**Pharming Group reports financial results**

**for the first quarter of 2020**

**Highlights:**

* **Delivered revenues of €49.3 million, an increase of 40% on Q1 2019**
* **Operating profit of €19.4 million, an increase of 59% on Q1 2019**
* **Despite significant one- off financial expenses of €3.7 million from full pay-off of loan, net profits increased by 25% to €8.4 million, compared to Q1 2019,**

*Leiden, The Netherlands*, 14 May 2020: Pharming Group N.V. (“Pharming” or “the Company”) (Euronext Amsterdam: PHARM) presents its (unaudited) financial report for the first quarter of the year ended 31 March 2020.

**Financial highlights**

* Revenues increased 40% to €49.3 million, compared with €35.2 million during the same period last year.
* US net product sales increased to €47.5 million (Q1 2019: €33.7 million), an increase of 41% compared to the same period last year and an increase of 8.7% compared to the last quarter of 2019. This is due to the continued growth in new patients using RUCONEST® (recombinant human C1 inhibitor), balanced by the customary effect of calendar year patient insurance renewals in the US.
* In Europe and the rest of the world, product sales increased to €1.8 million (Q1 2019: €1.3 million), an increase of 38% compared to the same period last year, following the reacquisition of RUCONEST®-licensed territories per 01 January 2020.
* Operating profits rose by 59% to €19.4 million, compared to €12.2 million in the same period last year, mainly driven by the increased revenue.
* Net profit increased by 25% to €8.4 million, compared to €6.7 million for Q1 2019, despite significant financial expenses of €7.0 million, mainly driven by €3.7 million one-off costs, associated with the pay-off of the Orbimed loan in early January, an increase of the contingent consideration of €1.2 million for the final $25 million milestone to Bausch Health and foreign currency losses of €1.1 million. The interest payments on the €125 million 2020-2025 convertible bonds only amounted to €0.8 million of these financial expenses, compared to the €3.3 million interest for the Orbimed loan that was paid during Q1 2019, reflecting the significant decrease in financing costs going forward.
* Positive cashflows during the quarter were driven by strong revenue despite intensified competition, generating more than €19 million of cash above the cash required for operating costs. This was then reduced, mainly, by payment of €5.5 million of the total €7.5 million payable to Sobi for reacquisition of the EU commercialization rights to RUCONEST® and the $20 million payment (€18.1 million) for the penultimate sales performance milestone paid to Bausch Health Companies Inc. These payments and the balance of the repayment in full of the remaining Orbimed loan facility and the associated penalties for early repayment (totalling to €49.7 million) and the net proceeds of the €125 million convertible bonds minus interest payment, resulted in an increase in the cash position of €67.5 million to €136.1 million at 31 March 2020 (€68.6 million at 31 December 2019).
* The equity position improved from €104.7 million at the end of December 2019 to €115.6 million at the end of the first quarter of 2020 (Q1 2019: €69.1 million). The majority of the increase in equity is related to the net result for the quarter.
* Other financial liabilities, as stated under current liabilities, refers to the contingent consideration for the milestones and its decrease versus 31 December 2019 reflects the payment of the penultimate $20 million successful sales performance milestone in February 2020 to Bausch Health. The milestone payment of $20 million (€18.1 million) does not appear in the income statement because the cost of the milestone is balanced by the release of the contingent consideration liability of €17.8 million shown in current liabilities at the 2019 year-end, after allowing for exchange rate differences.
* Inventories stabilized at €14.5 million at the end of the first quarter of 2020 compared to the end of December 2019, as a result of increasing production.
* Since the last reporting date of 26 March 2020, the Company has issued no shares in connection with exercises of options under the current schemes. The number of issued shares as at 13 May 2020 is 634,994,764. The fully diluted number of shares as at 13 May 2020 is 741,679,325.

**Operational highlights**

On 14 January 2020, the Company announced the launch and placement of an over-subscribed offering (the “Offering”) of €125 million, 3% senior unsecured convertible bonds due 2025 (the “Bonds”). The conversion price was set at €2.0028 which represented a premium of 40% to the volume weighted average share price (VWAP) when the placement was completed. Net proceeds of the issue of the Bonds were used to redeem the remaining $56 million of the originally $100 million loan from Orbimed Advisors in full, thereby reducing the Company’s financing costs and extending its debt maturity through the period to approval of most of the Company’s existing pipeline. The balance of the net proceeds will be used to support capital expenditure in relation to the expansion of the commercialisation and manufacturing infrastructure of the Company and serve as funding for the launch of Pharming’s recently acquired leniolisib product and for additional acquisitions/in- licensing opportunities.

During the first quarter of 2020, Pharming received European and US validation of its new production facility of starting material for the Company’s lead product, RUCONEST®. In January 2020, the European Medicines Agency (EMA) approved a Type II Variation for the new production facility. In March 2020, the US Food and Drug Administration (FDA) approved Pharming’s Prior Approval Supplement to add the new production facility to the Biologics License Application (BLA) to support RUCONEST®. With the addition of this new facility, Pharming will significantly increase the production capacity of RUCONEST® as it becomes fully operational during this year.

On 11 March 2020, the Company announced its Chief Financial Officer (CFO), Robin Wright, had decided not to put himself up for re-election as a member of the Board of Management and therefore as CFO at the General Meeting of Shareholders on 20 May 2020. As a result of this decision, Robin’s term with the Company will end as at that date. The search for a new Chief Financial Officer is meanwhile well underway.

On 23 March 2020, the Company announced it has been included in the Euronext Amsterdam Midkap index (AMX). Composition of the AMX is reviewed quarterly by Euronext Amsterdam. Entry eligibility into any of the Amsterdam indexes is evaluated by certain criteria, including free float/market capitalisation and free float/velocity. Based on these evaluations, Euronext ranks the companies by size into one of the three indexes; AEX, AMX or AScX of the Amsterdam stock exchange. The promotion to AMX further validates Pharming’s strong growth and the success of the Company’s commercialisation platform, as well as providing access to a new pool of funds mandated to invest in companies in this index.

**Post period operational highlights**

On 21 April 2020, the Company announced encouraging results from five patients with confirmed COVID-19 (SARS-CoV-2) infections hospitalised with related severe pneumonia that were treated with RUCONEST® under a compassionate use program at the University Hospital Basel, Switzerland. Following these initial results, a multinational, randomized, controlled, investigator-initiated clinical trial with up to 150 patients with confirmed COVID-19 infections, requiring hospitalisation due to significant COVID-19 related symptoms is planned. The study will be led by Dr Michael Osthoff, University Hospital Basel, Switzerland.

On 30 April 2020, the Company announced that the European Commission approved an extension in the indication of RUCONEST®’s Marketing Authorisation to include the treatment of acute angioedema attacks in children with hereditary angioedema (HAE). The European Commission’s decision allows children aged two years and older to be treated with RUCONEST® for acute angioedema attacks. In the European Union, RUCONEST® has been approved for this indication in adults since 2010 and in adolescents since 2016.

**COVID-19 update**

During the COVID-19 pandemic, Pharming is complying with international guidance and requirements across its operations to prioritise the health and safety of its employees.

The current impact of COVID-19 on the business is summarised below.

* No impact on (up-scaling of) production of RUCONEST®. The Company’s new facility (approved during Q1 2020) significantly increases the production of Pharming’s therapy for HAE patients globally. In addition, with the C1-inhibitor in RUCONEST® being plasma free, production of the product does not rely on plasma collection centres.
* No impact on the availability or distribution of RUCONEST® to HAE patients; who typically self-treat their attacks at home in the US and in certain EU countries.
* Recruitment of new patients in ongoing clinical trials has been halted; patients already incorporated in clinical trials will continue to receive treatment.
* As a result of halting recruitment; timelines for the pre-eclampsia and acute kidney injury studies are expected to incur delays, subject to the return of recruitment of new patients.
* No delay is currently expected to the planned launch of leniolisib in H2 2022, as the completion date of the ongoing registration enabling study is currently not critical for the planned launch date.
* An Investigator-sponsored multi-centre randomised controlled clinical trial in patients with confirmed COVID-19 infections is being prepared and expected to start in the near future and the Company will provide an update when the first patient is treated.

***Sijmen de Vries, Chief Executive Officer of Pharming, commented:***

*“The start of 2020 has been very busy for Pharming. Importantly, we completed a highly successful convertible bond refinancing, replacing our existing debt facility, providing additional cash resources and further strengthening our balance sheet to support our long-term growth prospects. We also received EMA and FDA approval of our new production facility for RUCONEST®, which will double our production capacity once fully operational later this year. In addition, approval from the European Commission to treat acute HAE attacks in children with RUCONEST® allows us to serve the most vulnerable patients and further demonstrates the safety and efficacy of our lead product.*

*“In addition to these achievements, Pharming has continued to deliver strong sales growth as new patients continue to benefit from RUCONEST®’s product profile. Following the reacquisition of RUCONEST®-licensed territories from January 2020, we are excited to expand our distribution network in Europe, where we are seeing increasing demand for the product.*

*“Looking forward to the remainder of 2020, we expect continued sales growth versus last year, driven by increasing patient numbers and despite competitive pressure, whilst remaining cognisant of the macro-environment and uncertainty around COVID-19.”*

**Financial summary**

***3 months to 31 March***

|  |  |  |  |
| --- | --- | --- | --- |
|  | ***2020*** | ***2019*** | ***%*** |
| ***Amounts in €m except per share data*** | ***1st Quarter*** | ***1st Quarter*** | ***Change*** |
| ***Income Statement*** |   |   |   |
| Revenues | 49,3 | 35,2 | ***40%*** |
| Gross profit | 43,9 | 29,8 | ***47%*** |
| Operating result | 19,4 | 12,2 | ***59%*** |
| Net result | 8,4 | 6,7 | ***25%*** |
| ***Balance Sheet*** |   |   |  |
| Cash & marketable securities | 136,1 | 68,6 | ***98%*** |
| ***Share Information*** |   |   |  |
| Earnings per share (€): - Undiluted | 0,013 | 0,011 | ***18%*** |
|  - Fully diluted | 0,011 | 0,010 | ***10%*** |

**Outlook**

For the remainder of 2020, the Company expects:

* Continued growth in revenues from sales of RUCONEST®, mainly driven by the US and expanded European operations.
* Maintenance of positive net earnings during the year.
* Continued investment in the expansion of production of RUCONEST® in order to ensure continuity of supply to the growing markets in the US, Europe, China and the Rest of the World.
* Investment in the ongoing clinical trials for pre-eclampsia and acute kidney injury, and support for investigators wishing to explore additional indications for RUCONEST®, such as the planned study in patients confirmed with COVID-19 infections with related severe pneumonia.
* Investment in the continuing registration-enabling study for leniolisib for APDS, leading to headline data early in 2021.
* Investment in IND enabling studies for α-glucosidase in Pompe disease and preclinical development of the new recombinant α-galactosidase candidate for Fabry’s disease.
* Investment in other new development opportunities and assets as these occur.
* Increasing marketing activity where this can be profit-enhancing for Pharming.
* Supporting all our teams and marketing partners in order to enable the maximisation of the potential of RUCONEST® for patients, as we continue to believe that RUCONEST® represents an effective and reliable safe therapy to treat acute angioedema attacks in patients with HAE.
* Continued close monitoring of the ongoing COVID-19 pandemic and the potential impact on the business.

No further financial guidance for 2020 is provided.

**About Pharming Group N.V.**

Pharming is a specialty pharmaceutical company developing innovative products for the safe, effective treatment of rare diseases and unmet medical needs. Pharming’s lead product, RUCONEST® (conestat alfa) is a recombinant human C1 esterase inhibitor approved for the treatment of acute Hereditary Angioedema (“HAE”) attacks in patients in Europe, the US, Israel and South Korea. The product is available on a named-patient basis in other territories where it has not yet obtained marketing authorisation.

RUCONEST® is commercialised by Pharming in the US and in Europe, and the Company holds all other commercialisation rights in other countries not specified below. In some of these other countries distribution is made in association with the HAEi Global Access Program (GAP). RUCONEST® is distributed in Argentina, Colombia, Costa Rica, the Dominican Republic, Panama, and Venezuela by Cytobioteck, in South Korea by HyupJin Corporation and in Israel by Kamada.

RUCONEST® is also being evaluated for various additional indications. Pharming’s technology platform includes a unique production process that has proven capable of producing industrial quantities of pure high quality recombinant human proteins in a more economical and less immunogenic way compared with current cell-line based methods.

Leads for enzyme replacement therapy (“ERT”) for Pompe and Fabry’s diseases are also being produced and optimised respectively at present.

Pharming has recently in-licensed leniolisib from Novartis, a small molecule and selective PI3Kδ inhibitor, which is in a registrational study for activated PI3K-delta syndrome (APDS), a rare form of Primary Immunodeficiency.

Pharming has a long term partnership with the China State Institute of Pharmaceutical Industry (“CSIPI”), a Sinopharm company, for joint global development of new products, starting with recombinant human Factor VIII for the treatment of Haemophilia A. Preclinical development and manufacturing will take place to global standards at CSIPI and its affiliates and are funded by CSIPI. Clinical development will be shared between the partners with each partner taking the costs for their territories under the partnership.

Additional information is available on the Pharming website: [**www.pharming.com**](http://www.pharming.com)

**Forward-looking Statements**

*This press release of Pharming Group N.V. and its subsidiaries (“Pharming”, the “Company” or the “Group”) may contain forward-looking statements including without limitation those regarding Pharming’s financial projections, market expectations, developments, partnerships, plans, strategies and capital expenditures.*

*The Company cautions that such forward-looking statements may involve certain risks and uncertainties, and actual results may differ. Risks and uncertainties include without limitation the effect of competitive, political and economic factors, legal claims, the Company’s ability to protect intellectual property, fluctuations in exchange and interest rates, changes in taxation laws or rates, changes in legislation or accountancy practices and the Company’s ability to identify, develop and successfully commercialize new products, markets or technologies.*

*As a result, the Company’s actual performance, position and financial results and statements may differ materially from the plans, goals and expectations set forth in such forward-looking statements. The Company assumes no obligation to update any forward-looking statements or information, which should be taken as of their respective dates of issue, unless required by laws or regulations.*

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**Pharming Group N.V.**

**Consolidated Interim Financial Statements** (Unaudited)

For the first three months ended 31 March 2020

Consolidated statement of income

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of cash flows

**Appendix: Main Financial Statements reported in US dollars**

(The appendix does not form part of the Consolidated Interim Financial Statements)

Consolidated statement of income in US Dollars (unaudited)

Consolidated balance sheet in US Dollars (unaudited)

Consolidated statement of cash flows in US Dollars (unaudited)

**Consolidated Statement of Income**

For the first three months ended 31 March

|  |  |  |
| --- | --- | --- |
| Amounts in € ‘000 except per share data | **YTD 2020** | **YTD 2019** |
| **Revenues** |  **49,294**  |  **35,224**  |
| **Costs of sales** |  **(5,390)** |  **(5,420)** |
| **Gross profit** |  **43,904**  |  **29,804**  |
| **Other income** |  **241**  |  **281**  |
| Research and development |  (8,017) |  (5,305) |
| General and administrative |  (5,167) |  (2,968) |
| Marketing and sales |  (11,515) |  (9,568) |
| **Costs** |  **(24,699)** |  **(17,841)** |
| **Operating result** |  **19,446**  |  **12,244**  |
| Fair value gain (loss) on revaluation derivatives |  121  |  (28) |
| Other financial income |  370  |  176  |
| Other financial expenses |  (7,525) |  (2,673) |
| **Financial income and expenses** |  **(7,034)** |  **(2,525)** |
| **Share of net profits in associates using the equity method** |  **14**  |  **-**  |
| **Result before income tax** |  **12,426**  |  **9,719**  |
| Income tax credit (expense) |  (3,999) |  (2,980) |
| **Net result for the year** |  **8,427**  |  **6,739**  |
| **Attributable to:** |   |   |
| Owners of the parent |  8,427  |  6,739  |
| **Total net result** |  **8,427**  |  **6,739**  |
| Basic earnings per share (€)  | 0.013  | 0.011  |
| Fully-diluted earnings per share (€)  | 0.011  | 0.010  |

**Consolidated Statement of Comprehensive Income**

For the first three months ended 31 March

|  |  |  |
| --- | --- | --- |
| Amounts in € ‘000 | **YTD 2020** | **YTD 2019** |
| **Net result for the period** |  **8,427**  |  **6,739**  |
| Currency translation differences |  (53) |  (304) |
| **Items that may be subsequently reclassified to profit or loss** |  **(53)** |  **(304)** |
| **Other comprehensive income (loss), net of tax** |  **(53)** |  **(304)** |
| **Total comprehensive income (loss) for the period** |  **8,374**  |  **6,435**  |
| **Attributable to:** |   |   |
| Owners of the parent |  8,374  |  6,435  |

**Consolidated Balance Sheet**

As at date shown

|  |  |  |
| --- | --- | --- |
| Amounts in € ‘000 | **March 31****2020** | **December 312019** |
|  |  |  |
| Intangible assets |  77,620  |  70,809  |
| Property, plant and equipment |  8,689  |  8,553  |
| Right-of-use assets |  5,581  |  5,979  |
| Deferred tax assets |  25,314  |  28,590  |
| Investment accounted for using the equity method |  5,515  |  5,508  |
| Restricted cash |  2,306  |  2,268  |
| **Non-current assets** |  **125,025**  |  **121,707**  |
|  |  |  |
| Inventories |  14,511  |  14,467  |
| Trade and other receivables |  30,564  |  25,737  |
| Cash and cash equivalents |  133,834  |  66,299  |
| **Current assets** |  **178,909**  |  **106,503**  |
|  |  |  |
| **Total assets** |  **303,934**  |  **228,210**  |
|  |  |  |
| Share capital |  6,350  |  6,313  |
| Share premium |  394,255  |  392,266  |
| Legal reserves |  3,757  |  3,718  |
| Accumulated deficit |  (288,742) |  (297,618) |
| **Shareholders’ equity** |  **115,620**  |  **104,679**  |
|  |  |  |
| Convertible bonds |  121,277  |  -  |
| Lease liabilities |  4,340  |  4,363  |
| Other financial liabilities |  18,298  |  17,282  |
| **Non-current liabilities** |  **143,915**  |  **21,645**  |
|  |  |  |
| Loans and borrowings |  -  |  45,590  |
| Derivative financial liabilities |  147  |  268  |
| Trade and other payables |  42,607  |  36,247  |
| Lease liabilities |  1,644  |  1,946  |
| Other financial liabilities |  -  |  17,835  |
| **Current liabilities** |  **44,399**  |  **101,886**  |
|  |  |  |
| **Total equity and liabilities** |  **303,934**  |  **228,210**  |

**Consolidated Statement of Cash Flows**

For the first three months ended 31 March

|  |  |  |
| --- | --- | --- |
| Amounts in €’000 | **YTD 2020** | **YTD 2019** |
| **Operating result** |  **19,446**  |  **12,244**  |
|  |  |  |
| ***Non-cash adjustments:*** |   |   |
| Depreciation, amortisation, impairment |  1,704  |  1,353  |
| Accrued employee benefits |  666  |  541  |
| Release contract liabilities |  -  |  (200) |
|  |  |  |
| **Operating cash flows before changes in working capital** |  **21,816**  |  **13,938**  |
|  |  |  |
| ***Changes in working capital:*** |   |   |
| Inventories |  (57) |  3,673  |
| Trade and other receivables |  (4,827) |  (4,969) |
| Payables and other current liabilities |  2,499  |  (2,833) |
| **Total changes in working capital** |  **(2,385)** |  **(4,129)** |
|  |  |  |
| Changes in non-current assets, liabilities and equity |  (53) |  3  |
|  |  |  |
| **Cash generated from (used in) operations before interest and taxes** |  **19,378**  |  **9,812**  |
|  |  |  |
| **Net cash flows generated from (used in) operating activities** |  **19,378**  |  **9,812**  |
|  |  |  |
| Capital expenditure for property, plant and equipment |  (597) |  (229) |
| Investment intangible assets |  (190) |  (114) |
| Investment in associate |  7  |  -  |
| Acquisition of license |  (5,500) |  -  |
|  |  |  |
| **Net cash flows used in investing activities** |  **(6,280)** |  **(343)** |
|  |  |  |
| Repayment on loans and borrowings |  (49,742) |  (7,728) |
| Payment of contingent consideration |  (18,135) |  (17,635) |
| Interests on loans |  (346) |  (2,510) |
| Lease liabilities |  (475) |  (379) |
| Convertible bond |  122,682  |  -  |
| Interest received |  370  |  165  |
| Proceeds of equity and warrants |  495  |  228  |
|  |  |  |
| **Net cash flows generated from (used in) financing activities** |  **54,849**  |  **(27,859)** |
|  |  |  |
| **Increase (decrease) of cash** |  **67,947**  |  **(18,390)** |
| Exchange rate effects |  (374) |  3,364  |
| Cash and cash equivalents at 1 January |  68,567  |  81,515  |
|  |  |  |
| **Total cash and cash equivalents at 31 March** |  **136,140**  |  **66,489**  |

**Appendix: Main Financial Statements reported in US dollars**

*The original Financial Statements are reported in Euros. In case of differences of interpretation between the Financial Statements in US Dollars and the Financial Statements in Euros, the Financial Statements in Euros will prevail.*

***Principal exchange rate used for the income statement: €1 = $1.1050***

***Principal period end exchange rate used for the balance sheet €1 = $1.0976***

**Consolidated Statement of Income in US Dollars**

For the first three months ended 31 March

|  |  |  |
| --- | --- | --- |
| Amounts in $ ‘000 except per share data | **YTD 2020** | **YTD 2019** |
| **Revenues** |  **54,469**  |  **40,159**  |
| **Costs of sales** |  **(5,955)** |  **(6,179)** |
| **Gross profit** |  **48,514**  |  **33,980**  |
| **Other income** |  **267**  |  **320**  |
| Research and development |  (8,859) |  (6,048) |
| General and administrative |  (5,709) |  (3,384) |
| Marketing and sales |  (12,725) |  (10,908) |
| **Costs** |  **(27,293)** |  **(20,341)** |
| **Operating result** |  **21,488**  |  **13,959**  |
| Fair value gain (loss) on revaluation derivatives |  134  |  (32) |
| Other financial income |  409  |  201  |
| Other financial expenses |  (8,378) |  (2,922) |
| **Financial income and expenses** |  **(7,835)** |  **(2,753)** |
| **Share of net profits in associates using the equity method** |  **15**  |  **-**  |
| **Result before income tax** |  **13,668**  |  **11,206**  |
| Income tax credit (expense) |  (4,418) |  (3,397) |
| **Net result for the period** |  **9,250**  |  **7,809**  |
| **Attributable to:** |   |   |
| Owners of the parent |  9,250  |  7,809  |
| **Total net result** |  **9,250**  |  **7,809**  |
| Basic earnings per share ($) | 0.015  | 0.013  |
| Fully-diluted earnings per share ($)  | 0.013  | 0.011  |

**Consolidated Balance Sheet in US Dollars**

As at date shown

|  |  |  |
| --- | --- | --- |
| Amounts in $ ‘000 | **March 312020** | **December 312019** |
|  |  |  |
| Intangible assets |  85,196  |  79,405  |
| Property, plant and equipment |  9,537  |  9,591  |
| Right-of-use assets |  6,126  |  6,705  |
| Deferred tax assets |  27,784  |  32,061  |
| Investment accounted for using the equity method |  6,053  |  6,177  |
| Restricted cash |  2,532  |  2,543  |
| **Non-current assets** |  **137,228**  |  **136,482**  |
|  |  |  |
| Inventories |  15,927  |  16,223  |
| Trade and other receivables |  33,547  |  28,861  |
| Cash and cash equivalents |  146,896  |  74,348  |
| **Current assets** |  **196,370**  |  **119,432**  |
|  |  |  |
| **Total assets** |  **333,598**  |  **255,915**  |
|  |  |  |
| Share capital |  6,970  |  7,079  |
| Share premium |  432,734  |  439,887  |
| Legal reserves |  4,123  |  4,169  |
| Accumulated deficit |  (316,923) |  (333,749) |
| **Shareholders’ equity** |  **126,904**  |  **117,387**  |
|  |  |  |
| Convertible bonds |  133,114  |  -  |
| Lease liabilities |  4,764  |  4,893  |
| Other financial liabilities |  20,084  |  19,380  |
| **Non-current liabilities** |  **157,962**  |  **24,273**  |
|  |  |  |
| Loans and borrowings |  -  |  51,125  |
| Derivative financial liabilities |  162  |  301  |
| Trade and other payables |  46,765  |  40,647  |
| Lease liabilities |  1,805  |  2,182  |
| Other financial liabilities |  -  |  20,000  |
| **Current liabilities** |  **48,732**  |  **114,255**  |
|  |  |  |
| **Total equity and liabilities** |  **333,598**  |  **255,915**  |

**Consolidated Statement of Cash Flows in US Dollars**

For the first three months ended 31 March

|  |  |  |
| --- | --- | --- |
| Amounts in $’000 | **YTD 2020** | **YTD 2019** |
| **Operating result** |  **21,488**  |  **13,959**  |
|  |  |  |
| ***Non-cash adjustments:*** |   |   |
| Depreciation, amortisation, impairment |  1,883  |  1,543  |
| Accrued employee benefits |  736  |  617  |
| Release contract liabilities |  -  |  (228) |
|  |  |  |
| **Operating cash flows before changes in working capital** |  **24,107**  |  **15,891**  |
|  |  |  |
| ***Changes in working capital:*** |   |   |
| Inventories |  (63) |  4,188  |
| Trade and other receivables |  (5,334) |  (5,665) |
| Payables and other current liabilities |  2,761  |  (3,230) |
| **Total changes in working capital** |  **(2,636)** |  **(4,707)** |
|  |  |  |
| Changes in non-current assets, liabilities and equity |  (59) |  3  |
|  |  |  |
| **Cash generated from (used in) operations before interest and taxes** |  **21,412**  |  **11,187**  |
|  |  |  |
| **Net cash flows generated from (used in) operating activities** |  **21,412**  |  **11,187**  |
|  |  |  |
| Capital expenditure for property, plant and equipment |  (660) |  (261) |
| Investment intangible assets |  (210) |  (130) |
| Investment in associate |  8  |  -  |
| Acquisition of license |  (6,077) |  -  |
|  |  |  |
| **Net cash flows used in investing activities** |  **(6,939)** |  **(391)** |
|  |  |  |
| Repayment on loans and borrowings |  (54,965) |  (8,811) |
| Payment on contingent consideration |  (20,039) |  (20,106) |
| Interests on loans |  (382) |  (2,862) |
| Lease liabilities |  (525) |  (432) |
| Convertible Bond |  135,563  |  -  |
| Interest Received |  409  |  188  |
| Proceeds of equity and warrants |  547  |  260  |
|  |  |  |
| **Net cash flows generated from (used in) financing activities** |  **60,608**  |  **(31,762)** |
|  |  |  |
| **Increase (decrease) of cash** |  **75,081**  |  **(20,966)** |
| Exchange rate effects |  (2,544) |  2,282  |
| Cash and cash equivalents at 1 January |  76,891  |  93,245  |
|  |  |  |
| **Total cash and cash equivalents at 31 March** |  **149,428**  |  **74,561**  |

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