

**RECORDATI: 2021 FIRST NINE MONTHS RESULTS APPROVED
REVENUE +5.7%, EBITDA +2.1% AND NET INCOME +8.1%
THE RECOVERY BEGUN IN THE SECOND QUARTER CONTINUES**

- Consolidated net revenue € 1,156.2 million, +5.7% (+8.6% at constant exchange rate).
- Strong contribution from Eligard®, with revenue of € 59.4 million, and from the rare diseases portfolio, up by 20.2%.
- EBITDA ⁽¹⁾ € 447.9 million, at 38.7% of revenue, +2.1%.
- Operating income € 327.9 million, +2.4%.
- Net income € 296.4 million, + 8.1%.
- Adjusted net income ⁽²⁾ € 313.4 million, -1.3%.
- Net financial position ⁽³⁾: net debt of € 714.7 million; Free Cash Flow ⁽⁴⁾ of € 352.9 million, up by € 69.6 million.
- Shareholders' equity € 1,445.1 million.
- Expect FY results in line with the objectives set at the start of the year, at the lower end of the range.
- Resolution to distribute an interim 2021 dividend of € 0.53 per share.
- Approved a share buy-back program to service the stock option plans.

Milan, 28 October 2021 — The Board of Directors of Recordati S.p.A. approved the Group's Interim Report at 30 September 2021, representing additional voluntary financial reporting ⁽⁴⁾. The Report was prepared using the assessment, measurement and recognition criteria prescribed by international accounting standards (IFRS). The Group's Interim Report at 30 September 2021 will be available today at the company's offices and on the company's website (www.recordati.it) and can also be viewed on the authorised storage system 1Info (www.1Info.it).

Financial highlights

- **Net revenue** in the first nine months of 2021 was € 1,156.2 million, up by +5.7% (+8.6% at constant exchange rate) compared to the same period the previous year, reflecting an adverse currency exchange rate effect of around € 31.7 million and the contribution from the new product Eligard® for € 59.4 million (acquired under license from Tolmar International Ltd. in January). Net of these effects, growth was at 3.2%, which reflects the loss of exclusivity in 2020 of silodosin and pitavastatin and the impact of the pandemic, especially on seasonal flu medications in the first part of 2021. Growth in the rare diseases portfolio was significant at 20.2%, thanks especially to the growth in Signifor® and Isturisa®, but also to the solid performance of the main products in the portfolio. International sales grew by 7.8%.
The third quarter showed a continued improvement with a 15.5% growth in net revenue (+17% at constant exchange rate) compared to the same period in 2020, which had been more significantly impacted by the restriction measures.

RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.

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TAX CODE/VAT NO. 00748210150
ECONOMIC AND ADMINISTRATIVE INDEX MILAN 401832

Company subject to management and coordination by Rossini Luxembourg S.à.r.l

- **EBITDA** ⁽¹⁾ was € 447.9 million, up by 2.1% compared to the first nine months of 2020, accounting for 38.7% of revenue. Growth over the third quarter (+15.4% YoY), was driven by solid revenue performance, partially offset by the increase in investments to support the rare diseases segment, the costs related to integrating and promoting the new product Eligard®, as well as the gradual recovery of operations in the territory.
- **Operating income** was € 372.9 million, up by 2.4% over the same period of the previous year, at 32.3% of revenue.
- **Net income**, at € 296.4 million, increased by 8.1% compared to the first nine months of 2020, with higher net financial expenses (due to exchange rate losses for € 6.8 million) and non-recurring tax benefits recorded in the second quarter of € 26.2 million. Net income accounted for 25.6% of revenue. **Adjusted net income** ⁽²⁾, at € 313.4 million, was down by 1.3% over the same period in 2020, due primarily to the higher net financial expenses, at 27.1% of revenue.
- The **net financial position** ⁽³⁾ at 30 September recorded net debt of € 714.7 million compared to net debt of € 865.8 million at 31 December 2020. Over the period, € 35.0 million was paid to Tolmar International Ltd. pursuant to the license agreement for Eligard® and € 14.5 million to Almirall S.A. for the Flatoril® license. Furthermore, treasury shares were purchased for € 29.0 million, net of sales proceeds from exercising stock options, and dividends were paid for € 109.4 million. Free cash flow, which is operating cash flow before excluding these effects and financing items was € 352.9 million for the period, an increase of € 69.6 million compared to the first nine months of 2020, thanks to the increase in operating results and careful management of working capital. **Shareholders' equity** was € 1,445.1 million.

Corporate development news and other key events

In January 2021, a License and Supply Agreement was finalized 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 localized and locally advanced hormone-dependent prostate cancer, in combination with radiotherapy. Already over the first nine months of the year, net revenue for € 59.4 million was recorded on the basis of this agreement. The active ingredient in Eligard®, leuprorelin acetate, presents in powder form, which is solubilized with a solvent and administered as a subcutaneous injection. Eligard® is available in three different doses (for 1 month, 3 months and 6 months of treatment, respectively) in a single kit containing two syringes.

Following a request from the European Medicines Agency (EMA), a new device is currently being developed to make administration of the product easier. The regulatory amendment should be submitted by the first quarter of 2022. Tolmar will continue to manufacture the product for Recordati, whereas Astellas will provide Recordati with certain transitory services over an agreed time period. At 30 September 2021, the transfer of the Marketing Authorization or sales licence for Recordati was completed in around 30 countries, and the product is marketed directly in 24 countries and via partners in a further 6 countries.

Recordati has made an upfront payment of € 35 million to Tolmar, with further milestones up to a total of € 105 million payable, plus royalties on sales.

Also in January 2021, the US 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 caused by propionic acidemia (PA) or by methylmalonic acidemia (MMA) in pediatric and adult patients. Carbaglu® is the first and only drug approved by the FDA for the treatment of acute hyperammonemia due to PA and MMA.

An agreement with Almirall S.A. was finalized in February 2021, to acquire the marketing rights on the Spanish market for Flatoril®, a medicine containing a combination of clebopride and simethicone, indicated for the treatment of functional gastrointestinal disorders.

In March 2021, in Japan, the Ministry of Health, Labour and Welfare (MHLW) approved Isturisa® (osilodrostat), for the treatment of patients with endogenous Cushing's syndrome for whom pituitary surgery is not an option or has not been curative. Marketing began at the end of June after having obtained the reimbursement price.

On 16 July 2021, the Board of Directors approved the new corporate governance structure of Recordati, which envisages the appointment of Rob Koremans as the new Chief Executive Officer (CEO), with effect from 1 December 2021. The current CEO, Andrea Recordati, will be appointed Chairman and will continue to be involved in formulating the Group strategy, providing support to the new CEO and senior management team. In light of other important roles appointed him by the Italian Government and having completed the transition process towards a new Governance of the Company, similarly on 16 July 2021, Chairman Alfredo Altavilla tendered his resignation from office, effective 1 December 2021.

In October 2021, Recordati was included in the MIB ESG Index, the first index promoted by Euronext and Borsa Italiana, dedicated to blue-chip companies demonstrating best ESG practices. The Group's inclusion in the index is further evidence of Recordati's firm commitment to environmental, social and governance issues. The index selects 40 listed Italian companies that stand out for their perfect integration of economic performance and ESG criteria, in line with the United Nations' Global Impact standards. It is worth reiterating that Recordati is also included in the FTSE4Good Index series. As a testament to the Company's focus on sustainability, we note a general improvement in the ESG rating, including the CDP Climate Change programme, MSCI, ISS and EcoVadis (the latter giving us a Gold rating in June 2021).

Management Comments

"The third quarter of 2021 confirmed the trends already recorded during the second quarter, with a steady recovery in the Group's main reference markets and operating conditions returning to near normal, even though limited access to medical personnel in different countries and social distancing measures continue to impact on certain product categories", said Andrea Recordati, CEO. "The rebound in the Specialty & Primary Care segment, combined with the contribution from the new product Eligard® and consistent growth in rare disease business, delivered financial results for the first nine months that are tracking in line with the expectations set at the start of the year, which foresaw for 2021 revenue between € 1,570 million and € 1,620 million, EBITDA⁽¹⁾ between € 600 and € 620 million and adjusted net income⁽²⁾ between € 420 and € 440 million. Based on current trends, we expect results for the financial year at the lower end of the range, with the recent recovery in the seasonal flu-market unlikely to fully offset the adverse impact in the first part of the year, assuming no significant new waves of COVID-19 restrictions" continued Andrea Recordati.

Additional resolutions

Interim dividend 2021

The Board of Directors passed a resolution to distribute an interim 2021 dividend to shareholders of € 0.53 (gross of tax withholdings) per share outstanding at the ex-dividend date, thus excluding treasury stock held in the Company's portfolio on that date. The 2021 interim dividend will be payable as of 24 November 2021 (record date 23 November 2021), with coupon no. 28, to shareholders registered on 22 November 2021.

The Independent Auditor EY S.p.A. has issued the opinion required by Art. 2433 – *bis*, paragraph 5 of the Italian Civil Code, which is available at the company's offices.

The Directors' Report and Recordati S.p.A. financial statements at 30 June 2021, based on which the latter's Board of Directors resolved the distribution of the interim dividend, are available at the company's office and website (www.recordati.it), and can also be viewed on the authorised storage system 1Info (www.1Info.it).

Approved a share buy-back program to service the stock option plans

Today, the Board of Directors also approved the launch of a share buy-back program under Art. 5 of (EU) Regulation no. 596/2014 for a maximum of 1,000,000 ordinary shares with a maximum cash outlay of € 60 million. This executes the resolution adopted by the Shareholders' meeting held on 20 April 2021 to purchase Recordati shares to service current and future stock option plans in favour of the Recordati Group's management. The program will be executed through an intermediary, who will operate completely independently ("riskless principal"). The intermediary's identity is being finalised and will be based on a specific delegation of powers.

Policy regarding quality and quantity criteria in the assessment of independence requirements

Finally, today, the Board of Directors of Recordati S.p.A. defined the policy regarding the quality and quantity criteria in the assessment of independence requirements for directors, pursuant to Recommendation no. 7, section one, letters c and d of Article 2 to the Corporate Governance Code. The policy is available on the Company's website, via the following link: https://www.recordati.com/it/corporate_governance/cda/

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

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

⁽⁴⁾ Operating cash flow, excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options.

Conference Call

Today, **28 October**, at **4:00 p.m. CET (3:00 p.m. GMT)**, Recordati management will be hosting a conference call with the financial community to present the results for the first nine months of 2021. The dial-in numbers are:

Italy + 39 02 802 09 11, toll free 800 231 525

UK + 44 1 212818004, toll free (44) 0 800 0156371

USA +1 718 7058796, toll free (1) 1 855 2656958

France +33 1 70918704

Germany +49 6917415712

Callers are invited to dial in 10 minutes before conference time. If conference operator assistance is required to connect, please dial *0.

A set of slides which will be referred to during the call will be available on our website www.recordati.com under Investors/Company Presentations.

***Recordati** (Reuters RECI.MI, Bloomberg REC IM), established in 1926, is an international pharmaceutical group listed on the Italian Stock Exchange (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 other countries of the CIS, Ukraine, Turkey, North Africa, the United States, 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 licence, from a number of therapeutic areas, including a specialised business dedicated to rare diseases. Recordati is a partner of choice for new product licences 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.*

Further information:

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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 indications or recommendations, nor as advertising.

RECORDATI GROUP

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

INCOME STATEMENT	First nine months 2021	First nine months 2020	Change %
NET REVENUE	1,156,189	1,093,818	5.7
Cost of sales	(313,005)	(308,237)	1.5
GROSS PROFIT	843,184	785,581	7.3
Selling expenses	(287,007)	(256,701)	11.8
Research and development expenses	(119,691)	(106,344)	12.6
General and administrative expenses	(60,057)	(53,644)	12.0
Other income/(expenses), net	(3,502)	(4,855)	(27.9)
OPERATING INCOME	372,927	364,037	2.4
Financial income/(expenses), net	(22,191)	(11,192)	98.3
PRE-TAX INCOME	350,736	352,845	(0.6)
Income taxes	(54,350)	(78,745)	(31.0)
NET INCOME	296,386	274,100	8.1
ADJUSTED NET INCOME ⁽¹⁾	313,429	317,548	(1.3)
EBITDA ⁽²⁾	447,886	438,801	2.1
Attributable to:			
Equity holders of the Parent	296,386	274,063	8.1
Non-controlling interests	0	37	n.s.
EARNINGS PER SHARE			
Base ⁽³⁾	€ 1.439	€ 1.333	8.1
Diluted ⁽⁴⁾	€ 1.417	€ 1.311	8.1

⁽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-downs of property, plant and equipment, intangible assets and goodwill, and non-recurring charges.

⁽³⁾ Earnings per share (EPS) are based on average shares outstanding during the respective period, 205,919,516 in 2021 and 205,603,780 in 2020. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 3,205,640 shares in 2021 and 3,521,376 shares in 2020.

⁽⁴⁾ Diluted earnings per share is calculated by taking into account stock options granted to employees.

COMPOSITION OF NET REVENUE	First nine months 2021	First nine months 2020	Change %
Total revenue	1,156,189	1,093,818	5.7
Italy	201,603	208,523	(3.3)
International	954,586	885,295	7.8

RECORDATI GROUP

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(€ thousands)

INCOME STATEMENT	Third quarter 2021	Third quarter 2020	Change %
NET REVENUE	385,354	333,626	15.5
Cost of sales	(107,065)	(96,483)	11.0
GROSS PROFIT	278,289	237,143	17.4
Selling expenses	(96,908)	(82,505)	17.5
Research and development expenses	(38,562)	(35,102)	9.9
General and administrative expenses	(19,328)	(16,960)	14.0
Other income/(expenses), net	(932)	(49)	n.s.
OPERATING INCOME	122,559	102,527	19.5
Financial income/(expenses), net	(7,323)	(4,109)	78.2
PRE-TAX INCOME	115,236	98,418	17.1
Income taxes	(25,956)	(21,261)	22.1
NET INCOME	89,280	77,157	15.7
ADJUSTED NET INCOME ⁽¹⁾	103,610	91,980	12.6
EBITDA ⁽²⁾	147,436	127,710	15.4

⁽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-downs of property, plant and equipment, intangible assets and goodwill, and non-recurring charges.

COMPOSITION OF NET REVENUE	Third quarter 2021	Third quarter 2020	Change %
Total revenue	385,354	333,626	15.5
Italy	61,536	60,038	2.5
International	323,818	273,588	18.4

RECORDATI GROUP

Summary of the consolidated results,
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(€ thousands)

ASSETS	30.09.2021	31.12.2020
Property, plant and equipment	132,992	133,250
Intangible assets	1,128,036	1,115,811
Goodwill	560,309	562,116
Other equity investments and securities	41,963	45,581
Other non-current assets	31,927	6,861
Deferred tax assets	76,203	75,084
TOTAL NON-CURRENT ASSETS	1,971,430	1,938,703
Inventories	244,501	251,252
Trade receivables	300,769	268,897
Other receivables	44,880	47,291
Other current assets	15,018	10,245
Derivative instruments measured at fair value	11,021	7,036
Cash and cash equivalents	341,926	188,230
TOTAL CURRENT ASSETS	958,115	772,951
TOTAL ASSETS	2,929,545	2,711,654

RECORDATI GROUP

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

SHAREHOLDERS' EQUITY AND LIABILITIES	30.09.2021	31.12.2020
Share capital	26,141	26,141
Share premium reserve	83,719	83,719
Treasury shares	(98,924)	(87,516)
Reserve for derivative instruments	(1,584)	(2,659)
Translation reserve	(205,169)	(217,303)
Other reserves	67,289	70,707
Profits carried forward	1,277,210	1,151,053
Net income	296,386	354,984
Interim dividend	0	(103,143)
Shareholders' equity attributable to equity holders of the Parent	1,445,068	1,275,983
Shareholders' equity attributable to non-controlling interests	0	277
TOTAL SHAREHOLDERS' EQUITY	1,445,068	1,276,260
Loans - due after one year	824,701	778,238
Employee benefits provisions	21,351	21,174
Deferred tax liabilities	27,787	41,219
Other non-current liabilities	0	16,299
TOTAL NON-CURRENT LIABILITIES	873,839	856,930
Trade payables	166,917	132,096
Other payables	133,098	95,671
Tax liabilities	40,197	29,743
Other current liabilities	8,414	11,250
Provisions for risks and charges	14,240	17,113
Derivative instruments measured at fair value	6,126	9,770
Loans - due within one year	228,168	270,254
Short-term debts to banks and other lenders	13,478	12,567
TOTAL CURRENT LIABILITIES	610,638	578,464
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,929,545	2,711,654

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 Company's documentation, books and accounting records.