

2022

**Rossini S.à r.l.'s First half 2022 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.

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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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1) Rossini S.à r.l.'s First half 2022 Preliminary results

2) Recordati S.p.A.'s First half 2022 results

Pro-forma Rossini capitalisation as of 30 June 2022

Rossini S.à r.l. Capitalisation	31 December 2021		30 June 2022	
	(€m)	x Proportional EBITDA	(€m)	x Proportional EBITDA
Cash and cash equivalents ⁽¹⁾	(72)	(0.2)x	(93)	0.3x
Senior secured fixed rate notes	650	2.1x	650	1.9x
Senior secured floating rate notes	650	2.1x	650	1.9x
Proportional Recordati net debt ⁽²⁾	387	1.2x	759	2.3x
Total net look-through debt	1,615	5.2x	1,966	5.8x
Undrawn SSRCF	195		195	
DP Notes ⁽⁵⁾	781		781	
Proportional LTM EBITDA ⁽³⁾		317		335

Recordati S.p.A. Capitalisation	(€m)	x Total EBITDA	(€m)	x Total EBITDA
Rossini S.à r.l. Shares ⁽⁴⁾	6,123	10.2x	4,498	7.1x
LTV		20%		31%
Public Market & Treasury Shares ⁽⁴⁾	5,693	9.5x	4,182	6.5x
Market Capitalisation at €41.51 per share⁽⁴⁾	11,816	19.6x	8,681	13.6x
Recordati net debt ⁽²⁾	736	1.2x	1,440	2.3x
Total Recordati capitalisation	12,552	20.8x	10,120	15.9x
Recordati LTM EBITDA		602		637

Note: Footnotes related to 30 June 2022 refer to the 2Q 2022 and for 31st December footnotes refer to the full year 2021 results. Based on Rossini's ownership of Recordati at 51.82% on a fully diluted basis (52.69% net of treasury shares as of 30 June 2022).

(1) Calculated as € 93.1 of cash of Rossini S.à r.l.

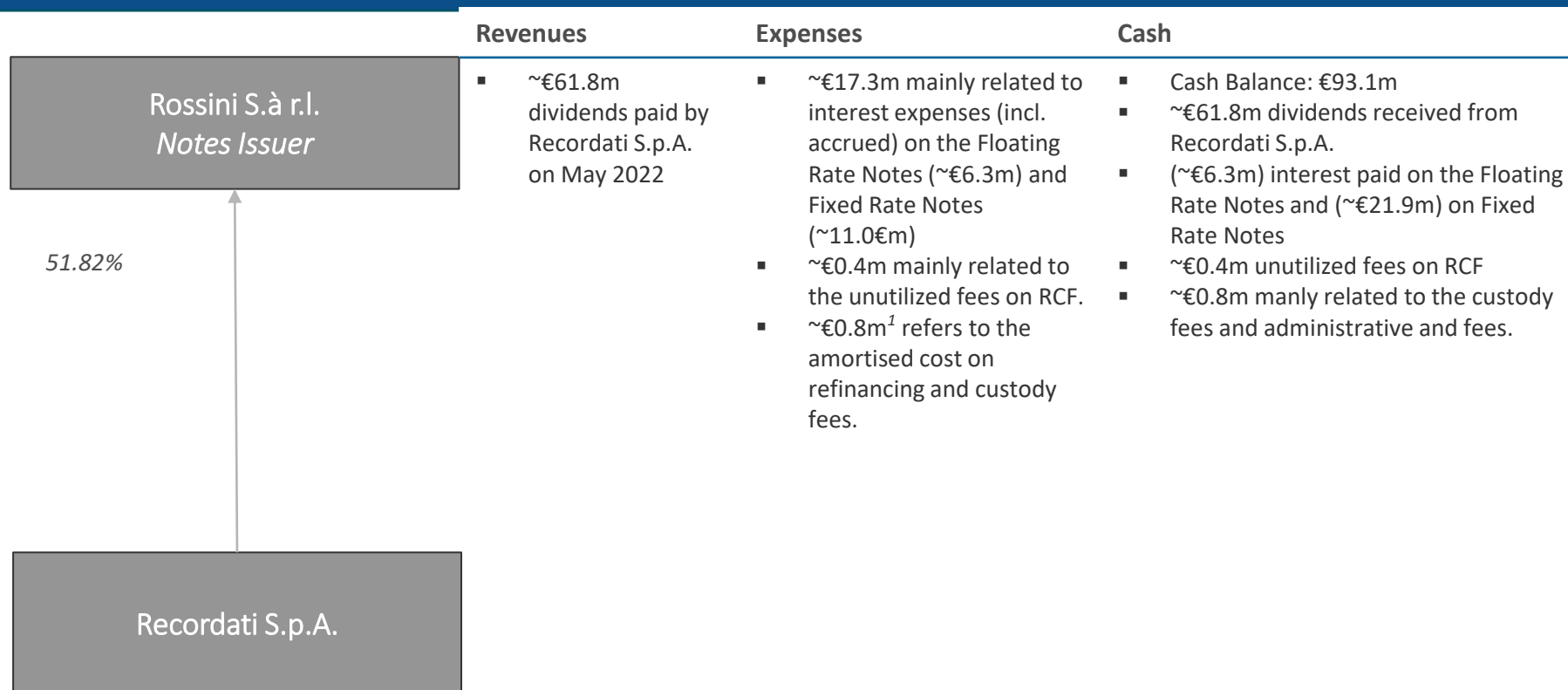
(2) Based on net financial position of € 1,439.7 m per Recordati 2Q 2022 earnings release (dated 28 July 2022) and includes: cash and short-term financial investments less bank overdrafts and medium/long-term loans which include the measurement at fair value of hedging derivatives.

(3) 52.69% (calculated net of 3,459,897 treasury shares as of 30 June 2022) of Recordati LTM EBITDA of € 637 m, Recordati EBITDA calculated as Q2 2022 EBITDA (as per release on 28 July 2022), plus FY 2021 EBITDA (as per page 49 of the 2021 annual report), less Q2 2021 EBITDA (as per page 10 of Q1 2021 Interim Report) .

(4) Closing price as of 30 June 2022.

(5) DP Notes pay 2% cash / 2% PIK interest with next payment on 31st December 2022.

Overview of key Rossini P&L and Cash flow items for the 2Q 2022



1) ~0.4m are related to the refinancing cost paid on 2019 equal to 10.6m that has been amortized over 5 years.

1) Rossini S.à r.l.'s First half 2022 Preliminary results

2) Recordati S.p.A.'s First half 2022 results

First half 2022 key highlights

- **June YTD financial results reflect very strong underlying operating performance** of the business:
 - **Net Revenue** of **€892.5** million, **+8.7%** organic growth at CER⁽¹⁾ vs PY, or **+15.8%** overall
 - **EBITDA**⁽²⁾ of **€334.9** million is **+11.5%** vs PY, margin of **37.5%**
 - **Adjusted Net Income**⁽³⁾ of **€224.8** million is **+7.1%** vs PY, absorbing high unrealised FX losses (@RUB)
 - **Free cash flow**⁽⁴⁾ **218.7** million, an increase of **+6.9%**, with **Net Debt**⁽⁵⁾ around **2.2x** EBITDA
- **Strong momentum across both business units and strong initial contribution from EUSA Pharma:**
 - **SPC** growing by **high single digit**, ahead of reference markets, benefiting from rebound of Cough & Cold and OTC
 - Legacy **RRD** growing **double digit**, with growth of both metabolic and endocrinology franchise
 - **Rare Oncology franchise** integrated into the business and fully operational, with strong revenue in the quarter of **€46.1** million, ahead of plan (reflects also phasing of shipments to partners)
- **Price increases** across multiple parts of the portfolio and continuation of targeted **rightsizing in SPC** (reduction of further 64 FTEs) **sustain margins**, with results YTD however also reflecting first time application of hyperinflation accounting in Turkey (Revenue uplift of around **€3** million and negative effect on operating margins of around **€5** million)
- **Non-recurring costs of €26.4 million**, of which around **€15** million from EUSA Pharma acquisition and balance from SPC rightsizing restructuring charges and donations for Ukraine, broadly in line with plan
- **Reported Operating Income** of **€232.3** million (-7.2%) and **reported Net Income** of **€151.4** million (-26.9%), also impacted by fair value **IFRS 3 adjustments** related to **EUSA Pharma** acquisition and **FX volatility** affecting Financial Expenses (see slide 9 for details)
- **ESG effort recognized in June by FTSE4GOOD Index series inclusion reconfirmation** and increase rating from "Gold" to **"Platinum"** by EcoVadis

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

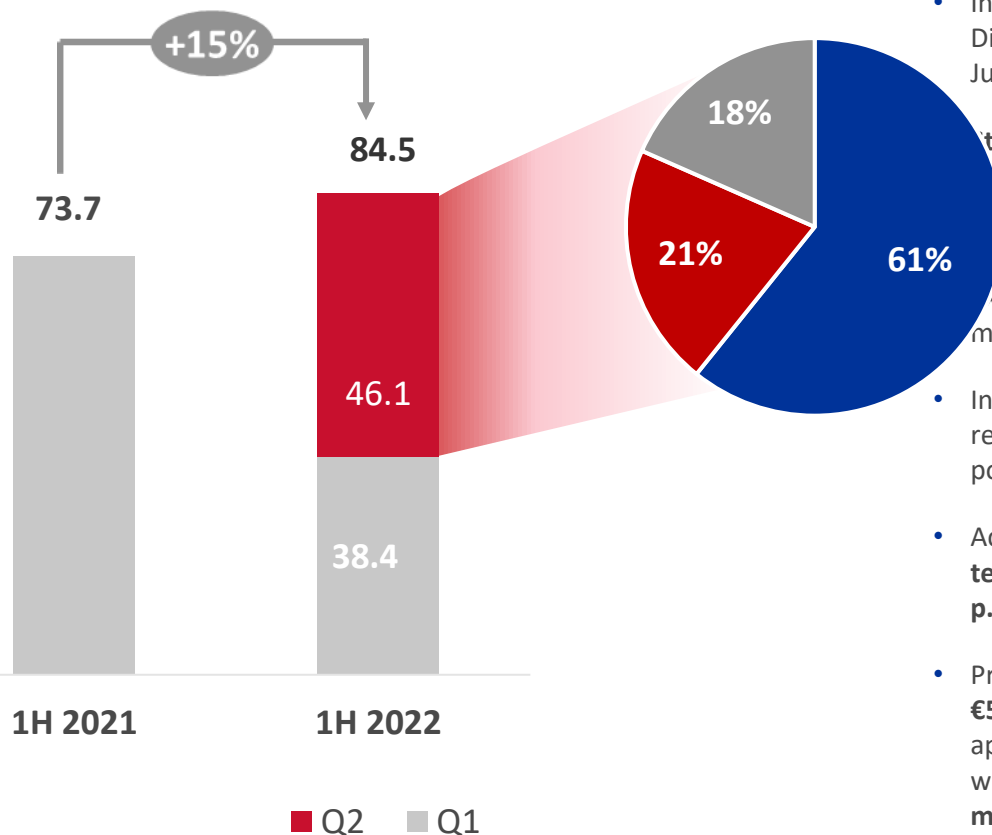
4) Operating cash flow excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options

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

EUSA Pharma acquisition

Integration of Rare and Niche Oncology franchise on track; strong revenue contribution in Q2, ahead of Plan

Oncology RRD franchise pro-forma Revenue⁽¹⁾



1) EUSA Pharma results consolidated as of Q2 2022 in Recordati financials

Key highlights

- Integration of EUSA Pharma organization in Recordati Rare Diseases **on track**; **new integrated organization** announced on July 6th
- Strong growth** of +15% 1H pro-forma, ahead of plan, driven by Sylvant performance across all Regions and increased penetration of Qarziba in Europe, with also benefit of phasing shipments to partners
- Expect **revenue** for the full year (Q2-Q4) of close to **€130** million, with **EBITDA margin** of **25-30%**
- Interaction with FDA for **Qarziba US** clinical development and regulatory pathway on-going, with target filing in 2024; potential additional indications on Sylvant under evaluation
- Acquisition **financing** finalized via new **5-year variable rate term loans** (significantly over-subscribed), with all in costs **<2% p.a.**
- Preliminary **IFRS 3** Purchase Price Allocation results in approx. **€530** million of value assigned to acquired Intangibles and approx. **€140** million uplift to the value of **acquired inventory**, with **€141.5** million of Deferred Tax Liabilities and **€150.9** million Goodwill

Main product sales

(million Euro)	1H 2022	1H 2021	Change %
Zanidip® and Zanipress® (lercanidipine+enalapril) ⁽¹⁾	86.6	100.9	(14.1)
Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol+felodipine)	48.5	49.7	(2.5)
Eligard® ⁽²⁾	51.5	36.8	40.2
Urorec® (silodosin)	31.1	31.4	(0.8)
Livazo® (pitavastatin)	23.5	21.4	10.1
Other corporate products ⁽³⁾	148.3	124.8	18.8
Drugs for rare diseases	260.4	181.1	43.8
o/w Endo franchise ⁽⁴⁾	80.0	56.3	42.1
o/w Onco franchise	46.1	n.a.	n.a.

€3.1 million revenue impact of Turkey hyperinflation not allocated

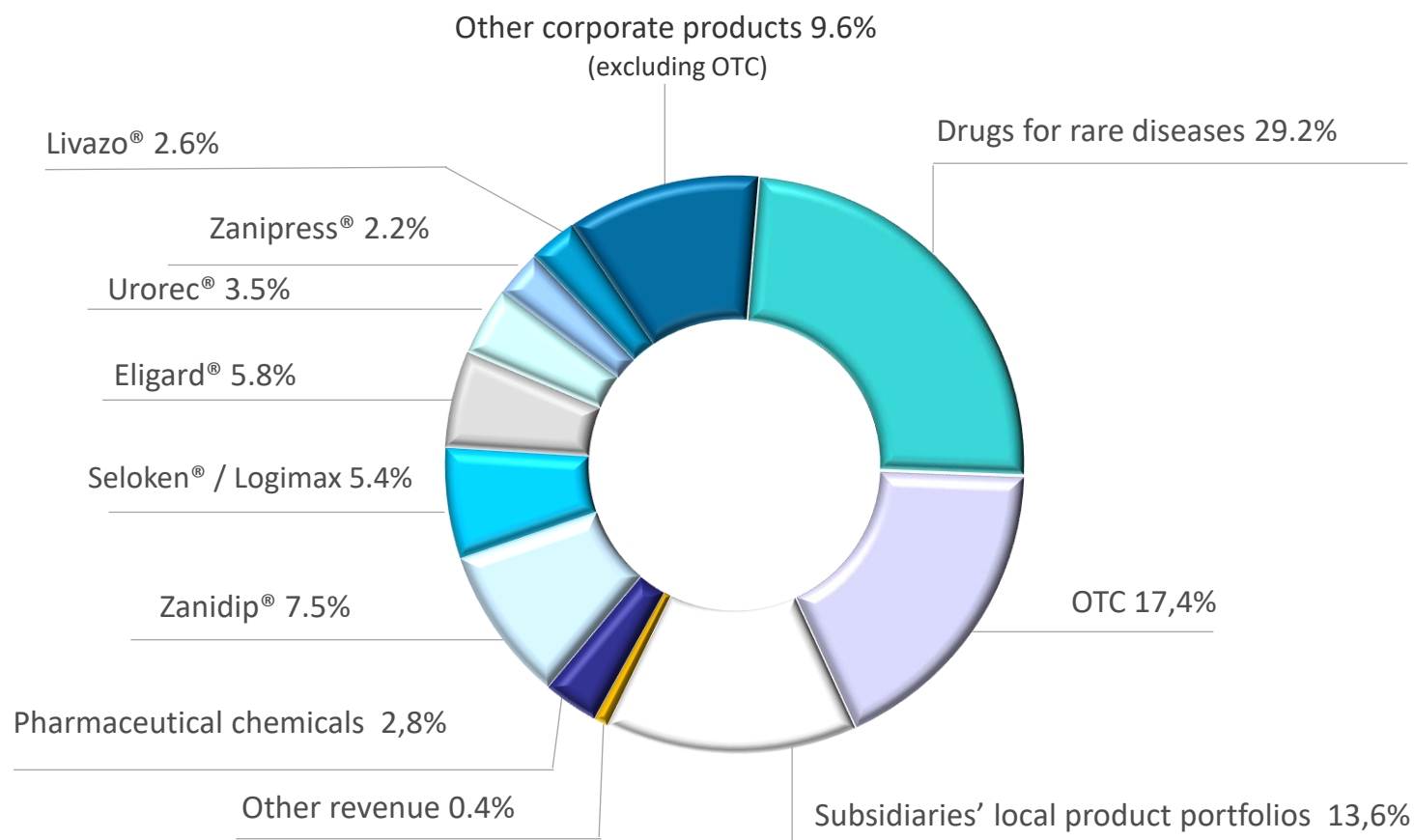
1) of which Zanidip® € 67.2 million in 1H 2022 and € 79.1 million in 1H 2021

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 € 62.7 million in 1H 2022 and € 51.4 million in 1H 2021

4) Endo franchise includes net revenue for Signifor® and Signifor® LAR of € 43.5 million and Isturisa of € 36.5 million in 1H 2022

A diversified product portfolio



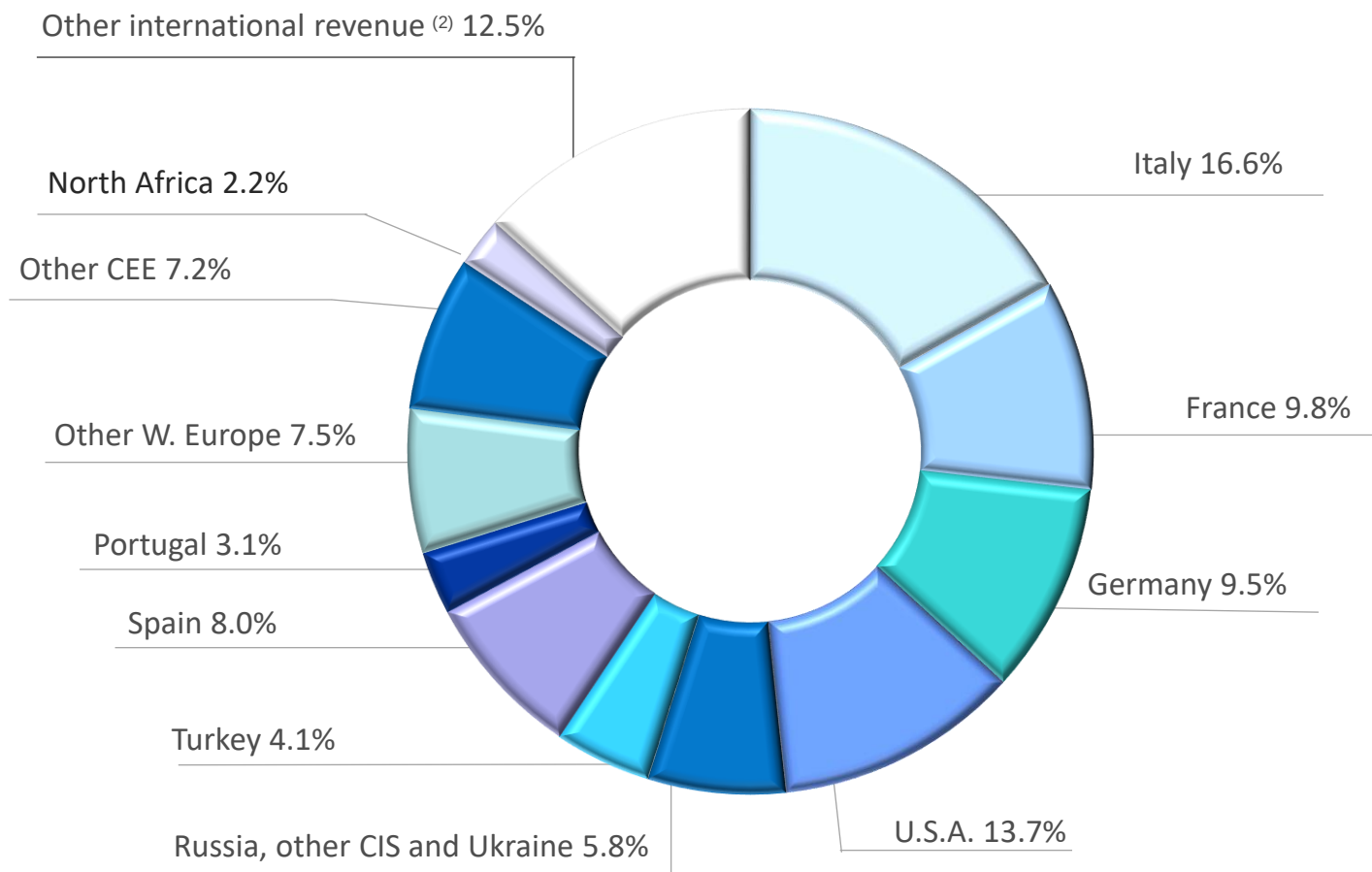
Data: **First HALF 2022 Results**
Total revenue **€ 892.5 million**

Composition of revenue by geography

(million Euro)	1H 2022	1H 2021	Change %
Italy	143.8	135.7	6.0
U.S.A.	118.5	79.9	48.4
France	84.7	75.1	12.8
Germany	82.2	74.2	10.8
Spain	69.3	55.9	24.0
Portugal	27.2	22.3	22.1
Turkey	35.3	35.1	(0.4)
Russia, other CIS countries and Ukraine	50.3	33.3	51.1
Other CEE countries	62.5	53.8	16.2
Other W. Europe countries	64.7	50.3	28.7
North Africa	19.0	19.1	(0.4)
Other international sales	110.0	110.6	(0.5)
TOTAL PHARMACEUTICALS	867.7	745.2	16.4
CHEMICALS	24.8	25.6	(3.1)
(In local currency, millions)	1H 2022	1H 2021	Change %
U.S.A. (USD)	129.6	96.3	34.6
Turkey (TRY)	519.0	308.2	68.4
Russia (RUB) ⁽¹⁾	3,231.6	1,963.8	64.6

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

Geographical breakdown of pharmaceutical¹ revenue



Data: **First HALF 2022 Results**

Pharmaceutical⁽¹⁾ revenue **€ 867.7 million**

1) Excluding sales of pharmaceutical chemicals which are € 24.8 million, up by 6.1% and represent 3.1% of total revenue

2) Sales to licensees, exports, sales in ROW

First half 2022 results

(million Euro)	1H 2022	1H 2021	Change %
Revenue	892.5	770.8	15.8
Gross Profit	624.6	564.9	10.6
as % of revenue	70.0	73.3	
Adjusted Gross Profit⁽¹⁾	641.5	564.9	13.6
as % of revenue	71.9	73.3	
SG&A Expenses	266.8	230.8	15.6
as % of revenue	29.9	29.9	
R&D Expenses	99.3	81.1	22.4
as % of revenue	11.1	10.5	
Other Income (Expense), net	(26.2)	(2.6)	n.m.
as % of revenue	(2.9)	(0.3)	
Operating Income	232.3	250.4	(7.2)
as % of revenue	26.0	32.5	
Adjusted Operating Income⁽²⁾	275.5	251.9	9.4
as % of revenue	30.9	32.7	
Financial income/(Expenses), net	(38.1)	(14.9)	n.m.
as % of revenue	(4.3)	(1.9)	
Net Income	151.4	207.1	(26.9)

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)

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) 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)

First half 2022 results – Details

Reported Net Income impacted by IFRS 3 adjustments related to EUSA Pharma acquisition, FX volatility and monetary losses from IAS 29

Reconciliation of Reported Net income to Adjusted Net income ⁽¹⁾

(million Euro)	1H 2022	1H 2021	Change %
Net income	151.4	207.1	(26.9)
Amortization and write-downs of intangible assets (exc. software)	45.7	35.1	
<i>o/w EUSA Pharma amortisation</i>	6.2	-	
Non-cash charges from PPA inventory uplift	16.9	-	
Non-recurring operating expenses	26.4	1.5	
Net monetary gains/losses from application of IAS 29 (Turkey)	4.7	-	
Tax effects	(20.3)	(7.7)	
Non-recurring tax items	-	(26.2)	
Adjusted net income⁽¹⁾	224.8	209.8	7.1

Net income of **€151.4 million** reflects:

- **Amortisation increase** of around **€10 million**
- **Non-cash charges** to gross margin of roughly **€16.9 million** arising from unwind of fair value uplift to acquired inventory
- **Non-recurring costs** of **€26.4 million**, of which around **€15 million** for EUSA Pharma
- **Net monetary losses** of **€4.7 million** from application of IAS 29 (Turkey)

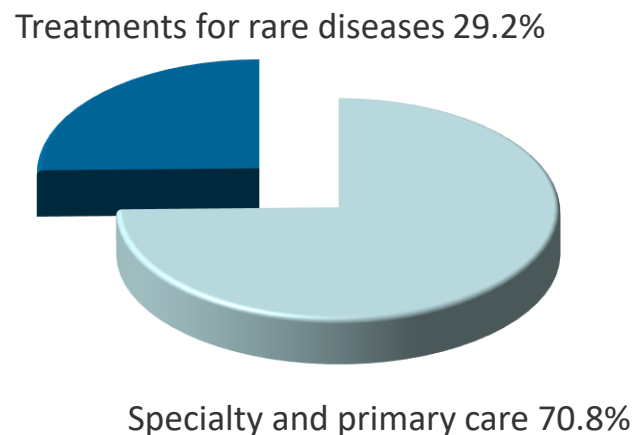
Adjusted net income of **224.8 million**, an increase of **+7.1%**, (Note not adjusted for FX losses impacting financial expenses)

1) 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

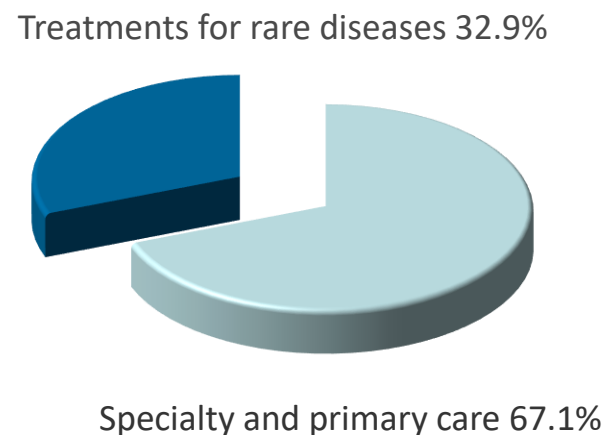
First half 2022 results

Operating Segments

REVENUE



EBITDA ⁽¹⁾



Margin on Sales:

Treatments for rare diseases: EBITDA 42.3%
Specialty and primary care: EBITDA 35.6%

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)

First half 2022 cash flow

(million Euro)	1H 2022	1H 2021	Change
EBITDA ⁽¹⁾	334.9	300.5	34.4
Movements in working capital	(17.8)	(13.6)	(4.2)
Changes in other assets & liabilities	(11.1)	(14.0)	2.9
Interest received/(paid)	(8.1)	(9.0)	0.9
Income Tax Paid	(42.5)	(46.6)	4.1
Other	(29.3)	(4.0)	(25.3)
Cash flow from Operating activities	226.1	213.3	12.8
Capex (net of disposals)	(7.4)	(8.8)	1.4
Free cash flow ⁽²⁾	218.7	204.5	14.2
Acquisition of subsidiaries (net of cash acquired) ⁽³⁾	(653.8)	-	(653.8)
Increase in intangible assets (net of disposals)	(54.0)	(57.7)	3.7
Dividends paid	(119.5)	(108.7)	(10.8)
Purchase of treasury shares (net of proceeds)	(16.6)	(40.5)	23.9
Other financing cash flows ⁽⁴⁾	754.4	86.0	668.4
Change in cash and cash equivalents	129.2	83.6	45.6

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) 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 repayment of EUSA Pharma loan for € 78.2 million

Net financial position

(million Euro)	30 JUNE 2022	31 DEC 2021	Change
Cash and cash equivalents	373.8	244.5	129.3
Short-term debts to banks and other lenders	(74.3)	(8.7)	(65.6)
Loans and leases – due within one year ⁽¹⁾	(301.0)	(221.5)	(79.5)
Loans and leases – due after one year ⁽¹⁾	(1,438.2)	(750.8)	(687.4)
NET FINANCIAL POSITION ⁽²⁾	(1,439.7)	(736.5)	(703.2)

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 Financial projections – Key assumptions

- **Expect overall Revenue at top end of guidance range** (slightly favourable FX in 2H, assumes EURRUB FY average @75):
 - **SPC to grow low to mid single digit**, reflecting stronger 2H comparable and expected softening of demand in Russia; **Eligard >€100 million revenue**, in line with plan
 - **Legacy Rare Diseases to grow sustained double digit**, with slight headwind from GX erosion on Carbaglu in 2H; **Endo franchise on track to deliver €160-180 million revenue**
 - **Onco franchise (EUSA Pharma) revenue to deliver close to €130 million revenue** in Q2-Q4
- **EBITDA⁽¹⁾ and Adjusted Net Income⁽²⁾, expected around middle of guidance range**, due to higher inflationary pressure in 2H (including Turkey IAS 29 impact) and FX volatility
- **Expect financial expenses of €53-55 million**, assuming €10-12 million FX losses (assumes year end EURRUB consensus of around @70) and assuming €10 million of net monetary losses from IAS 29
- **FY 2022 Non-cash charges arising from preliminary IFRS 3 PPA of EUSA Pharma acquisition of around €20 million** for incremental amortization and of around **€50 million** from unwind of acquired inventory value step up
- **Non-recurring costs of approximately €40 million**, with slight acceleration of rightsizing in SPC

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), monetary net gains/losses from hyperinflation (IAS 29), net of tax effects

2022 Financial projections

Financial targets for 2022 confirmed, with revenue expected at top end of the range

	FY 2021 Actual	FY 2022 Target	Changes
Revenue	1,580	1,720 - 1,780	+10.8%
EBITDA ⁽¹⁾ <i>margin on sales</i>	602.3 38.1%	630 - 660 +/-37%	+7.1%
Adjusted Net Income ⁽²⁾ <i>margin on sales</i>	424.6 26.9%	450 - 470 +/-26%	+8.3%

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), monetary net gains/losses from hyperinflation (IAS 29), net of tax effects

Appendix

First half 2022 results – Details

Reconciliation of Net income to EBITDA⁽¹⁾

(million Euro)	1H 2022	1H 2021
Net income	151.4	207.1
Income taxes	42.7	28.4
Financial income/(expenses), net	38.1	14.9
Non-recurring expenses	26.4	1.5
Non-cash charges from PPA inventory uplift	16.9	-
Adjusted Operating Income⁽²⁾	275.5	251.9
Depreciation, amortization and write downs of assets	59.4	48.5
<i>o/w EUSA Pharma amortisation</i>	<i>6.2</i>	<i>-</i>
EBITDA⁽¹⁾	334.9	300.5

- **Non-recurring costs of €26.4 million**, of which around **€15 million from EUSA Pharma acquisition**
- **Non-cash charges** arising from Purchase Price Allocation (IFRS 3) of **EUSA Pharma**:
 - **€16.9 million** in Q2 at the level of gross margin (from unwind of **inventory revaluation**)
 - **€6.2 million** for **intangible amortization**

Breakdown Financial income / (Expenses)

(million Euro)	1H 2022	1H 2021
Financial income/(Expenses), net	(38.1)	(14.9)
<i>o/w net FX losses⁽³⁾</i>	<i>(18.7)</i>	<i>(4.1)</i>
<i>o/w net monetary gains/losses from application of IAS 29 (Turkey)</i>	<i>(4.7)</i>	<i>-</i>

- Sharp appreciation of **RUB (and USD)** at end June results in **€18.7 million unrealized FX losses** and **consolidation adjustments**, which in part should be reversed in 2H (based on RUB consensus forecast evolution)
- **€4.7 million** net monetary losses from application of IAS 29 (Turkey)

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 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)

3) FX losses and FX driven consolidation adjustments