

**CAMBREX CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
(unaudited – in thousands)

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 91,206	\$ 62,191
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,203	23,023
Non-cash deferred revenue	(1,116)	(4,991)
Increase in inventory reserve	5,687	3,217
Unrealized gain on investment in equity securities	(10,757)	-
Unrealized gain on foreign currency contracts	(1,582)	-
Stock based compensation	4,106	6,321
Deferred income tax provision	(14,025)	1,087
Other	(146)	516
Changes in assets and liabilities:		
Account receivables	12,144	35,995
Contract assets	(58,147)	-
Inventories	1,747	(38,245)
Prepaid expenses and other current assets	6,446	(70)
Accounts payable and other current liabilities	(17,476)	(16,422)
Contract liabilities, current	471	512
Other non-current assets and liabilities	(3,338)	(2,282)
Discontinued operations:		
Non-current liabilities	898	2,418
Net cash used in discontinued operations	(557)	(1,185)
Net cash provided by operating activities	<u>39,764</u>	<u>72,085</u>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(43,545)	(38,241)
Proceeds from sale of business	-	2,836
Acquisition of business, net of cash acquired	(418,963)	-
Net cash used in investing activities	<u>(462,508)</u>	<u>(35,405)</u>
<b>Cash flows from financing activities:</b>		
Borrowings	325,000	-
Proceeds from stock options exercised	12,685	3,448
Net cash provided by financing activities	<u>337,685</u>	<u>3,448</u>
Effect of exchange rate changes on cash and cash equivalents	(1,090)	4,134
Net (decrease)/increase in cash and cash equivalents	(86,149)	44,262
Cash and cash equivalents at beginning of period	183,284	74,141
Cash and cash equivalents at end of period	<u>\$ 97,135</u>	<u>\$ 118,403</u>

See accompanying notes to unaudited consolidated financial statements.