RECORDATI

NEWS RELEASE

RECORDATI TO ACQUIRE EUSA PHARMA (UK) Ltd, A GLOBAL SPECIALTY PHARMACEUTICAL COMPANY FOCUSED ON RARE AND NICHE ONCOLOGY DISEASES

- **Further strengthens the growth trajectory of the rare disease franchise, in line with 3 year plan strategy**
- **Broadens Recordati's rare disease therapeutic focus and enhances the breadth of indications**
- **Addition of growing portfolio of 4 rare and niche oncology disease products, providing a platform for potential future expansion**
- **Complements Recordati's global footprint and expertise with new capabilities and a highly efficient and focused commercial infrastructure**

Milan, 3 December 2021 – Recordati announces the signing of a share purchase agreement to acquire EUSA Pharma (UK) Ltd, a global specialty pharmaceutical company with headquarters in the United Kingdom, focused on rare and niche oncology diseases and controlled by funds managed by EW Healthcare Partners.

Recordati is acquiring EUSA Pharma for an enterprise value of €750 million; the payment of the consideration will be funded via existing liquidity and bridge financing fully underwritten by J.P. Morgan and Mediobanca.

EUSA Pharma was founded in March 2015 and has grown rapidly into a world-class pharmaceutical company with a portfolio of 4 rare and niche oncology products with approximately €130 million LTM[(1)] Net Sales at 30 June 2021 and Net Debt of around €26 million at that same date. The company has extensive commercial operations in the EMEA and United States, alongside a presence in other international markets. The company employs more than 200 people with strong patient centric culture and deep disease area expertise.

EUSA Pharma's products include: Qarziba®, an anti-GD2 monoclonal antibody indicated for high-risk neuroblastoma approved in Europe and other countries, and with potential for expansion in the US; Sylvant®, an anti-IL-6 monoclonal antibody, the first and only ever approved treatment for Idiopathic Multicentric Castleman's disease (iMCD) in US and in Europe, marketed also in other countries and well positioned in a market with limited options for patients; Fotivda®, an oral highly selective small molecule tyrosine kinase inhibitor (TKI) of vascular endothelial growth factor (VEGF) receptors 1,2 and 3, approved for first-line treatment of advanced renal cell carcinoma in Europe and other countries; Caphosol® , a medical device for oral mucositis due to chemo and radio therapy, approved in US, EU and other markets.

The transaction would provide Recordati with an expanded portfolio of rare disease pharmaceutical products which is expected to contribute in 2023 revenue of over €150 million and EBITDA[(2)] of approximately €50 million. Non-recurring costs in 2022-2023 from on-going manufacturing technology transfer and acquisition and integration related expenses are estimated to be approximately €35 million (subject to timing of close).

EUSA's product portfolio is expected to reach total annual peak sales of around €250 million, including the potential Qarziba® approval in the US, with EBITDA[(2)] margin in line with the average of the current rare disease segment.

The closing of the transaction is subject to regulatory clearances and is expected to take place in the first half of 2022.

The transaction does not change the Recordati dividend policy which is confirmed as approximately 60% of reported Consolidated Net Income.

Management Comments

"We believe that the EUSA Pharma acquisition represents an excellent opportunity to further expand and reinforce our portfolio in a new and underserved therapeutic area, rare and niche oncology, with high potential growth products and will provide a platform for potential further future expansion in these areas. This is another important step forward in delivering on our strategy to increase our presence in the rare disease segment and to fulfil our mission to improve the lives of patients, delivering innovative treatments that address serious unmet medical needs" said Andrea Recordati, Chairman.

"EUSA Pharma has a highly efficient commercial infrastructure, deep disease area expertise and an organisation with a very strong patient centric culture which we look forward to welcoming and integrating into Recordati, maintaining key skills, knowledge, business know-how and customer relations" commented Robert Koremans, Chief Executive Officer.

About Neuroblastoma

Neuroblastoma is a rare form of cancer, arising from nerve cells in various locations in the body, primarily in children aged below 10 years old. About 49% of neuroblastoma patients are high-risk, meaning they have the greatest likelihood of relapse during treatment (survival rate is ca. 40-60% at 5 years). There are around 9-13 new cases per million children a year, resulting in ca. 600-700 new cases per year in the US and ca. 1.000 new cases per year in the EU.

About Qarziba® (dinutuximab beta)

Dinutuximab beta is a chimeric monoclonal IgG1 antibody that is specifically directed against the carbohydrate moiety of disialoganglioside 2 (GD2), which is overexpressed on neuroblastoma cells.
The efficacy of dinutuximab beta has been evaluated in a randomised controlled trial comparing the administration of dinutuximab beta with or without IL-2 in the first-line treatment of patients with high-risk neuroblastoma and in two single-arm studies in the relapsed/refractory setting.
Dinutuximab beta was approved by the European Commission on 8 May 2017 and is indicated for the treatment of high-risk neuroblastoma in patients aged 12 months and above, who have previously received induction chemotherapy and achieved at least a partial response, followed by myeloablative therapy and stem cell transplantation, as well as patients with history of relapsed or refractory neuroblastoma, with or without residual disease. Prior to the treatment of relapsed neuroblastoma, any actively progressing disease should be stabilised by other suitable measures.

In patients with a history of relapsed/refractory disease and in patients who have not achieved a complete response after first line therapy, dinutuximab beta should be combined with interleukin-2 (IL-2).

About Castleman's disease

Castleman's disease (CD) describes a spectrum of rare lymph node disorder, asymptomatic in 80% of cases; symptomatic patients (with mild-to-severe symptoms) suffers from Multicentric CD (MCD) – Idiopathic MCD (iMCD) are characterized by severe systemic symptoms, lack of disease awareness (causing misdiagnosis) and survival rate between 50-80% in 5 years. There are around 2-3 new cases per million people a year, resulting in ca. 700-1.000 new cases per year in the US and ca. 900-1.400 new cases per year in the EU.

About Sylvant® (siltuximab)

Sylvant® is the only approved treatment for Idiopathic Multicentric Castleman's disease (iMCD) in the United States and Europe. It first received approval in the United States in 2014, with subsequent approvals occurring in a number of countries thereafter. The approval of Sylvant® was based on the MCD2001 study (NCT01024036); an international, randomised, double blind, placebo-controlled trial including 79 subjects. More than one-third of subjects treated with Sylvant® plus best supportive care (BSC) had a durable tumour and symptomatic response, compared to none of the subjects who received placebo plus BSC (34% versus 0% according to stringent criteria; 95% CI: 11.1, 54.8; p=0.0012).

(1) Last Twelve Months
(2) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, and non-recurring items.

Conference call
Recordati will be hosting a conference call today, 3 December 2021 at 13:30 pm CET (12:30 pm GMT; 7:30 am EST). Dial-in numbers are:

Italy + 39 02 802 09 11, toll free 800 231 525
UK + 44 1 212818004, toll free (44) 0 800 0156371
USA +1 718 7058796, toll free (1) 1 855 2656958
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Callers are invited to dial in 10 minutes before conference time. If conference operator assistance is required to connect, please dial *0.
A set of slides which will be referred to during the call will be available on our website www.recordati.com under Investors/Company Presentations.

Recordati *(Reuters RECI.MI, Bloomberg REC IM), established in 1926, is an international pharmaceutical group listed on the Italian Stock Exchange (ISIN IT 0003828271), with a total staff of more than 4,300, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations in Europe, Russia and other countries of the CIS, Ukraine, Turkey, North Africa, the United States, Canada, Mexico, some South American countries, Japan and Australia. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under licence, from a number of therapeutic areas, including a specialised business dedicated to rare diseases. Recordati is a partner of choice for new product licences for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2020 was € 1,448.9 million, operating income was € 469.0 million and net income was € 355.0 million.*

Further information:

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