	60,765	51,848	8,917	17.2	160.6	144.9
Drovelis <sup>®</sup>	2,180	102	2,078	2,037.3	5.8	0.3
Non-oral contraceptives	13,534	7,238	6,296	87.0	35.8	20.3
Evra <sup>®</sup>	11,801	5,929	5,872	99.0	31.2	16.6
Infertility	13,353	12,008	1,345	11.2	35.3	33.6
Bemfola <sup>®</sup>	11,195	10,425	770	7.4	29.6	29.1
Cyclogest	2,009	1,428	581	40.7	5.3	4.0
Other WHC therapies	18,304	11,727	6,577	56.1	48.4	32.7
Ryeqo <sup>®</sup>	697	-	697	n.a.	1.8	-
Lenzetto <sup>®</sup>	2,588	1,581	1,007	63.7	6.8	4.4
<b>Total</b>	<b>105,956</b>	<b>82,821</b>	<b>23,135</b>	<b>27.9</b>	<b>280.1</b>	<b>231.5</b>

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

	%	
	2022	2021
	6 months to June	
Hungary	10.5	10.1
Europe*	53.7	53.7
CEE	30.4	28.3
WEU	72.8	75.7
CIS	32.4	30.1
USA	11.9	9.6
China	75.3	78.1
Latin America	87.7	78.7
RoW	42.9	46.4
<b>Total</b>	<b>36.2</b>	<b>34.9</b>

\* excluding Hungary

## Western Europe Top 5 markets

	MEUR	
	2022	2021
	6 months to June	
Spain	18.6	17.2
Germany	18.4	18.2
Italy	14.2	11.3
France	13.3	10.5
UK	12.4	9.7
<b>Total Top 5 Sales</b>	<b>76.9</b>	<b>66.9</b>
<b>Total WEU Sales</b>	<b>99.2</b>	<b>85.8</b>
<b>Total Top 5 Sales %</b>	<b>77.5</b>	<b>78.0</b>

### 3) Bemfola® – Women's Healthcare

	HUFm				EURm	
	2022	2021	Change		2022	2021
	6 months to June				6 months to June	
				%		
Hungary	408	338	70	20.7	1.1	0.9
Europe*	9,504	8,390	1,114	13.3	25.1	23.4
CEE	1,149	982	167	17.0	3.0	2.7
WEU	8,355	7,408	947	12.8	22.1	20.7
CIS	-49	58	-107	-184.5	-0.1	0.2
Latin America	86	-	86	n.a.	0.2	-
RoW	1,246	1,639	-393	-24.0	3.3	4.6
<b>Total</b>	<b>11,195</b>	<b>10,425</b>	<b>770</b>	<b>7.4</b>	<b>29.6</b>	<b>29.1</b>

\* excluding Hungary

The positive impact of the removal of previous restrictions related to the COVID-19 pandemic led to rebounding sales of Bemfola®. Turnover achieved by the product in the six months to June 2022 amounted to HUF 11,195m, exceeding base figures by HUF 770m or 7.4% primarily due to proceeds from WEU region. In addition, sales proceeds from Australia and South Korea also contributed materially to the turnover reported. Negative sales recorded in Ukraine were due to credit notes issued to wholesalers in respect of sales realised in the last quarter 2021. In EUR terms sales performance of this product reported for the first half 2022 increased by EUR 0.5m when compared to the performance of the same period in 2021.

4) **Evra® – Women’s Healthcare**

	HUFm				EURm	
	2022	2021	Change		2022	2021
	6 months to June				6 months to June	
				%		
Hungary	4	-	4	n.a.	0.0	-
Europe*	5,222	2,429	2,793	115.0	13.8	6.8
CEE	1,329	450	879	195.3	3.5	1.3
WEU	3,893	1,979	1,914	96.7	10.3	5.5
CIS	271	116	155	133.6	0.7	0.3
Latin America	3,652	1,717	1,935	112.7	9.7	4.8
RoW	2,652	1,667	985	59.1	7.0	4.7
Total	11,801	5,929	5,872	99.0	31.2	16.6

\* 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.

Direct sales of this product amounted to HUF 6,434m (EUR 17.0m) in the first half 2022 while royalty income recorded by **Evra®** totalled HUF 5,367m (EUR 14.2m) during the same period.

5) **Teriparatide – biosimilar portfolio**

Total sales proceeds from teriparatide amounted to HUF 9,232m (EUR 24.4m) in the six months to June 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 1,674m representing 18% of total sales achieved by the product.

## Notes to Pharmaceutical Sales

### 6) Hungary

The underlying market increased by 9.6% while retail sales of Richter products increased at a higher rate of 11.8% according to the latest available IQVIA (successor of IMS) data. The Company is now ranked fourth 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 45% of total European sales of the Group's pharmaceutical segment.

Turnover recorded in **Poland** increased by HUF 3,017m, 23.1% in the first half 2022 and totalled HUF 16,097m. Higher sales of **Evra**<sup>®</sup> 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. As **Reagila**<sup>®</sup> received reimbursed status in the last quarter 2021 Richter intensified its promotional efforts and proceeds of this product also contributed positively to turnover recorded in this market.

In **Romania** total sales were HUF 7,659m during the reported period. Sales growth of HUF 1,677m (28.0%) recorded by well-established branded generic products partly resulted from a low base period performance. As a result of certain price modifications implemented at the beginning of March 2022 by the regulatory authority, substantial price increases could be recorded for some of our products.

Turnover in the **Western European** region increased substantially by HUF 11,020m (27.2%). 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 **Terrosa**<sup>®</sup>, **Evra**<sup>®</sup> and **Bemfola**<sup>®</sup> were complemented by sales of oral contraceptives including the 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 55% of total European pharmaceutical turnover.

### 8) CIS

Sales to **Russia** at HUF 50,795m (RUB 10,784.6m) increased by 26.4% in HUF terms (7.1% in RUB terms). The RUB appreciated against the HUF on an average by 18.0% compared to the first half 2021. Notwithstanding a volatile market environment presenting unforeseeable risks connected to the ongoing war and the subsequent sanctions imposed on Russia, business operations prevailed at levels experienced prior to the pandemic.

In the first quarter 2022 an overall 23% price increase was implemented to our portfolio of non-essential drugs. These price adjustments implemented at the end of the first quarter impacted turnover by 11.6% as far as the figures reported for the six months to June 2022 period are concerned. The slight decrease in volumes delivered in the second quarter 2022 was due to decreasing level of stock levels at wholesalers.

In-market intelligence (IQVIA, data relative to the first five months) suggests that the market grew by 29.7% in RUB terms mostly as a consequence of price increases. Some stockpiling at final consumer levels also impacted turnover realised in the first quarter 2022. Sales recorded in RUB terms by Richter products at retail level increased by 23.2%.

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.

Sales levels during the reported period at EUR 134.3m increased by EUR 22.0m when compared to the same period in 2021 as the growth achieved in RUB terms was further boosted by a stronger EURRUB average exchange rate experienced during the reported period.

As a result of the uncertain financial environment Richter has stopped direct sales to distributors 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 half 2022, at EUR 11.5m declined by 33.9%. These figures include sales realised up to late February, together with turnover achieved since mid April. Sales to **Other CIS** markets reported a turnover of HUF 14,494m, representing a HUF 2,326m increase when compared to the sales performance achieved in the first half 2021. Weakening of EUR against USD during the reported period impacted unfavourably EUR denominated sales proceeds in certain markets of the region partly offsetting 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 16,859m (31.3%) or USD 22.4m (12.4%). Revenues linked to **Vraylar®** amounted to HUF 57,330m (USD 165.1m), a growth of 31.1% (12.2% in USD terms) when compared to first six months to June 2021.

Turnover recorded in respect of finished form **Plan B / Plan B One-Step** increased substantially during the reported period. Furthermore, increase in API sales also 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 2,757m arose primarily from the higher sales of **Escapelle** and turnover from **Bromocriptin** resulting from the uneven timing of shipments.

## 11) Latin America

Higher turnover was recorded in most countries of this region, out of which the performance of Mexico contributed primarily to the higher sales levels. As for the product portfolio, royalty proceeds and direct sales of **Evra**<sup>®</sup> contributed the most to the turnover achieved.

## 12) Rest of the World

Higher sales levels of teriparatide and **Evra**<sup>®</sup> contributed primarily to the sales growth achieved during the reported period. Geographically, growth was driven by higher turnover recorded in Mongolia and Israel.

# Background Information on Pharmaceutical Sales

## by region in currencies of invoicing

	Currency (million)	2022 6 months to June	2021	Change %
Hungary	HUF	22,769	21,173	7.5
Europe*	EUR	248.1	211.2	17.5
CEE	EUR	111.8	97.9	14.2
WEU	EUR	136.3	113.3	20.3
CIS	EUR	184.1	163.7	12.5
	USD	200.6	197.0	1.8
Russia	RUB	10,784.6	10,069.6	7.1
Ukraine	EUR	11.5	17.4	-33.9
Other CIS	EUR	38.3	34.0	12.6
	USD	41.7	40.9	2.0
USA	USD	203.7	181.3	12.4
China	CNY	178.1	142.9	24.6
Latin America	USD	24.7	22.0	12.3
RoW	EUR	47.1	42.2	11.6
	USD	51.4	50.8	1.2

\* excluding Hungary

## to Top 10 markets

	HUFm				EURm	
	2022	2021	Change		2022	2021
	6 months to June		%		6 months to June	
USA	70,738	53,879	16,859	31.3	187.0	150.6
Russia	50,795	40,178	10,617	26.4	134.3	112.3
Hungary	22,769	21,173	1,596	7.5	60.2	59.2
Poland	16,097	13,080	3,017	23.1	42.5	36.6
Germany	11,843	11,813	30	0.3	31.3	33.0
Spain	10,004	7,857	2,147	27.3	26.4	22.0
China	9,325	6,568	2,757	42.0	24.7	18.3
Romania	7,659	5,982	1,677	28.0	20.2	16.7
France	7,431	4,264	3,167	74.3	19.7	11.9
Italy	6,433	4,444	1,989	44.8	17.0	12.4
Total Top 10	213,094	169,238	43,856	25.9	563.3	473.0
Total Sales	292,749	237,348	55,401	23.3	773.9	663.5
Total Top 10 / Total Sales %					72.8	71.3

## of Top 10 products

	HUFm				EURm	
	2022	2021	Change		2022	2021
	6 months to June		%		6 months to June	
Vraylar® / Reagila® / cariprazine Oral	61,133	46,000	15,133	32.9	161.6	128.6
contraceptives	60,765	51,848	8,917	17.2	160.6	144.9
Mydeton / Mydocalm	12,537	8,373	4,164	49.7	33.1	23.4
Evra®	11,801	5,929	5,872	99.0	31.2	16.6
Bemfola®	11,195	10,425	770	7.4	29.6	29.1
Terrosa® / teriparatide	9,232	5,784	3,448	59.6	24.4	16.2
Cavinton	8,726	8,008	718	9.0	23.1	22.4
Verospiron	8,037	7,738	299	3.9	21.2	21.7
Panangin	7,774	7,403	371	5.0	20.5	20.7
Aflamin	6,417	5,949	468	7.9	17.0	16.6
Total Top 10	197,617	157,457	40,160	25.5	522.3	440.2
Total Sales	292,749	237,348	55,401	23.3	773.9	663.5
Total Top 10 / Total Sales %					67.5	66.3

## Background Information on Wholesale and Retail Sales

	HUFm				EURm	
	2022	2021	Change		2022	2021
	6 months to June				6 months to June	
				%		
Hungary	0	2	-2	-100.0	0.0	0.0
Europe*	66,429	53,369	13,060	24.5	175.6	149.2
CEE	66,429	53,369	13,060	24.5	175.6	149.2
CIS	2,790	8,640	-5,850	-67.7	7.4	24.1
Other CIS	2,790	8,640	-5,850	-67.7	7.4	24.1
Latin America	3,233	2,312	921	39.8	8.5	6.5
<b>Total</b>	<b>72,452</b>	<b>64,323</b>	<b>8,129</b>	<b>12.6</b>	<b>191.5</b>	<b>179.8</b>

\* excluding Hungary



## Information on Business Segments

	Pharmaceuticals		Wholesale and retail		Other		Eliminations		Group total	
	6 months to June 2022	2021	6 months to June 2022	2021	6 months to June 2022	2021	6 months to June 2022	2021	6 months to June 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>292,749</b>	<b>237,348</b>	<b>72,452</b>	<b>64,323</b>	<b>4,078</b>	<b>3,366</b>	<b>(8,299)</b>	<b>(8,234)</b>	<b>360,980</b>	<b>296,803</b>
Cost of sales	(92,896)	(76,499)	(66,517)	(59,008)	(3,708)	(2,962)	8,172	8,107	(154,949)	(130,362)
Gross profit	199,853	160,849	5,935	5,315	370	404	(127)	(127)	206,031	166,441
<b>Profit from operations</b>	<b>89,248</b>	<b>60,420</b>	<b>133</b>	<b>247</b>	<b>192</b>	<b>255</b>	<b>(118)</b>	<b>(122)</b>	<b>89,455</b>	<b>60,800</b>
Net financial income/(loss)	31,848	(4,362)	331	(258)	7	3	(2,143)	(137)	30,043	(4,754)
<b>Miscellaneous items</b>										
Capital expenditure HUFm	23,988	101,268	122	330	54	80	-	-	24,164	101,678
Number of employees at the end of the period	10,662	10,870	1,112	1,386	395	409	-	-	12,169	12,665
<b>Business metrics %</b>										
Gross margin	68.3	67.8	8.2	8.3	9.1	12.0	-	-	57.1	56.1
Operating margin	30.5	25.5	0.2	0.4	4.7	7.6	-	-	24.8	20.5

## Consolidated Financial Statements

Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
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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

	30 June 2022		31 December 2021	Change
	Not audited HUFm	Notes	Audited HUFm	%
<b>ASSETS</b>	<b>1,287,057</b>		<b>1,145,282</b>	<b>12.4</b>
Non-current assets	767,054	13)	732,660	4.7
Property, plant and equipment	301,020		278,394	8.1
Investment property	118		110	7.3
Goodwill	38,786		35,005	10.8
Other intangible assets	216,843		220,915	-1.8
Investments in associates and joint ventures	8,995		10,800	-16.7
Non-current financial assets at amortised cost	7,191		5,335	34.8
Non-current financial assets at FVTPL	96,719		93,758	3.2
Non-current financial assets at FVOCI	81,877		73,274	11.7
Deferred tax assets	11,510		12,285	-6.3
Long term receivables	3,995		2,784	43.5
Current assets	520,003	14)	412,622	26.0
Inventories	166,984		131,349	27.1
Contract assets	7,809		3,865	102.0
Trade receivables	225,607		184,760	22.1
Other current assets	48,101		30,474	57.8
Current financial assets at amortised cost	10,379		912	n.a.
Current financial assets at fair value	-		296	-100.0
Current tax asset	1,365		1,110	23.0
Cash and cash equivalents	59,758		59,856	-0.2

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## Consolidated Balance Sheet – Equity and Liabilities

	30 June 2022 Not audited HUFm	Notes	31 December 2021 Audited HUFm	Change %
<b>EQUITY AND LIABILITIES</b>	<b>1,287,057</b>		<b>1,145,282</b>	<b>12.4</b>
Capital and reserves	1,018,673	15)	923,022	10.4
Share capital	18,638		18,638	0.0
Treasury shares	(2,955)		(2,862)	3.2
Share premium	15,214		15,214	0.0
Capital reserves	3,475		3,475	0.0
Foreign currency translation reserves	65,953		29,363	124.6
Revaluation reserves for financial assets at FVOCI	(8,400)		1,346	n.a.
Cash-flow hedge reserve	(8,406)		(23)	n.a.
Retained earnings	924,624		849,735	8.8
Non-controlling interest	10,530		8,136	29.4
Non-current liabilities	110,562	16)	99,047	11.6
Deferred tax liability	4,252		3,798	12.0
Non-current financial liabilities at FVTPL	71,486		63,819	12.0
Lease liability	13,257		12,722	4.2
Other non-current liabilities and accruals	15,280		12,830	19.1
Provisions	6,287		5,878	7.0
Current liabilities	157,822	17)	123,213	28.1
Borrowings	1,203		-	n.a.
Trade payables	83,000		79,638	4.2
Contract liabilities	2,213		1,593	38.9
Current tax liabilities	4,151		2,722	52.5
Current financial liabilities at FVTPL	12,613		3,277	284.9
Lease liability	5,505		4,595	19.8
Other current liabilities and accruals	46,988		28,267	66.2
Provisions	2,149		3,121	-31.1

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## 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	-	-	-	-	-	-	54,915	<b>54,915</b>	719	<b>55,634</b>
Exchange differences arising on translation of subsidiaries	-	-	-	-	-	(1,194)	-	<b>(1,194)</b>	(224)	<b>(1,418)</b>
Exchange differences arising on translation of associates and joint ventures	-	-	-	-	-	67	-	<b>67</b>	-	<b>67</b>
Changes in the fair value of financial assets at FVOCI	-	-	-	-	751	-	-	<b>751</b>	-	<b>751</b>
<b>Total comprehensive income at 30 June 2021</b>	-	-	-	-	751	(1,127)	54,915	<b>54,539</b>	495	<b>55,034</b>
Purchase of treasury shares	-	-	-	(819)	-	-	-	<b>(819)</b>	-	<b>(819)</b>
Transfer of treasury shares	-	-	-	(34)	-	-	30	<b>(4)</b>	-	<b>(4)</b>
Recognition of share-based payments	-	-	-	-	-	-	827	<b>827</b>	-	<b>827</b>
Ordinary share dividend for 2020	-	-	-	-	-	-	(41,934)	<b>(41,934)</b>	-	<b>(41,934)</b>
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(25)	<b>(25)</b>
<b>Transactions with owners in their capacity as owners for period ended</b>										
<b>30 June 2021</b>	-	-	-	<b>(853)</b>	-	-	<b>(41,077)</b>	<b>(41,930)</b>	<b>(25)</b>	<b>(41,955)</b>
<b>Balance at 30 June 2021</b>	<b>18,638</b>	<b>15,214</b>	<b>3,475</b>	<b>(4,644)</b>	<b>1,725</b>	<b>19,912</b>	<b>765,246</b>	<b>819,566</b>	<b>7,452</b>	<b>827,018</b>

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 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	914,886	8,136	923,022
Profit for the period	-	-	-	-	-	-	-	113,586	113,586	1,503	115,089
Exchange differences arising on translation of subsidiaries	-	-	-	-	-	37,428	-	-	37,428	938	38,366
Exchange differences arising on translation of associates and joint ventures	-	-	-	-	-	(838)	-	-	(838)	-	(838)
Changes in the fair value of financial assets at FVOCI	-	-	-	-	(7,371)	-	-	-	(7,371)	-	(7,371)
Reclassification of gain on transfer of equity investments at FVOCI to retained earnings	-	-	-	-	(2,375)	-	-	2,375	-	-	-
Change in fair value of hedging instruments recognised in OCI	-	-	-	-	-	-	(8,383)	-	(8,383)	-	(8,383)
<b>Total comprehensive income at 30 June 2022</b>	-	-	-	-	(9,746)	36,590	(8,383)	115,961	134,422	2,441	136,863
Purchase of treasury shares	-	-	-	(34)	-	-	-	-	(34)	-	(34)
Transfer of treasury shares	-	-	-	(59)	-	-	-	59	-	-	-
Recognition of share-based payments	-	-	-	-	-	-	-	803	803	-	803
Ordinary share dividend for 2021	-	-	-	-	-	-	-	(41,934)	(41,934)	-	(41,934)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(47)	(47)
<b>Transactions with owners in their capacity as owners for period ended 30 June 2022</b>	-	-	-	(93)	-	-	-	(41,072)	(41,165)	(47)	(41,212)
<b>Balance at 30 June 2022</b>	18,638	15,214	3,475	(2,955)	(8,400)	65,953	(8,406)	924,624	1,008,143	10,530	1,018,673

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 Investor relations manager: Katalin Ördög

## Consolidated Income Statement – HUF

For the year ended 31 December 2021	Audited HUFm	For the period ended 30 June			
		2022 Not audited HUFm	Notes	2021 Not audited HUFm	Change %
630,595	Revenues	360,980		296,803	21.6
(281,322)	Cost of sales	(154,949)		(130,362)	18.9
349,273	Gross profit	206,031	18)	166,441	23.8
(114,596)	Sales and marketing expenses	(67,438)	19)	(56,746)	18.8
(28,665)	Administration and general expenses	(16,024)	20)	(14,842)	8.0
(61,005)	Research and development expenses	(37,075)	21)	(31,591)	17.4
(9,493)	Other income and other expenses (net) (Impairment)/Reversal of impairment on financial and contract assets	4,042	22)	(2,539)	n.a.
318		(81)		77	n.a.
135,832	Profit from operations	89,455	23)	60,800	47.1
30,106	Finance income	68,501		6,947	886.1
(22,473)	Finance costs	(38,458)		(11,701)	228.7
7,633	Net financial income/(loss)	30,043	24)	(4,754)	n.a.
3,110	Share of profit of associates and joint ventures	2,449		1,451	68.8
146,575	Profit before income tax	121,947		57,497	112.1
(856)	Income and deferred tax	(4,511)	25)	457	n.a.
(4,539)	Local business tax and innovation contribution	(2,347)		(2,320)	1.2
141,180	Profit for the period	115,089		55,634	106.9
139,626	Profit attributable to: Owners of the parent	113,586	26)	54,915	106.8
1,554	Non-controlling interest	1,503		719	109.0
Statement of comprehensive income					
141,180	Profit for the period	115,089		55,634	106.9
631	Actuarial loss on retirement defined benefit plans	-		-	n.a.
2,154	Changes in the fair value of equity instruments at FVOCI	(2,960)		1,076	n.a.
2,785	Items that will not be reclassified to profit or loss (net of tax)	(2,960)		1,076	n.a.
8,626	Exchange differences arising on translation of subsidiaries	38,366		(1,418)	n.a.
(53)	Exchange differences arising on translation of associates and joint ventures	(838)		67	n.a.
(23)	Fair value loss on cash-flow hedges	(8,383)		-	n.a.
(1,620)	Changes in fair value of debt instruments at FVOCI	(4,411)		(325)	n.a.
6,930	Items that may be subsequently reclassified to profit or loss (net of tax)	24,734		(1,676)	n.a.
9,715	Other comprehensive income for the period	21,774		(600)	n.a.
150,895	Total comprehensive income for the period	136,863		55,034	148.7
149,092	Attributable to: Owners of the parent	134,422		54,539	146.5
1,803	Non-controlling interest	2,441		495	393.1
	<b>HUF Earnings per share (EPS)</b>	<b>HUF</b>		<b>HUF</b>	<b>%</b>
751	Basic	610		295	106.8
751	Diluted	610		295	106.8

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 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		For the period ended 30 June		
		2022 Not audited EURm	2021 Not audited EURm	Change %
Not audited				
EURm				
1,758.5	Revenues	954.3	829.7	15.0
(784.5)	Cost of sales	(409.6)	(364.4)	12.4
974.0	Gross profit	544.7	465.3	17.1
(319.6)	Sales and marketing expenses	(178.3)	(158.6)	12.4
(79.9)	Administration and general expenses	(42.4)	(41.5)	2.2
(170.1)	Research and development expenses	(98.0)	(88.3)	11.0
(26.5)	Other income and other expenses (net)	10.7	(7.1)	n.a.
0.9	(Impairment)/Reversal of impairment on financial and contract assets	(0.2)	0.2	n.a.
378.8	Profit from operations	236.5	170.0	39.1
84.0	Finance income	181.1	19.4	833.5
(62.7)	Finance costs	(101.7)	(32.7)	211.0
21.3	Net financial income/(loss)	79.4	(13.3)	n.a.
8.7	Share of profit of associates and joint ventures	6.5	4.0	62.5
408.8	Profit before income tax	322.4	160.7	100.6
(2.4)	Income and deferred tax	(11.9)	1.3	n.a.
(12.7)	Local business tax and innovation contribution	(6.2)	(6.5)	-4.6
393.7	Profit for the period	304.3	155.5	95.7
	Profit attributable to:			
389.4	Owners of the parent	300.3	153.5	95.6
4.3	Non-controlling interest	4.0	2.0	100.0
	Statement of comprehensive income			
393.7	Profit for the period	304.3	155.5	95.7
1.8	Actuarial loss on retirement defined benefit plans	-	-	n.a.
6.0	Changes in the fair value of equity instruments at FVOCI	(7.8)	3.0	n.a.
7.8	Items that will not be reclassified to profit or loss (net of tax)	(7.8)	3.0	n.a.
	Exchange differences arising on translation of subsidiaries	101.4	(4.0)	n.a.
	Exchange differences arising on translation of associates and joint ventures	(2.2)	0.2	n.a.
(0.1)	Fair value loss on cash-flow hedges	(22.2)	-	n.a.
(4.5)	Changes in fair value of debt instruments at FVOCI	(11.7)	(0.9)	n.a.
	Items that may be subsequently reclassified to profit or loss (net of tax)	65.3	(4.7)	n.a.
27.1	Other comprehensive income for the period	57.5	(1.7)	n.a.
420.8	Total comprehensive income for the period	361.8	153.8	135.2
	Attributable to:			
415.8	Owners of the parent	355.4	152.4	133.2
5.0	Non-controlling interest	6.4	1.4	357.1
	<b>EUR Earnings per share (EPS)</b>	<b>EUR</b>	<b>EUR</b>	<b>%</b>
2.09	Basic	1.61	0.83	94.0
2.09	Diluted	1.61	0.83	94.0
358.59	Average exchange rate (EURHUF)	378.27	357.71	5.7

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## Consolidated Income Statement – 3 months to June HUF, EUR

	2022		2021		April-June 3 months	
	Not audited HUFm	Not audited HUFm	Change %	Not audited EURm	Not audited EURm	Change %
Revenues	192,923	155,909	23.7	496.2	440.7	12.6
Cost of sales	(82,885)	(67,676)	22.5	(213.2)	(191.3)	11.4
Gross profit	110,038	88,233	24.7	283.0	249.4	13.5
Sales and marketing expenses	(34,932)	(27,688)	26.2	(89.7)	(78.4)	14.4
Administration and general expenses	(8,531)	(7,413)	15.1	(22.0)	(21.0)	4.8
Research and development expenses	(20,106)	(16,036)	25.4	(51.7)	(45.3)	14.1
Other income and other expenses (net)	5,610	(574)	n.a.	15.0	(1.7)	n.a.
(Impairment)/Reversal of impairment on financial and contract assets	(107)	(106)	0.9	(0.3)	(0.3)	0.0
Profit from operations	51,972	36,416	42.7	134.3	102.7	30.8
Finance income	52,022	1,071	n.a.	136.2	3.2	n.a.
Finance costs	(23,316)	(7,229)	222.5	(60.4)	(20.4)	196.1
Net financial income/(loss)	28,706	(6,158)	n.a.	75.8	(17.2)	n.a.
Share of profit of associates and joint ventures	812	367	121.3	2.0	1.0	100.0
Profit before income tax	81,490	30,625	166.1	212.1	86.5	145.2
Income and deferred tax	(3,129)	(783)	299.6	(8.1)	(2.1)	285.7
Local business tax and innovation contribution	(1,178)	(1,160)	1.6	(3.0)	(3.3)	-9.1
Profit for the period	77,183	28,682	169.1	201.0	81.1	147.8
Profit attributable to:						
Owners of the parent	76,532	28,027	173.1	199.3	79.3	151.3
Non-controlling interest	651	655	-0.6	1.7	1.8	-5.6
<b>Average exchange rate (EUR/HUF)</b>				<b>384.00</b>	<b>353.66</b>	<b>8.6</b>
<b>Earnings per share (EPS)</b>	<b>HUF</b>	<b>HUF</b>	<b>%</b>	<b>EUR</b>	<b>EUR</b>	<b>%</b>
Basic	411	151	172.2	1.07	0.43	148.8
Diluted	411	151	172.2	1.07	0.43	148.8



Company name: Gedeon Richter Plc.  
 Company address: 1103 Budapest, Gyömrői út 19-21., Hungary  
 Sector: Pharmaceutical  
 Reporting period: January-June 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	Audited HUFm	For the period ended 30 June		
		2022 Not audited HUFm	Notes	2021 Not audited HUFm
<b>Operating activities</b>				
146,575	Profit before income tax	121,947		57,497
44,922	Depreciation and amortisation	23,719		22,308
(1,425)	Non cash items accounted through Consolidated Income Statement	9,779		(3,102)
(3,568)	Net interest and dividend income	(2,049)		(695)
(8)	Changes in provision for defined benefit plans	313		(32)
(939)	Reclass of results on changes of property, plant and equipment and intangible assets	(184)		26
(1,391)	Gain on disposal of subsidiaries	-		-
2,591	Impairment recognised on intangible assets and goodwill	-		-
-	Impairment of securities	702		-
1,590	Expense recognised in respect of equity-settled share-based payments	803		827
<i>Movements in working capital</i>				
(36,470)	Increase in trade and other receivables	(58,273)		(5,408)
(20,983)	Increase in inventories	(35,635)		(13,884)
17,173	Increase in payables and other liabilities	21,916		2,267
(27)	Interest paid	(4,572)		(14)
(8,136)	Income tax paid	(3,928)		(4,260)
139,904	Net cash flow from operating activities	74,538		55,530
<b>Cash flow from investing activities</b>				
(46,127)	Payments for property, plant and equipment	(19,737)	27)	(14,043)
(97,170)	Payments for intangible assets	(4,427)	28)	(87,635)
1,857	Proceeds from disposal of property, plant and equipment	1,361		232
693	Government grant received related to investments	-		670
(143,206)	Payments to acquire financial assets	(20,170)		(86,640)
30,998	Proceeds on sale or redemption on maturity of financial assets	11		5,478
(1,294)	Disbursement of loans net	(7,734)		(1,608)
2,950	Interest received	6,258		394
9	Dividend receives	5		8
2,118	Net cash inflow from disposal of subsidiaries	-		-
(249,172)	Net cash flow to investing activities	(44,433)		(183,144)
<b>Cash flow from financing activities</b>				
(819)	Purchase of treasury shares	(34)		(819)
(42,140)	Dividend paid	(41,981)		(41,959)
(2,055)	Principal elements of lease payments	463		(1,568)
(244,846)	Repayment of borrowings	(165,275)		(15,207)
315,119	Proceeds from borrowings	166,478		86,407
25,259	Net cash flow (to)/from financing activities	(40,349)		26,854
(84,009)	Net decrease in cash and cash equivalents	(10,244)		(100,760)
142,068	Cash and cash equivalents at beginning of year	59,856		142,262
Effect of foreign exchange rate changes on the balances held in foreign currencies				
1,603		10,146		(572)
59,662	Cash and cash equivalents at end of period	59,758		40,930

Prepared in accordance with IAS 34 Interim Financial Reporting.

## Notes to Consolidated Financial Statements

### 13) Non-current assets

Higher levels of Property, plant and equipment also reflect the impact of appreciating RUB at the Russian subsidiary of the Group.

The higher levels of Non-current financial assets at fair value through profit or loss (FVTPL) and Non-current financial assets at fair value through other comprehensive income (FVOCI) reflect the purchase of sovereign and corporate bonds, together with investment funds and the impact of changes in fair value and FX change linked thereto.

### 14) Current assets

Higher Inventories were built up during the first half 2022 in order to reduce supply related risks. Extraordinary appreciation of RUB inflated this figure when reported in HUF.

Trade receivables increased during the reported period were also influenced by exchange rates.

### 15) Capital and reserves

Foreign currency translation reserves increased by HUF 36,590m and amounted to HUF 65,953m primarily due to extraordinary exchange rate movements.

Retained earnings amounted to HUF 924,624m and increased by HUF 74,889m. The increase was due to profits realized during the reported period.

### 16) Non-current liabilities

Non-current financial liabilities at FVTPL have increased primarily as a result of their translation at fair value.

### 17) Current liabilities

Current financial liabilities at FVTPL have increased primarily as a result of their translation at fair value.

Levels of Other current liabilities and accruals have increased during the reported period.







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 and we regularly used derivatives to manage FX risk through the year. In the second quarter of 2022, regarding the USD revenues, the Group maintains a rolling open hedging transaction for six quarters (2022 Q3 - 2023 Q4), so on June 30, 2022, there was an open forward stock of USD 250m under USDHUF hedge accounting.

In this quarter we did not make new RUB hedges, so the open „held for trading” foreign currency forwards were RUB 2.7bn and USD 5m.

## 25) 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 six months to June 2022 the Group reported HUF 4,511m tax expense, which resulted from a HUF 2,938m corporate tax expense, a HUF 2m extraordinary tax expense and a HUF 1,571m deferred tax expense.

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

31.5 %	18.5%
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## 27) and 28) Capital expenditure

Capital expenditure for the Group including payments for intangible assets (HUF 4,427m) totalled HUF 24,164m in the first half 2022 when compared to HUF 101,678m 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 shares

The number of shares in issue at 30 June 2022 was unchanged compared to 31 March 2022, i.e. 186,374,860 shares.

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

	Ordinary shares				
	30 June 2022	31 March 2022	31 December 2021	30 September 2021	30 June 2021
Number	136,911	134,828	59,471	268,751	263,891
Book value (HUF '000)	988,878	975,485	512,049	2,333,589	2,292,721

On 30 June 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 6,703 shares from employees who resigned from the Parent company during the second quarter 2022.

Based on a decision of the Board of Directors, 9,240 shares held by the Company in treasury were granted in June 2022 to employees participating in a bonus share programme and to other employees who rendered outstanding performance.

In the second quarter 2022 Richter purchased 4,620 treasury shares on the OTC market.

Total number of Company shares held in Treasury including those transferred to ESOT was 547,287 at 30 June 2022.

## Share ownership structure

The shareholder structure at 30 June 2022 is presented in detail in the following table:

Ownership	Ordinary shares	Voting rights	Share capital
	Number	%	%
Domestic ownership	65,848,071	35.36	35.33
State ownership total	126	0.00	0.00
out of which Municipality	126	0.00	0.00
Institutional investors	57,207,882	30.72	30.69
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	9,777,658	5.25	5.25
of Medical Doctors			
Retail investors	8,640,063	4.64	4.64
International ownership	119,872,955	64.36	64.32
Institutional investors	119,065,263	63.93	63.89
out of which FMR LLC	9,457,941	5.08	5.07
Retail investors	807,692	0.43	0.43
Treasury shares and shares transferred to ESOT*	547,287	0.22	0.29
Undisclosed ownership	106,547	0.06	0.06
<b>Share capital</b>	<b>186,374,860</b>	<b>100.00</b>	<b>100.00</b>

\* 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 12 May 2022 Richter and Searchlight Pharma Inc. announced that Searchlight has assumed all Canadian distribution and promotional activities for **Evra<sup>®</sup>**, a transdermal contraceptive patch. This transition, which covers regulatory, distribution and promotional responsibilities in Canada, stems from the acquisition of ex-US rights to the **Evra<sup>®</sup>** brand by Richter from Janssen Pharmaceutica NV, a wholly-owned subsidiary of Johnson & Johnson, in December 2020.

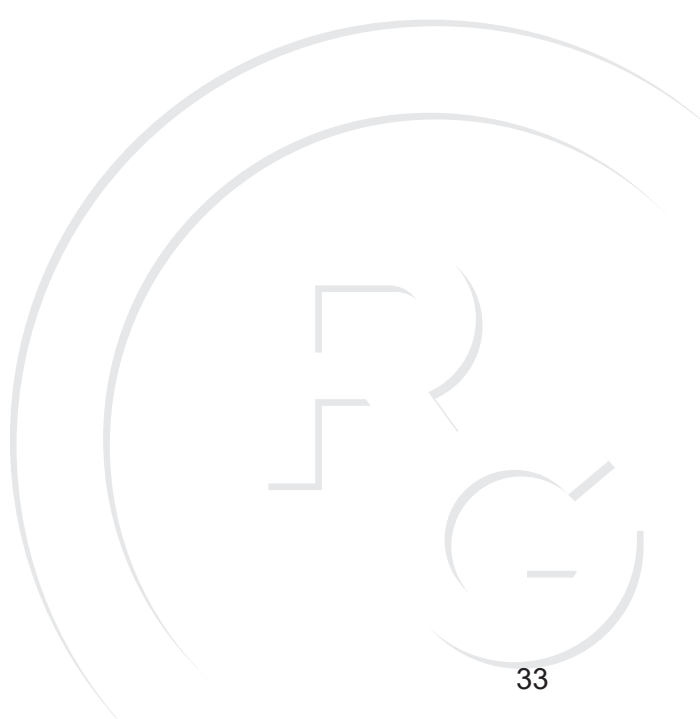


## Risk management

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:

- Risks related to Russian-Ukrainian war
- 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 and risks related to cost inflation.



## Disclosures

I, the undersigned declare, that Gedeon Richter Plc. takes full responsibility, that the interim management report published today, which contains the Group's 6 months to June 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, 3 August 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 six months period ended 30 June 2022 and 30 June 2021 are unaudited.