

RECORDATI: CONTINUING THE JOURNEY OF PROFITABLE GROWTH

**2022 Preliminary Full-Year Results
and 2023-2025 Plan Update**

Milano, February 21st 2023

SPEAKERS



Alberto Martinez
Executive VP
Specialty & Primary



Luigi La Corte
Chief Financial
Officer



Rob Koremans
Chief Executive
Officer



Scott Pescatore
Executive VP
Rare Diseases



AGENDA

▶ 2022 preliminary full-year results

Luigi La Corte
Chief Financial Officer

▶ Recordati today, strategy and value proposition

Rob Koremans
Chief Executive Officer

- Recordati today
- Strategy and value proposition

▶ Two core businesses

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▶ 2023-2025 Financial projections

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STRONG FINANCIAL PERFORMANCE AND KEY MILESTONES ACHIEVED

Preliminary FY 2022 Results

- ▶ **Robust underlying performance** across the business and **cost discipline** deliver another year of **strong financial results**:
 - **Net Revenue** of € 1,853.3 million, **+17.3%** overall, with **organic growth at CER⁽¹⁾ of +8.1%**
 - **EBITDA⁽²⁾** of € 672.8 million, or 36.3% of revenue, **+11.7% vs 2021**
 - **Adjusted Net Income⁽³⁾** of € 473.3 million, or 25.5% of revenue, **+11.5% vs 2021**
- ▶ **Significant milestones achieved in the year**:
 - **Isturisa[®] reimbursement** agreed with authorities in main EU markets
 - **EUSA** acquisition completed slightly ahead of plan and **integrated swiftly and effectively**
 - **Eligard[®]** returned to growth, **with new device approved**; national registration and transition on-going
 - Promising **new life cycle management opportunities identified** within current portfolio
 - **Acquisition of Telefil[®]** (tadalafil product) to strengthen urology franchise in Italy
- ▶ **Free cash flow⁽⁴⁾ of € 439.0 million, >90% of Adjusted Net Income**; Net debt⁽⁵⁾ of € 1,419.9 million, just over 2x EBITDA
- ▶ Reported results reflect **IFRS3 PPA unwind related to EUSA Pharma acquisition of € 49.8 million and non-recurring expenses of € 48.9 million (related to EUSA and SPC rightsizing)**; IAS29 first time adoption (Turkey hyperinflation) results in Net Revenue uplift of around € 1 million and adverse impact on operating and net profits of € 7-9 million (at different levels of the P&L) and revaluation of Net Assets of around € 80 million (net of impairment of € 5 million)

1) Revenue excluding newly acquired rare oncology franchise (EUSA Pharma) and considering like for like sales treatment for Eligard[®] in 2022 vs 2021 (pre SOTC transition)

2) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

3) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects

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

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



STRONG PROGRESS OF KEY GROWTH DRIVERS AND STABLE MATURE PRODUCT PORTFOLIO

(million Euro)	FY 2022	FY 2021	Change %
Zanidip® and Zanipress® (lercanidipine+enalapril) ⁽¹⁾	168.0	177.9	(5.6)
Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol+felodipine)	97.8	98.1	(0.3)
Urorec® (silodosin)	60.7	60.7	-
Livazo® (pitavastatin)	44.1	42.8	3.1
Eligard® ⁽²⁾	104.1	85.3	22.1
Other corporate products ⁽³⁾	313.5	286.1	9.6
Drugs for rare diseases	595.8	383.9	55.2
o/w Endocrinology franchise ⁽⁴⁾	171.9	126.6	35.8
o/w Oncology franchise	136.0	n.a.	n.a.

1) of which Zanidip® € 130.5 million in FY 2022 and € 136.7 million in FY 2021

2) Eligard® net revenue includes margins booked as net revenue until transfer of market authorizations and distribution (mostly 2021)

3) Includes the OTC corporate products for an amount of € 124.7 million in FY 2022 and € 115.5 million in FY 2021

4) Endo franchise includes net revenue for Signifor® and Signifor® LAR of € 90.6 million and Isturisa® of € 81.3 million in FY 2022



2022 PRELIMINARY RESULTS AHEAD OF FULL YEAR TARGETS

(million Euro)	FY 2022	FY 2021	Change %	Targets Feb 2022
Revenue	1,853.3	1,580.1	17.3	1,720 – 1,780
Gross Profit	1,286.6	1,152.3	11.6	
as % of revenue	69.4	72.9		
Adjusted Gross Profit⁽¹⁾	1,336.4	1,152.3	16.0	
as % of revenue	72.1	72.9		
SG&A Expenses	572.2	480.9	19.0	
as % of revenue	30.9	30.4		
R&D Expenses	220.1	166.1	32.5	
as % of revenue	11.9	10.5		
Other Income (Expense), net*	(57.0)	(15.1)	n.m.	
as % of revenue	(3.1)	(1.0)		
Operating Income	437.3	490.2	(10.8)	
as % of revenue	23.6	31.0		
Adjusted Operating Income⁽²⁾	536.1	504.6	6.2	
as % of revenue	28.9	31.9		
Financial income/(Expenses), net	(35.9)	(26.8)	33.7	
as % of revenue	(1.9)	(1.7)		
Net Income	312.3	386.0	(19.1)	
as % of revenue	16.9	24.4		
Adjusted Net Income⁽³⁾	473.3	424.6	11.5	450 – 470
as % of revenue	25.5	26.9		
EBITDA⁽⁴⁾	672.8	602.3	11.7	630 – 660
as % of revenue	36.3	38.1		

*Other expenses mainly reflect non-recurring costs, please see details on slide 59

1) Gross profit adjusted from impact of non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

2) Net income before income taxes, financial income and expenses, non-recurring items, and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

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FREE CASH FLOW >90% OF ADJUSTED NET INCOME

(million Euro)	FY 2022	FY 2021	Change
EBITDA⁽¹⁾	672.8	602.3	70.5
Movements in working capital*	(61.4)	20.0	(81.4)
Changes in other assets & liabilities	(16.8)	(15.5)	(1.3)
Interest received/(paid)	(18.2)	(18.0)	(0.2)
Income Tax Paid	(89.8)	(91.6)	1.8
Other	(24.9)	(5.6)	(19.3)
Cash flow from Operating activities	461.7	491.6	(29.9)
Capex (net of disposals)	(22.7)	(21.7)	(1.0)
Free cash flow⁽²⁾	439.0	469.9	(30.9)
Acquisition of subsidiaries ⁽³⁾	(673.3)	-	(673.3)
Increase in intangible assets (net of disposals)	(71.1)	(65.5)	(5.6)
Dividends paid	(230.6)	(216.7)	(13.9)
Purchase of treasury shares (net of proceeds)	(38.6)	(59.3)	20.7
Other financing cash flows ⁽⁴⁾	614.8	(72.1)	686.9
Change in cash and cash equivalents	40.2	56.3	(16.1)

* Working capital increase reflects growth of business and stock rebuild

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

3) Net of acquired cash and cash equivalents from EUSA Pharma for € 53.2 million

4) Opening of financial debts net of repayments and currency translation effect on cash and cash equivalents. 2022 amount also includes loan from EUSA Pharma, repaid for € 78.2 million



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RECORDATI: A TOP-TIER VALUE CREATOR FOR PATIENTS, INVESTORS AND OUR PEOPLE

- ▶ Over **95 years** history
- ▶ Roots and legacy in Italy, but now a truly **international Group**
- ▶ **Committed to performance**, delivering steady and profitable growth with **strong cash generation**
- ▶ **Diversified footprint** with two equally important businesses:
 - **SPC**: well-established, **branded portfolio** of prescription and OTC products; **European partner of choice** across multiple TAs (core in Cardio, Urology, Gastro)
 - **RRD**: **global** rare disease business, with strong assets in **metabolic, endocrinology** and **rare oncology** and promising low risk lifecycle management opportunities
- ▶ **Effective capital allocation** and **financial discipline**
- ▶ **Strong track record** executing on **accretive and growth M&A** and **BD**

FY 2022 SNAPSHOT



EMPLOYEES
> 4,300



MARKETS
~150



REVENUE
1,853.3
+17.3% YoY



EBITDA
672.8
36.3% Margin



ADJ. NET INCOME
473.3
25.5% Margin

SPC (68%)
1,257.5 Revenue
EBITDA margin 33.2%

RARE DISEASE (32%)
595.8 Revenue
EBITDA margin 42.8%

million Euro



PROVEN AND SUSTAINABLE BUSINESS MODEL



ACCRETIVE AND GROWTH BD / M&A

- Strong M&A track record of product and corporate acquisitions as well as licensing to complement portfolio
- Disciplined approach, with focus on **long term value creation** (mix of growth and accretive deals)



WELL DIVERSIFIED REVENUE BASE

- Very broad portfolio and diversified footprint minimizes exposure to single product market combination
- Limited exposure to single reimbursement systems



STRONG COMMITMENT TO GROWTH

- Consistent track record of **high single digit growth**, often ahead of market
- Balance of **organic** and **BD**
- Positive underlying trend of industry: **population ageing** and increase prevalence of **chronic diseases**



LOW DEVELOPMENT RISK

- 2022 **cash R&D** costs of <7%⁽¹⁾
- Selective R&D investments, in **low risk/ affordable innovation** (lifecycle management and new indications)



ROBUST SUPPLY CHAIN

- Fully vertical integrated platform from API to sale for key products, supporting margin and protecting the supply chain
- **c.60%** of volumes manufactured by **Recordati plants**



LIMITED LOE EXPOSURE

- Proven successful strategy of **stabilizing key products post LOE**, through active promotion
- **No material impact from new LOE expected in the next 5 years**



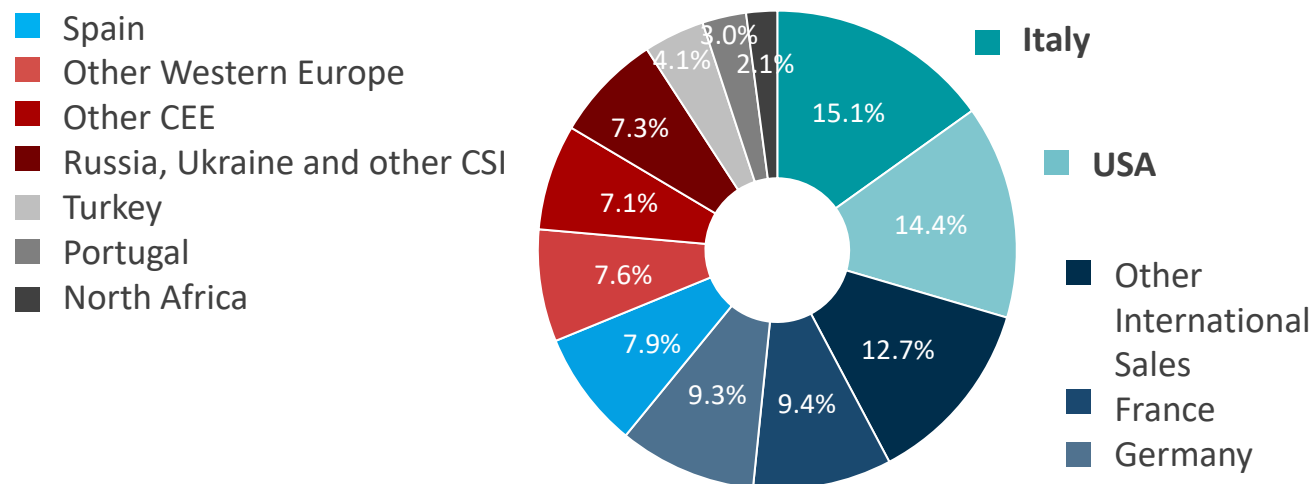
1) cash R&D = R&D costs excl. amortisation



WELL DIVERSIFIED REVENUE BASE

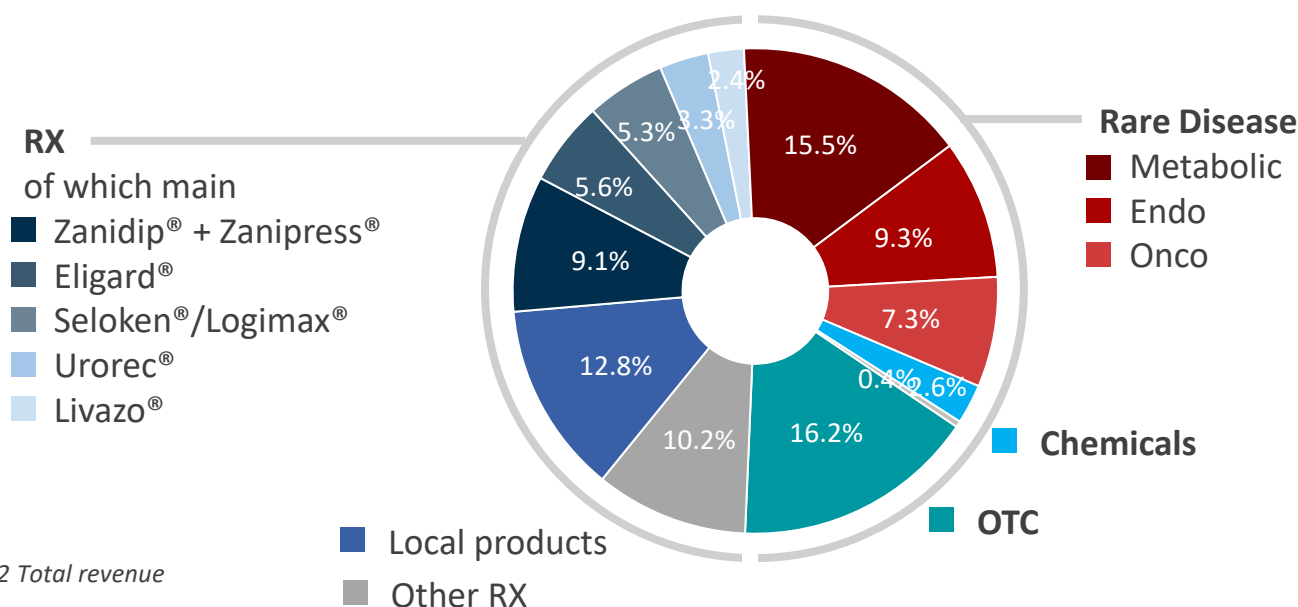
Moving into new geographies and disease areas, becoming a larger and more diversified organization

Geographic



FY 2022 Pharmaceutical revenue

Therapeutic areas



FY 2022 Total revenue



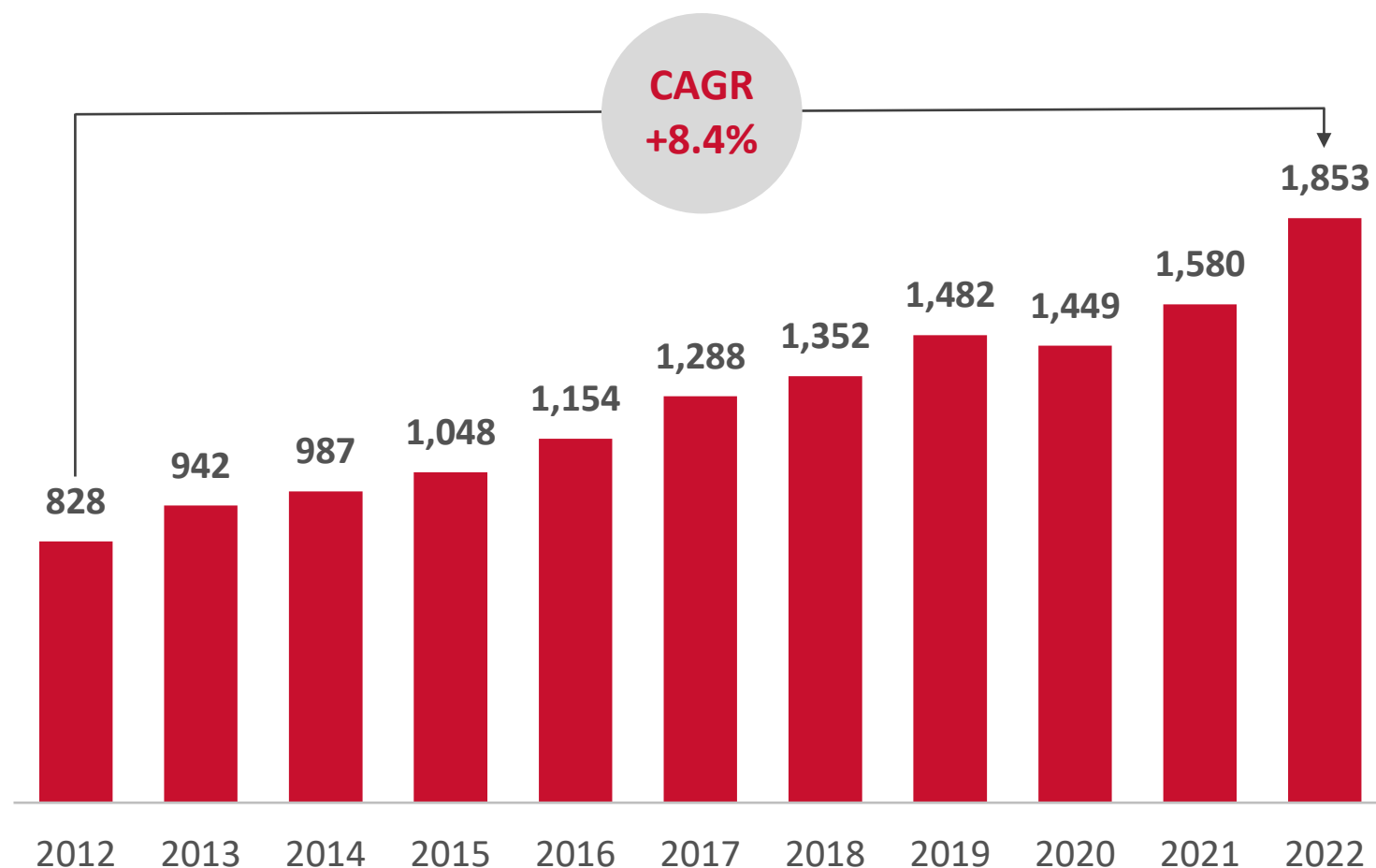
- **Italy** growing but **no longer dominant**, now ~15%
- **US** to become our **biggest** market in 2023
- ~30% of revenue outside **US & established EU**
- Main products each represent **less than 10%** of revenue
- Presence in both **RX** and **OTC**
- **Growing global Rare Diseases footprint**



STRONG COMMITMENT TO GROWTH

Group Revenue 2012 - 2022

million Euro



- **Growth** driven approx. **50%** by organic and **50%** by **business development**
- **Organic** growth mostly achieved through **volumes**
- YoY **pricing** on average typically **+/- 1%**
- Growth achieved while **sustaining margins** and maintaining **strong balance sheet**

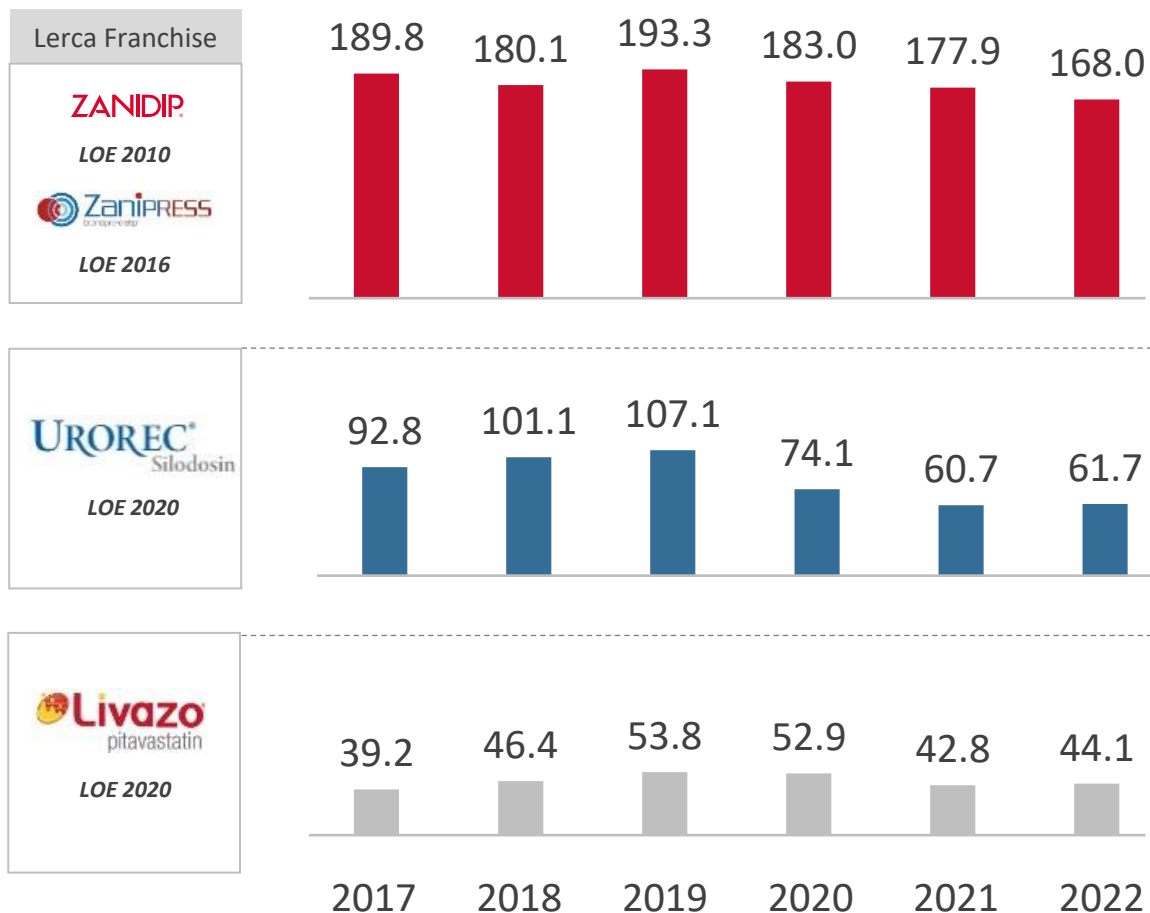


LIMITED EXPOSURE FROM LOSS OF EXCLUSIVITY

Resilient revenue post first generic entry, with no new material LOE expected in Plan Years

Revenue 2017 - 2022

million Euro

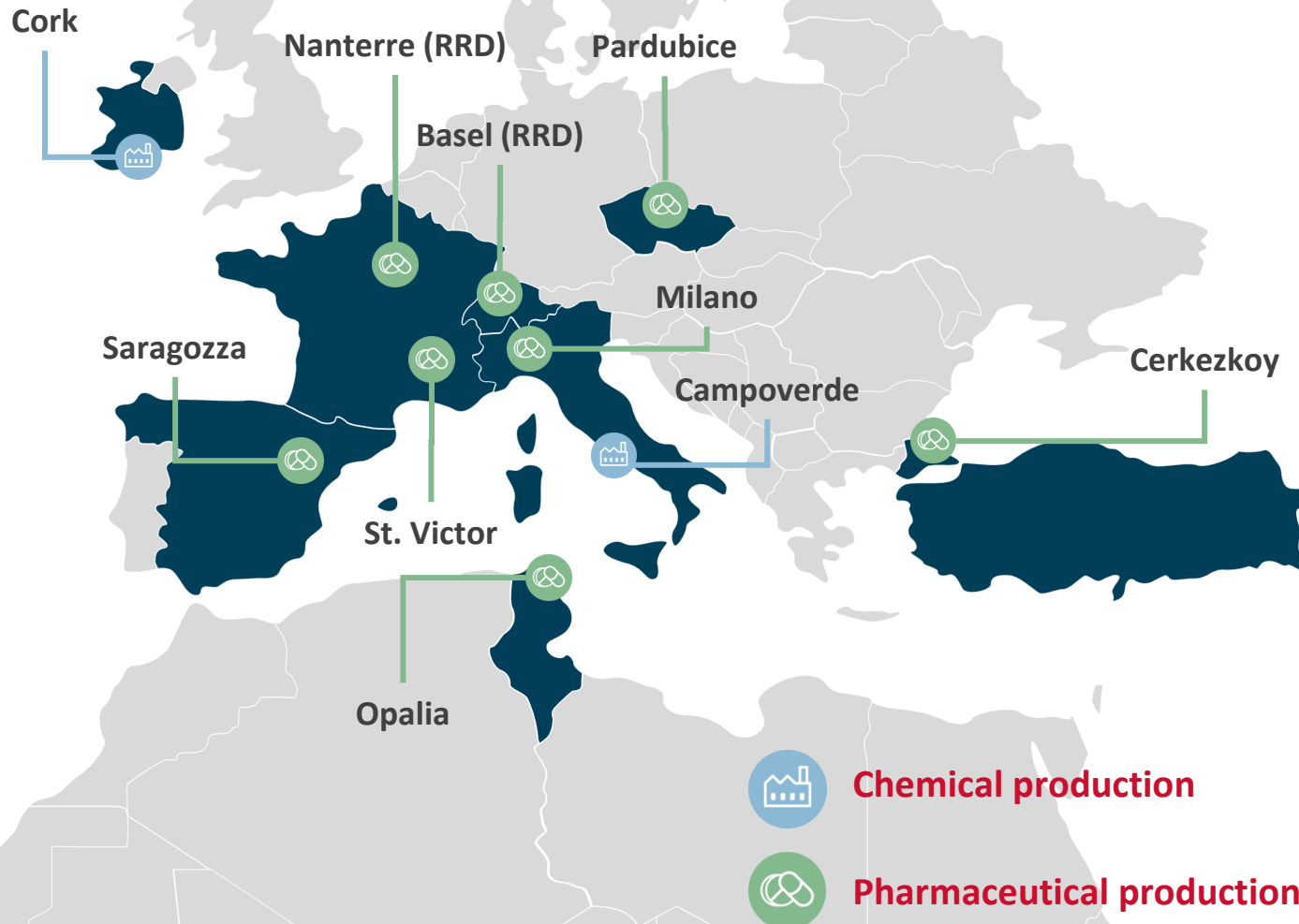


- **Strong track record in stabilising revenue post first generic entry, with no meaningful residual LOEs exposure in current SPC portfolio**
- **Rare disease generic dynamics differ, with lower historic generic penetration; strong protection of current portfolio and low risk from new LOE over next 5 years:**
 - **Protection beyond patent on Signifor® LAR** (manufacturing complexity) and **Sylvant®/Qarziba®** (biologic form)
 - **Isturisa® exclusivity foreseen beyond current decade:** supplementary protection certificate on method of use patent granted until Jan 2035 in most EU countries, patent term extension beyond 2031 pending in US for the more relevant patents



ROBUST SUPPLY CHAIN

Strong vertical integration



- **60% of volumes** manufactured by **Recordati** plants
- **Majority of CMOs** based in **Europe** and in **US**
- Producing **API for key products** for both SPC and RRD
- **Stable 3rd parties' API revenue** of ~€ 50 million
- **Managed multiple recent challenges** without any disruption



MULTIPLE AFFORDABLE PIPELINE OPPORTUNITIES WITH LIMITED DEVELOPMENT RISK

Investment focused on lifecycle management and new indications



LIFE CYCLE MANAGEMENT



Cushing Syndrome US

Indication extension of US label to Cushing Syndrome



PBH

Phase II development in Post Bariatric Hypoglycemia (PBH)



High Risk Neuroblastoma US

Development pathway to the US market in relapsed / refractory High Risk Neuroblastoma patients



IL-6 induced diseases

Evaluating potential other indications in Cytokine response syndrome in CAR-T treatment patients



Various OTC Products

New formulations on Key brands



NEW PRODUCTS

REC 0559 / MT8

Moderate/severe Neurotrophic Keratitis

Phase II trial in Neurotrophic Keratitis

REC 0545 / MAAPLIV

MSUD

Injectable formulation for the treatment of MSUD acute episodes

ENDOCRINOLOGY

ONCOLOGY

OTC

METABOLIC / DERMATO-ONCOLOGY



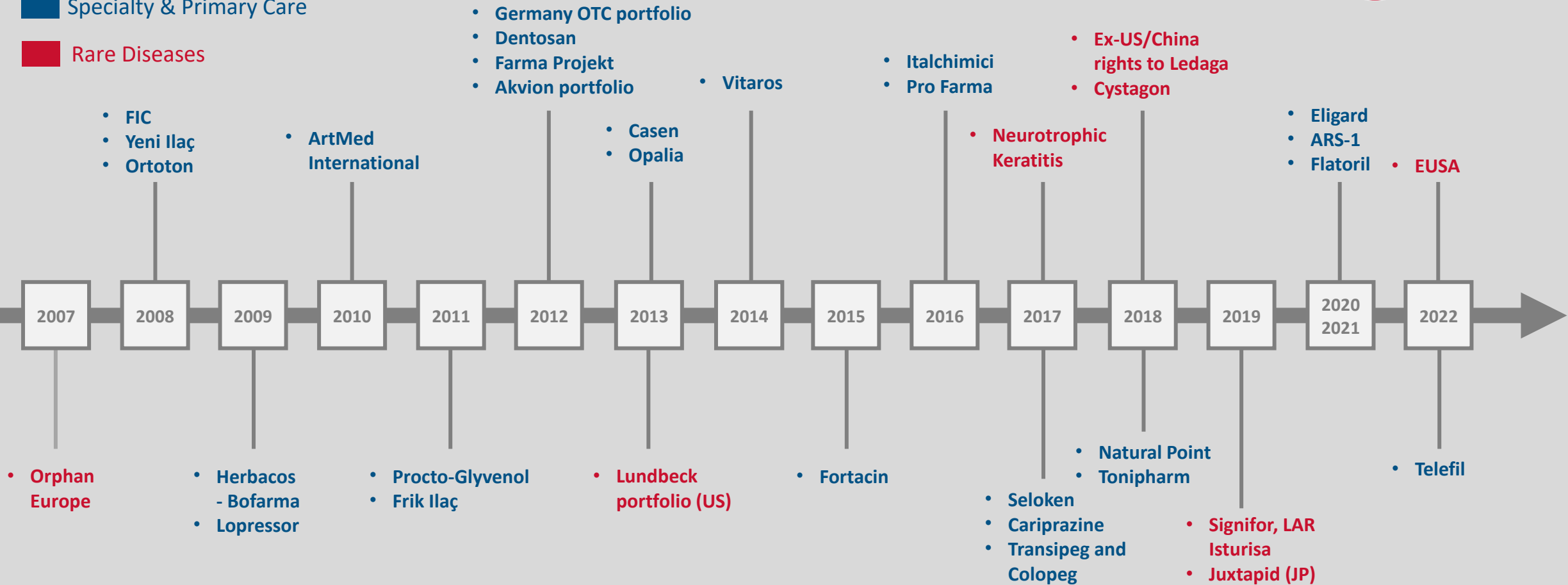
ACCRETIVE AND GROWTH BD / M&A

Long track record of successful execution on BD / M&A with fast and effective integration



Specialty & Primary Care

Rare Diseases



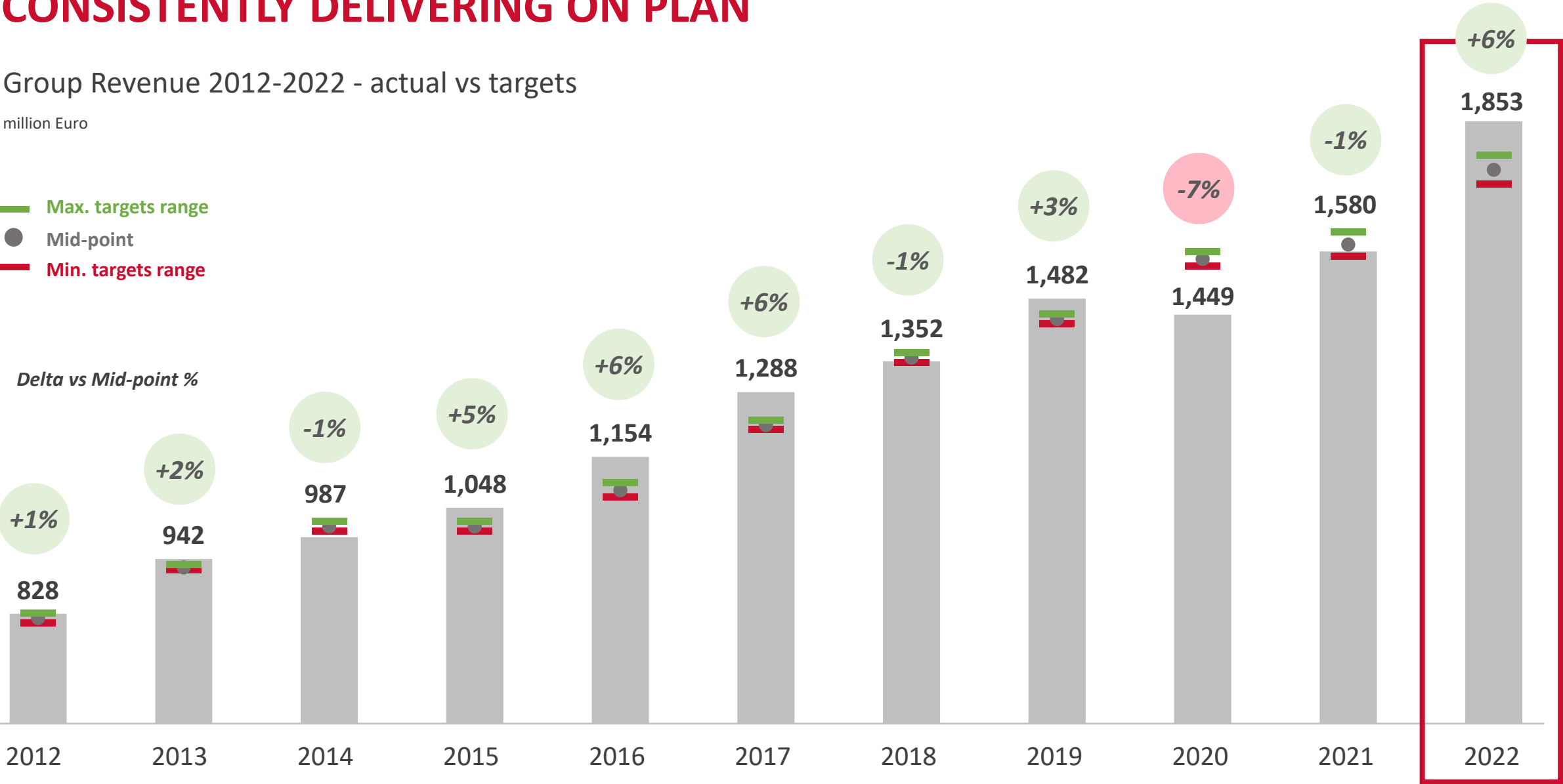
CONSISTENTLY DELIVERING ON PLAN

Group Revenue 2012-2022 - actual vs targets

million Euro

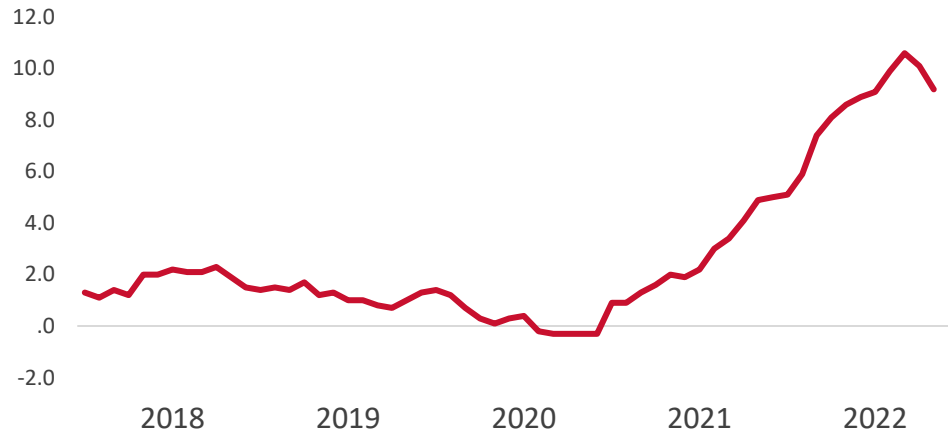
- Max. targets range
- Mid-point
- Min. targets range

Delta vs Mid-point %



DELIVERING THROUGH A CHALLENGING ENVIRONMENT

CPI Eurozone inflation
YoY growth % 2021-2022



Gas index TTF (EU)
2021-2023 YTD



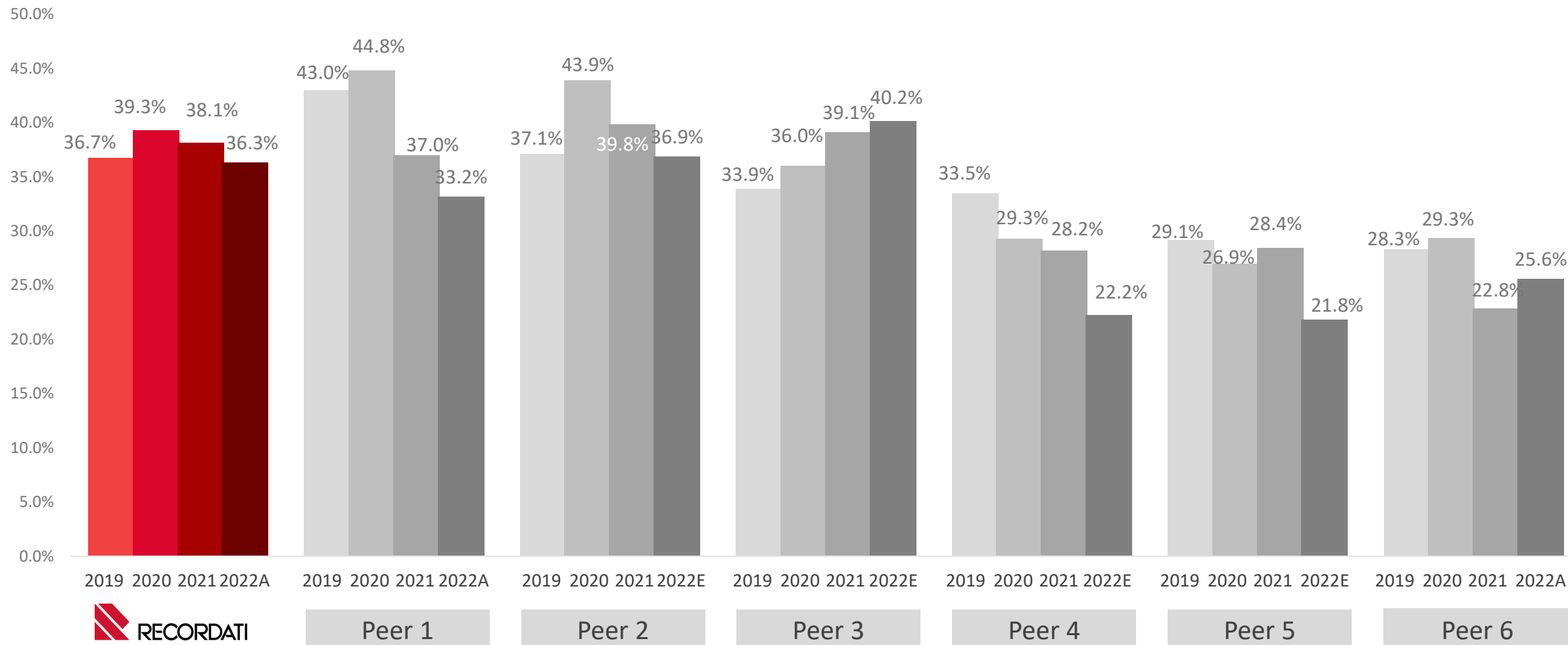
Inflationary pressure offset by:

- Cost discipline
- Price increases across the portfolio: OTC and specific markets
- Proactive rightsizing SPC with enhanced customer engagement model
- Fast and effective integration of new businesses
- Long term contracts on gas prices protecting 2022 and partially 2023



SUSTAINING SECTOR LEADING MARGINS

EBITDA margin 2019-2022 peers benchmark ⁽¹⁾



Source: 1) Company actual when available, Factset consensus for expected data as of Feb 7th 2023



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OUR STRATEGY AND VALUE PROPOSITION

- **Profitable organic** growth of current portfolio
- **Accretive** and **growth M&A** and targeted **Business development**
- Continue to invest in **both SPC** and **RRD**
- Capture **growth opportunities** in **RRD** in **US**
- Build capabilities to capture **opportunities** within our own **pipeline**
- Drive **further efficiencies** through **digitalization** and **simplification**
- Committed to **sustainable development**
- **Passion** and **discipline**



SPECIALTY & PRIMARY CARE

The European partner
of choice

- Focus on **current markets**
- Stable base of **established brands**
- Growth drivers: **flagship brands** and **OTC** products
- **Operational excellence = commercial and industrial:**
 - Right product quality
 - Cost of Goods Sold
 - Customer engagement
- **Acquisition** and **licensing of mature promotion-sensitive** products and **near market** opportunities with focus on **Cardio, Uro, Gastro**



RARE DISEASES

Global player

Focused on the Few

- Increase number of **patients benefitting from our products**
- Enhance:
 - **Diagnosis**
 - Education of **HCP** and **patients**
 - Develop **new therapeutic indications**
- **Global presence** to maximize our impact, **USA** biggest opportunity
- **Commercial** and **medical excellence** to demonstrate value to regulators, payers, HCP, and patients
- **Acquisitions** and **partnerships** with global / local scope focused on near market products, also exploring opportunities post proof of concept



BUSINESS DEVELOPMENT FOCUS

SPC

Near market opportunities in core TAs and Specialist-driven Established Brands in other TA

- **Go-to-partner for promotionally sensitive RX Established Brands, both regional and local**, supported by competitive commercial capabilities

 **Eligard**[®]
(leuprolide acetate) for injectable suspension

 **Seloken**[®]

- Near market opportunities in **core areas** of Cardiovascular, Urology and Gastro

 **RESELIP**[®]
ezetimibe + atorvastatin

- **Regional and local flagship brands in OTC** in core countries and core areas

 **GINKOR**
 **Magnesio Supremo**[®]

RRD

Acquisition of Assets / companies and partnerships for products after proof of concept

- **Worldwide deals**

 **Isturisa**[®]
(osilodrostat)

 **Signifor**[®] LAR
(pasireotide) for injectable suspension

 **EUSA Pharma**

- **Partner of choice** for Biotech and Pharma companies looking for a **regional** partner

 **PANHEMATIN**[®]
(HEMIN FOR INJECTION)



 **LEDAGA**[®]
chlormethine



- **Local** deals in selected geographies ex-Europe and ex-US

 **Juxtapid**[®]
(lomitapide) capsules



CONTINUE STRONG COMMITMENT ON SUSTAINABILITY

PATIENT CARE



- **Patient-centric approach:** every single patient should **have access to the best possible treatment**

PEOPLE CARE



- **Inclusive culture and equal opportunities**
- **Talent attraction and people development and engagement**

ENVIRONMENTAL PROTECTION



- **Fight against climate change:** reduce energy consumption and emissions; renewable electricity purchased and production
- **Circular economy and waste reduction** initiatives

RESPONSIBLE SOURCING



- **Supply chain monitoring plan and supplier awareness** initiatives focused on **ESG factors**

ETHICS & INTEGRITY



- **Highest standards of ethical conduct**
- Rigorous adoption of **responsible marketing practices**



SUSTAINABILITY HIGHLIGHTS

Effort recognized by main leading ESG indices and ratings in 2022



FTSE4Good

Confirmed in the
FTSE4Good Index
Series



Upgrade to **ECOVADIS**
Platinum Rating



Confirmed **A rating**
from MSCI

Moody's | ESG Solutions

Upgrade to **Robust**
Score by Moody's ESG
Solutions

EURONEXT
and **BORSA ITALIANA**

Inclusion in **MIB ESG**
index launched by
Euronext and Borsa
Italiana



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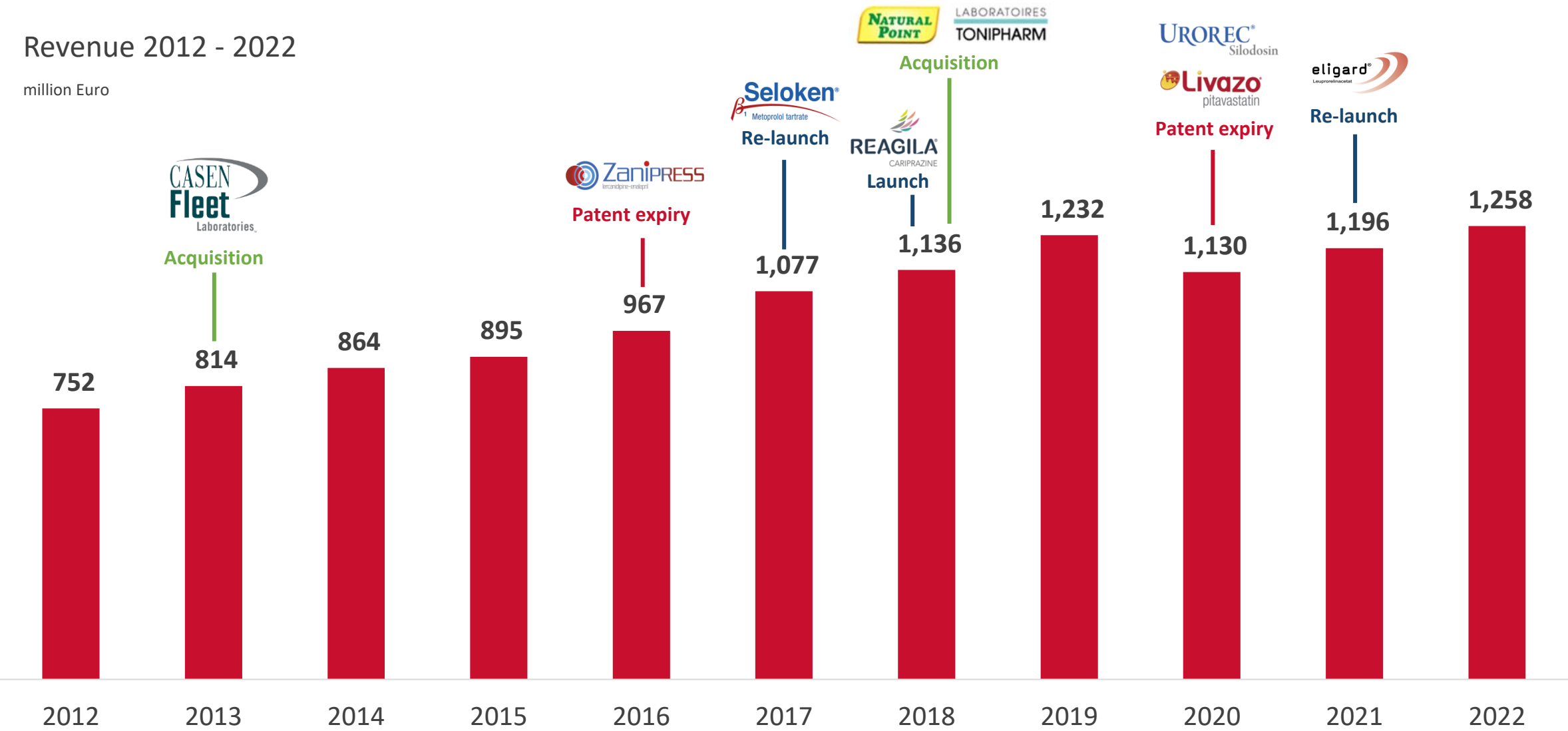


RECORDATI SPECIALTY & PRIMARY CARE

A story of growth, international expansion and business diversification

Revenue 2012 - 2022

million Euro

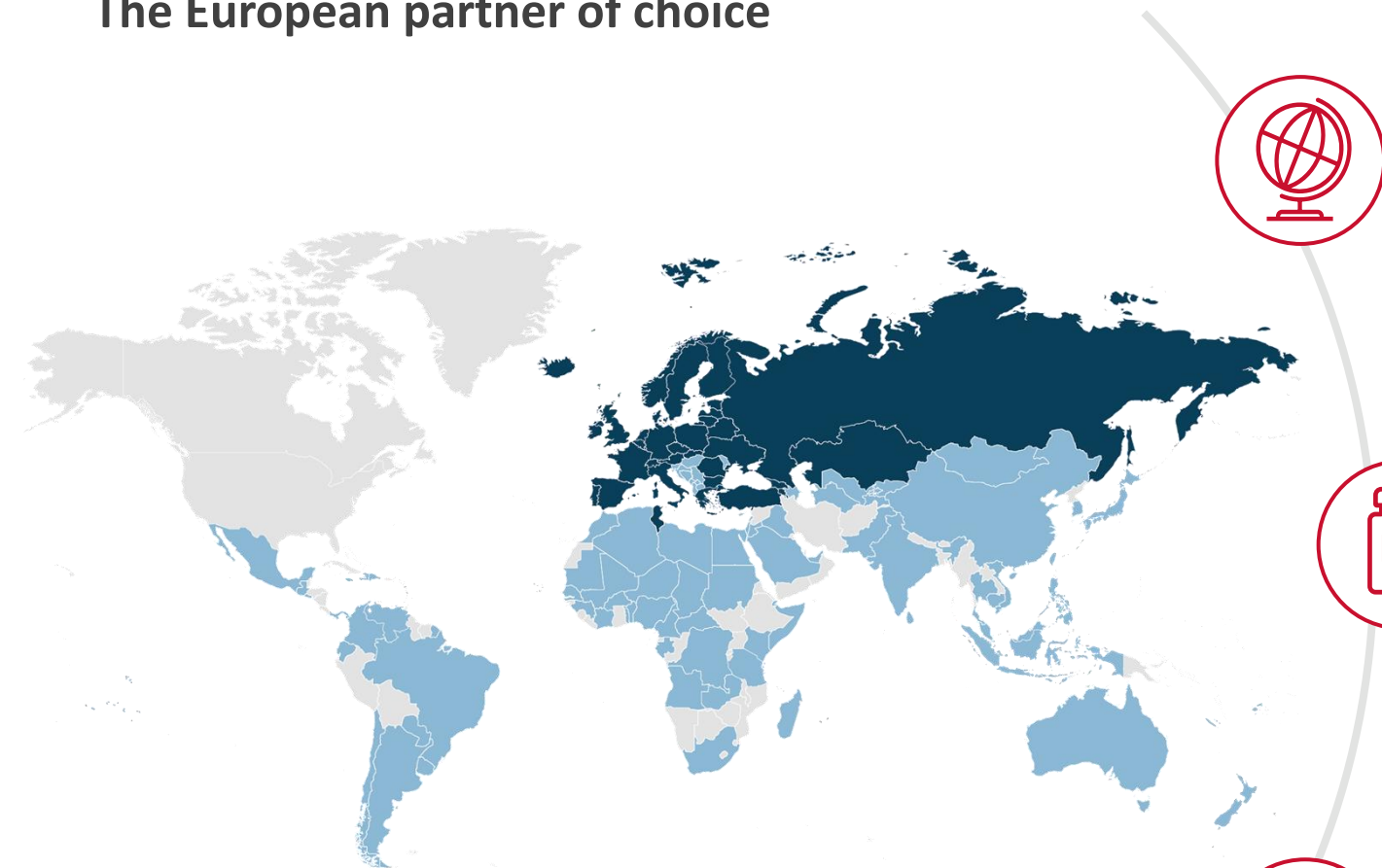


Net Revenue, including Chemical Division



RECORDATI SPECIALTY & PRIMARY CARE

The European partner of choice



68% of Revenue - 62% of EBITDA ⁽¹⁾

■ Subsidiaries and direct selling organizations
■ Countries where Recordati products are sold (under license or export)



Direct presence in 30+ countries

across Europe, CIS, Turkey and Tunisia; with exports to RoW via licensors (9% of sales)



>400 Brands

in Rx (77%) and OTC (23%) promoted to specialists, GPs and pharmacies by ~1,500 salespersons



Proven heritage of growth

and maintaining originator brands through their life cycle across multiple Therapy Areas resulting into a large portfolio of Established Brands with negligible new Loss of Exclusivity risk

1) FY 2022 percentages of Group Revenue and EBITDA



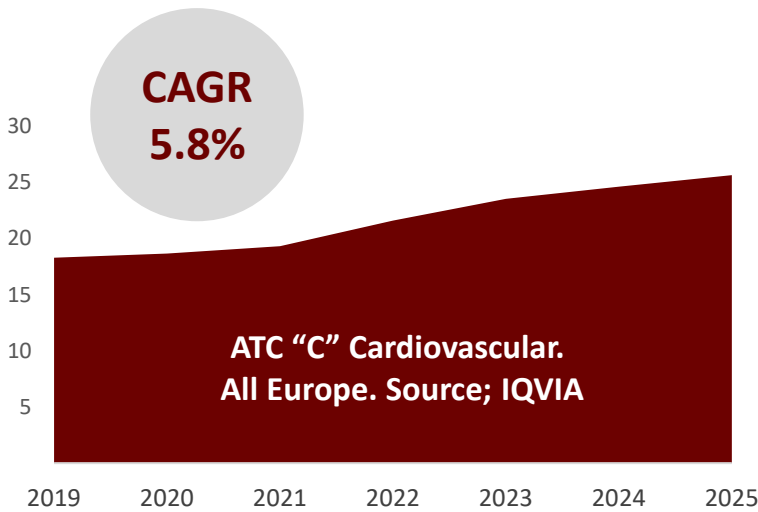
SPECIALTY & PRIMARY CARE: KEY MARKETS

SPC Core Therapy Areas (>70% of 2022 Sales) set to accelerate growth driven by ageing population and increasing consumer demand

European market outlook 2019-2025

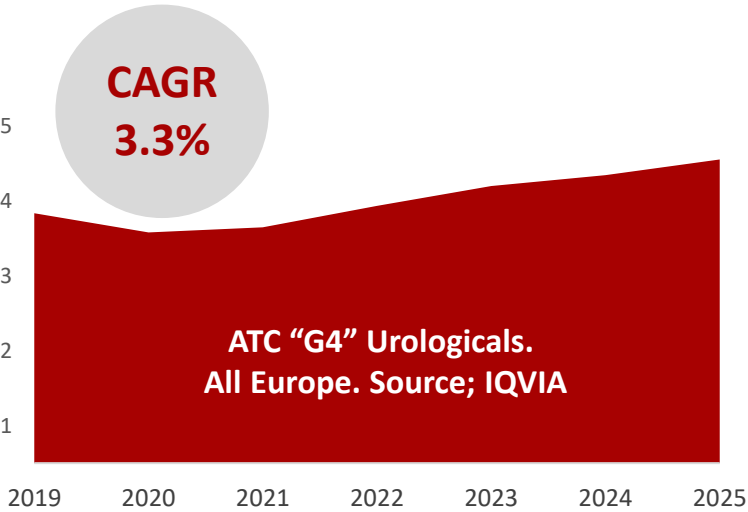
billion Euro

Cardiovascular



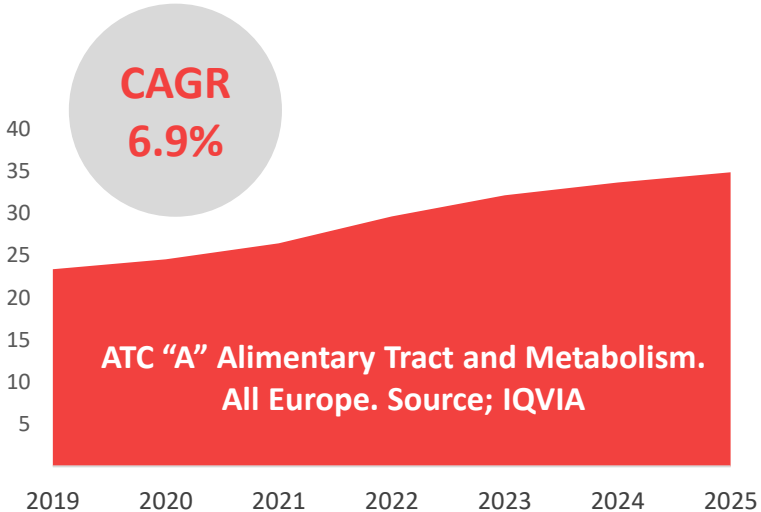
“Lipid regulators, which have been declining steadily since leading product expiries a decade ago, are expected to return to growth...”

Urology



“It is possible that new brand growth will be lower while older established brands may grow more after they have demonstrated value in the market and negotiated market access”

Gastrointestinal



“Medicine spending in the top five European markets is expected to increase by \$59Bn over the next five years, up from \$53Bn in the past five years”



RECORDATI SPECIALTY & PRIMARY CARE

Significant Brand equity in today's portfolio with category leading Brands

PRESCRIPTION PRODUCTS

Major Growth Brands

eligard®
Leuprorelinacetat

REAGILA®
CARIPRAZINE

RESELIP®
ézétimibe + atorvastatine

Major Established Brands

ZANIDIP.

ZanipRESS
lercanidipine-amlodipin

Seloken®
Metoprolol tartrate

Seloken® ZOK
Metoprolol succinate

Livazo®
pitavastatin

UROREC®
Silodosin

OTC GROWTH BRANDS

Procto-Glyvenol

LOMEXIN®

**GINKOR
FORT**

Casenlax

PROCTOLYN®

Exomuc®
acetylcysteine

HEXASPRAY

Abufène

Кудесан®
Qudesan

**Magnesio
Supremo®**



SPECIALTY & PRIMARY CARE KEY STRATEGIC PILLARS

Simplify & Focus: strategy to secure another chapter of profitable growth



Fully integrated Regional Pharma Organization, having significant scope and scale with **cost effective and competitive commercial capabilities** in every market



Go to partner for promotionally sensitive Established Brands and new near market opportunities in our core areas of **Cardiovascular disease, Urology and Gastro**



Focus on local and Regional flagship Brands in OTC to drive **organic and inorganic** profitable growth balancing digital innovation and clinical advocacy



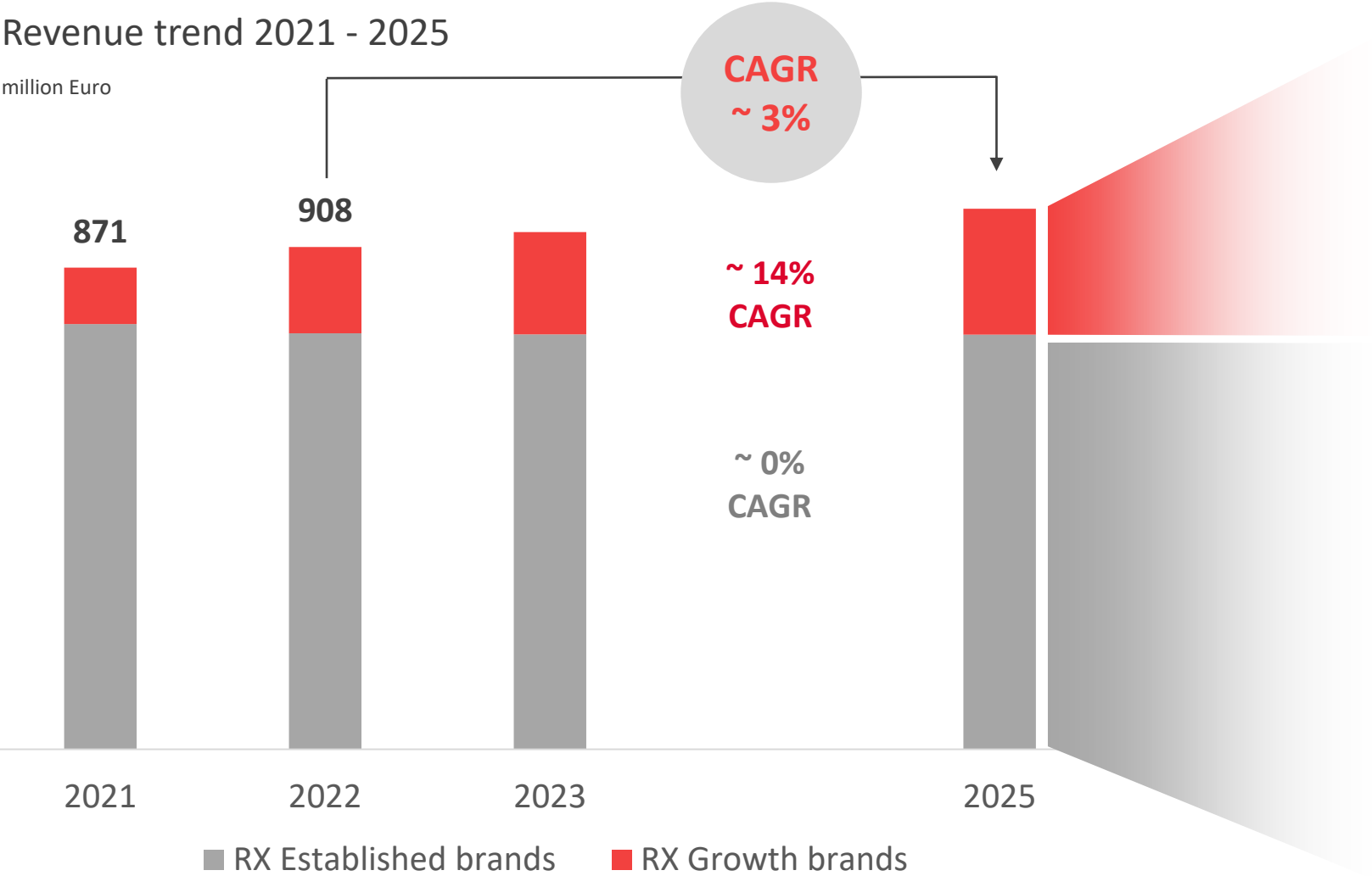
Focus our resources on organic growth, optimizing our business model for Established Brands and maximizing every **new launch opportunity**



IN RX, OUR FOCUS STRATEGY ENABLES AN ACCELERATION OF GROWTH BRANDS AND A STABILISATION OF ESTABLISHED BRANDS

Revenue trend 2021 - 2025

million Euro



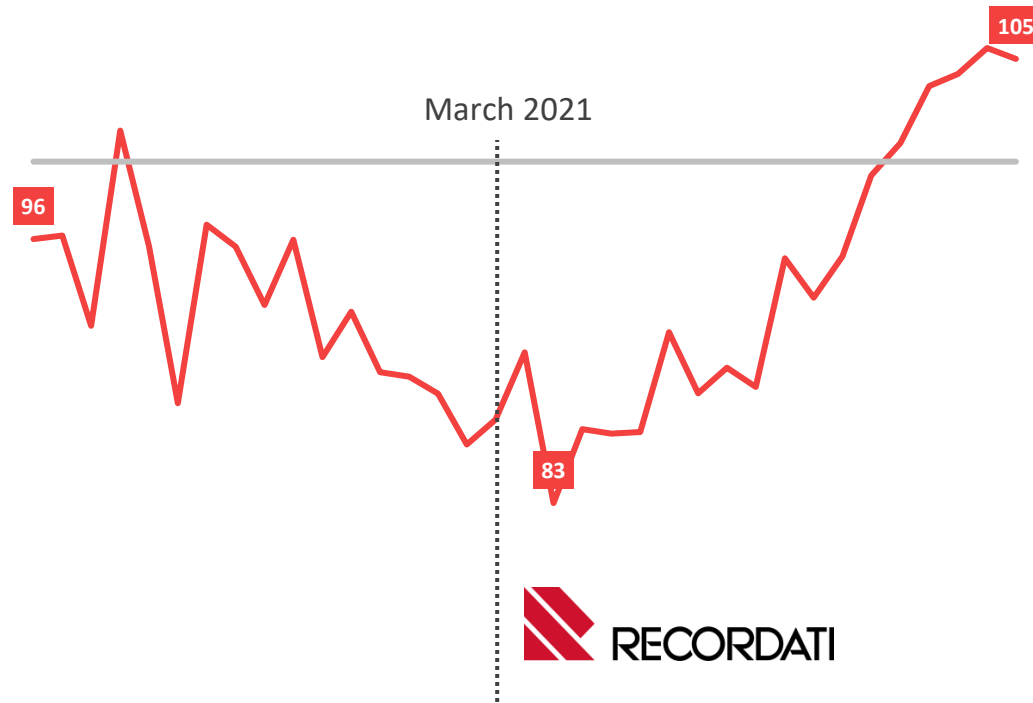
Including:

1) 2021 Eligard: Recordati booked net margin as Revenue until distribution transfer from Astellas in 2021
2) Procto-Glyvenol residual Rx sales included in Growth Brands



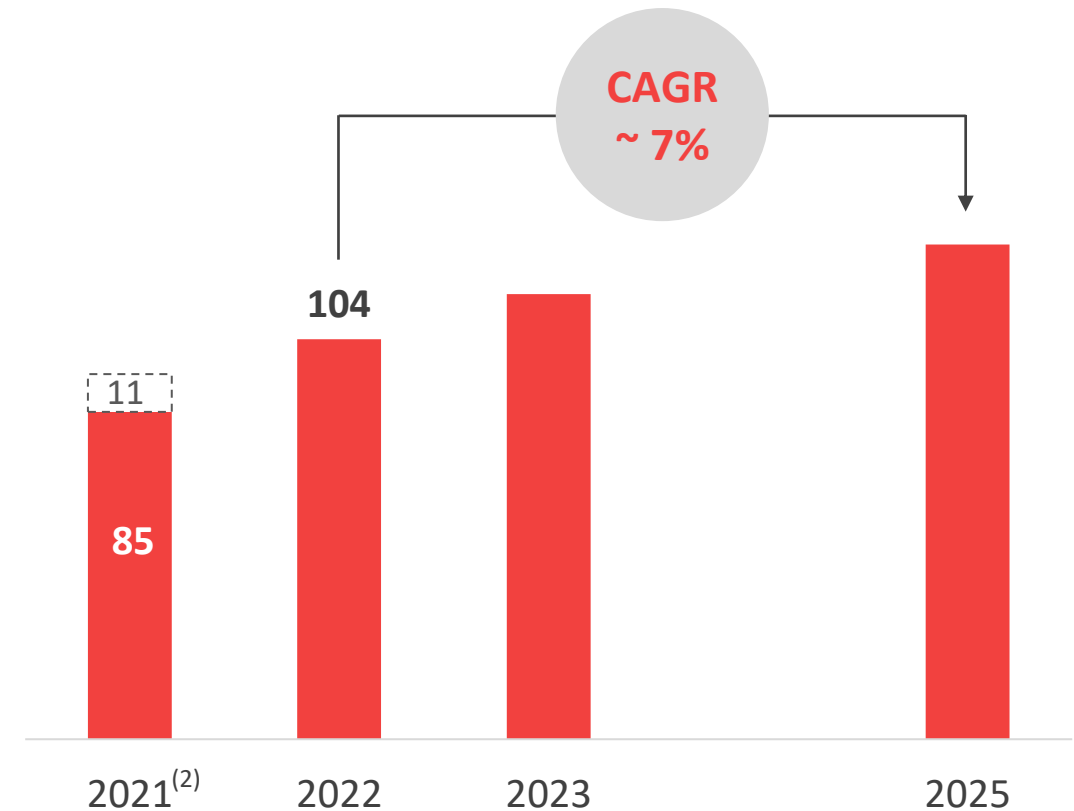
RECORDATI HAS SHARPLY INCREASED ELIGARD® COMPETITIVENESS, STRONG GROWTH PROSPECTS AHEAD

Eligard Evolution Index⁽¹⁾ Jan 2020 - Nov 2022



Eligard Revenue trend 2021 - 2025

million Euro



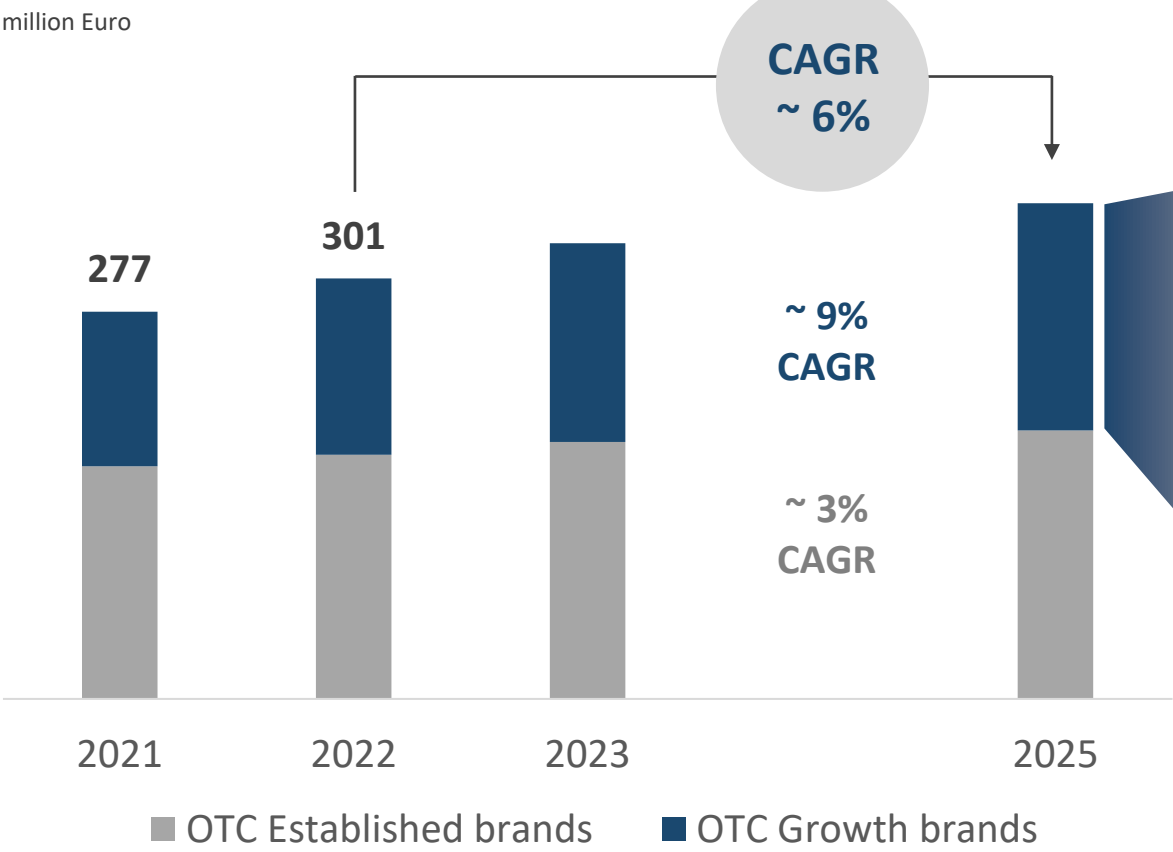
1) Evolution index calculated based on LEU (Local Currency Euro) on market where IQVIA data is available

2) 2021 Eligard: Recordati booked net margin as Revenue until distribution transfer from Astellas in 2021



CONSUMER HEALTHCARE (OTC) ALSO ACCELERATES GROWTH THROUGH FOCUS ON FLAGSHIP REGIONAL & LOCAL BRANDS

Revenue trend 2021 - 2025



Top 1-2 Market Position



Market position based on audit data (e.g. IQVIA or other local providers)



PROACTIVE RIGHTSIZING ENABLES COMMERCIAL CAPABILITY BUILD AND ENHANCES COMPETITIVENESS

Recordati SPC Evolution Index gains 10 points in 2 years and outperforms the market by +5%



STRATEGY

- Optimise our Established Brands portfolio to ensure profitable stabilization after LoE, while accelerating with our Growth Brands in core areas of Cardiovascular, Urology and Gastro and in both Rx and OTC



CUSTOMER FOCUS

- A shift to Specialty Care, while retaining presence in key Primary Care markets, especially Southern Europe



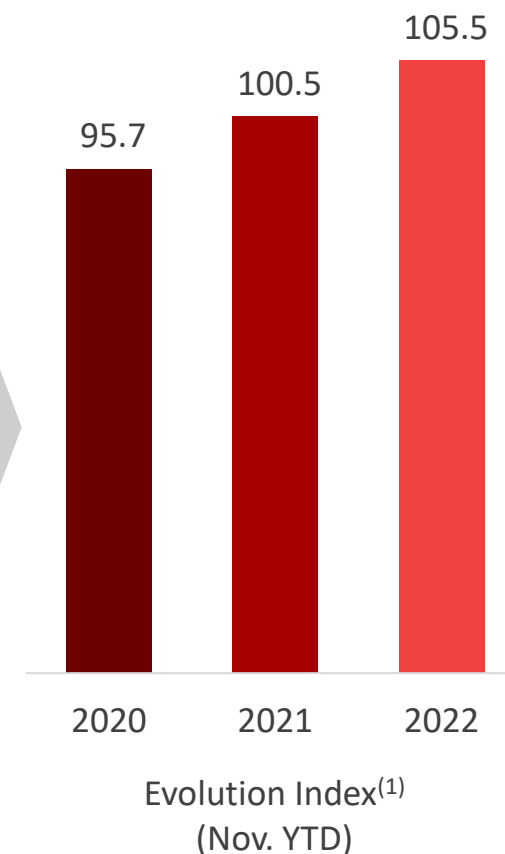
FOOTPRINT

- Headcount reduction of ~350 FTE's 2021-23 in Primary care, with savings partly reinvested in enhancing Commercial Excellence capabilities and relaunching Growth Brands



COMPETITIVENESS

- Enhancing customer engagement in both Rx and OTC through evolving omnichannel approach supported by better market insights, targeting and segmentation



1) Evolution Index measures competitiveness of Recordati in the relevant market. Measured on relevant Promoted Products, IQVIA Midas data (€), Nov YTD



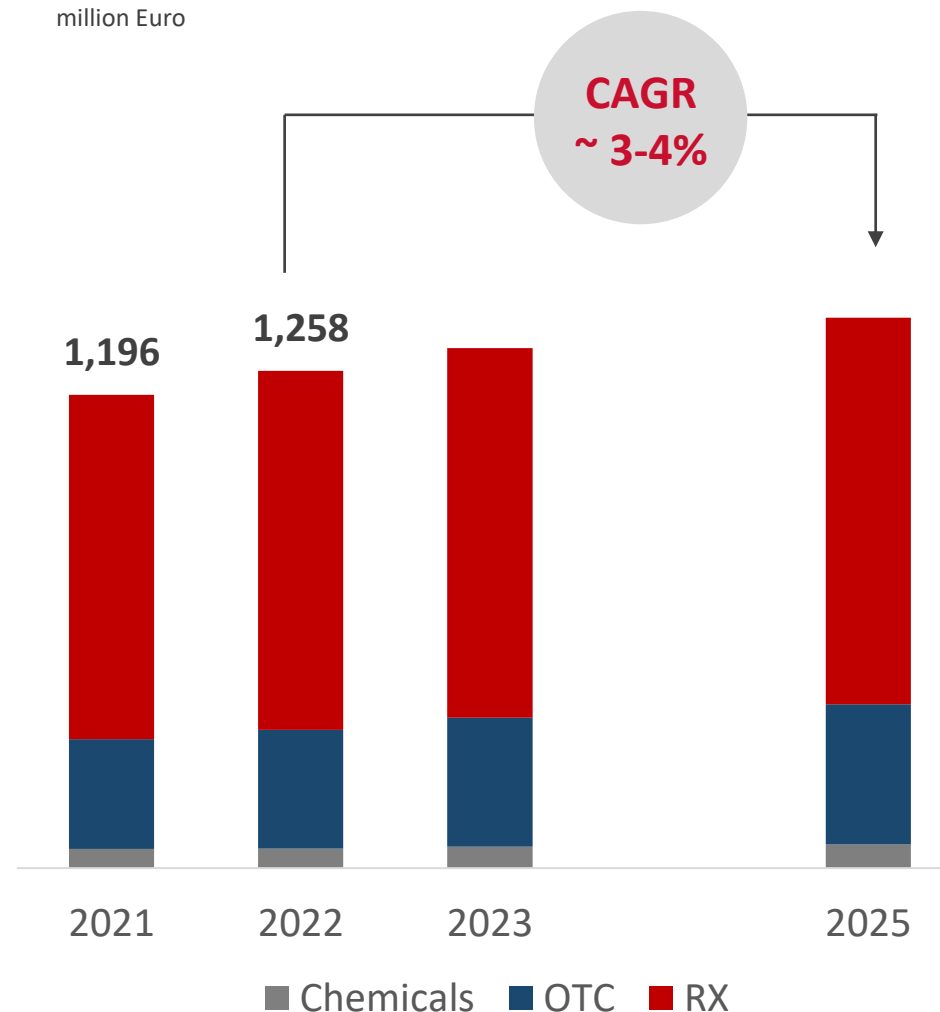
SPECIALTY & PRIMARY CARE: AN EXCELLENT PLATFORM FOR PROFITABLE GROWTH

Highlights & Key Priorities

- Foundation of **Established Brands** combined with **selected Rx and OTC growth drivers**
- Increased **focus on key growth drivers** and enhancement of **commercial capabilities**
- Net Revenue growth of current portfolio of ~ 3-4% CAGR to 2025 (4-5% at CER)**, accelerating vs the past three years period
- Volume driving growth**, with YoY net price expected to be marginally positive (excluding Turkey) despite impact of tenders and reference pricing in Germany
- Resilient sales & margin** with **no material new LoE risk** offering opportunity for growth acceleration through Business Development

Current portfolio – Revenue trend 2021 - 2025

million Euro



AGENDA

▶ 2022 preliminary full-year results

Luigi La Corte
Chief Financial Officer

▶ Recordati today, strategy and value proposition

Rob Koremans
Chief Executive Officer

- Recordati today
- Strategy and value proposition

▶ **Two core businesses**

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Specialty & Primary Care

- Specialty & Primary Care
- Rare diseases

Scott Pescatore
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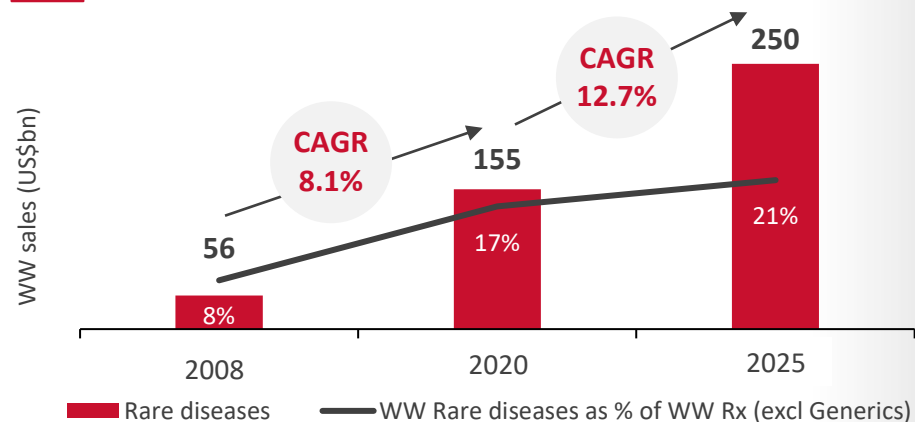
▶ 2023-2025 Financial projections

Rob Koremans
Chief Executive Officer



RARE DISEASES MARKET: GROWING SEGMENT WITH SIGNIFICANT UNMET NEED

 \$250bn market by 2025 exhibiting strong growth rates



Supported by growing diagnosis rates and new treatments

- Development of new technologies allowing new treatments for previously untreated diseases
- Enhancement of screening methodologies
- Increasing physician education
- Increasing disease awareness campaigns
- Diagnosis typically at a young age leading to long term 'patients for life'



With significant headroom and market potential

+7.000 more than 7,000 designated rare diseases...

~85% ...of which 85% are life threatening...

570 ...with only approximately 570 approved drugs to date



Benefiting from supportive legislation for Rare Diseases

MARKET EXCLUSIVITY WITH LIMITED COMPETITION

- Development exclusivity due to rare diseases drugs designations
- Marketing exclusivity of 7-10 years upon market approval

EXPEDITED DEVELOPMENT PATHWAY

- Shorter time frame to launch vs. standard drugs
- ~11 months for FDA approval (vs. ~17 for standard drugs)

LEGAL AND FINANCIAL BENEFITS

- Fee waivers, grants, lower cost trials with limited patient population

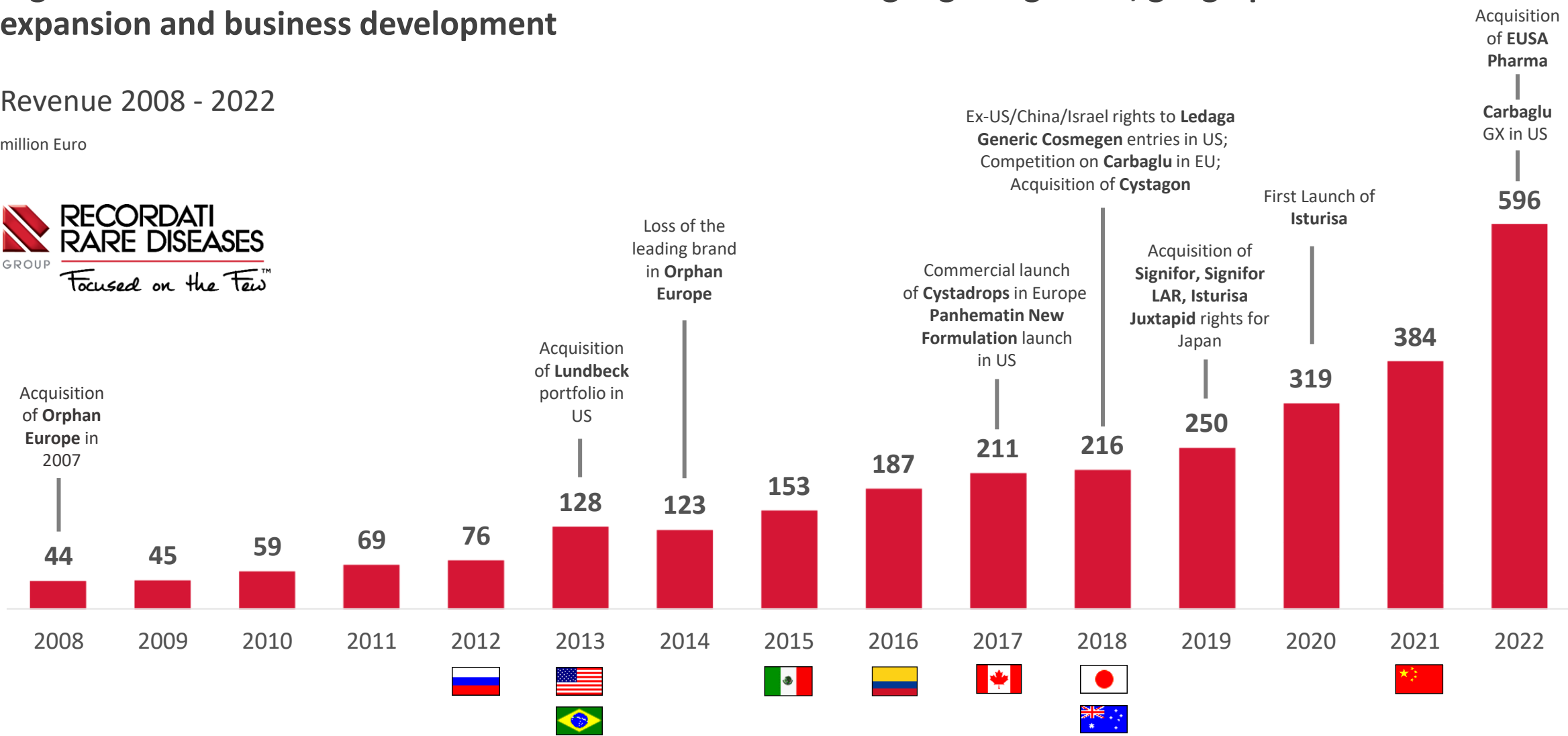


RECORDATI RARE DISEASES

A global leader in Rare Diseases with a track record of strong organic growth, geographical expansion and business development

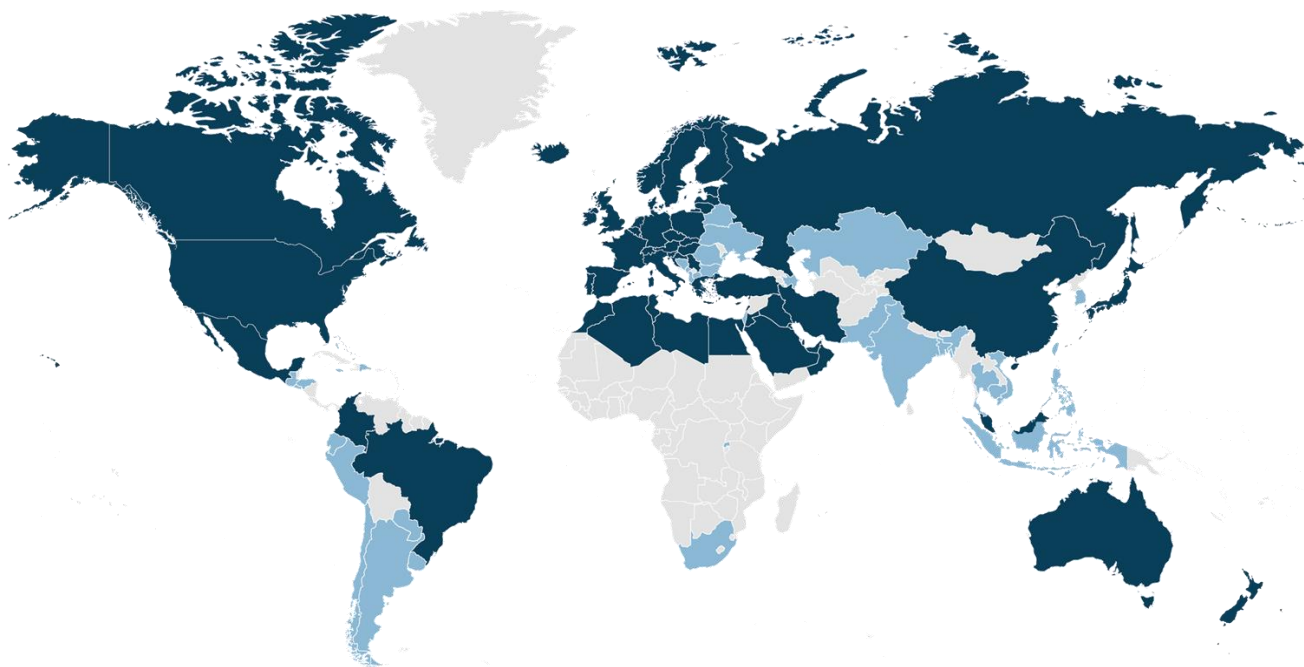
Revenue 2008 - 2022

million Euro



RECORDATI RARE DISEASES

A global presence, *Focused on the Few*



32% of Revenue - 38% of EBITDA ⁽¹⁾

■ Subsidiaries and direct presence of orphan drug representatives
■ Commercial agreements and direct delivery



A portfolio of **Orphan and Ultra-Orphan** products sold to hospitals and specialists and a promising pipeline of low-risk development projects



Primary focus on rare **Metabolic, Endocrine and Oncologic diseases**



Global footprint with access to North America, EU, Japan, Australia/NZ, Latin America and South Korea



Plans on track for further **geographic expansion** (China)



Driving growth through **patient and physician** awareness



RECORDATI RARE DISEASES

A diversified portfolio with a strong foundation in Metabolic disorders and strong growth drivers in Endocrinology and rare / niche Oncology

METABOLIC AND OTHER PRODUCTS

Carbaglu
carglumic acid

PANHEMATIN.
(HEMIN FOR INJECTION)

Cystadrops[®]
Cysteamine hydrochloride

Cystagon[®]
Cysteamine bitartrate

CYSTADANE[®]
betaine anhydrous

LEDAGA[®]
chlormethine

Juxtapid[®]
(lomitapide) capsules

ENDOCRINOLOGY PRODUCTS

Signifor[®]
pasireotide

Signifor[®] LAR

Isturisa[®]
(osilodrostat)

ONCOLOGY PRODUCTS

Qarziba[®]
Dinutuximab beta

sylvant
siltuximab

FOTIVDA[®]
(tivozanib) capsules

Caphosol[®]
SUPERSATURATED CALCIUM PHOSPHATE RINSE



RARE DISEASES KEY STRATEGIC PILLARS

Driving growth through our experience in rare diseases



Endo Franchise - Isturisa as main growth driver that will continue to expand in the US in Cushing's Disease and launch in Cushing's Syndrome in 2025 as well as in other geographies



Oncology Franchise - continued growth with both Qarziba and Sylvant as we focus on geo-expansion, data generation and real-world evidence



Pipeline opportunities - on two major development projects (REC 0559 & Signifor PBH) plus Qarziba Biologics License Application (BLA)

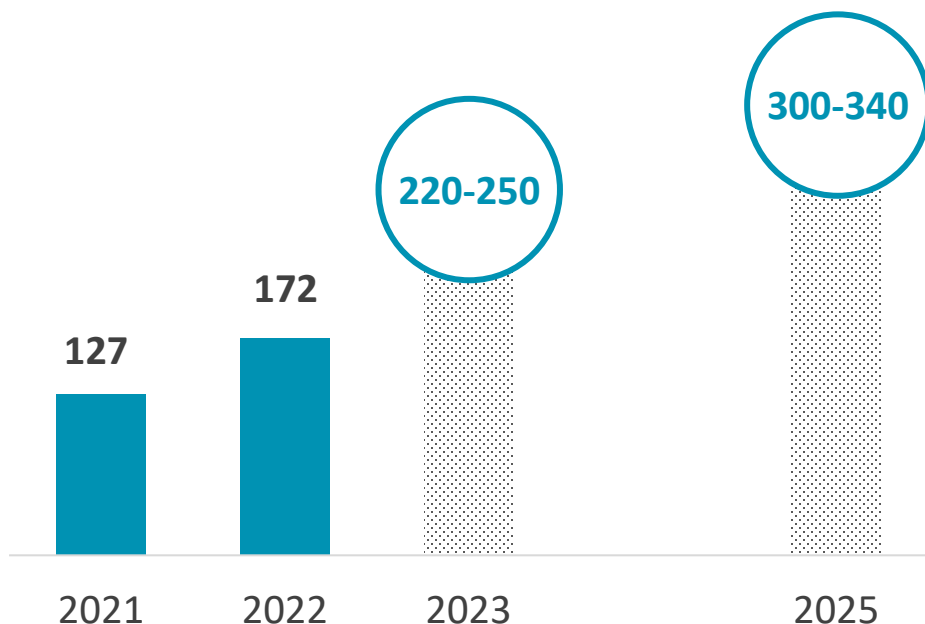


ENDOCRINOLOGY FRANCHISE

Focus on Cushings Disease / Syndrome and Acromegaly

Revenue trend 2021 - 2025

million Euro



Peak sales expectations upgraded:

- Isturisa: on track to exceed €400 million
- Signifor: €100-150 million (excluding PBH)

Key Strategic Growth Drivers

- ▶ Foster patient identification by emphasizing the importance of clinical control and improvement of Quality of Life
- ▶ Continue geo-expansion with focus on priority market launches (e.g. Italy, Colombia for Isturisa)
- ▶ Invest in Life Cycle Management opportunities (e.g Signifor PBH and Isturisa US label extension)
- ▶ **Isturisa Cushing's priorities:**
 - Position Isturisa as a standard of care, by leveraging prospective long-term efficacy, and safety data
 - Maximize treatment adherence through patient services and HCP education
- ▶ **Signifor Acromegaly priorities:**
 - Position Signifor LAR as second line medical treatment in Acromegaly
 - Leverage extensive long-term data to underline efficacy and safety
 - Continue HCPs education to maximize efficacy

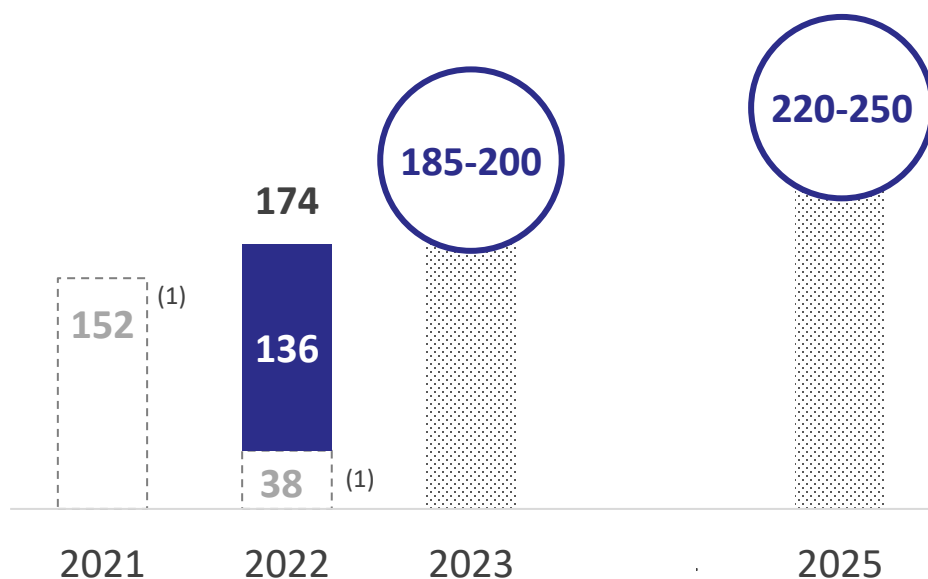


ONCOLOGY FRANCHISE

Focus on Neuroblastoma and IMCD

Revenue trend 2021 - 2025

million Euro



Peak sales expectations upgraded:

- Oncology: €250m - €300 million (including Qarziba US)

Key Strategic Growth Drivers

Qarziba priorities:

- Geographical expansion (LAC region, execute US BLA strategy)
- Improve penetration in High-Risk Neuroblastoma Relapsed and Refractory patients in EMEA/LAC
- Real World Evidence on current indication in EMEA/LAC to reinforce our leadership position
- Data generation on chemotherapy + immunotherapy and prepare for its entry in the treatment paradigm








Sylvant priorities:

- Help improve diagnosis of idiopathic Multicentric Castleman's Disease (iMCD) patients with activation of pathologists
- Ensure long term patients' retention, in line with guidelines, by leveraging new efficacy data
- Explore new indications and formulations



RARE DISEASES ONGOING DEVELOPMENT PROJECTS

Driving future growth by focusing on areas of unmet need

		High-Risk Neuroblastoma Chemo-Immunotherapy in R/R patients	Post Bariatric Hypoglycemia	Moderate/severe Neurotrophic Keratitis	Additional opportunities
		Oncology	Endocrinology	Metabolic & Others	Oncology
Drugs				REC 0559 / MT8	
Rationale		<ul style="list-style-type: none"> Early clinical data suggest Qarziba plus chemotherapy has encouraging response rates in Relapsed/Refractory High-Risk Neuroblastoma patients Entering the US market in a patient population segment where no immunotherapy is approved 	<ul style="list-style-type: none"> Chronic condition in post-bariatric surgical patients, with severe episodes resulting in seizures and coma <ul style="list-style-type: none"> Current options are off-label octreotide and rescue therapy; pasireotide has shown efficacy in a ph. 2 in Dumping syndrome, of which PBH is a niche 	<ul style="list-style-type: none"> Degenerative disease of the cornea, resulting in corneal ulceration and loss of vision Better convenience and potentially safety profile than current treatment options 	<ul style="list-style-type: none"> Potential new indications for Qarziba: combined with chemo in newly diagnosed High-Risk Neuroblastoma patients, and as single agent for Osteosarcoma Academic studies with positive early results for Sylvant in prophylaxis of Cytokine Release Syndrome associated with CAR-T treatment
Milestones		FDA Type C meeting outcome in Q3-23 FDA filing 1H 2024 ⁽¹⁾	Ph. 2 trial start in Q3-23 Filing 1H 2027 ⁽¹⁾	Ph. 2 data read out Q2-24 Filing 2H 2027 ⁽¹⁾	To be confirmed
Potential Peak Sales		> € 30 m in US	> € 150 m in Europe & US	> € 100 m in Europe & US	To be determined

(includes on label sales only)

1) filing dates planning estimates, subject to study read outs and regulatory feedback



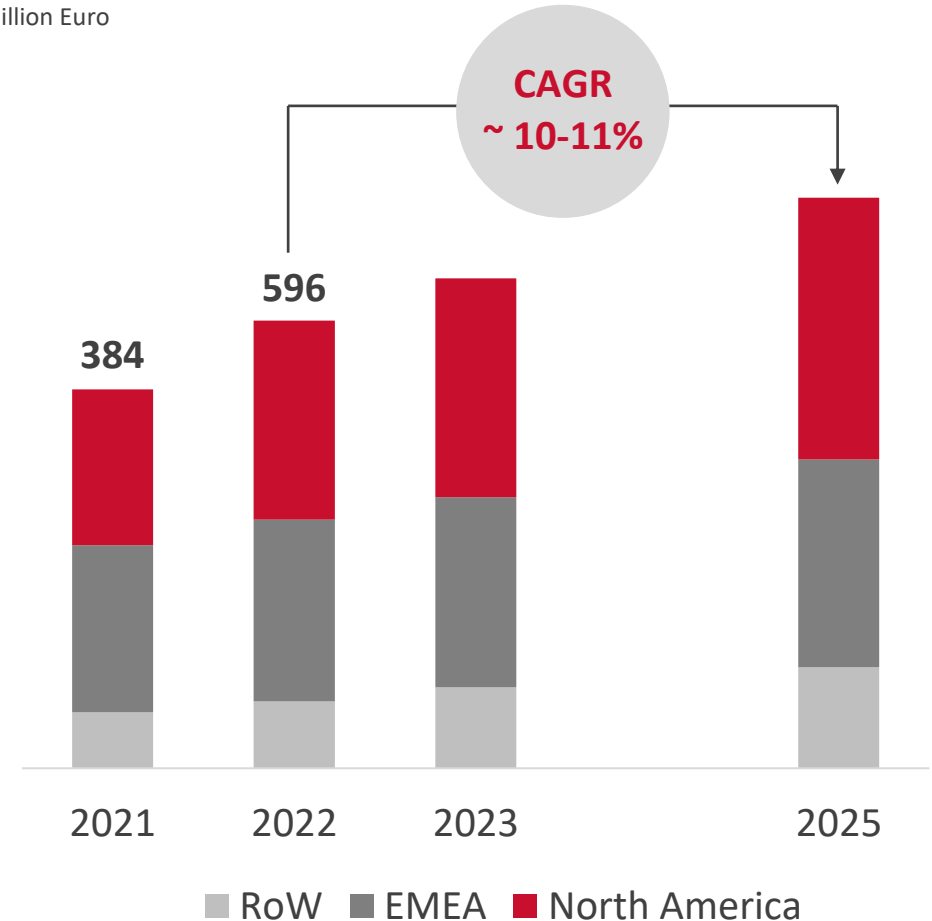
RARE DISEASES: A GLOBAL MARKET LEADER COMMITTED TO SERVING PATIENTS' NEEDS

Highlights & Key Priorities

- Net Revenue growth of current portfolio of ~ 10-11% CAGR to 2025 (11-12% at CER), driven by Endo and Onco franchises
- Isturisa uptake expected to remain strong, with further growth of Signifor in Cushings and Acromegaly
- Sylvant driving significant volume growth during the next years with improved diagnosis rate, better retention and increasing duration of treatment
- Qarziba continued growth with geographical expansion (South Korea, Brazil, Australia/NZ) and expected launch in the US
- Stable / slightly declining Ledaga and Cystadrop legacy **Metabolic** portfolio, with growth of Panhematin off-setting erosion on Carbaglu
- Further **Geographic expansion** (potential for Carbaglu to launch in China in 2024) and **development pipeline (REC 0559/PBH)** will contribute significantly to growth post current planning horizon

Current Portfolio – Revenue trend 2021 - 2025

million Euro





AGENDA

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2023-2025 FINANCIAL PLANNING ASSUMPTIONS



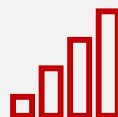
Group Evolution

- Continuation of successful strategic approach
- Organic revenue growth complemented with accretive M&A and BD
- Invest behind both businesses, with Rare Diseases 35% - 40% of revenue by 2025
- No material exposure to new LOEs in planning period



Revenue

- Pricing and reimbursement environment broadly in line with current
- Organic growth of both businesses driven by volume, with potential step up post 2028 from new indications
- YoY pricing expected to be net positive, slightly below 2022 level
- Bolt-on acquisitions and new licenses included in the plan (2025 only)
- FX headwinds of just over -1% per annum



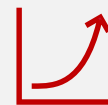
Margin and Profitability

- Short term inflationary pressure on Gross profit margin offset by operating leverage and efficiencies in SG&A
- Slight increase in cash R&D cost (roughly +1% of sales), related to lifecycle management projects
- Target EBITDA margin of +/- 36%
- Financing cost reflecting increase in benchmark rates (Euribor); tax rate around 22-23%
- Non-recurring costs <€10 million in 2023, mainly from EUSA, PPA unwind (COGS) in line with 2022 level (in 2023-2024)



Cash Flow and Capital allocation

- Continued strong cash generation at around 90-100% of adj. net income on average
- c.40% cash flow to be reinvested in the business to drive future growth
- c.60% of cash flow paid out via dividends



Net Debt

- Bolt on M&A and milestones from recent deals funded through operating cash flow, with Net Debt planned to stay at around 1.7x – 2.0x EBITDA (depending on timing and structure of deals)
- Potential for temporary increases up to close to 3x leverage for really high-quality opportunities of scale



2023-2025 FINANCIAL TARGETS

million Euro

	FY 2022 Actual	FY 2023 Target	FY 2025 Target (incl. BD & M&A)	CAGR 2022-2025
Revenue	1,853.3	1,970 – 2,030	2,250 – 2,350	+7.5%
EBITDA ⁽¹⁾ <i>margin on sales</i>	672.8 36.3%	700 – 730 +/- 36%	810 – 850 +/- 36%	+7.3%
Adjusted Net Income ⁽²⁾ <i>margin on sales</i>	473.3 25.5%	470 – 490 +/- 24%	550 – 580 +/- 24–25%	+6.1%

1) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

2) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects



2023-2025 FINANCIAL VALUE PROPOSITION

Diversified business with strong organic growth

Strong underlying volume growth over the period of current portfolio across both business segments

SPC
Mid single digit growth at CER

RRD
Double digit growth at CER

Sustain high level of profitability

Maintain sector leading operating and bottom-line margin as % of revenue

EBITDA Margin at +/- 36%

Pursue affordable pipeline opportunities

Invest behind new capabilities and low risk lifecycle management opportunities (new indications) to accelerate future growth

Cash R&D ⁽¹⁾ spend between 7-8% of revenue

Maintain clear capital allocation policy

60%

Progressive dividend pay-out at roughly 60% of cash flow

40%

Accretive & growth bolt-on M&A and BD

Strong cash flow generation & robust balance sheet

Free cash flow conversion 90-100% of Adjusted Net Income

Net Debt / EBITDA 1.7x – 2x by 2025
Subject to timing and structure of deals

Max of close to 3x for larger scale, high quality opportunities

1) Cash R&D = R&D costs excl. amortization



Questions & Answers

Appendix

COMPOSITION OF REVENUE BY GEOGRAPHY

(million Euro)	FY 2022	FY 2021	Change %
Italy	272.7	258.2	5.6
U.S.A.	260.5	176.9	47.2
France	169.1	151.7	11.5
Germany	167.6	152.9	9.6
Spain	142.6	120.0	18.8
Portugal	53.5	45.4	17.7
Turkey	74.3	70.3	5.7
Russia, other CIS countries and Ukraine	131.7	99.6	32.2
Other CEE countries	128.8	112.0	15.0
Other W. Europe countries	136.7	104.4	31.0
North Africa	37.7	35.9	4.9
Other international sales	229.2	204.2	12.3
TOTAL PHARMACEUTICALS	1,804.4	1,531.6	17.8
CHEMICALS	48.9	48.5	2.6

(In local currency, millions)	FY 2022	FY 2021	Change %
U.S.A. (USD)	274.3	209.2	31.1%
Turkey (TRY)	1,295.5	690.3	87.7%
Russia (RUB) ⁽¹⁾	7,330.1	6,338.8	15.6%

1) Net revenue in local currency in Russia exclude sales of products for rare diseases



NET FINANCIAL POSITION

(million Euro)	31 DEC 2022	31 DEC 2021	Change
Cash and cash equivalents	284.7	244.5	40.2
Short-term debts to banks and other lenders	(83.4)	(8.7)	(74.8)
Loans and leases – due within one year ⁽¹⁾	(289.0)	(221.5)	(67.5)
Loans and leases – due after one year ⁽¹⁾	(1,332.2)	(750.8)	(581.3)
NET FINANCIAL POSITION ⁽²⁾	(1,419.9)	(736.5)	(683.4)

1) Includes the fair value measurement of the relative currency risk hedging instruments (cash flow hedge)

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



2022 PRELIMINARY FULL-YEAR RESULTS – ADJUSTING ITEMS

Reconciliation of Net income to EBITDA ⁽¹⁾

(million Euro)	FY 2022	FY 2021	Change %
Net income	312.3	386.0	(19.1)
Income taxes	89.1	77.4	
Financial (income)/expenses, net	35.9	26.8	
o/w net FX losses ⁽²⁾	5.8	5.8	
o/w net monetary (gains)/losses from application of IAS 29 (Turkey)	(4.5)	-	
Non-recurring expenses	48.9	14.4	
Non-cash charges from PPA inventory uplift	49.8	-	
Adjusted Operating Income⁽³⁾	536.1	504.6	6.2
Depreciation, amortization and write downs	136.7	97.6	
o/w EUSA Pharma	19.7	-	
o/w write downs of assets	10.9	-	
EBITDA⁽¹⁾	672.8	602.3	11.7

Reconciliation of Reported Net income to Adjusted Net income ⁽⁴⁾

(million Euro)	FY 2022	FY 2021	Change %
Net income	312.3	386.0	(19.1)
Amortization and write-downs of intangible assets (exc. software)	107.4	70.7	
o/w EUSA Pharma	18.5	-	
Non-cash charges from PPA inventory uplift	48.9	-	
Non-recurring expenses	49.8	14.4	
Net monetary (gains)/losses (IAS 29 Turkey)	(4.5)	-	
Tax effects	(40.6)	(18.7)	
Non-recurring tax items	-	(27.8)	
Adjusted Net income⁽⁴⁾	473.3	424.6	11.5

Summary of key items

- **FX losses (RUB and USD)** in line with 2021
- **Net monetary gains of € 4.5 million** from application of IAS 29 (Turkey) in FY 2022
- **Non-recurring costs of € 48.9 million**, of which **€ 20.3 million** mainly due to **EUSA Pharma acquisition** and **€ 23.5 million SPC rightsizing**
- **Non-cash charges** arising from Purchase Price Allocation (IFRS 3) of **EUSA Pharma: € 49.8 million** in FY 2022 at the level of gross margin (from unwind of **inventory revaluation**)
- **D&A and write downs of assets: € 19.7 million** from EUSA Pharma and around **€ 11 million** of impairment of assets (including goodwill of Turkey business following monetary revaluation)
- **No non-recurring tax benefit in 2022** (+€ 27.8 million in 2021)

1) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

2) FX losses and FX driven consolidation adjustments

3) Net income before income taxes, financial income and expenses, non-recurring items, and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

4) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects



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

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