

**RECORDATI: BOARD APPROVES THE 2021 ACCOUNTS. SALES € 1,580.1 MILLION (+9.1%), EBITDA<sup>(1)</sup> € 602.3 MILLION (+5.8%), ADJUSTED NET INCOME € 386.0 MILLION (+8.7%). 2021 DIVIDEND € 1.10 (+4.8%)**

- Consolidated net revenue up by 9.1% at € 1,580.1 million (+11.4% at constant exchange rate)
- EBITDA<sup>(1)</sup> up by 5.8% at € 602.3 million
- Operating income up by 4.5% at € 490.2 million
- Net income up by 8.7% at € 386.0 million
- Adjusted net income<sup>(2)</sup> increasing by 3.5% to € 424.6 million
- Free Cash Flow<sup>(3)</sup> at € 469.9 million, increasing by € 87.6 million compared to 2020
- Net financial position<sup>(4)</sup> at € 736.5 million, improving significantly compared to December 2020
- Completion of EUSA Pharma acquisition
- Dividend for 2021 € 1.10 per share, of which € 0.53 already paid
- Annual Meeting of Shareholders convened for 29 April 2022, the sole convocation date

Milan, 17 March 2022 – Recordati's Board of Directors, meeting under the chairmanship of Andrea Recordati, approved the consolidated financial statements for the year 2021 as well as Recordati S.p.A.'s accounts according to ESEF reporting format and the 2021 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 2021 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](http://www.recordati.com) and can also be viewed on the authorized storage system 1Info ([www.1Info.it](http://www.1Info.it)). The Board of Directors also approved the consolidated non-financial statements, pursuant to Legislative Decree n. 254/2016, dated 31 December 2021 which will be made available in the same manner.

**Financial highlights**

- **Consolidated revenue** was € 1,580.1 million, up by 9.1% (+11.4% at constant exchange rate) compared to 2020, reflecting around € 34.5 million of adverse currency exchange rate effect and € 85.3 million of contribution from the new product Eligard® (acquired under license from Tolmar International Ltd. in January 2021). Net of these effects, growth was at 5.6%, absorbing the loss of exclusivity in 2020 of silodosin and pitavastatin and the impact of the pandemic, especially on Cough and Cold market during the first part of 2021.  
The rare diseases treatment segment grew by double-digit (+20.2%) thanks to robust performance of Signifor® and Isturisa®, which contributed € 126.6 million of revenue, together with growth in the metabolic portfolio. The Specialty & Primary Care business also performed well, showing strong resilience despite the significant impact of the pandemic on various reference markets, as well as the significant devaluation in the Turkish lira, with return to growth in the second half of 2021.
- **EBITDA<sup>(1)</sup>** was € 602.3 million, up by 5.8% compared to 2020, thanks to increased revenue and improved gross margins, partially offset by resumption of activity in the fields and by the

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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

Company under the Management and Coordination of Rossini Luxembourg S.à.r.l

investments to support new products. EBITDA margin was in line with the target for the year at 38.1%.

- **Operating income** was € 490.2 million, up by 4.5% compared to previous year, at 31.0% of revenue. The result reflects € 14.4 million of non-recurring costs, mainly relating to targeted right sizing of the Specialty & Primary Care business field force during the fourth quarter of 2021, mainly in Germany and Turkey, affecting around 175 FTEs.
- **Net income**, at € 386.0 million, increased by 8.7% compared to 2020, reflecting higher net financial expenses (due to exchange rate losses in 2021 of € 5.8 million which compare to gains of € 4.3 million in 2020) and non-recurring tax benefits of around € 27 million arising mainly from the reverse merger transaction completed in Q2 and the revaluation of the Magnesio Supremo® brand. Net income accounted for 24.4% of revenue.
- **Adjusted net income**<sup>(2)</sup>, at € 424.6 million, grew by 3.5% over 2020, accounting for 26.9% of revenue, with the lower growth rate relative to net income driven by the exchange rate losses.
- **Free cash flow**<sup>(3)</sup> was € 469.9 million for the period, increasing by € 87.6 million compared to 2020, thanks to the increase in operating results and careful management of working capital. Shareholders' equity was € 1,381.6 million.
- **Net financial position**<sup>(4)</sup> at 31 December 2021 recorded net debt of € 736.5 million, lower 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 € 59.3 million, net of sales proceeds from exercising stock options, and dividends were paid for € 216.7 million.

### Corporate development news and other key events

In line with our strategy, in 2021 several initiatives were undertaken to support future growth. In January, 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 year, net revenue of € 85.3 million was recorded based on this agreement. Following intense regulatory activity, in 2021, the transfer of the Marketing Authorization or sales license to Recordati was completed in around 30 countries, and the Group successfully started to launch the product distribution and promotional activities to healthcare professionals.

Also in January, 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, 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, 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.

In July, the Board of Directors approved the appointments of Rob Koremans as Chief Executive Officer and of Andrea Recordati as Chairman of the Group, both effective 1 December 2021.

Finally, in December, Recordati announced the signing of a share purchase agreement to acquire EUSA Pharma (UK) Ltd, a global specialty pharmaceutical company with headquarters in the United Kingdom, focused on rare and niche oncology diseases, for an enterprise value of €750 million. The transaction, following the regulatory authorities' approval, has been completed on 16 March 2022 and will be consolidated in the Recordati group financial statements as of 31 March 2022.

The acquisition of EUSA Pharma represents another step forward in delivering on the Group's strategy to increase its presence in the rare disease segment and fulfill its mission: improving the lives of patients whilst delivering innovative treatments that address serious unmet medical needs. The deal will complement Recordati's global footprint with new capabilities and a highly efficient commercial infrastructure, adding a growing portfolio of 4 rare and niche oncology disease products, providing a platform for potential future expansion.

### **Ukrainian emergency support**

In these difficult times, Recordati is closely monitoring the evolution of the current crisis in Ukraine, with the health and safety of colleagues affected being its top priority.

The Company has promptly put in place tangible actions to provide employees of its Ukrainian affiliate and their families with all financial and logistical assistance needed while striving to continue to deliver medicines to the patients and communities impacted by the conflict through local and international distribution networks.

To support all the above initiatives, the Group has allocated an initial amount of €2 million, part of which will be committed to support humanitarian NGOs.

### **Business outlook**

On February 24th we announced targets for 2022, which foresaw achieving revenue between € 1,720 and € 1,780 million, EBITDA<sup>(1)</sup> between € 630 and € 660 million and adjusted net income<sup>(2)</sup> between € 450 and € 470 million. These targets assumed the EUSA Pharma acquisition to complete in Q2 2022, with contribution from EUSA Pharma of over € 110 million of revenue and around € 25 million of EBITDA. Non-recurring costs, which are not included in EBITDA<sup>(1)</sup> or adjusted net income<sup>(2)</sup>, are estimated at € 35 million, mainly related to the acquisition and integration of EUSA Pharma.

The incremental amortisation charges and other non-cash IFRS3 adjustments arising from the EUSA Pharma acquisition, including fair value adjustment to acquired inventory, will be determined on the basis of the formal purchase price allocation.

These targets assumed the EUSA Pharma acquisition to complete in Q2 2022 and were set prior to the escalation of conflict in Ukraine and the significant devaluation of the Rouble vs the Euro compared to the average exchange rate in the month of January. Reported Group Revenue in 2021 from our affiliates in Russia and Ukraine was respectively € 77 million and € 15 million.

In the face of the Russia-Ukraine crisis, the Company has given immediate priority to the safety of its people in Ukraine and is implementing all possible measures and initiatives to guarantee the supply of medicines to patients in the countries involved.

In spite of the resilience of the sector to which the Company belongs, recent operating performance and the diversification of the Group, it is difficult to quantify at this stage the potential future impacts from this crisis, given the complex and constantly evolving situation.

If appropriate, 2022 targets will be updated on the basis of the actual completion date of the EUSA Pharma acquisition and as the situation in Russia and Ukraine evolves.

## **Dividend**

Based on the results obtained, we propose a dividend to shareholders of € 0.57 per share, in full balance of the interim 2021 dividend of € 0.53, for all shares outstanding at the ex-dividend date (no. 29), excluding treasury shares in the portfolio at that date (payment on 25 May 2022 and record date 24 May 2022), with ex-dividend on 23 May 2022. The full 2021 dividend is therefore € 1.10 per share (€ 1.05 per share in 2020).

## **Mr Fritz Squindo's role**

Fritz Squindo, key manager personnel and, as such, related party of Recordati, following a reasoned non-binding opinion issued by the Remuneration and Nominations Committee acting as Committee for the Related Parties Transactions, has undersigned with the company an agreement - replacing the one signed on 14 February 2019 - which provides that, with effect from the date of the shareholders' meeting called for next 29 April 2022, Mr. Squindo will cease to cover the role of Group General Manager, assuming the new role of Senior Advisor until 30 April 2023, date on which the employment relationship with the Company will mutually terminate on a definitive basis.

In economic terms, the new agreement provides for the recognition, upon termination of the employment contract, of an amount defined within the limits of the provisions of the National Collective Bargaining Agreement for Managers ('CCNL Dirigenti').

Information of this agreement will be given also in the Report on the remuneration policy and the remuneration paid which will be published within the terms of law.

### Further Board resolutions

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

- Appointment of the members of the Board of Directors, whose mandate will end with 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 2021 payments made.
- Renewal of the authorization to the purchase and disposal of treasury shares until the Annual Shareholders' Meeting which will approve the 2022 financial statements.

Regarding the appointment of Directors, this shall be performed on a slate basis, pursuant to art. 15 of the company by-laws and the applicable laws and regulations in force. Further information is made available to shareholders in the relative Directors' Report on this point which is also available on the Company website (<https://www.recordati.it/en/investors/shareholders-meetings/>). It should be recalled in particular that only shareholders who, individually or together with other shareholders submitting slates, hold total shares representing at least 1% of the voting capital in the Ordinary Shareholders' Meeting have the right to submit slates.

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 2022 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 March 2022 the company has 3,537,802 shares in Treasury stock which amounts to 1.69 % 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 29 April 2022 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 31<sup>st</sup> December 2021; relative and consequent resolutions:
  - a. Financial Statements as at and for the financial year ended 31<sup>st</sup> December 2021;
  - b. Allocation of 2021 net income.
2. Appointment of the Board of Directors:
  - a. Determination of the number of the Board of Directors' members;
  - b. Determination of the term of office of the Board of Directors;
  - c. Appointment of the members of the Board of Directors; relative and consequent resolutions;
  - d. Determination of the remuneration of the members of the Board of Directors;
  - e. Exemption of directors from non-compete obligations pursuant to article 2390 of the Italian Civil Code with reference to the offices held by them in other companies and disclosed as at the date of the shareholders' meeting, in accordance with what is already provided for the Directors in office.
3. Report on the remuneration policy and the remuneration paid pursuant to article 123-ter, paragraphs 3-bis and 6, 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 2021.
4. Proposal to authorise the purchase and utilisation of treasury stock; related 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](http://www.recordati.com) and on the authorized storage system 1Info ([www.1Info.it](http://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 further extended by article 3, paragraph 1, of Italian Law Decree no. 228 of 30 December 2021, converted by Italian Law no. 15 of 25 February 2022, 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](http://www.1Info.it)).

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

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

**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 2021 was € 1,580.1 million, operating income was € 490.2 million and net income was € 386.0 million.

For 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 indication or recommendation, nor as advertising.*



**RECORDATI GROUP**

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

<b>INCOME STATEMENT</b>	<b>2021</b>	<b>2020</b>	<b>Change %</b>
<b>NET REVENUE</b>	<b>1,580,074</b>	<b>1,448,867</b>	<b>9.1</b>
Cost of sales	(427,727)	(406,831)	5.1
<b>GROSS PROFIT</b>	<b>1,152,347</b>	<b>1,042,036</b>	<b>10.6</b>
Selling expenses	(396,394)	(349,072)	13.6
Research and development expenses	(166,138)	(146,236)	13.6
General and administrative expenses	(84,495)	(72,785)	16.1
Other income/(expenses), net	(15,130)	(4,927)	n.s.
<b>OPERATING INCOME</b>	<b>490,190</b>	<b>469,016</b>	<b>4.5</b>
Financial income/(expenses), net	(26,841)	(13,360)	n.s.
<b>PRE-TAX INCOME</b>	<b>463,349</b>	<b>455,656</b>	<b>1.7</b>
Income taxes	(77,383)	(100,629)	(23.1)
<b>NET INCOME</b>	<b>385,966</b>	<b>355,027</b>	<b>8.7</b>
<b>ADJUSTED NET INCOME <sup>(1)</sup></b>	<b>424,647</b>	<b>410,402</b>	<b>3.5</b>
<b>EBITDA <sup>(2)</sup></b>	<b>602,253</b>	<b>569,320</b>	<b>5.8</b>
Attributable to:			
Equity holders of the Parent	385,966	354,984	8.7
Non-controlling interests	0	43	(100.0)

<sup>(1)</sup> Net income excluding the 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-downs of property, plant and equipment, intangible assets and goodwill, and non-recurring items.

<b>EARNINGS PER SHARE</b>	<b>2021</b>	<b>2020</b>	<b>Change %</b>
Basic	€ 1.874	€ 1.725	8.6
Diluted	€ 1.846	€ 1.698	8.7

Basic earnings per share base is calculated on the average number of shares outstanding in the respective periods, 206,011,089 for 2021 and 205,758,125 for 2020. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 3,114,067 for 2021 and 3,367,031 for 2020.

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

<b>COMPOSITION OF REVENUE</b>	<b>2021</b>	<b>2020</b>	<b>Change %</b>
Total revenue	1,580,074	1,448,867	9.1
Italy	265,361	274,588	(3.4)
International	1,314,713	1,174,279	12.0

Pending completion of independent and statutory audits.



**RECORDATI GROUP**

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

<b>ASSETS</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Property, plant and equipment	131,120	133,250
Intangible assets	1,138,786	1,115,811
Goodwill	553,209	562,116
Other equity investments and securities	34,124	45,581
Other non-current assets	32,937	6,861
Deferred tax assets	75,922	75,084
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,966,098</b>	<b>1,938,703</b>
Inventories	228,732	251,252
Trade receivables	307,778	268,897
Other receivables	44,880	47,291
Other current assets	12,984	10,245
Derivative instruments measured at fair value	11,149	7,036
Cash and cash equivalents	244,578	188,230
<b>TOTAL CURRENT ASSETS</b>	<b>850,101</b>	<b>772,951</b>
<b>TOTAL ASSETS</b>	<b>2,816,199</b>	<b>2,711,654</b>

Pending completion of independent and statutory audits.

**RECORDATI GROUP**

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

<b>EQUITY AND LIABILITIES</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Share capital	26,141	26,141
Share premium reserve	83,719	83,719
Treasury shares	(126,981)	(87,516)
Reserve for derivative instruments	(974)	(2,659)
Translation reserve	(213,086)	(217,303)
Other reserves	60,207	70,707
Profits carried forward	1,275,962	1,151,053
Net income	385,966	354,984
Interim dividend	(109,329)	(103,143)
<b>Shareholders' equity attributable to equity holders of the Parent</b>	<b>1,381,625</b>	<b>1,275,983</b>
Shareholders' equity attributable to non-controlling interests	0	277
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,381,625</b>	<b>1,276,260</b>
Loans - due after one year	760,473	778,238
Provisions for employee benefits	21,010	21,174
Deferred tax liabilities	26,675	41,219
Other non-current liabilities	0	16,299
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>808,158</b>	<b>856,930</b>
Trade payables	177,925	132,096
Other payables	145,170	95,671
Tax liabilities	29,543	29,743
Other current liabilities	6,508	11,250
Provisions for risks and charges	21,396	17,113
Derivative instruments measured at fair value	14,156	9,770
Loans - due within one year	223,061	270,254
Short-term debts to banks and other lenders	8,657	12,567
<b>TOTAL CURRENT LIABILITIES</b>	<b>626,416</b>	<b>578,464</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,816,199</b>	<b>2,711,654</b>

Pending completion of independent and statutory audits.

**RECORDATI GROUP**

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

<b>CASH FLOW</b>	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Net income	385,966	355,027
Income taxes	77,383	100,629
Net interest	17,752	17,475
Depreciation of property, plant and equipment	25,294	25,355
Amortization of intangible assets	72,291	68,317
Write-downs	52	0
Equity-settled share-based payment transactions	5,082	4,878
Other non-monetary components	12,925	1,997
Change in other assets and other liabilities	(15,516)	(11,090)
<b>Cash flow generated/(used) by operating activities before change in working capital</b>	<b>581,229</b>	<b>562,588</b>
Change in:		
- inventories	17,506	(42,924)
- trade receivables	(43,786)	6,033
- trade payables	46,335	(38,614)
<b>Change in working capital</b>	<b>20,055</b>	<b>(75,505)</b>
Interest received	291	463
Interest paid	(18,279)	(18,699)
Income taxes paid	(91,646)	(65,272)
<b>Cash flow generated/(used) by operating activities</b>	<b>491,650</b>	<b>403,575</b>
<b>INVESTMENT ACTIVITIES</b>		
Investments in property, plant and equipment	(21,852)	(21,263)
Disposals of property, plant and equipment	161	0
Investments in intangible assets	(65,508)	(110,415)
Disposals of intangible assets	4	57
Acquisition of holdings in subsidiaries	(304)	0
Disposals of holdings in other companies	0	66
<b>Cash flow generated/(used) by investment activities</b>	<b>(87,499)</b>	<b>(131,555)</b>
<b>FINANCING ACTIVITIES</b>		
Opening of loans	219,065	110,020
Repayment of loans	(288,546)	(141,430)
Payment of lease liabilities	(9,153)	(9,730)
Change in short-term debts to banks and other lenders	(1,259)	1,740
Dividends paid	(216,742)	(212,718)
Purchase of treasury shares	(101,820)	(47,871)
Sale of treasury shares	42,512	35,701
<b>Cash flow generated/(used) by financing activities</b>	<b>(355,943)</b>	<b>(264,288)</b>
<b>Change in cash and cash equivalents</b>	<b>48,208</b>	<b>7,732</b>
Opening cash and cash equivalents	188,230	187,923
Currency translation effect	7,661	(7,425)
Effect of merger	479	0
<b>Closing cash and cash equivalents</b>	<b>244,578</b>	<b>188,230</b>

Pending completion of independent and statutory audits.

**RECORDATI S.P.A.**

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

	<b>2021</b>	<b>2020</b>	Change %
Revenue	464,719	449,376	3.4
Operating income	123,842	152,601	(18.8)
Pre-tax income	231,182	269,538	(14.2)
Net income	219,109	234,664	(6.6)

	<b>31.12.2021</b>	<b>31.12.2020</b>
Non-current assets	1,564,822	1,557,948
Current assets	394,287	353,485
<b>TOTAL ASSETS</b>	<b>1,959,109</b>	<b>1,911,433</b>
Shareholders' equity	400,644	464,010
Non-current liabilities	718,494	721,354
Current liabilities	839,971	726,069
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,959,109</b>	<b>1,911,433</b>

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.