

**RECORDATI SHAREHOLDERS APPROVE THE 2020 ACCOUNTS. DIVIDEND € 1.05 PER SHARE (+5.0% vs 2019).**

- *Shareholders approve the 2020 results: consolidated net revenues € 1,448.9 million (-2.2% vs 2019), EBITDA<sup>(1)</sup> € 569.3 million (+4.7%), operating income € 469.0 million (+0.8%), net income € 355.0 million (-3.8%), adjusted net income € 410.4 million (+7.3%).*
- *Dividend for 2020 € 1.05 per share (+5.0% vs 2019), of which € 0.50 already paid in November 2020.*
- *Remuneration policy approved and favourable note taken of the 2020 remuneration.*
- *New Stock Option Plan called "Stock Option Plan 2021-2023" approved.*
- *Authorization to buy-back and dispose of Recordati shares renewed.*
- *For the first quarter of 2021, consolidated net revenues, at € 384.8 million (-10.3% compared to the same period last year), reflect the continued impact of the COVID-19 pandemic coupled with the negative currency exchange effect (-3.5%). Additionally, while the first quarter of 2020 benefited from accelerated stocking of around € 20 million to deal with the onset of the health emergency, at the beginning of this year wholesalers and pharmacies decreased stocks of seasonal flu medications due to the low incidence of illness.*
- *The full quarterly set of results will be published and presented on 6 May together with the 2021-2023 strategy and outlook update.*

*Milan, 20 April 2021 – Today the Annual Meeting of Recordati S.p.A. Shareholders was held. Recordati S.p.A.'s Annual Shareholders' Meeting approved the company's 2020 financial accounts, which were prepared according to IFRS. In addition, the Group's consolidated statements, which were also prepared according to IFRS, and the consolidated non-financial statements 2020, pursuant to Legislative Decree n. 254/2016, were presented. The tables attached contain a summary of the 2020 financial statements which were commented in the press release issued on 18 March 2021. In 2020 consolidated net revenues were € 1,448.9 million (-2.2%), EBITDA<sup>(1)</sup> was € 569.3 million (+4.7%), operating income was € 469.0 million (+0.8%), net income was € 355.0 million (-3.8% or +3.2% excluding non-recurring "Patent Box" tax benefits, equal to € 2.0 million in 2020 and to € 27.0 million in 2019), adjusted net income<sup>(2)</sup> was € 410.4 million (+7.3%).*

As proposed by the Board of Directors, the shareholders approved 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).

<sup>(1)</sup> *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.*

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

**RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.**

## Registered Office

Via Matteo Civitali, 1  
20148 Milano, Italy  
Ph. (39) 02 487871  
Fax (39) 02 40073747  
[www.recordati.com](http://www.recordati.com)

Share Capital € 26.140.644,50 fully paid-up  
Milano, Monza, Brianza and Lodi Comp. Reg. No. 00748210150  
Tax Code/VAT No. 00748210150  
Milano R.E.A. No. 401832

## Further shareholder resolutions

### *Remuneration policy and report on compensation for the year 2020*

The Shareholders' Meeting also expressed a favorable vote on the remuneration policies for the year 2021, in accordance with article 123ter of Legislative Decree No. 58/98 and favourable note was taken of the compensation report related to the execution during 2020 of the remuneration policy approved by the Shareholders' meeting of 29 April 2020, both part of the Remuneration Report which can be found on the company's website under Shareholders Meetings in the Investors section as well as under Remuneration Reports in the Corporate Governance section.

### *New Stock Option Plan called "Stock Option Plan 2021-2023" pursuant to article 114bis of Legislative Decree 58/1998*

Furthermore, the Shareholders' Meeting approved a new stock option plan covering the five year 2021-2023 period, the details of which have already been published and communicated to the public and are available in the relative explanatory document as required by law. The explanatory document, which is the object of the Board's explanatory report on the third item of the agenda of the Shareholders' Meeting, can be found on the company's website under Shareholders Meetings in the Investors section.

The reasons underlying the proposal to approve the New Plan are aimed at the reinforcing of the management's loyalty and at its participation in the results of Recordati Group, in compliance with the principles and recommendations of the new Corporate Governance Code adopted on January 2020, maintaining the appropriate substantial continuity with the previous stock option plans adopted by the Company in the past years.

The Plan are also complying with the 2021 Remuneration Policy submitted to a binding vote of the Shareholders' Meeting as mentioned in the previous paragraph.

### *Authorization to buy-back and dispose of Recordati shares*

The Shareholders' Meeting authorized 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 16 April 2021 the company has 3,906,067 shares in Treasury stock which amounts to 1.87% of the current share capital.

### **First quarter 2021**

For the first quarter of 2021, consolidated net revenues were € 384.8 million, compared to € 429.2 million in the first quarter of last year (-10.3% or -6.8% at a constant exchange rate) reflecting the continued impact of the COVID-19 pandemic, in particular on cough & cold products due to the lack of incidence of seasonal flu, the adverse currency exchange rate effect and the loss of exclusivity in 2020 on silodosin and pitavastatin. The comparison to the first quarter of 2020 is also affected by the stock build up which occurred last year, of about € 20 million, as wholesalers and pharmacies dealt with the onset of the health emergency, whilst in the first quarter of 2021 there was a reduction in stock levels especially for seasonal flu products. In line with the guidance set out at the beginning of 2021, we expect a gradual recovery of the reference markets post the pandemic in the second half of the year, with a likely lower incidence of seasonal flu throughout 2021.

### **Three-year plan 2021-2023: strategy and outlook update**

On 6 May, together with the full first quarter set of results, the strategy and outlook update for the next three-year will be presented. Details to follow.

*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.*

For further information:

Recordati website: [www.recordati.com](http://www.recordati.com)

Investor Relations

Federica De Medici

(39) 02 48787146

e-mail: [investorelations@recordati.it](mailto:investorelations@recordati.it)

Media Relations

Studio Noris Morano

(39) 02 76004736, (39) 02 76004745

e-mail: [norismorano@studionorismorano.com](mailto: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 <sup>(1)</sup>	410,402	382,413	7.3
EBITDA <sup>(2)</sup>	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

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

<sup>(2)</sup> 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)

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<b>ASSETS</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
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
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,938,703</b>	<b>1,999,580</b>
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
<b>TOTAL CURRENT ASSETS</b>	<b>772,951</b>	<b>809,350</b>
<b>TOTAL ASSETS</b>	<b>2,711,654</b>	<b>2,808,930</b>

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(thousands of €)

<b>EQUITY AND LIABILITIES</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
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
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,276,260</b>	<b>1,198,811</b>
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
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>856,930</b>	<b>1,023,365</b>
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
<b>TOTAL CURRENT LIABILITIES</b>	<b>578,464</b>	<b>586,754</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,711,654</b>	<b>2,808,930</b>

**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
<b>TOTAL ASSETS</b>	<b>1,911,433</b>	<b>1,989,306</b>
Shareholders' equity	464,010	435,426
Non-current liabilities	721,354	991,794
Current liabilities	726,069	562,086
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,911,433</b>	<b>1,989,306</b>

**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.