



EU*SA***Pharma** **Acquisition**

Milano, 3 December 2021

Strategic rationale of the transaction

Further development and expansion of our Rare Diseases portfolio

- ✓ Further strengthens the growth of our **rare disease franchise**, in line with our **3-year strategy**, building on top of the **current solid organic growth** of the division
- ✓ **Broadens** Recordati's **rare disease therapeutic focus** and **enhances the breadth of indications**, confirming our commitment to **deliver treatments** that **address serious unmet medical needs**
- ✓ **Diversifies the rare disease portfolio** and adds **in-market assets** with **growing trajectory** expected to generate **over €150 million of revenue by 2023** and **peak sales of around €250 million** ⁽¹⁾
 - **Qarziba®** is an **anti-GD2 monoclonal antibody** indicated for high-risk **neuroblastoma** approved in EU and other countries with potential for expansion in US
 - **Sylvant®** is an **anti-IL-6 monoclonal antibody**, the **first and only** ever approved treatment for **iMCD** in US and EU, marketed also in other countries
 - **Fotivda®** is an **oral highly selective small molecule (TKI)** approved for **first-line treatment** of advanced **renal cell carcinoma**
 - **Caphosol®** is **medical device** for **oral mucositis** due to chemo and radio therapy, a niche product sold globally
- ✓ **Complements** Recordati's **global footprint** and **expertise** with **new rare and niche oncology disease capabilities**, which will provide a **platform for future further expansion** in these areas
- ✓ Confirms the **history of value-accretive M&A strategy** carried out by Recordati in recent years, with the transaction expected to generate **approximately €50 million EBITDA** ⁽²⁾ in 2023 and **going EBITDA** ⁽²⁾ margin in line with average of **Rare Disease segment**

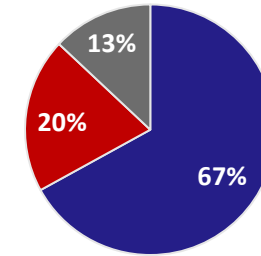
Transformative assets with global growth potential, offering platform for further expansion

Company highlights

Overview

- **EUSA Pharma (UK)**, founded in 2015, is a world-class specialty pharmaceutical company
- **High growth** portfolio of **4 in-market rare and niche oncology products**
- **Profitable** and **cash generating** business
- **Global commercial presence** through **direct** operations **mainly in EU** and in **US** and some **RoW countries**, complemented with strategic **partnerships**
- **200+ people** with **strong patient centric culture** and **deep disease area expertise**
- **Biological products** ⁽²⁾ with complex manufacturing process

Regional Revenue breakdown 2021 LTM ⁽¹⁾



■ EMEA

■ North America

■ RoW

Product portfolio overview



- ✓ **#1 product in the EU** for high-risk **Neuroblastoma**
- ✓ Approved for **newly diagnosed** and **relapse/refractory patients** in EU and other countries
- ✓ **Long-term infusion**, convenience, better pain management
- ✓ Potential future **expansion** in **US** and **China**
- ✓ **EU market exclusivity (ODD) 2027** and **patent expiry** (method of use) in **2034**



- ✓ **Only treatment approved** for iMCD in US and EU, marketed also in other countries
- ✓ **Product with global growth potential** with **US main current market**
- ✓ **Patent expiry** in **2027** in **US** (sequence of CDR + method of production) and **EU** (composition of matter), with also **market exclusivity** in EU until **2024 (ODD)** and in US until **2026 (BPCIA)**



- ✓ **Monotherapy TKI** with differentiated efficacy and tolerability for select patients with RCC
- ✓ Approved in EU and other countries
- ✓ **EU market exclusivity** until **2027** and **patent expiry** (composition of matter) in **2027**



- ✓ **Prescription class I medical device** for oral mucositis due to chemo and radio therapy
- ✓ **Synergistic promotional fit** with adult solid tumor commercial
- ✓ Approved in US, EU and other markets
- ✓ **EU patent expiry** (formulation) in **2033**

Key business financials

- Expected over €150 million of revenue by 2023 and annual peak sales of ~€250 million
- EBITDA⁽¹⁾ ~€50 million in 2023 with long term margin in line with average of Rare Disease segment
- Non-recurring costs in 2022-2023 from on-going manufacturing technology transfer and acquisition and integration expenses of ~€35 million (subject to timing of close)

Value & funding

- Enterprise Value of €750 million
- Net Debt of ~€26 million at 30 June 2021
- Financing with existing liquidity and bridge financing underwritten by J.P. Morgan and Mediobanca

Leverage

- Below 2.5x at closing (pro-forma) and expected to return below 2.0x by 2023
- Dividend policy confirmed as ~60% of reported net income

Timing

- Transaction closing, subject to regulatory clearances, expected in the first half of 2022

Company declarations, disclaimers and profile

DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

The manager responsible for preparing the company's financial reports Luigi La Corte declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

Statements contained in this presentation, other than historical facts, are "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements are based on currently available information, on current best estimates, and on assumptions believed to be reasonable. This information, these estimates and assumptions may prove to be incomplete or erroneous, and involve numerous risks and uncertainties, beyond the Company's control. Hence, actual results may differ materially from those expressed or implied by such forward-looking statements.

All mentions and descriptions of Recordati products are intended solely as information on the general nature of the company's activities and are not intended to indicate the advisability of administering any product in any particular instance.

Recordati, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), with a total staff of more than 4,300, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in Europe, Russia and the other C.I.S. countries, Ukraine, Turkey, North Africa, the United States of America, Canada, Mexico, some South American countries, Japan and Australia. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in several therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2020 was € 1,448.9 million, operating income was € 469.0 million and net income was € 355.0 million.

Offices:

Recordati S.p.A.
Via M. Civitali 1
20148 Milano, Italy

Investor Relations:

Federica De Medici
+39 02 48787146
demedici.f@recordati.it

Investor Relations:

Lucia Abbatantuoni
+39 02 48787213
abbatantuoni.l@recordati.it

Website:

www.recordati.com