

2020

**Rossini S.à r.l.'s First nine months 2020
Preliminary Results**

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Recordati S.p.A 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 throughout the whole of Europe, including Russia, Turkey, North Africa, the United States of America, Canada, Mexico, some South American countries, Japan and Australia. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2019 was € 1,481.8 million, operating income was € 465.3 million and net income was € 368.9 million.

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1) Rossini S.à r.l.'s First nine months 2020 Preliminary results

2) Recordati S.p.A.'s First nine months 2020 results

Pro-forma Rossini capitalisation as of 30 September 2020

Rossini S.à r.l. Capitalisation	31 December 2019		30 September 2020	
	(€m)	x Proportional EBITDA	(€m)	x Proportional EBITDA
Cash and cash equivalents ⁽¹⁾	(46)	(0.3)x	(55)	(0.2)x
Senior secured fixed rate notes	650	2.3x	650	2.2x
Senior secured floating rate notes	650	2.3x	650	2.2x
Proportional Recordati net debt ⁽²⁾	475	1.6x	445	1.5x
Total net look-through debt	1,729	6.0x	1,690	5.7x
Undrawn SSRCF	225		225	
DP Notes ⁽⁵⁾	766		766	
Proportional LTM EBITDA ⁽³⁾		286		301

Recordati S.p.A. Capitalisation	(€m)	x Total EBITDA	(€m)	x Total EBITDA
FIMEI Shares ⁽⁴⁾	4,072	7.4x	4,740	8.3x
LTV		31%		26%
Public Market & Treasury Shares ⁽⁴⁾	3,785	7.0x	4,407	7.7x
Market Capitalisation at €43.74 per share⁽⁴⁾	7,857	14.4x	9,147	16.0x
Recordati net debt ⁽²⁾	903	1.7x	846	1.5x
Total Recordati capitalisation	8,760	16.1x	9,993	17.5x
Recordati LTM EBITDA		544		573

Note: Footnotes relate to 30th September 2020 numbers, for 31st December 2019 footnotes refer to the full year 2019 results. Based on Rossini's ownership of Recordati at 51.82% on a fully diluted basis (52.57% net of treasury shares as of 30th September 2020).

(1) Calculated as €3.0m of cash at FIMEI S.p.A. plus €2.4m of cash at Rossini Investimenti S.p.A. plus €49.3m of cash at Rossini S.à r.l..

(2) Based on net financial position of €846m per Recordati 3Q 2020 earnings release (dated 29th October 2020), and includes: cash and short-term financial investments less bank overdrafts and medium/long-term loans which include the measurement at fair value of hedging derivatives.

(3) 52.57% (calculated net of 2,983,802 treasury shares as of 30 September 2020) of Recordati LTM EBITDA of € 573m.

(4) Closing price as of 30th September 2020.

(5) DP Notes pay 2% cash / 2% PIK interest with next payment on 31st December 2020.

Overview of key Rossini P&L and Cash flow items for the 3Q 2020

	Revenues	Expenses	Cash
Rossini S.à r.l. <i>Notes Issuer</i>	~€0.0m	~€17.4m mainly related to interest expenses (incl. accrued) on the Floating Rate Notes (~€6.4m) and Fixed Rate Notes (~€11.0m) ~€0.4m related to the unutilized fees on RCF	- Cash Balance: €49.3m - Interest payment on Floating Rate Note for €6.4m ~€0.4m unutilized fees on RCF ~€0.4m other administrative expenses
Rossini Investimenti S.p.A.	~€0.0m	~€0.2m related to the unutilized fees on RCF and audit/administrative fees	- Cash Balance: €2.4m ~€0.1m unutilized fees on RCF ~€0.1m mainly related to the audit and administrative fees
FIMEI S.p.A.	~€0.0m (no dividends paid in Q3 2020 by Recordati S.p.A.. Interim 2020 dividend of €0.50 per share will be distributed by Recordati S.p.A. on 25 November 2020)	~€0.1m mainly related to the audit and administrative fees	- Cash Balance: €3.0m ~€1.1m mainly related to the tax reimbursements and administrative fees
Recordati S.p.A.			

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2) Recordati S.p.A.'s First nine months 2020 results

First nine months 2020 highlights

- Resilient performance across the Group despite challenging environment, with Net Revenue of € 1,093.8 million or -0.6% continuing to reflect COVID-19 impact on market and significant FX headwind of -1.7% YTD (-3.9% in Q3)
- First nine months profitability remains strong thanks to cost discipline and improved product mix:
 - EBITDA⁽¹⁾ € 438.8 million or 40.1% of sales, +7.1%
 - Net Income € 274.1 million or 25.1% of sales, +8.1%
 - Adjusted Net Income⁽²⁾ € 317.5 million or 29.0% of sales, +12.3%
- Continued strong progress of Signifor® and Signifor® LAR and of Isturisa® launch, contributing € 53.8 million of Net Revenue YTD. Isturisa® now on the market in the US, France and Germany with sales on track with objectives.
- Cystadrops® (cysteamine ophthalmic solution) 0.37% now launched in the U.S. following FDA approval, providing an important treatment option for patients with corneal cystine crystal deposits
- Exclusive license agreement signed with ARS Pharmaceuticals for ARS-1, an epinephrine nasal spray in late-stage development for the emergency treatment of severe allergic reactions that can lead to anaphylaxis. Agreement grants commercialization rights in EU, UK, Russia/CIS, Turkey, Middle East and other markets
- Net debt at € 845.9 million, compared to net debt of € 902.7 million at 31 December 2019, reflecting strong cash generation of around € 267 million, before milestones, net share repurchases, and dividends paid
- On 1st October Recordati's Board of Directors approved the proposed incorporation through reverse merger of FIMEI S.p.a. and Rossini Investimenti S.p.a. in Recordati S.p.a., subject to shareholder approval. There will be no change to the respective share ownership in Recordati of its majority shareholder and other shareholders. There will be no change to Recordati's financial position, strategy or capital allocation policy.

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

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

Main product sales

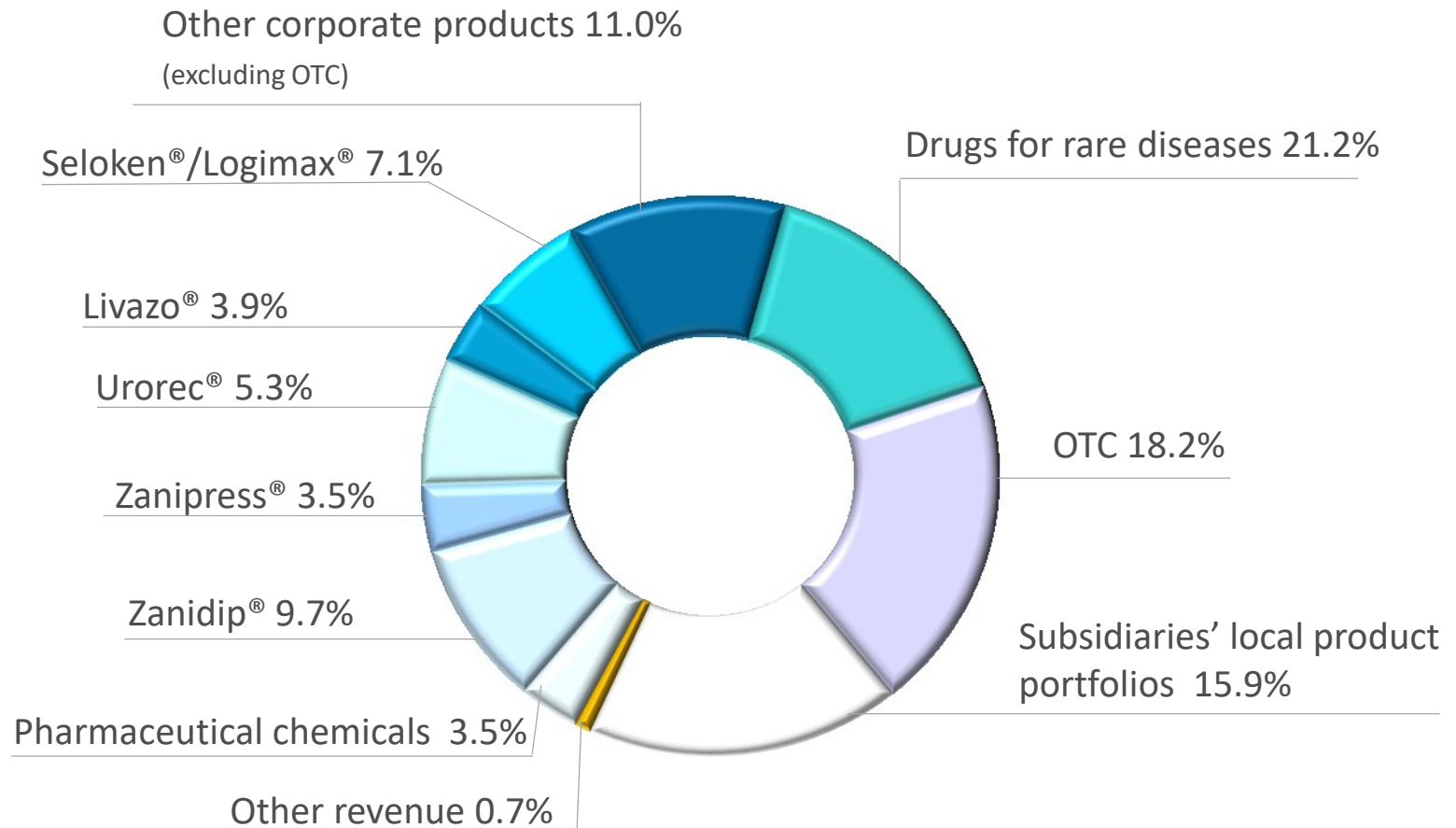
Corporate products including drugs for rare diseases account for 68.9% of revenue

(million Euro)	9 mos 2020	9 mos 2019	Change %
Zanidip® (lercanidipine)	106.1	102.2	3.8
Zanipress® (lercanidipine+enalapril)	38.2	44.4	(13.8)
Urorec® (silodosin)	58.5	82.7	(29.3)
Livazo® (pitavastatin)	42.5	40.0	6.1
Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol+felodipine)	77.7	72.5	7.2
Other corporate products ⁽¹⁾	198.7	225.5	(11.9)
Drugs for rare diseases ⁽²⁾	232.4	177.1	31.2

(1) Include the OTC corporate products for an amount of € 78.4 million in 2020 and € 84.7 million in 2019 (-7.5%)

(2) Includes revenue related to Signifor®, Signifor® LAR and Isturisa® of € 53.8 million in first nine months 2020 and none in first nine months 2019.

A diversified product portfolio



Data: First nine months 2020
Total revenue € 1,093.8 m

Composition of revenue by geography

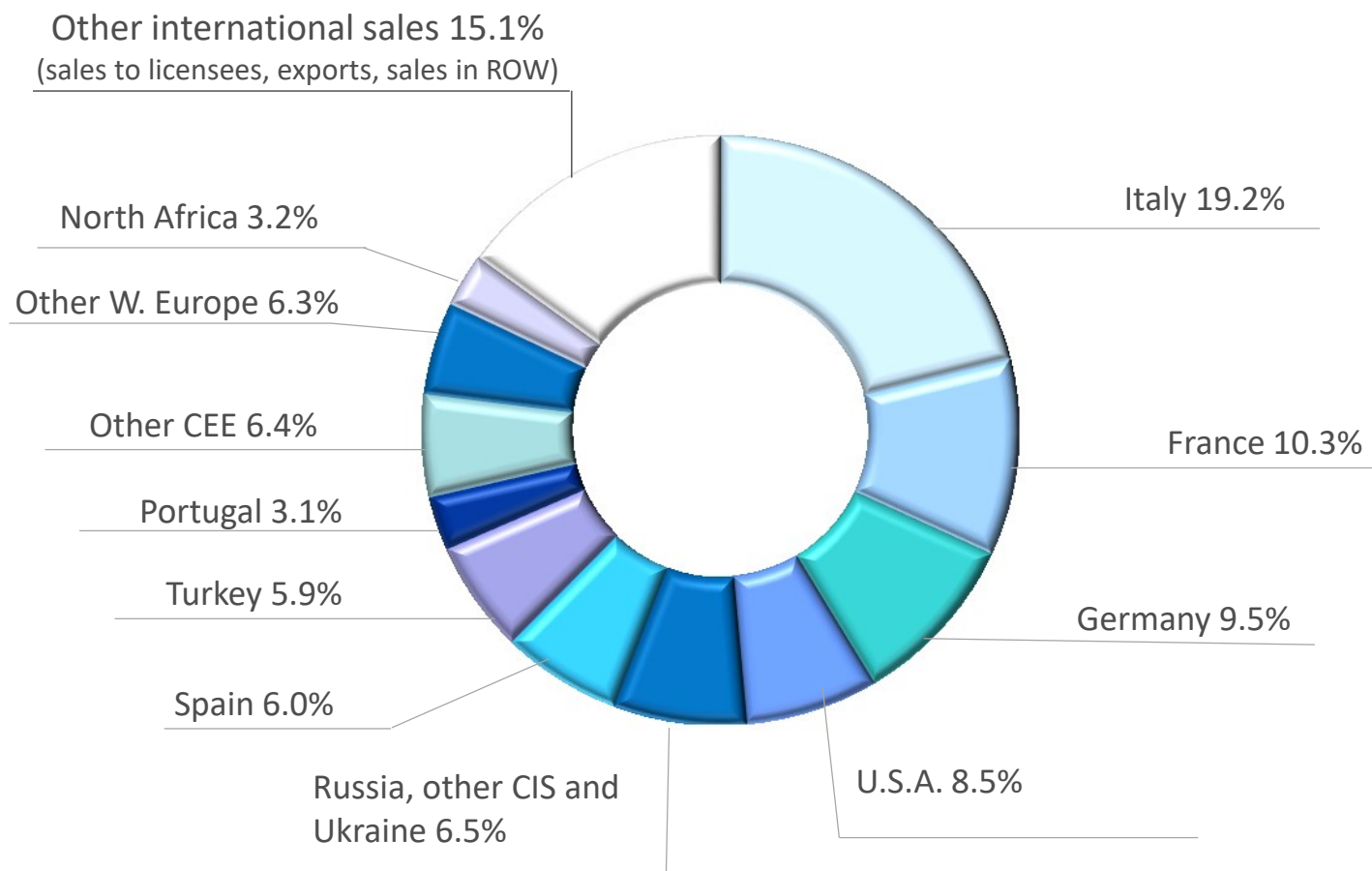
(million Euro)	9 mos 2020	9 mos 2019	Change %
Italy	202.9	215.1	(5.7)
France	109.1	117.0	(6.7)
Germany	100.6	101.5	(0.9)
U.S.A.	89.4	78.3	14.1
Russia, other CIS countries and Ukraine	69.1	83.6	(17.3)
Spain	63.1	69.4	(9.1)
Turkey	62.4	65.3	(4.4)
Portugal	32.6	33.0	(1.3)
Other CEE countries	67.1	60.0	11.8
Other W. European countries	66.9	55.9	19.6
North Africa	33.4	30.3	10.2
Other international sales	159.3	156.9	1.6
TOTAL PHARMACEUTICALS ⁽¹⁾	1,055.9	1,066.4	(1.0)

(In local currency, millions)	9 mos 2020	9 mos 2019	Change %
Russia (RUB) ⁽²⁾	4,276.8	4,824.1	(11.4)
Turkey (TRY) ⁽²⁾	450.3	393.0	14.6
U.S.A. (USD)	100.6	88.0	14.3

(1) Both years include sales as well as other income and exclude sales of pharmaceutical chemicals for an amount of € 37.9 million in the first nine months 2020 and € 34.1 million in the first nine months 2019 (+11.3%).

(2) Net revenues in local currency in Russia and in Turkey exclude sales of products for rare diseases.

Geographical breakdown of pharmaceutical* revenue



Data: First nine months 2020
Pharmaceutical* revenue € 1,055.9 million

* Excluding sales of pharmaceutical chemicals which are € 37.9 million, up by 11.3% and represent 3.5% of total revenue.

First nine months 2020 results

(million Euro)	9 mos 2020	9 mos 2019	Change %
Revenue	1,093.8	1,100.4	(0.6)
Gross Profit	785.6	771.3	1.8
as % of revenue	71.8	70.1	
SG&A Expenses	310.3	325.2	(4.6)
as % of revenue	28.4	29.5	
R&D Expenses	106.3	91.6	16.1
as % of revenue	9.7	8.3	
Other Income (Expense), net	(4.9)	(1.1)	n.s.
as % of revenue	(0.4)	(0.1)	
Operating Income	364.0	353.5	3.0
as % of revenue	33.3	32.1	
Net Income	274.1	253.7	8.1
as % of revenue	25.1	23.1	
Adjusted Net Income ⁽¹⁾	317.5	282.8	12.3
as % of revenue	29.0	25.7	
EBITDA ⁽²⁾	438.8	409.6	7.1
as % of revenue	40.1	37.2	

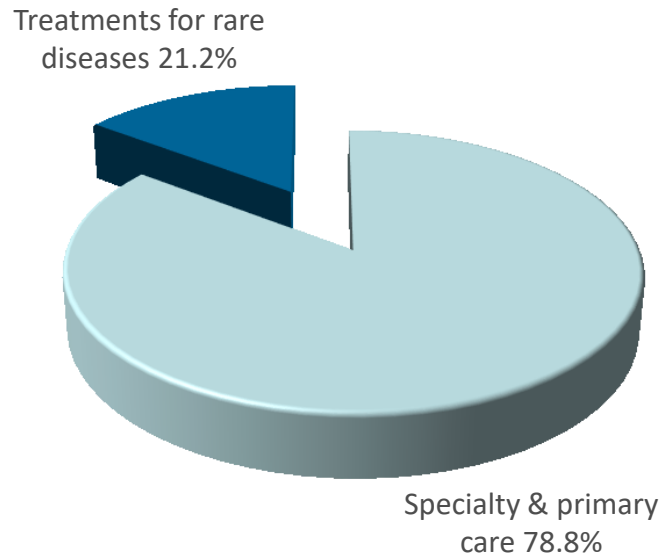
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(2) Net income before financial (income) expense, provision for taxes, depreciation, amortization and write down of property, plant and equipment, intangible assets and goodwill, and non-recurring items.

First nine months 2020 results

Operating Segments

Revenue



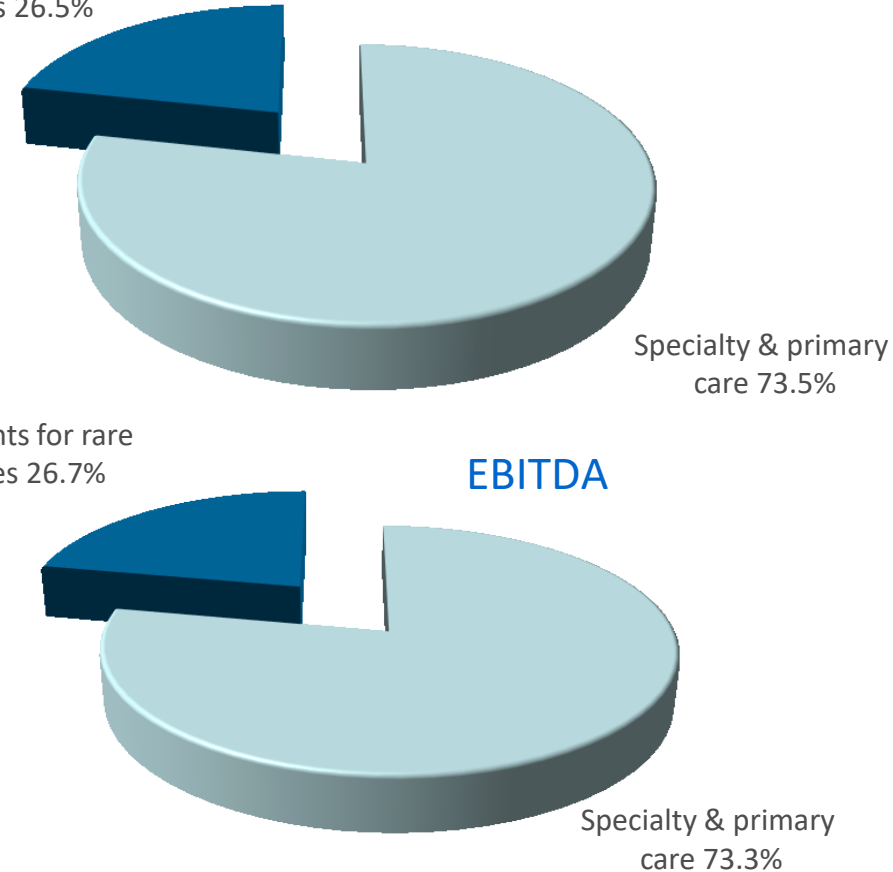
Margin on sales:

Treatments for rare diseases: EBITDA 50.3% EBIT 41.6%
Specialty & primary care: EBITDA 37.4%, EBIT 31.0%

Treatments for rare
diseases 26.5%

Treatments for rare
diseases 26.7%

EBITDA



Net financial position

(million Euro)	30 Sep 2020	31 Dec 2019	Change
Cash and short-term financial investments	277.6	187.9	89.7
Bank overdrafts and short-term loans	(14.7)	(13.4)	(1.3)
Loans and leases – due within one year*	(219.9)	(149.8)	(70.1)
Loans and leases – due after one year*	(888.9)	(927.4)	38.5
NET FINANCIAL POSITION	(845.9)	(902.7)	56.7

* Includes change in fair value of the relative currency risk hedging instruments (cash flow hedge)

Full year 2020 outlook

Still expect EBITDA and Adjusted Net Income near lower end of 2020 guidance range despite increase FX and COVID-19 headwinds

- Expect full year revenue marginally below prior year, due to:
 - Second wave of COVID-19 lock downs continuing to impact demand also into Q4
 - Strong FX headwinds, impact of -2%/-3% expected for the year (primarily TRY and RUB)
- Signifor[®], Signifor[®] LAR and Isturisa[®] reported net revenue* on track to deliver € 80 million in the year, of which Isturisa[®] sales expected > € 10 million
- COVID-19 lockdown impact on activity spend expected to continue off-setting lower revenue and incremental investment in US behind early US Isturisa[®] launch
- Expect tax rate to be 22%-23%, thanks to slightly better country mix and higher on-going patent box benefit
- Dividend payout policy confirmed at 60% of reported net income. Interim 2020 dividend of € 0.50 per share to be distributed

* Only margins on sales of Signifor[®] and Signifor[®] LAR booked until marketing authorizations are transferred from Novartis to Recordati.