

INTERIM REPORT

FIRST QUARTER

2023

Recordati, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), dedicated to the research, development, manufacturing and marketing of pharmaceuticals and pharmaceutical chemicals, with headquarters in Milan, Italy, Recordati has operations in Europe, Russia and the other C.I.S. countries, in Ukraine, Turkey, North Africa, the United States of America, Canada, Mexico, some South American countries, Japan, Australia and New Zeland, China and South Korea.

MANAGEMENT REVIEW

FINANCIAL HIGHLIGHTS

FIRST QUARTER 2023

NET REVENUE

€ (thousands)	First quarter 2023	%	First quarter 2022	%	Changes 2023/2022	%
Total revenue	551,363	100.0	419,381	100.0	131,982	31.5
Italy	82,524	15.0	75,531	18.0	6,993	9.3
International	468,839	85.0	343,850	82.0	124,989	36.3

KEY CONSOLIDATED P&L DATA

€ (thousands)	First quarter 2023	%	First quarter 2022	%	Changes 2023/2022	%
Net revenue	551,363	100.0	419,381	100.0	131,982	31.5
EBITDA ⁽¹⁾	220,779	40.0	163,049	38.9	57,730	35.4
Operating income	172,565	31.3	131,271	31.3	41,294	31.5
Adjusted operating income ⁽²⁾	186,587	33.8	138,386	33.0	48,201	34.8
Net income	123,954	22.5	96,720	23.1	27,234	28.2
Adjusted net income ⁽²⁾	155,018	28.1	116,320	27.7	38,698	33.3

⁽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 according to IFRS 3.

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

⁽³⁾ Net income excluding the amortization and write-down 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 pursuant to IFRS 3, and net gains/losses from hyperinflation (IAS 29), net of tax effects.

KEY CONSOLIDATED BALANCE SHEET DATA

€ (thousands)	31 March 2023	31 December 2022	Changes 2023/2022	%
Net financial position ⁽³⁾	[1,339,600]	[1,419,909]	80,309	(5.7)
Shareholders' equity	1,654,470	1,546,248	108,222	7.0

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

The first quarter of 2023 was characterised by very strong sales, with consolidated net revenue at € 551.4 million, increasing by 31.5% compared to the first quarter the previous year or +21.0% on a like-for-like basis¹ and at constant exchange rates, with a slightly adverse currency exchange rate effect of € 2.7 million (-0.6%). This result was achieved thanks to an excellent performance across all business areas and the successful integration of EUSA Pharma, which contributed € 47.7 million to revenue in the quarter.

Our portfolio of Specialty and Primary Care products contributed significantly to growth, outperforming the main reference markets and benefiting from several extraordinary factors, such as favourable channel stock movements in Russia and Türkiye and the advance ordering of lercanidipine by some international distributors, factors which contributed a total of around €15-20 million in sales over the quarter; the performance also reflected an exceptional growth in cough and cold products, which significantly surpassed pre-pandemic levels.

Sales in the rare diseases segment for the first quarter of 2023 totalled € 174.7 million, up by 64.7% (or 20.9% on a like-for-like basis), thanks to the integration of the oncology products acquired with EUSA Pharma (which grew by 24.2 % on a pro-forma basis) and continued growth in sales for Signifor® and Isturisa® (totalling € 55.3 million, up by 44.7%). Sales also increased for Panhematin® and Cystadrops® and other products in the metabolics portfolio, particularly in the US, with limited erosion in the quarter by the generic products that recently came onto the US market.

Revenue performance led to an increase in operating results and profits compared to the same period of last year, with EBITDA at € 220.8 million, up by 35.4% compared to the first quarter in 2022 and a 40.0% ratio to revenue, reflecting the operational leverage benefit and previously announced efficiency initiatives; we expect a gradual ramp up in research and development activities in the rest of the year.

Adjusted operating income of € 186.6 million increased by 34.8% compared to the same period the previous year, with a ratio to revenue of 33.8%, reflecting the sharp increase in revenue, partially

offset by the recovery of operating assets in the area, investments to support growth for new franchises and greater amortisation of intangible assets of € 8.6 million, resulting from the consolidation of EUSA Pharma in the second quarter of 2022.

Operating income was € 172.6 million, up by 31.5% compared to the same period the previous year; this result, in addition to the impact of costs deriving from the fair value revaluation of the inventory acquired with EUSA Pharma, was also impacted by non-recurring costs of € 2.8 million attributable to the organisational restructuring of the Specialty and Primary Care sales area.

Adjusted net income was € 155.0 million, at 28.1% of revenue, up by 33.3% compared to the same period in 2022 due to higher operating income. This was attributable to the increase in operating income and including net financial charges for € 12.6 million, up by € 5.7 million compared to the same period the previous year due to the new loans taken out during 2022 and higher interest rates. Net income was € 124.0 million, at 22.5% of revenue, up by 28.2% compared to the same period of the previous year.

Results reflect the application of accounting standards for economies with hyperinflation (IAS 29 and specific arrangements of IAS 21) to activities in Türkiye, the effect of which is substantially neutral in terms of revenues and slightly dilutive on margins, with a reduction in EBITDA of € 2.6 million.

The net financial position at 31 March 2023 recorded net debt of € 1,339.6 million compared to net debt of € 1,419.9 million at 31 December 2022. During the period, treasury shares were purchased for € 4.1 million, net of sales proceeds from exercising stock options, and dividends were paid for € 6.1 million, with shareholders requesting a postponement in this regard. Free cash flow for the period, i.e. operating cash flow gross of these effects and the financial components, was € 103.4 million, slightly down on the first quarter in 2022 absorbing a € 77.9 million increase in working capital resulting from the significant increase in sales, versus a working capital increase of € 28.4 million in the first quarter 2022.

Shareholders' equity was € 1,654.5 million.

(1) Adjusted for first quarter 2022 revenue from the recent acquisition of EUSA Pharma, a company specialising in the rare oncology diseases segment.

CORPORATE DEVELOPMENT NEWS AND OTHER KEY EVENTS

The development plan for pasireotide in the treatment of post-bariatric hypoglycaemia is proceeding well. Interaction with the Food and Drug Administration (FDA) has made it possible to integrate the recommendations from the American regulatory authority into the formulation of a phase two study, which is expected to start during the third quarter of 2023.

In the scope of the development strategy aimed at obtaining FDA approval for a Biologics License Application (BLA) to register Qarziba® in the United States, preparations are underway for a Type C Meeting with the FDA, scheduled for the third quarter of 2023.

Patient enrolment in the global phase II study in

neurotrophic keratitis for REC 0559 is proceeding according to plan, with data read out expected in the second quarter of 2024.

Finally, Carbaglu® has been filed in China, preparing for possible launch early 2024.

In February, an agreement was finalised with ARS Pharmaceuticals to return the license for ARS-1, a nasal spray containing epinephrine, at an advanced stage of development, for emergency treatment of serious allergic reactions. Upon signing the agreement, € 3.0 million was collected, with another € 12.0 million to be received once certain conditions relating to the drug's approval and marketing are met, which were recognised at a discounted rate under receivables.

REVIEW OF OPERATIONS

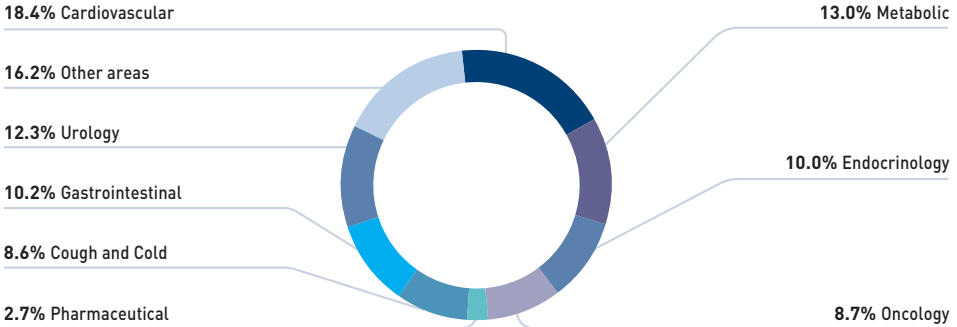
The Group's business involves two segments: Specialty and Primary Care medicines, and treatments for rare diseases. Business is conducted through our subsidiaries in Europe, Russia, Türkiye, North Africa, the Middle East, the United States of America, Canada, Mexico, and in certain South American countries, Japan, Australia, New Zealand, China and South Korea and, in the rest of the world, based on licensing agreements with leading pharmaceutical companies.

As already mentioned, total consolidated net revenue for the Group in the first quarter of 2023 was € 551.4 million, compared to € 419.4 million in the first quarter of the previous year (+31.5% or +21.0% on a like-for-like basis and at constant exchange rate) and included the net revenue for EUSA Pharma, amounting to € 47.7 million, with pro-forma growth of 24.2% of the portfolio acquired. Growth was sustained in both of the Group's main business areas, benefiting in part also from some phasing benefits which contributed around € 15-20 million to sales over the quarter.

REVENUE BY THERAPEUTIC AREA

Specialty and Primary Care 68.3%

Rare diseases 31.7%



The table below shows revenue for the Specialty and Primary Care segment in the first quarter of 2023, broken down by treatment area, with the change compared to the previous year.

SPECIALTY AND PRIMARY CARE

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022	%
Cardiovascular	101,310	89,998	11,312	12.6
Urology	67,700	52,428	15,272	29.1
Gastrointestinal	56,058	48,963	7,095	14.5
Cough and Cold	47,342	28,375	18,967	66.8
Other treatment areas	89,348	80,619	8,729	10.8
Total (excluding Pharmaceutical chemicals)	361,758	300,383	61,375	20.4
Pharmaceutical chemicals	14,885	12,909	1,976	15.3
Total	376,643	313,292	63,351	20.2

Performance was very positive for the quarter, reflecting solid growth in volumes across all segments, with higher growth than the reference markets — with an exceptionally high season for cough and cold products and the effect of significant pricing increases in Türkiye. Sales further benefited from the advance ordering by certain international

distributors and stock movements in the Türkiye and Russia channels.

As further described below, lercanidipine drove growth in the cardiovascular segment, thanks also to the timing of shipments to international distributors, with metoprolol and pitavastatin essentially stable.

Growth in the urology area was driven by the ongoing strong performance of Eligard® — with increases in most markets that were higher than the main competitors — and increased sales of silodosin (mainly in Türkiye).

The gastrointestinal area continued to record strong growth, driven primarily by Reuflor® and Procto-Glyvenol®.

Sales of seasonal flu products were significantly higher than pre-pandemic levels, reflecting the strong growth in most markets of both our prescription

and OTC portfolio and the benefits of restocking the channel in Russia.

Sales of pharmaceutical chemicals, which comprise active substances produced in the Campoverde di Aprilia plant in Italy for the international pharmaceutical industry, were at € 14.9 million, up by 15.3%, attributable also to the higher prices, representing 2.7% of total revenue.

The performance of products sold directly in more than one market (corporate products) in the Specialty and Primary Care segment is shown in the table below.

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022	%
Zanidip® (lercanidipine) and Zanipress® (lercanidipine+enalapril)	56,824	43,252	13,572	31.4
Eligard® (leuprorelin acetate)	28,465	23,936	4,529	18.9
Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol + felodipine)	24,352	24,022	330	1.4
Urorec® (silodosin)	18,783	14,616	4,167	28.5
Livazo® (pitavastatin)	12,782	12,071	711	5.9
Other corporate products*	92,489	72,326	20,163	27.9

* Include corporate OTC products for a total of € 34.7 million in 2023 and € 30.6 million in 2022 (+13.3%).

Zanidip® is a specialty containing lercanidipine, Recordati's original calcium channel blocker for the treatment of hypertension. Our lercanidipine-based products are sold directly to the market by our marketing organizations in Europe, including Central -Eastern Europe, Russia, Türkiye and North Africa. In the other countries and in some of the countries mentioned above with co-marketing agreements, they are sold by our licensees.

Zanipress® is an original pharmaceutical specialty developed by Recordati, indicated for the treatment of hypertension, consisting of a fixed combination of lercanidipine and enalapril.

The table below shows the aggregated sales for the two specialties, divided into direct sales and sales to licensees.

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022	%
Direct sales	30,672	27,186	3,486	12.8
Sales to licensees	26,152	16,066	10,086	62.8
Total lercanidipine and lercanidipine+enalapril sales	56,824	43,252	13,572	31.4

Direct sales of lercanidipine were at € 21.8 million, up by 18.0%, mainly attributable to good results in the United Kingdom, Germany and Türkiye. Sales to licensees, on the other hand, representing 53.5% of the total, totalled € 25.1 million, growing by 67.0% due to higher sales of the active ingredient in Germany and central-eastern Europe and the different timing for the sale of finished goods to various distributors compared to the first quarter of 2022.

Sales of Zanipress® in the first quarter in 2023 were € 9.9 million, essentially in line with the same period the previous year, with direct sales of € 8.8 million increasing by 1.8%, mainly attributable to increased sales in Türkiye (supported by price increases) and in Italy.

Revenue for Eligard® in the first quarter of 2023 was € 28.5 million, up by 18.9% compared to the same period the previous year, with growth in all the main markets (also in terms of their competitive positioning). Of note is the growth in sales in Türkiye (also benefiting from price increases), Germany and Denmark.

Sales of Seloken®/Seloken® ZOK (metoprolol) and Logimax® fixed dose combination (metoprolol and felodipine), metoprolol-based specialties belonging to the beta blocker class of drugs widely used in the treatment of various cardiovascular disorders, were at € 24.4 million in the first quarter of 2023, in line with the same period the previous year (+1.4%), with lower volumes recorded in Poland, Norway and Lithuania, which were offset to a significant extent by growth in Romania, France, Germany and the Czech Republic.

Urorec® (silodosin) is a specialty indicated for the treatment of symptoms associated with benign prostatic hyperplasia (BPH). The product is currently marketed in 41 countries. Sales for € 18.8 million were recorded in the first quarter of 2023, growing by 28.5% mainly in Türkiye (thanks also to price increases), Russia and Italy.

Livazo® (pitavastatin) is a statin indicated to lower elevated total and LDL cholesterol and sold directly in Spain, Portugal, Ukraine, Greece, Switzerland, Russia, other C.I.S. countries and Türkiye. Sales were at € 12.8 million in the first quarter of 2023, up by 5.9%, attributable mainly to the price increases in Türkiye, which was partially offset by a decline in sales to international distributors.

Growth in silodosin and pitavastatin once again confirmed the Group's ability to effectively manage mature products after the loss of exclusivity.

In the first quarter of 2023, sales of other corporate products totalled € 92.5 million, up by 27.9% over the same period the previous year, mainly due to the recovery in seasonal flu products — such as Polydexa®, Hexaspray®, Isofra® and Abufene®, Reagila® (cariprazine), Tergynan® (fixed combination of anti-infectives) — and in OTC products — the Biogaia®, Reuflor®/Reuteri® (lactobacillus Reuteri) lines and Procto-Glyvenol® (tribenoside) — as well as gastroenterological products — such as CitraFleet®, Casenlax®, Fleet enema, Fosfosoda® and Lacdigest® (tilactase).

As shown in the table below, in the first quarter of 2023, sales of our specialties for the treatment of rare diseases, marketed directly in Europe, the Middle East, the US, Canada, Mexico and some countries in South America, Japan, Australia and through partners in other territories, totalled € 174.7 million, up by 64.7% (or 20.9% on a like-for-like basis), thanks to the integration of the oncology products acquired with EUSA Pharma and the continued growth of sales of Signifor® and Isturisa® (for a total of € 55.3 million, up by 44.7%), but also of Panhematin®, Cystadrops®, with limited erosion of metabolic products from recent generic entries in US. The net revenue related to the acquisition of EUSA Pharma and consolidated in the Group as from April 2022, amounted to € 47.7 million, with an increase of 24.2% (on a pro-forma basis) in the first three months of 2023 compared to the same period of the previous year.

RARE DISEASES

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022	%
Metabolic and other areas	71,641	67,861	3,780	5.6
Endocrinology*	55,334	38,228	17,106	44.7
Oncology	47,745	-	47,745	n.s.
Total	174,720	106,089	68,631	64.7

* Signifor® € 25.6 million and Isturisa® € 29.8 million in the first quarter 2023, versus € 21.2 million and € 17.0 million respectively in the first quarter 2022.

REVENUE BY GEOGRAPHIC AREA*



* Excluding sales of pharmaceutical chemicals, which were at € 14.9 million, up by 15.3%, representing 2.7% of total revenue.

Sales of the Recordati subsidiaries, which include the above-mentioned product sales but exclude sales of pharmaceutical chemicals, are shown in the table below.

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022	%
Italy	80,481	74,667	5,814	7.8
U.S.A.	77,304	52,581	24,723	47.0
France	49,110	40,440	8,670	21.4
Germany	41,941	38,298	3,643	9.5
Russia, other C.I.S. countries and Ukraine	43,253	23,090	20,163	87.3
Türkiye	33,052	14,688	18,364	125.0
Spain	36,017	33,316	2,701	8.1
Portugal	15,634	12,322	3,312	26.9
Other C.E.E. countries	36,117	30,336	5,781	19.1
Other Western European countries	37,542	25,544	11,998	47.0
North Africa	10,360	10,083	277	2.7
Other international sales	75,667	51,107	24,560	48.1
Total pharmaceutical revenue*	536,478	406,472	130,006	32.0

*Including sales of products and various revenue and excluding revenue relating to pharmaceutical chemical products.

Sales in countries affected by currency exchange fluctuations are shown below in their relative local currencies.

Local currency (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022	%
United States of America (USD)	82,948	58,979	23,969	40.6
Russia (RUB)	2,313,617	1,629,712	683,905	42.0
Türkiye (TRY)	675,188	217,857	457,331	209.9

Net revenue in Russia excludes sales of rare disease products.

Sales of pharmaceutical specialities in Italy were at € 80.5 million, increasing by 7.8% compared to the same period of the previous year. This was primarily due to the recovery in prescription seasonal flu medicines, the continued growth in OTC products, particularly Magnesio Supremo® and Eumill®, and to growth in sales in products for the treatment of rare diseases for € 6.7 million, up by 29.1%; to note the approved reimbursement of Isturisa® as of January 2023.

The Group's pharmaceutical business in the U.S.A., which is confirmed as the second market for the Group, is dedicated to marketing products for the treatment of rare diseases. Sales were at € 77.3 million in the first quarter of 2023, up by 47.0%. In local currency, sales grew by 40.6%. Growth was generated by endocrinology products (Signifor®, Signifor® LAR, Isturisa®) and the addition of the oncology portfolio, together with solid growth of products for metabolic disorders (mainly Panhematin® and Cystadrops®).

Sales in France, at € 49.1 million, were up by 21.4%, benefiting from the strong growth in seasonal flu products (specifically the Hexa line and OTC) and cardiovascular medications, with Reselip®. Sales of methadone also recovered. Sales of products for the treatment of rare diseases amounted to € 9.6 million, up by 15.4%.

Sales in Germany were at € 41.9 million and increased by 9.5% thanks to significant growth in the sales of products for the treatment of rare diseases for € 11.1 million (+87.4%) and the positive contribution of Eligard®, which more than offset the decline recorded for Ortoton®.

Sales generated in Russia, Ukraine and in the countries within the Commonwealth of Independent States (C.I.S.) were € 43.3 million, up by 87.3% compared to the same period of the previous year, and include an estimated positive exchange rate effect of € 5.0 million. Revenue realized in Russia was RUB 2,313.6 million in local currency, up by 42.0% over the same period of the previous year. The increase in sales to Russia is attributable to the strong uptake in cough and cold pathologies and the recovery in inventory levels in the distribution channel to more normal levels, as well as the benefit of price increases introduced mainly over the course of 2022.

Sales of products for the treatment of rare diseases in this area amounted to € 7.2 million (compared to € 0.5 million in the same period the previous year), thanks to the significant contribution of the EUSA Pharma portfolio of products.

Sales in Türkiye were at € 33.1 million, up by 125.0%, and included an adverse currency exchange effect estimated at € 10.0 million. Sales for the subsidiary in Türkiye increased in local currency by 209.9% thanks to the general recovery in volume growth of our portfolio (Kreval®, Mictonorm®, Alipza®, Cabral®, Urorec®) and the contribution from Eligard®, combined with the effect of multiple waves of price increases (the most recent in January 2023), which were granted to offset the devaluation of the Turkish lira. Given the timing of the price increases on the market, growth for the quarter also benefited from some channel stock movements. Sales of products for the treatment of rare diseases amounted to € 0.7 million, and were in line with the same period the previous year. The effect of applying IAS 29 "Financial Reporting in Hyperinflationary Economies" to activities in Türkiye determined a positive effect on sales revenue of € 0.9 million. Currently, thanks to expansionary policies adopted by the Government in the run up to the local elections, no easing is expected in demand despite the earthquake that affected a significant section of the country.

Sales for € 36.0 million were recorded in Spain, up by 8.1%, mainly due to the growth in the sales of products for the treatment of rare diseases, amounting to € 6.9 million, increasing by 81.8%.

Sales in Portugal were at € 15.6 million, up by 26.9% for prescription medications (mainly Eligard®, Reagila®, and gastrointestinal products) and OTC products. Sales of products for the treatment of rare diseases amounted to € 1.5 million (+160.1% compared to the first quarter of 2022).

Sales in other Central and Eastern European countries, at € 36.1 million, include the sales from Recordati subsidiaries in Poland, the Czech Republic and Slovakia, Romania, Bulgaria and the Baltic countries, in addition to sales of rare disease treatments in this area, as well as in Hungary. In the first quarter of 2023, overall sales increased by 19.1% thanks to growth in OTC products and metoprolol and

the contribution from Eligard®. Sales of products for the treatment of rare diseases in this area, amounting to € 7.0 million, increased by 118.6% compared to the first quarter of 2022 thanks above all to the significant contribution of sales of products for rare tumors acquired with EUSA Pharma and the growth in endocrinology products.

Sales in other countries in Western Europe were € 37.5 million, up 47.0% thanks to the growth of Eligard® and lercanidipine, as well as EUSA Pharma oncology products contribution. They include sales of products for rare diseases and Specialty and Primary Care products from the Recordati subsidiaries in the United Kingdom, Ireland, Greece, Switzerland, Nordic countries (Finland, Sweden, Denmark, Norway and Iceland) and in BeNelux. Sales of products for the treatment of rare diseases in this area, equal to € 15.3 million, were up by 118.7% thanks to the contribution of the new EUSA Pharma products.

Sales in North Africa were at € 10.4 million, in line with the same period the previous year, and include the export revenue generated by Laboratoires Bouchara Recordati in these territories, in particular in Algeria, and sales generated by Opalia Pharma, the Group's Tunisian subsidiary, as well as sales of products for the treatment of rare diseases. Pharmaceutical sales in Tunisia in the first quarter of 2023 were up by 9.4%.

Other international sales, for € 75.7 million, were up by 48.1% compared to the same period the preceding year and comprise sales and other revenue from our licensees for our corporate products, Laboratoires Bouchara Recordati's and Casen Recordati's export sales, as well as sales of products for the treatment of rare diseases in the rest of the world. The rise in sales was supported by all areas and has benefited from sales of the rare cancer products acquired with EUSA Pharma and phasing of orders of lercanidipine by international distributors.

FINANCIAL REVIEW

INCOME STATEMENT

Income statement items are shown in the table below, with the relative percentage of net revenue and changes compared to the first quarter of 2022:

€ (thousands)	First quarter 2023	% of revenue	First quarter 2022	% of revenue	Changes 2023/2022	%
Net revenue	551,363	100.0	419,381	100.0	131,982	31.5
Cost of sales	(163,654)	(29.7)	(115,478)	(27.5)	(48,176)	41.7
Gross profit	387,709	70.3	303,903	72.5	83,806	27.6
Selling expenses	(119,992)	(21.8)	(99,792)	(23.8)	(20,200)	20.2
Research and develop- ment expenses	(60,458)	(11.0)	(43,669)	(10.4)	(16,789)	38.4
General and administrative expenses	(30,437)	(5.5)	(21,941)	(5.2)	(8,496)	38.7
Other income/(expenses), net	(4,257)	(0.8)	(7,230)	(1.7)	2,973	(41.1)
Operating income	172,565	31.3	131,271	31.3	41,294	31.5
Financial income/ (expenses), net	(12,624)	(2.3)	(6,953)	(1.7)	(5,671)	81.6
Pre-tax income	159,941	29.0	124,318	29.6	35,623	28.7
Income taxes	(35,987)	(6.5)	(27,598)	(6.6)	(8,389)	30.4
Net income	123,954	22.5	96,720	23.1	27,234	28.2
Adjusted gross profit⁽¹⁾	398,946	72.4	303,903	72.5	95,043	31.3
Adjusted operating income⁽²⁾	186,587	33.8	138,386	33.0	48,201	34.8
Adjusted net income⁽³⁾	155,018	28.1	116,320	27.7	38,698	33.3
EBITDA⁽⁴⁾	220,779	40.0	163,049	38.9	57,730	35.4

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

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

(3) Net income excluding the amortization and write-down 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 pursuant to IFRS 3, and 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 according to IFRS 3.

Net revenue amounted to € 551.4 million, up by € 132.0 million compared to the first quarter of 2022. For a detailed analysis, please refer to the previous chapter "Review of Operations".

Given the materiality of the non-monetary adjustments originating from the application of IFRS 3 for the allocation of the higher price paid for the acquisition of EUSA Pharma, starting in the second quarter of 2022, two new figures were added: Adjusted gross profit and adjusted operating income. Both were adjusted for the impact resulting from the application of IFRS 3 regarding the inventories acquired from EUSA Pharma, and referring to adjusted operating income as well for the other non-recurring items.

Gross profit was € 387.7 million, with a 70.3% ratio to sales, increasing by 27.6% compared to the first quarter in 2022. Net of the impact of the € 11.2 million arising from the application of IFRS 3 on EUSA Pharma warehouse inventories, adjusted gross profit was € 398.9 million, up by 31.3%, with a sales margin that was essentially in line with the previous year.

Selling expenses increased by 20.2%, reflecting also the consolidation of EUSA Pharma. Expenses as a percentage of revenue came down compared to the same period of the previous year thanks to the strong revenue performance and to the benefits deriving from the efficiency measures implemented in 2022.

Research and development expenses were € 60.5 million, an increase of 38.4% compared to those in the first quarter of the previous year owing to the integration of the EUSA Pharma expenses (including € 6.4 million of amortization of intangible fixed assets).

General and administrative expenses increased by 38.7% owing to the integration of EUSA Pharma

and the strengthening of the general coordination structure to support an increasingly complex portfolio.

Other income and expenses amounted to € 4.3 million, compared to € 7.2 million in the first quarter of 2022, which includes costs for € 2.3 million for the restructuring associated with right sizing the Specialty and Primary Care sales area, specifically in Germany and France.

Adjusted operating income (net income before income taxes, financial income and expenses and non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory according to IFRS 3) was € 186.6 million, up by 34.8% compared to the first quarter of 2022, accounting for 33.8% of sales, reflecting the strong increase in revenue, partially offset by the recovery of operating activities, investments to support the growth of new franchises and greater amortisation of intangible assets, totalling € 8.6 million. Operating income was € 172.6 million, up by 31.5% compared to the same period the previous year. In addition to the impact of costs deriving from the fair value revaluation of the inventory acquired with EUSA Pharma, there were also non-recurring costs of € 2.8 million.

Total amortisation amounted to € 34.2 million, of which € 27.2 million related to intangible assets, up by € 8.6 million over the first quarter of the previous year, attributable mostly to consolidation of EUSA Pharma as from the second quarter of 2022, and € 7.0 million relating to property, plant and equipment, up by € 1.0 million over the same period the previous year.

EBITDA* at € 220.8 million, was up 35.4% compared to the first quarter of 2022, accounting for 40.0% of revenue.

The reconciliation of net income and EBITDA is reported below.

€ (thousands)	First quarter 2023	First quarter 2022
Net income	123,954	96,720
Income taxes	35,987	27,598
Financial income/(expenses), net	12,624	6,953
Non-recurring operating expenses	2,785	7,115
Non-cash charges arising from EUSA Pharma PPA	11,237	-
Adjusted operating income	186,587	138,386
Depreciation, amortization and write-downs	34,192	24,663
EBITDA*	220,779	163,049

* 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 according to IFRS 3.

The breakdown of EBITDA* by business segment is reported below.

€ (thousands)	First quarter 2023	First quarter 2022	Changes 023/2022	%
Specialty and Primary Care segment	139,865	112,763	27,102	24.0
Rare diseases segment	80,914	50,286	30,628	60.9
Total EBITDA*	220,779	163,049	57,730	35.4

* 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 according to IFRS 3.

The Specialty and Primary Care segment was 37.1% of EBITDA, and the rare disease segment was 46.3%.

Net financial expenses amounted to € 12.6 million, up by € 5.7 million compared to the same period of the previous year, mainly due to the effect of the new loans taken out during 2022. Net exchange gains over the period amounted to € 0.6 million, against net losses of € 1.6 million in the first quarter of 2022, and the impacts of hyperinflation were positive for € 0.9 million.

The effective tax rate was 22.5%, which was slightly higher than the same period of the previous year. In continuing with the approach adopted in previous years, this result includes the tax benefit pertaining to

the first quarter of 2023 relating to the Patent Box in Italy, which reduces tax for an amount of € 2.7 million.

Net income was € 124.0 million, at 22.5% of revenue, up by 28.2% compared to the same period of the previous year due to higher operating income.

Adjusted net income was € 155.0 million, up by 33.3%, and excludes amortization and write-downs of intangible assets (except software) and goodwill for a total amount of € 26.4 million, charges from non-recurring items of € 2.8 million, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory of € 11.2 million, and net profit from hyperinflation of € 0.8 million (IAS 29), net of tax effects.

The reconciliation of net income with adjusted net income* is reported below.

€ (thousands)	First quarter 2023	First quarter 2022
Net income	123,954	96,720
Amortization and write-downs of intangible assets (except software)	26,443	18,253
Tax effect	(5,621)	(3,727)
Non-recurring operating expenses	2,785	7,115
Tax effect	(755)	(2,041)
Non-cash charges arising from EUSA Pharma PPA	11,237	-
Tax effect	(2,815)	-
Monetary net (gains)/losses from hyperinflation	(848)	-
Tax effect	638	-
Adjusted net income*	155,018	116,320

* Net income excluding the 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 pursuant to IFRS 3, and net gains/losses from hyperinflation (IAS 29), net of tax effects.

NET FINANCIAL POSITION

The net financial position is set out in the table below:

€ (thousands)	31 March 2023	31 December 2022	Change 2023/2022	%
Cash and cash equivalents	231,294	284,734	(53,440)	(18.8)
Short-term debts to banks and other lenders	(23,232)	(83,425)	60,193	(72.2)
Loans - due within one year ⁽¹⁾	(281,440)	(279,810)	(1,630)	0.6
Leasing liabilities - due within one year	(9,862)	(9,237)	(625)	6.8
Short-term financial position	(83,240)	(87,738)	4,498	(5.1)
Loans - due after one year ⁽¹⁾	(1,234,127)	(1,310,600)	76,473	(5.8)
Leasing liabilities - due after one year	(22,233)	(21,571)	(662)	3.1
Net financial position	(1,339,600)	(1,419,909)	80,309	(5.7)

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

The net financial position at 31 March 2023 recorded debt of € 1,339.6 million compared to debt of € 1,419.9 million at 31 December 2022. During the period, treasury shares were purchased for € 4.1 million, net of sales proceeds from exercising stock options, and dividends were paid for € 6.1 million, with shareholders requesting a postponement in this

regard. Free cash flow for the period, i.e. operating cash flow gross of these effects and the financial components, was € 103.4 million, slightly down on the first quarter in 2022 following the increase in working capital resulting from the sharp growth in turnover.

RELATED-PARTY TRANSACTIONS

At 31 March 2023, the Group's immediate parent is Rossini S.à r.l., with headquarters in Luxembourg, which is owned by a consortium of investment funds controlled by CVC Capital Partners VII Limited.

BUSINESS OUTLOOK

On 21 February, the Company announced the following financial targets for 2023: revenue of between € 1,970 million and € 2,030 million, EBITDA⁽¹⁾ of between € 700 and € 730 million and adjusted net income⁽²⁾ of between € 470 and € 490 million.

Given the strong business performance, the Company has revised its targets upwards for its full year 2023. The new guidance expects overall revenue of between € 2,050 million and € 2,090 million, EBITDA⁽¹⁾ of between € 750 and € 770 million and adjusted net income⁽²⁾ of between € 490 and € 500 million.

Milan, 11 May 2023

for the Board of Directors
Chief Executive Officer
Robert Koremans

(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 according to IFRS 3.

(2) Net income excluding the 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 pursuant to IFRS 3, and net gains/losses from hyperinflation (IAS 29), net of tax effects.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2023 AND NOTES

RECORDATI S.p.A. AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENT

€ (thousands) ⁽¹⁾	Note	First quarter 2023	First quarter 2022
Net revenue	3	551,363	419,381
Cost of sales	4	(163,654)	(115,478)
Gross profit		387,709	303,903
Selling expenses	4	(119,992)	(99,792)
Research and development expenses	4	(60,458)	(43,669)
General and administrative expenses	4	(30,437)	(21,941)
Other income/(expenses), net	4	(4,257)	(7,230)
Operating income		172,565	131,271
Financial income/(expenses), net	5	(12,624)	(6,953)
Pre-tax income		159,941	124,318
Income taxes	6	(35,987)	(27,598)
Net income		123,954	96,720
Attributable to:			
Equity holders of the Parent		123,954	96,720
Non-controlling interests		0	0
Earnings per share (euro)			
Basic		0.603	0.470
Diluted		0.593	0.462

⁽¹⁾ Except amounts per share.

Earnings per share (EPS) are based on average shares outstanding during the respective period, 205,447,036 in 2023 and 205,695,188 in 2022. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 3,678,120 for 2023 and 3,429,968 for 2022. Diluted earnings per share is calculated by taking into account stock options granted to employees.

RECORDATI S.p.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

ASSETS

€ (thousands)	Note	31 March 2023	31 December 2022
Non-current assets			
Property, plant and equipment	7	162,311	159,184
Intangible assets	8	1,725,656	1,758,173
Goodwill	9	784,537	780,057
Other equity investments and securities	10	24,480	28,871
Other non-current assets	11	17,513	9,556
Deferred tax assets	12	76,367	76,895
Total non-current assets		2,790,864	2,812,736
Current assets			
Inventories	13	427,664	424,080
Trade receivables	13	439,594	361,898
Other receivables	13	48,576	63,915
Other current assets	13	27,176	15,387
Derivative instruments measured at fair value	14	16,904	23,603
Cash and cash equivalents	15	231,294	284,734
Total current assets		1,191,208	1,173,617
Non-current assets held for sale	16	0	12,470
Total assets		3,982,072	3,998,823

RECORDATI S.p.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

SHAREHOLDERS' EQUITY AND LIABILITIES

€ (thousands)	Note	31 March 2023	31 December 2022
Shareholders' equity			
Share capital		26,141	26,141
Share premium reserve		83,719	83,719
Treasury shares		(152,695)	(149,559)
Reserve for derivative instruments		5,060	5,249
Translation reserve		(228,055)	(205,018)
Other reserves		59,493	62,260
Profits carried forward		1,849,832	1,524,099
Net income		123,954	312,336
Interim dividend		(112,979)	(112,979)
Shareholders' equity attributable to equity holders of the Parent		1,654,470	1,546,248
Shareholders' equity attributable to non-controlling interests			0
Total shareholders' equity	17	1,654,470	1,546,248
Non-current liabilities			
Loans - due after one year	18	1,263,979	1,341,549
Provisions for employee benefits	19	18,924	19,418
Deferred tax liabilities	20	163,737	167,865
Total non-current liabilities		1,446,640	1,528,832
Current liabilities			
Trade payables	21	246,983	224,703
Other payables	21	224,851	251,136
Tax liabilities	21	54,697	33,615
Other current liabilities	21	5,663	5,740
Provisions for risks and charges	21	16,312	16,209
Derivative instruments measured at fair value	22	15,593	17,369
Loans - due within one year	18	293,631	291,546
Short-term debts to banks and other lenders	23	23,232	83,425
Total current liabilities		880,962	923,743
Total shareholders' equity and liabilities		3,982,072	3,998,823

The notes are an integral part of these consolidated financial statements.

RECORDATI S.p.A. AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

€ (thousands) ⁽¹⁾	First quarter 2023	Primo trimestre 2022
Net income	123,954	96,720
Gains/(losses) on cash flow hedges, net of tax effects	(189)	(107)
Gains/(losses) on translation of foreign financial statements	(23,037)	(1,659)
Gains/(losses) on equity-accounted investees, net of tax effects	(4,399)	(10,613)
Other changes, net of tax effects	(73)	(49)
Income and expenses recognized in shareholders' equity	(27,698)	(12,428)
Comprehensive income	96,256	84,292
Attributable to:		
Equity holders of the Parent	96,256	84,292
Non-controlling interests	0	0
Per-share data (euro)		
Basic	0.469	0.410
Diluted	0.460	0.403

(1) Except amounts per share.

Earnings per share (EPS) are based on average shares outstanding during the respective period, 205,447,036 in 2023 and 205,695,188 in 2022. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 3,678,120 for 2023 and 3,429,968 for 2022. Diluted earnings per share is calculated by taking into account stock options granted to employees.

RECORDATI S.p.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

€ (thousands)	Shareholders' equity attributable to equity holders of the Parent										Total
	Share capital	Share premium reserve	Treasury shares	Reserve for derivative instruments	Translation reserve	Other reserves	Profits carried forward	Net income	Interim dividend	Non-controlling interests	
Balance at 31 December 2021	26,141	83,719	(126,981)	(974)	(213,086)	60,207	1,275,962	385,966	(109,329)	0	1,381,625
Allocation of 2021 net income							385,966	(385,966)			0
Change in share-based payments						1,545	63				1,608
Purchase of treasury shares			(19,041)								(19,041)
Sale of treasury shares			1,641				(983)				658
Other changes							291				291
Comprehensive income				(107)	(1,659)	(10,662)		96,720			84,292
Balance at 31 March 2022	26,141	83,719	(144,381)	(1,081)	(214,745)	51,090	1,661,299	96,720	(109,329)	0	1,449,433
Balance at 31 December 2022	26,141	83,719	(149,559)	5,249	(205,018)	62,260	1,524,099	312,336	(112,979)	0	1,546,248
Allocation of 2022 net income							312,336	(312,336)			0
Change in share-based payments						1,705	261				1,966
Purchase of treasury shares			(6,483)								(6,483)
Sale of treasury shares			3,347				(939)				2,408
Other changes							14,075				14,075
Comprehensive income				(189)	(23,037)	(4,472)		123,954			96,256
Balance at 31 March 2023	26,141	83,719	(152,695)	5,060	(228,055)	59,493	1,849,832	123,954	(112,979)	0	1,654,470

The notes are an integral part of these consolidated financial statements.

RECORDATI S.p.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT

€ (thousands)	First quarter 2023	First quarter 2022
OPERATING ACTIVITIES		
Net income	123,954	96,720
Income taxes	35,988	27,598
Net interest	13,167	4,133
Depreciation of property, plant and equipment	7,004	6,016
Amortization of intangible assets	27,188	18,635
Write-downs	0	12
Equity-settled share-based payment transactions	1,966	1,608
Other non-monetary components	15,606	2,363
Change in other assets and other liabilities	(10,296)	(2,389)
Cash flow generated/(used) by operating activities before change in working capital	214,577	154,696
Change in:		
- inventories	(18,601)	(3,705)
- trade receivables	(82,225)	(27,826)
- trade payables	22,926	3,082
Change in working capital	(77,900)	(28,449)
Interest received	1,394	181
Interest paid	(17,818)	(2,344)
Income taxes paid	(12,330)	(10,653)
Cash flow generated/(used) by operating activities	107,923	113,431

€ (thousands)	First quarter 2023	First quarter 2022
INVESTMENT ACTIVITIES		
Investments in property, plant and equipment	(4,606)	(3,341)
Disposals of property, plant and equipment	87	249
Investments in intangible assets	(12,951)	(12,258)
Disposals of intangible assets	464	74
Acquisition of holdings in subsidiaries*	0	(706,994)
Sale of non-current assets held for sale	3,000	-
Cash flow generated/(used) by investment activities	(14,006)	(722,270)
FINANCING ACTIVITIES		
Opening of loans	0	684,245
Repayment of loans	(74,221)	(90,414)
Payment of lease liabilities	(3,232)	(2,297)
Change in short-term debts to banks and other lenders	(56,895)	4,506
Dividends paid	(6,139)	(6,219)
Purchase of treasury shares	(6,483)	(19,041)
Sale of treasury shares	2,408	658
Cash flow generated/(used) by financing activities	(144,562)	571,438
Change in cash and cash equivalents	(50,645)	(37,401)
Opening cash and cash equivalents	284,734	244,578
Currency translation effect	(2,795)	1,018
Cash and cash equivalents acquired from EUSA Pharma	0	53,235
Closing cash and cash equivalents	231,294	261,430

* Acquisition of EUSA Pharma (UK) Limited (706,994): working capital (47,288), fixed assets (123,335), goodwill (573,765), cash and cash equivalents (53,235), other assets and liabilities 12,384, loans due within one year 78,245.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2023

1. GENERAL INFORMATION

The Interim Report for the Recordati Group for the period ended 31 March 2023 was prepared by Recordati Industria Chimica e Farmaceutica S.p.A. (the "Company" or the "Parent Company"), with headquarters at Via Matteo Civitali no. 1, 20148 Milan, Italy, and was approved by the Board of Directors' on 11 May 2023, which authorized distribution to the public.

The Interim Financial Statements at 31 March 2023 include the economic-equity position of the Parent Company and all its subsidiaries.

The scope of consolidation did not change in the first quarter of 2023.

The companies included in the scope of consolidation, their percentage of ownership and a description of their activity are set out in Note 28.

These financial statements are presented in euro (€), rounded to thousands of euro, except where indicated otherwise.

2. SUMMARY OF ACCOUNTING STANDARDS

These interim consolidated financial statements were prepared in accordance with the recognition and measurement criteria prescribed by the International Financial Reporting Standards (IFRS) adopted by the European Union, but do not include the full information required for the annual financial statements and must therefore be read together with the annual report for the full year ended 31 December 2022, prepared in accordance with the IFRSs issued by the International Accounting Standards Board (IASB) and endorsed by the European Union pursuant of regulation no. 1606/2002.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements. If in the future, these estimates and assumptions, which are based on management's best judgement, should deviate from the actual circumstances, these will be modified in relation to the circumstances. In making the estimates and assumptions related to the preparation of these

interim financial statements, the impacts, even potential ones, deriving from the Russia-Ukraine crisis were taken into account. The Group operates on the Russian market, in compliance with current regulations, with revenue in the first quarter of 2023 totalling 6.7% of the Group's total revenue, as well as on the Ukrainian market, with revenue in the first quarter of 2023 accounting for 0.8% of the total. The Group continues to monitor the conflict, as well as any geopolitical developments and related consequences on corporate strategies, to adopt mechanisms to protect its competitive position, investments, corporate performance, and resources. With reference to the recent earthquake in Türkiye, this is currently not expected to affect demand for the Group's specialty medicines, with a significant increase in sales over the first three months of the year. In light of these interim accounts, also in consideration of the achievement of the expected results and the relevant sector, no effects were currently identified that could have a significant impact on figures in the financial statements. Valuation exercises, in particular complex calculations such as those required to identify impairment loss, are carried

out in depth only for the preparation of the year-end consolidated financial statements, except when there are impairment loss indicators, which would require an immediate estimate of the loss.

In relation to financial instruments measured at fair value, IFRS 13 requires the classification of these instruments according to the standard's hierarchy levels, which reflect the significance of the inputs used in establishing the fair value. The following levels are used:

- Level 1: unadjusted assets or liabilities subject to valuation on an active market;
- Level 2: inputs other than prices listed under

the previous point, which are observable directly (prices) or indirectly (derivatives from the prices) on the market;

- Level 3: input which is not based on observable market data.

Disclosure of the net financial position is included in the section "Management Review" of this Report.

Application of new accounting principles

The accounting policies applied in these interim financial statements are the same as those applied in the last annual financial statements.

3. NET REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers and is not subject to significant seasonal fluctuations.

During the first quarter of 2023, net revenue amounted to € 551.4 million, up compared to the € 419.4 million in the same period during 2022, when the revenue from EUSA Pharma had not yet been consolidated.

Net revenue can be broken down as follows:

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022
Net sales	547,757	416,754	131,003
Royalties	2,300	1,298	1,002
Upfront payments	486	526	(40)
Various revenue	820	803	17
Total net revenue	551,363	419,381	131,982

The effect of applying IAS 29 "Financial Reporting in Hyperinflationary Economies" to activities in Türkiye determined a substantially neutral effect on sales revenue.

Revenue for up-front payments is related to the activity of licensing and distribution of products in the portfolio and is recognized when it accrues along the time horizon of collaboration with customers. Upfront payment revenue for € 0.5 million recognised in the first quarter of 2023 referred mainly to the marketing agreements for pitavastatin, lercanidipine and the combination

lercanidipine and enalapril. The remaining balance of amounts already paid in advance by customers, which will be recognized for accounting purposes as revenue in future periods, is recognized under current liabilities (see Note 21), and amounted to € 3.7 million (€ 3.9 million at 31 December 2022).

In the tables below, net revenue is disaggregated by product or product class and by geographic area by country. The tables also include a reconciliation of the disaggregated revenue with the Group's reportable segments.

PRODUCT OR PRODUCT CLASS

€ (thousands)	Specialty and Primary Care 2023	Specialty and Primary Care 2022	Rare diseases 2023	Rare diseases 2022	Total 2023	Total 2022
Zanidip®	46,953	33,545	-	-	46,953	33,545
Zanipress®	9,871	9,707	-	-	9,871	9,707
Urorec®	18,783	14,616	-	-	18,783	14,616
Livazo®	12,782	12,071	-	-	12,782	12,071
Seloken®/Logimax®	24,352	24,022	-	-	24,352	24,022
Eligard®	28,465	23,936	-	-	28,465	23,936
Other corporate products	57,807	41,705	-	-	57,807	41,705
OTC	95,537	80,248	-	-	95,537	80,248
Local product portfolios	65,377	58,779	-	-	65,377	58,779
Other revenue	1,831	1,754	-	-	1,831	1,754
Drugs for rare diseases	-	-	174,720	106,089	174,720	106,089
Pharmaceutical chemicals	14,885	12,909	-	-	14,885	12,909
Total net revenue	376,643	313,292	174,720	106,089	551,363	419,381

GEOGRAPHIC AREA BY COUNTRY

€ (thousands)	Specialty and Primary Care 2023	Specialty and Primary Care 2022	Rare diseases 2023	Rare diseases 2022	Total 2023	Total 2022
Pharmaceutical revenue						
Italy	73,747	69,449	6,734	5,218	80,481	74,667
France	39,523	32,131	9,587	8,309	49,110	40,440
Russia, Ukraine, other CIS	36,072	22,581	7,181	509	43,253	23,090
Germany	30,876	32,395	11,065	5,903	41,941	38,298
Spain	29,167	29,549	6,850	3,767	36,017	33,316
Türkiye	32,324	13,854	728	834	33,052	14,688
Portugal	14,157	11,754	1,477	568	15,634	12,322
Other Eastern European countries	29,154	27,151	6,963	3,185	36,117	30,336
Other Western European countries	22,255	18,554	15,287	6,990	37,542	25,544
North Africa	10,146	9,414	214	669	10,360	10,083
Other international sales	44,337	33,551	31,330	17,556	75,667	51,107
U.S.A.	-	-	77,304	52,581	77,304	52,581
Total pharmaceutical revenue	361,758	300,383	174,720	106,089	536,478	406,472
Pharmaceutical chemicals revenue						
Italy	1,159	409	-	-	1,159	409
Other European countries	4,602	3,384	-	-	4,602	3,384
U.S.A.	2,450	2,492	-	-	2,450	2,492
America (U.S.A. excluded)	1,277	1,377	-	-	1,277	1,377
Australasia	5,024	4,542	-	-	5,024	4,542
Africa	373	705	-	-	373	705
Total chemical pharmaceuticals revenue	14,885	12,909	0	0	14,885	12,909
Total net revenue	376,643	313,292	174,720	106,089	551,363	419,381

4. OPERATING EXPENSES

Total operating expenses for the first quarter of 2023 amounted to € 378.8 million, up compared to the € 288.1 million for the corresponding period the previous year, also as a result of the consolidation of the EUSA Pharma starting from 1 April 2022, and were classified by allocation as follows:

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022
Cost of sales	163,654	115,478	48,176
Selling expenses	119,992	99,792	20,200
Research and development expenses	60,458	43,669	16,789
General and administrative expenses	30,437	21,941	8,496
Other (income)/expenses, net	4,257	7,230	(2,973)
Total operating expenses	378,798	288,110	90,688

The cost of sales was € 163.7 million, up compared to the first three months of 2022. The ratio to revenue was 29.7%, higher than the 27.5% of the first quarter of 2022. The higher ratio was due mainly to the revaluation of the EUSA Pharma inventories acquired according to accounting standard IFRS 3 provisions, the negative effect on the income statement calculated on the basis of the units sold in the period amounted to € 11.2 million, and to the effect of € 2.9 million for the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" to assets in Türkiye.

Selling expenses increased by 20.2% with regard to the consolidation of EUSA Pharma assets. Expenses as a percentage of revenue came down compared

to the same period of the previous year due to a particularly positive revenue performance.

Research and development expenses were € 60.5 million, an increase of 38.4% compared to those in the first quarter of the previous year owing to the integration of the EUSA Pharma expenses (including € 6.4 million of amortization of intangible fixed assets).

General and administrative expenses increased by 38.7% owing to the integration of EUSA Pharma and the strengthening of the general coordination structure to support an increasingly complex portfolio.

The following table summarizes the more significant components of "Other net (income)/expenses".

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022
Non-recurring costs:			
- restructuring	2,334	1,989	345
- emergency in Türkiye and Syria	281	-	281
- EUSA Pharma acquisition	159	4,759	(4,600)
- Ukraine emergency	11	63	(52)
- COVID-19 epidemic	0	304	(304)
Other	1,472	115	1,357
Other (income)/expenses, net	4,257	7,230	(2,973)

Restructuring costs referred to severances relating to right sizing the sales area in the Specialty and Primary Care segment, specifically in Germany and France.

Total operating expenses are broken down by nature as follows:

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022
Material consumption	115,724	88,513	27,211
Payroll costs	87,504	70,234	17,270
Other employee costs	13,708	8,425	5,283
Variable sales expenses	30,558	28,960	1,598
Amortization and write-downs	34,192	24,663	9,529
Utilities and consumables	15,379	9,392	5,987
Other expenses	81,733	57,923	23,810
Total operating expenses	378,798	288,110	90,688

The proportion of raw material consumption to net revenue was 21.0%, essentially in line with the same period in 2022.

The item "Payroll costs" includes € 2.0 million in charges for stock option plans, up by € 1.6 million compared to the same period of the previous year.

Starting in 2019, some Group employees were designated as beneficiaries of an incentive plan with a 5-year vesting period, granted and entirely funded by Rossini Luxembourg S.à r.l., an indirect shareholder of Recordati S.p.A., and will benefit from a return at the expiry of the plan term if they have met a number of performance conditions. The measurement according to the accounting standard IFRS 2 led to an expense in the first quarter 2023 income statement of € 0.3 million, which also includes the incentive plan

granted by Rossini Luxembourg S.à r.l. to the Chief Executive Officer of the Recordati Group.

Amortisations amounted to € 34.2 million, of which € 27.2 million related to intangible assets, up by € 8.6 million over the first quarter of the previous year, attributable mostly to the consolidation of EUSA Pharma as from the second quarter of 2022, and € 7.0 million relating to property, plant and equipment, up by € 1.0 million over the same period the previous year.

The change in "Other expenses" is mainly attributable to higher non-recurring items and to the non-cash charges of € 11.2 million arising from the release of the purchase price allocation of EUSA Pharma to the gross margin of acquired inventories pursuant to IFRS 3.

5. NET FINANCIAL INCOME AND EXPENSES

In the first quarter of 2023 and the same period in 2022, the balance of financing items was negative for € 12.6 million and € 7.0 million respectively, with the change referring primarily to the new loans taken out during 2022. Net foreign exchange gains in the period

amounted to € 0.6 million, versus net losses of € 1.6 million in the first quarter of 2022, and the impacts of hyperinflation were positive for € 0.9 million. The main balance items are summarized in the table below.

€ (thousands)	First quarter 2023	First quarter 2022	Changes 2023/2022
Interest expense on loans	14,032	4,016	10,016
Net exchange rate (gains)/losses	(556)	1,585	(2,141)
Net (income)/expense on short-term positions	(515)	1,170	(1,685)
Expenses on leases	419	155	264
Expenses for defined benefit plans	92	27	65
Turkish hyperinflation effects (IAS 29)	(848)	-	(848)
Total net financial (income)/expenses	12,624	6,953	5,671

6. INCOME TAXES

Income taxes amounted to € 36.0 million and include income taxes levied on all consolidated companies as well as the Italian regional tax on production (IRAP) which is levied on all Italian companies.

In 2019, the Parent Company signed an advance agreement with the Italian Tax Authority to define the calculation methods and criteria for a discount on taxable income connected with the direct use of intangible assets for the 2015 to 2019 tax years. As

in the previous year, again in tax year 2023, Recordati S.p.A. took part in the reverse charge regime with reference to the same assets as in 2015-2019 (with the exception of expired patents and brands excluded in the meantime from the objective scope of subsidy). The Company, operating in line with the previous years, determined the tax benefit pertaining to the first quarter of 2023, recognized to reduce the tax amounts, as € 2.7 million.

7. PROPERTY, PLANT AND EQUIPMENT

The composition and change to property, plant and equipment, including the valuation of the right to use the assets conveyed under leases, are shown in the table below.

€ (thousands)	Land and buildings	Plant and machinery	Other equipment	Investments in progress	Total
Cost					
Balance at 31 December 2022	115,259	258,107	106,914	40,890	521,170
Additions	703	483	4,827	2,766	8,779
Disposals	(404)	0	(2,129)	(33)	(2,566)
Hyperinflation Türkiye	1,912	2,051	(400)	6	3,569
Other changes	(860)	(727)	(444)	(2)	(2,033)
Balance at 31 March 2023	116,610	259,914	108,768	43,627	528,919
Accumulated amortization					
Balance at 31 December 2022	60,851	220,380	80,755	0	361,986
Amortization for the period	1,915	2,204	2,885	0	7,004
Disposals	(404)	0	(2,068)	0	(2,472)
Hyperinflation Türkiye	344	1,435	(740)	0	1,039
Other changes	(101)	(554)	(294)	0	(949)
Balance at 31 March 2023	62,605	223,465	80,538	0	366,608
Net amount					
31 December 2022	54,408	37,727	26,159	40,890	159,184
31 March 2023	54,005	36,449	28,230	43,627	162,311

Increases over the period amounted to € 8.8 million and mainly refer to the subsidiary Recordati Ilac (€ 3.7 million) and the Parent Company (€ 2.0 million, especially regarding the Campoverde and Milan plants).

"Other changes" includes the conversion into euro of the property, plant and equipment recognized in different currencies, for a net decrease of € 1.1 million compared to 31 December 2022, primarily due to the devaluation of the Turkish lira.

The following table shows the measurement of the right to use the assets conveyed under leases, determined as prescribed by the accounting standard IFRS 16.

€ (thousands)	Land and Buildings	Plant and machinery	Other equipment	Total
Cost				
Balance at 31 December 2022	32,351	1,436	19,892	53,679
Additions	548	0	4,200	4,748
Disposals	(404)	0	(1,829)	(2,233)
Hyperinflation Türkiye	199	1	(765)	(565)
Other changes	(215)	0	(193)	(408)
Balance at 31 March 2023	32,479	1,437	21,305	55,221
Accumulated amortization				
Balance at 31 December 2022	10,831	705	11,272	22,808
Amortization for the period	1,295	72	1,638	3,005
Disposals	(404)	0	(1,803)	(2,207)
Hyperinflation Türkiye	102	1	(1,010)	(907)
Other changes	(49)	0	(140)	(189)
Balance at 31 March 2023	11,775	778	9,957	22,510
Net amount				
31 December 2022	21,520	731	8,620	30,871
31 March 2023	20,704	659	11,348	32,711

Rights of use of leased assets referred mainly to the offices and plants of several Group companies and to the cars used by medical representatives operating in their territories.

8. INTANGIBLE ASSETS

The composition and change in intangible assets are shown in the following table.

€ (thousands)	Patent rights and marketing authorizations	Distribution, license, trademark and similar rights	Other	Advance payments	Total
Cost					
Balance at 31 December 2022	1,116,842	1,193,425	22,428	101,910	2,434,605
Additions	1	333	33	2,740	3,107
Disposals	(17)	(784)	(57)	0	(858)
Write-downs	0	0	0	0	0
Hyperinflation Türkiye	1,141	176	220	1	1,538
Other changes	(10,207)	(221)	(102)	(1,849)	(12,379)
Balance at 31 March 2023	1,107,760	1,192,929	22,522	102,802	2,426,013
Accumulated amortization					
Balance at 31 December 2022	366,435	290,048	19,949	0	676,432
Amortization for the period	12,758	14,263	167	0	27,188
Disposals	0	(784)	(57)	0	(841)
Hyperinflation Türkiye	627	81	168	0	876
Other changes	(2,933)	(299)	(66)	0	(3,298)
Balance at 31 March 2023	376,887	303,309	20,161	0	700,357
Net amount					
31 December 2022	750,407	903,377	2,479	101,910	1,758,173
31 March 2023	730,873	889,620	2,361	102,802	1,725,656

Increases for the period mainly included € 2.6 million referring to clinical studies that comply with the criteria set by the IAS 38 accounting standard on capitalisation.

“Other changes” included the conversion into euro of the value of the intangible assets held and recognised

in different currencies, which determined a net decrease of € 9.1 million compared to 31 December 2022, mainly attributable to the devaluation of the Swiss franc for € 6.8 million and the U.S. dollar for € 1.2 million and the devaluation of the Russian rouble for € 0.9 million.

9. GOODWILL

Goodwill at 31 March 2023 and 31 December 2022 amounted to € 784.5 million and € 780.1 million respectively and changed as follows:

€ (thousands)	
Balance at 31 December 2022	780,057
Effects of Türkiye hyperinflation	8,476
Exchange rate adjustments	(3,996)
Balance at 31 March 2023	784,537

Following the inclusion of Türkiye in the list of countries with hyperinflation as from 2022, the consequent application of accounting standard IAS 29 "Financial Reporting in Hyperinflationary Economies" to assets in this country and taking into consideration the provisions under IAS 21 "Effects of changes in foreign exchange rates", goodwill associated with the Türkiye cash generating unit was revalued by € 8.5 million.

The exchange rate adjustments are related to the goodwill associated with the acquisitions made in companies with currencies other than the euro. Goodwill calculated in local currency is translated into euro for the preparation of the consolidated financial statements using the year-end exchange rates. This determined, compared to 31 December 2022, a total net decrease of € 4.0 million attributable to the acquisitions made in Türkiye (decrease of € 3.0 million), Russia (decrease of € 1.0 million), Tunisia (decrease of € 0.3 million), Switzerland (decrease of € 0.1 million) and the Czech Republic (increase of € 0.4 million).

Net goodwill at 31 March 2023, amounting to € 784.5 million, is divided among the following operational areas, which represent the same number of cash-generating units:

- Business dedicated to medication for the treatment of rare diseases: € 264.4 million;
- Italy for € 150.1 million;
- Türkiye for € 76.2 million;

- France for € 74.2 million;
- Spain for € 58.1 million;
- Germany for € 48.8 million;
- Portugal for € 32.8 million;
- Russia for € 24.9 million;
- Tunisia for € 16.3 million;
- Czech Republic for € 15.1 million;
- Poland for € 14.1 million;
- Switzerland for € 9.3 million;
- Romania for € 0.2 million.

In compliance with IFRS 3 goodwill is not systematically amortized. Instead, it is tested for impairment on an annual basis or more frequently if specific events or circumstances indicate a possible loss of value. During the period no events or circumstances arose to indicate possible value loss related to any of the above-mentioned items. In the case of CGU in Türkiye, whose goodwill was written down in 2022 as a result of both the significant revaluation of invested capital (for the application of IAS 29) and the increase in interest rates, in the first quarter of 2023 no indicators were found that would make it necessary to conduct an impairment test earlier than the one required annually. This is also due to a significant increase in revenues, well above forecast expectations, despite a further increase in invested capital in the quarter, again in application of IAS 29.

10. OTHER EQUITY INVESTMENTS AND SECURITIES

At 31 March 2023, these amounted to € 24.5 million, down by € 4.4 million compared to 31 December 2022.

The main investment refers to the U.K. company PureTech Health plc, specializing in investments in start-up companies dedicated to innovative therapies, medical devices and new research technologies. Starting from 19 June 2015, the shares of the Company were admitted for trading on the London Stock Exchange. At 31 March 2023, the total fair value of the 9,554,140 shares held was € 24.1 million. The value of the investment was consequently adjusted to the stock exchange value and fell by € 4.6 million, compared to 31 December 2022, with a counter-item accounted for, net of the related tax effect, in

the statement of gains and losses recognized in shareholders' equity.

This item also includes € 0.4 million regarding an investment made during 2012 in Erytech Pharma S.A., a listed French biopharmaceutical company, focused on developing new therapies for rare oncological pathologies and orphan diseases. The investment, originally structured as a non-interest-bearing loan, was converted into 431,034 company shares in May 2013. The value of the investment was adjusted to the stock exchange value and increased, compared to that at 31 December 2022, by € 0.2 million, with a counter-item accounted for, net of the related tax effect, in the statement of gains and losses recognized in equity.

11. OTHER NON-CURRENT ASSETS

At 31 March 2023, this item amounted to € 17.5 million, increasing by € 8.0 million compared to 31 December 2022, referring mainly to the discounted receivable for € 7.9 million in respect of ARS Pharmaceuticals following the signing of the agreement in February

2023 for the return of the rights on ARS-1, a nasal spray containing epinephrine, at an advanced development stage, for the emergency treatment of serious allergic reactions (See Note 16).

12. DEFERRED TAX ASSETS

At 31 March 2023, deferred tax liabilities amounted to € 76.4 million, which was basically aligned to the figure at 31 December 2022. The tax effect of comprehensive income statement components is € 1.2 million (€ 1.3 million at 31 December 2022).

13. CURRENT ASSETS

Inventories amounted to € 427.7 million, up by € 3.6 million compared to 31 December 2022 which also took into account the decrease of € 11.2 million, arising from the allocation of the purchase price for EUSA Pharma to the gross margin of acquired inventories.

Trade receivables amounted to € 439.6 million at 31 March 2023, up by € 77.7 million compared to 31 December 2022, due to higher revenue. The balance is less the provision for impairments for € 17.1 million, down by € 0.6 million over 31 December 2022, recognised under selling expenses to reflect the collection risk connected with certain customers and

destination markets. Average days sales outstanding are 67.

Other receivables at € 48.6 million, decreased by € 15.3 million compared to 31 December 2022, mainly due to the Parent's lower tax credits. This item includes € 1.8 million relating to the short-term discounted receivable in respect of ARS Pharmaceuticals, following the signing of the agreement in February 2023 for the return of the rights on ARS-1 (See Note 16).

Other current assets were at € 27.2 million and refer mainly to prepaid expenses.

14. DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE (included in current assets)

At 31 March 2023, the value of derivative instruments included under this item amounted to € 16.9 million.

The measurement at market (fair value) of cross currency swaps entered into by the Parent Company to hedge the US\$ 75 million loan issued on 30 September 2014 gave rise to a € 9.9 million asset at 31 March 2023. This amount represents the potential benefit of a lower value in euro of the future dollar denominated principal and interest flows, in view of the revaluation of the foreign currency with respect to the moment in which the loan and hedging instruments were negotiated. In particular, the change in fair value for the derivative hedging of the US\$ 50 million tranche of the loan, with a residual debt of US\$ 35 million at 31 March 2023, provided by Mediobanca, was positive for € 6.0 million, and hedging the US\$ 25 million tranche of the loan with a residual debt of \$ 23.2 million at 31 March 2023, provided by UniCredit, yielded a € 3.9 million positive change.

The measurement at market (fair) value of the interest rate swaps hedging a number of loans gave rise to total assets of € 6.8 million, representing the opportunity of paying in the future, for the term of

the loans, the agreed interest rates rather than the variable rates currently expected. The measurement relates to the interest rate swaps entered into by the Parent Company to hedge the interest rates on the syndicated loan finalized in the first half of 2022 (€ 6.0 million) and the loan with Mediobanca (€ 0.8 million).

At 31 March 2023, other hedging transactions were in place on foreign currency positions, the measurement of which was positive for € 0.2 million against € 4.2 million at 31 December 2022, with the difference recognized to the income statement and offsetting the exchange losses arising from the valuation of the underlying positions at current exchange rates.

The fair value of these hedging derivatives is measured at level 2 of the hierarchy provided for in the IFRS 13 accounting standard. The fair value is equal to the current value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve which reflects the relevant benchmark interbank rate used by market participants for pricing interest rate swaps.

15. CASH AND CASH EQUIVALENTS

At 31 March 2023, the balance of this item amounted to € 231.3 million, decreasing by € 53.4 million on 31 December 2022, and are mainly denominated in euro, US dollars, pounds sterling and comprise current account deposits and short-term time deposits.

16. NON-CURRENT ASSETS HELD FOR SALE

At 31 December 2022, this item was recognised for € 12.5 million as the estimated discounted recoverable value of the milestone for € 15.0 million paid to ARS Pharmaceuticals for the ARS-1 license, following the start of negotiations to return the

product rights. An agreement was reached between the parties in February 2023, resulting in a collection of € 3.0 million, and the reclassification of the discounted recoverable value under receivables, with the consequent zero balance under this item.

17. SHAREHOLDERS' EQUITY

Shareholders' Equity at 31 March 2023 was € 1,654.5 million, an increase of € 108.2 million compared to that at 31 December 2022 for the following reasons:

- increase of € 124.0 million from net income;
- increase of € 2.0 million from cost of stock option plans set-off directly in equity;
- decrease of € 6.5 million from the purchase of 165,519 treasury shares;
- increase of € 2.4 million from the disposal of 82,500 treasury shares to service the stock option plans;
- decrease of € 0.2 million from the recognition of cross currency swaps, the underlying loans and interest rate swaps, hedged foreign currency loans and interest rate swap transactions, net of the relative tax effect;
- decrease of € 4.5 million from the application of IFRS 9, almost entirely attributable to the change in fair value of the equity investment in PureTech Health plc and in Erytech Pharma S.A., net of the relative tax effect;

- decrease of € 23.1 million for foreign currency translation adjustments;
- increase of € 14.1 million from other changes, of which € 13.8 million attributable to the effects of application of IAS 29 in Türkiye.

At 31 March 2023, the Company has three stock option plans benefiting certain Group employees: the 2014-2018 plan with the grant on 13 April 2016, the 2018-2022 plan, with the grant of 3 August 2018, and the 2021-2023 plan with the grants of 6 May 2021, 1 December 2021 and 24 February 2022. The strike price for the options is the average of the Parent Company's listed share price during the 30 days prior to the grant date. The options are vested over a period of five years, over four tranches starting from the second year, in the case of the less recent grants and three years for the 2021 and 2022 grants, payable in a single tranche. They expire if they are not exercised within the eighth year after the grant date. Options cannot be exercised if the employee leaves the Company before they are vested.

Stock options outstanding at 31 March 2023 are detailed in the following table:

	Strike price (€)	Quantity 1/1/2023	Granted 2023	Exercised in 2023	Cancelled and expired	Quantity 31/3/2023
Grant date						
13 April 2016	21.93	899,500	-	(14,500)	-	885,000
3 August 2018	30.73	2,620,500	-	(68,000)	(12,500)	2,540,000
6 May 2021	45.97	2,614,500	-	-	(25,000)	2,589,500
1 December 2021	56.01	130,000	-	-	-	130,000
24 February 2022	47.52	3,520.00	-	-	(240,000)	3,280,000
Total		9,784,500	-	(82,500)	(277,500)	9,424,500

At 31 March 2023, 3,767,052 treasury shares were held in the portfolio, an increase of 83,019 shares compared to 31 December 2022. The change was due to the disposal of 82,500 shares for an amount of € 2.4 million to enable the options attributed to employees as part of the stock option plans to be exercised and to the purchase of 165,519 shares for an amount of € 6.5 million. The total cost to purchase the treasury shares in the portfolio was € 152.7 million, with an average unit price of € 40.53.

Starting in 2019, some Group employees were designated as beneficiaries of an incentive plan with a 5-year vesting period, granted and entirely funded by Rossini Luxembourg S.à r.l., an indirect shareholder of Recordati S.p.A., and will benefit from a return at the expiry of the plan term if they have met a number of performance conditions. The measurement according to the accounting standard IFRS 2 led to an expense in the first quarter 2023 income statement of € 0.3 million, which also includes the incentive plan granted by Rossini Luxembourg S.à r.l. to the Chief Executive Officer of the Recordati Group.

18. LOANS

At 31 March 2023, loans amounted to € 1,557.6 million, decreasing by a net € 75.5 million compared to 31 December 2022.

This item includes the liabilities deriving from the application of the accounting standard IFRS 16, representing the obligation to make the payments provided for in the existing leases for a total amount of € 32.1 million, a net increase of € 1.3 million compared to 31 December 2022.

Increases for € 4.8 million were recorded in the first quarter of 2023, referring entirely to new lease contracts. Repayments over the period totalled € 77.5 million, of which € 74.2 were for loan repayments and € 3.3 million for lease liabilities.

The effect of the translation of loans in foreign currencies and of expenses incurred to place the loans, together with the early termination of a number of leases, determined a total net decrease of € 2.8 million compared to 31 December 2022.

The main loans outstanding are:

a) Bond issued by the parent company on 12 September 2022 for € 75.0 million, placed privately and fully with companies in the Prudential group. The main terms provide for a fixed rate with interest payments every six months and a term of 12 years, with repayment of the principal in five annual instalments starting in September 2030 and expiring on 12 September 2034. The transaction, aimed at continuing to raise medium- to long-term funds to further support the Group's growth, has facilitated access to favourable market conditions. It has standard market characteristics typical of the US private placement market and is substantially in line with the bond issued by the Parent Company in 2017.

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

b) Loan for a total of € 800,0 million negotiated by Recordati S.p.A. in two different stages.

On 3 February 2022 the Parent Company signed a loan contract for € 200.0 million for the purpose of acquiring EUSA Pharma (UK) Limited, disbursed by a consortium of national and international lenders made up of Mediobanca, JP Morgan, UniCredit and Banca Nazionale del Lavoro. The terms of the loan provide for a variable interest rate at the 6-month Euribor (with a zero floor) plus a variable spread based on a step up/step down mechanism on changes in the Leverage Ratio, and a 5-year term with semi-annual repayment of the principal starting 31 March 2023, with the final instalment on 3 February 2027. Disbursement, net of structuring and up-front fees, took place on 15 March 2022.

Again on 3 February 2022 the Parent Company agreed a "Bridge Facility" for a total of € 450.0 million again for the purpose of financing the acquisition of EUSA Pharma (UK) Limited. The financial institutions are Mediobanca, which also serves as the agent, and JP Morgan with a portion of € 157.5 million, UniCredit for € 67.5 million, Banca Nazionale del Lavoro for € 54.0 million, and BNP Paribas for € 13.5 million. The maximum term of the loan is 12 months and may be extended, at the Company's discretion, for 6 more months to allow for final financial instruments to be negotiated in the meantime. The terms include a variable interest rate at the Euribor rate at the time of use (with floor to zero) plus a variable spread. The disbursement, net of fees, took place on 15 March 2022.

In the second quarter of 2022, Recordati S.p.A. finalized the negotiation of a syndicated loan for the repayment of the bridge loan. The interest shown by both partner banks and by new international credit institutions was significant. It was therefore possible to proceed to the collection of an additional € 150.0 million. This operation was formalised on 28 June 2022 through the signing of an "amendment and restatement" of the € 200.0 million loan negotiated in February 2022. The amendment in question made it possible to increase the value of the loan to € 600.0 million, of which € 450.0 million deriving from replacement of the "Bridge" plus an additional € 150.0 million.

The main economic terms of the loan remained substantially in line with the original ones, with a variable interest rate at the 6-month Euribor (with

a zero floor) plus a variable spread based on a step up/step down mechanism on changes in the Leverage Ratio, and a 5-year term with semi-annual repayment of the principal starting 31 March 2023, with the final instalment on 3 February 2027. The outstanding debt at 31 March 2023 amounted to € 743.0 million. In July 2022, the loan was partially hedged with an interest rate swap, qualifying as a cash flow hedge, effectively converting the hedged portion to a fixed interest rate. At 31 March 2023, the fair value of the derivatives was measured as a positive € 6.0 million, which was recognized directly as an increase in equity and as an increase in the asset item "Derivative instruments measured at fair value" (see Note 14).

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

c) Loan for 40.0 million Swiss francs taken out on 16 March 2022 by the subsidiary Recordati AG with UBS Switzerland AG, at a fixed interest rate, with quarterly interest payments and semi-annual repayment of principal starting September 2022 through March 2025. The value in euro of the outstanding loan at 31 March 2023 was € 26.6 million.

The loan, guaranteed by the Parent Company, includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

d) € 180.0 million loan negotiated by the Parent Company in May 2021, provided by a consortium of national and international lenders led by Mediobanca. The main terms include a variable interest rate of the 6-month Euribor (with a zero floor) plus a fixed spread and a 5-year term and single installment repayment on maturity. Disbursement, net of structuring and up-front fees, took place on 21 May 2021.

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

e) Loan for € 40.0 million entered into by the Parent Company on 30 March 2021 with Allied Irish Bank at a variable interest rate of the 6-month Euribor (with floor to zero) plus a variable spread based on a step up/step down mechanism on changes in the Leverage Ratio, with six-monthly interest payments and principal repayment, again on a semi-annual basis, starting from March 2022 until March 2026. The outstanding debt recognized at 31 March 2023 amounted to a total of € 36.9 million.

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

f) Loan for 75.0 million Swiss francs taken out on 17 April 2020 by the subsidiary Recordati AG with UBS Switzerland AG, at a variable interest rate of the 3-months Libor on the Swiss currency (with a zero floor) plus a fixed spread, with quarterly interest payments and semi-annual repayment of principal starting September 2020 through March 2025. The value in euro of the outstanding loan at 31 March 2023 was € 30.1 million.

The loan, guaranteed by the Parent Company, includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

g) Loan for € 400.0 million negotiated by the Parent Company in June 2019 aimed at supporting the Group's growth strategy. The loan, initially agreed with Mediobanca, Natixis and Unicredit was subsequently syndicated involving a pool of Italian and international banks. The terms of the loan provide for a variable interest rate at the 6-month Euribor (with a zero floor) plus a variable spread based on a step up/step down mechanism on changes in the Leverage Ratio, and a duration of 5 years with semi-annual repayment of the principal starting 30 June 2020 through June 2024. The disbursement, net of upfront commissions, took place on 30 July 2019. The outstanding debt recognized at 31 March 2023 amounted to a total of € 213.4 million.

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

h) Loan for € 150.0 million taken out by the Parent Company in November 2018 with Mediobanca, at a variable interest rate of the 6-month Euribor plus a variable spread based on a step up mechanism on changes in the Leverage Ratio, with quarterly interest payments and a duration of 5 years with semi-annual repayments of principal starting November 2020 through November 2023. The outstanding debt at 31 March 2023 amounted to € 42.8 million. The loan was hedged with an interest rate swap, qualifying as a cash flow hedge, effectively converting the entire debt to a fixed interest rate. At 31 March 2023, the fair value of the derivative was measured as a positive € 0.8 million, which was recognized directly as an increase in equity and as an increase in the asset item "Derivative instruments measured at fair value" (see Note 14).

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

i) Privately placed guaranteed senior notes by the Parent Company in May 2017 for an overall amount of € 125.0 million at a fixed interest rate with repayment in annual instalments starting on 31 May 2025 through 31 May 2032.

The bonded loan includes covenants which, if not met, could lead to a request for immediate repayment of the loan.

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

j) Guaranteed senior notes issued by the Parent Company on 30 September 2014 for a total of US\$ 75 million, divided into two tranches: US\$ 50 million at fixed rate, repayable semi-annually starting 30 March 2022 and with maturity 30 September 2026, and US\$ 25 million again at fixed rate, repayable semi-annually starting 30 March 2023 and with maturity 30 September 2029. During the period, US\$ 5.0 million of the first tranche and \$ 1.8 million of the second tranche were repaid, and the outstanding debt at 31 March 2023 amounted to a total of US\$ 58.2 million, with a counter-value of € 53.5 million.

The loan was hedged at the same time with two cross-currency swaps which provide for the conversion of the original debt into a total of € 56.0 million (€ 43.4 million at 31 March 2023), of which € 37.3 million (€ 26.1 at the date of this report) at a lower fixed rate for the tranche with maturity at 12 years and € 18.7 million (€ 17.3 million at the date of this report) again at a lower fixed rate

than the one maturing at 15 years. At 31 March 2023, hedging instruments measured at fair value were positive for a total of € 9.9 million, which was recognized directly as an increase in equity and as an increase in the asset item "Derivative instruments measured at fair value" (see Note 14).

The bonded loan includes covenants which, if not met, could lead to a request for immediate repayment of the loan.

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than 3;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than 3.

These parameters are being observed.

19. PROVISIONS FOR EMPLOYEE BENEFITS

The balance at 31 December 2023 amounted to € 18.9 million, slightly down on 31 December 2022, and reflects the Group's liability towards its employees determined in accordance with IAS 19.

20. DEFERRED TAX LIABILITIES

At 31 March 2023, deferred tax liabilities amounted to € 163.7 million, down by € 4.1 million compared to 31 December 2022. The tax effect of comprehensive income statement components is € 2.3 million (€ 2.4 million at 31 December 2022).

21. CURRENT LIABILITIES

Trade payables at €247.0 million, included the accrual for invoices to be received.

Other liabilities amounted to €224.9 million, decreasing by €26.3 million compared to 31 December 2022, and mainly include:

- €75.1 million due to employees and social security institutions;
- the payable of €70.0 million due to Tolmar International Ltd from Recordati S.p.A., deemed probable, due to the meeting of contractual conditions after approval of the variation for the new device to administer Eligard®;
- €18.3 million to be paid to the Krankenkassen (German health insurance schemes) by Recordati Pharma GmbH;
- €14.8 million which Recordati Rare Diseases Inc. must pay to U.S. health care insurance schemes;
- €3.6 million related to the acquisition of a further 10% of the capital of Opalia Pharma determined on the basis of the put and call options provided

for in the contract. The fair value of this purchase option is measured at level 2 as the valuation model considers the present value of the expected payments;

- €2.3 million to be paid to the Italian National Health Service resulting from the 1.83% discount applicable to the retail price of reimbursed pharmaceutical products before VAT;

Tax liabilities amounted to €54.7 million, increasing by €21.1 million compared to 31 December 2022.

Other current liabilities amounted to €5.7 million, substantially in line with 31 December 2022.

An amount of €3.7 million is attributable to the adoption of the IFRS 15 accounting principle, based on which some deferred revenue is recognized in the income statement in variable instalments based on the fulfilment of the conditions for revenue recognition.

The provisions for risks and charges amounted to €16.3 million, in line with 31 December 2022.

22. DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE (included in current liabilities)

At 31 March 2023, the value of derivative instruments included under this item amounted to €15.6 million.

In October 2019, Recordati S.p.A. entered into forward exchange contracts to hedge the intercompany loan granted to Recordati AG for an amount of 228.9 million Swiss francs. The measurement of the derivative at 31 March 2023 on the outstanding loan of 122.6 million Swiss francs was a negative for €12.5 million compared to the €14.4 million at 31 December 2022, with the difference recognized in the income statement, offsetting the exchange gains determined by the valuation of the underlying loan at current exchange rates.

At 31 March 2023, other hedging transactions were in place on foreign currency positions, the measurement

of which was negative for €3.1 million compared to the €3.0 million at 31 December 2022, with the difference recognized to the income statement and offsetting the exchange gains arising from the valuation of the underlying positions at current exchange rates.

The fair value of these hedging derivatives is measured at level 2 of the hierarchy provided for in the accounting standard IFRS 13 (see note 2). The fair value is equal to the current value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve which reflects the relevant benchmark interbank rate used by market participants for pricing interest rate swaps.

23. SHORT-TERM DEBTS TO BANKS AND OTHER LENDERS

Short-term debts to banks and other lenders at 31 March 2023 were € 23.2 million and comprise temporary use of short-term credit lines, overdrafts of a number of foreign associates and interest due on existing loans.

On 1 March 2023, the Parent Company renewed the revolving credit line with UniCredit, with a maximum

term of 12 months and for a maximum amount of € 40 million. This credit line, which had not been used at 31 March 2023, is a short-term financing instrument providing financial flexibility, combining irrevocability with variability of use based on specific financial requirements. The agreement signed requires compliance with financial and income conditions similar to those for other existing loans.

24. OPERATING SEGMENTS

The financial information reported by line of business, in compliance with IFRS 8 - *Operating Segments*, is prepared using the same accounting principles used for the preparation and disclosure of the Group's consolidated financial statements. Two main business

segments can be identified, the Specialty & Primary Care segment and the rare diseases segment.

The tables below show the figures for these segments at 31 March 2023 and include comparative data.

€ (thousands)	Specialty and Primary Care segment	Rare diseases segment	Values not allocated	Consolidated financial statements
First quarter 2023				
Revenue	376,643	174,720	-	551,363
Expenses	(256,597)	(122,201)	-	(378,798)
Operating income	120,046	52,519	-	172,565
First quarter 2022				
Revenue	313,292	106,089	-	419,381
Expenses	(218,520)	(69,590)	-	(288,110)
Operating income	94,772	36,499	-	131,271

€ (thousands)	Specialty and Primary Care segment*	Rare diseases segment	Not allocated**	Consolidated financial statements
31 March 2023				
Non-current assets	1,319,096	1,447,288	24,480	2,790,864
Inventories	236,670	190,994	0	427,664
Trade receivables	299,250	140,344	0	439,594
Other receivables and other current assets	42,951	32,801	16,904	92,656
Cash and cash equivalents	0	0	231,294	231,294
Total assets	1,897,967	1,811,427	272,678	3,982,072
Non-current liabilities	44,822	137,838	1,263,980	1,446,640
Current liabilities	363,119	185,387	332,456	880,962
Total liabilities	407,941	323,225	1,596,436	2,327,602
Net capital employed	1,490,026	1,488,202		
31 December 2022				
Non-current assets	1,326,238	1,470,097	28,871	2,825,206
Inventories	229,031	195,049	-	424,080
Trade receivables	226,656	135,242	-	361,898
Other receivables and other current assets	47,435	31,867	23,603	102,905
Cash and cash equivalents	-	-	284,734	284,734
Total assets	1,829,360	1,832,255	337,208	3,998,823
Non-current liabilities	45,941	141,342	1,341,549	1,528,832
Current liabilities	352,475	178,928	392,340	923,743
Total liabilities	398,416	320,270	1,733,889	2,452,575
Net capital employed	1,430,944	1,511,985		

* Includes pharmaceutical chemical operations.

** Amounts not allocated refer to the items other equity investments and securities, cash and cash equivalents, loans, derivative instruments and short-term debts to banks and other lenders.

The pharmaceutical chemical business is considered part of the Specialty and Primary Care segment as it is mainly engaged in the production of active ingredients for finished pharmaceutical products, both from a strategic and organizational point of view.

25. LITIGATION AND CONTINGENT LIABILITIES

The Parent Company and some subsidiaries are parties to minor legal actions and disputes, the outcomes of which are not expected to result in any liability. The potential liabilities that can currently be measured are not for significant amounts. Some license agreements require the payment of future

milestones as certain conditions—whose fulfillment is as yet uncertain—occur, with the consequence that the contractually required payments, estimated at around € 30 million, are merely potential at the moment.

26. RELATED-PARTY TRANSACTIONS

At 31 March 2023, the Group's immediate parent is Rossini S.à r.l., with headquarters in Luxembourg, which is owned by a consortium of investment funds controlled by CVC Capital Partners VII Limited.

To our knowledge, no transactions or contracts have been entered into with related parties that can be considered significant in terms of value or conditions, or which could in any way materially affect the accounts.

27. SUBSEQUENT EVENTS

At the date of preparation of the financial statements, no significant events had occurred subsequent to the close of the period that would require changes to the values of assets, liabilities or the income statement.

28. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED ACCOUNTS AT 31 MARCH 2023

Consolidated companies	Head office	Share capital	Currency	Consolidation method
RECORDATI S.p.A. Development, production, marketing and sales of pharmaceuticals and pharmaceutical chemicals	Italy	26,140,644.50	EUR	Line-by-line
INNOVA PHARMA S.p.A. Marketing of pharmaceuticals	Italy	1,920,000.00	EUR	Line-by-line
CASEN RECORDATI S.L. Development, production, and sales of pharmaceuticals	Spain	238,966,000.00	EUR	Line-by-line
BOUCHARA RECORDATI S.A.S. Development, production, and sales of pharmaceuticals	France	4,600,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES COMERCIO DE MEDICAMENTOS LTDA Holds pharmaceutical marketing rights in Brazil	Brazil	166.00	BRL	Line-by-line
RECORDATI RARE DISEASES INC. Development, production, and sales of pharmaceuticals	U.S.A.	11,979,138.00	USD	Line-by-line
RECORDATI IRELAND LTD Development, production, and sales of pharmaceuticals	Ireland	200,000.00	EUR	Line-by-line
LABORATOIRES BOUCHARA RECORDATI S.A.S. Development, production, and sales of pharmaceuticals	France	14,000,000.00	EUR	Line-by-line
RECORDATI PHARMA GmbH Marketing of pharmaceuticals	Germany	600,000.00	EUR	Line-by-line
RECORDATI PHARMACEUTICALS LTD Marketing of pharmaceuticals	United Kingdom	15,000,000.00	GBP	Line-by-line
RECORDATI HELLAS PHARMACEUTICALS S.A. Marketing of pharmaceuticals	Greece	10,050,000.00	EUR	Line-by-line
JABA RECORDATI S.A. Marketing of pharmaceuticals	Portugal	2,000,000.00	EUR	Line-by-line
JABAFARMA PRODUTOS FARMACÊUTICOS S.A. Promotion of pharmaceuticals	Portugal	50,000.00	EUR	Line-by-line
BONAFARMA PRODUTOS FARMACÊUTICOS S.A. Promotion of pharmaceuticals	Portugal	50,000.00	EUR	Line-by-line
RECORDATI ORPHAN DRUGS S.A.S. Holding company	France	61,069,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES MIDDLE EAST FZ LLC Marketing of pharmaceuticals	United Arab Emirates	100,000.00	AED	Line-by-line
RECORDATI AB Marketing of pharmaceuticals	Sweden	100,000.00	SEK	Line-by-line
RECORDATI RARE DISEASES S.à r.l. Development, production, and sales of pharmaceuticals	France	320,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES UK Limited Marketing of pharmaceuticals	United Kingdom	50,000.00	GBP	Line-by-line
RECORDATI RARE DISEASES GERMANY GmbH Marketing of pharmaceuticals	Germany	25,600.00	EUR	Line-by-line
RECORDATI RARE DISEASES SPAIN S.L. Marketing of pharmaceuticals	Spain	1,775,065.49	EUR	Line-by-line

Consolidated companies	Head office	Share capital	Currency	Consolidation method
RECORDATI RARE DISEASES ITALY S.R.L. Marketing of pharmaceuticals	Italy	40,000.00	EUR	Line-by-line
RECORDATI BV Marketing of pharmaceuticals	Belgium	18,600.00	EUR	Line-by-line
FIÇ MEDICAL S.à r.L. Promotion of pharmaceuticals	France	173,700.00	EUR	Line-by-line
HERBACOS RECORDATI s.r.o. Development, production, and sales of pharmaceuticals	Czech Republic	25,600,000.00	CZK	Line-by-line
RECORDATI SK s.r.o. Marketing of pharmaceuticals	Slovak Republic	33,193.92	EUR	Line-by-line
RUSFIC LLC Development, promotion, and sales of pharmaceutical products	Russian Federation	3,560,000.00	RUB	Line-by-line
RECOFARMA İLAÇ Ve Hammaddeleri Sanayi Ve Ticaret L.Ş. Promotion of pharmaceuticals	Türkiye	8,000,000.00	TRY	Line-by-line
RECORDATI ROMÂNIA S.R.L. Marketing of pharmaceuticals	Romania	5,000,000.00	RON	Line-by-line
RECORDATI İLAÇ Sanayi Ve Ticaret A.Ş. Development, production, and sales of pharmaceuticals	Türkiye	180,000,000.00	TRY	Line-by-line
RECORDATI POLSKA Sp. z o.o. Marketing of pharmaceuticals	Poland	4,500,000.00	PLN	Line-by-line
ACCENT LLC Holds pharmaceutical marketing rights	Russian Federation	20,000.00	RUB	Line-by-line
RECORDATI UKRAINE LLC Marketing of pharmaceuticals	Ukraine	1,031,896.30	UAH	Line-by-line
CASEN RECORDATI PORTUGAL Unipessoal Lda Marketing of pharmaceuticals	Portugal	100,000.00	EUR	Line-by-line
OPALIA PHARMA S.A. Development, production, and sales of pharmaceuticals	Tunisia	9,656,000.00	TND	Line-by-line
OPALIA RECORDATI S.à r.L. Promotion of pharmaceuticals	Tunisia	20,000.00	TND	Line-by-line
RECORDATI RARE DISEASES S.A. DE C.V. Marketing of pharmaceuticals	Mexico	16,250,000.00	MXN	Line-by-line
RECORDATI RARE DISEASES COLOMBIA S.A.S. Marketing of pharmaceuticals	Colombia	150,000,000.00	COP	Line-by-line
ITALCHIMICI S.p.A. Marketing of pharmaceuticals	Italy	7,646,000.00	EUR	Line-by-line
RECORDATI AG Marketing of pharmaceuticals	Switzerland	15,000,000.00	CHF	Line-by-line
RECORDATI AUSTRIA GmbH Marketing of pharmaceuticals	Austria	35,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES CANADA Inc. Marketing of pharmaceuticals	Canada	350,000.00	CAD	Line-by-line

Consolidated companies	Head office	Share capital	Currency	Consolidation method
RECORDATI RARE DISEASES JAPAN K.K. Marketing of pharmaceuticals	Japan	90,000,000.00	JPY	Line-by-line
NATURAL POINT S.R.L. Marketing of pharmaceuticals	Italy	10,400.00	EUR	Line-by-line
RECORDATI RARE DISEASES AUSTRALIA Pty Ltd Marketing of pharmaceuticals	Australia	200,000.00	AUD	Line-by-line
TONIPHARM S.a.s. Marketing of pharmaceuticals	France	257,700.00	EUR	Line-by-line
RECORDATI BULGARIA Ltd Marketing of pharmaceuticals	Bulgaria	50,000.00	BGN	Line-by-line
RECORDATI (BEIJING) PHARMACEUTICAL CO., Ltd Marketing of pharmaceuticals	People's Republic of China	1,000,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES FZCO ⁽¹⁾ Marketing of pharmaceuticals	United Arab Emirates	1,000.00	AED	Line-by-line
EUSA Pharma (UK) Limited ⁽²⁾ Research and marketing of pharmaceuticals	United Kingdom	10.00	EUR	Line-by-line
EUSA Pharma (Italy) S.r.l. ⁽²⁾ Marketing of pharmaceuticals	Italy	99,000.00	EUR	Line-by-line
EUSA Pharma (France) S.A.S. ⁽²⁾ Marketing of pharmaceuticals	France	476,522.00	EUR	Line-by-line
EUSA Pharma Iberia S.L. ⁽²⁾ Marketing of pharmaceuticals	Spain	70,000.00	EUR	Line-by-line
EUSA Pharma (Germany) GmbH ⁽²⁾ Marketing of pharmaceuticals	Germany	25,000.00	EUR	Line-by-line
EUSA Pharma (Netherlands) B.V. ⁽²⁾ Marketing of pharmaceuticals	Netherlands	1.00	EUR	Line-by-line
EUSA Pharma (Denmark) ApS ⁽²⁾ Marketing of pharmaceuticals	Denmark	50,000.00	DKK	Line-by-line
EUSA Pharma (US) LLC ⁽²⁾ Marketing of pharmaceuticals	U.S.A.	1.00	USD	Line-by-line
EUSA Pharma (Australia) Pty Ltd ⁽²⁾ Marketing of pharmaceuticals	Australia	1.00	AUD	Line-by-line
EUSA Pharma (CH) GmbH ⁽²⁾ Marketing of pharmaceuticals	Switzerland	20,000.00	CHF	Line-by-line
RECORDATI KOREA, Co. Ltd ⁽²⁾ Marketing of pharmaceuticals	South Korea	100,000,000.00	KRW	Line-by-line

⁽¹⁾ Set up in 2022

⁽²⁾ Acquired in 2022

PERCENTAGE OF OWNERSHIP

Consolidated companies	Recordati S.p.A. Parent Company	Recordati Pharma GmbH	Bouchara Recordati S.a.s.	Casen Recordati S.L.	Recordati Orphan Drugs S.a.s.	Recordati Rare Diseases S.à r.l.	Herbacos Recordati s.r.o.
INNOVA PHARMA S.P.A.	100.00						
CASEN RECORDATI S.L.	100.00						
BOUCHARA RECORDATI S.A.S.	100.00						
RECORDATI RARE DISEASES COMERCIO DE MEDICAMENTOS LTDA	100.00						
RECORDATI RARE DISEASES INC.	100.00						
RECORDATI IRELAND LTD	100.00						
LABORATOIRES BOUCHARA RECORDATI S.A.S.			100.00				
RECORDATI PHARMA GmbH	55.00			45.00			
RECORDATI PHARMACEUTICALS LTD	100.00						
RECORDATI HELLAS PHARMACEUTICALS S.A.	100.00						
JABA RECORDATI S.A.				100.00			
JABAFARMA PRODUTOS FARMACÊUTICOS S.A.				100.00			
BONAFARMA PRODUTOS FARMACÊUTICOS S.A.				100.00			
RECORDATI ORPHAN DRUGS S.A.S.	84.00	16.00					
RECORDATI RARE DISEASES MIDDLE EAST FZ LLC					100.00		
RECORDATI AB					100.00		
RECORDATI RARE DISEASES S.à r.l.					100.00		
RECORDATI RARE DISEASES UK Limited						100.00	
RECORDATI RARE DISEASES GERMANY GmbH						100.00	
RECORDATI RARE DISEASES SPAIN S.L.						100.00	
RECORDATI RARE DISEASES ITALY S.R.L.						100.00	
RECORDATI BV					99.46	0.54	
FIC MEDICAL S.à r.l.			100.00				
HERBACOS RECORDATI s.r.o.	100.00						
RECORDATI SK s.r.o.							100.00
RUSFIC LLC			100.00				
RECOFARMA İLAÇ Ve Hammaddeleri Sanayi Ve Ticaret L.Ş.							
RECORDATI ROMÂNIA S.R.L.	100.00						
RECORDATI İLAÇ Sanayi Ve Ticaret A.Ş.				100.00			
RECORDATI POLSKA Sp. z o.o	100.00						

PERCENTAGE OF OWNERSHIP

Consolidated companies	Recordati S.p.A. Parent Company	Recordati Pharma GmbH	Bouchara Recordati S.a.s.	Casen Recordati S.L.	Recordati Orphan Drugs S.a.s.	Recordati Rare Diseases S.à r.l.	Herbacos Recordati s.r.o.
ACCENT LLC	100.00						
RECORDATI UKRAINE LLC	0.01		99.99				
CASEN RECORDATI PORTUGAL Unipessoal Lda				100.00			
OPALIA PHARMA S.A.	90.00						
OPALIA RECORDATI S.à R.L.			1.00				
RECORDATI RARE DISEASES S.A. DE C.V.	99.998					0.002	
RECORDATI RARE DISEASES COLOMBIA S.A.S.				100.00			
ITALCHIMICI S.p.A.	100.00						
RECORDATI AG	100.00						
RECORDATI AUSTRIA GmbH							
RECORDATI RARE DISEASES CANADA Inc.	100.00						
RECORDATI RARE DISEASES JAPAN K.K.						100.00	
NATURAL POINT S.r.l.	100.00						
RECORDATI RARE DISEASES AUSTRALIA Pty Ltd						100.00	
TONIPHARM S.a.s.	100.00						
RECORDATI BULGARIA Ltd	100.00						
RECORDATI (BEIJING) PHARMACEUTICAL CO., Ltd	100.00						
RECORDATI RARE DISEASES FZCO ⁽¹⁾						100.00	
EUSA Pharma (UK) Limited ⁽²⁾	100.00						
EUSA Pharma (Italy) S.r.l. ⁽²⁾							
EUSA Pharma (France) S.A.S. ⁽²⁾							
EUSA Pharma Iberia S.L. ⁽²⁾							
EUSA Pharma (Germany) GmbH ⁽²⁾							
EUSA Pharma (Netherlands) B.V. ⁽²⁾							
EUSA Pharma (Denmark) ApS ⁽²⁾							
EUSA Pharma (US) LLC ⁽²⁾							
EUSA Pharma (Australia) Pty ⁽²⁾							
EUSA Pharma (CH) GmbH ⁽²⁾							
RECORDATI KOREA, Co. Ltd ⁽²⁾							

(1) Set up in 2022

(2) Acquired in 2022

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 document corresponds to the documentation, books and accounting records.

Milan, 11 May 2023

Luigi La Corte
*Financial Reporting
Manager*

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.

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