

**RECORDATI: BOARD APPROVES THE 2020 ACCOUNTS. SALES € 1,448.9 MILLION (-2.2%), EBITDA € 569.3 MILLION (+4.7%), ADJUSTED NET INCOME € 410.4 MILLION (+7.3%). 2020 DIVIDEND € 1.05 (+ 5.0 %).**

- *Consolidated revenues € 1,448.9 million, -2.2% or +0.4% at constant exchange rates.*
- *EBITDA⁽¹⁾ € 569.3 million, +4.7%.*
- *Operating income € 469.0 million, +0.8%.*
- *Net income € 355.0 million, -3.8% or +3.2% excluding the non-recurring "Patent Box" tax benefits.*
- *Adjusted Net income⁽²⁾ € 410.4 million, +7.3%.*
- *Net financial position⁽³⁾: net debt of € 865.8 million, from € 902.7 million.*
- *Dividend for 2020 € 1.05 per share, of which € 0.50 already paid.*
- *Annual Meeting of Shareholders convened for 20 April 2021, the sole convocation date.*

Milan, 18 March 2021 – Recordati's Board of Directors approved the consolidated financial statements for the year 2020 as well as Recordati S.p.A.'s accounts and the 2020 corporate governance and ownership report as required by art. 123bis of the Consolidated Law on Financial Intermediation. The financial statements at, and for the year ended, 31 December 2020 and the aforesaid report as well as the reports issued by the independent and by the statutory Auditors will be made available, within the terms of the law, at the company's head office and published on the company's website www.recordati.com and can also be viewed on the authorized storage system 1Info (www.1Info.it). The Board of Directors also approved the consolidated non-financial statements, pursuant to Legislative Decree n. 254/2016, dated 31 December 2020 which will be made available in the same manner.

Financial highlights

- **Consolidated revenues**, at € 1,448.9 million, fell by 2.2% compared to 2019, reflecting also the devaluation of almost all currencies against the euro, which was especially notable during the second half of the year. At constant exchange rates, the Group's sales grew slightly by +0.4%. Revenues for the new drugs acquired at the end of 2019, Signifor® and Signifor® LAR and initial sales of Isturisa® totalled € 79 million.
- **EBITDA⁽¹⁾** was € 569.3 million, an increase of 4.7% over 2019, thanks to expense control and a better gross margin, at 39.3% of sales, up compared to 36.7% in 2019.
- **Operating income** was € 469.0 million, an increase of 0.8% over the previous year, lower compared to EBITDA growth due to the increase in amortization associated with new products, a margin of 32.4% of sales compared to 31.4% in 2019.
- **Net income**, equalled € 355.0 million, at 24.5% of sales, compared to € 368.9 million in 2019; excluding non-recurring "Patent Box" tax benefits, equal to € 2.0 million in 2020 and to € 27.0 million in 2019, net income increased by 3.2% thanks to the progress in operating income and the decrease in financial expenses.

RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.

Registered Office
Via Matteo Civitali, 1
20148 Milano, Italy
Ph. +(39) 024 87 871
Fax +(39) 024 007 3747

Share Capital € 26,140,644.50 fully paid up
Milano, Monza, Brianza and Lodi Reg. Comp. No. 00748210150
Tax Code/VAT No. 00748210150
Milano R.E.A. No. 401832

- **Adjusted net income⁽²⁾**, equal to € 410.4 million, grew by 7.3% compared to 2019, at 28.3% of sales, higher than the previous year, which was 25.8%.
- **Net financial position⁽³⁾** at 31 December 2020 recorded a net debt of € 865.8 million, which was lower compared to the net debt of € 902.7 million at 31 December 2019. In the period, dividends of € 212.7 million were distributed and payments were made for milestones and licenses for new products for a total value of approximately € 99.1 million. Treasury shares were purchased for a total disbursement, net of sales for the exercise of stock options, of € 12.2 million. Net of these effects, the Group's solid cash generation was confirmed at approximately € 360 million.

⁽¹⁾ Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, and non-recurring items.

⁽²⁾ Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, and non-recurring items, net of tax effects.

⁽³⁾ Cash and cash equivalent less bank debts and loans, which include the measurement at fair value of hedging derivatives.

Corporate development news

Various initiatives were undertaken during 2020, in line with our ongoing development strategy directed at the Group's continual growth.

In January, the European Commission granted marketing authorisation for the orphan medicinal product Isturisa® (osilodrostat), indicated for the treatment of endogenous Cushing's syndrome (CS) in adults.

In March, the Food and Drug Administration (FDA) also approved the marketing authorisation for Isturisa® in the U.S.A. for the treatment of patients with Cushing's disease, when pituitary surgery is not an option or has not been curative. The European Commission and the FDA confirmed its orphan drug status.

Also in March, the Japanese New Drug Application (JNDA) was submitted to the Ministry of Health, Labour and Welfare seeking marketing approval for Isturisa®. Furthermore, the marketing authorisations for Isturisa® were transferred to Recordati Rare Diseases in the United States and in Europe, during March and April respectively. The product was launched with initial sales in the U.S.A., France and Germany.

The Recordati group has established a dedicated unit in Basel (Switzerland)— the Recordati AG Rare Diseases Branch—to manage this promising product line worldwide; it is also responsible for marketing Ledaga® in Europe.

In August, the U.S. Food and Drug Administration (FDA) granted approval to market Cystadrops® (cysteamine ophthalmic solution) 0.37% in the U.S.A., which was subsequently launched on the market. Cystadrops® is the first and only FDA-approved cysteamine drop formulation administered in a practical dosage four times a day.

In September, an exclusive License and Supply Agreement was signed with ARS Pharmaceuticals, a U.S. based pharmaceutical company, to market, in the European Union, Iceland, Liechtenstein, Norway,

Switzerland, the United Kingdom, Russia/CIS, Turkey, the Middle East and in French-speaking African countries, ARS-1, an epinephrine nasal spray in the registration stage with the European Medicines Agency (EMA), for the emergency treatment of severe allergic reactions that can lead to anaphylaxis. In November, the European Medicines Agency (EMA) accepted ARS Pharmaceuticals' submission of a marketing authorisation for ARS-1.

The Group commitment to sustainability continued during the year with practical implementation ranging from initiatives to reduce the environmental impact with energy efficiency projects and acquiring energy from renewable sources, to initiatives directed at the staff and local communities, focusing especially on the requirements related to the health crisis.

An Environmental, Social & Governance (ESG) function was established to support the integration of social and environmental aspects in business processes, and the Sustainability Plan was drafted, detailing the future commitments. ESG commitments in the Plan are broken down into targets in quality and quantitative terms, referring to four priority areas: responsibility to our patients, people care, environmental protection and responsible sourcing. These strategic sustainability areas are underpinned by a fifth fundamental pillar, ethics and integrity, which serve as the guiding principles for the Group's everyday activities. The Sustainability Plan, the future targets and all the main ESG activities performed during 2020, are described in the Consolidated Non-Financial Statement, prepared in accordance with the "GRI Sustainability Reporting Standards".

Subsequent events

In January 2021, the U.S. Food and Drug Administration (FDA) approved a new indication for Carbaglu® (carglumic acid) 200 mg tablets as an adjunctive therapy to the primary treatment of acute hyperammonemia due to propionic acidemia (PA) or methylmalonic acidemia (MMA) in paediatric and adult patients. Carbaglu® is the first and only FDA-approved medication for the treatment of acute hyperammonemia due to PA and MMA.

Also in January 2021, a License and Supply Agreement was closed with Tolmar International Ltd, to market Eligard® (leuprorelin acetate) in Europe, Turkey, Russia and other countries. Eligard® is a medicinal product for the treatment of advanced hormone-dependent prostate cancer and for the treatment of high-risk localised and locally advanced hormone-dependent prostate cancer, in combination with radiotherapy. This new product provides us with an opportunity to strengthen our presence in the urology area, confirming our ongoing support to patients and doctors in this field, and adapts perfectly to our geographic coverage.

In February 2021, an agreement with Almirall was finalized for the acquisition of marketing rights in the Spanish market of Flatoril®, a drug containing a combination of Clebopride and Simethicone, indicated for the treatment of gastrointestinal functional disorders.

Business outlook

On 22 February, the Company announced the following financial targets for 2021, which include the contribution of the new licence agreements finalized at the beginning of the year and are based on the expectation of a gradual recovery in reference markets post the COVID-19 pandemic during the second

half of the year: revenue of between € 1,570 and € 1,620 million, EBITDA of between € 600 and € 620 million and adjusted net income between € 420 and € 440 million.

Despite the persistent COVID-19 pandemic and restrictions on mobility in the main countries, the Group consolidated sales during the first two months of 2021 are in line with expectations. Considering the limited impact of the pandemic on the financial results of 2020, the Group's business segment, recent performance and the high level of diversification, it is believed that the continuation of the pandemic in 2021 will not have any significant effect on the results expected by the Group, thus confirming the asset or liabilities amounts recognised in the financial statement.

Dividend

Based on the results obtained, the Board of Directors will propose to the shareholders a dividend of € 0.55 per share, in full balance of the interim 2020 dividend of € 0.50, to be paid to all shares outstanding at ex-dividend date, excluding those in treasury stock, as from 26 May 2021 (record date 25 May 2021), with ex-dividend on 24 May 2021 (against presentation of coupon no. 27). The full 2020 dividend is therefore of € 1.05 per share (€ 1.00 per share in 2019).

Further Board resolutions

The Board of Directors approved the following further deliberation proposals to be submitted to the Annual Shareholders Meeting:

- Approval of the report on remuneration policies and payments made pursuant to article 123ter of Legislative Decree 58/1998:
 - a) Binding resolution on the first section relative to remuneration policy;
 - b) Non-binding resolution on the second section relative to 2020 payments made.
- Adoption of a new Stock Option Plan called "Stock Option Plan 2021-2023" pursuant to article 114bis of Legislative Decree 58/1998.
- Renewal of the authorization to the purchase and disposal of treasury shares until the Annual Shareholders' Meeting which will approve the 2021 financial statements.

The objective of the proposal to renew the authorization to the purchase and disposal of treasury shares until the Annual Shareholders' Meeting which will approve the 2021 financial statements is, as in previous years, to grant the Board the possibility of:

- (i) fulfilling the obligations arising from the stock option plans already adopted by the Company and other stock option plans which might be approved in future;
- (ii) carrying out industrial initiatives, since the authorization to purchase treasury stock will allow transactions such as the sale, contribution and exchange of treasury stock in order to acquire stakes in companies and/or to reach agreements with strategic partners within the Group's expansion objectives;
- (iii) supporting the Recordati shares' liquidity, in order to promote the regular course of the shares' negotiations and avoid price fluctuations inconsistent with the market trend.

The company would be allowed to purchase up to 4,000,000 shares, keeping in mind however, that the nominal value of treasury stock held by the Company must never exceed one fifth of the share

capital, taking into account shares which could be held by subsidiaries, for a maximum cash outlay of € 200,000,000. The purchase price must be at least equal to the shares' nominal value (€ 0.125) and must not exceed the average official Stock Exchange price recorded over the 5 trading days prior to the transaction, plus 5%. Possible purchases may be made by appointing specialized intermediaries and must be made in compliance with applicable legislation and can be done in line with the market practice approved by Consob according to art. 13 Reg. EU 596/2014 where applicable. At 17 March 2021 the company has 3,499,096 shares in Treasury stock which amounts to 1.67% of the current share capital.

Call to an Annual Shareholders' Meeting and documentation

The Board of Directors resolved to convene the Annual Shareholders' Meeting to be held on 20 April 2021 at 9.30 am, the sole convocation date – in the manner expressly specified in the notice of convocation to which reference is made - with the following agenda:

1. Board of Directors' Review of Operations; Report of the Board of Statutory Auditors; Financial Statements as at and for the financial year ended 31st December 2020; relative and consequent resolutions:
 - a. Financial Statements as at and for the financial year ended 31st December 2020;
 - b. Allocation of 2020 net income.
2. Report on remuneration policies and payments made in accordance with article 123-ter of Legislative Decree No. 58 of 24th February 1998:
 - a. Binding resolution on the first section relative to remuneration policies;
 - b. Non-binding resolution on the second section relative to payments made in 2020.
3. Proposal to approve the 2021-2023 Stock Option Plan; relative and consequent resolutions in accordance with Art. 114 bis of Legislative Decree No. 58 of 24th February 1998.
4. Proposal to authorise the purchase and utilisation of treasury stock; relative and consequent resolutions.

The entire notice of call of the Ordinary Shareholders' Meeting will be made publicly according to the terms set out in the applicable provisions on the Company's website www.recordati.com and on the authorized storage system 1Info (www.1Info.it).

In particular, it should be noted that, pursuant to art. 106, paragraph 4, of the Italian Law Decree no. 18 of 17 March 2020, converted with amendments by Italian Law no. 27 of 24 April 2020 and as extended by article 3, paragraph 6, of Italian Law Decree no. 183 of 31 December 2020, converted by Italian Law no. 21 of 26 February 2021, the participation in the Shareholders' Meeting of those persons with the right to vote is allowed exclusively through the Designated Representative by the Company pursuant to art. 135-*undecies* of the Legislative Decree 58/98, to which delegation must be conferred, under the terms and conditions indicated in the notice of convocation. Delegations or sub-delegations may be conferred to the abovementioned appointed representative pursuant to art. 135-*novies* of Legislative Decree 58 dated 24 February 1998, in derogation of art. 135-*undecies*, comma 4, of the same decree.

Within the terms prescribed by current laws and regulations, the Directors' reports on the points of the Shareholders' Meeting agenda and any other documents relative to the Shareholders' Meeting agenda will be made available on the Company's website and on the authorized storage system 1Info (www.1Info.it), including the Information Document relating to the 2021-2023 Stock Option Plan, prepared pursuant to art. 84-bis of the Issuers' Regulations adopted by CONSOB with resolution no.11971 of 14 May 1999 and subsequent amendments and additions.

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 throughout the whole of Europe, including Russia, 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, proprietary and under license, in a number of 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.

For further information:

Recordati website: www.recordati.com

Investor Relations

Federica De Medici
(39)0248787146
e-mail: investorrelations@recordati.it

Media Relations

Studio Noris Morano
(39)0276004736, (39)0276004745
e-mail: norismorano@studionorismorano.com

This document contains forward-looking statements relating to future events and future operating, economic and financial results of the Recordati group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may therefore differ materially from those forecast as a result of a variety of reasons, most of which are beyond the Recordati group's control.

The information on the pharmaceutical specialties and other products of the Recordati group contained in this document is intended solely as information on the Recordati group's activities and therefore, as such, it is not intended as medical scientific indication or recommendation, nor as advertising.

RECORDATI GROUP

Summary of consolidated results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IFRS)
(thousands of €)

INCOME STATEMENT	2020	2019	Change %
NET REVENUE	1,448,867	1,481,848	(2.2)
Cost of sales	(406,831)	(436,901)	(6.9)
GROSS PROFIT	1,042,036	1,044,947	(0.3)
Selling expenses	(349,072)	(372,803)	(6.4)
Research and development expenses	(146,236)	(129,681)	12.8
General and administrative expenses	(72,785)	(72,783)	0.0
Other income/(expenses), net	(4,927)	(4,414)	11.6
OPERATING INCOME	469,016	465,266	0.8
Financial income/(expenses), net	(13,360)	(21,122)	(36.7)
PRE-TAX INCOME	455,656	444,144	2.6
Income taxes	(100,629)	(75,278)	33.7
NET INCOME	355,027	368,866	(3.8)
ADJUSTED NET INCOME ⁽¹⁾	410,402	382,413	7.3
EBITDA ⁽²⁾	569,320	543,967	4.7
Attributable to:			
Equity holders of the Parent	354,984	368,825	(3.8)
Non-controlling interests	43	41	4.9

⁽¹⁾ Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, and non-recurring items, net of tax effects.

⁽²⁾ Net income before income taxes, financial income and expenses, depreciation, amortization and write-down of property, plant and equipment, intangible assets and goodwill, and non-recurring items.

EARNINGS PER SHARE	2020	2019	Change %
Basic	€ 1.725	€ 1.800	(4.2)
Diluted	€ 1.698	€ 1.764	(3.7)

Basic earnings per share base is calculated on the average number of outstanding shares in the respective periods, 205,758,125 for 2020 and 204,959,193 for 2019. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 3,367,031 for 2020 and 4,165,963 for 2019.

Diluted earnings per share is calculated taking into account stock options granted to employees.

COMPOSITION OF REVENUE	2020	2019	Change %
Total revenue	1,448,867	1,481,848	(2.2)
Italy	274,588	287,289	(4.4)
International	1,174,279	1,194,559	(1.7)

Pending completion of independent and statutory audits.

RECORDATI GROUP

Summary of consolidated results prepared in accordance with the International Accounting
 Standards and International Financial Reporting Standards (IFRS)
 (thousands of €)

ASSETS	31.12.2020	31.12.2019
Property, plant and equipment	133,250	133,342
Intangible assets	1,115,811	1,161,760
Goodwill	562,116	577,973
Other equity investments and securities	45,581	38,566
Other non-current assets	6,861	16,426
Deferred tax assets	75,084	71,513
TOTAL NON-CURRENT ASSETS	1,938,703	1,999,580
 Inventories	251,252	226,885
Trade receivables	268,897	296,961
Other receivables	47,291	79,949
Other current assets	10,245	7,683
Derivative instruments measured at fair value	7,036	9,949
Cash and cash equivalents	188,230	187,923
TOTAL CURRENT ASSETS	772,951	809,350
 TOTAL ASSETS	2,711,654	2,808,930

Pending completion of independent and statutory audits.

RECORDATI GROUP

Summary of consolidated results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IFRS)
(thousands of €)

EQUITY AND LIABILITIES	31.12.2020	31.12.2019
Share capital	26,141	26,141
Share premium reserve	83,719	83,719
Treasury shares	(87,516)	(93,480)
Reserve for derivative instruments	(2,659)	(5,357)
Translation reserve	(217,303)	(146,866)
Other reserves	70,707	64,651
Profits carried forward	1,151,053	999,708
Net income	354,984	368,825
Interim dividend	(103,143)	(98,764)
Shareholders' equity attributable to equity holders of the Parent	1,275,983	1,198,577
Shareholders' equity attributable to non-controlling interests	277	234
TOTAL SHAREHOLDERS' EQUITY	1,276,260	1,198,811
Loans - due after one year	778,238	937,344
Provisions for employee benefits	21,174	20,557
Deferred tax liabilities	41,219	43,172
Other non-current liabilities	16,299	22,292
TOTAL NON-CURRENT LIABILITIES	856,930	1,023,365
Trade payables	132,096	175,481
Other payables	95,671	185,706
Tax liabilities	29,743	21,094
Other current liabilities	11,250	12,543
Provisions for risks and charges	17,113	17,933
Derivative instruments measured at fair value	9,770	10,788
Loans - due within one year	270,254	149,817
Short-term debts to banks and other lenders	12,567	13,392
TOTAL CURRENT LIABILITIES	578,464	586,754
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,711,654	2,808,930

Pending completion of independent and statutory audits.

RECORDATI S.P.A.

Summary of consolidated results prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IFRS)
(thousands of €)

	2020	2019	Change %
Revenue	449,376	440,919	1.9
Operating income	152,601	132,065	15.5
Pre-tax income	269,538	240,781	11.9
Net income	234,664	241,092	(2.7)

	31.12.2020	31.12.2019
Non-current assets	1,557,948	1,597,320
Current assets	353,485	391,986
TOTAL ASSETS	1,911,433	1,989,306
Shareholders' equity	464,010	435,426
Non-current liabilities	721,354	991,794
Current liabilities	726,069	562,086
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,911,433	1,989,306

Pending completion of independent and statutory audits.

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 press release corresponds to the document results, books and accounting records.