INTEGRATED CONSOLIDATED FINANCIAL STATEMENTS 2024

RECORDATI

RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.P.A.

Company under the management and coordination of Rossini Luxembourg S.àr.l.

Registered office: Via Matteo Civitali, 1 - Milan, Italy

Share capital: € 26,140,644.50 fully paid-in

Tax identification code and registration number in the Milan, Monza, Brianza and Lodi Business Register: 00748210150

The Company prepares the consolidated financial statements for the Recordati Group.

BOARD OF DIRECTORS

ANDREA RECORDATI
Chairman

GUIDO GUIDI
Vice Chairman

ROBERT KOREMANS
Chief Executive Officer

MICHAELA CASTELLI	Lead Independent Director
ELISA CORGHI	Independent
GIORGIO DE PALMA	
LUIGI LA CORTE	Group Chief Financial Officer
JOANNA LE COUILLIARD	Independent
GIAMPIERO MAZZA	
PIERGIORGIO PELUSO	Independent
CATHRIN PETTY	
KIM STRATTON	

CONTROL, RISK AND CSR COMMITTEE

MICHAELA CASTELLI
Chair

ELISA CORGHI
PIERGIORGIO PELUSO

REMUNERATION AND NOMINATIONS COMMITTEE

JOANNA LE COUILLIARD
Chair

MICHAELA CASTELLI
ELISA CORGHI

BOARD OF STATUTORY AUDITORS

ANTONIO SANTI
Chair

EZIO SIMONELLI
LIVIA AMIDANI ALIBERTI
Statutory Auditors

ANDREA BALELLI
SILVIA MINA
Alternate Auditors

AUDIT FIRM

EY S.p.A.

The 2024 consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRSs) issued or revised by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as the provisions issued implementing Art. 9 of Italian Legislative Decree 38/2005. The same accounting standards were used in the preparation of the 2023 consolidated financial statements.

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 forecasts as a result of a variety of reasons, most of which are beyond the Recordati Group's control. The information on the Group's pharmaceutical specialties and other products contained in this document is intended solely as information on Recordati's activities and therefore, as such, it is not intended as medical scientific indication or recommendation, nor as advertising.

This document in PDF format does not meet the obligation arising from the ESEF Regulation.

This is an English courtesy translation of the original documentation prepared in Italian language.

TABLE OF CONTENTS

LETTER TO OUR SHAREHOLDERS

CHAIRMAN'S LETTER

Dear Shareholders,

As we reflect on 2024, we see that the pharmaceutical industry has experienced a year of both significant challenges and positive opportunities. These have been shaped by evolving global health needs, regulatory changes, and rapid advancements in science and technology.

One key trend is the aging global population and the rising prevalence of chronic conditions, especially in emerging markets. These shifts present both challenges and a tremendous opportunity for us to expand access to specialised care, driving positive outcomes for patients and healthcare systems alike. Meanwhile, there is also growing emphasis on innovative treatments for rare and complex diseases with over 6,500 rare diseases currently having no treatment. This trend is creating new avenues for growth and addressing significant unmet patient needs, which is at the heart of Recordati's strategy.

At the same time, we are aware of the pressure on pharmaceutical companies to balance patient access with sustainable pricing, especially considering increasingly stringent regulatory environments. The evolving pricing dynamics, particularly in developed markets, require agility and foresight, and we are focused on ensuring that our approach remains both patient-centric and sustainable.

At Recordati, we continue to adapt to these trends through our diversified portfolio spanning Specialty & Primary Care (SPC) and Rare Diseases (RD). Our strong geographic footprint enables us to tap into new markets while responding to local healthcare needs, all while maintaining leadership in therapeutic areas where we are already established.

Our strategy continues to focus on driving organic growth of our current portfolio, complemented with accretive M&A and targeted business development, as well as capturing growth opportunities within our own pipeline. I am pleased that in 2024, because of our strategy, we have once again achieved outstanding results, with double-digit revenue, EBITDA growth and the acquisition of an exciting new rare diseases product to complement our portfolio.

The year also saw us continue to focus on embedding sustainability in all Recordati does, and I'm delighted that our efforts have continued to be recognised by the main indices and ratings throughout 2024. The 11th International Prize for Scientific Research Arrigo Recordati, which continues my family's legacy to the pharmaceutical industry, was awarded in 2024. The Prize, which was established in 2000 in memory of my father, received more than 40 applications from junior researchers of different nationalities. Dr. Adam Durbin from St. Jude's Children's Research Hospital in Memphis, U.S., was awarded €100,000 for providing new potential therapeutic strategies for children with neuroblastoma. Neuroblastoma is a rare devastating condition for the children diagnosed with it and their families, and the award of the prize to Dr Dubin reflects Recordati's strong commitment to helping the few who suffer from rare diseases.

With the strong momentum of 2024, the dedication of our exceptional people, and our proven track record, Recordati is well-positioned for sustained growth and continued success in the years ahead.

I would like to thank Recordati's people for the extraordinary commitment and dedication they have continued to show in 2024. I also extend these thanks to our CEO Rob Koremans and to the whole executive leadership team for providing such excellent guidance and to the Board of Directors for the work carried out not only in the past year, but throughout the journey that began three years ago.

As Chairman of the Board, I remain committed to supporting Recordati towards continued success in 2025, ensuring that we create long-term value for all stakeholders.

Thank you for your support.

ANDREA RECORDATI
Chairman

CEO'S LETTER

Dear Shareholders,

Leading our company through what has been another outstanding year has been a real privilege. I would like to extend my heartfelt thanks to our people and partners, who worked tirelessly with us in 2024 to unlock the full potential of life for increasing numbers of patients around the globe. Your commitment continues to inspire me every day.

At Recordati, **patients remain at the heart of everything we do**. Every day we focus on unlocking the full potential of life for people living with common diseases as well as some of the rarest in around 150 countries across the globe. Our dedication to improving their lives continues to drive our business forward, ensuring that we not only meet current healthcare needs but also anticipate those of tomorrow.

In 2024, the number of patients we served in both our businesses rose, with over 100 million people benefiting from our Specialty & Primary Care (SPC) portfolio alone and around 16,000 patients living with rare diseases receiving dedicated treatments.

I'm proud that, in 2024, Recordati delivered another **outstanding performance**. We have built on the momentum from previous years and continue to set the conditions for growth for the future. We strengthened our management and expanded our portfolio to support increasing numbers of patients across the globe with our therapies.

The SPC and Rare Diseases (RD) businesses both booked excellent performances. In SPC, the Urology franchise performed particularly well, while the Cardiovascular and Gastrointestinal franchises remained resilient. In RD, our Oncology and Endocrinology franchises, in particular, continued to deliver strong growth.

We remain committed to investing in selective and very targeted **research and development** programs — not only to bring new treatments to market but also to ensure that our existing products remain at the cutting edge. This is especially true in the field of rare diseases, where we focus on life-cycle management and geographic expansion to address the significant unmet needs in this area.

Responsible growth and our commitment to Environmental, Social and Governance (ESG) factors are embedded in our strategy. During 2024, we continued to meet significant social and environmental targets, with People and Planet being the two core areas defining our approach to sustainable growth.
In terms of results, we generated strong double-digit revenue growth of 12.4%, as well as increasing EBITDA by 12.5% and adjusted net income by 8.4%. This **performance** is a testament to the strength of our strategy and operational execution. We remain clearly ahead of our mid-term financial objectives for 2023-2025, to which we committed in 2023.
We are proud to be able to deliver a sustainable **dividend** to our Shareholders, further demonstrating our commitment to long-term value creation. The proposed full 2024 dividend is € 1.27 per share.

2024 was a year in which we made positive strides forward with our **portfolio**.

We closed the year strongly with the acquisition in November of the **global rights to Enjaymo®** from Sanofi. Enjaymo® is a biologic that is the only approved targeted product for the treatment of cold agglutin disease (CAD), a rare B-cell lymphoproliferative disorder. It has been granted approval by the U.S. Food and Drug Administration (FDA), the European Commission (EC) and the Japanese Ministry of Health, Labour and Welfare. The acquisition of Enjaymo® reinforces our commitment to addressing the needs of patients with limited treatment options and is an excellent fit with our existing business.

These are just a few of the important portfolio milestones achieved in 2024 that are enabling us to continue to support growing numbers of patients and their families.

At Recordati, we are equally committed to our **people & culture**. Our world-class management team and dedicated employees form the backbone of our success. We strive to ensure everyone feels welcome, respected, supported, and appreciated for their uniqueness and diverse talent.

In 2024, we continued to promote initiatives to foster a more diverse and inclusive working environment for all, with a particular focus on increasing the percentage of women in leadership positions. We conducted a

Culture Survey, targeting the Senior Leadership Team of around 300 people, to understand how the company culture has evolved over the past few years. A high response rate, as well as encouraging results, show that we are on the right track and can be proud of the changes we've already implemented.

I would like to thank the entire Board of Directors for their engagement and valuable contributions. To our Shareholders, I am grateful for your trust as we pursue our purpose. I look forward to your continued support as we move forward in the year ahead. Thank you for playing a pivotal role in the ongoing success of Recordati.

Together, we are shaping a healthier future.

ROB KOREMANS
Chief Executive Officer

DIVIDENDS

Based on the results obtained and consistent with the Company dividend policy, the Board of Directors has proposed a dividend to shareholders of € 0.67 per share, in full balance of the interim 2024 dividend of € 0.60, for all shares outstanding at the ex-dividend date of 19 May 2025, excluding treasury shares in the portfolio at that date, with payment on 21 May 2025 and record date 20 May 2025.
The proposed full 2024 dividend is therefore € 1.27 per share (€ 1.20 per share in 2023).

GROUP PROFILE

GROUP PROFILE

RECORDATI AT A GLANCE

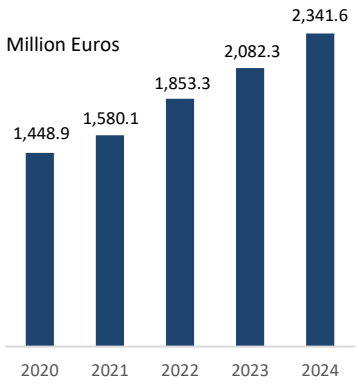
Revenue 2,341.6 Million Euros

Net Income 416.5 Million Euros

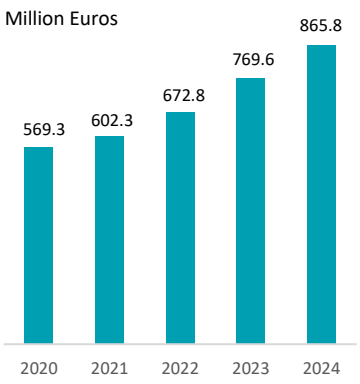
Employees around 4,580

KEY FIGURES

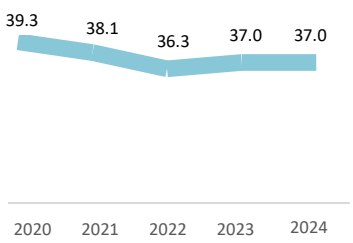
REVENUE



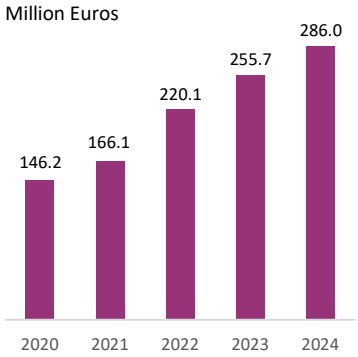
EBITDA*



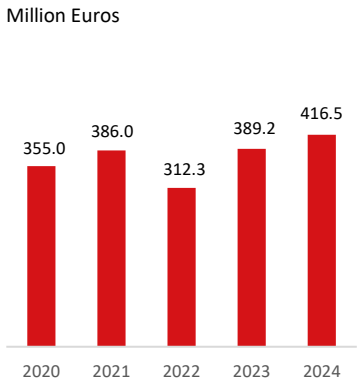
EBITDA* AS % OF REVENUE



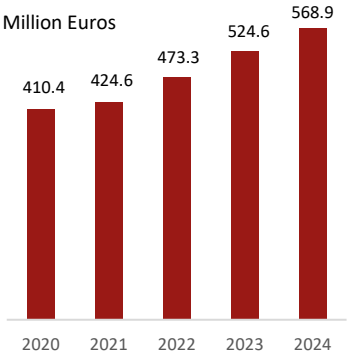
RESEARCH & DEVELOPMENT



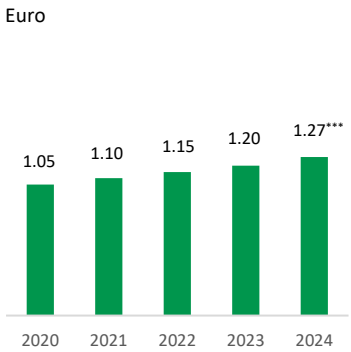
NET INCOME



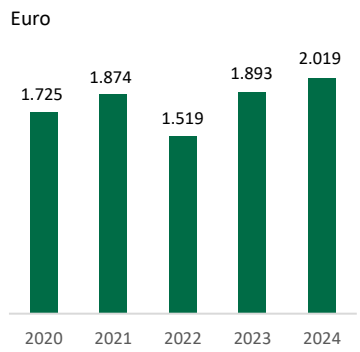
ADJUSTED NET INCOME**



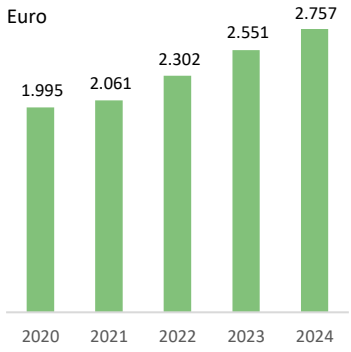
DIVIDEND PER SHARE



NET INCOME PER SHARE



ADJUSTED NET INCOME PER SHARE



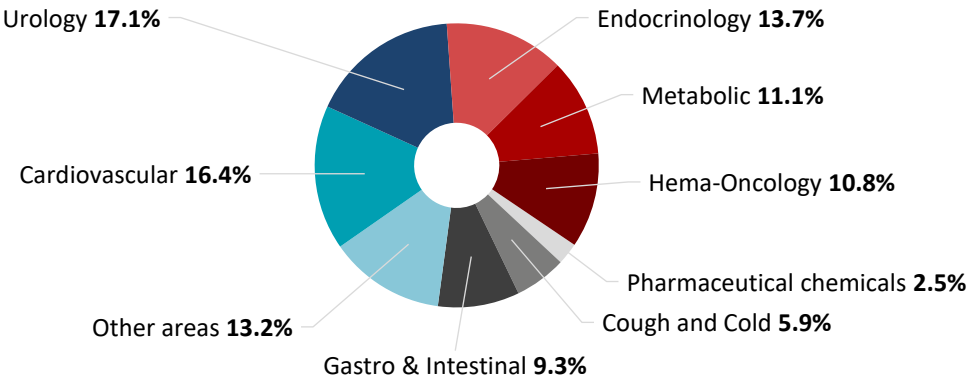
* *Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma and Enjaymo® to the gross margin of acquired inventory according to IFRS 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 and Enjaymo® to the gross margin of acquired inventory pursuant to IFRS 3, and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.*

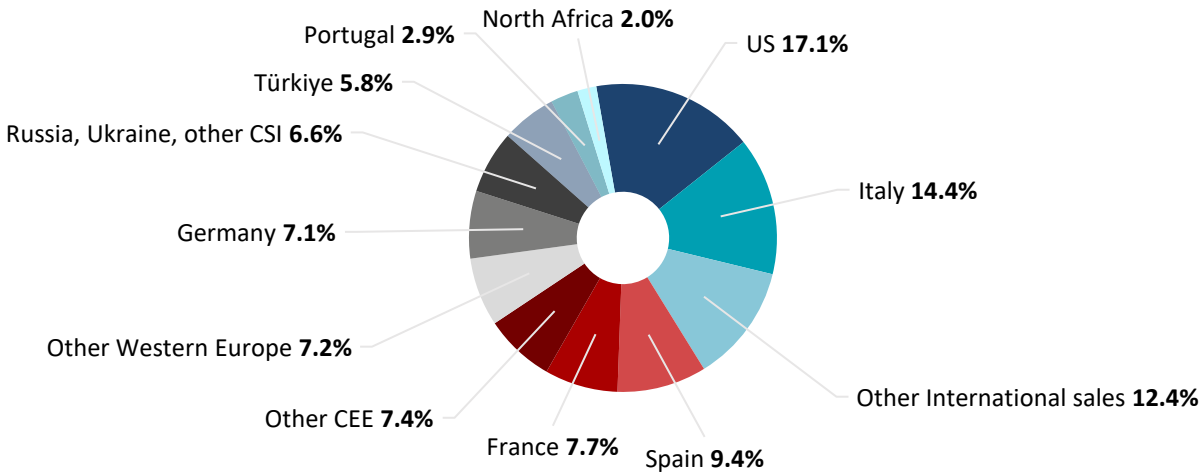
*** *Proposed by the Board of Directors.*

PHARMACEUTICAL REVENUE BY THERAPEUTIC AREA

SPECIALTY & PRIMARY CARE 64.4% **RARE DISEASES 35.6%**

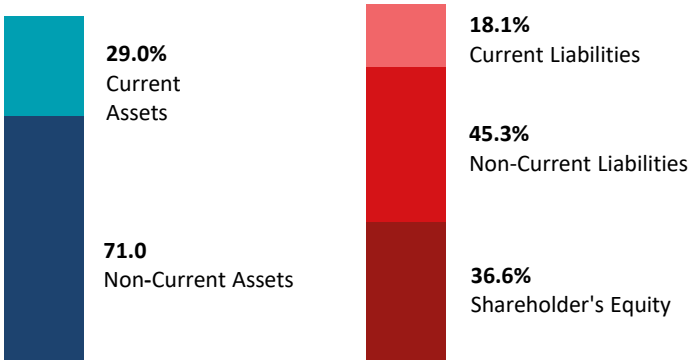


PHARMACEUTICAL REVENUE BY GEOGRAPHY



BALANCE SHEET

at 31 December 2024



SHAREHOLDER'S EQUITY

1,876.8

Million Euros

NET FINANCIAL POSITION

(2,154.3)

Million Euros

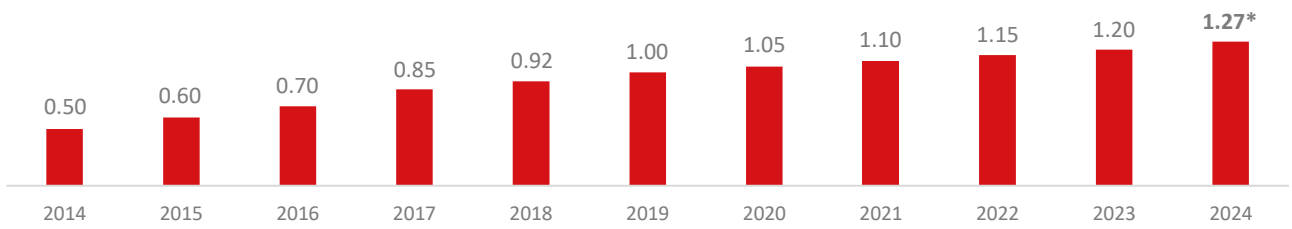
THE RECORDATI SHARE

Listing:	Borsa Italiana, Blue Chip segment, healthcare
ISIN Code:	It 0003828271
Ticker:	Bloomberg REC IM, Reuters RECI.MI
Index:	FTSE MIB, FTSE Italia All-Share Health Care Index, FTSE Italia All-Share Pharmaceuticals & Biotechnology Index, FTSE4Good Index Series, STOXX Europe 600, Euro STOXX Health Care, MSCI Indexes
Share Capital:	n. 209,125,156 common shares
Nominal value:	€ 0.125 per share
EPS (diluted):	€ 1.992
Dividend per share:	€ 1.27*

** Proposed by the Board of* Directors

DIVIDEND

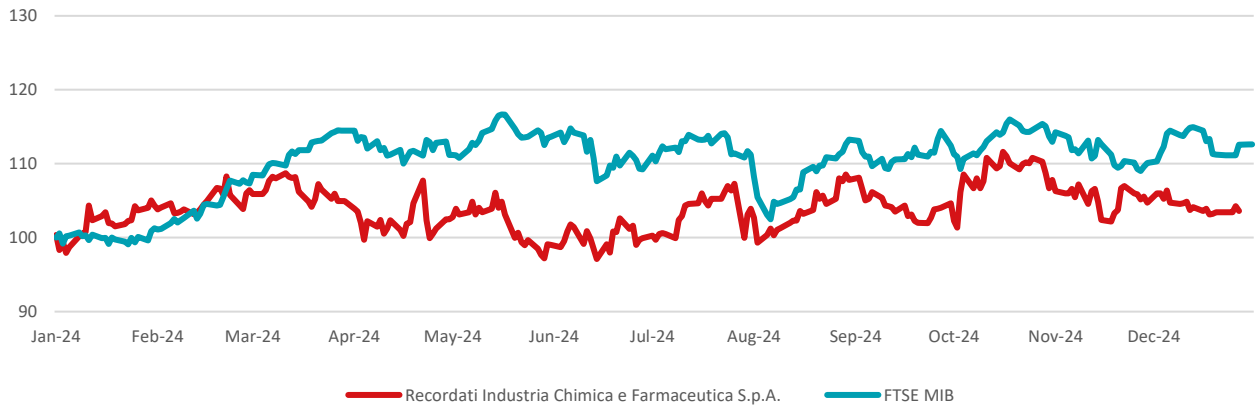
(Euro per Share)



** Proposed by the Board of Directors.*

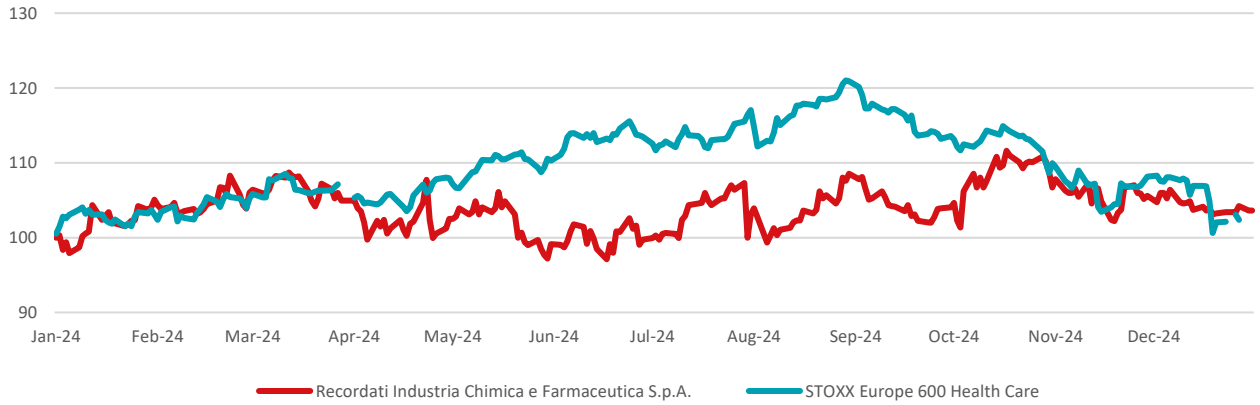
COMPARED TO FTSE ITALIA ALL-SHARE

Source: FactSet



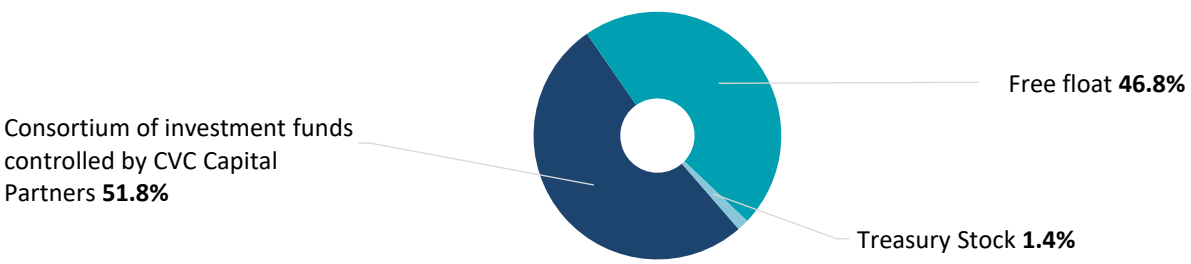
COMPARED TO STOXX 600/HEALTHCARE

Source: FactSet



PRINCIPAL SHAREHOLDERS

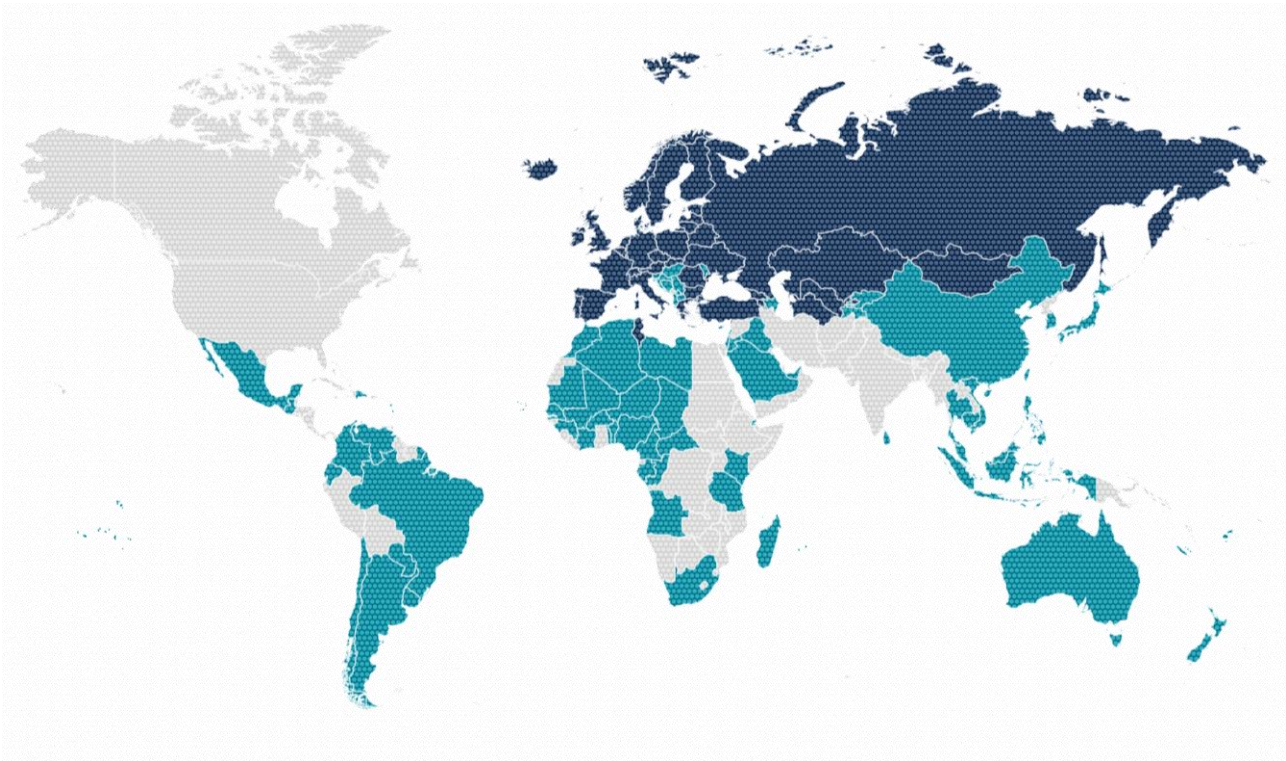
at 31 December 2024



GEOGRAPHICAL PRESENCE

Present in around **150 countries** with our SPC products and our treatments for rare diseases in years 2023-2024

SPECIALTY & PRIMARY CARE



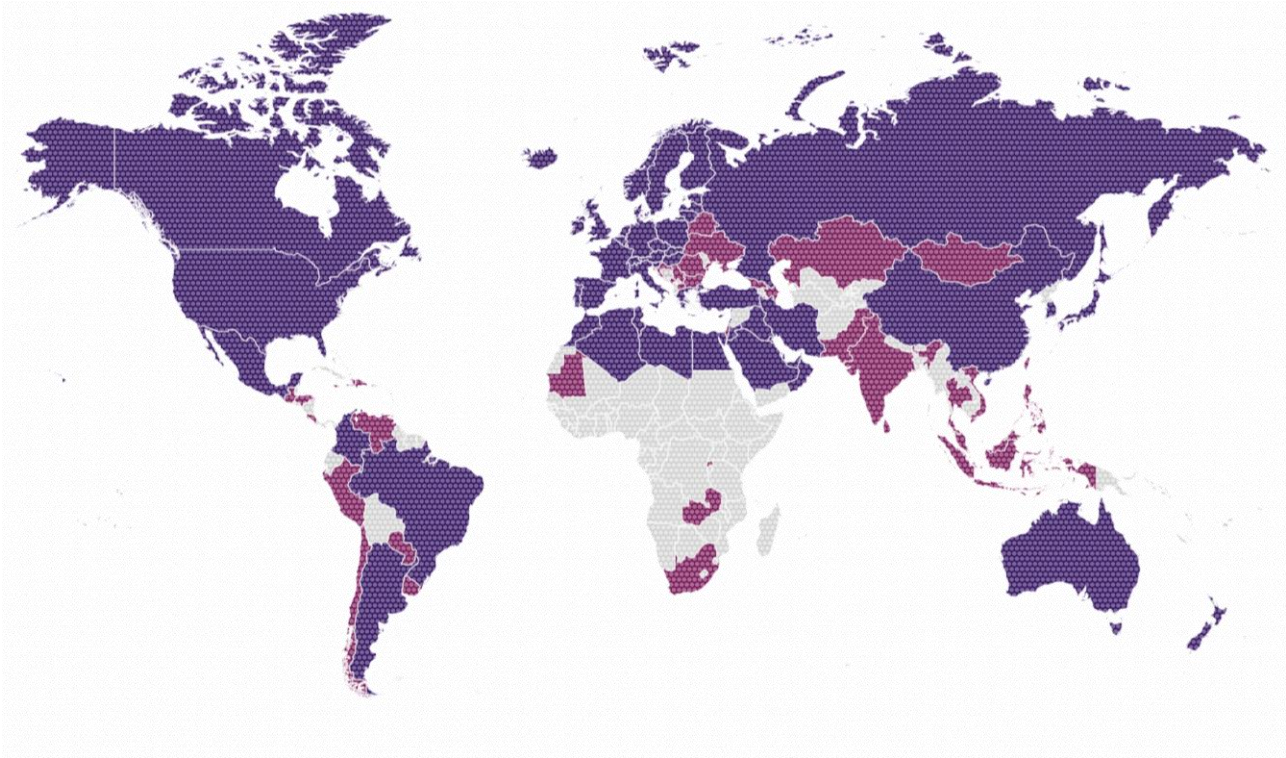
Subsidiaries, branches, permanent establishment and direct promotion

Armenia, Austria, Belarus, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Iceland, Ireland, Italy, Kazakhstan, Latvia, Lithuania, Luxembourg, Mongolia, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Slovakia, Spain, Sweden, Switzerland, Tunisia, Türkiye, Turkmenistan, Ukraine, United Kingdom, Uzbekistan.

Licensees, distributors, commercial agreements

Albania, Algeria, Angola, Argentina, Australia, Azerbaijan, Benin, Bosnia and Herzegovina, Brazil, Burkina Faso, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Congo (Rep.), Croatia, Cyprus, Djibouti, Dominican Republic, Ecuador, French Guiana, French Polynesia, Gabon, Guadeloupe, Guatemala, Guinea, Hong Kong, Hungary, Indonesia, Iraq, Israel, Ivory Coast, Japan, Jordan, Kenya, Kosovo, Kyrgyzstan, Lebanon, Libya, Macedonia, Madagascar, Malaysia, Mali, Martinique, Mauritania, Mauritius, Mayotte, Mexico, Moldova, Morocco, New Caledonia, New Zealand, Niger, Paraguay, Philippines, Réunion, Saudi Arabia, Senegal, Serbia, Singapore, Slovenia, South Africa, South Korea, Sri Lanka, Taiwan, Tajikistan, Tanzania, Thailand, Togo, United Arab Emirates, Uruguay, Vatican City State, Venezuela, Vietnam, Wallis and Futuna.

RARE DISEASES



Subsidiaries, branches, permanent establishment and direct promotion

Algeria, Andorra, Argentina, Australia, Austria, Bahrain, Belgium, Brazil, Canada, China, Colombia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Iran, Iraq, Ireland, Italy, Japan, Jordan, Kuwait, Latvia, Lebanon, Libya, Lithuania, Luxembourg, Malta, Mexico, Morocco, Netherlands, New Zealand, Norway, Oman, Poland, Portugal, Qatar, Russian Federation, Saudi Arabia, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Tunisia, Türkiye, United Arab Emirates, United Kingdom, United States of America.

Licensees, distributors, commercial agreements

Azerbaijan, Belarus, Brunei Darussalam, Bulgaria, Chile, Costa Rica, Croatia, Dominican Republic, Georgia, Guatemala, Haiti, Honduras, Hong Kong, India, Indonesia, Israel, Jamaica, Kazakhstan, Macao, Macedonia, Malaysia, Mauritania, Mongolia, Montenegro, Pakistan, Paraguay, Peru, Philippines, Romania, Rwanda, Serbia, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, Ukraine, Uruguay, Venezuela, Vietnam, Zambia.

GROUP PROFILE

COMPANY OVERVIEW

COMPANY OVERVIEW

OUR PURPOSE AND COMPANY CULTURE

OUR PURPOSE: *UNLOCKING THE FULL POTENTIAL OF LIFE*

With our beginnings in a family-run pharmacy in Correggio, Italy in the 1920s, Recordati is now a global pharmaceutical group, listed on the Italian Stock Exchange since 1984, with around 4,580 employees.

Recordati is a group of passionate individuals who go to extraordinary lengths for partners, customers, investors, and the patients across the globe that it serves.

We develop and commercialise medicines to serve people living with common diseases, as well as those living with some of the rarest.

At Recordati, we've always believed that health, and the opportunity to live life to the fullest, is a right, not a privilege. Whether that is for common diseases or the rarest, Recordati wants to give everyone the opportunity to be the best version of themselves. This drive will never stop.

Recordati has a long history of entrepreneurial passion, a strong reputation and a desire to continue growing, innovating and creating value in an ethical, enduring, and sustainable way, protecting people and the environment, and supplying safe, high-quality products.

Driven by its purpose, Recordati is focused on improving people's health and quality of life. We care for our people and strive to give them the opportunity and support to develop themselves. We pursue a long-term sustainable growth model, integrating social and environmental aspects into the corporate strategy, to make a positive contribution to sustainable development in the areas in which we operate. All this, while also always maintaining a commitment to generating value for stakeholders.

OUR COMPANY CULTURE

The Recordati culture is built on the pillars of entrepreneurship, purpose and belonging. Execution and discipline have always been part of who Recordati is and will continue to drive the company's performance in an ever-changing, dynamic environment. We strive to ensure everyone feels welcome, respected, supported in their professional and intellectual growth, and appreciated for their uniqueness and diverse talent. The energy, commitment and dedication of people are celebrated and rewarded, fairly and transparently. To support the people who work across Recordati, we continue to promote and showcase our culture, to allow people to be their full selves at work, feel safe to speak up and empowered to make decisions, experiment and innovate.

Recordati promotes initiatives to foster a more diverse and inclusive working environment for all, also with the aim of increasing the percentage of women in Top and Senior Manager positions. This year too, the Group ran a Culture Survey, targeting around 300 people Senior Leaders across the world to understand how the company culture has evolved. The results were very encouraging showing a continued positive trend in all dimensions year-on-year.

In 2024 Recordati launched its employee value proposition (EVP) – or our promise to current and future employees of the unique value we offer in return for their skills, experience and commitment. The EVP slogan, which will be reflected in all touchpoints with current and future employees, is *Ready to Unlock Your Full Potential?* We will use the EVP in all our external communications towards potential new employees and internally.

Recordati continues its dedication to fostering diversity and inclusion. In 2024, a Diversity & Inclusion network including around 60 champions across the world was set up to nurture this important culture pillar, with a first ambitious target to sign Diversity & Inclusion charters in all European countries where we operate. The charters, as stated in the Code of Ethics, reinforce Recordati's commitment to fight all forms of discrimination in the workplace – gender, age, disability, ethnicity, religious beliefs, sexual orientation, and so on – and promote diversity and inclusion within the company. As of December 31st 2024, Recordati has endorsed the European Diversity Charters in 13 European Union countries: Italy, Austria, France, Germany, Greece, Ireland, Poland, Portugal, the Czech Republic, Romania, Slovakia, Spain, and Sweden. In 2025, the Group will complete the signing of the European Diversity Charters in the remaining two countries: Belgium and the Netherlands, achieving this significant milestone.

COMPANY OVERVIEW

OUR GROWTH JOURNEY

We are a top-tier value creator for the patients we serve globally, our investors and our people. In a constantly changing environment, we are committed to seeking new opportunities, with a focus on developing new treatments and investing in medical innovations that can address the unmet needs of patients. Recordati's aim is to grow the business and create more value for people suffering from some of the most common diseases and the rarest, while maintaining the strong financial performance it is known for.

Recordati brings improved treatment options across Specialty and Primary Care (SPC), and Rare Diseases (RD), and has fully integrated operations across Research & Development, chemical and finished product manufacturing, and commercialisation and licensing for many of our key products. This represents a key strategic asset, given the challenging current macro environment.

Recordati pursues a proven and sustainable business model based on:

- Unique combination of resilient, and cash flow generative branded European SPC business (RX, CHC) alongside a high growth global RD business with broad geographical footprint across all continents.
- Best-in-class financial profile with consistent track record of organic growth at scale
- Sector-leading margins and disciplined cost management, sustaining a high Return on Invested Capital (ROIC).
- Strong franchises with no material loss of exclusivity exposure over the next five years and with protection beyond patents for many of our key growth products.
- Disciplined R&D focused on lifecycle management programmes.
- Proven M&A and integration capabilities to complement organic growth.
- World class management team with strong track record of delivering consistent performance and creating value for all stakeholders.

Recordati continues to accelerate its growth, while maintaining profitability at the highest levels in the industry. Our goal is to develop new solutions, identify expansion opportunities, and continue our transformation to become the company for which the best people choose to work.

SPC and RD are equally important to Recordati's success: in SPC we are the European partner of choice, focusing on commercial excellence and on opportunities to bring improved therapies in our key therapeutical areas of Urology, Cardiovascular, Gastroenterology and Consumer Healthcare; RD will continue its geographic expansion and focus on identifying more new patients, educating healthcare professionals and patients, guaranteeing optimal outcomes and holistic experiences for the patients we serve with our products and services.

Partnerships and business development are core components of Recordati's strategy. We have a long-standing track record in partnering and the right capabilities to bring products successfully to patients. Our current footprint and business diversification offer a solid platform for continued organic growth and we are committed to also grow both our SPC and RD businesses through acquisitions.

In SPC this means:

- Pursuing organic growth with line extensions on key CHC Brands and with acquisition and licensing of European mature promotionally-sensitive products and near-market opportunities.
- Maximising profitable growth of promoted products while optimising Established Brands through competitive commercial capabilities.
- Working together with partners on the final stage of development and registration, building enhanced R&D capabilities.
- Focusing on the countries in which we are currently present: Greater Europe (including Türkiye and Russia) and Northern Africa.

SPC continues to grow and to deliver value for patients, payers, and physicians with well-known pharmaceutical brands trusted by millions and with its offering of new products that bring accessible innovation in both the prescription drug and self-medication markets.

In RD, the strategic focus areas are being applied in the following ways:

- Maximizing the growth of the Endocrinology and Hema-Oncology Franchises, improving patient identification and treatment, and bringing the products to new geographies, while sustaining our legacy Metabolic Franchise.
- Focusing on product life-cycle management, developing new therapeutic indications for products in areas of unmet need.
- Continuing the R&D journey, identifying external and internal opportunities to improve patients' lives and recognising promising science and medicines in development, successfully bringing new products to market.

RD continues to create a truly unique global business focused on the few, growing fast, driven by increasing diagnosis rates and geographical expansion and targeted clinical opportunities.

OUR STRATEGIC FOCUS AREAS

FUTURE GROWTH

Innovation in the way we work, how we **communicate,** and in our **pipeline.**

In both SPC and RD, **invest in commercial excellence** and **omnichannel customer engagement.**

R&D, medical, patient engagement and **launch capabilities** to bring new opportunities and benefits to patients.

Focus on **strategic accretive & growth M&A** and **targeted Business Development.**

PERFORMANCE

Deliver profitable organic growth, maintaining sector-leading margins alongside sustainable & diversified businesses.

Focus on **reaching more patients** and **serving them better**; more directly and throughout their lives.

Build **industrial, commercial, medical and R&D excellence** with a focus on commercial impact and further efficiencies **while ensuring product availability and quality.**

Focus on simplification and **digitalisation.**

PEOPLE, ORGANIZATION AND CULTURE

Serve our patients, customers and society, always doing the right thing in the right way for the right reason –compliantly and with a strong focus on sustainability.

Commit to the **professional and intellectual growth of our people,** while continuing to focus on fairness and further developing a **safe culture of inclusion.**

Be disciplined and **simplify** & **innovate** in all area.

COMPANY OVERVIEW

OUR CORE THERAPEUTIC AREAS

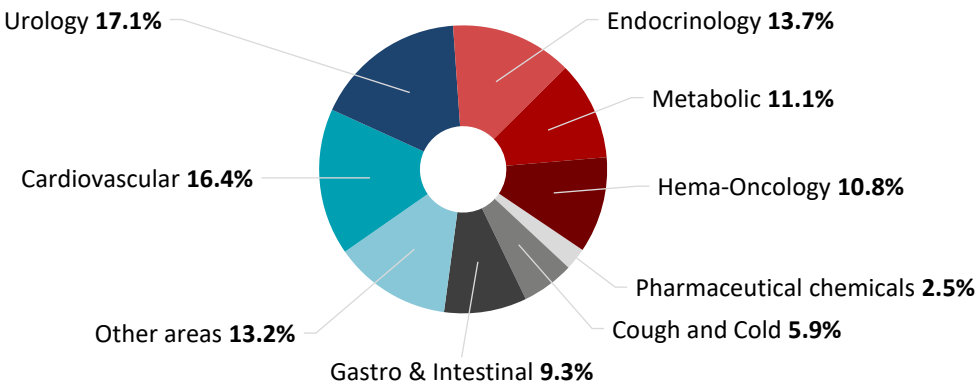
Recordati is continually growing, with a focus on developing new specialties, new treatments and investing in medical innovations that bring a brighter future to patients across the world.

We have a diversified portfolio operating in around 150 countries worldwide, manufacturing pharmaceutical ingredients to support our supply-chain, while also providing them to customers worldwide.

REVENUE

SPECIALTY & PRIMARY CARE 64.4%

RARE DISEASES 35.6%



THE MARKETS IN WHICH WE OPERATE

Specialty & Primary Care - The European prescription pharmaceutical market is one of the largest and most mature in the world, driven by advanced healthcare infrastructure, strong regulatory frameworks, and a growing demand for chronic medications as well as innovative therapies.

Medicine spending in the top five European markets (Germany, France, United Kingdom, Spain and Italy) is expected to increase by US$ 59Bn over the next five years and specialty medicines will represent 43% of global spending in 2027 and over 55% of total spending in developed markets[1].
The Consumer Healthcare market is a dynamic sector focusing on products and services that enable individuals to manage their health independently. In Europe, this market was valued at US$ 43 billion in 2023 and is projected to grow by 3.4% annually over the next five years[2], driven by the increasing demand for treatments of acute conditions such as cough, cold & flu, pain, and gastrointestinal diseases, alongside a rising focus on preventive health and wellness. This trend reflects Europe's aging population, who seek products that enhance overall wellbeing, including vitamins, immunity boosters, gut health supplements, and mental wellness solutions.

Across prescription medicine and Consumer Healthcare, we operate in some of the world's largest and most prevalent therapeutic areas, including Cardiovascular disease, Urology and Uro Oncology, gastrointestinal disease and treatments for Cough and Cold.

Cardiovascular Disease (CVD) remains a leading cause of mortality and morbidity in Europe, accounting for a substantial share of healthcare expenditure. The cardiovascular market is expected to grow at 5% (CAGR 2024-2029)[1] in the next five years due to an increased volume of chronic medications and ongoing innovation in areas such as hypertension, heart failure and dyslipidaemia.

Urological conditions, including benign prostatic hyperplasia (BPH) and overactive bladder (OAB), as well as sexual dysfunction, are prevalent across Europe. The Urology (G4) market in Europe is expected to grow at 6% in the next five years (CAGR 2024-2029)[1] driven by population growth, or at 14% when also considering Uro-Oncology markets. Within Uro Oncology, prostate cancer is one of the most commonly diagnosed cancers in Europe and treatments for advanced prostate cancer drive the Urology market growth. These innovations are improving survival rates, though the market remains highly competitive, with a focus on improving outcomes in advanced stages of the disease.

The European gastroenterology market is a dynamic and growing sector, driven by the increasing prevalence of gastrointestinal (GI) disorders such as inflammatory bowel diseases (IBD), irritable bowel syndrome (IBS), and liver diseases. Aging populations, alongside lifestyle factors like poor diet and stress, are contributing to a higher demand for treatments.

Increasing consumer awareness of gut health and the growing demand for natural and preventive healthcare solutions is also having a positive impact on the probiotics market, which is bolstered by the rising cases of gastrointestinal disorders and the growing adoption of probiotics in preventive healthcare.

One of the largest segments of the European Pharmaceutical market is Cough and Cold, which consists of Consumer Healthcare products and Prescription medicines and is primarily driven by seasonal respiratory illnesses. Prescription medications are used for more severe or complicated cases, such as bacterial infections or asthma exacerbations. The market includes decongestants, cough suppressants, antihistamines, and expectorants, with combination therapies gaining popularity for providing multi-symptom relief. The COVID-19 pandemic increased demand for respiratory treatments during the pandemic years, while the rise of chronic respiratory conditions like asthma and chronic obstructive pulmonary disease (COPD) also influences the market growth.

[1] *source: IQVIA.*
[2] *source: Nicholas Hall's CHC Dashboard 2024.*

Together, these therapeutic areas highlight a dynamic and growing European prescription and Consumer Healthcare market, with significant opportunities for growth driven by innovation, aging demographics, and evolving healthcare needs.

Rare Diseases - Rare diseases bring great suffering to millions of affected people worldwide. These diseases are chronic, fatal or severely debilitating, strongly impacting patients, their families and society as a whole. In most cases, they affect newborns, children and young adults.

Due to the extensive range of existing diseases and scarce information available, a specialist or general practitioner may never come across a patient affected by a rare disease in their entire career. This always poses the risk that if a baby is born with a rare disease, it may not be correctly diagnosed and provided with timely and appropriate treatment. The limited number of patients and scarce relevant knowledge and expertise are specific characteristics of rare diseases.

The global market for rare diseases is experiencing significant growth, driven by advances in biotechnology and personalized medicine. Rare or orphan diseases are conditions that affect a small portion of the population, typically impacting fewer than 200,000 people in the US or fewer than one in 2,000 in the European Union. Although each rare disease affects only a limited number of patients, collectively these conditions represent a major public health challenge, with over 7,000 known rare diseases impacting millions of people worldwide.

The rare disease market recorded sales of approximately US$ 170bn in 2023 and is expected to continue expanding at a compound annual growth rate (CAGR) of 10%, reaching US$ 270bn in 2028[3]. Advances in biotechnology and precision medicine are the most significant drivers: breakthroughs in gene therapies, cell-based treatments, and targeted biologics are revolutionizing the treatment landscape for rare diseases. Technologies like CRISPR and advancements in monoclonal antibodies are allowing for the development of more effective, personalized treatments, offering hope for patients who have long lacked viable options.

Regulatory incentives have also played a pivotal role in stimulating growth in this sector. Governments have in fact introduced legal and financial incentives to provide treatment to people affected by rare diseases and encourage pharmaceutical and biotechnology companies to invest in these treatments. In the U.S., the Orphan Drug Act, approved in 1983, provides essential support by offering market exclusivity, tax credits and grants to companies developing rare disease therapies. Similarly, Europe has established the Orphan Medicinal Products Regulation to foster the development of orphan drugs. Since April 2000, when the EU orphan drug regulation came into effect, many hundreds of drugs have been designated as orphan drugs by the European Medicines Agency (EMA). Of these designated drugs, over 150 have received marketing authorisation (MA). Of those, 40% have been authorised for the treatment of oncological and hematological conditions and about 30% for the treatment of rare genetic metabolic disorders.

Increasing diagnosis rates and growing awareness are further contributing to market growth. This has expanded the number of patients who benefit from existing treatments and has created new opportunities for targeted therapies. Patient advocacy groups have been instrumental in raising awareness, organizing research efforts, and advocating for greater investment in rare disease research.

Looking ahead, the outlook for the rare disease market remains positive, and the continued expansion of gene and cell therapies offers exciting possibilities for patients with genetic disorders. As our understanding of the genetic causes of rare diseases deepens, tailored therapies will become increasingly effective, providing more precise and targeted options for patients. While artificial intelligence and digital health technologies have a role to play in improving drug discovery and patient diagnostics, the most significant impact is likely to come from advances in gene therapies and personalized treatments.

Within the rare diseases market, we operate in Endocrinology, Hema-Oncology and Metabolic disorders.

The rare endocrinology market focuses on developing treatments for uncommon conditions affecting the endocrine system, which includes glands like the thyroid, adrenal glands, and pituitary gland. These disorders

[3] *source: Evaluate Pharma Orphan Drugs Report 2024.*

can significantly impact patients' health and quality of life. This market is expected to achieve a growth rate of +8% worldwide over the next 5 years, driven by the increasing awareness both among the public and healthcare professionals, and by the advancements in diagnostic tools, which will allow to improve patient identification.

The rare hematology and oncology market focuses on developing treatments for uncommon blood disorders, blood-related cancers and solid tumors. This sector has experienced significant growth due to advancements in research, increased cancer incidence, and the introduction of innovative therapies. In particular, while the rare hematology disorders market is expected to grow for the next 5 years at a 6% compounded annual growth rate, the rare oncology market is predicted to grow beyond 12% year on year in the same period.

The inborn errors of metabolism definition encompasses a diverse group of rare genetic disorders resulting from mutations that lead to the deficiency or malfunction of specific enzymes, proteins, or pathways involved in metabolism. They can disrupt the body's normal function, leading to the accumulation of toxic substances, or the inability to produce vital compounds. Many of these disorders are life-threatening or cause severe, lifelong disabilities. This market is quite dynamic, with the rising recognition and diagnosis of rare metabolic disorders expanding the patient population, thereby increasing the demand for specialized pharmaceutical treatments, and leading to an expected growth beyond 7% worldwide over the next 5 years.

SPECIALTY & PRIMARY CARE

The Specialty & Primary Care (SPC) business unit has a strong and proven heritage of supporting people living with a wide range of common illnesses that affect large populations day to day. It takes pride in discovering added value in some of the world's most trusted pharmaceutical brands, relied on by millions of patients worldwide and creates value for patients, payers, and physicians with its offering of new products bringing affordable innovation in both prescription and self-medication markets. The business has a direct presence in Europe, North Africa and Türkiye, and makes its products available in other international markets through distribution partners. The product portfolio includes medicines developed historically internally and several that have been in-licensed from other pharmaceutical companies for commercialisation in specific territories.

SPC's best-known products are focused in the following **areas**:

- **Cardiovascular**, where, for over 20 years Recordati has been at the forefront of supporting patients with cardiovascular disease with a wide portfolio of products and services in primary and secondary care including lercanidipine, a latest-generation calcium channel blocker indicated for the treatment of hypertension, discovered and developed entirely at Recordati's research laboratories, and its combination with enalapril, a widely prescribed ACE inhibitor. SPC also offers well-established metoprolol-based products, a beta-blocker mainly indicated to control a range of conditions including hypertension, angina pectoris, cardiac rhythm disorders, maintenance treatment after a myocardial infarction, and functional heart disorders with palpitations. Pitavastatin, a latest-generation statin for controlling hypercholesterolemia, is also marketed in several countries.
- **Urology** and **Uro-Oncology**, with well-recognized drugs for the treatment of benign prostatic hyperplasia such as silodosin, and of urinary incontinence, such as flavoxate. Its portfolio also includes a leuprorelin acetate depot formulation for subcutaneous injection indicated for palliative care in hormone-dependent prostate cancer (PCa). A new pre-connected syringe, developed by Tolmar, has been widely launched in 2023 and through 2024, further enhancing the differentiated position of the brand. In 2023, a long-term, commercialization agreement was finalised with GSK for the sales and distribution of two drugs, Avodart® (dutasteride) and Combodart ®/ Duodart® (dutasteride/tamsulosin)[(4)]. These drugs have helped support millions of men worldwide who experience moderate to severe symptoms relating to benign prostatic hyperplasia (BPH) and are at risk of suffering complications.

[(4)] Trademarks are owned by or licensed to the GSK group of companies. Transition to Recordati of commercialization of Avodart® and Combodart® / Duodart® has been effected in the following markets: Austria, Belgium, Czech Republic, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Sweden, Switzerland, UK.

- **Gastroenterological**, with several established brands for evacuating the intestine based on sodium picosulfate and magnesium citrate (including Citrafleet®, Casenlax®), widely used before diagnostic tests, products used for constipation for adults and children, and a line of probiotics based on lactobacillus reuteri protectis, particularly popular in Western Europe. Procto-Glyvenol® (tribenoside) is one of the company's leading CHC brands across several Central and Eastern European markets.
- "**Cough and Cold**", ranging from an antiseptic based on biclotymol for sore throats, to combination products for the treatment of ear, nose and throat infections, successfully sold mainly in Italy, France, Russia and the CIS countries.
- In addition to the above, Recordati has products available across a variety of other areas, including central nervous system, with an antipsychotic drug for the treatment of schizophrenia, Reagila® (cariprazine), a third-generation antipsychotic for this seriously debilitating mental disorder which is marketed in several European countries. We also market a wide range of other products, both on prescription and for self-medication, arising from Recordati's original research, the acquisition of product rights and licensing agreements. Notable products include Lomexin® (fenticonazole) for the treatment of gynaecological and dermatological infections, and Magnesio Supremo®, a food supplement.

SPC's best-known products are:

Zanidip® (lercanidipine)

An anti-hypertensive calcium channel blocker discovered and developed entirely in the Recordati research laboratories and currently available in more than 60 countries. Lercanidipine is effective in gradually lowering blood pressure values to optimal levels, preventing episodes of reflex tachycardia and reducing the risk of cardiovascular events and their related mortality. Its lipophilicity and high selectivity are properties that make lercanidipine effective with a superior tolerability profile. It protects the kidneys and the endothelium of blood vessels. Thanks to this organ protection characteristic and its metabolic neutrality, lercanidipine is well tolerated by patients suffering from other diseases such as diabetes and nephropathy.

The lercanidipine based products are sold directly by marketing organisations in Western, Central and Eastern Europe, Türkiye and North Africa and through licenses and co-marketing agreements in other countries.

Zanipress® (lercanidipine+enalapril)

A drug developed by Recordati to treat hypertension. It associates lercanidipine, a latest-generation calcium channel blocker, with enalapril, a widely prescribed ACE inhibitor, allowing the simultaneous administration of two active ingredients and increasing treatment compliance by the patient. Combination therapy is considered a first-line treatment for hypertensive patients at high risk for cardiovascular events. The benefits of the combination of these two active ingredients have been confirmed by the results of a number of clinical trials which have shown its significant antihypertensive efficacy, excellent tolerability in addition to renal and vascular protection from the damage caused by hypertension. This product is successfully marketed directly by Recordati or by its licensees in more than 54 countries.

Urorec® (silodosin)

A drug indicated for the treatment of the symptoms of benign prostatic hyperplasia (BPH, enlargement of the prostate). BPH manifests with problems linked to urination. It frequently occurs in men over the age of 50, and its symptoms significantly reduce quality of life. This disorder is becoming more prevalent with the aging of the population. A recent study (Fusco et al, 2020) found that silodosin improves symptoms and quality of life in patients with severe lower urinary tract symptoms related to benign prostatic obstruction. Symptom improvement is maintained during long-term treatment.

The safety and tolerability of silodosin has been widely assessed with positive results. The low incidence of orthostatic and vasodilatory side effects makes it a well-tolerated treatment, even in patients taking antihypertensive medication. Silodosin was originally developed by Kissei Pharmaceutical Co. (Japan) and was obtained under licence by Recordati for development and marketing in Europe and a further five countries in the Middle East and Africa. Currently, the product is successfully marketed in 47 countries, including France, Germany, Italy, Spain, Portugal, CIS countries, Tunisia, Türkiye and Switzerland. Silodosin-

based products are sold directly by our subsidiaries under the Urorec® brand and by our licensees under the Silodyx™ brand.

Livazo® (pitavastatin)

A latest-generation statin indicated for the treatment of dyslipidemia, a condition characterised by altered levels of blood cholesterol and other lipids and associated with an increased risk for heart disease and strokes. Controlled clinical trials have shown that pitavastatin induces a reduction in LDL-cholesterol (the "bad" cholesterol that contributes to formation of atherosclerotic plaques) and an increase in HDL-cholesterol (the "good" cholesterol that is removed from the arterial walls). This dual effect is highly significant because it has shown that the risk for cardiovascular complications can be reduced further in this way. Furthermore, pitavastatin presents an excellent safety profile due to the lower risk of drug-drug interactions compared to most other statins. Based on these findings, pitavastatin is regarded as an effective and safe treatment for dyslipidemia. Pitavastatin was licensed by Recordati from the Japanese pharmaceutical company Kowa for the European market, Russia and the other CIS countries and Türkiye. The drug is sold by its marketing organisations in Spain, Portugal, Switzerland, Greece, Russia, Ukraine, other CIS countries and Türkiye.

Seloken®, Seloken® ZOK (metoprolol) and Logimax® (metoprolol + felodipine)

Metoprolol-based medicines belonging to the beta blocker class of drugs that are widely used in the treatment of angina pectoris, myocardial infarction and cardiac rhythm disorders, as well as hypertension and functional heart disorders. Logimax® is a fixed association of metoprolol with felodipine which, over the years, has shown high antihypertensive efficacy. The use of metoprolol together with felodipine reduces possible episodes of reflex tachycardia induced by the calcium channel blocker, while felodipine associated with metoprolol facilitates vasodilation by reducing peripheral vascular resistance. These drugs have been widely studied in large and important clinical trials and are frequently used in primary care and by cardiologists to treat cardiac disorders and hypertension. Long-term mortality studies (Seloken®/Seloken® ZOK Core Data Sheet) have shown that the use of metoprolol reduces the rates of general mortality, cardiovascular mortality, sudden death and the progression of heart failure.

The European marketing rights for Seloken®/ Seloken® ZOK (metoprolol) and Logimax® (metoprolol + felodipine) were acquired from AstraZeneca in 2017. The products are sold directly in 36 countries and through distribution agreements in other European countries.

Eligard® (leuprorelin acetate)

A depot formulation for subcutaneous injection, indicated for palliative treatment of advanced hormone-dependent prostate cancer (PCa) and localised hormone-dependent prostate cancer, and locally advanced high risk, combined with radiotherapy. It combines the active ingredient leuprorelin acetate with a biodegradable polymer matrix release system (Atrigel®) and is available in a one-month (7.5 mg), three-month (22.5 mg) and six-month (45 mg) formulations. Eligard® provides a standard and consistent administration of leuprorelin over time, with significant and long-lasting testosterone suppression (≤ 20 ng/Dl), thus improving patient outcomes, such as response time and survival rate free of any progression, with a favorable tolerability profile. The extended interval between injections, the low volume of the injection and the short needle are additional advantages to the leuprorelin depot formulation.

Developed by the American pharmaceutical company Tolmar and previously licensed to Astellas, Eligard® now represents a consolidated product, distributed by Recordati since January 2021 in 30 countries in Europe, North Africa and the CIS countries.

A new device, consisting of two pre-connected syringes, developed by Tolmar International Ltd, has been extensively launched throughout 2023 and 2024, further improving the positioning of Eligard®.

Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin)
Marketed products, presented as oral form (capsules), indicated for the treatment of moderate to severe symptoms of benign prostatic hyperplasia (BPH) and for the reduction in the risk of acute urinary retention (AUR) and surgery in patients with moderate to severe symptoms of BPH.
In July 2023, Recordati announced an agreement with GSK for the commercialisation of Combodart® as well as Avodart® across 21 countries, mainly in Europe, excluding only those where GSK already has a distribution agreement in place.
Avodart® and Combodart®/Duodart® are leading and well-established brands, post loss of exclusivity, that enhance Recordati's proven presence in the urology space, significantly reinforcing the competitiveness of its offer.

The SPC portfolio also includes the following products:

- **Reagila® (cariprazine)** is a new drug for the treatment of schizophrenia, a third-generation antipsychotic, which, thanks to its specific pharmacological nature, can be considered unique in the panorama of this therapeutic class. It not only acts on the "positive" symptoms of the disease, such as delirium, hallucinations, thought dissociation, etc., but also on the "negative" component such as apathy, anhedonia and antisocial behaviour. Cariprazine has the added advantage of reducing neurological and metabolic side effects and has a low cardiovascular impact. Extending the treatment spectrum for schizophrenia has a positive effect on the functional recovery of patients. It comes in a once daily administration form, with a long half-life. Its clinical efficacy has been demonstrated in numerous clinical studies involving more than 2,000 patients, and testing is currently underway in the adolescent population. Reagila® was originated by Gedeon Richter and is under licence to Recordati in Western Europe. The product was launched in Germany, Switzerland, Italy, Benelux, the United Kingdom, Sweden, Denmark, Finland, Spain, Portugal and Ireland.
- **Procto-Glyvenol® (tribenoside)**, leader in its class, is a tribenoside-based over-the-counter drug, indicated for the treatment of internal and external hemorrhoids. Recordati markets it in the following countries: Russia, Poland, Türkiye, Romania, Ukraine, Czech Republic, Slovakia, Portugal, Baltic countries and Cyprus.
- **Polydexa®, Isofra® and Otofa®** are combination products for the treatment of ear, nose and throat infections, sold in North Africa, sub-Saharan Africa, Russia and the CIS countries.
- **Tergynan®** is a fixed combination of different active ingredients with antimicrobial, anti-inflammatory, antiprotozoal and antimycotic activity for the treatment and prevention of gynecological infections. Tergynan® is a leading brand in the class of anti-infective and antiseptic gynecological medicines in the countries where it is marketed, in particular in Russia, in other countries in the Commonwealth of Independent States, in Ukraine, Mongolia, Romania and Vietnam.
- **CitraFleet®** and **Phosphosoda®** are bowel cleansers indicated for use prior to any diagnostic procedure which requires cleaning out the intestines, such as a colonoscopy or X-rays. Phosphosoda® is an effective osmotic bowel cleanser with over 20 years of clinical experience, available in 39 countries. CitraFleet®, on the market since 2004, offers a double mechanism (osmotic + stimulant) and is one of the best tolerated products in its class, improving patient compliance thanks to its lower volume and good taste. It is available in 34 countries and occupies primary market positions in various countries, including Spain.
- **Lomexin® (fenticonazole)**, an original Recordati product, is an internationally and widely used broad-spectrum antimycotic indicated for the treatment of gynecological and dermatological infections caused by fungi, mould, yeast and gram-positive bacteria. The brand recently obtained OTC status and was successfully relaunched in various EU countries, providing patients with a new easily accessible self-medication option.
- The **Hexa** line of products comprises biclotymol-based antibacterial treatments for the oral cavity, which are in high demand, especially in France and North Africa, Russia, the Community of Independent States (CIS), Ukraine and Mongolia. The line's main brand is **Hexaspray®**, a throat spray and leader in its class in France.
- **Magnesio Supremo®**, a dietary supplement that contains a special mix of ingredients that guarantee maximum bioavailability of magnesium, is marketed in Italy.

- The most significant self-medication and supplements include the product lines under license from BioGaia (which include *lactobacillus reuteri protectis* supplements and the **Reuflor®** brand in Italy and the **Casenbiotic®**, **Bioralsuero®**, **Reuteri®** and **Gastrus®** brands in Spain and Portugal).
- Other products are flavoxate (sold under the names Genurin® and Urispas®), **Lopresor® (metoprolol)**, **Lacdigest® (tilactase)**, **rupatadine** (sold in Italy and Germany under the Rupafin® brand and in France as Wystamm®), **Abufene®** and **Muvagyn®**, **Vitaros®/Virirec® (alprostadil)** and **Fortacin® (lidocaine+prilocaine)**.

Empowering Lives: SPC's 2024 Patient Support Initiatives

At SPC, we are committed to empowering patients with the knowledge and support they need to navigate their diagnosis and maximise the benefits of their treatments, all while promoting overall wellbeing.
In 2024, we launched several initiatives to enhance patient care and education. Among these were:

GO BEYOND (for men with prostate cancer)

A prostate cancer diagnosis can leave many men feeling uncertain, lost, and even disconnected from their sense of self. The journey beyond diagnosis is often filled with questions – what comes next, and how can life be truly lived beyond the disease? **GO BEYOND** is the heart of SPC's **Patient Support Initiatives –** a commitment from Recordati to stand by men as they navigate this new chapter, providing robust resources containing the knowledge, tools, and guidance needed to help men regain confidence, purpose, and a renewed sense of identity. With practical strategies, SPC strives to offer comprehensive physical and psychological support—equipping men with the skills to take control, rebuild their strength, and embrace life beyond cancer.

THE CANDID BOOK (for families of people living with schizophrenia)

The Candid Book **helps families of people living with schizophrenia** to shape their role as a caregiver, solving dilemmas and answering questions. Written by experts in the field, the authors speak directly to everyone affected by schizophrenia, regardless of the role they play.

ANTI-CYBERBULLYING CAMPAIGN

In an era where digital presence is an integral part of young people's daily lives, cyberbullying is not just a social issue but a real threat to mental health and wellbeing, affecting up to 30% of students in Italy, with hundreds of cases reported to the police each year.
With its core message **"Feel the Care"**, Alovex®—Recordati's leading brand for mouth ulcer treatment—extended its commitment to protection and wellbeing beyond physical discomfort. Recognizing that **cyberbullying**, much like mouth ulcers, **causes pain and distress that often goes unnoticed**, the brand took action to support teenagers facing this issue.
In partnership with Bulli Stop, a specialized association, the campaign launched in December 2023 in Rome with an event at a high school. The initiative shed light on the severe consequences of cyberbullying through first-hand victim testimonies, followed by a series of interconnected activities aimed at raising awareness and encouraging affected students to seek help.
The initiative led to a 70% increase in requests for help to the Bulli Stop Association, with a growing number of schools eager to promote awareness, plus remarkable digital engagement metrics.

RARE DISEASES

The Rare Diseases (RD) business unit develops, produces and markets drugs for the treatment of rare diseases, operating globally and dedicated entirely to serving patients suffering from these diseases.

An orphan drug is a medicinal product specifically developed to treat a rare disease. According to the European definition, a rare disease is defined as one that affects fewer than one in 2,000 people or, based on the American definition, fewer than 200,000 people in the U.S.. Over 30 million people are affected in Europe alone. There are currently over 7,000 known rare diseases, but approved treatment only exists today for fewer than 10% of them.

Recordati operates in the rare disease segment worldwide through Rare Diseases, a entirely dedicated business unit to the research, development and marketing of medicines for the treatment of rare diseases, which share the conviction that every person with a rare disease has the right to the best possible treatment. Its business is mainly in three treatment areas: metabolic (after the acquisition of Orphan Europe and the portfolio of Lundbeck products in the U.S.), endocrinology (following the 2019 acquisition of the products Signifor® and Isturisa® from Novartis) and hema-oncology (following the 2022 acquisition of EUSA Pharma and the November 2024 acquisition of Enjaymo®).

RD works closely with specialists, health care professionals, patients, their families and associations to spread knowledge, improve diagnosis and treatment, and enable access to treatment by supporting patients. Rare Diseases has developed a global presence through its network of subsidiaries and highly qualified distributors. It operates directly in Europe, the US – which, in 2023, became the largest overall business for the Recordati Group - Russia, the Middle East, Türkiye, and North Africa, Canada, Mexico, Colombia, Brazil, Japan, Australia, New Zealand, China and South Korea, as well as through selected partners in a number of other countries, covering 98 countries worldwide. Recordati also has a facility in Nanterre (Paris, France) dedicated to packaging, storing and shipping these drugs. This direct distribution and packaging system effectively guarantees the rapid availability of these specialties around the world, in ad hoc quantities and packaging.

A significant commitment is continually being made to enhance and extend the product portfolio for rare diseases, both with molecule development programs in the pipeline, and by acquiring late-stage-development or already-marketed compounds. Work is also ongoing in the life-cycle management of the compounds currently sold and on formulation improvement projects.

Historically focused on rare genetic metabolic illnesses, acquired through the acquisitions of Orphan Europe in 2007 and Lundbeck product portfolio in U.S. in 2012, the Rare Diseases portfolio was expanded with the acquisition of additional important specialties in rare endocrine diseases through the acquisition of Signifor®, Signifor LAR® (pasireotide) and Isturisa® (osilodrostat) from Novartis in 2019, and further expanded with the acquisition of EUSA Pharma that was completed in March 2022, adding four drugs for the treatment of rare and niche oncological diseases. In November 2024, Enjaymo® (sutimlimab) was acquired from Sanofi, thus complementing the oncology portfolio.

RD provides medicines across three **main therapeutic areas**:

- **Endocrinology** - Recordati expanded into important endocrine specialty treatment areas in 2019, which included conditions such as Cushing's Disease / Syndrome and Acromegaly, both rare conditions that can have a significant impact on quality of life. The expansion was part of the acquisition of Signifor®, Signifor LAR® and Isturisa® from Novartis. Access to Isturisa® treatment continues to expand globally with the approval of the New Drug Application (NDA) in China achieved in September 2024 and the filing for expansion of label to CS for Isturisa® in US in July 2024.
- **Hema-Oncology** - The business expanded into rare oncological conditions through the acquisition of EUSA Pharma in March 2022, adding important treatments that cover rare and niche oncological diseases, the main ones being Qarziba® (dinutuximab beta) for high-risk neuroblastoma, Sylvant® (siltuximab) for idiopathic Multicentric Castleman Disease and Fotivda® (tivozanib), indicated in advanced Renal Cell Carcinoma. Access to these treatments continues to expand internationally; for example, in 2024 discussions progressed with the FDA in the US regarding the potential regulator path for the Biologics

Licence Application for Qarziba®, a product already present on the market in Europe and other countries. In November 2024, Recordati entered the hematology space with the acquisition from Sanofi of Enjaymo® (sutimlimab), the only approved targeted product to treat Cold Agglutinin Disease (CAD), a rare B-cell lymphoproliferative disorder.

- **Metabolic -** The activity on rare genetic metabolic illnesses, with an initial presence in 2007 mostly in Europe and the MENA region, has expanded its scope into the U.S. in 2012. Cystadrops® (cysteamine hydrochloride), Carbaglu® (carglumic acid) and Panhematin® (human hemin) form the core of the business's legacy metabolic products, to which Ledaga® (chlormethine hydrochloride) was added in 2018. Recordati continues to expand access to these treatments, with Carbaglu® launched in 2023 in China for the treatment of hyperammonia associated with NAGS deficiency and organic acidemias, a set of rare metabolic conditions characterised by raised levels of ammonia in the blood which can be extremely toxic to the brain in infants, children and adults.

Rare Diseases continually develops new specialties and new indications within its portfolio originating either internally or acquired through development agreements with other pharmaceutical companies and research institutes across its three focus areas.

The main products for rare **endocrine conditions** are listed in the table below:

Nome	Principio Attivo	Indicazione
SIGNIFOR® and SIGNIFOR® LAR	Pasireotide	Treatment of Cushing's disease and acromegaly
ISTURISA®	Osilodrostat	Treatment of Cushing's disease (U.S.) and Cushing's syndrome (European Union, Japan Switzerland).

Within Cushing's syndrome (CS), Cushing's disease (CD) is a severe endocrine disease caused by a pituitary adenoma, an enlargement in the pituitary gland that results in over-production of cortisol by the adrenal glands. Other causes of endogenous Cushing's syndrome include rarer conditions such as adrenal adenoma, ectopic corticotropin syndrome and ACTH independent macronodular adrenal hyperplasia. This condition is associated with increased morbidity and mortality. Acromegaly is caused by an overexposure to growth hormone, which leads to the production of insulin-like growth factor-1. The most common cause of acromegaly is pituitary adenoma.

Signifor® contains the active substance pasireotide, a somatostatin analogue. The human body naturally produces somatostatin, which blocks the production and release of certain hormones, including ACTH. Pasireotide works in a very similar way to somatostatin. Signifor® is thus able to block the production of ACTH, helping to control the overproduction of cortisol and improve the symptoms of Cushing's disease.

Isturisa® is an innovative drug for the oral treatment of endogenous Cushing's syndrome. The relevant marketing authorisation was granted by the European Commission in January 2020 and approval was obtained in the U.S. in March 2020.

The active substance in Isturisa® is osilodrostat, a cortisol synthesis inhibitor. Osilodrostat works by inhibiting 11-beta-hydroxylase, an enzyme responsible for the final step of cortisol biosynthesis in the adrenal gland. The benefits of Isturisa® are its ability to control or normalise cortisol levels in adult CS patients with a manageable safety profile, making this product a valuable treatment option for patients with Cushing's syndrome.

Isturisa® was launched in the U.S., France and Germany in 2020. Geographic expansion continued into other European markets in 2021. In March 2021, the Japanese Ministry of Health, Labor and Welfare approved Isturisa® for the treatment of patients with endogenous Cushing's syndrome, when pituitary surgery is not an option or has not been curative. The product was also successfully launched in Japan where it is reimbursed for Cushing's Disease patients.

To manage this new and promising endocrinology product range, Recordati established the Recordati AG Rare Diseases Branch in Basel (Switzerland), which is also responsible for the marketing of the product Ledaga®.

The main products in the **rare hema-oncological segment** are shown in the table below:

Name	Active Ingredient	Indication
QARZIBA®	dinutuximab beta, anti-GD2 monoclonal antibody	Treatment for high-risk neuroblastoma in patients aged 12 months or older, with at least partial response to chemotherapy induction, followed by myeloablative therapy and stem cell transplant
SYLVANT®	siltuximab, anti-IL-6 monoclonal antibody	Treatment for idiopathic Multicentric Castleman's Disease (iMCD) in the adult population
FOTIVDA®	tivozanib, highly selective oral inhibitor of tyrosine kinase (TKI) for vascular endothelial growth factor (VEGF) receptors 1, 2 and 3	First-line treatment for advanced renal cell carcinoma (RCC).
CAPHOSOL®	mouthwash with supersaturated electrolytic solution of phosphate and calcium ions	Prescription medical device for treatment of oral mucositis due to chemo and radiation therapy
ENJAYMO®	sutimlimab, c1s complement inhibitor monoclonal antibody	Treatment of hemolysis in adults with cold agglutinin disease (CAD)

Qarziba® (dinutuximab beta) is an anti-ganglioside-D2 (GD2) monoclonal antibody approved and sold for the treatment of high-risk neuroblastoma in patients aged 12 months or older who have undergone chemotherapy induction, with at least partial response, followed by myeloablative therapy and stem cell transplant and in patients with a clinical history of recurrent or refractory neuroblastoma. Qarziba is approved in the European Union, United Kingdom, Australia, Brazil, China, Hong Kong, Israel, Russia and Taiwan and distributed in other areas globally through managed access programs. Neuroblastoma is a rare type of cancer originating in the nervous system. It is the most common form of solid extra-cranial tumors diagnosed in patients under 15, representing around 7% of pediatric tumors. Approximately 50% of these patients receive a diagnosis of high-risk neuroblastoma, the type with the worst prognosis. Used as maintenance therapy, Qarziba has shown a significant increase in total survival at five years.
Sylvant® (siltuximab) is a mAb anti-interleukin-6 (IL-6) authorized for the treatment of idiopathic Multicentric Castleman's Disease (iMCD). Supplied globally, it is approved in over 40 countries, including the European Union, U.S. and China.
Castleman's Disease is a rare disease that affects the lymphatic system. Idiopathic Multicentric Castleman's Disease (iMCD) is a type of Multicentric Castleman's Disease for which the cause is unknown. Only three or four people out of every one million in the general population are diagnosed with iMCD each year. It can affect anyone, male, female, adult or child, but most people with iMCD are 45 or older. Sylvant® is the only IL-6 targeted therapy approved and recommended for iMCD, with the aim to support a durable tumor and symptomatic response.
Fotivda® (tivozanib) is a VEFG 1, 2 and 3 (small TKI molecule) blocker authorised for first-line treatment of advanced renal cell carcinoma (aRCC). Fotivda is supplied in Europe, Asia and Oceania, Africa and Latin America.
Renal cell cancer (also known as kidney cancer and renal cell adenocarcinoma) is a disease in which malignant cells (cancer) are found in the lining of tubules (very small tubes) in the kidney. Renal cancer represents, 5% and 3% of all newly diagnosed tumors in men and women, respectively. Over 90% of renal tumors are renal

cell carcinoma (RRC). RCC is one of the 10 most common tumors globally. Fotivda is intended to support survival in patients free of progression.

Caphosol® (electrolytic calcium phosphate solution) is available in ampules or in dispersible form. It is licensed and marketed by Recordati UK LTD for the treatment and prevention of oral mucositis, a complication due to cancer treatments (including radiation and chemotherapy). It is supplied globally and approved in China, European Union, United Kingdom and the U.S.

Oral mucositis is diagnosed when the mouth is painful and inflamed. It is a common side effect of chemotherapy and radiation for cancer.

Enjaymo® (sutimlimab) is a humanised monoclonal antibody that is designed to selectively target and inhibit C1s in the classical complement pathway, which is part of the innate immune system. By blocking C1s, Enjaymo® inhibits the activation of the complement cascade in the immune system and inhibits C1- activated hemolysis in CAD to prevent the abnormal destruction of healthy red blood cells. Enjaymo® was approved by the U.S. Food and Drug Administration (FDA) in February 2022 as the first and only treatment indicated to decrease the need for red blood cell transfusion due to hemolysis in adults with CAD. The Japanese Ministry of Health, Labor and Welfare approved Enjaymo® in June 2022, and the European Medicines Agency (EMA) approved the product in November 2022.

The **main products** in the rare **metabolic and other disease treatment areas** (excluding endocrinology and oncology), are shown in the following table:

Name	Active Ingredient	Indication
CARBAGLU®	carglumic acid	Treatment of hyperammonemia due to N-acetylglutamate synthase deficiency (NAGS deficiency) and some organic acidaemias (isovaleric acidaemia, methylmalonic acidaemia and propionic acidaemia)
NORMOSANG® PANHEMATIN®	human hemin	Treatment of acute attacks of hepatic porphyria
CYSTADANE®	betaine anhydrous	Treatment of homocystinuria
CYSTADROPS®	cysteamine hydrochloride	Treatment of the ocular manifestations of cystinosis
JUXTAPID®	Lomitapide	Treatment of homozygous familial hypercholesterolemia (HoFH)
CYSTAGON®	cysteamine bitartrate	Treatment of nephropathic cystinosis
LEDAGA®	chlormethine hydrochloride	Treatment of mycosis fungoides (MF), T-cell cutaneous lymphoma (CTCL)
PEDEA® NEOPROFEN®	IV ibuprofene	Treatment of patent ductus arteriosus (PDA)

Carbaglu® (carglumic acid) is an orphan drug approved in the European Union by the European Commission and in the U.S. by the Food and Drug Administration (FDA) for the treatment of hyperammonemia due to N-Acetyl Glutamate Synthase (NAGS) deficiency. NAGS deficiency is an extremely rare inherited metabolic disorder affecting the urea cycle which leads to accumulation of ammonia in the blood.

If not adequately and quickly treated, NAGS-D can cause irreversible brain damage, coma, and eventually death. Carbaglu® provides specific treatment for this genetic disorder, treating the patient's lifelong disorder. In 2011, Carbaglu® obtained approval in the European Union to extend its indications to treat hyperammonemia due to the three main organic acidemias (OAs): isovaleric acidemia, methylmalonic acidemia and propionic acidemia. In 2014, Carbaglu® was granted Orphan Drug Designation (ODD) by the FDA for its use in the treatment of OA. Regulatory approval was obtained in Canada in 2020, and in January 2021, the FDA in the U.S. gave its approval for propionic and methylmalonic acidemia. In June 2023, Regulatory approval for Carbaglu® was obtained in China.

Juxtapid® (lomitapide) is a microsomial protein inhibitor for transferring N-triglycerides. It was approved by the Japanese Ministry of Health in September 2016 on an exclusive marketing basis because it is an orphan product, to treat patients affects by homozygous familial hypercholesterolemia. Homozygous familial hypercholesterolemia is a serious genetic disease that inhibits the functioning of the receptor responsible for removing LDL ("bad") cholesterol from the body. This failed functioning of the LDL receptor causes a sharp rise in blood cholesterol levels. Patients affected by this condition tend to develop premature and progressive atherosclerosis (narrowing and blockage of the arteries).

Cystadrops® are the first cysteamine-based eye drops, administered four times a day. These were approved in the European Union in 2017 and in the U.S. in 2020 for the treatment of the ocular manifestations of cystinosis in adults and children from two years of age. Cystadrops® was designated an orphan drug by the European Commission with effect from November 2008. Cystinosis is a rare and very serious congenital condition that could be fatal. Cystinosis is characterized by a cystine crystal build-up, causing damage to all the organs in the body, especially the kidneys and eyes. Cystine crystal deposits begin in the cornea, progressively causing hypersensitivity to the light (photophobia), a deterioration to the surface of the cornea (keratopathy) and blindness. Systematic treatment with orally-administered cysteamine benefits patients suffering from cystinosis. Nonetheless, orally-administered cysteamine does not adequately resolve ocular manifestations of cystinosis due to the absence of corneal vascularisation. If adequate and ongoing topical ocular treatment is not received, the cystine crystals build up in the cornea with serious ophthalmic consequences, which could lead to blindness over time.

Panhematin®/Normosang® (human hemin) is a drug for the treatment of acute attacks of hepatic porphyria. Porphyria are rare genetic diseases, which present with acute and often painful crises, requiring immediate medical attention. Panhematin®/Normosang® is therefore an emergency treatment drug and is recognized as the treatment of choice to reduce the crisis and prevent possible neuropathic complications. The product was approved under the Normosang® brand in Europe, and Panhematin® brand in the U.S..

Focusing on the Few: RD's 2024 Patient Support Initiatives

Rare Diseases is involved in several initiatives aimed at supporting patients and patient associations for people affected by rare diseases, which help to facilitate access to orphan drugs and treatment centres. Recordati's orphan drug specialists actively collaborate with the medical community to facilitate dialogue between hospitals with limited expertise in rare diseases and specialist medical centres able to diagnose and treat rare conditions in an appropriate manner. Also, in the context of facilitating access to treatments, in 2024 Rare Diseases continued to support two programmes to provide assistance to patients eligible to receive support for the costs related to its products: the **Patient Assistance Program** and the **Co-Pay Assistance Program**.

In 2024, Rare Diseases continued to work closely with rare disease communities to increase awareness of rare diseases, leading to improved diagnosis, and expanding availability of treatments for those affected. It pursued this goal, for example, through meetings with healthcare professionals, providing disease education to raise awareness (e.g. printed and digital brochures, websites and videos, but also through the Patient Advocacy Liaison programme for patients who are taking our products) and actively participating in scientific conferences. The business was also involved in various collaborations with groups and associations (such as the American Porphyria Foundation, HCU Network America and Castleman Disease Collaborative Network) to provide disease education to patients and sponsor awareness-raising days. In countries with a lack of infrastructure and with a considerable level of poverty, Rare Diseases covered for the diagnostic exams required to identify some of the conditions affecting our patients, thus implementing a key initiative to accelerate diagnose of rare and complex diseases.

The **Recordati Rare Diseases Foundation** was established to provide independent and unconditional support for training programmes aimed at the scientific community in the field of rare diseases. The overall objective is to share experience in the diagnosis, management and outcome of rare disorders, giving specialists the opportunity to broaden their expertise, develop new ideas and establish scientific relationships.
A number of live events are held each year bringing together patients and patient association testimonials, clinicians and scientists from all over the world to discuss innovations, new diagnostic and management strategies.
In 2024, three live medical education courses were organised in Endocrinology and Inborn Errors of Metabolism, confirming the role of the Foundation as a key player in medical education in these fields.

Our commitment to the patient community

At Recordati we focus on the few, those affected by rare diseases, and we believe that every single patient has the right to the best possible treatment. Patients with rare diseases are our top priority. They are at the core of our planning, our thinking and our actions.

For us, patient centricity represents a partnership with the patient community, ensuring that their voices are integral to creating effective, patient-aligned healthcare solutions. This enables RD to prioritise, understand and address the patient community needs, preferences, and experiences. This approach ultimately aims to improve overall health outcomes by aligning medicines with what patients truly need.

*"**The Patient Community"** is a group of individuals who share similar health experiences or conditions and come together to provide mutual support, share knowledge, and advocate for better care. These communities consist of people living with rare diseases, their families and caregivers as well as patient advocates, all with the common goal of improving health outcomes and quality of life for those affected by rare diseases.*

Being patient-centric at Recordati means actively listening to patients, understanding their journey and their struggles, trying to put ourselves in their shoes and shape our plans in a way that we can properly respond to their needs. We actively support and engage with patient organisations globally, in line with policies.

RD has a strong commitment to the early-stage design of clinical trials and research and development where there is a focus on involving patient associations and patient feedback, important for protocol development, as well as exploring life-cycle opportunities to deliver medicines that truly meet the needs of the patients

Our approach towards patients is evident in the projects we initiated during 2024: the **Patient Ambassador Group** and the development of the **Patient Community Charter** together with our patient community. As Patient Ambassadors, we focus on working together with the patient community adding value by listening to their needs and co-creating solutions. In 2024, we made some important steps to formalise this through our Patient Community Charter and actions including our membership of PFMD, staff training to engage and collaborate in an ethically compliant manner, and the development of a fair market value calculator for the patient community that will ensure we commit to remuneration corrected for any services and time that they provide.

Our Patient Community Charter

Our Patient Community Charter underscores our unwavering commitment to embedding the voices and needs of patients with rare diseases into every aspect of our work. This Charter aspires to position Rare Diseases as a trusted partner within the rare disease community, ensuring that patient input meaningfully shapes our actions, decisions, and outcomes. The Charter was developed in the EMEA region, and we plan to extend it globally.

Q bag for children undergoing high risk neuroblastoma treatment (Gold Patient Partnership Index (PPI) award)

Rare Diseases' partnership with the Dutch Childhood Cancer Association (VKKN), as well as the patient community at Princess Maxima Paediatric Oncology Center, The Netherlands, achieved some outstanding real-world results. This partnership began informally as a result of children and their families reporting their experiences undergoing continuous IV immunotherapy for high-risk neuroblastoma (HRNB). Infusion pumps are normally attached to an IV-polls or carried in a shoulder bag. However, both of these options can be restrictive for children. Inspired by one parent of a child undergoing continuous IV immunotherapy, Rare Diseases worked with Princess Maxima Hospital and a specialist design agency to develop a safe and robust backpack for IV pumps, the Q-bag.

Throughout development, children and families were continuously consulted, to ensure the bags were both user-friendly and appealing to the children for whom they were designed, with user feedback prompting multiple revisions. All children with HNRB in the Netherlands now receive a Q-bag for immunotherapy, which has numerous bespoke safety features and personalised design options. We are currently focussed on the roll out of the Q-bag across other territories.

We are proud and privileged to be part of the Q-Bag Project. It was truly a collaborative effort from start to finish from a diverse range of stakeholders, all of which had a simple focus in mind: improving the quality of care for young people undergoing treatment for neuroblastoma.
Entering the PPI was an opportunity for us to inform, refine and benchmark our various patient community partnerships against best practice. Thus, further enabling us to commit to strong collaborative relationships with the rare disease patient community and continue our efforts to co-create sustainable solutions that have a meaningful impact on people living with rare conditions.

In Colombia, our efforts to reach patients have been made since the beginning of our business. We have evolved to provide two significant programmes to serve our community:

1. **Diagnostic Support Program (DSP)** for physicians to reach us when they suspect a patient may have one of our orphan diseases and need diagnostic confirmation.

2. **Patient Support Program (PSP)** where we commit to following up with our patients and educate them and their caregivers in disease, treatment, importance of adherence. We also design annual activities such as workshops and meetings where patients connect with each other to make a stronger network.

COMPANY OVERVIEW

OUR PRODUCT PIPELINE AND FUTURE DEVELOPMENTS

Recordati is committed to continuing to bring innovation forward for the benefit of patients. Commitment, scientific rigour, capability, and highly-specialised personnel support the company in developing new treatments and building an innovative product pipeline. In 2024, Recordati invested € 286 million in research and development (including amortisation arising from the purchase or license of new products), + 11.8% compared to 2023. We are expanding our commitment to researching and developing treatments for rare diseases and have a number of projects in the pipeline in various development phases.

Various collaborations with universities worldwide are in place, with the objective of finding new therapeutic uses for the current treatments, as well as to promote research and development in the more relevant areas (metabolic diseases, endocrinology, oncology).

In 2024, progress was made on the clinical development and life cycle management (LCM) programs of key assets, notably a Phase 2 study for a potential new indication for pasireotide (Signifor®) in PBH (post bariatric hypoglicemia), potential label extension in US for osilodrostat (Isturisa®) into Cushing's Syndrome, discussions with FDA on potential BLA for dinutuximab beta (Qarziba®) in neuroblastoma. We also finalised work on the phase 2 program for REC 0559 in neurotrophic keratitis, which however did not meet its primary endpoint for neurotrophic keratitis.

At the same time, multiple registration and regulatory activities were carried out to maintain and obtain marketing approvals for Recordati products in new territories.

In November 2024, Recordati signed an agreement to acquire from Sanofi the global rights to Enjaymo® (sutimlimab), a groundbreaking biologic and the only approved targeted treatment for cold agglutinin disease (CAD), a rare and debilitating B-cell lymphoproliferative disorder.

Details on key development programs related to the SPC and RD business units are reported in the following sections.

PRODUCT DEVELOPMENT PIPELINE

Name	Indication	Development status
REC 0545	Acute decompensation episodes in maple syrup urine disease (MSUD) or leucinosis	Regulatory process ongoing in EU
ISTURISA®	Endogenous Cushing's syndrome/ Cushing's disease	Approved in the U.S., Europe, Switzerland, Australia, Israel and Japan. Filed in other countries. U.S. regulatory decision for Cushing's syndrome sNDA in mid-2025
pasireotide	Post-Bariatric Hypoglycaemia	Phase II enrolment expected to be completed in mid-2025
CYSTADROPS®	Corneal cystine crystal deposits in patients with cystinosis	Approved in the U.S. and Europe. New, more convenient dropper approved in U.S. at the end of 2024
CARBAGLU®	Hyperammonemia due to NAGS deficiency and to the main organic acidemias	Approved in China
QARZIBA®	Treatment of high-risk neuroblastoma patients who achieved at least a partial response at the chemotherapeutical induction, followed by myeloablative therapy and stem cell transplantation, and of patients with relapsed or refractory neuroblastoma	Approved in the EU, UK, Australia, Brazil, China Hong Kong, Israel, Russia and Taiwan. In the U.S., Recordati is planning further interactions mid-2025 with the FDA.
SYLVANT®	Treatment of idiopathic Multicentric Castleman Disease (iMCD)	Approved in over 40 countries including EU, U.S. and China. Potential indication expansion evaluation ongoing.
REC 0559*	Neurotrophic keratitis	Primary endpoint not met. Development not further pursued

** In-licensed from Mimetech*

TREATMENTS FOR RARE DISEASES

Signifor®/Signifor® LAR (pasireotide) and Isturisa® (osilodrostat)

Recordati made a significant effort to register Isturisa® in other countries and is working on the possible extension of the current indications, including the potential future extension to Cushing's syndrome in the U.S.
In addition, a non-interventional study (LINC6) is being conducted in patients with endogenous Cushing's syndrome who are already being treated with osilodrostat, alone or in combination with other therapies, as well as the pediatric pharmacokinetic study CLCI699C2203 (LINC5).

pasireotide

In alignment with our internal strategic objectives, a Phase II study on pasireotide s.c. for the treatment of patients with Post-Bariatric Hypoglycemia (PBH). Bariatric surgery is an important treatment modality for people with obesity, and one of the important side effects of this is that people may experience episodes of severely debilitating low blood glucose levels. We expect to complete enrollment of the ongoing Phase 2 study in mid 2025.

Carbaglu® (carglumic acid)

This product is an orphan drug approved in the European Union by the European Commission and in the U.S. by the FDA for the treatment of hyperammonemia due to N-Acetyl Glutamate Synthase (NAGS) deficiency. NAGS deficiency is an extremely rare inherited metabolic disorder affecting the urea cycle which leads to accumulation of ammonia in the blood. If not adequately and quickly treated, NAGS-D can cause irreversible brain damage, coma, and eventually death. Carbaglu® provides specific treatment for this genetic disorder, treating the patient's lifelong disorder. Carbaglu® is also indicated in the EU, U.S., Canada and China to treat hyperammonemia due to the three main organic acidemias (OAs): isovaleric acidemia, methylmalonic acidemia and propionic acidemia.
During 2024, recruitment into the Prospective Observational study of long-term carglumic acid for the Treatment of PA and MMA study (PROTECT) continued.

Cystadrops® (cysteamine hydrochloride)

Nephropathic cystinosis is a congenital disorder which affects all the body's organs. Currently, the oral administration of cysteamine (Cystagon®) is the only specific treatment that reduces the accumulation of cystine in various organs and tissues. Special focus is given to cystinosis when it affects the eyes. If quick, continuous and proper treatment is not received, cystine crystals accumulate in the cornea causing visual complications such as photophobia (sensitivity to light), retinal damage, ulcerations and degenerative infections that can lead to corneal erosion and consequent blindness. Whereas Cystagon® has a limited effect on the ocular manifestation of the condition due to the absence of corneal vascularisation, Cystadrops® are gel-based eye drops containing cysteamine chlorhydrate, developed by Recordati for the specific treatment of this condition. This treatment acts directly on the accumulations of cystine crystals in the eyes and therefore reduces and eventually eliminates the crystals, improving the symptoms. Cystadrops® is marketed in European Union countries and in the U.S., where approval has been granted by the FDA. A new more convenient dropper was approved in the U.S. at the end of 2024.
In addition, the Post-Authorisation Safety Study to assess the safety of Cystadrops® in paediatric and adult cystinosis patients in long-term use completed enrolment in February 2023. With five years of follow-up, Recordati expects results in 2028.

Qarziba® (dinutuximab beta)

The product is an anti-ganglioside-D_2 (GD_2) mAb licensed and commercialised for the treatment of high-risk neuroblastoma patients aged 12 months and above, who achieved at least a partial response at the chemotherapeutical induction, followed by myeloablative therapy and stem cell transplantation as well as patients with relapsed or refractory neuroblastoma. Qarziba® is supplied globally and approved in the EU,

UK, Israel, Australia, Brazil, China, Hong Kong, Russia and Taiwan. Neuroblastoma is a rare cancer that originates in the nervous system. It is the most common extracranial solid tumour diagnosed in children under 15 years of age, comprising around 7% of all childhood cancers. Around 50% of patients are diagnosed with high-risk neuroblastoma and this has the worst prognosis. When used as maintenance therapy, Qarziba® has demonstrated a significant improvement in five-year overall survival. Discussions are ongoing with the FDA around potential regulatory path to bring dinutuximab beta to patients in U.S.. Recordati is planning further interactions in mid-2025 with the FDA.

Sylvant® (siltuximab)

The product is an anti-interleukin-6 (IL-6) mAb licenced and commercialised for the treatment of idiopathic Multicentric Castleman Disease (iMCD). Sylvant® is supplied globally and approved in over 40 countries including EU, U.S. and China.
Castleman Disease is a rare disease that affects the lymphatic system and Multi-centric Castleman Disease (MCD) is a sub-type of Castleman Disease. Being 'idiopathic' means that the cause of MCD is not known. Only between three and four people among every million in the general population are diagnosed with iMCD each year. It can affect anyone – males, females, adults and children – although most people with iMCD are above the age of 45. Sylvant® is the only IL-6 targeted therapy approved and recommended for iMCD, with the aim to support a durable tumour and symptomatic response.

REC 0559

REC 0559 was in-licenced to target neurotrophic keratitis, which is a rare degenerative corneal disease caused by an impairment of the trigeminal nerve. In 2024, data from the Phase 2 REC-0559 trial, which completed the enrolment of 108 patients for the treatment of neurotrophic keratitis, showed the primary endpoint of complete corneal healing was not met and accordingly no further development activities are being pursued.

REC 0545

Leucinosis or maple syrup urine disease (MSUD) is a rare metabolic disorder affecting branched-chain amino acids (leucine, isoleucine and valine) caused by a build-up of these amino acids and the corresponding metabolites. The regulatory process is ongoing in the EU.

SPECIALTY & PRIMARY CARE

The main research and development activities in the Specialty and Primary Care segment during 2024 are summarised in the paragraphs below.

Eligard® (leuprorelin acetate)

Quality variations to ensure supply continuity (additional supplier and manufacturing sites) were submitted and approved in the EU in 2024. Rolling submission and approval continue in the non -EU countries.
Safety variations to update the product label according to PRAC recommendation were also approved in EU in 2024.

Zanidip®(lercanidipine)

The re-registration of Lerkamen 10mg and 20mg in Russia, in accordance with the new Eurasian Economic Union regulation, was positively concluded in May 2024. Re-registration of Zanidip-Recordati is currently ongoing.
In June 2024, a new registration application for Zanidip 20mg was submitted in Taiwan.

Zanipress® (lercanidipine/ lercanidipine-enalapril)

Marketing Authorisation for Lerkamen ACE 20-20 mg in Ukrania was granted in June 2024.

Registration of Lerkamen Plus 10+10mg, 10+20mg, 20+20mg in Moldovia and the re-registration of Lerkamen Duo 10-10 mg, 20-10 mg in Russia in accordance with the new Eurasian Economic Union regulation were submitted in September 2024 and are currently ongoing.
The transfer of marketing authorizations (MAT) for Lerkamen Duo 10-10 mg and 20-10 mg to Menarini was approved in Russia in March 2024. The submission for Coripren 10-10 mg was made in Belarus in December 2024.

Seloken®/Seloken® ZOK (metoprolol) and Logimax® (metoprolol + felodipine)

In May 2024, a national notification was submitted in all Nordic countries to change the address of the Local Representative (Recordati AB).
A specific packaging for Great Britain and Northern Ireland has been developed to comply with Windsor Framework guidance following Brexit requirements, effective from January 2025.

Reagila® (cariprazine)

Trials continue aimed at demonstrating the efficacy and safety of cariprazine in adolescents (13-17), with a significant slowdown recorded in patient recruitment due to the effects of the COVID-19 pandemic and the Russian-Ukrainian war.
The Turkish marketing authorizations of Reagila® 1.5 mg, 3 mg, 4.5 mg, 6 mg hard capsules were withdrawn in November 2024.
A variation to update the Summary of Product Characteristics and Package Leaflet in Europe and includes the results of Cypress study (RGH-188-301) concerning the interaction between cariprazine and erythomycin, was approved in August 2024.

Lomexin® (fenticonazole)

The change from prescription only to over-the-counter for 600 mg and 200mg vaginal capsules was submitted in Cyprus in December 2024.
The variation to extend the indication to “treatment of mixed infections with gram positive bacteria” was rejected in Lithuania and withdrawn for DCP procedure in Belgium, Croatia, Cyprus, Denmark, Estonia, Luxembourg, Netherlands and Slovenia.
New registrations for Lomexin 1000mg and 600mg vaginal capsules have been submitted in Gabon, Burkina Faso, Mali, and Madagascar. In Montenegro, the Marketing Authorisation for Lomexin 600mg vaginal capsules was granted in November 2024.
The re-registration of the marketing authorisations of Lomexin 600mg, 1000mg vaginal capsules and 2% cream was submitted in Russia in July 2024. The Marketing Authorisations of Lomexin 1% and 2% cutaneous powder in Italy and Lithuania, Lomexin 2% cutaneous solution and Lorenil 1% and 2% cutaneous solution in Italy, Lomexin 200mg vaginal capsules in Georgia and Azerbaijan and Lomexin 600mg and 1000mg vaginal capsules in Azerbaijan have been withdrawn.

Livazo® (pitavastatin)

The renewal of the marketing authorisation of Livazo® 1, 2, 4 mg film-coated tablets was approved in Kazakhstan in July 2024.
The re-registration of the marketing authorizations for Livazo® 1, 2, and 4 mg film-coated tablets was submitted in Russia in December 2024.
Product information for national registrations in Ukraine and Georgia has been updated to include the PRAC recommendation on Myasthenia.
The product information for national registrations in Belarus and Switzerland has been updated to include the PRAC recommendation regarding interaction with glecaprevir and pibrentasvir.
The SmPC of all European registrations has been updated to reflect pharmacodynamic properties data from the Reprieve study conducted in HIV patients.

Procto-Glyvenol® (tribenoside + lidocaine)

In February 2024, a scientific advice from the German Health Authority (BfArM) was received concerning the development of the enriched formulation of Procto-Glyvenol. Development activities are currently ongoing.

Urorec®, Silodyx® and Silodosin Recordati (silodosin)

The variation to include Çerkezköy manufacturing site for silodosin hard capsules was submitted to EMA in August 2024.

COMPANY OVERVIEW

OUR INDUSTRIAL OPERATIONS

The company operates several state-of-the-art production sites where the manufacturing of finished products and active ingredients has been closely linked with pharmaceutical activities since the beginning of the company's history.

In 1926, Giovanni Recordati transformed the family-run pharmacy and adjoining chemical laboratory into the "Laboratorio Farmacologico Reggiano", resulting in the birth of Recordati as a Chemical Pharmaceutical Industrial Company. In 1952, the pharmaceutical production and research activities moved from Correggio to Milan. Since then, innovation and internationalisation have been core to Recordati's growth. In 1963, the new pharmaceutical chemicals plant in Campoverde di Aprilia was born, replacing the chemical plant in Correggio.

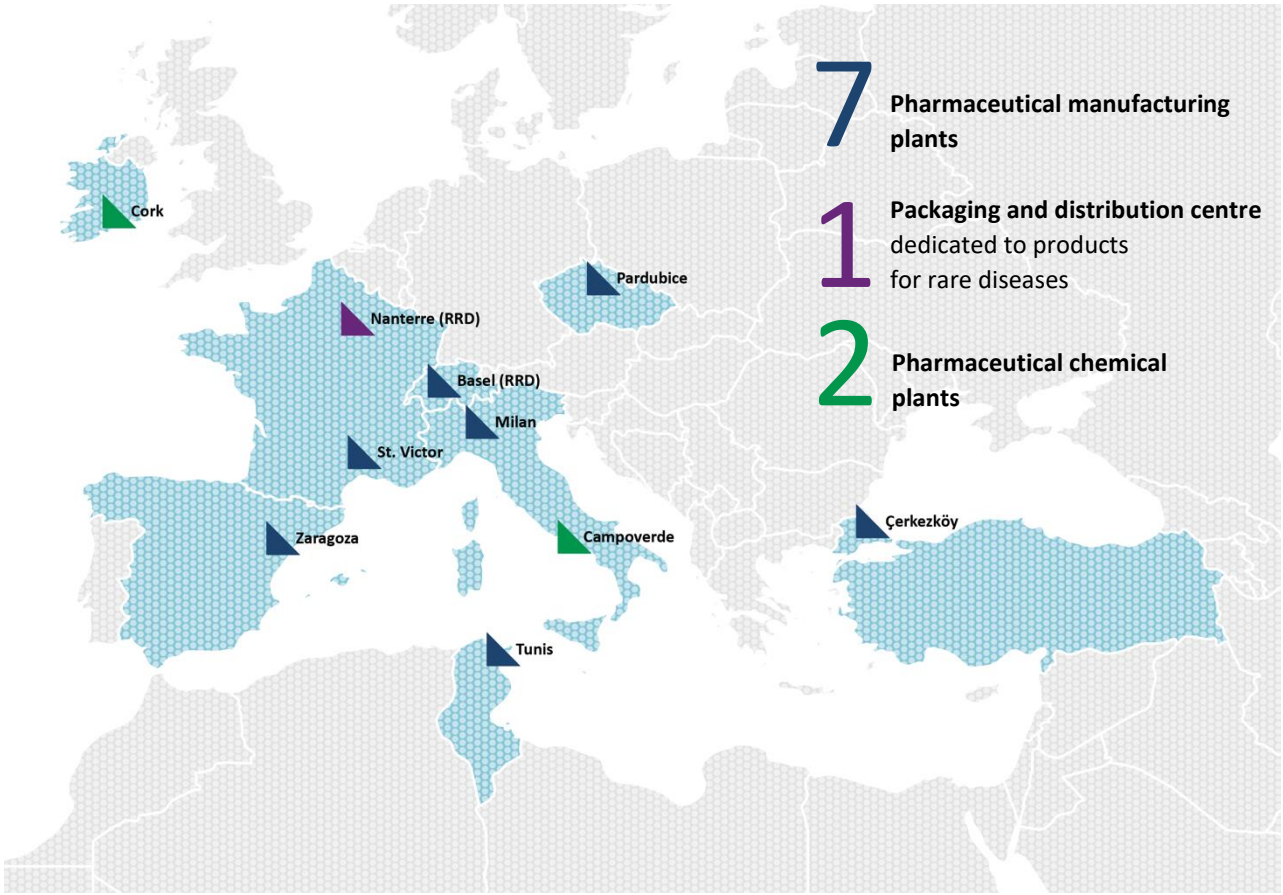
Recordati currently has 10 manufacturing sites across the world, producing various pharmaceutical forms.

The company also operates a global network that includes over 150 contract manufacturing organisations (CMOs) and 50 warehouses, delivering more than 340 million units of medicines and therapies worldwide.

RECORDATI INDUSTRIAL OPERATIONS GLOBAL INFRASTRUCTURE

PRODUCTION SITES

Recordati's production sites are equipped with state-of-the-art installations and their research laboratories are fitted with the latest equipment. All plants operate in full compliance with environmental protection regulations and cGMP (current Good Manufacturing Practices).



Recordati has **seven pharmaceutical production facilities**, located in the Czech Republic, France, Italy, Spain, Switzerland, Türkiye and Tunisia, all of which operate in full compliance with environmental protection regulations and current Good Manufacturing Practice (cGMP).

Recordati also has **one packaging and distribution centre** dedicated to rare disease products in Nanterre (near Paris), France. The site delivers, at short notice, more than 27,000 orders annually to more than 60 countries worldwide.

The Group also produces several active ingredients and intermediates for the pharmaceutical industry at **two pharmaceutical chemical plants**: one in Campoverde di Aprilia and the other in Cork, Ireland. The key focus of Recordati's pharmaceutical chemicals business is providing quality Active Pharmaceutical Ingredients (API) for some of the company's key drugs across both business units, with residual capacity made available to manufacture and commercialise APIs to third party customers worldwide.

The pharmaceutical chemicals business focuses on:

- striving for maximum product quality, safety of production processes, protection of the environment, health and safety in the workplace,
- meeting the requirements of the Recordati pharmaceuticals business,
- strengthening the company's presence in highly regulated markets, like the U.S., European and Japan.

PHARMACEUTICAL MANUFACTURING PLANTS

Italy

The Milan site occupies a surface area of around 5,000 sq. m., built vertically over a number of floors for a total of 21,000 sq. m. and produces more than 70 million units per year. It is specialised in the manufacturing and packaging of solid oral forms, liquids and semisolids for topical use. Recordati has undertaken a restructuring project in certain production areas, including the installation of a new blister packaging line, which has been added to the five already in place with potential additional free capacity.
Certain products are manufactured at the Milan site (lercanidipine, enalapril + lercanidipine, silodosin, tribenoside, pitavastatin and metoprolol – in the case of these two latter, only packaging is done) for all the markets in which they are sold. In 2024, a project to insource the manufacturing step of some products was approved.

France

The plant at Saint Victor covers 6,750 sq. m. and produces up to around 30 million units per year. It is specialised in the production and packaging of liquid, solid oral and spray formulations. Certain products are manufactured at the French site (Abufene®, Hexaspray® and Hexalise®) for all the markets in which they are sold.

Spain

The Spanish plant is located near Zaragoza covering a surface area of 7,100 sq. m. and produces around 24 million units a year. It is specialised in the production and packaging of solid, liquid oral and topical formulations. In particular, the plant manufactures a line of gastroenterological products; furthermore, a packaging line was installed and approved few years ago for the packaging of tablets in bottles. In 2024, the full insourcing of packaging step of Metoprolol tablets in bottle was finalised.
In relation to Recordati's environmental commitment, the project to install a photovoltaic solar panel system with the capacity to generate up to 185 kWp of electricity for self-consumption has been successfully completed; in 2023, a new project for increasing the capacity up to around 480 kWp started with the aim to complete it during 2025.

Türkiye

The Turkish site is in Çerkezköy, Türkiye, built on 45,000 sq. m. of land, and covers approximately 11,300 sq. m. It currently produces up to around 70 million units per year of solid oral and liquid formulations and products for topical use, of which 25% are for other pharmaceutical companies. The project for the installation of a new liquid line started in 2023 and will be completed in 2025 allowing a significant increase of the production capacity and increasing internalisation of some liquid forms. Additionally, an investment of a new blister line was approved to insource other two products and support the organic growth.
The Çerkezköy plant is authorized to produce medicines for the European Union, Azerbaijan, Libya, Kenya, the Russian Federation, Kyrgyzstan and Kazakhstan, as well as the Turkish market.
In relation to Recordati's environmental commitment, the project to install a photovoltaic solar panel system with the capacity to generate around 480 kWp of electricity for self-consumption was completed in 2024.

Tunisia

The plant is situated in Ariana, near Tunis. It covers an area of around 9,100 sq. m. and produces around 19 million units a year of liquid, semi-solid and oral solid forms for the local market and for some of the countries in the Arabian Peninsula. Certified GMP compliant, the manufacturing site is approved by the Gulf Health Council and the Saudi Food and Drug Authority.
In 2023, a project to expand the existing warehouse was approved; in 2024 all the detailed engineering was developed and the permit for construction was obtained. It should be completed by the end of 2026.
Additionally, the investment for a new automatic blister and cartoner machine was approved and the line will be fully operational in 2025.
In relation to Recordati's environmental commitment, the project to install a photovoltaic solar panel system with the capacity to generate up to around 740 kWp of electricity for self-consumption already started in 2023 and will be completed in 2025.

Switzerland

The facility, acquired in 2022 in the context of agreements with Novartis for the acquisition of the rights to Signifor, is located in the north-western part of Switzerland, in Basel (within the Novartis Campus). The plant covers an area of approximately 1,500 sq. m. Since the successful qualification in 2012 and GMP certification by Swissmedic, it is used for commercial production of Signifor® LAR Bulk.

Czech Republic

The plant, situated in Pardubice, produces creams, gels and ointments for a total of around two million units per year.

PACKAGING AND DISTRIBUTION CENTER DEDICATED TO PRODUCTS FOR RARE DISEASES

A packaging and distribution site in Nanterre, near Paris, is entirely dedicated to secondary packaging, storage and shipping of rare disease products. It occupies a surface area of 1,600 sq. m. The site delivers, upon short notice, more than 27,000 orders annually to more than 60 countries worldwide thanks to its highly qualified staff and a modern GDP (Good Distribution Practices) certified logistics platform.

In 2025, the plant will begin insourcing of secondary packaging activities of Enjaymo® for the European market.

PHARMACEUTICAL CHEMICAL PLANTS

Italy

The Campoverde di Aprilia plant in Italy mainly supplies the active ingredients used in the preparation of the various pharmaceutical specialties produced by Recordati but it is also a well-established independent producer of a number of active and intermediate ingredients for the international pharmaceutical industry. It is one of the first European facilities to undergo inspections by the U.S. Food and Drug Administration (FDA). The U.S. has become, and continues to be, the primary outlet market for its production. The Campoverde site extends over approximately 375,000 sq. m., with an operational area of 35,000 sq. m., and produces approximately 600 MT/year of finished goods with approximately 4,000 MT/year of semi-finished goods handled internally.

High-tech systems are employed to manage particularly delicate processes and investments are continuously made to enhance the technological and production capacity of the plant.

The Research & Development laboratories are fitted with the latest equipment providing high containment and innovative synthetic technologies. The extremely versatile pilot plant is equipped for the small-scale production of active ingredients, in accordance with cGMP, significant investments were made to expand the range of technologies and operating conditions.

The plant operates in compliance with current Good Manufacturing Practice (cGMP) and is regularly inspected or surveilled by national and international authorities such as AIFA (Agenzia Italiana del Farmaco), the FDA (Food and Drug Administration), ANVISA (the Brazilian agency), PMDA (the Japanese Ministry of Health), and the KFDA (Korean Food and Drug Administration). The environmental management system is certified according to the UNI EN ISO 14001:2015 standards, and is inspected on an annual basis.

In 2022, the technology transfer of osilodrostat, Isturisa's API, manufacturing process was completed. Validation batches were flawlessly manufactured and the regulatory file submitted to the Authorities. The manufacturing licence was granted in 2023 by the Italian Ministry of Health.

Various initiatives to recover and re-use chemical raw materials used in production processes are in place. At the site, Recordati has also started a three-year project aimed to the installation of a 10 MWp photovoltaic power generation facility and to the downsizing of the methane-based cogeneration unit currently operated. These measures will provide a significant reduction of the Recordati carbon footprint, also triggered by an increasingly efficient use of electric power.

Ireland

To guarantee adequate and continuous supply of active ingredient lercanidipine HCl, in 2005, a new dedicated plant was built in Cork, Ireland. This facility has an automated process control system which ensures constant high-quality production. The plant is certified to cGMP (current Good Manufacturing Practice) standards and covers a surface area of around 43,000 sq. m., with an installed area of 8,300 sq. m. The continuous commitment to reduce and improve the use of energy was recognised in 2012 with the National Energy Efficiency Award, which is promoted by the Sustainable Energy Authority of Ireland (SEAI), and in 2013 by the European Energy Efficiency Award, promoted by the Chemical European Federation Industry Council (CEFIC). In 2016, the site was extended, enlarging the two buildings housing the administration and quality control laboratories. Photovoltaic panels for the generation of electricity were installed in 2022 for a total area of 1,100 sq. m. providing 10% of the site electricity demand. Additionally, in 2024, a digital manufacturing project using Artificial Intelligence was initiated to enhance efficiencies and optimise chemical processes by leveraging the plant's high level of automation.

OPERATIONAL EXCELLENCE AND DIGITISATION PROGRAM

Operational excellence underpins every aspect of Recordati's Industrial Operations strategy. By fostering a culture of continuous improvement, in 2024 it:

- Implemented Lean and Six Sigma methodologies across our manufacturing sites, resulting in measurable improvements in efficiency and waste reduction.
- Standardised key operational processes globally, enhancing consistency, compliance, and performance.
- Conducted regular cross-functional reviews to identify and act on opportunities for process optimization.

These initiatives contributed to the improvement in overall equipment effectiveness (OEE) and a significant reduction in operational downtime.

Digital innovation remains a cornerstone of Recordati's Industrial Operations, and a digitisation program is ongoing in all industrial areas.

Furthermore, in the Cork plant, a digital manufacturing project based on the use of Artificial Intelligence was launched in 2024, leveraging the high level of plant automation to identify efficiencies and to further optimise the chemical processes.

The way forward is to expand digital integration across the supply chain, leveraging advanced analytics and AI-driven insights to further enhance decision-making and operational efficiency.

QUALITY AND SAFETY

A permanent effort is made to keep production lines and areas at the forefront of technology, with relevant investments aimed at continuously improving QHSE management and developing production capacity, efficiency and flexibility in order to offer the highest possible levels of patient health and safety.

All medicinal products are produced in accordance with the provisions of Good Manufacturing Practices (GMPs) in plants authorised by the relative local and non-European regulatory bodies. The Group's plants periodically undergo inspections and audits to ascertain compliance with current legislation and applicable procedures. Furthermore, all third-party production facilities used by Recordati are subject to periodic audits, verifying the existence of the necessary regulatory authorisations required and ascertaining that all manufacturing and control activities are conducted in compliance with GMPs.

Manufacturing processes at Recordati's sites involve rigorous and complete preliminary controls of the batches of raw materials and packaging materials received. This occurs before their use in the established manufacturing and packaging processes. In almost all cases, these controls are conducted at the Quality Control laboratories located within our plants. If external laboratories are used, these are selected and monitored according to the same rigorous procedure adopted by Recordati for third-party manufacturing facilities. In both cases, the Quality Control laboratories must be expressly authorised and certified to perform these control activities, with inspections performed by national and international regulatory agencies. Each batch of medicines is subject to a preliminary quality control procedure prior to its release onto the market, with the approval for distribution granted only in the event that the batches comply completely with the specifications authorised by the relevant Regulatory Authorities.

TECH TRANSFER AND LIFE-CYCLE MANAGEMENT

Thanks to a systematic process of transferring knowledge, skills, technologies and of managing the entire life cycle of a product from its conception, through design and manufacture to service, a rich portfolio of Technology Transfer projects are in place with great ambitions.
The projects range across RD and SPC business units, both on traditional technologies and biotechnologies. They focus on manufacturing and control processes by ensuring the supply quality and continuity, improving batch losses, yield and enabling increasing production.

Furthermore, small molecules and biotech are two main categories of on-going TT projects. The first category focuses primarily on process scale-up, analytical and manufacturing methods transfer as they may involve modifying reaction conditions or integrating continuous manufacturing technologies. On the other hand, Technology Transfer in biotech, on top of the classical analytical and manufacturing methods transfer, focuses heavily on ensuring product consistency, as even slight variations can impact safety and efficacy, covering, for example, cell line and culture process transfer, upstream and downstream process transfer biosafety and contamination control.

COMPANY OVERVIEW

OUR RESPONSIBLE GROWTH

Recordati has a long history of entrepreneurial passion, a strong reputation and a desire to continue growing and creating value in an ethical, enduring and sustainable way. It pursues these goals in accordance with the laws and regulations in each of the countries in which it operates, protecting people and the environment and supplying safe, high-quality products.

To pursue a sustainable long-term growth model, Recordati integrates ethical, social and environmental aspects into its corporate strategy and has produced a Group Sustainability Plan setting out its commitment and qualitative and quantitative targets for five key areas: patient care, people care, environmental protection, responsible sourcing, ethics and integrity.

Based on these strategic pillars, in 2024, Recordati continued to generate value for all stakeholders, achieving impressive results.

In particular, Recordati is committed to serving patients and constantly offers affordable products through its Specialty & Primary Care business unit and provides innovative treatments that address serious unmet medical needs through the Rare Diseases business unit. In 2024, Recordati provided support to around 1,600 patients living with rare diseases through dedicated care and access to care programmes. The company also continued to work closely with the rare disease community to raise awareness, leading to improved diagnosis, and expand the availability of treatment for people with rare diseases.

Workplace health and safety, environmental protection, and prevention are important priorities of Recordati. A clear and well-defined organisation of roles aimed at protecting the health and safety of workers, combined with a systemic approach in the management of these issues and in safeguarding of the environment and natural resources, allows us to implement a sustainable company policy and to continuously improve the management of activities with the objective of constantly reducing work-related and environmental risks.

The importance of these issues in Recordati's corporate strategy is also clear from the formalisation of the Group Environment, Health and Safety Policy in 2024. This policy establishes the principles for responsible management of Recordati's operations and the impacts on the environment and health and safety in the workplace. It sets out the responsibilities and guidelines that all employees must adhere to. Furthermore, Recordati is committed to propagating and consolidating a culture aimed at safeguarding health, safety and the environment, increasing awareness of risks through information and training initiatives that promote responsible behaviours.

In pursuit of continuous improvement of health and safety in the workplace and the management of environmental impacts, Recordati has created a road map within its sustainability plan for the progressive extension of certification in accordance with ISO 45001 (management of health and safety in the workplace), ISO 50001 (energy management) and ISO 14001 (environmental management) to our main plants.

In line with established goals, Recordati has continued to install solar panels at its various production plants. In 2024, installation of solar panels was completed in Türkiye, reaching installed power of approximately 860 kWp, in addition to systems already installed in 2022 in Ireland and Spain. By 2026, Recordati aims to install further new systems at plants in Italy (Campoverde) and Tunisia, as well as expanding the system in Spain, reaching installed power of 11,000 kWp. Analysing electricity purchased from the grid for our plants, Recordati continues to purchase 100% renewable energy in countries where this is possible. Our commitment in the fight against climate change has also been confirmed with the goal of a 20% reduction in Scope 1 and Scope 2 emissions by 2030.

Integrating sustainability also means promoting values and ethical principles amongst suppliers and business partners. Having concluded a two-year ESG audit plan (2022–2023) with 115 assessments (desk audits) performed by an independent third party, aimed at further strengthening the monitoring of suppliers and fostering observance of ethical, environmental and social considerations throughout the value chain, Recordati set the goal of 150 sustainability audits by 2026, carrying out 50 ESG audits per year (2024–2026). 59 audits were performed in 2024, including follow-up audits.

This year too, we upheld our commitment to society through donations and initiatives with the active involvement of our people.

Recordati's focus and efforts in driving the Group's ESG strategy continued to be recognized by main ESG indices and ratings also in 2024. The company was again included in the FTSE4GOOD Index series and MIB ESG index, run by Euronext and Borsa Italiana. MSCI ESG Research confirmed Recordati's A rating, and the Group was rated C+ with "Prime" status by ISS ESG, awarded to companies with a leading sustainability performance in their industry. Furthermore, Recordati received a "Gold" rating from EcoVadis.

MANAGEMENT REPORT

REVIEW OF OPERATIONS

REVIEW OF OPERATIONS

FINANCIAL HIGHLIGHTS

NET REVENUE

€ (thousands)	2024	%	2023	%	Changes 2024/2023	%
TOTAL	**2,341,559**	**100.0**	**2,082,331**	**100.0**	**259,228**	**12.4**
Italy	336,264	14.4	317,144	15.2	19,120	6.0
International	2,005,295	85.6	1,765,187	84.8	240,109	13.6

KEY CONSOLIDATED P&L DATA

€ (thousands)	2024	% of revenue	2023	% of revenue	Changes 2024/2023	%
Net revenue	2,341,559	100.0	2,082,331	100.0	259,228	12.4
EBITDA[(1)]	865,771	37.0	769,631	37.0	96,140	12.5
Operating income	638,857	27.3	558,008	26.8	80,849	14.5
Adjusted operating income [(2)]	684,416	29.2	626,593	30.1	57,823	9.2
Net income	416,508	17.8	389,214	18.7	27,294	7.0
Adjusted net income[(3)]	568,893	24.3	524,591	25.2	44,302	8.4

(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 and Enjaymo® 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 and Enjaymo® to the gross margin of acquired inventory according to IFRS 3.

(3) 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 and Enjaymo® to the gross margin of acquired inventory pursuant to IFRS 3, and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.

KEY CONSOLIDATED BALANCE SHEET DATA

€ (thousands)	31 December 2024	31 December 2023	Changes 2024/2023	%
Net financial position[(4)]	(2,154,334)	(1,579,424)	(574,910)	36.4
Shareholders' equity	1,876,809	1,686,392	190,417	11.3

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

PER SHARE DATA

€	2024	2023	Changes 2024/2023	%
Net income[(5)]	2.019	1.893	0.126	6.7
Shareholders' equity	9.098	8.186	0.912	11.1
Dividends[(6)]	1.27	1.20	0.07	5.8
SHARES OUTSTANDING:				
Year average	206,316,241	205,634,136		
As of 31 December	206,296,235	206,006,112		

(5) Net income per share is based on average shares outstanding during the year net of average treasury shares. Shareholders' equity per share is based on total shares outstanding at year end. Shares outstanding are net of treasury shares, amounting to 2,828,921 shares at 31 December 2024 and 3,119,044 shares at 31 December 2023. Average treasury shares amounted to 2,808,915 shares in 2024 and 3,491,020 shares in 2023.

(6) The amount for 2024 was proposed by the Board of Directors.

Consolidated net revenue for FY 2024 was € 2,341.6 million, up 12.4% versus FY 2023 or 9.2% on a like-for-like[5] basis at CER. This was driven by strong business momentum across both Specialty & Primary Care and Rare Diseases. The adverse FX impact for FY 2024 was € 26.9 million (-1.3%).

Specialty & Primary Care revenue totaled € 1,449.2 million for FY 2024, growing 10.3% or 5.7% on a like-for-like[5] basis at CER (+2.5% excluding Türkiye). This reflects strong performance from the Urology and uro-oncology franchise with 42.6% growth versus the previous year, driven by the double-digit growth of Eligard® and the € 111.6 million contribution of Avodart® and Combodart®/Duodart®[6]. The Cardiovascular franchise delivered mid-single digit growth, while the Cough and Cold business reflected strong performance in the fourth quarter which brought FY 2024 in-line with FY 2023 levels.

Rare Diseases revenue totaled € 833.9 million for FY 2024, up 16.7% as compared to FY 2023, or 15.7% on a like-for-like[5] basis at CER, driven by Endocrinology and Hema-Oncology. The Endocrinology franchise achieved net revenue of € 321.7 million, an increase of 32.8%, reflecting continued strong new patient uptake of Isturisa® and favorable market dynamics, as well as double-digit growth of Signifor®, driven by Signifor® LAR (~90% of revenue). The Hema-Oncology franchise achieved net revenue of € 253.2 million, an increase of 26.1%, driven by double-digit growth from both Qarziba® and Sylvant® and including a € 10.9 million contribution from Enjaymo® in December 2024. The Metabolic franchise achieved net revenue of € 258.9 million, a decrease of 4.6% mainly due to generic competition for Carbaglu® in the U.S. and EMEA; Metabolic sales are stabilizing, thanks to growth of Cystadrops® and continued penetration in international markets offsetting reducing rate of erosion on Carbaglu®, with slight growth in the fourth quarter of 2024.

EBITDA was € 865.8 million for FY 2024, up 12.5% compared to FY 2023, with margin of 37.0% of net revenue, in line with the previous year. Strong revenue growth and operating leverage were, in part, offset by accelerated investments to support growth of the Rare Diseases growth drivers and product mix.

Adjusted operating income was € 684.4 million for FY 2024, up 9.2% over FY 2023, and 29.2% of net revenue versus 30.1% in the previous year. Operating income was € 638.9 million in FY 2024, up 14.5% over FY 2023, absorbing gross margin-related non-cash charges of € 37.5 million (versus € 58.9 million in FY 2023), arising from the unwind of the fair value step up of acquired Rare Diseases inventory including € 8.2 million for Enjaymo®. Non-recurring costs were € 8.0 million for FY 2024, versus € 9.6 million for FY 2023, reflecting the continued streamlining of sales activities for Specialty & Primary Care.

Financial expenses were € 91.7 million, up by € 24.7 million compared to the previous year, including € 9.3 million in FX losses (mostly unrealized, compared to a gain of € 2.2 million in FY 2023) and € 6.7 million of net monetary losses from hyperinflation accounting (compared to a gain of € 1.5 million in FY 2023) mainly driven by the net effect of the revaluation of Turkish balance sheet items.

Adjusted Net Income was € 568.9 million, 24.3% of revenue, up by 8.4% compared to the same period of 2023, with higher adjusted operating income partially offset by an increase in financial expenses and a higher tax rate (23.9% in 2024 vs. 20.7% in 2023) following a statutory tax rate increase in some countries.

Net income was € 416.5 million, 17.8% of revenue, an increase of 7.0% versus FY 2023, with the higher operating income offset by higher tax rate, financing expenses and amortization charges.

Free cash flow, operating cash flow excluding financing items, milestones, dividends, and purchases of treasury shares net of proceeds from the exercise of stock options, was € 535.1 million for FY 2024, an increase of € 79.1 million versus FY 2023, driven by higher EBITDA which was slightly offset by higher interests and income taxes paid.

Net financial position as of 31st December 2024 was € 2,154.3 million, or leverage of just below 2.4x EBITDA pro-forma[7], compared to net debt of € 1,579.4 million on 31st December 2023. In the last quarter of 2024, a

[5] Pro-forma growth calculated excluding revenue of Avodart® and Combodart®/ Duodart® for both 2024 and 2023 (Specialty & Primary Care) and Enjaymo® for 2024 (Rare Diseases)

[6] Trademarks are owned by or licensed to the GSK group of companies. Transition of commercialization effectively concluded.

[7] Pro-forma calculated by adding Enjaymo's® estimated contribution for the first eleven months of fiscal year 2024 (when it still was propriety of Sanofi) to EBITDA.

total amount of € 781.7 million was paid in relation to the acquisition of the global rights of Enjaymo® (sutimlimab); the amount includes the consideration to Sanofi, transaction costs and acquired inventory. Additionally, a milestone of $ 12.5 million was paid in relation to the product Juxtapid®. Total dividends of € 253.7 million were paid in the year.

Shareholders' equity was € 1,876.8 million.

Beyond the strong financial performance for the year, in 2024 the Group made significant progress on several initiatives, in line with its strategy, which provide a strong foundation for continued growth in the future.

The Group submitted the supplemental New Drug Application (sNDA) for the label extension of osilodrostat (Isturisa®) for Cushing syndrome in the U.S. in June 2024, with a regulatory decision expected in mid-2025.

Expansion of the Group's rare disease footprint in China continues to progress: the Isturisa® new drug application (NDA) was approved by the China National Medical Products Administration (NMPA) in September 2024 for the treatment of adult patients with Cushing syndrome and Signifor LAR NDA for the treatment of acromegaly has been submitted to NMPA in March 2024.

On November 29th, the Group announced the closing of the acquisition for the global rights to Enjaymo® from Sanofi. Enjaymo® is a biologic which is the only approved targeted product for the treatment of cold agglutinin disease (CAD), a rare B-cell lymphoproliferative disorder. In 2022, Enjaymo® was granted approval by the U.S. Food and Drug Administration (FDA), the European Commission (EC) and the Japanese Ministry of Health, Labor and Welfare. Integration is proceeding on track. Sales were €10.9 million in December 2024 and € 116 million for FY 2024 (first eleven months booked by Sanofi). The transaction is expected to be fully accretive as of 2025, with EBITDA margin above the current Rare Diseases average.

Recordati's focus and efforts in driving the Group's ESG strategy continued to be recognized by main ESG indices and ratings. The company was again included in the FTSE4GOOD Index series and MIB ESG index, run by Euronext and Borsa Italiana.

MSCI ESG Research confirmed Recordati's A rating and the Group was rated C+ with "Prime" status by ISS ESG, awarded to companies with a leading sustainability performance in their industry. Furthermore, Recordati received a "Gold" rating from EcoVadis.

REVIEW OF OPERATIONS

SALES OVERVIEW

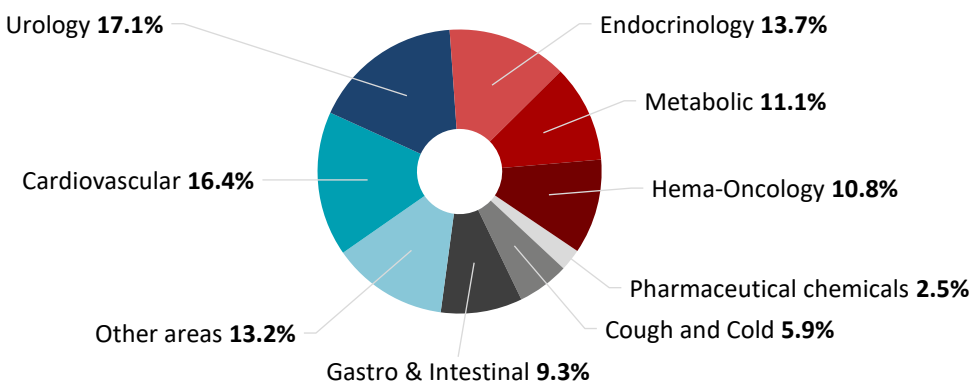
SALES BY THERAPEUTIC AREA

The Group's pharmaceutical business includes two segments: Specialty and Primary Care and Rare Diseases. Business is conducted through subsidiaries in Europe, Russia, Türkiye, North Africa, the United States of America, Canada, Mexico, certain South American countries, Japan, Australia, New Zealand, China and South Korea and, in the rest of the world, through licensing agreements with leading pharmaceutical companies. Sales of specialty medicines represent 97.5% of the Group's total revenues.

Recordati also produces several active ingredients and intermediates in its two pharmaceutical chemical production plants. These are mainly used in the production of some of the key products in the portfolio, but in part are also sold externally to other pharmaceutical companies. The chemical plants focus on maintaining maximum product quality, strengthening our presence in highly regulated markets (the United States, Europe and Japan) and on constantly guaranteeing maximum safety standards, protecting the environment and securing health and safety in the workplace. Sales of the Pharmaceutical Chemicals business represent 2.5% of the Group's total revenues and are classified in the Specialty and Primary Care segment.

BREAKDOWN OF REVENUE BY THERAPEUTIC AREA

SPECIALTY & PRIMARY CARE 64.4% **RARE DISEASES 35.6%**



SPECIALTY & PRIMARY CARE

The table below shows Specialty & Primary Care revenue in 2024, broken down by therapeutic area, compared to the previous year. The segment shows revenue increase of 10.2% or 5.7% on a like-for-like basis at CER (+2.5% excluding Türkiye), driven mainly by volume growth and complemented by low single digit average price increase, driven mainly in Russia and Türkiye (which was, however, in part offset by the significant impact of the devaluation of both Russian Ruble and Turkish Lira, this latter reflected retrospectively from 1st January 2024 as required by IAS 21 for hyperinflationary economies in conjunction with the application of IAS 29); main promoted products continued to show positive Evolution Index, outgrowing the relevant markets.

The growth is mainly driven by the robust performance of the Urology and uro-oncology franchise thanks to the double-digit growth of Eligard®, making further market share gains, and the € 111.6 million contribution of Avodart® and Combodart®/Duodart® (full year contribution, versus € 25.6 million contributed in the last months of 2023, considering that the acquisition of these products from GSK took place during the year). The Cardiovascular, mature franchise, also showed positive growth of 5.5%, while the Cough and Cold business has remained stable despite a milder flu season in most relevant markets compared to the previous year, with however a strong performance in the fourth quarter. The Gastro-Intestinal franchise and other treatment areas were slightly below the results of the previous year, despite strong performance of some of our flagship Consumer Healthcare ("CHC") brands, Procto-Glyvenol® and Magnesio Supremo®.

€ (thousands)	2024	2023	Changes 2024/2023	%
Urology and Uro-Oncology	399,941	280,375	119,566	42.6
Cardiovascular	385,208	365,213	19,995	5.5
Gastro-Intestinal	217,498	219,267	(1,769)	(0.8)
Cough & Cold	137,280	137,121	159	0.1
Other treatment areas	309,309	311,604	(2,295)	(0.7)
Total (excluding Pharmaceutical Chemicals)	**1,449,236**	**1,313,580**	**135,656**	**10.3**
Pharmaceutical Chemicals	58,468	54,031	4,437	8.2
Total	**1,507,704**	**1,367,611**	**140,093**	**10.2**

UROLOGY and URO-ONCOLOGY

In 2024, Urology sales reached € 399.9 million, 42.6% higher than the previous year, and as said include € 111.6 million contribution of Avodart® and Combodart®/Duodart® (versus € 25.6 million in 2023), following the sales distribution agreement with GSK signed in July 2023, with market transitions completed in all countries at the end of June 2024. The growth of the franchise also reflects the ongoing strong performance of Eligard® (+15.4% compared to 2023), which continues to gain share across most markets, robust growth of Urorec® (silodosin), mostly in Italy, Russia and Türkiye, and positive performance of Mictonorm®.

CARDIOVASCULAR

In 2024, Cardiovascular revenue reached € 385.2 million, showing growth of 5.5% compared to the previous year, with continued strong uptake of Reselip® in France ahead of stronger competition in Q4 and good growth of Livazo® (pitavastatin), mainly in Russia and Türkiye, Seloken® (metoprolol), mainly in Poland and Romania, and Cardicor® in Italy, partly offset by a decline in Zanipress® mainly in Italy and in Germany, the latter reflecting the exit of low margin tenders.

GASTRO-INTESTINAL

In 2024, sales reached € 217.5 million, showing a reduction of -0.8% compared to the previous year, mainly due to the lower performance of some local products in Italy, Germany and Spain, partially offset by the

steady double-digit growth performance of Procto-Glyvenol® (tribenoside), mainly in Russia, Türkiye and across CEE countries.

COUGH AND COLD

In 2024, the Cough and Cold therapeutic area sales reached € 137.3 million, in line compared to previous year. This was mainly driven by strong growth of Polydexa® in Russia, recovering after being affected by supply issues at the end of 2023, compensated by weaker performance of Hexalyse-Hexaspray® in France, due to a milder cough and cold season (and from the fact that in 2023 it had benefitted from out of stock of competitors), and Isofra® in Russia, also impacted by an adverse FX impact.

OTHER TREATMENT AREAS

In 2024, Other Treatment Areas reached € 309.3 million with a slight reduction of 0.7% compared to previous year, mainly due to some local products partially offset by continued strong growth of Magnesio Supremo® up by 30.4%, reaching € 34.5 million sales also thanks to continued market share gain.

PHARMACEUTICAL CHEMICALS

Sales of Pharmaceutical Chemicals, which comprise active substances produced in the Campoverde di Aprilia plant (Italy), other than the ones marketed by the Other International Sales organization to its licensees, were € 58.5 million, up by 8.2%, mainly driven by higher prices, representing 2.5% of total Group revenue.

KEY PRODUCTS PERFORMANCE

The main products for Specialty and Primary Care are listed in the paragraph below. They include specialties from Recordati's original research, as well as those acquired through the acquisition of product rights for various markets and license agreements for multiple territories.

€ (thousands)	2024	2023	Changes 2024/2023	%
Zanidip® (lercanidipine) and Zanipress® (lercanidipine+enalapril)	179,260	181,372	(2,112)	(1.2)
Eligard® (leuprorelin acetate)	127,678	110,682	16,996	15.4
Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin)	111,586	25,594	85,992	n.s.
Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol + felodipine)	108,757	97,983	10,774	10.9
Urorec® (silodosin)	77,940	70,038	7,902	11.3
Livazo® (pitavastatin)	52,186	44,616	7,570	16.9
Other corporate *	360,011	346,066	13,945	4.0

** Of which OTC products for a total of € 140.9 million in 2024 and 139.5 million in 2023 (+1.0%).*

Zanidip® (lercanidipine) and Zanipress® (lercanidipine+enalapril) 2024 sales reached € 179.3 million, 1.2% lower than the previous year. In the table below is shown the sales contribution by distribution channels.

€ (thousands)	2024	2023	Changes 2024/2023	%
Direct sales	111,039	113,879	(2,840)	(2.5)
Sales to licensees	68,221	67,493	728	1.1
Total sales	**179,260**	**181,372**	**(2,112)**	**(1.2)**

Direct sales decreased by € 2.8 million (-2.5%) compared to 2023, driven by continued erosion of Zanipress® offsetting growth of Zanidip® across most markets.
Sales to licensees were € 68.2 million with an increase of 1.1% compared to previous year mainly due to the growth in China.

Eligard® (leuprorelin acetate) revenue for Eligard® in 2024 was € 127.7 million, delivering a double-digit growth of 15.4% compared to the same period of the previous year, with Turkey, Germany, Italy and France being key growth drivers, alongside the successful launch of Eligards' new device across all key geographies.

Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) in 2024, Recordati sales of both products were €111.6 million, with sales in the key markets of Italy and Spain stabilizing, while in 2023, Recordati completed transition activities and began recognizing revenues in most markets included in the Agreement, reaching overall sales of €25.6 million.

Seloken®, Seloken® ZOK (metoprolol) and Logimax® (metoprolol + felodipine) sales in 2024 totaled € 108.7 million, increasing by 11% compared to previous year, thanks to higher sales in Poland and Romania.

Urorec® (silodosin) sales in 2024 were € 77.9 million, increasing by 11.3% compared to the previous year, thanks to the good performance in Tunisia, Türkiye and Russia despite strong FX headwinds in both these international markets.

Livazo® (pitavastatin) sales in 2024 were € 52.2 million, up by 17.0% compared to the previous year, thanks to the positive performance in Türkiye and Russia despite strong FX headwinds in both these international markets, compensated by the price increase.

OTHER PRODUCTS

Reagila® (cariprazine) sales in 2024 totaled € 30.6 million, with 11.8% growth compared to 2023, mainly thanks to higher sales volumes in Spain, Switzerland, Greece and UK.

Procto-Glyvenol® (tribenoside) sales reported in 2024 were € 44.0 million, increasing by 16.1%, mainly due to higher sales volumes in Russia and Türkiye, despite strong FX headwinds in both these international markets.

Polydexa®, Isofra® and Otofa® In 2024, sales of Polydexa® were € 41.1 million, up to 18% compared to previous year, mainly due to higher sales volume in Russia despite adverse Ruble FX impact. In 2024 sales of Isofra® were € 16.6 million, (-8.4% compared to 2023); Sales of Otofa® were € 1.8 million (-16.9% compared to previous year); overall, the decrease was mainly due to lower volumes sales in Russia, in addition to the unfavourable FX impact.

CitraFleet® and **Phosphosoda®** In 2024, sales of CitraFleet® and Phosphosoda® totaled € 41.6 million, up by 5.2% compared to 2023, mainly due to growth in Spain.

Lomexin® (fenticonazole) Sales of Lomexin® in 2024 were at € 25.1 million, increasing by 7.5% compared to the previous year, mainly due to the positive performance in Türkiye.

Magnesio Supremo® achieved sales of € 34.5 million in 2024, up by 30.4% thanks to strong sales of the lead preparations as well as active life-cycle management.

Tergynan® Total sales for 2024 were € 19.0 million, a decrease of 6.6% compared to the previous year, with most of the impact in Russia for shortage of supply for part of the year.

The **Hexa** line reported sales of € 17.5 million in 2024, with a decrease of 18.3%, mainly due to softer sales in France against a very strong comparable in the previous year (which had also benefitted from out of stock of competitors) and a generally milder flu season across most of the markets in the first part of the year.

The most significant other self-medication and supplements include the product lines under license from BioGaia (which include *lactobacillus reuteri protectis* supplements and the **Reuflor®** brand in Italy and the **Casenbiotic®, Bioralsuero®, Reuteri®** brands in Spain and Portugal), which fell by 2.8% compared to the previous year, with sales at € 29.9 million.

RARE DISEASES

In 2024, sales of products for the treatment of Rare Diseases reached €833.9 million, marking a 16.7% increase compared to the previous year. This growth reflects the addition of Enjaymo® (€10.9 million) for the single month of December 2024, following the execution of the Asset Purchase Agreement with Sanofi at the end of November. The like-for-like[8] growth at constant exchange rates of 15.7% is driven by a robust volume growth of both Endocrinology and Oncology franchises, thanks also to the greater awareness and improvement in diagnosis and treatment of these diseases.

€ (thousands)	2024	2023	Changes 2024/2023	%
Endocrinology *	321,686	242,318	79,368	32.8
Metabolic and other areas	258,941	271,551	(12,610)	(4.6)
Hemo-Oncology	253,228	200,851	52,377	26.1
Total Rare Diseases	**833,855**	**714,720**	**119,135**	**16.7**

** Isturisa® € 203.6 million and Signifor® € 118.0 million in 2024, compared to € 139.5 million and € 102.9 million, respectively, in 2023.*

The main products for **rare endocrine conditions** contributed €321.7 million to revenue in 2024, representing a 32.8% increase compared to the previous year. This growth was driven by Isturisa® which generated €203.6 million in revenue in 2024. The main driver being a continued strong patient uptake in the U.S., Germany, Italy, France, Colombia and Japan. Signifor® with revenue reaching €118.0 million also continued to grow at a double-digit rate with the LAR formulation driving the expansion in most territories (LAR now accounts for ~90% of total revenue). In June 2024, the Group submitted a supplemental New Drug Application (sNDA) for the label extension of osilodrostat (Isturisa®) for the treatment of Cushing syndrome in the U.S., with a regulatory decision expected in mid-2025. Additionally, in September 2024, Isturisa® was approved by the China National Medical Products Administration (NMPA).

The key products in the rare diseases sector, specifically in the **metabolic and other treatment areas** (excluding endocrinology and oncology), contributed a total of €258.9 million to revenue in 2024, compared to €271.6 million in 2023. This decrease is mainly due to the impact of generic erosion on Carbaglu® and Cystadane® in U.S. and EMEA. However, this was partially offset by the strong growth of Carbaglu® in Latin & Central America and Japan, as well as robust sales of Cystadrops® in U.S., Germany, Turkey and Japan. Positive contribution also from Cystagon mostly from Turkey. It is worth noting that Metabolic sales are stabilizing, with slight growth in the fourth quarter of 2024, mainly driven by Cystadrops®.

The main products in the **rare hemo-oncological** segment contributed €253.2 million to revenue in 2024, an increase of 26.1% compared to 2023. This growth was driven both strong performance of both Qarziba® and Sylvant®. Qarziba® continued growing in Europe & Middle East, in Russia and in South Korea with the launch in 2024. Sylvant® increase was driven mainly by the continuous expansion in U.S. and South Korea. Interaction with FDA on potential path towards BLA to bring Qarziba to patients in U.S. is ongoing. Following the closing of the acquisition for the global rights to Enjaymo® from Sanofi in late November, the Hema Oncology therapeutic area has incorporated Enjaymo, a biologic product which is the only approved targeted product for the treatment of cold agglutinin disease (CAD), a rare B-cell lymphoproliferative disorder. Sales were €10.9 million in December 2024 and € 116 million for FY 2024 (first eleven months booked by Sanofi). The transaction is expected to be immediately accretive at the EBITDA level, with margin above the current Rare Diseases average as of 2025.

[8] *Pro-forma calculated excluding revenue of Enjaymo® in 2024.*

GEOGRAPHIC AREA SALES OVERVIEW

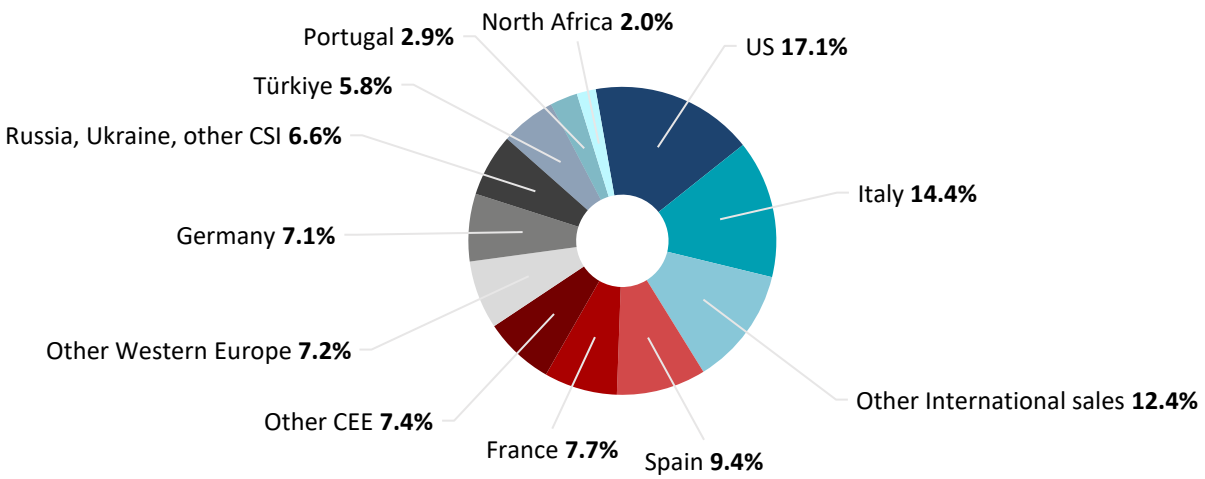
PHARMACEUTICAL SALES BY GEOGRAPHIC AREA

Pharmaceutical sales by geographic area for the different Recordati's Group subsidiaries are listed in the table and graph below:

€ (thousands)	2024	2023	Changes 2024/2023	%
U.S.	391,487	**316,072**	75,415	23.9
Italy	330,487	**309,760**	20,727	6.7
Spain	214,026	**165,104**	48,922	29.6
France	174,760	**179,677**	(4,917)	(2.7)
Germany	161,441	**150,902**	10,539	7.0
Russia, other CIS countries and Ukraine	150,502	**140,566**	9,936	7.1
Türkiye	132,784	**97,517**	35,267	36.2
Portugal	67,180	**60,196**	6,984	11.6
Other C.E.E. countries	167,962	**150,355**	17,607	11.7
Other Western European countries	163,704	**152,406**	11,298	7.4
North Africa	45,739	**40,216**	5,523	13.7
Other international sales	283,019	**265,529**	17,490	6.6
Total pharmaceutical revenue	**2,283,091**	**2,028,300**	**254,791**	**12.6**

Net revenue includes the sales of products and various revenue excluding Pharmaceutical Chemicals.

BREAKDOWN OF PHARMACEUTICAL SALES BY GEOGRAPHIC AREA



* Excluding sales of pharmaceutical chemicals, which were at € 58.5 million, up by 8.2%, representing 2.5% of total revenue.

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

local currency (thousands)	2024	2023	Changes 2024/2023	%
Russia (RUB)	9,996,593	8,984,596	1,011,997	11.3
Türkiye (TRY)	4,522,471	3,083,990	1,438,482	46.6
United States of America (USD)	435,370	341,759	93,610	27.4

Net revenue in Russia excludes sales of rare disease products which are sold via international and local distributors.

UNITED STATES OF AMERICA

The Group's pharmaceutical business in the U.S. is dedicated to marketing products for the treatment of rare diseases through its subsidiary Recordati Rare Diseases Inc. The portfolio is focused on three rare disease areas: metabolic disorders, endocrinology and hema-oncology (from December 2024 the latter also includes Enjaymo®).

The metabolic portfolio includes products for the treatment of various rare metabolic disorders, including Panhematin® (hemin for injection) used for recurrent attacks of acute intermittent porphyria, Carbaglu® (carglumic acid), indicated for the treatment of acute hyperammonemia associated with NAGS deficiency, propionic acidemia or methylmalonic acidemia, Cystadane® (betaine anhydrous oral solution), used in the treatment of homocystinuria to reduce the high level of homocysteine in the blood and Cystadrops® (cysteamine ophthalmic solution) for the treatment of corneal cystine crystal deposits.

The endocrinology portfolio focused on pituitary disorders include Signifor® and Signifor® LAR (pasireotide), a pituitary therapy for the treatment of Cushing's disease and acromegaly, and Isturisa® (osilodrostat), a potent cortisol synthesis inhibitor approved for the treatment of Cushing's disease.

Sales in the U.S. reached € 391.5 million in 2024, up by 23.9% and by 27.4% in local currency compared to 2023 driven by the endocrinology products, including growth of both Isturisa® and Signifor® from increased volume and improved pricing, and by the oncology portfolio, driven by Sylvant®; these positive results have been partially offset by generic erosion of Carbaglu and Cystadane.

ITALY

The Recordati Group offers a wide range of treatment options in Italy through Recordati S.p.A., Innova Pharma S.p.A., Recordati Rare Diseases Italy S.r.l., Italchimici S.p.A. and Natural Point S.r.l.. It has an established presence in the cardiovascular field, with two anti-hypertensive products that were fully developed in its research laboratories, Zanedip®/Lercadip® (lercanidipine) and Zanipril®/Lercaprel® (lercanidipine + enalapril), with two drugs that belong to the beta blocker category, Cardicor® (bisoprolol), and Seloken® (metoprolol) and with Rextat®/Lovinacor® (lovastatin). Recordati has relevant presence in urology and uro-oncology with, strong originator brands such as Eligard® (leuprorelin acetate) and Avodart® (dutasteride), which complement other products in the portfolio such as Telefil® (Tadalafil), Recoprox® and Fortacin®. The company also has a wide portfolio in gastroenterology, with Peptazol® (pantoprazole), Reuflor® (lactobacillus reuteri protectis-based supplement), Peridon® (domperidone), Aroé™ (gastro-esophagus anti-reflux), PeridoNatural®, Casenlax® (macrogol) and Lacdigest®, Lactofree® and Citrafleet® (sodium picosulfate).

In the ENT area (Ear, Nose Throat), Recordati offers Aircort® (budesonide) a corticosteroid-based line for the treatment of asthma in adults and children, and Rupafin® (rupatadine) an anti-allergy antihistamine. The pain and inflammation segment offers a non-steroidal anti-inflammatory drug Tora-Dol® (ketorolac tromethamine) and Naprosyn® (naproxen), belonging to the non-steroidal anti-inflammatory/anti-rheumatic

class (NSAIDs) with an effective treatment action in controlling chronic pain. Reagila® (cariprazine), a drug for the treatment of schizophrenia is marketed in the psychiatric area.

Recordati has a broad offering of self-medications, with a focus on food supplements as well as products for oral hygiene, eye, nose and the gastrointestinal tract. The historic brands include Alovex®, Proctolyn®, Eumill®, Dentosan®, Imidazyl®, TransAct® LAT, Clismafleet® and Reuflor®. With the acquisition of Natural Point S.r.l. in 2018, Recordati entered the natural food supplements market, with the main product Magnesio Supremo®. Recently, its presence in the magnesium supplements market expanded with several new product lines and by reinforcing the Magnesio Supremo® brand through digital communication.

Italian sales of pharmaceutical specialties totaled € 330.5 million, growing by 6.7% compared to 2023, with an increase for both the Specialty & Primary Care and Rare Diseases sectors.

Sales in the Specialty and Primary Care products were € 299.7 million, increasing by 6.4% compared to the previous year, thanks to products in the Urology and uro-oncology area, continued growth in OTC products, in particular Magnesio Supremo® and the contribution of the products distributed under agreement with GSK (Avodart®), which contributed € 28.3 million in 2024.

Sales for products for the treatment of rare diseases amounted to € 30.8 million, up 9.3% compared to the prior year, with a robust performance in all three business areas, endocrinology, metabolic and oncology.

SPAIN

Casen Recordati S.L., with headquarters in Madrid and production and R&D facilities in Utebo (Zaragoza, Spain) markets an extensive and substantial portfolio of Specialty and Primary Care products in Gastroenterology, Pediatrics, Gynecology, Cardiology, Urology and Psychiatry.

Additionally, Recordati Rare Diseases Spain S.L., after the merger of EUSA Pharma Iberia S.L., markets the entire portfolio of products for the treatment of rare diseases.

In 2024, sales in Spain totaled € 214.0 million (+29.6%), increasing across both Specialty and Primary Care and Rare Diseases.

Sales in Specialty and Primary Care were € 180.8 million (+33.1%). This growth reflects the strong contribution from sales of Avodart® and Duodart®, which generated sales of € 56.2 million in 2024 as well as organic growth of major brands such as Eligard® and Reagila®.

In 2024, sales of rare disease products were € 33.2 million, up by 13.4% mostly due to oncology sector driven by Qarziba®.

FRANCE

Laboratoires Bouchara Recordati S.a.s. is solidly established in the French pharmaceutical market thanks to a number of prescription drugs and a historical presence in the market for self-medication products. It markets products covering a wide range of treatment areas, such as the cardiovascular area with Reselip® (atorvastatin + ezetimibe), Zanextra® (lercanidipine + enalapril), Logimax® (metoprolol succinate+felodipine), Seloken® (metoprolol tartrate) and Selozok® (metoprolol succinate), the urology area with Eligard® (leuprorelin acetate), Urorec® (silodosin) and Leptoprol® (leuprorelin acetate) and the gastroenterology area with Citrafleet® and Colopeg®, Transipeg® and TransipegLib®.

Methadone, which for almost 25 years has been part of a successful private/public project with the Public Hospitals of Paris (APHP), is a synthetic opioid analgesic, used as a heroin substitute for withdrawal symptoms, for opioid detox therapy and in maintenance programs. Highly specialized staff and dedicated resources underpin the success of the detoxification programs. The benefits of treatment with methadone are universally recognized. The most important are the decrease in deaths resulting from the use of narcotics,

the reduction in the spread of viral infections (HIV, HCV), reduced health, legal and social costs related to the use of drugs and improvements in the health and rehabilitation of addicts.

Laboratoires Bouchara Recordati has a historical presence in the French OTC market including the Hexa line (Hexaspray®, Hexalyse®, Hexamer® and Haxatoux®), Exomuc® (mucolytic containing N-acetylcysteine) and an expansion of the line with the 600 mg formulation, the Ginkor® line for hemorrhoids and heavy legs, and the Alodont® line, an oral cavity product.

Recordati Rare Diseases S.a.r.l. is dedicated exclusively to treatments for rare diseases and is headquartered in Paris.

Sales in France totaled € 174.8 million, decreasing by 2.7%.

Sales in the Specialty and Primary Care segment were € 138.7 million (-3.2%) mainly due to softer performance of cough & cold products (against a very strong performance in prior year also due to low inventories for competitors), partly offset by the continued strong performance of Reselip® and Eligard® on top of the addition of Avodart® and Combodart®.

Sales of drugs for the treatment of rare diseases amounted to € 36.0 million, (-1.0%), mainly due to generics' competition on Carbaglu®, partly offset by growth in endocrinology products.

GERMANY

Recordati Pharma GmbH offers a wide range of therapeutic solutions to healthcare professionals and their patients.

The urology segment was always a focus area with established brands like Urorec®. In March 2021, Recordati Pharma GmbH strengthened its presence, with the active marketing of Eligard® for prostate cancer, which successfully recorded double-digit growth in 2024. Since October, the distribution of Avodart® and Duodart®, for benign prostatic hyperplasia, was added to the range of urology treatments covered by Recordati.

Recordati Pharma GmbH is also present in the field of orthopedics, with Ortoton® and Ortoton Forte® (methocarbamol), a muscle relaxant used for back pain. Recosyn® (hyaluronic acid), for arthritis treatment regimens, Lipotalon® (dexamethasone palmitate), used to alleviate pain in the presence of inflammation of the joints, and Binosto® (alendronic acid) effervescent tablets used to treat osteoporosis that presents with the onset of menopause, are also very popular.

With the launch of Reagila® (cariprazine) in 2018, Recordati entered an additional therapeutic area, psychiatry. With Reagila®, Recordati provides an innovative treatment option for patients suffering from schizophrenia, helping them to deal with negative and positive symptoms whilst maintaining participation in their social lives.

Besides the above-mentioned focus areas, Recordati Pharma GmbH offers a wide range of other treatments. In the field of cardiovascular diseases, the Group offers calcium channel blocker antihypertensives Corifeo® and Zanipress® and beta blocker Beloc®ZOK, Beloc® and Mobloc® (metoprolol).

In the pediatric segment, Recordati Pharma is also well-positioned with two brands, Laxbene® and Mirfulan®. The first is used for the treatment of constipation and the second takes care especially of the smallest patients suffering from skin lesions like diaper rash.

In the gastroenterology field, for the treatment of chronic inflammatory intestinal conditions, Recordati offers Claversal® (mesalazine) and in 2021, introduced the 1-gram Citrafleet® suppositories and Fleet Phosphosoda®.

Operations in the segment dedicated to rare diseases in this country are carried out by Recordati Rare Diseases Germany GmbH.

Overall sales in Germany were € 161.4 million, up 7.0% compared to the previous year thanks to both Specialty and Primary Care sector and Rare Diseases.

The performance in the Specialty and Primary Care business totaled € 108.5 million (+ 2.2%). The increase in the Specialty and Primary Care includes Eligard® in Urology and Avodart® and Combodart®/Duodart® contribution, partially offset by a decrease for Ortoton®, Zanipress® and Claversal® due to the decision to no longer participate in exclusive low-margin tenders for these products.

Additional growth came from the area of treatment of rare diseases, which reached € 52.9 million (+18.3%), mainly reflecting strong performance of Qarziba® and Isturisa®, partly offset by a decrease in the sales of Carbaglu®. In December 2024 Enjaymo® a treatment of cold agglutinin disease (CAD) acquired from Sanofi was added to the rare disease portfolio.

RUSSIA, OTHER CIS COUNTRIES AND UKRAINE

Rusfic LLC, FIC Médical S.à r.l. and Recordati Ukraine LLC, are the Recordati Group companies that operate in Russia and in other markets of the Commonwealth of Independent States (CIS), in Ukraine and in Central Asia. Success in these regions is based largely on the success of the main portfolio products, including Procto-Glyvenol®, Urorec®, Zanidip®, Lomexin® Livazo® that were launched in these regions, as well as the anti-infective products like Tergynan®, a well-established treatment for gynecological infections, and Polydexa® and Isofra®, products indicated for the treatment of ENT disorders. The portfolio also includes popular self-medication products, including well-known food supplements like the vitamins Alfavit® and Qudesan®, OTC products like the oral cavity antibacterials in the Hexa line, Hexalyse® and Hexaspray® and the intestinal absorbent product (enterosorbent) White Carbo®.

Following the outbreak of conflict between Russia and Ukraine, in 2022, the logistics chain and delivery of medicines in Ukraine was made secure to guarantee Ukrainian patients' permanent access to medicine. In Russia, the Group adopted an operating plan that ensures the continuity of its Russian branch in full compliance with all relevant laws and regulations, with special focus on international sanctions.

Revenue in Russia, Ukraine and in the countries within the Commonwealth of Independent States (CIS) through the different subsidiaries was € 150.5 million, up by 7.1%, and includes an estimated adverse exchange rate effect of € 10.3 million.

Revenue realized in Russia was RUB 9,996.6 million in local currency, up by 11.3% over the previous year.

The increase in sales in Russia was mainly driven by Livazo®, a product in the Cardiovascular area, Polydexa® and Urorec® that recorded strong volume growth, partially off-set by supply constraints on Tergynan®.

Revenue in Ukraine and other countries in the CIS, mainly Belarus, Kazakhstan and Armenia, came to € 29.0 million, up by 22.4%, essentially due to higher sales in Ukraine, which came to UAH 709.7 million, with an increase of 30.1% in local currency.

In 2024, sales of rare disease products in Russia, Ukraine and in the countries within the Commonwealth of Independent States (CIS) came to € 21.9 million, up by 11.6% compared to the previous year, mainly due to the growth of oncology products (especially Qarziba®).

TÜRKIYE

Recordati Ilaç continues to strengthen its position in the Turkish pharmaceutical market and has a strong, consolidated presence in the fields of urology, uro-oncology, cardiology, surgery, gynecology and in rehabilitation. The subsidiary markets the products Lercadip®, Zanipress®, Alipza®, Urorec®, Eligard®, Gyno-Lomexin®, Procto-Glyvenol®, Phospho-soda®, Citrafleet® and Casenlax®, together with the local brands Mictonorm® and Mictonorm SR® (propiverine hydrochloride), used for the treatment of hyperactive bladder and urinary incontinence, Cabral® (phenyramidol hydrochloride), a muscle relaxant, Kreval® (butamirate citrate), a cough suppressant, Aknetrent® (isotretinoin), used for the treatment of severe acne, Pankreoflat® (pancreatin), a treatment for dyspepsia, Prepagel® (escin, diethylamine salicylate), for use in cases of bruises,

sprains, hematoma, Colchicum-Dispert® (colchicine) indicated in the treatment of gut, secondary prevention of cardiovascular diseases, pericarditis and the antibiotic Ciprasid® (ciprofloxacin).

Sales in Türkiye were € 132.8 million, up by 36.2% despite a negative currency exchange effect estimated at € 15.3 million compared to the prior year. The effect of applying IAS 29 "Financial Reporting in Hyperinflationary Economies" to activities in Türkiye caused a positive effect on net revenue of € 17.9 million, while the specific provisions of IAS 21 resulted in a negative effect of € 3.5 million (difference between translation at average FX vs end of period FX), with a net positive impact on revenues thus of approximately € 14.4 million. The Turkish subsidiary's sales in local currency were up by 46.6% thanks to price increases granted by the government through the year to offset the steep devaluation of the Turkish lira (the first effective in January 2024, the second effective in November 2024) and also FY impact of prior year price increases (April 2023, August 2023), as well as a robust volume growth in key products, in particular Livazo® (sold in Türkiye under the Alipza® brand), Eligard® , Citrafleet® and Procto-Glyvenol®, and local products Mictonorm® and Aknetrend®.

Sales of products in the Specialty and Primary Care business were € 122.4 million, up by 30.2% compared to 2023. The growth of the segment was mainly driven by products in the urology area (especially Mictonorm and Eligard) and products in the Cardiovascular area (especially Alipza). Sales of products for the treatment of rare diseases amounted to € 10.4 million, representing a three-fold increase compared to the previous year driven by Qarziba®, Cystadrops® and Cystagon®.

PORTUGAL

Jaba Recordati S.A. maintains a solid position in the Portuguese pharmaceutical market, especially in the cardiovascular (Livazo® and Zanipress®), urological (Urorec®), gastrointestinal (Citrafleet®, Eligard® Urojaba®), pain control areas (TransAct® LAT and Seractil®), the central nervous system (Reagila® and Saffrox®) as well as the self-medication products market (Guronsan® Aloclair® Biogaia®). Among the main products is Egostar®, a Vitamin D supplement.

Overall sales in Portugal were € 67.2 million, growing by 11.6% compared to 2023.

Despite generic competition on the main products, Specialty and Primary Care sales in Portugal rose 12.5%, with € 61.9 million, primary driven by the contribution of Avodart® and Combodart®/Duodart®, OTC products (including the launch of Magnesio Supremo®) and prescription drugs (including Eligard®).

Sales of rare disease treatments amounted to € 5.3 million, up by 2.4% compared to 2023, mainly driven by metabolic portfolio (driven by Carbaglu®) and endocrinology products (particularly Signifor®).

OTHER WESTERN EUROPEAN COUNTRIES

The Recordati Group is also present with its own subsidiaries in the United Kingdom with Recordati Pharmaceuticals Ltd, EUSA Pharma (UK) Limited and Recordati Rare Diseases United Kingdom Ltd, in Ireland through its subsidiary Recordati Ireland Ltd, in Greece with Recordati Hellas Pharmaceuticals S.A., in Switzerland through Recordati AG (also present in Austria through Recordati GmbH), in the Nordic countries with Recordati AB and in BeNelux with Recordati BV.

Sales in this area totaled € 163.8 million, up by 7.4% compared to 2023, of which € 98.6 million related to Specialty and Primary Care products, up 9.3% and € 65.1 million related to products for the treatment of rare diseases marketed by Recordati Rare Diseases, up 4.7%.

SWITZERLAND AND AUSTRIA

The Recordati Group is present in Switzerland through Recordati AG, which is headquartered in Zug and also operates in Austria through Recordati GmbH. The portfolio mainly comprises consolidated metoprolol-based

cardiovascular products (Beloc Zok®) in addition to Zanidip®, Zanipress®, the anti-cholesterol Livazo®, Eligard® in the urology field for the treatment of advanced stage prostate cancer, and Urorec®, for the treatment of benign prostatic hyperplasia. Recordati AG has a presence in the psychiatric therapeutic area with Reagila®, an innovative product for the treatment of schizophrenia in adults which addresses unmet psychiatric medical needs.

In addition, following the agreement with GSK sales and distribution activities of Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) for the Swiss market were transitioned to Recordati AG.

In 2019, following the acquisition from Novartis of Signifor®, Signifor LAR® and Isturisa®, Recordati AG opened a branch office in Basel responsible for the Rare Diseases business at a global level. The activities of the branch include manufacturing, clinical development, regulatory affairs, medical affairs, marketing, sales and distribution.

Isturisa®, Signifor® and Signifor LAR®, which are indicated for Cushing syndrome, Cushing's disease, and acromegaly, respectively, are also commercialized in Switzerland.

Overall sales in Switzerland and Austria reached € 38.2 million, down 9.5% compared to previous year, with lower sales of Beloc Zok®, Eligard® and Livazo®.

GREECE

Recordati Hellas Pharmaceuticals S.A. is the Recordati subsidiary operating in Greece offering products in different therapeutic areas such as cardiovascular, urology, gynecology, psychiatry, dermatology and gastrointestinal. In the cardiovascular area, popular products are Livazo® and Lopresor®, a selective beta blocker indicated for the treatment of hypertension, Zanidip®/Lercadip® (lercanidipine) and its fixed combination with enalapril Lercaprel®/Zaneril®, and Logimax®, for the treatment of hypertension. In the psychiatric area, Reagila® (cariprazine) was launched in 2021. In the urology segment, the main product is Urorec®. Completing the product portfolio are the antimycotic Lomexin® and Citrafleet®.

Recordati Hellas is also distributing some Recordati Rare Disease products.

Overall, 2024 sales in Greece totaled € 28.7 million, up by 27.3% with € 24.1 million of sales in Specialty and Primary Care products, including Avodart® and Duodart®, and € 4.7 million of sales in Rare Diseases products.

UNITED KINGDOM

Recordati Pharmaceuticals Limited is the Group company marketing a wide array of Recordati brands in the United Kingdom for Specialty and Primary Care products, including Reagila®, Cleen Enema®, Avodart®, Combodart® and lercanidipine products. In 2024, Recordati Pharmaceuticals Limited filed for a Marketing Authorisation for all three strengths of Eligard® in the UK.

EUSA Pharma (UK) Limited and Recordati Rare Diseases UK Limited are the Group companies that market the Rare Diseases products in the oncology and endocrinology/metabolic areas, respectively.

Overall, sales in the United Kingdom were € 28.4 million, in line with 2023 and reflect primarily products for the treatment of rare diseases, which represent 61% of the business.

IRELAND

Recordati Ireland, the Group's Irish subsidiary, markets products in Urology & Uro-Oncology (including Eligard®, Urorec® and Combodart®) as well as established products for cardiovascular disease (including Zanidip®, Lercaril® and Betaloc®) and Gastroenterology products (such as Cleen Enema®, Citrafleet® and Phosphosoda®).

Sales in Ireland reached € 6 million in 2024, out of which Specialty and Primary Care amounted to € 3.3 million, down by 2.2% compared to 2023, mainly due to lower sales volume of Zanidip®.

NORDIC AND BENELUX COUNTRIES

Starting in 2018, the organizational structure of subsidiaries Recordati AB in Sweden and Recordati BV in Belgium was reinforced to promote and market general medicine and specialty products, in addition to products for the treatment of rare diseases in the Nordic countries and in BeNeLux.

The Nordic countries are managed by the Swedish branch, with headquarters in Kista (Stockholm), which also operates directly in Denmark, Norway, Finland and Iceland.

Overall sales in 2024 totaled € 29.3 million, increasing by 8.4%, of which € 18.0 million was for Specialty and Primary Care products, such as Eligard and Reagila and products in the cardiovascular segment, such as Seloken®, Seloken ZOC®, Logimax®, Zanidip® and Zanipress®, and to a lesser extent, the gastrointestinal area, with products such as Citrafleet®, Cleen Enema and Phospho-soda®. Rare Diseases sales in 2024 amounted to € 11.3 million, covering with its products all the treatments areas in which the Group is active.

Recordati BV, with headquarters in Brussels and a branch in Oss, Netherlands, manages direct distribution in Belgium, the Netherlands and Luxembourg. The promotion is primarly focused on Urology and more specifically, Eligard® and Silodyx (silodosin) as the main brands, in combination with the distribution of the Cardio (lercanidipine and metoprolol) and Gastro portfolio (Cleen Enema® and Citrafleet®).

Overall, sales in 2024 reached € 36.3 million, increasing by 16.4%, of which € 16.5 million is related to Specialty and Primary Care products while the Rare Diseases products in 2024 amounted to € 19.8 million.

OTHER CENTRAL AND EASTERN EUROPEAN COUNTRIES

The Recordati Group has subsidiaries in Poland, the Czech Republic and Slovakia, Romania and Bulgaria and sells directly in the Baltic States. Sales in this area totaled € 167.9 million, up by 11.7% compared to 2023, of which € 32.2 million related to products for the treatment of rare diseases marketed by Recordati Rare Diseases, growing by 11.6% thanks to both oncology and endocrinology products' growth.

POLAND

The Group's subsidiary in Poland, Recordati Polska Sp z o.o., markets a diversified product portfolio that is well-positioned in the cardiovascular, gastroenterology, gynecology and uro-oncology areas, as well as the self-medication segment. The main products include Betaloc® ZOK (metoprolol succinate), a product widely used for the treatment of angina pectoris and other cardiac disorders, Eligard®, a recently reintroduced drug for the treatment of hormone-dependent prostate cancer (PCa), Procto- Glyvenol® for the treatment of hemorrhoids, Gynoxin® a vaginal infection treatment, Uprox® (tamsulosin), for lower urinary tract disturbances associated with enlargement of the prostate, the hypertension medications Lercan® (lercanidipine) and Lercaprel® (lercanidipine+enalapril). In 2021, Recordati Polska launched Salaza® (mesalazine) to strengthen its position in the gastroenterology segment, where it successfully markets Citrafleet®, an established corporate product.

Overall sales in Poland for 2024 were € 73.3 million, increasing by 24.2% thanks to positive momentum in every therapeutical area both in the Specialty & Primary Care sector, which recorded sales of € 56.4 million, and in the Rare Diseases sector, with sales of € 16.9 million.

CZECH REPUBLIC AND SLOVAKIA

Herbacos Recordati s.r.o., the Group's subsidiary in the Czech Republic and in Slovakia, successfully markets pharmaceutical Specialty and Primary Care products belonging to several therapeutic areas, including cardiology, oncology, urology, gynecology and self-medication products, such as analgesics, anti-inflammatories and dermatology medicines. The subsidiary's growth was supported by Eligard® (leuprorelin acetate) for treatment of hormone-dependent prostate cancer, Betaloc® (metoprolol) for treatment of hypotension and other cardiac issues, Pivinorm® (pivmecillinam), a uro-gynaecological treatment for simple lower urinary tract infections, and Lomexin®, which became OTC in June 2022. Well-established in the self-medication market are the brands Procto-Glyvenol®, the analgesic Valetol® (paracetamol), the flu treatment Acylpyrin® (acetylsalicylic acid) and Infadolan®, a topical treatment for dry and cracked skin recommended after using hand disinfectant products.

Sales in the Specialty and Primary Care business totaled € 38.9 million, up by 5.6%, thanks to the growth of Betaloc® (metoprolol) and the continued growth of Eligard® holding and strengthening the position of market leader on both highly competitive Betaloc ® and Eligard ® local markets.

Sales of rare disease treatments amounted to € 2.9 million, down by 21.3% mainly due to lower sales volume of oncology products.

ROMANIA AND BULGARIA

Recordati Romania S.R.L. successfully promotes prescription and self-mediation products.

Sales in Romania for Specialty and Primary Care products were € 26.7 million, up by 8.8%, thanks mainly to good performance from the prescription treatment portfolio (Betaloc Zok®). Bulgaria's sales for Specialty and Primary Care products amounted € 5.7 million, with a decrease of 6.9% mainly due to price revision for Eligard® according to the law.

Sales of rare disease treatments in Bulgaria and Romania amounted to € 3.7 million, slightly decreasing compared to 2023 mainly due to lower sales volume of Oncology products in Bulgaria.

BALTIC STATES

The Group established a direct presence in the Baltics in 2019, with the opening of the Recordati Polska Sp. Z o.o. representative office in Lithuania, directly supporting the Recordati Specialty and Primary Care product portfolio not just in Lithuania but also in Latvia and Estonia. The main products marketed in this area are Betaloc®, Procto-Glyvenol®, the market leader in the hemorrhoids segment in Lithuania and Latvia, as well as Lomexin®, Urorec®, Urispas® and Ginkor®. Recordati started to market Eligard® in Lithuania in 2021.

Direct sales to the Baltic States of Specialty and Primary Care products reached € 8.0 million in 2024, up by 21.7% compared to previous year mainly due to strong performance of Urorec® in all countries and new lunch of Eligard® in Latvia and Estonia.

Sales of Recordati Rare Diseases products in the Baltics were € 3.3 million, up by 23.3% compared to the previous year mainly due to higher sales volume of Carbaglu®.

NORTH AFRICA

Recordati is present in North Africa with Opalia Recordati S.r.l. and Opalia Pharma S.A. in Tunisia and through its export business from Laboratoires Bouchara in France, mainly towards Algeria.

Opalia Pharma is one of the most important Tunisian pharmaceutical companies. It ranks fourth in the local pharmaceutical market in value and is the second fastest growing company. It markets originator and

branded generic drugs with leading products in cardiology, dermatology, gastrointestinal and respiratory treatment areas.

Total sales in North Africa were € 45.7 million, up by 13.7%. In 2024, sales in Tunisia through subsidiaries amounted to € 39.9 million, increasing by 13.9% (or +14.3% in local currency).

This performance comes mainly from Zanidip®, Urorec® and some local products (Elixtra® and Xtiova®).

OTHER INTERNATIONAL SALES

Other international sales were at € 283.0 million, up by 6.6%, and comprise the sales and other revenue from licensees for our main products, Laboratoires Bouchara Recordati's and Casen Recordati's export sales and Recordati Rare Diseases' sales in all other countries not described above.

Revenue from foreign licensees were € 109.7 million, up by 3.8% mainly thanks to higher sales of Lercadinipine and Pitavastatin with a strong performance in China, Spain and Greece.

Foreign sales by the French subsidiary Laboratoires Bouchara Recordati, excluding those in North Africa, came to € 14.0 million, decreasing by 3.0%, while those of the Spanish subsidiary Casen Recordati came to € 2.7 million, with a decrease of 6.8% compared to previous year.

Revenue generated by products treating rare diseases in other countries, mainly in Canada and Australia, some countries in Latin America, the Middle East and Asia (mainly Japan) amounted to € 152.4 million, with an increase of 9.6% compared to the previous year, thanks also to the additional contribution of the rare oncology portfolio.

PHARMACEUTICAL CHEMICALS SALES BY GEOGRAPHIC AREA

Sales of pharmaceutical chemicals, which comprise active substances produced in the Campoverde di Aprilia plant for other international pharmaceutical companies, were at € 58.5 million, increasing by 8.2% compared to the previous year mainly thanks to price increases.

The sales of active ingredients by geographical area are shown below.

€ (thousands)	2024	%	2023	%	Changes 2024/2023	%
Italy	2,879	4.9	3,691	6.8	(812)	(22.0)
Europe (Italy excluded)	16,342	28.0	15,209	28.1	1,133	7.4
U.S.	4,723	8.1	6,735	12.5	(2,012)	(29.9)
America (U.S. excluded)	6,012	10.3	5,541	10.3	471	8.5
Asia and Oceania	27,911	47.7	21,528	39.8	6,383	29.6
Africa	601	1.0	1,327	2.5	(726)	(54.7)
Total	**58,468**	**100.0**	**54,031**	**100.0**	**4,437**	**8.2**

REVIEW OF OPERATIONS

KEY FINANCIALS

INCOME STATEMENT

Income statement items are shown below, with the relative percentage of net revenue and changes compared to 2023:

€ (thousands)	2024	% of revenue	2023	% of revenue	Changes 2024/2023	%
Net revenue	**2,341,559**	**100.0**	**2,082,331**	**100.0**	**259,228**	**12.4**
Cost of sales	(741,287)	(31.7)	(659,707)	(31.7)	(81,580)	12.4
Gross profit	**1,600,271**	**68.3**	**1,422,624**	**68.3**	**177,648**	**12.5**
Selling expenses	(497,728)	(21.3)	(472,857)	(22.7)	(24,871)	5.3
Research and development expenses	(286,026)	(12.2)	(255,747)	(12.3)	(30,279)	11.8
General and administrative expenses	(156,648)	(6.7)	(128,253)	(6.2)	(28,395)	22.1
Other income/(expenses), net	(21,013)	(0.9)	(7,759)	(0.4)	(13,254)	n.s.
Operating income	**638,857**	**27.3**	**558,008**	**26.8**	**80,849**	**14.5**
Financial income/(expenses), net	(91,673)	(3.9)	(66,972)	(3.2)	(24,701)	36.9
Pre-tax income	**547,184**	**23.4**	**491,036**	**23.6**	**56,148**	**11.4**
Income taxes	(130,676)	(5.6)	(101,822)	(4.9)	(28,854)	28.3
Net income	**416,508**	**17.8**	**389,214**	**18.7**	**27,294**	**7.0**
Adjusted gross profit[(1)]	**1,637,783**	**69.9**	**1,481,571**	**71.1**	**156,212**	**10.5**
Adjusted operating income [(2)]	**684,416**	**29.2**	**626,593**	**30.1**	**57,823**	**9.2**
Adjusted net income[(3)]	**568,893**	**24.3**	**524,591**	**25.2**	**44,302**	**8.4**
EBITDA[(4)]	**865,771**	**37.0**	**769,631**	**37.0**	**96,140**	**12.5**
Net income attributable to:						
Equity holders of the Parent	416,508	17.8	389,214	18.7	27,294	7.0
Non-controlling interests	0	0.0	0	0.0	0	0.0

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

(3) 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 and Enjaymo® to the gross margin of acquired inventory pursuant to IFRS 3, and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.

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

Net revenue amounted to € 2,341.6 million, increasing by € 259.2 million compared to 2023. For a detailed analysis, please refer to the previous chapter “Review of Operations”.

Since 2022 following the acquisition of EUSA Pharma, two new indicators have been added: Adjusted gross profit and Adjusted operating income. Both are adjusted for the impact of applying standard IFRS 3 in relation to the acquired stock of EUSA Pharma and, in the last quarter of 2024, of Enjaymo® as well as, in the case of Adjusted operating income, for non-recurring items.

Gross profit was € 1,600.3 million, 68.3% of revenue, increasing by 12.5% compared to the previous year. Net of the impact of the € 37.5 million arising from the application of IFRS 3 on sales of residual inventory acquired with EUSA Pharma and on sales of inventory acquired in the context of the acquisition of rights of Enjaymo®, adjusted gross profit was € 1,637.8 million, up by 10.5%, with margin on sales lower than previous year mainly due to the effects of the sales of Avodart® and Combodart®/Duodart®, whose contribution to

the previous year had been partial and which results, for the financial year 2024, in lower gross profit margin but is accretive at the EBITDA level due to high synergies with the legacy urology business, and adverse product/country mix.

Selling expenses were € 497.7 million, an increase of 5.3% compared to the previous year, with a 21.3% ratio to revenue, improved as compared to 22.7% of 2023 thanks to the positive revenue performance and the above-mentioned operating leverage from Avodart® and Combodart®/Duodart® integration into the portfolio.

Research and development expenses were € 286.0 million, an increase of 11.8% compared to those of the previous year and include € 16.3 million of amortization of intangible assets for the products acquired from GSK in the third quarter 2023 and € 2.9 million of amortization of the rights for Enjaymo®. R&D costs excluding amortization and write-downs of acquired or in-licensed intangible assets were 6.0% of revenue, versus 6.9% in the prior year.

General and administrative expenses increased by 22.1% owing to the strengthening of the general coordination structure to support the growth of the business and due to increased investment in digital capabilities.

Labor costs in 2024 totaled € 477.7 million, up by 13.0% on 2023, with the per-capita cost rising by 10.2%,

The table below shows the main data relating to Group personnel for 2024 and 2023:

	2024	2023
Employees at year-end	**4,583**	**4,455**
Average age (years)	45	44
Average service (years)	8.3	7.7
Labor productivity:		
Labor cost on net sales	20.4%	20.3%
Net sales per employee (€ thousands) [(a)]	531,0	484,1
Value added per employee (€ thousands) [(a)]	296,6	261,3

(a) Data per employee is calculated on the average number of effective personnel: 4,410 in 2024 and 4,301 in 2023. Labor costs include wages, related expenses and additional costs.

To support the Group's ongoing international expansion process, central structures continued to be strengthened to ensure the integration, monitoring and coordination of foreign subsidiaries. A focused commitment was also made to strengthening the specialized structures managing the endocrinology area. In general, personnel training and development was a substantial portion of the Group's efforts to ensure that the different work groups belonging to different business areas were effective, while at the same time, continuing to focus on the development of managerial skills distinctive to Recordati.

Other expenses, net of other income, amounted to € 21.0 million (compared to € 7.8 million of 2023). Among others, they include a write down of € 11.8 million related to Ledaga® distribution licence, of which € 2.0 million following an amendment of the underlying agreement for the return of the rights of the Japanese market, and € 2.5 million write down of the milestone paid to the operational partner for the development of the product REC 0559 for the treatment of neurotrophic keratitis, as the preliminary top-line data from the phase II trial shows the primary endpoint of corneal healing was not met. They also include about € 6.0 million of severances costs related to SPC rightsizing mainly in Spain and Greece and a provision relating to ongoing negotiation in Italy on a potential claw back on one of our products relating to prior years. These negative impacts have been partially offset by the reimbursement of the contributions paid by our Portuguese branch (Jaba Recordati) to the company Tecnophage between 2018-2023, for the development of a new product for diabetic foot treatment. This reimbursement was made following the withdrawal by our Portuguese affiliate waiving its patent ownership.

Adjusted operating income was € 684.4 million for FY 2024, up 9.2% over FY 2023, and 29.2% of net revenue versus 30.1% in the previous year. Operating income was € 638.9 million in FY 2024, up 14.5% over FY 2023, absorbing gross margin-related non-cash charges of € 37.5 million (versus € 58.9 million in FY 2023), arising from the unwind of the fair value step up of acquired rare inventory including € 8.2 million for Enjaymo®. Non-recurring costs were € 8.0 million for FY 2024, versus € 9.6 million for FY 2023, reflecting mainly the streamlining of sales activities for Specialty & Primary Care.

Total amortization amounted to € 167.0 million, of which € 133.6 million related to intangible assets, up by € 19.9 million over the previous year, attributable mostly to the acquisition of rights of Avodart® and Combodart®/Duodart® from GSK (€ 16.3 million for the entire 2024 compared to € 3.6 million in 2023) and of Enjaymo® from Sanofi (for December 2024 only), and € 33.4 million relating to property, plant, and equipment, up by € 4.5 million over the previous year.

Thanks to the strong operating performance, EBITDA[(1)] was € 865.8 million, up 12.5% compared to 2023, and with a margin on revenue of 37.0% (the same of the previous year).

The reconciliation of net income and EBITDA[(1)] is reported below.

€ (thousands)	2024	2023
Net income	416,508	389,214
Income taxes	130,676	101,822
Financial (income)/expenses, net	91,673	66,972
Non-recurring operating expenses	8,048	9,638
Non-cash charges from inventory uplift	37,511	58,947
Adjusted operating income	**684,416**	**626,593**
Amortization and write-downs	181,355	143,038
EBITDA[(1)]	**865,771**	**769,631**

(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 and Enjaymo® to the gross margin of acquired inventory according to IFRS 3.

The breakdown of EBITDA[(1)] by business segment is reported below.

€ (thousands)	2024	2023	Changes 2024/2023	%
Specialty and Primary Care segment	524,442	467,272	57,170	12.3
Rare diseases segment	341,329	302,359	38,970	12.9
Total EBITDA[(1)]	**865,771**	**769,631**	**96,140**	**12.5**

(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 and Enjaymo® to the gross margin of acquired inventory according to IFRS 3.

The ratio of EBITDA[(1)] to revenue for the Specialty and Primary Care segment was 34.8% of EBITDA, and 40.9% for the Rare Diseases segment, reflecting for the latter investments being made to support continued international expansion and preparing to support potential label extension for Isturisa® in the U.S.

Net financial expenses were € 91.7 million, up by € 24.7 million compared to the previous year, reflecting the new loans taken out during 2023 and 2024 to finance the new product acquisitions. This value also includes € 9.3 million in FX losses (mostly unrealized, compared to a gain of € 2.2 million in FY 2023) and € 6.7 million of net monetary losses from hyperinflation accounting (compared to a gain of € 1.5 million in FY 2023).

Income taxes amounted to € 130.7 million, up by € 28.9 million compared to the previous year. The effective tax rate was 23.9%, which was higher than the previous year (20.7%), mainly following the accrual of the effects of the Pillar Two legislation, amounting to € 3.2 million, and a non-recurring tax income of € 2.7 million

recognized in 2023 for the release of deferred tax liabilities in relation to the treatment of hyperinflation in Türkiye. In continuing with the approach adopted in previous years, this result includes the tax benefit pertaining to 2024 relating to the Patent Box in Italy, which reduces tax for an estimated amount of € 9.0 million.

Net income was € 416.5 million, up 7.0% over 2023, at 17.8% of revenue, with the growth of operating performance offset by higher income taxes, financing expenses and amortization charges.

Adjusted net income was € 568.9 million, up by 8.4% at 24.3% of revenue, and excludes amortization and write-downs of intangible assets (except software) and goodwill for a total amount of € 145.1 million, charges from non-recurring items of € 8.0 million, non-cash charges arising from the revaluation at fair value of the inventory purchased in the operations EUSA Pharma and Enjaymo® of € 37.5 million, and net monetary loss from hyperinflation of € 6.7 million (IAS 29), net of tax effects.

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

€ (thousands)	**2024**	**2023**
Net income	416,508	389,214
Amortization and write-downs of intangible assets (excluding software) and goodwill	145,076	112,227
Tax effect	(31,973)	(24,341)
Non-recurring operating expenses	8,048	9,638
Tax effect	(2,027)	(2,433)
Non-cash charges from inventory uplift	37,511	58,947
Tax effect	(9,378)	(14,749)
Monetary net (gains)/losses from hyperinflation	6,747	(1,546)
Tax effect	(1,619)	371
Non-recurring tax (income)/expenses	0	(2,737)
Adjusted net income[(1)]	**568,893**	**524,591**

(1) 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 and Enjaymo® 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 as of 31 December 2024 recorded net debt of € 2,154.3 million, or just below 2.4x EBITDA pro-forma[9], compared to net debt of € 1,579.4 million as of 31 December 2023, as detailed in the following table:

€ (thousands)	31/12/2024	31/12/2023	Changes 2024/2023	%
Cash and cash equivalents	322,423	221,812	100,611	45.4
Short-term debts to banks and other lenders	(22,845)	(99,932)	77,087	(77.1)
Loans - due within one year (1)	(274,251)	(343,448)	69,197	(20.1)
Leasing liabilities - due within one year	(10,696)	(10,249)	(447)	4.4
Short-term financial position	14,631	(231,817)	246,448	n.s.
Loans - due after one year (1)	(2,130,852)	(1,319,970)	(810,882)	61.4
Leasing liabilities – due after one year	(38,113)	(27,637)	(10,476)	37.9
Net financial position	**(2,154,334)**	**(1,579,424)**	**(574,910)**	**36.4**

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

In the last quarter of 2024, a total amount of € 781.7 million was paid in relation to the acquisition of the global rights of Enjaymo® (sutimlimab), a biologic which is the only approved targeted product for the treatment of cold agglutinin disease (CAD), a rare B-cell lymphoproliferative disorder; the amount includes the consideration to Sanofi, transaction costs and acquired inventory. Additionally, a milestone of $ 12.5 million was paid in relation to the product Juxtapid®.

During the year, dividends of 253.7 million were paid to shareholders and treasury shares were purchased for € 26.4 million, net of proceeds from exercising stock options.

Free cash flow, which is total cash flow excluding financing items, milestones, dividends, and purchases of treasury shares net of proceeds from the exercise of stock options, was € € 535.1 million for full year 2024, an increase of € 79.1 million versus full year 2023, mainly due to higher EBITDA only partially offset by higher interests and income taxes paid.

About new loans, during the year the parent company entered the following operations:

- In the fourth quarter, the finalization of a loan for € 850,0 million with a pool of banks to finance the acquisition of Enjaymo® rights. The terms of the loan provide for a variable interest rate at the six-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 five-year term with semi-annual repayment of the principal starting 31st March 2025, with the final instalment on 30th October 2029.
- In November, the draw-down of € 100,0 million Capex Line obtained in 2023.
- In March, the finalization of a loan with HSBC Continental Europe for € 70.0 million. The terms of the loan provide for a variable interest rate at the six-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 five-year term with semi-annual repayment of the principal starting 31st August 2025, with the final instalment on 29th February 2029.

Additionally, in February 2024 the subsidiary Recordati AG finalized a loan with UBS Switzerland AG for 72.0 million Swiss francs, disbursed in April. The terms of the loan provide for a fixed interest rate and semi-annual repayment of principal starting December 2024 through April 2029.

[9] Pro-forma calculated by adding Enjaymo's® estimated contribution for the first eleven months of fiscal year 2024 (when it still was propriety of Sanofi) to EBITDA.

In 2024 the repayment of bank loans amounted to € 350.7 million.

Net working capital for operations as of 31 December 2024 was € 540.8 million and is broken down as follows:

€ (thousands)	31.12.2024	% of revenue	31.12.2023	% of revenue	Changes 2024/2023	%
Trade receivables	516,743	22.1	445,193	21.4	71,550	16.1
Inventories	506,447	21.6	404,831	19.4	101,616	25.1
Other current assets	130,411	5.6	119,325	5.7	11,086	9,3
Current assets	**1,153,601**	**49.3**	**969,349**	**46.6**	**184,252**	**19.0**
Trade payables	296,698	12.7	263,979	12.7	32,719	12.4
Tax liabilities	93,941	4.0	67,110	3.2	26,831	40.0
Other current liabilities	222,170	9.5	196,310	9.4	25,860	13.2
Current liabilities	**612,809**	**26.2**	**527,399**	**25.3**	**85,410**	**16.2**
Net working capital for operations	**540,792**	**23.1**	**441,950**	**21.2**	**98,842**	**22.4**
Trade receivables: days of exposure	63		66			
Inventories as % of cost of sales	68.3%*		61.4%			

Details and comments relating to the different components are available in the Notes to the consolidated financial statements.

*Inventories include € 4.3 million, compared to the original revaluation amount of € 141.9 million associated with the treatment established under IFRS 3 for EUSA Pharma acquired inventory and € 62.5 million, compared to the original revaluation amount of € 70.7 million associated with the same treatment for Enjaymo® acquired inventory. Net of these amounts and the € 37.5 million recognized in the 2024 income statement, the impact of inventories on the cost of sales is 62.5% (or around 225 days).

RECONCILIATION BETWEEN THE PARENT COMPANY'S SHAREHOLDERS' EQUITY AND NET INCOME AND GROUP CONSOLIDATED SHAREHOLDERS' EQUITY AND NET INCOME

The reconciliation between the Parent Company's shareholders' equity and net income and the group consolidated shareholders' equity and net income is as follows:

€ (thousands)	Shareholders' equity		Net income	
	31.12.2024	31.12.2023	2024	2023
Recordati S.p.A.	405,246	352,782	320,830	224,017
Consolidation adjustments:				
- Elimination margins in inventories	(94,152)	(78,677)	(15,475)	5,884
- Related tax effect	27,654	22,614	5,040	(1,506)
- Other adjustments	(42,014)	(32,082)	(10,367)	(6,004)
Retained earnings of consolidated subsidiaries at the beginning of the year, net of amounts already recognized by Recordati S.p.A.	1,454,799	1,321,387	-	-
Net income for consolidated companies, net of amounts already recognized by Recordati S.p.A.	399,689	365,068	399,689	365,068
Dividends received from consolidated subsidiaries	-	-	(283,209)	(198,245)
Translation adjustments	(274,413)	(264,700)	-	-
Consolidated financial statements	**1,876,809**	**1,686,392**	**416,508**	**389,214**

RELATED-PARTY TRANSACTIONS

As of 31 December 2024 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.

As of 31December 2024, the parent company held 2,828,921 in treasury shares equivalent to 1.35% of its share capital, with a nominal value of € 0.125 each.

To the Group's knowledge, any transactions and contracts that have been entered into with related parties have been made on an arm's length basis and at market conditions as well as in the ordinary course of business and are not deemed to in any way materially affect the Company's financial position or results.

In compliance with the requirements of Art. 4, paragraph 7 of the Italian Regulations on operations with related parties adopted with CONSOB Resolution No. 17221 of 12 March 2010 and subsequent amendments, as well as Art. 2391-*bis*, paragraph 1 of the Italian Civil Code, the Parent Company states that it has adopted the "Procedure governing transactions with related parties", available on the Company's website www.recordati.com (in the "Corporate Governance" section). For further information regarding corporate governance, please refer to the Corporate Governance and Proprietary Assets Report, prepared in compliance with Art. 123 *bis* of the Consolidated Law on Finance, approved by the Board of Directors together with the Annual Report. Information regarding paragraphs 1 and 2 of Art. 123 *bis* of Italian Legislative Decree 58/1998 can be found in the "Corporate Governance and Proprietary Assets Report" available, in its entirety on the Parent Company's website www.recordati.com (in the "Corporate Governance" section).

SUBSIDIARIES OUTSIDE THE EUROPEAN UNION

Pursuant to Articles 15 (ex 36) and 18 (ex 39) of the Financial Markets Regulation (as amended by CONSOB with Resolution no. 20249 of 28 December 2018) concerning the conditions for listing companies established and regulated under the laws of countries outside the European Union with significant relevance and for the purposes of the consolidated financial statements, we note that, at 31 December 2024, the provisions of Art. 15 (ex 36) of the Financial Markets Regulation apply to the subsidiaries Recordati Ilaç, Recordati Rare Diseases Inc., Rusfic LLC., Recordati AG and Recordati UK Ltd., and that the conditions indicated in the above-mentioned Art. 15 (ex 36) regarding the administrative body's certification have been met.

SIGNIFICANT TRANSACTIONS, DISCLOSURE REQUIREMENTS DEROGATION

With effect from 20 December 2012, the Parent Company has decided to avail itself of the right to derogate from the requirements of disclosing the information documents prescribed in the event of significant transactions involving mergers, spin-offs, capital increases through contributions in kind, acquisitions and disposals, pursuant to Article 70, paragraph 8 and Article 71, paragraph 1-*bis* of the Issuers Regulation issued by CONSOB with Resolution 11971/1999 and subsequent amendments.

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In compliance with the CONSOB Communication dated 28 July 2006, it is noted that, during 2024, no atypical or unusual transactions, as defined by the Communication itself, were put in place.

INFORMATION ON "ESSENTIAL INTANGIBLES" PURSUANT TO ART. 15 OF ITALIAN LGS. DECREE 125/2024

Starting this year, we now report on our key intangible resources. We have identified the following intangible resources upon which our business model fundamentally depends. These resources constitute a source of value creation for our company but are not fully reflected in our financial statements.

Human capital: The value delivered by employees through the application of their skills, experience, and expertise is key to the long-term economic success of our company. Particularly relevant for Recordati are the area of Business Development which has been a key value creator with a significant positive track record in delivering value accretive deals over the years, the commercial teams both on SPC and RRD who are very effectively promoting our products and finally the R&D teams who is successfully leading key products life cycle management projects.

Knowledge and Culture: This refers to the value created by Recordati through its company culture and processes excellence. In particular, Recordati has demonstrated that thanks to its effective commercial excellence processes and significant vertical integration of its industrial operations, it has been able to have a sector leading margin. The Recordati culture is built on the pillars of entrepreneurship, purpose and belonging. Execution and discipline have always been part of who Recordati is and will continue to drive the company's performance in an ever-changing, dynamic environment.

Relational capital: The inherent value in a company's relationships with its patients, suppliers, business partners, investors, and other key actors. Recordati is a group of passionate individuals who go to extraordinary lengths for partners, customers, investors, and the patients across the globe that it serves. Every day we focus on unlocking the full potential of life for people living with common diseases as well as some of the rarest in around 150 countries across the globe. We do this thanks to our people tireless execution but also thanks to strong partnerships both upstream and downstream in the value chain to truly help the company to unlock the full potential of life of our patients.

Brands: While we do have more than €2.5 billion intangible assets in our Financial Statements reflecting the book value of our key products, this is not fully reflecting the intrinsic value of some our historical products like Zanidip®, Urorec®, Livazo® which still account for a relevant contribution to our financial results. It is indeed the value of their brands which allows to continue to hold a significant market share and premium price despite having to compete with generic products.

REVIEW OF OPERATIONS

RISK ASSESSMENT AND MANAGEMENT

RISKS ASSESMENT AND MANAGEMENT

The Group actively identifies, evaluates, and manages company risks using an Enterprise Risk Management (ERM) approach. This structured risk management process aligns with international best practices and complies with current rules and regulations.

The Group evaluates risks based on their probability of occurrence and potential impact. Risk evaluations consider various impact dimensions, including patients, economic, market, and reputational factors. The Group determines the level of risk by factoring in mitigation actions implemented to address each risk. These actions are integrated into the organization's management through established systems, procedures, and control frameworks. Additionally, new projects are launched to enhance existing safeguards. Consequently, the Group bases its risk ratings on residual risk—accounting for the impact of mitigation measures—rather than inherent risk.

The Group actively maintains a catalogue of company risks, which is reviewed multiple times a year, especially during significant periods like M&A projects or Business Plan approvals. This catalogue aims to classify potential risks from two vantage points:

- external focus (such as changes in regulations or competitive pressure) and
- internal focus (related to company processes like pharmacovigilance, production, patent expiry, and new product launches).

Amongst the risks considered, there are also risks related to Sustainability. For more information, refer to the Consolidated Sustainability statement 2024**.**

Results

The principal risk factors to which the Group is exposed are associated with the following macro-categories:

- Risks associated with the external environment
- Risks associated with strategy and operations
- Financial risks
- Legal and compliance risks

For each risk, we outline strategies and management policies to effectively protect against and mitigate the risk.

RISKS ASSOCIATED WITH THE EXTERNAL ENVIRONMENT

Risks associated with changes in legislation and regulations governing the pharmaceutical sector

The Group operates globally in a complex legal and regulatory environment. Non-compliance with laws, rules, and regulations can lead to civil or criminal proceedings, resulting in fines, damages, and other sanctions that could significantly impact the business, operations, and reputation.

Most of the Group's sales come from prescription products reimbursed by national healthcare services or public medical insurance schemes. This setup shields the Group from general economic trends but makes it vulnerable to changes in local healthcare spending laws. To reduce reliance on individual governments' decisions on pharmaceutical spending, the Group has long pursued a strategy of diversifying and expanding sales across various markets and non-reimbursed products, including over the counter (OTC) products.

Healthcare reforms, like the Inflation Reduction Act (IRA) in the United States of America, as well as public and social scrutiny could influence and impact on how prescription pharmaceuticals, including Recordati's products, are prescribed, purchased and reimbursed and thus affecting our business. The pharmaceutical sector is governed by national and international standards regulating research, development, production,

distribution, and promotion. The Group continuously monitors regulatory changes in all its markets, with dedicated units in the Parent Company and subsidiaries ensuring efficient coordination and rapid response to new regulations.

Country risk, risks associated with business expansion into emerging markets

The Group follows a strategy of expanding in regions and countries which offer the highest potential for development and strong growth rates (for example Central and Eastern Europe, the Middle East and North Africa), either with own operations, through intermediaries or a combination of both. Some of these territories are prone to country risk, which includes political, economic, regulatory, and social instability, major hostilities, or terrorism. It carefully assesses growth opportunities and prefers acquiring local companies with lower capital outlay to reduce exposure to country risk. The Group's export of medicinal products to countries under economic and trade sanctions is minimal and compliant with international programs. To further mitigate commercial and economic sanctions risk, the Group continues to refine its Export Management and Control model.

Geopolitical risk, arising from foreign political actions that disrupt internal politics in another country, economy, or social policy, is also a concern. The Group monitors conflicts like the one in the Gaza Strip for potential supply chain delays, despite not having direct operations there.

Top management, supported by all Corporate Departments, evaluates and monitors these risks. The two business units, Specialty and Primary Care and Rare Diseases, handle company-level monitoring, while Regional Directors oversee local monitoring and coordinate strategic activities in line with the Group's corporate functions.

Conflict in Ukraine

The company has commercial operations in both Russia and Ukraine through direct subsidiaries and has been actively monitoring the implications since the beginning of the conflict in 2022.
Early in the conflict, the group established a Crisis Committee to manage the emergency and ensure the safety of its Ukrainian employees. They activated local resources in neighbouring countries like Poland and Romania to provide assistance. The Group offered shelter, economic aid, and compensation to Ukrainian colleagues during the conflict and continues to ensure the availability of pharmaceutical products to the Ukrainian population. The Russian subsidiary is a sales and distribution company which prioritizes patient needs and ensures the availability of medicines in compliance with laws and regulations. Despite international sanctions, which exclude health, pharmaceutical, food, and agricultural products, operations in Russia and Ukraine have not faced significant disruptions. The Group continues to monitor the situation to maintain business continuity and comply with sanctions and local laws.

Risks associated with market competition

The Group faces competition from new pharmaceuticals launched by competitors and generic versions of its products once patents expire. To manage this risk, the Group continuously monitors the market, diversifies its product portfolio, and actively manages the intellectual property rights and regulatory protection of its products. This strategy reduces dependency on a few strategic pharmaceuticals and increases the presence of the Group’s products and treatments in the market.

Climate change risk

The potential risk connected to climate change was qualitatively assessed by Recordati management considering the following aspects:

- Physical risk, e.g. air temperature, extreme heat, storms, intense rainfall, flooding and drought, with potential impacts, for example, on the cost of energy, protection of assets and business continuity.
- Transition risk, connected to e.g. potential and future regulatory changes linked to the ongoing transition to a decarbonised economy (e.g. legal and financial risks due to a failure to observe performance standards, etc.), with a potential impact, for example, on systems technologies, compliance/energy costs, etc.

Recordati recognises that climate change represents a complex challenge. Potential and future regulatory changes and an increase in ever-more extreme and unpredictable weather events have an impact on the planet and society with potential long-term repercussions on various sectors and companies. In this sense, Recordati acknowledges a potential long-term physical and transitional risk linked to climate change and will continue to monitor this potential risk over coming years.

Regarding short and medium-term risk, considering the sector in which the Group operates, Recordati has currently classified climate change as a risk without concrete or material impacts on company operations and the Company has assessed it as having a low level of risk.

In relation to this potential risk, the Group, in coordination with the Head of Group ESG, monitors changes in laws and standards and sets environmental objectives within its sustainability strategy. Measures include the purchase of renewable energy, installation of systems for the generation of renewable energy and energy-efficiency projects. The Group has also upgraded “All-Risk Property” insurance policies to cover direct and indirect damage, guaranteeing protection against potential shutdowns or interruptions of the production cycle.

Risks caused by catastrophic events (biological events, epidemics and pandemics, etc.)

The Group monitors risks from biological events and potential new pandemics, such as COVID, which could impact business activities. These impacts range from delays in clinical trials, changes in the interaction with the medical community, alteration of production processes and schedules and extensive remote working. The Recordati Group has defined and maintains dedicated operating plans to ensure business continuity and the safety of employees, clients, suppliers, and other stakeholders.

RISKS ASSOCIATED WITH STRATEGY AND OPERATIONS

Risks associated with the internationalization of the Group

The Group operates in an increasing number of countries, facing risks from the complexity of conducting operations in diverse locations. To manage this, the Group has established a management system with central units that integrate, monitor, and coordinate local operations. These units exercise operational and marketing powers within the guidelines and limits set by the Group. Formalized policies and procedures provide guidance for managing key company processes, which all subsidiaries must follow.

Risks associated with the expiry of patents

Pharmaceutical companies invest heavily in research and development, obtaining strong protection for their intellectual property rights, especially patents. However, third parties may challenge these patents or develop non-infringing products, potentially selling them even during ongoing patent litigation. The invalidity or expiry of patents for key pharmaceuticals and the introduction of generic versions can significantly reduce revenues. To counter this, the Group actively manages and optimizes its intellectual property rights and patent portfolio, diversifies its pipeline, launches new products in key therapeutic areas, and expands into high-growth markets.

Risks associated with investments in research and development

The Group's competitive position relies also on continuously optimizing its product portfolio through investments in research and development. There are inherent risks related to any R&D activity; to mitigate these risks, the Group monitors intermediate results at various stages of the research and development process, advancing only the most promising ideas. The Company also integrates early scientific advice with both regulatory as well as Health Technology Appraisal agencies during the R&D process, to support the appropriate evidence generation for decision-making authorities.

Risks associated with the launch of new products

Delays in the development process or regulatory approvals can impact the profitability and growth targets of new products. To mitigate this risk, Recordati broadens and balances its product pipeline and portfolio by acquiring pharmaceuticals at various stages of the development and commercialization cycle and diversifying geographically to reduce dependence on a single country's regulatory authorities.

Risks associated with pharmacovigilance

As a holder of drug marketing authorizations, the Group must comply with pharmacovigilance regulations, reporting drug safety information to regulatory bodies within clearly defined timeframes and manner. Serious adverse drug reactions can lead to restrictions or revocation of marketing authorization. To manage this risk, Recordati has assigned specific pharmacovigilance responsibilities within its organization and implemented integrated systems to collect, assess, manage, and submit required information. The Group continuously strengthens its internal organization and commercial partners through mandatory training and optimized procedures to comply with stringent regulatory requirements as outlined by regulators and industry standards.

Risks associated with the production process by intrinsic factors

The Group's production plants face various risks that could interrupt production, damage plants, or delay the production cycle. To protect against these risks, production activities have to be supported with clear instructions for operators to use the equipment in the correct way for assuring the quality of products, the safety for operators themselves and the protection of the equipment. Moreover, suitable ordinary and extraordinary equipment maintenance operations are considered, and planning activities are conducted to define the appropriate timing. As a general standard requirement, operations should comply with Good Manufacturing Practices (GMPs) and they are monitored by relevant national authorities too, as well as foreign ones like those from Russia. The Group's production sites have adequate structures and qualified personnel to ensure compliance with GMP and internal procedures. The main production site for active ingredients in Campoverde di Aprilia (Italy), in addition to several worldwide Regulatory Authorities is also approved by the USA FDA.

Risks associated with the interruption of the production process by external factors

Production is exposed to potential interruptions from natural disasters, fires, revocation of permits, equipment malfunctions, or supply interruptions. The Group has a plan to maximize efficiency, with insourcing and with alternative second source programs. It has an effective asset protection policy, reliable suppliers, and monitors raw material availability to prevent out-of-stock situations. The Group also has "All risk property" insurance policies to cover direct and indirect damages.

Risks associated with health, safety and the environment

The Group must comply with laws and regulations on the environment, health and safety. These requirements include regulation of the handling, manufacture, transportation, storage, use and disposal of materials, including the discharge of pollutants and pharmaceutical residues into the environment. Non-compliance can result in fines and penalties. To ensure compliance, the Group has dedicated units for prevention, verification, and continuous monitoring in regard to compliance with the structural technical standards (related to equipment, plant, the workplace, chemical, physical and biological agents) in addition to activities regarding health surveillance, security vigilance, workers training and information and the procurement of the documents and certificates required by law. The environmental management system of the main production plant in Campoverde di Aprilia in Italy has maintained ISO 14001 certification since 2003. Opalia Pharma’s plant in Tunisia has ISO 14001 and ISO 45001 certifications, and the Turkish Çerkezköy plant obtained ISO 50001 certification for its energy management system in December 2023.

Risks associated with the management of information technology resources and data security

The Group extensively uses information technology systems to conduct business, including systems managed by third-party service providers. These systems handle internal and external communications, order and

manage materials from suppliers, convert materials to finished products, ship products to customers, process transactions, summarize and report operational results, and comply with regulatory, legal, or tax requirements. These information technology systems could suffer damage or malfunction due to poor performance or failure of third-party service providers, catastrophic events, power outages, network outages, failed upgrades, or similar events. If the Group's business continuity plans do not resolve such issues promptly, it may experience significant business interruptions, adversely impacting its business, financial condition, and operational results.

Globally, cyber-attacks continue to rise, with ransomware attacks becoming more sophisticated and targeted. To ensure effective operational continuity, the Group has implemented a disaster recovery and business continuity system that immediately replicates the principal legacy systems' workstations. Additionally, the company's data and software are actively protected by multiple physical and logical security layers at both server and client levels.

The risk catalogue includes and monitors the risk of cyber-attacks and cyber fraud. To combat these risks, the Group has introduced technological and organizational control measures. The Company continuously subjects its infrastructure to Vulnerability Assessment and Penetration Testing (VAPT) and additional IT security audits by independent technicians. These analyses have consistently shown the Company's information systems to be adequately protected.

Regarding fraud using information technology resources by external individuals, the Company provides ongoing training and information to employees to raise awareness about the correct use of resources and applications assigned to them. Security events are managed according to a dedicated Cyber Security Incident Management policy. The Company also commissioned a leading IT consultancy firm to assess the security of remote connections, and the report found the protection to be adequate according to international standards.

Risks associated with partnerships and third parties

The Group, as customary in the pharmaceutical industry, collaborates with partner companies and third parties in multiple areas along its value chain including contract research, contract manufacturing, regulatory services, distribution and promotion, managed IT services and general business process outsourcing.
These suppliers are independent entities over which the Group has no or very limited control and are subject to their own set of risks. This could result in risk to the Group including but not limited to delays of research and development initiatives, supply disruption, IT service disruption or failure to meet regulatory or legal requirements. The Group has implemented policies and procedures to effectively vet, monitor and manage third parties throughout the lifecycle of their engagement with Recordati to mitigate any associated risk and ensure consistent service delivery.

Risk associated with attraction and retention of talent

The Group is facing risk related to attraction and retention of talent due to a high degree of competition between pharmaceutical employers, employer brand awareness and career development expectations of employees.
The Group has implemented strategies and policies which are continuously optimized including positioning itself as attractive employer with a proven employer value proposition, structured talent reviews and succession planning initiatives, engagement surveys with dedicated action plans, competitive compensation and benefits and quality of live initiatives for all employees.

Risk associated with business development activities

The Group grows organically and through targeted business development activities such as in-licensing of products, acquisitions of single products (asset deals) or outright purchase of whole businesses (share deals). These transactions often have a high degree of complexity which carry a certain element of risk by its nature, including, but not limited to strategic fit, overvaluation, errors in due diligence or unsuccessful integration which could lead to the inability to unlock the full value of the asset. The Group has a highly rigid process in

place to mitigate the risks associated including thorough cross-functional due diligence, use of reputable advisors to challenge and validate assumptions, a multi-tiered review and approval process and a holistic integration method with proven track record.t

FINANCIAL RISKS

Credit Risk

Credit risk is exposure to potential losses resulting from commercial counterparties failing to meet their obligations. This risk is higher during long lasting periods of economic and financial hardship and as a result of exposure to geographical areas with specific dynamics and peculiarities (for example Russia and Tunisia). The Group closely controls its credit exposure through the allocation of credit limits to each single customer and an internal reporting system.

Interest Rate Risk

The Group raises funds using debt and invests excess cash in money market and other financial instruments. The fluctuation of market interest rates influences the cost and returns on debt and investment instruments therefore affecting the Group's net financial expenses.

The significant expansion of the Group into countries with different economic dynamics from the Euro (for example Turkey, Russia and Tunisia) leads to an increase in risk.

The Group's policy is to limit the risk arising from interest rate fluctuations by establishing medium/long-term fixed interest loans or variable interest loans. Variable interest loans are covered with derivative financial instruments (for example interest rate swaps) for the sole purpose of minimizing such fluctuations and are not for speculation.

This hedging policy limits the Group's exposure to the risk of fluctuations in interest rates.

Foreign Currency Risk

The Group operates in an international context and is affected by assets and transactions denominated in foreign currency other than euro. It is therefore exposed to risks of foreign currency fluctuations which can affect its operating results and the value of its equity. The diversification strategy enacted by the Group results in a progressive higher exposure to trade transactions in foreign currency with respect to the Group's business volume. Many of the Recordati Group companies are exposed to a limited level of exchange risk linked to operations because in each country most of cash flows generated both by sales and by expenses are denominated in the currency of the relative country. For the sole purpose of hedging and not for speculation, the Group engages in forward contracts for the purchase and sale of currencies to cover amounts at risk.

Liquidity Risk

The liquidity risk to which the Group may be exposed is represented by the inability to raise sufficient financial resources for its ongoing business and for the development of its industrial and commercial activities. The two main factors which determine the Group's liquidity are, on the one hand, the cash generated or absorbed by operations and by investments, and on the other, the expiry and renewal terms of debt or the degree of liquidity of financial investments and market conditions.

The Group has at its disposal readily available liquidity for its operations and plentiful lines of credit granted by a number of leading Italian and international financial institutions.

The terms and conditions of the Group's loans and its financial assets are set out in Notes 18, 21 and 31 which address, respectively, short-term financial investments, cash and cash equivalents, loans and bank overdrafts. The Group believes that the funds and credit lines currently available, in addition to those

generated by operations and financing activities, are sufficient to meet investment needs, working capital requirements and the repayment of debts at their natural due dates.

LEGAL AND COMPLIANCE RISKS

Risks associated with product liability

Delivering high quality products to patients is of the upmost importance to the Group and Recordati has a comprehensive quality management system in place ensuring in line with industry best practices to ensure compliance with relevant quality standards. Recordati, like any company operating in the pharmaceutical industry, could face potential claims for injuries allegedly caused by its products, despite strict compliance with standards and regulations. As the Group's product portfolio grows, especially with new innovative medicines, the number of product liability claims may increase. In addition to our robust quality management system, the Group has insurance policies covering all marketed and developing products to address additional liabilities. These policies have adequate maximum liability limits, which are regularly monitored through analyses and market research by leading insurance brokers.

Risks associated with compliance

Every activity performed by the Group throughout the product's entire lifecycle, from research and development to production and to the provision of scientific information, carries an inherent non-compliance risk. To mitigate these non-compliance risks, the Group has implemented an internal control system that encompasses a series of procedures and structured, organic organizations. This system aims to minimize the risk of non-compliance with laws and regulations, ensure accurate and transparent market information, and prevent or limit the consequences of unforeseen outcomes while focusing on achieving the Company's objectives.

The structural aspects of internal control and risk management comprise: the Code of Ethics, that defines the Group's core values and principles, as well as the behavioral rules in respect of said principles; the Group's procedures and the corresponding system for the delegation of powers, based on general and special powers of attorney and internal delegations; the Information systems supporting administration and production activities as well as the accounting and financial processes.

Regarding the risk of corruption, the Group has implemented dedicated Anti-Corruption program, which includes an Anti-bribery Manual, a dedicated training program and specific procedures aimed at mitigating this kind of risk.

All operating and marketing activities performed by the Group, both in Italy and abroad, are performed in compliance with the legislation and regulations that apply in the geographical areas in which it operates, including national and international technical standards that apply to the pharmaceuticals sector which regulate pharmaceutical research and development, production, distribution, and promotion.

Regarding the regulation of drug promotion activities, the Group has formulated a set of ethical rules of conduct. All Group personnel are continuously informed of those rules and monitoring, both internally and by independent certifiers, is performed constantly to ensure that they are properly observed.

In compliance with Legislative Decree 231/2001 on the administrative liability of legal entities, the Italian companies in the Group have an "Organisation, Management and Control Model" that is continuously updated to comply with the latest amendments to the relevant legislation. Analogous models have been adopted by other foreign subsidiaries in compliance with local regulations, such as the Ley Organica in Spain.

Regarding anti-terrorism, the Group has implemented a Policy to monitor and handle transactions with counterparts residing in countries subject to sanctions or embargo.

The Group adheres to all applicable sanction programs. To achieve this, the Group undertakes continuous monitoring of the applicable sanction programs and implements specific controls described in a dedicated policy.

With regard to data privacy, the Group complies with the applicable legislations in the countries where it operates.

The Group has implemented a comprehensive training program for all its employees to ensure they have a thorough understanding of and can effectively implement the principles outlined in the Code of Ethics, the Anti-corruption program, and the Organization, Management, and Control Models.

Risks associated with legal action

The Group may become subject to administrative and civil proceedings and litigations which may be costly and develop over lengthy periods of time. These proceedings may lead to fines, damages and other sanctions and remedies that may materially affect the business and its operations. In these cases, the Group may be called upon to pay extraordinary costs with consequences for operating and financial results.

A detailed description of ongoing litigation is given in Notes 28 and 36 to the financial statements.

REVIEW OF OPERATIONS

BUSINESS OUTLOOK

BUSINESS OUTLOOK

The positive momentum across the business is expected to continue in 2025 and is reflected in the following financial targets for the year, which imply double-digit growth across all metrics:

- Net revenue between € 2,600 and 2,670 million
- EBITDA[(1)] between € 970 and 1,000 million; margin +/- 37.5%
- Adjusted net income[(2)] between € 640 and 670 million; margin +/- 25.0%

As a result of the strong momentum of the Rare Diseases business fueled also by continued growth in diagnosis and treatment rates in key disease areas, the Group is raising its peak year sales targets for the key growth drivers:

- Isturisa®: € 500 - 600 million (from > € 400 million)
- Signifor®: € 150 - 200 million (from € 100 million - 150 million)
- Qarziba® and Sylvant®: € 300 - 350 million (from € 250 - 300 million)
- Enjaymo®: € 250 - 300 million (unchanged)

Potential new indications, such as pasireotide for the treatment of post-bariatric hypoglycemia and dinutuximab beta for the treatment of Ewing sarcoma, are not included in the estimates above.

Milan, 18 March 2025

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 and Enjaymo® 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 and Enjaymo® to the gross margin of acquired inventory pursuant to IFRS 3, and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.

CONSOLIDATED SUSTAINABILITY STATEMENT 2024

CONSOLIDATED SUSTAINABILITY STATEMENT

GENERAL INFORMATION

BASIS FOR PREPARATION

BP-1 - GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

This document represents the Consolidated Sustainability Statement ("Sustainability Statement") for the 2024 financial year (from 1 January 2024 to 31 December 2024) of the Companies belonging to the Group formed of Recordati S.p.A. and its subsidiaries, consolidated on a line-by-line basis (hereinafter also referred to as the "Group" or the "Recordati Group" or "Recordati"). The document has been prepared on a consolidated basis and in compliance with the provisions of Art. 4 of Italian Legislative Decree 125/2024 ("Decree"), with the Corporate Sustainability Reporting Directive ("CSRD") and with the European Sustainability Reporting Standards ("ESRS"), and represents a specific section of the Management Report, in turn part of the Integrated Consolidated Financial Statements. The Sustainability Statement also includes the information required under Art. 8 of Regulation (EU) 852/2020 concerning the EU Taxonomy for Sustainable Activities.

The Consolidated Sustainability Statement contains the data and information necessary to understand the Group's impact on sustainability matters, as well as the information needed to understand the ways in which such matters influence the Group's performance, results and position[10], as identified by the double materiality analysis. For more details, see the chapter on "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities" within the "General information" part.
In the double materiality analysis, Recordati considered both its upstream value chain— specifically taking into account the activities of its suppliers of raw materials, finished goods and services — and downstream value chain, considering, for example, the logistics process and the activity of supplying products to Customers and Patients. For further details on the mapping of the value chain, see the chapter on "SBM-1 – Strategy, business model and value chain".

As provided for by Standard ESRS 1, Recordati's Sustainability Statement is structured into four main parts, as follows: 1) General information; 2) Environmental information (including disclosures in response to Regulation 852/2020); 3) Social information; and 4) Governance information. Each part is then divided into sections based on the material topics identified by the double materiality analysis, presenting the measures that have been developed or planned by the Group to manage the various topics in terms of: Policies, Actions, Targets and Metrics.
To enable the content in the document to be easily identified, a Content Index has been prepared which contains the list of Disclosure Requirements provided for by the ESRS associated with the sustainability matters identified as material for Recordati, the paragraph reference within the report where the relative information is located, details of any phase-in periods used by Recordati for the 2024 reporting and, finally, a reference to any disclosures required by other European laws and regulations, defined in Appendix B of ESRS 2. For further details, see "IRO 2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement" in the "General Information" part. For the reporting period in question, no information has been omitted for reasons linked to intellectual property, know-how or sensitive information.

This Sustainability Statement was presented to the Risk, Control and CSR Committee on 6 March 2025 and was approved by the Board of Directors of Recordati S.p.A. on 18 March 2025.
The document has been subject to a limited assurance review by the Independent Auditing Company according to the procedures indicated in the "Auditor's Report" included in this document.

Reporting boundaries

The reporting boundary for this Sustainability Statement is the same as that of the Group Consolidated Financial Statements and includes the data of the parent company (Recordati S.p.A.) and its subsidiaries

[10] *See Art. 4, paragraph 1 of Italian Legislative Decree 125/2024.*

consolidated on a line-by-line basis. Furthermore, please note that there are no subsidiary undertakings within the Recordati Group subject to the regulatory obligation to prepare an individual Sustainability Statement for the 2024 financial year. For more information on all the companies included within the boundary, see the “Subsidiaries Included in the Consolidated Accounts at 31 December 2024” section, explanatory note no. 39 of the Integrated Consolidated Financial Statements.

Specifically, the boundary of the economic data contained in the Sustainability Reporting is the same as that of the 2024 Consolidated Financial Statements of the Recordati Group. The scope of the social and environmental data and information extends to Companies belonging to the Recordati Group as of 31 December 2024, consolidated on a line-by-line basis in the Group’s Consolidated Financial Statement. However, it should be noted that:

- The reporting boundary and the data on water resources and waste only include the Group's production plants and the offices of the parent company with headquarters in Milan, as the information relating to other commercial sites is not deemed significant;
- The reporting boundary and the data on substances of concern and very high concern include the Group's pharmaceutical chemicals plants, as the use of such substances is exclusively attributable to activities conducted at those sites;
- The reporting boundary and the data on pollution include the Group's production plants, as the information is predominantly attributable to the activities conducted at those sites;
- The reporting boundary and the data on resource inflows refer to the primary resources used for production at the Group's plants.

In line with the adopted reporting standards and the provisions of Italian Legislative Decree 125/2024, these exceptions and any other minor limitations are expressly indicated in the report.

Correlation table with the provisions of Legislative Decree 125/2024

The correlation table below shows the content required by Italian Legislative Decree 125 of 6 September 2024 and the location in the report of the relative information provided by Recordati.

Scope of Legislative Decree 125/2024	Article of Legislative Decree 125/2024	Paragraph references in the 2024 Consolidated Sustainability Statement
Business model and strategy	Art. 4, paragraph 2, a, 3) 4) 5)	SBM-1
Sustainability targets and progress	Art. 4, paragraph 2, b	SBM-1 (Sustainability Plan)
The role of the administrative and supervisory bodies	Art. 4, paragraph 2, c	GOV-1
Policies	Art. 4, paragraph 2, d	E1-2, E2-1, E3-1, E5-1, S1-1, S2-1, S4-1, G1-1
Incentive schemes linked to sustainability matters	Art. 4, paragraph 2, e	GOV-3
Due diligence processes	Art. 4, paragraph 2, f, 1)	GOV-4
Impacts	Art. 4, paragraph 2, f, 2)	SBM-3
Actions	Art. 4, paragraph 2, f, 3)	E1-3, E2-2, E3-2, E5-2, S1-3, S1-4, S2-3, S2-4, S4-4, G1-2, G1-3
Risks and opportunities	Art. 4, paragraph 2, a, 1) 2) Art. 4, paragraph 2, g	SBM-3
Indicators and metrics	Art. 4, paragraph 2, h	E1-5, E1-6, E2-4, E2-5, E3-4, E5-4, E5-5, S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16, S1-17, S2-Entity Specific Metrics, Local Communities -Entity Specific Metrics, S4-Entity Specific Metrics

BP-2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Time horizons

The short, medium and long term time horizons considered by Recordati in its impact assessment align with those defined by the ESRS (short term <1 year; medium term 1-5 years, long term >5 years). However, as regards information on the risk assessment, the adopted time horizons differ from those specified in the reporting standards as it was deemed preferable to ensure alignment with those used in risk assessment activities: short term: 0-5 years; medium term: 5-10 years; long term: >10 years.

Value chain estimation

As noted, the impact, risk and opportunities assessment took into account the activities of both the upstream and downstream value chain. As this analysis represents the first year of application of the new legislation, the assessments were mainly qualitative in nature, based on internal analyses and knowledge or publicly available industry references, where available, predominantly considering the stakeholders with whom the Group has business relations. In the reporting of metrics related to the value chain, if these were not already mapped by business processes, for 2024 the company took advantage of the phase-in provision under the ESRS that allows the omission of value chain data for the first three years of reporting.
In the reporting of Scope 3 greenhouse gas emissions, the calculation was conducted in compliance with the guidelines of the GHG Protocol, applying the Corporate Value Chain (Scope 3) Accounting and Reporting

Standard. The data were mainly extracted from the Group's internal systems and multiplied by emission factors provided by internationally recognised databases. No specific data provided by external partners or suppliers were used, but structured methodologies were used to cover any gaps in the available data. For further details, see "E1-6 - Climate change – Metrics – Gross Scopes 1, 2, 3 and Total GHG emissions" in the "Environmental Information" part.

Furthermore, in order to provide a correct representation of performance and to guarantee the reliability of the data provided, any estimates are based on the best available methods and are duly indicated in the chapters dedicated to the metrics to which they refer. Any changes to data already released in previous years have been indicated in the text, including the reasons for any restatements.

List of estimates used in this Sustainability Statement:

- Electricity consumption in Group offices (E1-5 - Energy consumption and mix): the Group does not generally manage energy supply contracts in its offices directly as utilities are often included in the lease fees. Therefore, in 2024 this data was estimated. In particular, with the exception of the offices of the parent company in Milan and the offices annexed to the plants, whose consumption is measured directly, the energy consumption at all of the Group's other administrative offices was estimated considering the energy consumption shown on the utility bills of one representative office. This data was then used to calculate the average energy consumption per employee, and the energy consumption of all of the Group's offices was then estimated based on the number of employees present at each site.
- GHG emissions of the company vehicle fleet (E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions" in the "Environmental Information" part): the GHG emissions attributable to the company vehicle fleet were estimated based on the distance travelled by the cars in the Group's fleet, considering an emission factor indexed per kilometre (tCO_2eq/km).
- Scope 3 Emissions (E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions"): Scope 3 greenhouse gas emissions were calculated in compliance with the guidelines of the GHG Protocol, applying the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The data were mainly extracted from the Group's internal systems and multiplied by emission factors provided by internationally recognised databases. No specific data provided by external partners or suppliers were used, but structured methodologies were used to cover any gaps in the available data.
- Pollutants (E2-4 – Pollution of air, water and soil): the data on pollutants have been estimated based on periodic sampling. Specifically, these data were obtained by considering the average pollutant concentration detected at a specific time and then reparametrizing the average on an annual basis, depending on the operating regime of the plant.
- Resource inflows (E5-4 – Resource inflows): the total weight of inflowing products and technical and biological materials has been estimated considering the weight in kilograms of the main categories of materials, including packaging, acquired and used in production processes at the Group's plants. Furthermore, packaging weight was estimated based on information provided by the main suppliers of the production plants, who specified the type of material and quantity sold, in kilograms, to the Group.
- Hours worked by employees at the Group's offices used to calculate the rate of work-related accidents (S1-14 Health and safety metrics): where precise system data was not available, the number of hours worked by employees, used to calculated the recordable work-related injury rate, was estimated based on a normal or standard working timetable, considering any periods of paid leave (e.g., paid holidays, paid sick leave, national holidays).
- Estimated gross hourly wage to calculate the gender pay gap (S1-16 Remuneration metrics - pay gap and total remuneration): the data on gross hourly wage used to calculate the gender pay gap was determined by dividing the annual salary by the estimated number of working weeks in one year, excluding weekends and national holidays. This value was then divided by the number of standard weekly working hours established at local level to calculate the average gross hourly wage.

The perspective information has been prepared on the basis of assumptions about events that may occur in the future and possible future actions to be taken by the Group.

Changes in preparation or presentation of sustainability information

Compared to the Consolidated Non-Financial Statement prepared by Recordati up until 2023 pursuant to Italian Legislative Decree 254/2016, and according to the GRI Standards of the Global Reporting Initiative, the introduction of the new legislation has resulted in the integration of additional information on policies, actions, metrics and targets on material sustainability matters into the 2024 Sustainability Statement, in line with the first financial year of reporting pursuant to the new ESRS standards. In cases where new calculation methodologies have been used or metric definitions have been updated, further details are provided in the relevant chapters.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The Group also reports a selection of entity-specific indicators, representative of specific relevant IROs, including the indicators set out in the Sustainability Plan.

Incorporation by reference

Where references to other documents are present within the Sustainability Statement, they are duly signaled and comply with the provisions of standard ESRS1 - section 9.1 “Incorporation by reference”.

GOVERNANCE

GOV-1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The primary objective of Recordati's corporate governance system is the responsible and sustainable generation of value for shareholders, without losing sight of the social importance of the activity performed and of all the stakeholders involved. The Corporate Governance structure of the Company is based on a conventional organisational model and therefore consists of the following corporate bodies: the Shareholders' Meeting, the Board of Directors, and the Board of Statutory Auditors. Accounting control is delegated, in compliance with the relative legislation in force, to an independent auditor registered in the special roll maintained by Consob. A '231' (administrative liability) Supervisory Body (ODV) has also been appointed which oversees the proper functioning of the "231 Model" and is responsible for updating it. The Board of Directors has formed two committees from among its members with consultative and proposal-making functions: the Remuneration and Nominations Committee and the Risk, Control and CSR Committee, both consisting exclusively of non-executive and independent directors.

In order to guarantee the structured management of all aspects of sustainability, including material impacts, risks and opportunities, a system of responsibilities has been defined both at the level of governance bodies and of the organisational structure.
In particular, in line with the Corporate Governance Code for Listed Companies in force, promoted by the Italian Stock Exchange and available to the public at the following link:
https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf, which Recordati has resolved to adopt, the Board of Directors has the role of pursuing sustainable business success, defined as the goal of generating value in the long term to the benefit of shareholders, taking into account the interests of stakeholders which are relevant for its business. This also translates into the integration and pursuit, within the three-year business plan (e.g., the current business plan refers to the three-year period 2023-2025), of ESG targets (defined in line with the material topics), which are periodically monitored and updated annually, taking into account the related risk profiles and the resulting organisational needs and approving, on an annual basis, the results of the double materiality analysis conducted prior to the approval of the Sustainability Plan.

The list of material impacts, risks and opportunities identified by the double materiality analysis was shared with the administrative, management and supervisory bodies, including the relative internal committees, during the reference period and according to the frequencies indicated above. See "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model" for the list of impacts, risks and opportunities identified by the 2024 analysis.

As at 31 December 2024 the Recordati Board of Directors is composed of 12 members (including seven non-executive members, of which four are independent, equating to 33% of the governing body, in line with the minimum requirement provided by law and by the self-governance code). Specifically, 58% of the B.o.D. is composed of men and 42% of women, with representation of four different nationalities. The gender diversity of the Board of Directors, calculated as an average ratio of female to male Board members, is 0.71. Furthermore, 67% of B.o.D. members are under 60 years of age, while the remaining 33% are over 60.

Table showing the Composition and Structure of the Board of Directors

Role	Members (surname and name)	Year of birth	In office until	Date of first appointment	Nationality	Exec.	Non-exec.	Indep. CG Code	Indep. TUF	CCRS	RNC
Chairman	*RECORDATI Andrea*	1971	Budget approval 2024	Shareholders' Meeting 29.04.1998	Italy		X				
Vice Chairman	*GUIDI Guido*	1953	Budget approval 2024	Shareholders' Meeting 29.04.2020	Italy		X				
Chief Executive Officer	*KOREMANS Robert*	1962	Budget approval 2024	B.o.D. 01.12.2021	Netherlands	X					
Director	*CASTELLI Michaela*	1970	Budget approval 2024	Shareholders' Meeting 17.04.2014	Italy		X	X	X	P	X
Director	*CORGHI Elisa*	1972	Budget approval 2024	Shareholders' Meeting 29.04.2022	Italy		X	X	X	X	X
Director	*DE PALMA Giorgio*	1974	Budget approval 2024	Shareholders' Meeting 29.04.2020	Italy	X‡					
Director	*LA CORTE Luigi*	1969	Budget approval 2024	Shareholders' Meeting 29.04.2022	Italy	X					
Director	*LE COUILLIARD Joanna*	1963	Budget approval 2024	Shareholders' Meeting 05.02.2019	United Kingdom		X	X	X		P
Director	*MAZZA Giampiero*	1969	Budget approval 2024	B.o.D. 06.12.2018	Italy	X‡					
Director	*PELUSO Piergiorgio*	1968	Budget approval 2024	Shareholders' Meeting 29.04.2020	Italy		X	X	X	X	
Director	*PETTY Cathrin*	1973	Budget approval 2024	B.o.D. 06.12.2018	United Kingdom	X‡					
Director	*STRATTON Kim*	1962	Budget approval 2024	B.o.D. 16.12.2021	Australia		X				

‡ This symbol indicates an executive director identified as such in accordance with the provisions of the Corporate Governance Code of the Italian Stock Exchange (the "CG Code"), in that he/she holds management positions in companies of the group of the majority shareholder which also affect the Company, but does not have individual operating powers in the latter.

In terms of its supervisory responsibilities, the Board of Statutory Auditors oversees that the Sustainability Statement is prepared and published in compliance with the applicable regulations, and monitors the adequacy of the organisational, administrative, accounting and supervisory systems adopted to ensure the complete and accurate representation in the consolidated Sustainability Statement of the information necessary to understand both the business' impact on sustainability matters, and the ways in which such sustainability matters may influence the Company's performance and results.

To this end, the Board of Statutory Auditors acquires an understanding of the Sustainability Statement from the relevant departments and verifies (taking into account the nature and size of the Company) the existence:

- of an organisational department responsible for sustainability reporting that is adequate in terms of human resources, economic and information systems; and
- of operating directives, procedures and practices adopted by the Company such to ensure that the Consolidated Sustainability Statement is timely, complete and reliable, it being understood that the administrative body remains responsible for structuring the process of preparing the Sustainability Statement. The Board of Statutory Auditors monitors the adequacy of the administrative accounting system also for the purposes of sustainability reporting, and oversees the implementation and receipt of

adequate periodic information flows, both of a quantitative and qualitative nature, instrumental to the definition of the Sustainability Statement.

The Board of Statutory Auditors also verifies that the Consolidated Sustainability Statement is prepared by the Directors in compliance with the provisions contained in Legislative Decree 125/2024. Moreover, it provides oversight on the completeness, adequacy and effectiveness of the procedures, processes and structures responsible for preparing the Sustainability Statement, and verifies compliance with the relevant regulations and the subjective and objective scope of application of the legislative framework, it being the auditor's responsibility to promptly verify the compliance of such statement with the relevant regulations and ESRS standards.
Finally, it monitors the directors' compliance with the applicable procedural regulations on the preparation, filing and publication of the Sustainability Statement.
As such, the Board of Statutory Auditors conducts a comprehensive audit to verify the correctness of the process according to which the Consolidated Sustainability Statement is prepared, and acquires appropriate certification from the executive body and the Financial Reporting Officer.

Recordati's Board of Statutory Auditors is composed of 3 standing members, all of whom meet the requirements of independence, as this is a legal requirement for appointment (2 members, including the Chairman, are male while 1 is female - 66% vs 33%) and 2 alternate members (1 of each gender - 50% vs 50%). Furthermore, one standing auditor is under 60 years of age, while the remaining two standing auditors are over 60.

Role	Members (surname and name)	Year of birth	In office until	Date of first appointment	Nationality	Indep. under Code	Indep. under TUF
Chairman	SANTI Antonio	1977	Budget approval 2025	11.4.2017	Italy	X	X
Standing Auditor	AMIDANI ALIBERTI Livia	1961	Budget approval 2025	17.4.2014	Italy	X	X
Standing Auditor	SIMONELLI Ezio	1958	Budget approval 2025	29.4.2020	Italy	X	X

There are no elected representatives of employees and/or other workers on the administrative or supervisory boards (including the internal committees).

The personal and professional characteristics of each Director and each Statutory Auditor in office as at 31 December 2024 range from economic, financial and managerial matters, which for some of them also include significant international experience in the business sectors in which the Company and the Group operate, to legal, corporate governance and sustainability matters (also in light of experience gained through serving as a Director or Statutory Auditor of Recordati, as well as of other companies, including listed ones, in Italy and/or internationally, also considering that sustainability matters are an intrinsic and integrated part of the business in Recordati, with reference for example to the pillar of patient care). For more information on the personal and professional characteristics of directors and auditors, see the "Report on Corporate Governance and Ownership Structure", which includes an annex with a summary of the personal and professional characteristics of each director and auditor.

In light of the significant changes to sustainability reporting legislation introduced in 2024, on 29 October 2024 the Company organised a specific induction session for the Board of Directors and the Board of Statutory Auditors. The induction, which covered the legislative framework introduced by the CSRD and the ESRS and Recordati's governance and organisational structure, aimed to provide adequate information, delivered with the support of leading external consultants and by the competent company functions, on ESG legislation and the Group's governance structure (roles and responsibilities of the corporate bodies and the Financial Reporting Officer), as well as on the Group organisational structures involved, also in relation to the internal control and risk management system, and with particular reference to the changes resulting from the implementation of CSRD in Italy.

In order to guarantee structured management of sustainability matters, a system of responsibilities has been defined both at the level of governance bodies and of the organisational structure. In line with the Corporate Governance Code for Listed Companies which Recordati has resolved to adopt, the Board of Directors has the role of pursuing sustainable business success, defined as the goal of generating value in the long term to the benefit of shareholders, taking into account the interests of stakeholders which are relevant for its business. For more details, see the paragraph below.

The Board of Directors is also responsible for ensuring that the Sustainability Statement is drafted and published in accordance with the provisions of Legislative Decree 125/2024. For this reason, the Board is charged with approving the analysis and list of material Impacts, Risks and Opportunities (IRO) and with approving the Sustainability Statement within the same deadlines as for the submission of the draft financial statements and making them available to the duly appointed Independent Auditing Company and to the control body, in line with the applicable legislation in force.

The Board of Directors has formed a Risk, Control and CSR Committee, consisting exclusively of non-executive and independent directors. In fact, it relies on the investigative support of this Committee (which as of 2020 has been carrying out sustainability tasks related to the company's business operations and the dynamics of its interaction with all stakeholders in compliance with the principle of sustainable success), as well as the relevant corporate functions (e.g., primarily the Group ESG function and the Financial Reporting Officer) who report periodically to the Board, the Risk, Control and CSR Committee and the Board of Statutory Auditors, each to the extent of their respective competencies, generally at least twice a year, regarding the materiality analysis, the preparation and monitoring of the sustainability plan and the process of preparing and approving the aforementioned Sustainability Statement. Likewise, the competent functions report specifically to the Remuneration and Nominations Committee and to the Board of Directors on the adoption and measurement of ESG targets within and for the purposes of incentive schemes for the Chief Executive Officer and other Executive Officers.

In general, the role of the Committee is to make proposals and advise the Board of Directors. The Committee also provides appropriate investigative support on the evaluations of the competence of the Board of Directors, also in terms of sustainability, i.e., the processes, initiatives and activities aimed at safeguarding the Company's commitment to sustainable development throughout the value chain. Furthermore, in its work to support the Board of Directors, the Risk, Control and CSR Committee:

- analyses the material topics for the generation of value in the long term prior to approval by the Board of the business plan for the Group companies;
- examines and evaluates, at least once a year, the results of the Risk Assessment carried out by the Company and reported in the Company Risk Catalogue and, based on this analysis, defines the nature and level of risk compatible with the Company’s strategic goals, including in its assessments all elements that may be of significance in the context of the sustainable success of the Company;
- monitors sustainability topics connected to business activity and the dynamics of interaction of the latter with all stakeholders in accordance with the principle of sustainable success;
- reviews the Sustainability Plan guidelines and how sustainability policies are implemented, and supervises the adoption of measures to ensure equal treatment and opportunities for all genders within the entire company organisation and at Group level, monitoring their implementation;
- examines the general composition of the Sustainability Statement and the structure of its content, as well as the completeness and transparency of information provided in this document;
- expresses, on request of the Board, an opinion on sustainability matters.

At the start of 2024 and 2025, and prior to presentation and approval by the Board of Directors, the Risk, Control and CSR Committee reviewed the Sustainability Plan and the relative ESG targets of the respective years. Subsequently, during each year and as an overview at the end of each year, the Committee receives a report from the competent company functions on the progressive achievement of the respective targets adopted.

Finally, following the implementation in Italy of the CSRD, the Financial Reporting Officer responsible for preparing the corporate accounting documents pursuant to Art. 154-bis of the TUF and to Art. 25 of the

Bylaws is also assigned sustainability reporting duties. The Financial Reporting Officer is therefore required to certify, jointly with the executive body and according to the appropriate template approved by CONSOB, that the Sustainability Statement included within the management report has been prepared in accordance with the reporting standards applied under Directive 2013/34/EU and the Legislative Decree adopted in implementation of Article 13 of Law 15/2024, as well as with the specifications adopted pursuant to Article 8, paragraph 4 of Regulation 2020/852/EU. The Board of Directors or, in any case, the Chief Executive Officer, makes available to the Financial Reporting Officer the appropriate economic, technical, human and IT resources such to allow, with specific reference to Recordati and the Group as a whole, for the formation of a specific team tasked with the preparation, revision and implementation of the administrative and accounting procedures necessary to produce the corporate accounting documents, as well as with the preparation of anything else required to certify the Sustainability Statement.

Recordati also promotes dialogue with stakeholders and disseminates a culture of sustainability within the Group. See the relevant section of this document, "SBM – 2 Interests and views of stakeholders", for more information. As regards dialogue with shareholders and stakeholders on this matter, as of 2022 the Board of Directors has adopted a specific "Policy for managing dialogue with all investors" in line with the recommendations of the current Corporate Governance Code, which is in force and available on the Company's website.

GOV-2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

As noted in the previous paragraph, the Board of Directors, the Risk, Control and CSR Committee and the Board of Statutory Auditors receive, each according to their respective competence, regular updates, generally at least twice a year, from the competent company functions, primarily the Group ESG function and the Financial Reporting Officer, on:

- the process and results of the double materiality analysis, including the impacts, risks and opportunities identified;
- the definition and monitoring of the targets of the Sustainability Plan;
- the process to prepare the Sustainability Statement and the relative content, including the policies, actions and metrics, and the targets adopted to tackle them;

Likewise, the competent functions report specifically to the Remuneration and Nominations Committee and to the Board of Directors on the adoption and measurement of ESG targets within and for the purposes of incentive schemes for the Chief Executive Officer and other Executive Officers.

See chapter "GOV-1 The role of the administrative, management and supervisory bodies" for information on how the administrative, management and supervisory bodies are informed about sustainability matters.

The list of material impacts, risks and opportunities identified by the double materiality analysis was shared with the administrative, management and supervisory bodies, including the relative internal committees, during the reference period and according to the frequencies indicated above. See paragraph "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model" for the list of impacts, risks and opportunities identified by the 2024 analysis.

GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Recordati's Remuneration Policy aims at attracting, retaining and motivating managers with the professional requirements and experiences needed to manage and develop the Group successfully, ensuring that the

interests of the management and those of the shareholders and the other stakeholders are aligned and promoting the constant creation of sustainable value in the medium and long term.
The Remuneration Policy is also defined in coherence with the corporate strategy, providing that each of the remuneration components offered to the management responds to precise goals for the pursuit of the strategic vision of the Group.

This consistency is ensured by the objectives of the short-term and long-term incentive schemes, which are designed to focus the management on the following objectives: Economic and financial results, Value creation for shareholders, Growth through strategic acquisitions, Environmental, Social and Governance (ESG).

The CEO remuneration consists of fixed, short-term variable (Group STI incentive Plan), and long-term variable components. The fixed component of the remuneration of the Chief Executive Officer is commensurate with the duties and responsibilities assigned. The short-term variable component of the remuneration package for the Chief Executive Officer is linked to an incentive scheme by objectives (Group STI). On the basis of this scheme, a bonus is paid in cash on the achievement of the annual results defined by the Board of Directors, on the proposal of the Remuneration and Nominations Committee, and measured according to pre-established management parameters and weights. A significant portion of the CEO's variable remuneration is provided through a long-term compensation vehicle, focusing on sustainable value creation for shareholders and stakeholders through performance shares. This aligns management's interests with shareholders by linking it to Total Shareholder Return (TSR) growth relative to comparable companies and strategic plan targets.

Among the objectives of the CEO's Group STI system, there are the main social and environmental objectives of the Sustainability Plan related to patient care, people care, environmental protection (including climate change), ethics & integrity and responsible sourcing. In addition, social and environmental objectives (including climate change), linked to the implementation of the Plan itself, are also attributed to other Managers of the Group, among the objectives of the Group STI system.

As described in the Policy on Remuneration and remuneration paid, a percentage of 5% of the short-term variable component (STI) was defined for the CEO for completion of the ESG initiatives in the Sustainability Plan.

With reference to climate change, the initiatives of the Sustainability Plan linked to the CEO's STI include the implementation of the roadmap for the installation of solar panels at the Group's production plants, as this project represents an essential lever to achieve the target of reducing CO_2eq emissions by 2030. The installation of solar panels in line with the defined roadmap is one of the initiatives relevant to allowing the ESG targets set for the CEO to be achieved.

The Group's remuneration policy has been approved by the Remuneration and Nominations Committee.

GOV–4 STATEMENT ON DUE DILIGENCE

In line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, Recordati adopts due diligence processes from a social, environmental and governance perspective to ensure that its business operations are conducted responsibly. The due diligence processes are realised through the system of policies, procedures and management systems, as well as through the actions and targets and related monitoring processes conducted by the Group on the topics in question.
Specifically, the adopted due diligence processes enable any actual or potential negative impacts deriving from the Group's direct activities or in the upstream or downstream value chain, or relative to other commercial relationships, to be effectively identified and managed. Furthermore, these processes are also integrated into corporate governance and the business strategy in order to ensure that Recordati's business is conducted in compliance with domestic and international legislation, while also promoting responsible

practices within its business development. The figure below shows the mapping of the information provided in the Sustainability Statement on due diligence processes, with reference to the current financial year.

Core elements of Due Diligence	
a)	Embedding due diligence in governance, strategy and business model
b)	Engaging with affected stakeholders in all key steps of the due diligence
c)	Identifying and assessing adverse impacts
d)	Taking actions to address those adverse impacts
e)	Tracking the effectiveness of these efforts and communicating

a)	b)	c)	d)	e)	**Paragraphs in the Sustainability Statement**
x					GOV – 1 The role of the administrative, management and supervisory bodies
x					GOV – 3 Integration of sustainability-related performance in incentive schemes
	x				SBM – 2 Interests and views of stakeholders
	x				S1-2 Processes for engaging with own workforce and workers' representatives about impacts
	x				S2- 2 Processes for engaging with value chain workers about impacts
	x				S4-2 Processes for engaging with patients about impacts
x		x			SMB – 3 – Material impacts, risks and opportunities and their interaction with strategy and business model (thematic information provided in the relevant sections of General information; Environmental information – E1 – Social information – S1, S2, S4, entity-specific: Support for communities – Governance information - G1)
	x	x			IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities (thematic information provided in the relevant sections of General information, Environmental information – E1, E2, E3, E5 – Social information – S1, S2, S4, entity-specific: Support for communities – Governance information - G1)
x					Policies on sustainability matters (thematic information provided in the relevant sections of Environmental information –E1-2, E2-1, E3-1, E5-1 – Social information – S1-1, S2-1, S4-1, entity-specific: Support for communities – Governance information - G1)
			x	x	Actions undertaken on material impacts, risks and opportunities (thematic information provided in the relevant sections of Environmental information – E1-3, E2-2, E3-2, E5-2 – Social information - S1-3, S1-3, S1-4, S2-3, S2-4, S4-3, S4-4, entity-specific: Support for communities – Governance information – G1-2, G1-3)
				x	SBM – 1 Strategy, business model and value chain
				x	Targets and commitments (thematic information provided in the relevant sections of Environmental information – E1-4, E2-3, E3-3, E5-3 – Social information – S1-5, S2-5, S4-5, entity-specific: Support for communities – Governance information - G1)
				x	Metrics (thematic information provided in the relevant sections of Environmental information – E1-5, E1-6, E3-4, E5-4, E5-5 – Social information – S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16, S1-17, entity-specific: Support for communities – S4 – entity-specific – Governance information – G1-4)

Due diligence is a continuous and adaptive process that may influence changes to the strategy, business model, business activities, operating contexts, and stakeholder relations. The actions reported in the paragraphs referenced in the table describe the approach that is currently being pursued and that the Group will continue to consolidate in the future.

GOV-5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

The Internal Control System (ICS) for Sustainability Reporting is aligned with the Company's internal control system. Its primary aim is to guarantee with reasonably certainty that the sustainability reporting process is performed in accordance with applicable regulations and that information provided is accurate.
The ICS is based on the COSO Report (Committee of Sponsoring Organizations) framework, ensuring an organic and integrated approach to risk management and internal control. The ICS for the Sustainability Statement, like the wider Recordati Group ICS, has three levels of control:

- operational control, performed on a daily basis by the heads of operational functions (e.g. process and data owners, the ESG function, the Financial Reporting Officer, etc.) to manage risks and ensure that activity is compliant with company directives;
- compliance control, performed by the Compliance function to monitor alignment with applicable reporting regulations and company sustainability guidelines;
- independent control, performed by the Group Internal Audit Department, working objectively outside the influence of daily operations to check first and second-level controls, identifying critical issues and suggesting improvements to sustainability reporting processes and the robustness and reliability of data gathered.

The structured combination of the different control levels and components of the COSO create a complete and integrated Internal Control System, which promotes continuous monitoring of the robustness of the sustainability reporting process, enabling the swift identification of critical issues in preparatory reporting phases and constant improvement of corporate governance. The risk analysis at the process level was carried out consistently with the approach used for financial reporting. A Control Matrix (RCM) was prepared, which included the key risks identified and the related controls designed to mitigate these risks. Among the main risks identified are: incorrect, incomplete or improper disclosure and failure to comply with the main objectives relative to the preparation, reporting and publication of the Sustainability Statement.

With reference to the topics handled, as well as the data and information presented through the Sustainability Statement, the ICS is composed of different corporate management and control parties and functions, with clearly defined aims and responsibilities. Below is a non-exhaustive list of the main parties involved and a general indication of the activities performed for reporting purposes:

- the Data Owners of the departments/functions involved in the reporting process are responsible for the accuracy and completeness of the data and information transmitted and the timeliness of the information flows;
- the managers of the departments/functions involved in the reporting process support the reporting of the Group's environmental, social, governance and economic performance, identifying the data owners involved in the reporting process and supervising their activities.
- the Group Environmental, Social & Governance (ESG) Function has an overall coordination role in the Sustainability Statement preparation process;
- the Financial Reporting Officer certifies that the Sustainability Statement has been prepared in accordance with applicable regulations and the ESRS reporting standards;
- the Board of Directors guarantees that the Sustainability Statement is drafted and published in accordance with the provisions of Legislative Decree 125/2024 and the ESRS reporting standards;
- the Risk, Control and CSR Committee has propositional, advisory and guidance functions within the B.o.D. on the Recordati Group's sustainability strategy, policies and activities; it examines the general format of

the document, including the structuring of the relative content, and reviews the level of completeness and transparency;
- the Board of Statutory Auditors monitors compliance with the provisions established by the applicable legislation;
- the Group Corporate Law Function undertakes to make the Sustainability Statement available to the corporate bodies involved, after the document has been prepared and approved internally, and after completion of the fulfilments regarding the subsequent public release and filing with the Companies Register using the method and within the time frame provided by Italian Legislative Decree 125/2024 and applicable legislation;
- the Group Internal Audit Department monitors compliance with the CSRD and ESRS, ensuring that sustainability reporting processes are aligned with the standards and working with the independent auditing company appointed to conduct the limited assurance of the Sustainability Statement.

As regards the activities performed by the Group Internal Audit Function with reference to the 2024 Sustainability Statement, these enabled continuous monitoring, on the basis of a detailed programme, which had the purpose of:
- verifying the consistency and compliance of company processes involved in the Sustainability Statement process in relation to CSRD and ESRS requirements, by sample-monitoring the completeness and quality of the sustainability data collected and reported;
- evaluating internal control activities related to reporting, also identifying and reporting any gaps or weaknesses.

The Group Internal Audit Department, within the areas considered sustainability priority areas — as classified by the ESG function — independently selected a sample of KPIs and processes for monitoring. This analysis made it possible to identify and test the controls established by the functions in question, identifying their mitigation capabilities and verifying their effectiveness and efficacy. Furthermore, to ensure alignment with strategic and regulatory goals, the Group Internal Audit Department coordinated with the Financial Reporting Officer and the ESG Function. The monitoring activities specifically considered KPIs whose calculation and reporting methodologies have involved successive aggregations, reviews and reprocessing of data obtained from various company departments. The monitoring strategy was aimed at monitoring the actual verification activities carried out during the collection, analysis, aggregation and final disclosure of the data, as well as the recalculation, in order to confirm the accuracy of the data presented in the statement.

The findings of Group Internal Audit Department activities are shared through an audit report to the Chairman of the Board of Directors, the Chief Executive Officer, the Group CFO, the Financial Reporting Officer, the Head of the ESG Function and the Group Risk Director and, through its periodic report, to the Risk, Control and CSR Committee and the Board of Statutory Auditors. The Audit Report includes any areas for improvement identified and action plans, shared with the heads of the relevant functions, to be implemented in order to mitigate the residual risks identified and guide activity in pursuit of continuous improvement.

STRATEGY

SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

With our beginnings in a family-run pharmacy in Correggio, Italy in the 1920s, Recordati is now a global pharmaceutical group, listed on the Italian Stock Exchange since 1984, with around 4,580 employees.

Recordati is a group of passionate individuals who go to extraordinary lengths for partners, customers, investors, and the patients across the globe that it serves.

We develop and commercialise medicines to serve people living with common diseases, as well as those living with some of the rarest.

At Recordati, we've always believed that health, and the opportunity to live life to the fullest, is a right, not a privilege. Whether that is for common diseases or the rarest, Recordati wants to give everyone the opportunity to be the best version of themselves. This drive will never stop.

Recordati has a long history of entrepreneurial passion, a strong reputation and a desire to continue growing, innovating and creating value in an ethical, enduring, and sustainable way, protecting people and the environment, and supplying safe, high-quality products.

Driven by its purpose, Recordati is focused on improving people's health and quality of life. We care for our people and strive to give them the opportunity and support to develop themselves. We pursue a long-term sustainable growth model, integrating social and environmental aspects into the corporate strategy, to make a positive contribution to sustainable development in the areas in which we operate. All this, while also always maintaining a commitment to generating value for stakeholders.

- **Revenue:** 2,341.6 Million euros
- **Employees:** over 4,580[11]
- **Global presence**: **around 150 countries** (with Specialty & Primary Care and Rare Diseases)
- **Plants**
  - **2 PHARMACEUTICAL CHEMICALS PLANTS** *(Italy, Ireland)*
  - **7 PHARMACEUTICAL PRODUCTION PLANTS** *(Italy, France, Türkiye, Spain, Tunisia, Czech Republic, Switzerland)*
  - **1 PACKAGING AND DISTRIBUTION PLANT HANDLING DRUGS FOR RARE DISEASES** *(France)*
- **Revenue by sector[12]:**
  - Specialty & Primary Care: 1,507,704 Thousand euros (equal to 64.4%)
  - Rare Diseases: 833,855 Thousand euros (equal to 35.6%)

[11] *For a breakdown of employees by geographical area, please refer to the "Own workforce" section.*
[12] *Refer to the corresponding figures reported in the Consolidated Financial Statements, note no. 33 Operating segment.*

BUSINESS AND PORTFOLIO

Specialty & Primary Care

The Specialty & Primary Care (SPC) business unit has a strong and proven heritage of supporting people living with a wide range of common illnesses that affect large populations day to day. It takes pride in discovering added value in some of the world's most trusted pharmaceutical brands, relied on by millions of patients worldwide and creates value for patients, payers, and physicians with its offering of new products bringing affordable innovation in both prescription and self-medication markets. The business has a direct presence in Europe, North Africa and Türkiye, and makes its products available in other international markets through distribution partners. The product portfolio includes medicines developed historically internally and several that have been in-licensed from other pharmaceutical companies for commercialisation in specific territories.

SPC's best-known products are focused in the following **areas**:

- **Cardiovascular** where, for over 20 years Recordati has been at the forefront of supporting patients with cardiovascular disease with a wide portfolio of products and services in primary and secondary care including lercanidipine, a latest-generation calcium channel blocker indicated for the treatment of hypertension, discovered and developed entirely at Recordati's research laboratories, and its combination with enalapril, a widely prescribed ACE inhibitor. SPC also offers well-established metoprolol-based products, a beta-blocker mainly indicated to control a range of conditions including hypertension, angina pectoris, cardiac rhythm disorders, maintenance treatment after a myocardial infarction, and functional heart disorders with palpitations. Pitavastatin, a latest-generation statin for controlling hypercholesterolemia, is also marketed in several countries.
- **Urology and Uro-Oncology**, with well-recognized drugs for the treatment of benign prostatic hyperplasia such as silodosin, and of urinary incontinence, such as flavoxate. Its portfolio also includes a leuprorelin acetate depot formulation for subcutaneous injection indicated for palliative care in hormone-dependent prostate cancer (PCa). A new pre-connected syringe, developed by Tolmar, has been widely launched in 2023 and through 2024, further enhancing the differentiated position of the brand. In 2023, a long-term, commercialization agreement was finalised with GSK for the sales and distribution of two drugs, Avodart® (dutasteride) and Combodart ®/ Duodart® (dutasteride/tamsulosin)[13]. These drugs have helped support millions of men worldwide who experience moderate to severe symptoms relating to benign prostatic hyperplasia (BPH) and are at risk of suffering complications.
- **Gastroenterological**, with several established brands for evacuating the intestine based on sodium picosulfate and magnesium citrate (including Citrafleet®, Casenlax®), widely used before diagnostic tests, products used for constipation for adults and children, and a line of probiotics based on lactobacillus reuteri protectis, particularly popular in Western Europe. Procto-Glyvenol® (tribenoside) is one of the company's leading CHC brands across several Central and Eastern European markets.
- **"Cough and cold",** ranging from an antiseptic based on biclotymol for sore throats, to combination products for the treatment of ear, nose and throat infections, successfully sold mainly in Italy, France, Russia and the CIS countries.

  In addition to the above, Recordati has products available across a variety of other areas, including central nervous system, with an antipsychotic drug for the treatment of schizophrenia, Reagila® (cariprazine), a third-generation antipsychotic for this seriously debilitating mental disorder which is marketed in several European countries. We also market a wide range of other products, both on prescription and for self-medication, arising from Recordati's original research, the acquisition of product rights and licensing agreements. Notable products include Lomexin® (fenticonazole) for the treatment of gynaecological and dermatological infections, and Magnesio Supremo®, a food supplement.

[13] Trademarks are owned by or licensed to the GSK group of companies. Transition to Recordati of commercialization of Avodart® and Combodart® / Duodart® has been effected in the following markets: Austria, Belgium, Czech Republic, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Sweden, Switzerland, UK.

Rare Diseases

The Rare Diseases (RD) business unit develops, produces and markets drugs for the treatment of rare diseases, operating globally and dedicated entirely to serving patients suffering from these diseases.

Historically focused on rare genetic metabolic illnesses, acquired through the acquisitions of Orphan Europe in 2007 and Lundbeck product portfolio in U.S. in 2012, the Rare Diseases portfolio was expanded with the acquisition of additional important specialties in rare endocrine diseases through the acquisition of Signifor®, Signifor LAR® (pasireotide) and Isturisa® (osilodrostat) from Novartis in 2019, and further expanded with the acquisition of EUSA Pharma that was completed in March 2022, adding four drugs for the treatment of rare and niche oncological diseases. In November of 2024, Enjaymo® (sutimlimab) was acquired from Sanofi, thus complementing the oncology portfolio.

RD provides medicines across three **main therapeutic areas**:

- **Endocrinology** - Recordati expanded into important endocrine specialty treatment areas in 2019, which included conditions such as Cushing's Disease / Syndrome and Acromegaly, both rare conditions that can have a significant impact on quality of life. The expansion was part of the acquisition of Signifor®, Signifor LAR® and Isturisa® from Novartis. Access to Isturisa® treatment continues to expand globally with the approval of the New Drug Application (NDA) in China achieved in September 2024 and the filing for expansion of label to CS for Isturisa® in US in July 2024.
- **Hema-Oncology -** The business expanded into rare oncological conditions through the acquisition of EUSA Pharma in March 2022, adding important treatments that cover rare and niche oncological diseases, the main ones being Qarziba® (dinutuximab beta) for high-risk neuroblastoma, Sylvant® (siltuximab) for idiopathic Multicentric Castleman Disease and Fotivda® (tivozanib), indicated in advanced Renal Cell Carcinoma. Access to these treatments continues to expand internationally; for example, in 2024 discussions progressed with the FDA in the US regarding the potential regulator path for the Biologics Licence Application for Qarziba®, a product already present on the market in Europe and other countries. In November 2024, Recordati entered the hematology space with the acquisition from Sanofi of Enjaymo® (sutimlimab), the only approved targeted product to treat Cold Agglutinin Disease (CAD), a rare B-cell lymphoproliferative disorder.
- **Metabolic -** The activity on rare genetic metabolic illnesses, with an initial presence in 2007 mostly in Europe and the MENA region, has expanded its scope into the U.S. in 2012. Cystadrops® (cysteamine hydrochloride), Carbaglu® (carglumic acid) and Panhematin® (human hemin) form the core of the business's legacy metabolic products, to which Ledaga® (chlormethine hydrochloride was added in 2018. Recordati continues to expand access to these treatments, with Carbaglu® launched in 2023 in China for the treatment of hyperammonia associated with NAGS deficiency and organic acidemias, a set of rare metabolic conditions characterised by raised levels of ammonia in the blood which can be extremely toxic to the brain in infants, children and adults.

Rare Diseases continually develops new specialties and new indications within its portfolio originating either internally or acquired through development agreements with other pharmaceutical companies and research institutes across its three focus areas.

PRODUCTION SITES

Recordati has seven pharmaceutical production facilities, located in the Czech Republic, France, Italy, Spain, Switzerland, Türkiye and Tunisia, all of which operate in full compliance with environmental protection regulations and current Good Manufacturing Practice (cGMP).
Recordati also has one packaging and distribution centre dedicated to rare disease products in Nanterre (near Paris), France.
The Group also produces a number of active ingredients and intermediates for the pharmaceutical industry at two pharmaceutical chemical plants, one of which is in Campoverde di Aprilia, Italy, and the other in Cork, Ireland. The key focus of Recordati's pharmaceutical chemicals business is providing quality Active

Pharmaceutical Ingredients (API) for some of the Group's key drugs across both business units, with residual capacity made available to manufacture and commercialise APIs to third party customers worldwide.

BUSINESS MODEL AND VALUE CHAIN

The Recordati Group has always focused on developing and offering innovative products aimed at improving human health and quality of life, and aspires to be a top-tier value creator for patients, investors and employees alike. It invests continuously in research and development and is committed to maintaining the highest product quality and safety standards throughout the product life cycle.
In the performance of its activities, the Group uses all of the material and non-material resources (inputs) at its disposal to offer safe, high quality products (outputs). The Group uses only reliable suppliers, approved as complying with the relevant technical standards. It also constantly monitors the availability of raw materials and strategic excipients, in order to promptly identify potential local or worldwide "out-of-stock" situations and to take the necessary action (supply and/or production backups) to guarantee production autonomy.
Through its business activities, the company is able to contribute to sustainable development, generating value for stakeholders, including shareholders, investors, employees, patients and partners, as well as for the regions in which it operates and local communities (outcome).
In particular, the specialist technical expertise and experience of the Group's personnel, as well as partnerships and relations with stakeholders in the value chain, are essential[14] to the functioning of its business.
The business model is also supported by a governance system built on the principles of ethics and integrity and the Group strategy, both of which are important drivers of business continuity. Furthermore, the Risk Management system guarantees the presence of an informed decision-making process through the assessment and analysis of risks and opportunities, while the internal regulatory and management system ensures that the Group's activities are in compliance with the company's principles and guidelines.

As regards the value chain, upstream Recordati acquires raw materials (e.g. active ingredients, packaging materials and excipients) from approved suppliers, finished products (CMOs - Contract Manufacturing Organizations) and services (including CROs). Commercial relationships with other parties (suppliers, consultants and partners) are founded on respect for the principles of fairness, professionalism, efficiency, loyalty and transparency. The Group establishes written agreements specifying the responsibilities of each party and requiring that the principles of the Code of Ethics be respected. Incoming logistics is also positioned upstream in the value chain.
At the heart of the value chain, Recordati is engaged in research and development of new drugs, with a particular focus in the field of rare diseases and, for the production of pharmaceutical and chemical products, Recordati also has its own facilities that observe the strictest quality and safety standards and use cutting-edge environmental protection technology.
Downstream in the value chain is the marketing and distribution of products (also on license), for example to wholesalers, distributors, pharmacies and hospitals, before reaching the end user or patient. Logistics also needs to be considered downstream in the value chain.

To summarise, Recordati's value chain includes all crucial phases from start to finish and sustainability permeates each of these, ensuring that company practices are socially and environmentally responsible, in line with the Group's long-term goals.

For more information on the Recordati business model, see the relevant chapters of the Sustainability Statement. For details of stakeholder relations and engagement, see paragraph "SBM-2 Interests and views of stakeholders".

[14] *As defined by Italian Legislative Decree 125/2024, key intangible resources are resources without physical form on which the undertaking's business model fundamentally depends, and which are a source of value creation for the undertaking.*

THE RECORDATI GROUP'S COMMITMENT TO SUSTAINABILITY

Recordati has a long history of entrepreneurial passion, a strong reputation and a desire to continue growing and creating value in an ethical, enduring, and sustainable way, all while respecting the laws and regulations that apply in the countries where we operate, protecting people and the environment, and supplying safe, high-quality products for patients. Over the years, the Group has launched various initiatives focused on sustainability, aligned with its strategic, organisational and operational characteristics.
In fact, when defining the Group's management strategies and policies, Recordati's priorities include, in addition to improving patient health and quality of life, paying attention to the interests of all stakeholders, monitoring and managing the economic, social and environmental impacts of its work, also in consideration of the outcome of the double materiality analysis.

Improving people's health and quality of life is the basis of our company purpose. Recordati's People have always given their utmost every day to pursue this goal.

As emphasised by the World Health Organization (WHO), health is not merely the absence of disease or infirmity, but a state of complete physical, mental and social well-being. To improve health, it is therefore necessary to intervene on a number of determining factors, such as the social, physical and economic conditions under which people are born, live and work, including healthcare systems. In this context, in addition to institutions and governments, pharmaceutical companies must also develop strategies for the improvement of the healthcare system, in terms of availability, accessibility and quality of healthcare structures and the goods and services provided.

We are living in a rapidly changing world that often raises concerns about sustainability for future generations. The current scenario in which we live has led us to reflect deeply on the relationship between humanity and nature and on the importance of an overall balance: the well-being and health of people and the health of the planet are closely connected. We cannot be healthy in an unhealthy environment and with no health there is no wealth and no social equity.

With this systemic approach and in accordance with the 2030 Agenda for Sustainable Development priorities, Recordati wishes to contribute to supporting global development, promoting human well-being and protecting the environment.

The Recordati Group's values

The values that inspire and guide the daily actions of the Group are described in the Code of Ethics:

- **Integrity**: integrity is a fundamental value at Recordati. Wherever we operate, we observe all applicable regulations. We demonstrate our leadership by setting a good example. We are honest and transparent with our shareholders and all other stakeholders.
- **Product quality and safety**: at Recordati, we believe in innovation and devote ourselves fully to researching and developing new products. We offer patients high-quality products which comply with the requirements of the competent Authorities. We aim to constantly increase the availability of our products to anyone who needs them, while at the same time guaranteeing absolute compliance with applicable regulations in the markets where we operate.
- **Protecting people:** at Recordati, we believe in equal opportunities and we guarantee that everyone can achieve their potential. We see diversity as a value and will not tolerate any discrimination based on ethnicity, nationality, gender, sexual orientation, disability, age, political or religious belief, or any other personal characteristics. At Recordati, we work hard to create a safe and inclusive work environment, where we all have our rights to physical and psychological integrity respected on a daily basis, as well as our right to freedom of opinion and association. We recognise that we each have a role to play in the success of our business and we implement staff development policies through which everyone's contribution and achievements can be appropriately rewarded.
- **Care for the environment and sustainability**: at Recordati, we recognise the paramount value of environmental protection and aim to make a positive contribution to sustainable development in the areas where we operate. For this purpose, we seek to implement policies which increase the environmental sustainability of the Company's activities and meet all relevant legal and regulatory requirements. We place particular importance on managing water and energy resources, reducing emissions, proper waste management, combating climate change and protecting our natural world and biodiversity.
- **Performance**: at Recordati, we seek to improve management performance and create value for our shareholders. We believe that every day is an opportunity to improve on the day before and we take all the necessary steps to ensure that the Company can enjoy sustainable, long-term economic growth.

The Group's values are currently being revised also thanks to engagement with the Culture Ambassadors, with a view to continuing to integrate employee perspectives into the definition of the corporate culture and strategy.

OUR SUSTAINABILITY PLAN

The Sustainability Plan is the tool used to share the Group's future trajectory with its stakeholders: it represents an expression of the ambitions of the Recordati Group and the commitments it wishes to prioritise in order to promote sustainable and responsible growth. Growth and achievement of challenging business and sustainability goals are not incompatible: on the contrary, Recordati is convinced that responsible actions and the generation of shared value contribute to the long-term success of the Company.

The Sustainability Plan focuses on 5 priority areas:

- Patient care
- People care
- Environmental protection
- Responsible sourcing
- Ethics and integrity

The Sustainability Plan, defined in accordance with the double materiality analysis, also highlights the contribution to the achievement of 10 of the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda, the set of shared goals signed by UN member states that outline a path of collaboration and responsibility to confront today's complex challenges.

PATIENT CARE

Our ambition

We are open to partnering and dedicated to discovering and developing innovative, value-added products that improve quality of life and help people to enjoy longer, healthier and more productive lives.
We wish to offer our patients fast, widespread and sustainable access to our products.

PEOPLE CARE

Our ambition

We are committed to creating a safe and inclusive working environment where everyone can express their talents.
Our Employees are our most important asset and, therefore, we recognise and value the role that each person plays in the success of our business.

We aim to create shared value and positively contribute to sustainable development where we operate, aware of the importance of dialogue, collaboration and respect for the community.

ENVIRONMENTAL PROTECTION

Our ambition

Improving human health is the cornerstone of our mission, but we are aware that the health and well-being of present and future generations and the health of our planet are closely interlinked.
With this in mind, we want to take conscious action by working to preserve natural resources and biodiversity and contribute to the fight against climate change by minimising our environmental impact.

RESPONSIBLE SOURCING

Our ambition

We want to build relationships based on transparency and trust, sharing our values with suppliers and strategic partners.
We are committed to constantly promoting respect for ethical, environmental and social aspects along the entire value chain.

ETHICS AND INTEGRITY

Our ambition

Integrity is our founding value, and we lead by example.
The principles of honesty and transparency towards our Shareholders and Stakeholders guide our daily actions.

Process for the definition of the Sustainability Plan

The sustainability goals, both quantitative and qualitative, were identified by the Environmental, Social & Governance department in close collaboration with the heads of other company departments[15]. The Plan and the goals are shared with the Executive Leadership Team, the CEO, the Risk, Control and CSR Committee, and the Board of Directors.

As part of a process of continuous improvement, the Plan defines a periodic monitoring and updating process:

- In order to monitor the commitments undertaken by the Group, the Environmental, Social and Governance department requests status reports on the objectives from the functions involved and informs the Risks, Control and CSR Committee.
- The plan is updated on an annual basis in order to take account of the implementation status of existing projects and to set new targets.

Whether dealing with qualitative or quantitative targets, the tables below provide details on both the level of achievement for each target defined in relation to the established time frames (result of monitoring) and the targets that the Group has set moving forwards.
Additionally, details on actions implemented in relation to targets that have been achieved are provided in the specific chapters.

RECORDATI FINALISES FIRST GROUP SUSTAINABILITY-LINKED LOAN

At the end of 2023, Recordati has agreed key sustainability milestones as part of its 400 million euros credit facility finalised in May 2023 with a pool of international relationship banks. As of December 2023, the credit facility is linked to two ESG KPIs from the Sustainability Plan: environmental protection (Renewable Energy Installed Power Capacity) and responsible sourcing (Suppliers' Sustainability Audit). This represents another step forward for the Group's commitment to pursue a sustainable growth model by integrating social and environmental aspects into its corporate strategy Reaching the target is not part of a loan covenant, but it does have an impact on the interest rate applied from 2024 onwards. The goals refer to the three-year period 2024-2026.Both KPIs adopted for 2024 were achieved by the Group and have been presented in the specific sections of the Sustainability Statement: for the renewable energy installed power capacity, see the "E1 - Climate Change" chapter, and for supplier sustainability audits, see the "S2 - Workers in the Value Chain" chapter. The KPI are also included in the tables of the Sustainability Plan.

[15] *External stakeholders were not directly involved in definition of the goals. In any case, as the Sustainability Plan is drafted based on the material topics (considering impacts, risks and opportunities) for the Company and the sector, it indirectly takes into account the main expectations of stakeholders. Within the Group, on the other hand, there is close collaboration with corporate functions with detailed knowledge of the relevant processes.*

ETHICS AND INTEGRITY

TARGETS DEFINED AND TIME FRAMES	RESULTS IN 2024	FUTURE TARGETS AND TIME FRAMES
Business ethics, integrity and anti-corruption		
Continue to maintain 100% of Group employees involved in a training programme on ethics, anti-corruption, and anti-bribery topics by extending the training to all new employees (2024)	✓ ACHIEVED In 2024, the Recordati Group continued to pursue its commitment maintain 100% of Group employees involved in a training programme on ethics, anti-corruption and anti-bribery, extending training to all new employees. Specific training refresher courses have also been issued. For more details, see paragraph G1-3 in the "Business Conduct" chapter.	Updating of the Group Code of Ethics and start of dissemination of the new Code amongst Group employees in 2025, reaching at least 90% of Group employees trained by 2026 [16]
Continue to maintain 100% of Group employees involved in a training programme on sexual harassment by extending the training to all new employees (2024)	✓ ACHIEVED In 2024, the Recordati Group continued to pursue its commitment maintain 100% of Group employees involved in a training programme on sexual harassment, extending training to all new employees.	
Privacy		
		At least 90% of Group employees trained on the Global Privacy Policy[17] (2025)

[16] *The Group is working on updating of the Group Code of Ethics and intends to adopt a progressive approach to sharing the contents of the new Code with Group employees. The Code of Ethics also includes aspects related to responsible marketing, and consequently this topic is also covered in the employee training course on the main content of the code.*

[17] *Group employees with access to digital devices. The Group intends to adopt a progressive approach to dissemination of the Privacy Policy amongst Group employees. In previous years, the privacy training was delivered to the European workforce. In 2025, the training will be delivered to all employees of the Group.*

PATIENT CARE[18]

TARGETS DEFINED AND TIME FRAMES	RESULTS IN 2024	FUTURE TARGETS AND TIME FRAMES
Access to medicine and healthcare, research and development		
Recordati believes that every single patient should have access to the best possible treatment. **In the field of rare diseases, the Group is committed to:**	To promote access to medicine, in the context of rare diseases, the Group carried out various initiatives:	
• continuing with Patient Assistance Program (PAP), Co-Pay Assistance Program (CAP) or similar programs aimed at providing assistance to patients who are eligible to receive financial support for products (2024)	✓ ACHIEVED • The Group continued to provide the Patient Assistance Program (PAP) and the Co-Pay Assistance Program (CAP). These two programs are active in the USA and Canada and are focused on Endocrinology, Oncology, and Metabolic therapeutic areas. Similar programs are in place in other geographic areas, for instance, China, Colombia and Argentina. During 2024, Recordati supported around 1,600 rare-disease patients with the Patient Assistance Program (PAP), Co-Pay Assistance Program (CAP) and similar programmes.	• continuing with Patient Assistance Program (PAP), Co-Pay Assistance Program (CAP) or similar programs aimed at providing assistance to patients who are eligible to receive financial support for products (2025)
• continuing to work closely with rare-disease communities (including doctors, healthcare professionals, patients groups and families) to increase awareness, facilitate improved diagnosis and expand availability of treatments for people with rare diseases (2024)	✓ ACHIEVED • *Awareness*: The Group continued to work closely with rare-disease communities to increase awareness regarding these conditions, leading to improved diagnosis, and expand availability of treatments for those with rare diseases. The Group pursued this goal, for example, by holding meetings with healthcare professionals (e.g. Cushing syndrome and acromegaly, acute intermittent porphyria and ocular manifestation of cystinosis), providing disease education to raise awareness (e.g. printed and digital brochures, websites and videos, but also through the Patient Advocacy Liaison programme for patients who are taking our products) and actively participating in scientific conferences. The Group was also involved in various collaborations with groups and associations (such as the American Porphyria Foundation, HCU Network America and Castleman Disease Collaborative Network) to provide disease education to patients and sponsor awareness-raising days. It facilitated patient engagement using Smart Device Apps to facilitate information and awareness activities, as well as events dedicated to patients providing information and explanations about specific diseases.	• continuing to work closely with rare-disease communities (including doctors, healthcare professionals, patients groups and families) to increase awareness, facilitate improved diagnosis and expand availability of treatments for people with rare diseases (2025)
• continuing to expand rare disease and orphan drugs innovation pipeline and R&D of new therapies (2024). Main activities: – Pasireotide Ph2 in Post Bariatric Hypoglycemia	✓ ACHIEVED Various research activities were carried out, for instance, the Group: • Continued the PASIPHY phase II clinical study on the development of pasireotide in post-bariatric hypoglycaemia	• Continuing to expand rare disease and orphan drugs innovation pipeline and R&D of new therapies (2025). Main activities: – Isturisa US label extension for the treatment of Cushing syndrome

[18] The table relating to the Group's commitments to its patients shows only some of the targets. Commitments regarding quality, product safety, research and development, etc. are intrinsically related to the business and are thus ongoing.

– REC 0559 in Neurotrophic Keratitis – Dinutuximab beta in Neuroblastoma in US – FDA feedback on Isturisa US label extension in Cushing's Syndrome	• REC 0559 phase II clinical trial for the treatment of neurotrophic keratitis: as announced in the second trimester 2024 results at the end of July 2024, preliminary top-line data from the Phase 2 REC-0559 trial for the treatment of neurotrophic keratitis showed the primary endpoint of corneal healing was not met • The work on Dinutuximab beta (Qarziba®) in the United States progressed: the Group had a positive meeting with the FDA at the end of the second trimester of 2024 to define a potential regulatory pathway towards seeking a Biologics License Application (BLA) in relapsed/refractory high-risk neuroblastoma from the regulatory bodies. Further analysis and some additional clinical data are required, and a meeting with the FDA to discuss the analysis of the data is expected in mid-2025. • Progress in work on Isturisa®, in the United States. In June 2024 Recordati submitted the supplemental New Drug Application (sNDA) for the label extension of osilodrostat (Isturisa®) for Cushing syndrome in the United States, with a regulatory decision expected in mid-2025. In addition, Recordati: • continued the development of a new Cystadrops® formulation that is easier to use for ocular cystinosis patients. A new dropper was developed and submitted to the FDA in August and was approved at the end of 2024. New solutions are currently under review for EU market. • supported several scientific societies sponsored studies to investigate the use of Qarziba in new stages of the treatment algorithm of Neuroblastoma and Ewing's sarcoma • continued to pursue the objective to provide a valid solution to MSUD patients with MAAPLIV product: responses to D120 questions provided to EMA, feedback is on DAY180 in the first trimester of 2025.	– Pasireotide Phase 2 trial in Post Bariatric Hypoglycemia (PBH) – Dinutuximab beta for the treatment of high-risk relapsed/ refractory neuroblastoma in the US – Dinutuximab beta for the treatment of Ewing sarcoma – MAAPLIV for the treatment of MSUD patients in EU
• expanding into China to allow Chinese patients to have access and benefit (2024)	✓ **ACHIEVED** The expansion of the Group's footprint in China has continued to progress: after the approval of Marketing Authorization for Carbaglu® in June 2023 with first commercial sales taking place in November 2023, in 2024: • The Isturisa® new drug application (NDA) was approved by the China National Medical Products Administration (NMPA) in September for the treatment of adult patients with Cushing syndrome. • The NDA for Signifor® LAR was submitted in March 2024. Priority review status was granted, and a regulatory decision is expected by mid-2025.	
In the context of the Specialty & Primary Care Division, the Group is committed to: • Continuing to invest in our plant in Tunisia to be able to continue providing high-quality and affordable products servicing a broad range of therapeutic areas including low- and middle-income Countries (Tunisia and Sub-Saharan Africa) (2024)	✓ **ACHIEVED** Recordati continued to invest in the Tunisian plant, specifically investing in a new automatic packaging line, which includes a blistering and cartoning machine. The warehouse will be also expanded by approximately 2,200 square metres. The construction works will begin in 2025 and are scheduled for completion in 2026. Furthermore, the main assembly of all solar panels has been completed, although some minor tasks are still required to fully activate the new solar system. The completion of all these activities is foreseen in the first trimester of 2025. In 2024, in Tunisia, the "Health Caravans" project was implemented in Tunisia. The project aims to provide access to specialist medical treatment in the most	In the context of the Specialty & Primary Care Division, the Group is committed to: • Continuing to invest in our plant in Tunisia to be able to continue providing high-quality and affordable products servicing a broad range of therapeutic areas including low- and middle-income Countries (Tunisia, Sub-Saharan Africa) (2025). • Continuing to organise health caravans in Tunisia's underserved regions to improve access to essential medical care and screening (2025).

	disadvantaged rural areas of the country. The initiative involved a team of cardiologists, with over 350 patient visits conducted. Access to healthcare remains a challenge in Tunisia, especially in rural areas. The health caravans are a further iteration of Recordati's commitment to reduce health inequality and provide equal access to treatments, with the goal of promoting wellbeing and improving quality of life for vulnerable communities.	
• Continue initiatives of product donations to support disadvantaged people (2024)	✓ **ACHIEVED** Product donations continued, with a value of approximately 250 thousand euros[19].	See "Support for local communities" section
Product quality and safety		
		Continuing to guarantee the highest product quality and safety standards throughout the product life cycle to ensure patient safety, which is the fundamental priority in all of Recordati's operations. In terms of specific projects, Recordati is working on the further digitalization of our quality processes, with the following aims: • Completion of the roll-out of a digital management system for Quality events in 2025-2026 after the successful introduction of the digital management system for Standard Operating Procedures in 2024 • Implementation of an electronic Laboratory Information Management System, used in Quality Control laboratories of the sites of the Group for the integrated management of analytical product characteristics.

[19] *Product donations measured at market value.*

PEOPLE CARE

TARGETS DEFINED AND TIME FRAMES	RESULTS IN 2024	FUTURE TARGETS AND TIME FRAMES
Diversity and equal opportunities		
• Increase the percentage of women in Top and Senior Manager positions to 38% by 2028 (base year: 31% in 2023).	✓ ONGOING • At the end of 2024, the percentage of women in Top and Senior Manager positions was 33.5%. The Group undertook to create a mixed pool of female and male candidates during hiring, with at least 40% of those on the external-talent list female.	• Increase the percentage of women in Top and Senior Manager positions to 38% by 2028 (base year: 31% in 2023)[21]
• Definition of the Group's D&I policy (2024).	✓ ACHIEVED • The group's D&I policy has been formalised and published on the Group Intranet.	• D&I training: at least 90% of Group employees trained in D&I (Group D&I Policy or other D&I topics) (2025)
• Signing of the EU Diversity Charters in the main countries where the Group operates (2024).	✓ ACHIEVED - ONGOING • EU Diversity Charters have been signed by 90% of European countries where we operate[20]. Two Countries (Netherlands and Belgium) will postpone signing until 2025 due to factors outside Recordati's control.	• Signing of EU Diversity Charters in the main countries where the Group operates[22] (extension to Belgium and Netherlands) (2025)
• Creation of a "*D&I Network*" of Group employees to help drive the D&I agenda (2024).	✓ ACHIEVED • In 2024, the Group created a global network of more than 60 D&I Champions, with representatives from all of the countries in which the Group operates and all business units. This Network is tasked with co-creating the D&I agenda and harmonising the global strategy with local priorities. This is all aimed at the creation of a diverse and inclusive working environment, in which every employee feels safe, supported, included and valued for who they are. Other initiatives: – three training modules were developed inhouse in 2024, issued through in-person sessions with all leaders. The modules were presented by the Group D&I Manager to the D&I Champions during the annual meeting, adopting a train-the-trainer format. More than 1,100 hours of training were issued in 2024. – A dedicated Intranet page was created.	• D&I Metrics: implement an Inclusion Index as a part of the second People Engagement Survey to measure the perception of inclusion at Recordati amongst all our employees (2025)
Engagement		

[20] Countries with at least ten employees. In Belgium, a Diversity Charter does not currently exist and will be established in 2025. In the Netherlands, the subscription process is currently closed and will reopen in 2025.
[21] All initiatives aimed at achieving this target will be implemented in full compliance with applicable laws and regulations.
[22] Countries with at least ten employees.

	• Although not linked to any specific target in 2024, for information on employee engagement activities, see the "Own Workforce" chapter.	• Continue to seek employee feedback: launch the second People Engagement Survey[23] to all employees (2025).
Talent attraction and development		
• Strengthen training activities by continuing to offer all employees24 an international e-learning platform with over 18,000 courses available (2024).	✓ ACHIEVED • In 2024, Recordati gave all employees access to an international e-learning platform, periodically offering various training courses to further their professional expertise. Employees had no time limits and could participate in any training from the 20,000 sessions available.	• Continue to support Recordati's global learning culture, developing our people through our international e-learning platform available to all employees[25] (2025).
		• Nurturing growth aspirations of personnel through individual development plans: by 2025 reaching at least 70%[26] of employees with identified professional growth goals through an individual development plan (IDP). (2024 base year: 45.8%).
Health and Safety		
		• Obtaining ISO 45001 certification for Group Plants covering about 80% of plant employees by 2030 (calculated based on plant employee data for 2023)[27]. – In 2025, preliminary Gap Analysis for ISO 45001 certification is planned for the Milan plant. • Launch of the EHS Engagement & Leadership programme to further strengthen health and safety culture. This is planned for launch in 2025 in Italy and in 2027 at all other Group plants.
Work-life integration		
		• Mapping of remote working practices across countries and definition of guiding principles across the organization (2025).
Human Rights and working conditions		

[23] *The first People Engagement Survey was carried out in 2023.*
[24] *All employees provided with a company email address.*
[25] *All employees provided with a company email address.*
[26] *Of the eligible population (employees with a company email address).*
[27] *The Tunisian plant already holds ISO 45001 certification (which covers 18% of employees working in Group plants, calculated based on plant employee data for 2023). The target is to reach around 80% of plant employees by 2030.*

		• Distribution of the Human Rights Policy to all Group employees and commitment to maintaining the highest standards in terms of human rights and working conditions (2025).
Support for local communities		
Continue to support communities through donations and other initiatives (including for example employee volunteer activities) (2024).	✓ **ACHIEVED** • In 2024, the Recordati Group gave approximately 2.7 million euros[28] in cash and product donations. The Group primarily offers support in the context of humanitarian emergencies (e.g. aid to areas affected by floods in Spain), patient support, scientific research and education, and environmental and community initiatives. In the area of support for patients, scientific research and education, work on the treatment of rare diseases is of particular importance. This includes information and awareness initiatives, support for patient associations and scientific events.	• Continue to support for communities in areas where the Group operates through donations (monetary and/or product donations) and other initiatives (including employee volunteer activities) (2025).[29]

[28] Product donations are measured at market value.

[29] When selecting which donations to make and which initiatives to support, all Group branches consider the context and local needs for which there will be an impact on the community, in full compliance with the guidelines and principles set out in the Group policy.

ENVIRONMENTAL PROTECTION

TARGETS DEFINED AND TIME FRAMES	RESULTS IN 2024	FUTURE TARGETS AND TIME FRAMES
Fight against climate change		
Increase of renewable energy installed power capacity to 11,000 kWp by 2026 (386 kWp in 2022). *In addition to the solar panels installed at the Spanish and Irish plants in 2022 (installed power capacity of 386 kWp), the Group aims to install new renewable energy production systems at the Italian (Campoverde), Spanish (extension), Tunisian and Turkish plants reaching 11,000 kWp by 2026 (**800 kWp in 2024**; 5,600 kWp in 2025; 11,000 kWp in 2026)*	✓ ACHIEVED - ONGOING In 2024, with the installation of solar panels in Türkiye, Recordati reached an installed capacity of around 860 kWp. The maximum installed power of the Turkish plant is approximately 480 kWp. These solar panels meet around 5% of the plant's electricity needs. In order to reach 860 kWp, the 480 kWp installed in Türkiye in 2024 must be added to the 386 kWp already installed in Ireland and Spain. In 2024, solar panel installation works were started in Spain (the expansion of the existing panels), Tunisia and Italy (Campoverde) to meet the targets set in the roadmap. Analysing electricity purchased from the grid for the Group's plants, Recordati continues to purchase 100% renewable energy in countries where this is possible.[30]	Increase of renewable energy installed power capacity to 11,000 kWp by 2026 (386 kWp in 2022). (target: *800 kWp in 2024**; 5,600 kWp in 2025**; 11,000 kWp in 2026)*[31]. *In 2024, the installation of solar panels was completed in Türkiye, reaching installed power of approximately 860 kWp, in addition to systems already installed in 2022 in Ireland and Spain. By 2026, the Group aims to install further new systems at plants in Italy (Campoverde) and Tunisia, as well as expanding the system in Spain, reaching installed power of 11,000 kWp.*
		Reduce Scopes 1 and 2 CO_2eq emissions by 20%[32] by 2030, using 2022 as a baseline. For further details on the target, see the "Climate Change" chapter.
Scope 3 emissions calculation (2024)	✓ ACHIEVED Scope 3 emissions have been calculated, accounting for about 90% of the Group's total emissions. The most emission-intensive categories are Categories 1, 2 and 4. For further details, see the "Climate Change" chapter.	
		Obtaining ISO 50001 certification for various Group plants accounting for at least 90% of energy consumption by 2029 (base year for energy consumption data: 2023)

[30] *It is noted that 100% of the renewable electricity purchased is for Group manufacturing sites located in countries where it is available, and therefore with the exception of the Tunisian site. Including Tunisian consumption in FY24, electricity from renewables purchased at the Group's production plants is approximately 90%. For full disclosure, it is noted that as regards the annexed offices of the plant, this excludes the purchase made for the offices in the Czech Republic, as the electricity contract for this specific area is included in the lease and thus is not regulated or managed directly by the Group. In any case, the impact on total electricity is negligible.*

[31] *Corresponding to a theoretical generation capacity of approximately 15.1 GWh (about 26% of the total electricity consumption of the Group in the 2022 financial year, including that self-produced by the cogenerator in Campoverde and consumed internally). The indicator is linked to the credit line signed in 2023 with a pool of banks.*

[32] *Baseline: 2022 data for Group plants, reduction in reference to production plants. Scope 1: -21.0%; Scope 2 (Market-based approach): -15,0%. Positive effects of the implementation of projects will begin to be seen from 2027, with the resizing of the co-generator turbine. Until the turbine at Campoverde is downsized, the reduction of emissions will be minimal and may be offset by changes in production, fluctuations in economic activity, and other energy efficiency initiatives that did not emerge during the target-setting phase.*

		Obtaining ISO 50001 certification for the Tunisian Plant (covering around 13% of energy consumption by all Group Plants) in 2025[33]
All environmental aspects (water, waste, pollution)		
		Obtaining ISO 14001 certification for various Group plants accounting for at least 90% of the waste produced by 2027 (base year for waste production data: 2023).[34] The target for 2025 is to reach 100% of API chemical plants holding ISO 14001 certification.
Other initiatives		
Continue the Group's forestation efforts, reaching 24,000 trees planted by the end of the period 2021-2024 (corresponding to approximately 5 trees per employee). *In addition to the 14,000 already planted in Italy and Tunisia in the three-year period 2021-2023, planting of a further 10,000 is planned in Türkiye by 2024.*	✓ **ACHIEVED** Activity continued for the planting of trees, demonstrating Recordati's commitment to protecting nature and local areas. From 2021 to 2024, the Recordati Group planted approximately 24,000 trees (approx. 5 per employee). Having successfully completed the Forestami project in Italy and other planting initiatives in Tunisia for the three years 2021–2023, in 2024, the Turkish branch sponsored the planting of approximately 10,000 trees in the reforestation area of Kilis Yeniyurt, which was hit by the 2023 earthquake, with support from the Tema Foundation.	
Responsible waste management and circular economy initiatives		
Continue with the analysis of possible packaging solutions with lower environmental impact (2024-2025)	✓ **ACHIEVED - ONGOING** The Group continued various initiatives to promote more sustainable packaging. For example, the use of FSC-certified paper was expanded to other products: • All Procto-Glyvenol and Lomexin[35] products will use FSC paper from 2025. • The use of FSC certified paper was also progressively extended to the following products[36]: Car-go line, Recoprox, Dentosan toothbrush line, Magnesio Supremo and Perido Natural. With regards to Eumill, more references were transitioned to FSC-certified paper.	Continue with the analysis of possible packaging solutions with lower environmental impact (2025-2027)

[33] In 2023, the Turkish plant gained ISO 50001 certification for its energy management system, covering around 11% of the energy consumption of all Group plants, calculated based on data for FY 2023. In 2025, with extension of certification to Tunisia, a quota of 13% would be reached.
[34] In 2024 certification was already in place for the Campoverde (Italy) chemical-pharmaceutical plant and the pharmaceutical plant in Tunisia, which account for around 51% of waste generated by Group plants (calculated based on data for FY 2023).
Considering the 2025 target (for chemical-pharmaceutical plants), in order to reach 100%, certification will be extended to Cork (Ireland). Attainment of certification for the Cork plant, in addition to the Campoverde plant, will bring the figure to approximately 67% of waste generated by Group plants (calculated based on data for FY 2023). Choosing to use the quantity of waste generated as proxy for all environmental aspects covered by the certification is due to the fact that waste is the most relevant environmental issue for the Group's plant.
[35] Produced at Group plants or through CMOs. Stocks already purchased are working through, enabling complete replacement in 2025.
[36] Production through CMOs – Italian market.

	In addition, in 2024 the Milan plant started to recover and reuse wooden pallets. The extension of this recovery activity to other plants is being evaluated.	
Continue with the analysis of possible new initiatives for the recovery and reuse of chemical raw materials used in production processes (2024-2025)[37]	✓ **ACHIEVED - ONGOING** • **Benzaldehyde**: in 2024 approximately 56% of the benzaldehyde used in production processes is derived from the recovery carried out in 2023. • **Palladium**: during 2024, through a partnership with third-party companies, the company recovered 12.6 Kg of palladium from production processes to be reused in production processes (7.1 kg in 2023).	Continue with the analysis of possible new initiatives for the recovery and reuse of chemical raw materials used in production processes (2025-2027)[38]

[37] The recovered raw materials may be reintroduced into internal production processes or through partnership agreements with third-party companies.
[38] The recovered raw materials may be reintroduced into internal production processes or through partnership agreements with third-party companies.

RESPONSIBLE SOURCING

TARGETS DEFINED AND TIME FRAMES	RESULTS IN 2024	FUTURE TARGETS AND TIME FRAMES
Management of relationships with suppliers and promotion of a responsible supply chain		
Continue to expand the monitoring of suppliers on ESG aspects through audits (desk audits) by an independent third party. In addition to 115 audits performed during 2022-2023, the Group aims to perform 150 Supplier Sustainability Audits by 2026, conducting 50 ESG audits per year (2024-2026)	✓ ACHIEVED - ONGOING Recordati works with EcoVadis to assess the sustainability performance of its suppliers. Main results for 2024: • 59 audits conducted (desk audits) on ESG topics: these comprised 44 new supplier audits and 15 follow-up audits. The suppliers audited belong to the main and most strategic product categories: suppliers of finished products (Contract Manufacturing Organisations - CMOs), raw materials, packaging, industrial services, logistics, and other services. • 49% of suppliers considered in the current 2024 audit achieved an overall rating of "advanced", while 46% were rated as "good". Only 5% of suppliers received a "partial" performance rating and, as in 2023, no suppliers were found to be insufficient or critical in 2024.	Continue to expand the monitoring of suppliers on ESG aspects through assessments (desk audits) by an independent third party. Carry out 150 sustainability audits by 2026, conducting 50 ESG audits during the year (2024-2026)[39]
The activities to engage with suppliers who achieved low scores during the previous year's assessment process continued, low scores during the previous year's assessment process continued, to promote and raise awareness on ESG topics (2024).	✓ ACHIEVED In 2024, special meetings were held with suppliers that received scores lower than the 2023 audit (12 suppliers), in order to drive improvement in their ESG performance.	The activities to engage with suppliers who achieved low scores during the previous year's assessment process continued, low scores during the previous year's assessment process continued, to promote and raise awareness on ESG topics (2025)[40].

[39] *The target for annual audits includes max 30% follow-up audits vs the previous year. The audits include suppliers from the main and most strategic product categories, including suppliers of finished products (Contract Manufacturing Organisations - CMOs), raw materials, packaging, industrial services, logistics, and other services. The indicator has been defined considering a progressive roll-out. The mix of new suppliers and follow-up audits also enables monitoring of the progressive improvement in supplier performance over time. The indicator for the number of audits is tied to the credit facility finalised in 2023 with a pool of banks. The Ecovadis assessment consists of four key areas for sustainability: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. More specifically, it requires information on health and safety; human rights (including child and forced labour); working conditions (including working hours, wages, equal opportunities, training and development and union relations); business ethics; and privacy management, for example. In relation to the environment, the questionnaire analyses, for example, issues related to the management of water, waste, hazardous chemical substances, energy and emissions into the atmosphere.*

[40] *The decision to concentrate engagement efforts on suppliers with lower performance enables a focus on the situations which demand greater attention and encourage improvement.*

	Supplier Code of Conduct formalization and dissemination to all strategic suppliers[41] (launch of distribution of the Code to new suppliers in 2025, reaching all strategic suppliers by 2027)[42].

SBM – 2 INTERESTS AND VIEWS OF STAKEHOLDERS

Integrating corporate responsibility into a business approach means focusing on creating value for all relevant stakeholders and uniting economic, social and environmental aspects. In this context, the Recordati Group has identified its own key stakeholders by focusing on its understanding of how the Group's social role relates to company activities, with the aim of identifying their expectations and defining actions in response to the legitimate interests expressed.

The Recordati Group's stakeholders[43]

The group believes that it is fundamental to build and maintain solid and lasting relationships with stakeholders. A relationship based on constant dialogue and active involvement is essential for the generation of value in the long term. In order to engage all stakeholders in their activities, optimising their roles and monitoring the possible direct and indirect impacts of the Group's activities on the relevant parties, Recordati implements stakeholder-engagement initiatives.

Aware that dialogue with all stakeholders represents an important opportunity for mutual growth and development, below is an indication of some of the main stakeholder-engagement activities carried out, detailing methods, aims and management of expectations. Dialogue with each stakeholder category involves the corporate functions with specific roles most closely aligned with the relevant stakeholders. For further details of the specific engagement initiatives and the actions implemented, please see the individual chapters. Main stakeholder categories involved in dialogue activities:

[41] *Suppliers of finished products (Contract Manufacturing Organisations - CMOs), raw materials, packaging, industrial services, logistics.*

[42] *To further strengthen the responsible-sourcing strategy, the Group is working to formalise a Supplier Code of Conduct to establish clear and transparent guidelines regarding its expectations of commercial partners. It has defined a roadmap for implementation of the Code via its distribution to suppliers.*

[43] *Please note that the map of stakeholders presents the macrocategories of stakeholders. Within each of these there may be further sub-categories. For example: the "Employees" category also includes Trade Unions and Workers' Representatives, and the category "Healthcare structures and operators" also includes doctors, hospitals and pharmacies. The category "Government agencies, regulators, PA" also includes industry associations, non-governmental organisations and the national health service. "Customers" includes wholesalers, distributors and all other types of customers. In addition to suppliers, the category "Suppliers and strategic partners" also includes CROs, licensees and licensors, for example.*

Employees:

- Periodic People Engagement Surveys, aimed at gathering feedback from personnel, giving everyone the chance to express their opinions transparently. The results of the survey contribute to identification of strengths and opportunities for improvement on which to focus the action plans that Recordati defines and shares at the local and function level. The first People Engagement Survey was conducted in 2023, and the second is planned for 2025. An internal survey was carried out in 2024 into corporate culture, involving Group management (around 300 managers). The survey was aimed at gathering feedback on actions implemented to foster a culture of inclusion, trust and ongoing feedback.
- Creation of a network of employees, serving as Culture Ambassadors and D&I Champions, with the goal of involving a group of colleagues selected on a voluntary basis from across the Group in definition of corporate culture/strategy. Specifically, the network of Culture Ambassadors, created in 2023, supported the creation and implementation of the corporate purpose and will be involved in updating of Group values in 2025. The network of D&I Champions, created in 2024, contributes to co-creation of the D&I agenda and harmonisation of the global strategy with local priorities.
- Internal communication initiatives (e.g. newsletters and company intranet), aimed at sharing important developments and initiatives at Group level.
- Meetings with trade-union representatives, aimed at promoting sharing and dialogue on various topics that are material for company employees; understanding expectations.

Associations of patients, caregivers/relatives, healthcare facilities and professionals:

- Dialogue and support for patient associations, caregivers, doctors and institutions to increase awareness, promote improved diagnosis, and expand the availability of treatments, especially for people with rare diseases. This is done, for example, by promoting meetings with healthcare professionals, providing information to raise awareness, and actively participating in scientific conferences. Recordati also engages in collaboration with groups and associations to promote correct information for patients and sponsors awareness-raising days. For more details on the associations involved, see the “Patients - Access to medicine and healthcare” chapter.
- In addition, the Recordati Rare Diseases Foundation was established to provide independent and unconditional support for training programmes aimed at the scientific community in the field of rare diseases. These high-level training courses are organised under the supervision of an external scientific committee.

Suppliers and strategic partners:

- Day-to-day and institutional relations with suppliers and strategic partners, aimed at aligning mutual expectations, and sharing standards and contractual conditions. Close collaboration and support in the management of any issues.
- Engagement for specific ESG initiatives: for suppliers that received lower scores in the assessment to promote and increase awareness of ESG issues (*environment, labour and human rights, ethics, and sustainable procurement*). During this activity, comments and feedback were provided to suppliers to improve sustainability performance and promote continuous improvement. The Group plans to continue this activity in 2025.

Investors and analysts (including ESG analysts):

- Announcements, reports and periodic meetings aimed at providing economic and financial disclosure regarding the Group and to strengthen knowledge of the business model.
- Questionnaires aimed at assessment of sustainable performance. The score assigned helps in the identification of areas for improvement of strategy and ESG actions.

Local communities

- Meetings with representatives of associations, NGOs and local communities aimed at understanding local needs and identifying projects to support, e.g. through donation initiatives.

Industrial associations

- Membership of industrial associations that coordinate, protect and promote the interests of the pharmaceutical sector and its associated companies. In 2024 Recordati was a member of various industry associations located in its countries of operation.
- As more fully explained in the paragraph on the double materiality assessment, in 2024 the Group worked with Farmindustria — the association for pharmaceutical businesses that is a member of Confindustria, the European Federation (EFPIA) and the world federation (IFPMA) — for the purposes of identifying material impacts, risks and opportunities (IRO). This cooperation provided valuable perspectives for analysis of the industry context and material IROs. These perspectives were considered in the double materiality analysis.

The opinions and interests of key stakeholders are constantly discussed internally in the relevant departments and company divisions.
Specifically, during the presentation of the results of the double materiality analysis, the Risk, Control and CSR Committee and the B.o.D. were informed on the dialogue activities undertaken with Farmindustria.

SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The results of the double materiality analysis confirm the validity of the principles and direction of the business model and the company's sustainability strategy. In particular, the impacts and risks identified as material by the assessment are aligned with the priority areas and targets included in Recordati's Sustainability Plan, which guides the actions and measures adopted by the Company in the ESG sphere. Specifically, the Plan is structured according to the five priority areas — Patient Care, People Care, Environmental Protection, Responsible Sourcing, Ethics and Integrity — which for a number of years Recordati has used as the underlying structure for its sustainability strategy, investing resources and achieving significant results. For further details on Recordati's Sustainability Plan, see chapter SBM-1 "Strategy, business model and value chain".
Furthermore, the specific chapters detail the Group's resilient approach, highlighting the measures adopted to prevent, mitigate and respond to the potential effects of risks identified as being material.

Due to the entry into force of regulatory requirements implied by the ESRS standards regarding the double materiality assessment, it is noted that there are certain changes compared to the previous analysis. In particular, considering environmental matters, in the 2024 assessment, impacts connected to pollution were assigned an increased level of importance, both in relation to the company's own activity and along the value chain. Regarding social aspects and particularly topics connected to workers in the value chain, the analysis performed enabled better identification of material impacts that may affect such workers and which are primarily connected to the topics of health and safety and workers' rights, with a focus on human rights. Additionally, as in the double materiality assessment performed in 2024, the topics "Research and Development" and "Support for Local Communities" continued to be identified as material for Recordati. Therefore, with the same topics identified by the regulations for analysis, these were considered as entity-specific aspects in the Group's assessments.
No current financial effects have emerged during the reporting year deriving from sustainability risks relevant for the business model, value chain, strategy or decision-making processes.

The table below presents the main material impacts and risks identified by the 2024 double materiality assessment. Description of each risk is provided at the bottom of the table.

		IMPACT MATERIALITY	FINANCIAL MATERIALITY
ESRS[44]	SUB-TOPIC/ SUB-SUB-TOPIC	IMPACTS[45]	RISKS
E1 - Climate change	**Sub-topic:** Climate change mitigation Energy Adaptation to climate change (*only for Risks*)	Generation of GHG emissions through business activities or along the value chain with a negative impact on the environment (Negative impact, Actual, Short-term) ***Impact origin:*** Own operations, Upstream in value chain, Downstream in value chain	Climate change risk (Long-term) ***Risk origin:*** Own operations, Upstream and downstream in value chain
E2 - Pollution	**Sub-topic** Pollution of water	Potential release of pollutants in water due to lack of or inadequate wastewater treatment negatively affects the quality of receiving water bodies, damaging the environment. (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations, Upstream in value chain	Risks associated with health, safety, and the environment: (Short term) ***Risk origin:*** Own operations
	Sub-topic Pollution of soil	Potential release of pollutants in soil can negatively alter soil condition, damaging the environment. (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations, Upstream in value chain	
	Sub-topic Pollution of air		
	Sub-topic Substances of concern	Potential inefficient management of substances of concern in chemical and pharmaceutical processes can contribute negatively to human health and the environment. (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations	
	Sub-topic Substances of very high concern	Potential inefficient management of substances of very high concern in chemical and pharmaceutical processes can contribute negatively to human health and the environment. (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations	
E3 - Water and marine resources	**Sub-sub-topic** Water consumption Water intake	Water intake and consumption, especially in water-stressed areas, contributes to water depletion. (Negative impact, Actual, Short-term) ***Impact origin:*** Own operations, Upstream in value chain	

[44] Impacts and risks were analysed taking into account their primary time horizon, i.e. the period of time over which the most significant effects would be expected. As described in the ESRS standards, the time horizons for assessment of impacts are: Short: 0-1 years, corresponding to the reporting period adopted by Recordati for its Sustainability Statement; Medium: 1-5 years; Long: +5 years. For risks: Short: 0-5 years; Medium: 5-10 years; Long: +10 years.

[45] For further details on Recordati's corporate activity and commercial relations that could give rise to identified impacts and/or risks, see chapters SBM-1 " Strategy, business model and value chain"; SBM-2 "Interests and views of stakeholders".

E5 - Resource use and circular economy	**Sub-topic** Waste	The generation of waste through business activities has a negative impact on the environment (Negative impact, Actual, Short-term) ***Impact origin:*** Own operations, Upstream in value chain	Risks associated with health, safety, and the environment: (Short term) ***Risk origin:*** Own operations
	Sub-topic Resources inflows, including resource use Resource outflows related to products and services	Contribution to the depletion of natural resources due to their use for the manufacturing of products and materials (association with circular economy) (Negative impact, Actual, Short-term) ***Impact origin:*** Own operations, Upstream in value chain	
S1 - Own workforce	**Sub-topic** Equal treatment and opportunities for all	Promoting diversity and inclusive practices has an impact on people's motivation, well-being and capacity for innovation. (Positive impact, Actual, Medium-term) ***Impact origin:*** Own operations	
	Sub-sub-topic Training and skills development	The promotion of opportunities for growth, training and development has a positive impact on staff motivation, growth of expertise and talent attraction and retention. (Positive impact, Actual, Medium-term) ***Impact origin:*** Own operations	Risk associated with attraction and retention of talent (Short-term) ***Risk origin:*** Own operations
	Sub-topic Working conditions Other work-related rights **Sub-sub-topic** Working time Adequate wages Social dialogue / freedom of association / collective bargaining Child labour, forced labour	Potential violation of the human rights of employees (including working hours, adequate wages, social dialogue, freedom of association, collective bargaining, equal treatment, child labour and forced labour) has a negative impact on people's well-being and quality of life. (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations	
	Sub-sub-topic Work-life balance	The promotion of work-life integration for employees, such as remote working, contributes to well-being and increased employee satisfaction. (Positive impact, Actual, Medium-term) ***Impact origin:*** Own operations	

	Sub-sub-topic Health and safety	Work-related injuries and ill health which can contribute negatively to employees' lives (Negative impact, Actual, Short-term) ***Impact origin:*** Own operations	Risks associated with health, safety, and the environment: (Short term) ***Risk origin:*** Own operations
	Sub-sub-topic Privacy	Potential loss of sensitive information and personal data of stakeholders (e.g. employees, suppliers, third parties, patients and other third parties) managed by Recordati may have a negative impact on stakeholders (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations	Compliance risks (Short-term) ***Risk origin:*** Own operations
S2 – Workers in the value chain	**Sub-topic** Working conditions Other work-related rights **Sub-sub-topic** Working time Adequate wages Social dialogue / freedom of association / collective bargaining Child labour, forced labour	Potential violation of the human rights of workers in the value chain (including working hours, adequate wages, social dialogue, freedom of association, collective bargaining, equal treatment, child labour and forced labour) has a negative impact on people's well-being and quality of life. (Negative impact, Potential, Short-term) ***Impact origin:*** Upstream in value chain, Downstream in value chain	
	Sub-sub-topic Health and safety	Work-related injuries and ill health of workers in the value chain can[46] negatively impact workers' lives. (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations, Upstream in value chain	Risks associated with health, safety, and the environment: (Short term) ***Risk origin:*** Own operations, Upstream in value chain
	Sub-sub-topic Privacy	Potential loss of sensitive information and personal data of stakeholders (e.g. employees, suppliers, third parties, patients and other third parties) managed by Recordati may have a negative impact on stakeholders (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations	Compliance risks (Short-term) ***Risk origin:*** Own operations
S4 - Patients[47]	**Sub-sub-topic** Access to (high-quality) information Access to products and services	The high-quality and accessible products offered through the SPC division, the strengthening of positioning in the rare-diseases segment to offer innovative treatments that meet serious unmet medical needs, as well as awareness-raising initiatives, support access to the best possible treatments and improve the quality of life of patients and their families. (Positive impact, Actual, Short-term) ***Impact origin:*** Own operations, Downstream in value chain	Compliance risks (Short term) ***Risk origin:*** Own operations, Downstream in value chain

[46] *With particular reference to employees of third parties who operate on behalf of Recordati at all sites owned, leased or rented where the Group has operational responsibilities (e.g. sites managed or controlled by Recordati).*

[47] *Given the specific nature of the pharmaceutical sector, the term "Patient" is preferred to "Consumer" or "End User".*

	Sub-sub-topic Personal health and safety	Potential failure to comply with safety standards throughout the life-cycle of pharmaceuticals (including during clinical trials, production, monitoring of pharmaceuticals, as well as during risk-assessment activities for placing products on the market) has a negative impact on patient health and safety. (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations, Upstream in value chain, Downstream in value chain	Risks associated with pharmacovigilance Risks associated with the production process from intrinsic factors Product liability risks Risks associated with partnerships and third parties (Short term) ***Risk origin:*** Own operations, Upstream in value chain
	Sub-sub-topic Responsible marketing practices	Accurate, complete and transparent sharing of information, also with doctors and healthcare workers, when promoting medicinal products, in compliance with current regulations and ethical standards, makes it possible to offer patients the best therapeutic assistance and avoid possible negative impacts linked to misleading communications. (Positive impact, Actual, Short-term) ***Risk origin:*** Own operations, Value chain	Compliance risks (Short-term) ***Risk origin:*** Own operations, Downstream in value chain
	Sub-sub-topic Privacy	Potential loss of sensitive information and personal data of stakeholders (e.g. employees, suppliers, third parties, patients and other third parties) managed by Recordati may have a negative impact on stakeholders (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations	Compliance risks (Short-term) ***Risk origin:*** Own operations
Entity Specific	Research and development	The expansion of research and development activities makes it possible to offer new therapies and respond to currently unmet medical needs. (Positive impact, Potential, Medium-term) ***Impact origin:*** Own operations	
G1 – Business Conduct	**Sub-topic** Corporate culture Protection of whistleblowers Corruption and bribery	Potential cases of corruption and illicit conduct with possible negative economic repercussions on markets and stakeholders (Negative impact, Potential, Short-term) ***Impact origin:*** Own operations, Downstream in value chain	Compliance risks *(Short-term)* ***Risk origin:*** Own operations, Upstream and downstream in value chain
	Sub-sub-topic Management of relationships with suppliers including payment practices	Dissemination of environmental and social sustainability principles thanks to the monitoring and involvement of suppliers contributes positively to the promotion of ESG aspects along the value chain. (Positive impact, Actual, Medium-term) ***Impact origin:*** Own operations, Upstream in value chain, Downstream in value chain	
Entity Specific	Support for local communities	Support for local communities can encourage local development, strengthen relationships with stakeholders and have a positive impact on development in areas in which Recordati operates. (Positive impact, Actual, Short-term) ***Impact origin:*** Own operations	

Additional information on risks

- **Climate change risk:** the potential risk connected to climate change was qualitatively assessed by Recordati management considering the following aspects:
  - Physical risk, e.g. air temperature, extreme heat, storms, intense rainfall, flooding and drought, with potential impacts, for example, on the cost of energy, protection of assets and business continuity.
  - Transition risk, connected to e.g. potential and future regulatory changes linked to the ongoing transition to a decarbonised economy (e.g. legal and financial risks due to a failure to observe performance standards, etc.), with a potential impact, for example, on systems technologies, compliance/energy costs, etc.

  Recordati recognises that climate change represents a complex challenge. Potential and future regulatory changes and an increase in ever-more extreme and unpredictable weather events have an impact on the planet and society with potential long-term repercussions on various sectors and companies. In this sense, Recordati acknowledges a potential long-term physical and transitional risk linked to climate change and will continue to monitor this potential risk over coming years.

  Regarding short and medium-term risk, considering the sector in which the Group operates, Recordati has currently classified climate change as a risk without concrete or material impacts on company operations and the Company has assessed it as having a low level of risk.

  In relation to this potential risk, the Group, in coordination with the Head of Group ESG, monitors changes in laws and standards and sets environmental objectives within its sustainability strategy. Measures include the purchase of renewable energy, installation of systems for the generation of renewable energy and energy-efficiency projects. The Group has also upgraded “All-Risk Property” insurance policies to cover direct and indirect damage, guaranteeing protection against potential shutdowns or interruptions of the production cycle.

  Please refer to the chapter SBM-3 “Material impacts, risks and opportunities and their interaction with strategy and business model”.

- **Risks associated with health, safety, and the environment:** the Group must comply with laws and regulations on the environment, health and safety.

  These requirements include regulation of the handling, manufacture, transportation, storage, use and disposal of materials, including the discharge of pollutants and pharmaceutical residues into the environment. Non-compliance can result in fines and penalties. To ensure compliance, the Group has dedicated units for prevention, verification, and continuous monitoring in regards to compliance with the structural technical standards (related to equipment, plant, the workplace, chemical, physical and biological agents) in addition to activities regarding health surveillance, security vigilance, workers training and information and the procurement of the documents and certificates required by law. The environmental management system of the main production plant in Campoverde di Aprilia in Italy has maintained ISO 14001 certification since 2003. Opalia Pharma’s plant in Tunisia has ISO 14001 and ISO 45001 certifications, and the Turkish Çerkezköy plant obtained ISO 50001 certification for its energy management system in December 2023.

- **Risk associated with attraction and retention of talent:** The Group is required to face risks related to attraction and retention of talent due to a high degree of competition between pharmaceutical employers, employer brand awareness, and the career development expectations of employees. The Group has implemented strategies and policies which are optimized on a continuous basis, including positioning itself as attractive employer with a proven employer value proposition, structured talent reviews and succession planning initiatives, engagement surveys with dedicated action plans, competitive compensation and benefits and quality of life initiatives for all employees.

- **Compliance risks:** every activity performed by the Group throughout the product's entire lifecycle, from research and development to production and to the provision of scientific information, carries an inherent non-compliance risk. To mitigate these non-compliance risks, the Group has implemented an internal control system that encompasses a series of procedures and structured, organic organizations. This system aims to minimize the risk of non-compliance with laws and regulations, ensure accurate and transparent market information, and prevent or limit the consequences of unforeseen outcomes while focusing on achieving the Company's objectives.
  The structural aspects of internal control and risk management comprise: the Code of Ethics, that defines the Group's core values and principles, as well as the behavioral rules in respect of said principles; the Group's procedures and the corresponding system for the delegation of powers, based on general and special powers of attorney and internal delegations; the Information systems supporting administration and production activities as well as the accounting and financial processes.
  Regarding the risk of corruption, the Group has implemented dedicated Anti-Corruption program, which includes an Anti-bribery Manual, a dedicated training program and specific procedures aimed at mitigating this kind of risk.
  All operating and marketing activities performed by the Group, both in Italy and abroad, are performed in compliance with the legislation and regulations that apply in the geographical areas in which it operates, including national and international technical standards that apply to the pharmaceuticals sector which regulate pharmaceutical research and development, production, distribution, and promotion.
  Regarding the regulation of drug promotion activities, the Group has formulated a set of ethical rules of conduct. All Group personnel are continuously informed of those rules and monitoring, both internally and by independent certifiers, is performed constantly to ensure that they are properly observed.
  In compliance with Legislative Decree 231/2001 on the administrative liability of legal entities, the Italian companies in the Group have an "Organisation, Management and Control Model" that is continuously updated to comply with the latest amendments to the relevant legislation. Analogous models have been adopted by other foreign subsidiaries in compliance with local regulations, such as the Ley Organica in Spain.
  The Group adheres to all applicable sanction programs. To achieve this, the Group undertakes continuous monitoring of the applicable sanction programs and implements specific controls described in a dedicated policy.
  With regard to data privacy, the Group complies with the applicable legislations in the countries where it operates. The Group has implemented a comprehensive training program for all its employees to ensure they have a thorough understanding of and can effectively implement the principles outlined in the Code of Ethics, the Anti-corruption program, and the Organization, Management, and Control Models.

- **Risks associated with pharmacovigilance:** as a holder of drug marketing authorizations, the Group must comply with pharmacovigilance regulations, reporting drug safety information to regulatory bodies within clearly defined timeframes and manner. Serious adverse drug reactions can lead to restrictions or revocation of marketing authorization. To manage this risk, Recordati has assigned specific pharmacovigilance responsibilities within its organization and implemented integrated systems to collect, assess, manage, and submit required information. The Group continuously strengthens its internal organisation and commercial partners through mandatory training and optimised procedures to comply with the stringent regulatory requirements outlined by regulatory bodies and industry standards.
- **Risks associated with the production process by intrinsic factors:** the Group's production plants face various risks that could interrupt production, damage plants, or delay the production cycle. To protect against these risks, production activities have to be supported with clear instructions for operators to use the equipment in the correct way for assuring the quality of products, the safety for operators themselves and the protection of the equipment. Moreover, suitable ordinary and extraordinary equipment maintenance operations are considered, and planning activities are conducted to define the appropriate timing. As a general standard requirement, operations should comply with Good Manufacturing Practices (GMPs) and they are monitored by relevant national authorities too, as well as foreign ones like those

from Russia. The Group's production sites have adequate structures and qualified personnel to ensure compliance with GMP and internal procedures. The main production site for active ingredients in Campoverde di Aprilia (Italy), in addition to several worldwide Regulatory Authorities is also approved by the USA FDA.

- **Product liability risks:** delivering high quality products to patients is of the upmost importance to the Group and Recordati has a comprehensive quality management system in place ensuring in line with industry best practices to ensure compliance with relevant quality standards. Recordati, like any company operating in the pharmaceutical industry, could face potential claims for injuries allegedly caused by its products, despite strict compliance with standards and regulations. As the Group's product portfolio grows, especially with new innovative medicines, the number of product liability claims may increase. In addition to our robust quality management system, the Group has insurance policies covering all marketed and developing products to address additional liabilities. These policies have adequate maximum liability limits, which are regularly monitored through analyses and market research by leading insurance brokers.
- **Risks associated with partnerships and third parties:** the Group, as customary in the pharmaceutical industry, collaborates with partner companies and third parties in multiple areas along its value chain including contract research, contract manufacturing, regulatory services, distribution and promotion, managed IT services and general business process outsourcing.
  These suppliers are independent entities over which the Group has no or very limited control and are subject to their own set of risks. This could result in risk to the Group including but not limited to delays of research and development initiatives, supply disruption, IT service disruption or failure to meet regulatory or legal requirements.
  The Group has implemented policies and procedures to effectively vet, monitor and manage third parties throughout the lifecycle of their engagement with Recordati to mitigate any associated risk and ensure consistent service delivery.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In 2024, the Group conducted a double materiality assessment with the aim of identifying sustainability-related material impacts, risks and opportunities. This process was executed in line with the provisions introduced by the Corporate Sustainability Reporting Directive (CSRD), by Italian Legislative Decree no. 125/2024, and taking into consideration the European Sustainability Reporting Standards (ESRS).
As established, both the potential materiality of impacts and their financial materiality were considered. The former led to identification of positive and negative impacts, both actual and potential, considered material for the Group in the short, medium or long-term. The latter enabled identification of sustainability-related material risks and opportunities, again over the short, medium and long term.
The process involved the following phases:

1) Analysis and understanding of organisational, sector and business context

This phase involved mapping of sustainability matters related to Recordati's operations and value chain activities potentially relevant to the reference sector and operating context.
An analysis was performed of internal and external documentation including, for example, the Code of Ethics, Policies, results of the materiality assessment and the Consolidated Non-Financial Statement for the previous financial year, evidence emerging from previously conducted Enterprise Risk Management activity on ESG risks, the Group Sustainability Plan, industry studies and other recognised external sources. Furthermore, the wider sustainability context in which the Group operates was explored, specifically considering the aspects set out by ESRS standards, and the sustainability topics prioritised by the main ESG indices and ratings for the sector in which Recordati operates. Finally, a benchmark analysis was conducted on peers or companies with similar business operations and/or characteristics to Recordati.
Finally, on the basis of the experience, knowledge and professional judgement of management, the Group's value chain was analysed to identify and describe the key phases and business relationships where sustainability-related impacts, risks and opportunities could be generated, both in the context of direct operations and upstream and downstream in the value chain. This phase resulted in identification of the sustainability topics that are potentially material for the Group.

2) Identification of Impacts, Risks and Opportunities

- **Identification of impacts:** from the results of the context analysis, actual and potential, positive and negative impacts were identified, including those generated directly by the Recordati Group through its operations and indirectly through business relationships throughout the value chain, in the short, medium and long term — assessing the most prevalent time horizon, i.e. that in which it is reasonable to expect the most significant impact — associated with topics that are potentially material for Recordati. This phase involved the ESG function and the heads of individual functions, based on their experience gained in the relevant areas for the identification of impacts and consideration of any specific aspects connected to the geographical characteristics and/or types of operations.
- **Identification of risks and opportunities**: in the context of the risk-assessment process, the main sustainability-related risks were identified which could be generated in the context of direct activity or as a consequence of business relationships of the company and/or operations throughout the value chain, in the short, medium and long term — assessing the most prevalent time horizon, i.e. that in which it is reasonable to expect the most significant risk or opportunity. The process for identification and subsequent assessment (described below) of sustainability risks is integrated into the wider Enterprise Risk Management process implemented by the Group Risk Director who, with regard to ESG risks, worked in alongside the ESG Function.
  Various research and data techniques are employed for identification of risks, including interviews with management, workshops, risk-intelligence data reporting and horizon scanning. Moreover, the Group assessed possible long-term risks and opportunities, based primarily on the professional judgement of the management involved as to the strategic and economic relevance of the opportunity.

  For the identification of risks, potential risks were also considered deriving from dependence on natural, human or social resources. The Group did not identify significant dependence in this regard sufficient to generate risks for the company.
  Additionally, there was also an evaluation of the coherence of the main risks identified and the actual and potential impacts identified, to highlight any instances where these risks could derive and/or be closely tied to impacts associated with the material sustainability matters.
  Finally, the Group Risk and ESG functions identified the opportunities, starting from the ESG Plan and selecting those potentially material for the Company.

3) Assessment of the materiality of impacts, risks and opportunities (IRO)

- **Definition of assessment model:** this phase involved definition of the metrics for assessment of impacts, risks and opportunities, in accordance with the ESRS standards. The metrics considered for the assessment of impacts, are level of severity, expressed as a combination of the parameters of scale, scope and irremediable character (only for negative impacts), and likelihood (only for potential impacts). For financial materiality alone, and in particular for short- and medium-term risks, in line with the Enterprise Risk Management model, the assessment was conducted by combining the likelihood of risks with the magnitude of effects, measured on the basis of quantitative and qualitative metrics. In 2024 the Group enhanced its Enterprise Risk Management process by introducing a revised set of evaluation criteria to focus on quantitative or fact-based measurement metrics, in line with best practices. The model provides an assessment scale for both perspectives, from 1 (low) to 4 (critical). In terms of long-term risks and opportunities, assessment is based primarily on the professional judgement of management involved considering their strategic and economic materiality.
- **Impact assessment:** assessment of impacts was performed by the representatives of the various departments involved in sustainability matters, through dedicated interviews, with assessment of the impacts based on the assessment model introduced and discussion of the characteristics and/or specific features of the impacts identified. It is underlined that, as indicated by the ESRS, in the case of potential negative impact on human rights (e.g. child labour, forced labour), the severity of the impact took precedence over the probability of occurrence in terms of evaluation.

- **Assessment of risks and opportunities:** assessment of risks was performed by the relevant managers through dedicated interviews, in line with the parameters and indications of the assessment model prepared by the Group Risk Director[48]. The Group evaluates risks based on their probability of occurrence and potential impact, utilising relevant internal and external data sources. Risk assessments consider various quantitative or fact-based impact dimensions, including those linked to patients, economic, market, and reputational factors. The Group determines the level of risk by factoring in mitigation actions implemented to address each risk. With regard to long-term risks and opportunities, as previously highlighted, assessment is based primarily on the professional judgement of management involved considering their strategic and economic materiality.
- **Stakeholder engagement:** the results of the assessment were shared and analysed with Farmindustria (association of pharmaceutical businesses), involved in the capacity of industry expert, to gather comments regarding the materiality of IROs.

4) Prioritisation and definition of material impacts, risks and opportunities

Following consolidation and review of impacts, risks and opportunities by the ESG Function and Group Risk Director, respectively, assessments were aggregated, preparing a list of impacts and risks identified as being material through analysis of corporate functions and shared with stakeholders. The prioritisation of impacts, risks and opportunities was conducted on the basis of the materiality thresholds defined[49] and the basis of the professional judgement of management involved in the analysis process. This enabled identification of the list of material impacts and risks for the Recordati Group. With regard to opportunities, there were no material opportunities for Recordati identified by the assessment.

5) Sharing results with relevant corporate bodies

The results of the double materiality assessment were presented to Top Management and the Chief Executive Officer and submitted for the approval of the Financial Reporting Officer. The list of material IROs, along with the double materiality assessment, were also submitted for the approval of the Risk, Control and CSR Committee and subsequently the B.o.D.

Based on the outcome of the double materiality analysis, as described in more detail in chapter IRO – 2 “Disclosure requirements in ESRS covered by the undertaking's sustainability statement”, the information and indicators needed to describe the management methods of material impacts and sustainability risks were identified.

[48] The Group actively identifies, evaluates, and manages company risks using an Enterprise Risk Management (ERM) approach. This structured risk management process aligns with international best practices and complies with current rules and regulations. The Group actively maintains a catalogue of company risks, which is reviewed multiple times a year, especially during significant periods like M&A projects or Business Plan approvals. This catalogue aims to classify potential risks from two perspectives: external focus (e.g. regulatory changes or pressure from competition) and internal focus (linked to company processes such as pharmacovigilance, production, expiry of patents and new product launches).

[49] The Group concluded that the risk events identified and described in the previous paragraph were material from a sustainability perspective. However, the Group analysed these risks and classified them as low to medium in terms of residual risk, considering the likelihood of occurrence and the potential impact of these events. With regard to impacts, those classified as “material” and “highly material” were considered.

IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

Having clarified — in chapter IRO-1 "Description of the processes to identify and assess material impacts, risks and opportunities", " the processes to identify and assess material impacts, risks and opportunities and how the Recordati Group determines which information to divulge regarding IROs recognised as being material, below is a presentation of the disclosure requirements which the Group has met in preparation of its Sustainability Statement, including datapoints deriving from other EU legislative documents listed in Appendix B of Annex 2 of the CSRD.

Disclosure requirements and/or corresponding datapoints	Requirements from other EU legislative documents[50;51;52;53]	Disclosure (chapter)
ESRS 2 General disclosures		
ESRS 2 BP-1 General basis for preparation of the sustainability statement		BP1 - General basis for preparation of the sustainability statement
ESRS 2 BP-2 Disclosures in relation to specific circumstances		BP-2 - Disclosures in relation to specific circumstances
ESRS 2 GOV-1 The role of administrative, management and supervisory bodies		GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 – Board's gender diversity, paragraph 21 (d)	SFRD: Annex 1, table 1, indicator no. 13 Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816[54], annex 2	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of Board members who are independent, paragraph 21 (e)	Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, annex 2	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes		GOV-3 Integration of sustainability performance in incentive systems
ESRS 2 GOV-4 – Statement on due diligence		GOV–4 Statement on due diligence
ESRS 2 GOV-4 – Statement on due diligence	SFDR: Annex 1, table 3, indicator no. 10	GOV–4 Statement on due diligence
ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting		GOV-5 Risk management and internal auditing of sustainability reporting
ESRS 2 SBM-1 – Strategy, business model and value chain		SBM-1 Strategy, business model and value chain
ESRS 2 SBM-1 – Involvement in activities related to fossil fuel activities paragraph 40 (d) i	SFDR: Annex 1, table 1, indicator no. 4 Pillar 3: Article 449a of Regulation (EU) No. 575/2013; Implementing regulation (EU) 2022/2453 of the Commission [55], table 1 – Qualitative information on Environmental risk and table 2 – Qualitative information on Social risk Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, annex 2	Non-material because the Group is not involved in activities associated with those indicated.
ESRS 2 SBM-1 – Involvement in activities related to chemical production, paragraph 40 (d) ii	SFDR: Annex 1, table 2, indicator no. 9 Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, annex 2	Non-material because the Group is not involved in activities associated with those indicated.
ESRS 2 SBM-1 – Involvement in activities related to controversial weapons, paragraph 40 (d) iii	SFDR: Annex 1, table 1, indicator no. 14	Non-material because the Group is not involved in activities associated with those indicated.

[50] Regulation (EU) No. 2019/2088 of the European Parliament and of the Council, of 27 November 2019, on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317 of 09/12/2019, page 1).
[51] Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012(capital requirements regulation) (OJ L 176 of 27/6/2013, page 1).
[52] Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171 of 29/06/2016, page 1).
[53] Regulation (EU) No. 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No. 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243 of 09/07/2021, page 1).
[54] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406 of 03/12/2020, page 1).
[55] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324 of 19/12/2022, page 1).

Disclosure requirements and/or corresponding datapoints	Requirements from other EU legislative documents[50;51;52;53]	Disclosure (chapter)
	Benchmark regulation: Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 [56] and Annex 2 of Delegated Regulation (EU) 2020/1816	
ESRS 2 SBM-1 – Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Benchmark regulation: Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex 2 of Delegated Regulation (EU) 2020/1816	Non-material because the Group is not involved in activities associated with those indicated.
ESRS 2 SBM-2 – Interests and views of stakeholders		SBM-2 Interests and views of stakeholders
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model		SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities		IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement		IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement
ESRS E1 – Climate change		
ESRS 2 GOV-3 E1 – Integration of sustainability-related performance in incentive schemes		ESRS 2 GOV-3 E1 – Integration of sustainability-related performance in incentive schemes
ESRS E1-1 Transition plan for climate-change mitigation		E1-1 Transition plan for climate-change mitigation
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14	European Climate Law: Article 2, paragraph 1 of Regulation (EU) 2021/1119	E1-1 Transition plan for climate-change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16 (g)	Pillar 3: Article 449a of Regulation (EU) No. 575/2013; Implementing regulation (EU) 2022/2453 of the Commission, Template 1: Banking book – Indicators of potential climate-change transition risk: Credit quality of exposures by sector, emissions and residual maturity Article 12, paragraph 1, (d) to (g), and paragraph 2, of Delegated Regulation (EU) 2020/1818	Non-material because the Group does not fall within the companies excluded from Paris-aligned benchmarks.
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model		ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS E1-2 – Policies related to climate change mitigation and adaptation		E1-2 Policies
ESRS E1-3 – Actions and resources in relation to climate change policies		E1-3 Actions
ESRS E1-4 – Targets related to climate change mitigation and adaptation		E1-4 Targets
ESRS E1-4 – GHG emission reduction targets, paragraph 34	SFDR: Annex 1, table 2, indicator no. 4 Pillar 3: Article 449a of Regulation (EU) No. 575/2013; Implementing regulation (EU) 2022/2453 of the Commission, Template 3: Banking book – Indicators of potential climate-change transition risk: alignment metrics Benchmark regulation: Article 6 of Delegated Regulation (EU) 2020/1818	E1-4 Targets
ESRS E1-5 – Energy consumption and mix		E1-5 Energy consumption and mix
ESRS E1-5 – Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	SFDR: Annex 1, table 1, indicator no. 5 and annex 1, table 2, indicator no. 5	E1-5 Energy consumption and mix
ESRS E1-5 – Energy consumption and mix, paragraph 37	SFDR: Annex 1, table 1, indicator no. 5	E1-5 Energy consumption and mix
ESRS E1-5 – Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	SFDR: Annex 1, table 1, indicator no. 6	E1-5 Energy consumption and mix
ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions		E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions, paragraph 44	SFDR: Annex 1, table 1, indicators nos 1 and 2 Pillar 3: Article 449a of Regulation (EU) No. 575/2013; Implementing regulation (EU) 2022/2453 of the Commission, Template 1: Banking book – Indicators of potential climate-change transition risk: Credit quality of exposures by sector, emissions and residual maturity Benchmark regulation: Article 5, paragraph 1, article 6 and article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6 – Gross GHG emissions intensity, paragraphs 53 to 55	SFDR: Annex 1, table 1, indicator no. 3	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions

[56] *Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406 of 03/12/2020, page 17).*

Disclosure requirements and/or corresponding datapoints	Requirements from other EU legislative documents[50;51;52;53]	Disclosure (chapter)
	Pillar 3: Article 449a of Regulation (EU) No. 575/2013; Implementing regulation (EU) 2022/2453 of the Commission, Template 3: Banking book – Indicators of potential climate-change transition risk: alignment metrics Benchmark regulation: Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818	
ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits		Identified as non-material by 2024 double materiality assessment.
ESRS E1-7 – GHG removals and carbon credits, paragraph 56	European Climate Regulation: Article 2, paragraph 1 of Regulation (EU) 2021/1119	Identified as non-material by 2024 double materiality assessment.
ESRS E1-8 – Internal carbon pricing		Identified as non-material by 2024 double materiality assessment.
ESRS E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		For FY 2024, the first year of publication of the Sustainability Statement in accordance with the ESR Standards, the Recordati Group has decided to adopt the "phase-in" option in relation to the disclosure of anticipated financial effects from material physical and transition risks and potential climate-related opportunities.
ESRS E1-9 – Degree of exposure of the portfolio to climate-related physical risks, paragraph 66	Benchmark regulation: Annex 2 of Delegated Regulation (EU) 2020/1818 and Annex 2 of Delegated Regulation (EU) 2020/1816	
ESRS E1-9 – Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 – Location of significant assets at material physical risk, paragraph 66 (c)	Pillar 3: Article 449a, Regulation (EU) No. 575/2013; points 46 and 47 of Implementing regulation (EU) 2022/2453 of the Commission, Template 5: Banking book – Indicators of potential climate-change physical risk: exposures subject to physical risk	
ESRS E1-9 – Breakdown of the carrying value of its real-estate assets by energy-efficiency classes, paragraph 67 (c)	Pillar 3: Article 449a, Regulation (EU) No. 575/2013; point 34 of Implementing regulation (EU) 2022/2453 of the Commission, Template 2: Banking book – Indicators of potential climate-change transition risk: loans collateralised by immovable property - energy efficiency of the collateral	
ESRS E1-9 – Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	European Climate Regulation: Article II of Delegated Regulation (EU) 2020/1818	
ESRS E2 - Pollution		
ESRS 2 IRO-1 E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities		ESRS 2 IRO-1 E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities
ESRS E2-1 – Policies related to pollution		E2-1 Policies
ESRS E2-2 – Actions and resources related to pollution		E2-2 Actions
ESRS E2-3 – Targets related to pollution		E2-3 Targets
ESRS E2-4 – Amount of each pollutant listed in Annex 2 of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	SFDR: Indicator number 8, Table 1 of Annex 1; Indicator number 2, Table 2 of Annex 1; Indicator number 1, Table 2 of Annex 1; Indicator number 3, Table 2 of Annex 1	E2-4 Pollution of air, water and soil
ESRS E2-5 – Substances of concern and substances of very high concern		E2-5 Substances of concern and substances of very high concern
E2-6 – Anticipated financial effects from material pollution-related impacts, risks and opportunities		For FY 2024, the first year of publication of the sustainability report in accordance with the ESR Standards, the Recordati Group has decided to adopt the "phase-in" option in relation to the statement of potential financial effects from pollution-related impacts, risks and opportunities.
ESRS E3 – Water and marine resources		
ESRS 2 IRO-1 E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities		ESRS 2 IRO-1 E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities
ESRS E3-1 – Policies related to water and marine resources		E3-1 Policies
ESRS E3-1 – Water and marine resources, paragraph 9	SFDR: Annex 1, table 2, indicator no. 7	E3-1 Policies
ESRS E3-1 – Dedicated policy, paragraph 13	SFDR: Annex 1, table 2, indicator no. 8	Not carried out within the Group
ESRS E3-1 – Sustainable oceans and seas, paragraph 14	SFDR: Annex 1, table 2, indicator no. 12	Identified as non-material by 2024 double materiality assessment.
ESRS E3-2 – Actions and resources related to water and marine resources		E3-2 Actions
ESRS E3-3 – Targets related to water and marine resources		E3-3 Targets
ESRS E3-4 – Water consumption		E3-4 Water consumption

Disclosure requirements and/or corresponding datapoints	Requirements from other EU legislative documents[50;51;52;53]	Disclosure (chapter)
ESRS E3-4 – Total water recycled and reused, paragraph 28 (c)	SFDR: Annex 1, table 2, indicator no. 6.2	E3-4 Water consumption
ESRS E3-4 – Total water consumption in m^3 per net revenue on own operations, paragraph 29	SFDR: Annex 1, table 2, indicator no. 6.1	E3-4 Water consumption
ESRS E3-5 Anticipated financial effects from material water and marine resources-related impacts, risks, and opportunities		For FY 2024, the first year of publication of the sustainability report in accordance with the ESR Standards, the Recordati Group has decided to adopt the "phase-in" option in relation to the statement of potential financial effects from water and marine resources-related impacts, risks and opportunities.
ESRS E4 – Biodiversity and ecosystems		
ESRS E4-1 – Transition plan for biodiversity and ecosystems in strategy and business model		Identified as non-material by 2024 double materiality assessment.
ESRS 2 SBM-3 – E4 Material impacts, risks and opportunities and their interaction with the strategy and business model		
ESRS 2 IRO-1 E4 – Description of the processes to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems		
ESRS 2 IRO-1 E4 – paragraph 16, (a), i	SFDR: Annex 1, table 1, indicator no. 7	
ESRS 2 IRO-1 E4 – paragraph 16, (b)	SFDR: Annex 1, table 2, indicator no. 10	
ESRS 2 IRO-1 E4 – paragraph 16, (c)	SFDR: Annex 1, table 2, indicator no. 14	
ESRS E4-2 – Policies related to biodiversity and ecosystems		
ESRS E4-2 – Sustainable land/agriculture practices or policies, paragraph 24 (b)	SFDR: Annex 1, table 2, indicator no. 11	
ESRS E4-2 – Sustainable oceans/seas practices or policies, paragraph 24 (c)	SFDR: Annex 1, table 2, indicator no. 12	
ESRS E4-2 – Policies to address deforestation, paragraph 24 (d)	SFDR: Annex 1, table 2, indicator no. 15	
ESRS E4-3 – Actions and resources related to biodiversity and ecosystems		
ESRS E4-4 – Targets related to biodiversity and ecosystems		
ESRS E4-5 – Impact metrics related to biodiversity and ecosystems change		
ESRS E3-6 – Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities		
ESRS E5 – Circular Economy		
ESRS 2 IRO-1 E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		ESRS 2 IRO-1 E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities
ESRS E5-1 – Policies implemented to manage resource use and circular economy		E5-1 Policies
ESRS E5-2 – Actions and resources related to resource use and circular economy		E5-2 Actions
ESRS E5-3 – Measurable targets for resource use and circular economy		E5-3 Targets
ESRS E5-4 – Resource inflows		E5-4 Resource inflows
ESRS E5-5 – Resource outflows		E5-5 Resource outflows
ESRS E5-5 – Non-recycled waste, paragraph 37, (d)	SFDR: Annex 1, table 2, indicator no. 13	E5-5 Resource outflows
ESRS E5-5 – Hazardous waste and radioactive waste, paragraph 39	SFDR: Annex 1, table 1, indicator no. 9	E5-5 Resource outflows
ESRS E3-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities		For FY 2024, the first year of publication of the sustainability report in accordance with the ESR Standards, the Recordati Group has decided to adopt the "phase-in" option in relation to the statement of potential financial effects from resource use and circular economy-related impacts, risks and opportunities.
ESRS S1 – Own workforce		

Disclosure requirements and/or corresponding datapoints	Requirements from other EU legislative documents[50;51;52;53]	Disclosure (chapter)
ESRS 2 SBM-2 S1 – Interests and views of stakeholders		SBM – 2 Interests and views of stakeholders
ESRS 2 SBM-3 S1 – Material impacts, risks and opportunities and their interaction with the strategy and business model		ESRS 2 SBM-3 S1 – Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS 2 SBM-3 S1 – Risk of incidents of forced labour, paragraph 14 (f)	SFDR: Annex 1, table 3, indicator no. 13	ESRS 2 SBM-3 S1 – Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS 2 SBM-3 S1 – Risk of incidents of child labour, paragraph 14 (g)	SFDR: Annex 1, table 3, indicator no. 12	ESRS 2 SBM-3 S1 – Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS S1-1 – Policies related to own workforce		S1-1 Policies
ESRS S1-1 – Human rights policy commitments, paragraph 20	SFDR: Annex 1, table 3, indicator no. 9 and annex 1, table 1, indicator no. 11	S1-1 Policies
ESRS S1-1 – Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	SFDR: Commission Delegated Regulation (EU) 2020/1816, annex 2	S1-1 Policies
ESRS S1-1 – Processes and measures for preventing trafficking in human beings, paragraph 22	SFDR: Annex 1, table 3, indicator no. 11	S1-1 Policies
ESRS S1-1 – Workplace accident prevention policy or management system, paragraph 23	SFDR: Annex 1, table 3, indicator no. 1	S1-1 Policies
ESRS S1-2 – Processes for engaging with own workers and workers' representatives about impacts		S1-2 Processes for engaging with own workers and workers' representatives about impacts
ESRS S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns		S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-3 – Grievance/complaints handling mechanisms, paragraph 32 (c)	SFDR: Annex 1, table 3, indicator no. 5	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		S1-4 Actions
ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		S1-5 – Targets
ESRS S1-6 Characteristics of the company's employees		S1-6 Characteristics of the company's employees
ESRS S1-7 – Characteristics of non-employee workers in the undertaking's own workforce		Characteristics of non-employee workers in the undertaking's own workforce
ESRS S1-8 – Collective bargaining coverage and social dialogue		S1-8 Collective bargaining coverage and social dialogue
ESRS S1-9 – Diversity metrics		S1-9 Diversity metrics
ESRS S1-10 – Adequate wages		S1-10 Adequate wages
ESRS S1-11 – Social protection		S1-11 Social protection
ESRS S1-12 – Persons with disabilities		S1-12 Persons with disabilities
ESRS S1-13 – Training and skills development metrics		S1-13 Training and skills development metrics
ESRS S1-14 – Health and safety metrics		S1-14 Health and safety metrics
ESRS S1-14 – Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	SFDR: Annex 1, table 3, indicator no. 2 Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, annex 2	S1-14 Health and safety metrics
ESRS S1-14 – Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	SFDR: Annex 1, table 3, indicator no. 3	S1-14 Health and safety metrics
ESRS S1-15 – Work-life balance metrics		S1-15 Work-life balance metrics
ESRS S1-16 – Remuneration metrics (pay gap and total remuneration)		S1-16 – Remuneration metrics (pay gap and total remuneration)
ESRS S1-16 – Unadjusted gender pay gap, paragraph 97 (a)	SFDR: Annex 1, table 1, indicator no. 12 Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, annex 2	S1-16 – Remuneration metrics (pay gap and total remuneration)
ESRS S1-16 – Excessive CEO pay ratio paragraph 97 (b)	SFDR: Annex 1, table 3, indicator no. 8	S1-16 – Remuneration metrics (pay gap and total remuneration)
ESRS S1-17 – Incidents, complaints and severe human rights impacts		S1-17 Incidents, complaints and severe human rights impacts
ESRS S1-17 – Incidents of discrimination, paragraph 103 (a)	SFDR: Annex 1, table 3, indicator no. 7	S1-17 Incidents, complaints and severe human rights impacts

Disclosure requirements and/or corresponding datapoints	Requirements from other EU legislative documents[50;51;52;53]	Disclosure (chapter)
ESR S1-17 – Failure to observe UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	SFDR: Annex 3, table 1, indicator no. 10 and annex 1, table 1, indicator no. 14 Benchmark regulation: Annex 2 of Delegated Regulation (EU) 2020/1816 and article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818	S1-17 Incidents, complaints and severe human rights impacts
ESRS S2 – Workers in the value chain		
ESRS 2 SBM-2 S2 – Interests and views of stakeholders		SBM – 2 Interests and views of stakeholders
ESRS 2 SBM-3 S2 – Material impacts, risks and opportunities and their interaction with the strategy and business model		ESRS 2 SBM-3 S2 – Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS 2 SBM-3 S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Annex 1, table 3, indicators no 12 and 13	ESRS 2 SBM-3 S2 – Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS S2-1 – Policies related to value-chain workers		S2-1 Policies
ESRS S2-1 – Human rights policy commitments, paragraph 17	Annex 1, table 3, indicator no. 9 and annex 1, table 1, indicator no. 11	S2-1 Policies
ESRS S2-1 Policies related to workers in the value chain, paragraph 18	Annex 1, table 3, indicators nos 11 and 4	S2-1 Policies
ESRS S2-1 Failure to observe UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Annex 1, table 1, indicator no. 10 Article II of Delegated Regulation (EU) 2020/1816 and article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818	S2-1 Policies
ESRS S2-1 – Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	European Commission Delegated Regulation (EU) 2020/1816, annex 2	S2-1 Policies
ESRS S2-2 – Processes to engage workers in the value chain on impacts		S2-2 – Processes to engage workers in the value chain on impacts
ESRS S2-3 – Processes to remediate negative impacts and channels for workers in the value chain to express concerns		S2-3 – Processes to remediate negative impacts and channels for workers in the value chain to express concerns
ESRS S2-4 – Taking action on material impacts on value-chain workers, and approaches to managing material risks and pursuing material opportunities related to value-chain workers, and effectiveness of those actions		S2-4 Actions
ESRS S2-4 – Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Annex 1, table 3, indicator no. 14	S2-4 Actions
ESRS S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		S2-5 Targets
ESRS S3 – Affected communities		
ESRS 2 SBM-2 – Interests and views of stakeholders		Identified as non-material by 2024 double materiality assessment.
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model		
ESRS S3-1 – Human rights policy commitments		
ESRS S3-1 – Human rights policy commitments, paragraph 16	SFDR: Annex 1, table 3, indicator no. 9 and annex 1, table 1, indicator no. 11	
ESRS S3-1 – Failure to observe UNGPs on Business and Human Rights principles, ILO principles and OECD guidelines, paragraph 17	SFDR: Annex 1, table 1, indicator no. 10 Benchmark regulation: Annex 2 of Delegated Regulation (EU) 2020/1816 and article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818	
ESRS S3-3 – Processes to remediate negative impacts and channels for affected communities to express concerns		
ESRS S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		
ESRS S3-4 – Human rights issues and incidents, paragraph 36	SFDR: Annex 1, table 3, indicator no. 14	

Disclosure requirements and/or corresponding datapoints	Requirements from other EU legislative documents[50;51;52;53]	Disclosure (chapter)
ESRS S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		
ESRS S4 – Consumers and end-users		
ESRS 2 SBM-2 S4 – Interests and views of stakeholders		SBM – 2 Interests and views of stakeholders
ESRS 2 SBM-3 S4 – Material impacts, risks and opportunities and their interaction with the strategy and business model		ESRS 2 SBM-3 S4 – Material impacts, risks and opportunities and their interaction with the strategy and business model
ESRS S4-1 – Policies related to consumers and end-users		Access to medicine and healthcare S4-1 Policies Product quality and safety S4-1 Policies Responsible marketing S4-1 Policies
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	SFDR: Annex 1, table 3, indicator no. 9 and annex 1, table 1, indicator no. 11	Access to medicine and healthcare S4-1 Policies Product quality and safety S4-1 Policies Responsible marketing S4-1 Policies
ESRS S4-1 Failure to observe UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	SFDR: Annex 1, table 1, indicator no. 10 Benchmark regulation: Annex 2 of Delegated Regulation (EU) 2020/1816 and article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818	Access to medicine and healthcare S4-1 Policies Product quality and safety S4-1 Policies Responsible marketing S4-1 Policies
ESRS S4-2 – Processes for engaging with consumers and end-users about impacts		Access to medicine and healthcare S4-2 Patient engagement processes Product quality and safety S4-2 Patient engagement processes Responsible marketing S4-2 Patient engagement processes
ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		Access to medicine and healthcare S4-3 Processes to remediate negative impacts and channels for patients to raise concerns Product quality and safety S4-3 Processes to remediate negative impacts and channels for patients to raise concerns Responsible marketing S4-3 Processes to remediate negative impacts and channels for patients to raise concerns
ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions		Access to medicine and healthcare S4-4 Actions Product quality and safety S4-4 Actions Responsible marketing S4-4 Actions
ESRS S4-4 – Human rights issues and incidents, paragraph 35	SFDR: Annex 1, table 3, indicator no. 14	Access to medicine and healthcare S4-4 Actions Product quality and safety S4-4 Actions Responsible marketing S4-4 Actions
ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users)		Access to medicine and healthcare S4-5 Targets Product quality and safety S4-5 Targets Responsible marketing S4-5 Targets
ESRS G1 – Business conduct		
ESRS 2 GOV-1 G1 – Role of administrative, management and supervisory bodies		ESRS 2 GOV-1 G1 – Role of administrative, management and supervisory bodies
ESRS 2 IRO-1 G1 – Description of the processes to identify and assess material impacts, risks and opportunities		ESRS 2 IRO-1 G1 – Description of the processes to identify and assess material impacts, risks and opportunities
ESRS G1-1 – Corporate culture and business conduct policies		G1-1 Corporate culture and business conduct policies
ESRS G1-1 – United Nations Convention against corruption, paragraph 10 (b)	SFDR Annex 1, table 3, indicator no. 15	G1-1 Corporate culture and business conduct policies
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	SFDR: Annex 1, table 3, indicator no. 6	G1-1 Corporate culture and business conduct policies
ESRS G1-2 – Management of relationships with suppliers		G1-2 Management of relationships with suppliers
ESRS G1-3 – Prevention and detection of corruption or bribery		G1-3 Prevention and detection of corruption or bribery
ESRS G1-4 – Confirmed incidents of active or passive corruption		G1-4 Incidents of active or passive corruption
ESRS G1-4 – Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	SFDR: Annex 1, table 3, indicator no. 17 Benchmark: Article II of Delegated Regulation (EU) 2020/1816	
ESRS G1-4 – Standards of anti-corruption and anti-bribery, paragraph 24 (b)	SFDR: Annex 1, table 3, indicator no. 16	
ESRS G1-5 – Political influence and lobbying activities		Identified as non-material by 2024 double materiality assessment.
ESRS G1-6 – Payment practices		Identified as non-material by 2024 double materiality assessment.

CONSOLIDATED SUSTAINABILITY STATEMENT

ENVIRONMENTAL INFORMATION

EUROPEAN TAXONOMY

PURPOSE AND CONTENTS OF REGULATION (EU) 2020/852

The European Taxonomy (hereafter also referred to as the "Regulation" or the "Taxonomy") is a unified classification system for **environmentally sustainable economic activities**, established by the European Union through Regulation 2020/852, in force since 12 July 2020. The system aims to provide investors and the market with a common language based on sustainability metrics, in order to ensure comparability between operators and increase the quantity and quality of information on the environmental and social impacts of the business, thereby facilitating more responsible investment decisions. In addition to Regulation 2020/852, the European Commission has also published Delegated Regulation 2021/2139 (the "*Climate Delegated Act*")[57], Delegated Regulation 2023/2486 (the "*Environmental Delegated Act*") and Delegated Regulation 2021/2178. Taken as a whole, these provide a set of rules for the identification and reporting of environmentally sustainable economic activities**.**

The Taxonomy focuses on identifying economic activities that are considered environmentally sustainable, defined as those economic activities which:

- **contribute substantially** to one or more of the six environmental and climate objectives (Art. 9 of Regulation (EU) 2020/852);
- **do not significantly harm** any of the other environmental objectives, in accordance with the "*do no significant harm*" principle (hereinafter DNSH); and
- are carried out in compliance with the **minimum safeguards**.

The **environmental objectives** set out in the Taxonomy are:

1. climate change mitigation;
2. climate change adaptation;
3. the sustainable use and protection of water and marine resources;
4. the transition to a circular economy;
5. pollution prevention and control;
6. the protection and restoration of biodiversity and ecosystems.

REPORTING OBLIGATIONS AND GENERAL PRINCIPLES FOR DEFINING KPIS

Article 8 of Regulation (EU) 2020/852 defines the reporting obligations within the context of the Taxonomy and clarifies that these requirements apply to any undertaking which is subject to the publication of Sustainability Reporting pursuant to Article 19-bis or Article 29-bis of Directive 2013/34/EU. The taxonomy requires them to provide information on how and to what extent their activities are aligned with economic activities that qualify as environmentally sustainable.

Non-financial undertakings are required to disclose the following metrics in particular (so-called "Key Performance Indicators" or "KPIs"):

- the proportion of their **turnover** derived from products or services associated with economic activities that qualify as environmentally sustainable;
- the proportion of their **capital expenditure** (CapEx) and the proportion of their **operating expenditure** (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable.

In July 2021, Regulation (EU) 2021/2178 was published, supplementing Article 8 of Regulation (EU) 2020/852 to further specify the content and presentation of the aforementioned KPIs as well as the methodology to be observed for their measurement and the qualitative information that must accompany their reporting. In 2023, this Regulation was amended by Annex V of Regulation 2023/2486, with specific reference to KPI reporting templates.

[57] *Added to by the alterations introduced by Delegated Regulation 2022/1214 and Delegated Regulation 2023/2486.*

For KPI reporting for the year 2024, Recordati is required to report eligible and aligned economic activities for all six climate and environmental objectives.

Non-financial companies are required to ensure consistency with their financial information in determining KPIs, and to use the same currency as in their consolidated financial statements. They are also required to include references to the relevant balance sheet items for turnover and capital expenditure indicators in their Sustainability Statement.

1. IDENTIFICATION OF TAXONOMY-ELIGIBLE ACTIVITIES

In line with the Delegated Regulations on Climate and the Environment and with the Amendment to the Climate Regulation, the proportions of Turnover, Capex and Opex for the reporting year associated with the Taxonomy-eligible economic activities for the 6 objectives described by the Taxonomy are reported, in accordance with Article 8 of the Taxonomy Regulation and Article 10 of the Delegated Act.

PROPORTION OF ELIGIBLE AND ALIGNED ACTIVITIES IN RELATION TO THE EUROPEAN TAXONOMY, IN TERMS OF TURNOVER, CAPEX AND OPEX – 2024

Art. 8 (2) of the Taxonomy Regulation in conjunction with Art. 10 (5 and 6) of the Delegated Act.

	Turnover[58]	CapEx	OpEx
Total (euro/thousand)	2,341,559	791,704	70,014
Percentage of **Taxonomy-aligned** economic activities	0%	0%	0%
Percentage of **not Taxonomy-aligned** economic activities	100%	100%	100%
Percentage of **Taxonomy-eligible** economic activities	25.3%	5.7%	38.1%
Percentage of **Taxonomy-non-eligible** economic activities	74.7%	94.3%	61.9%

The figures refer to the entire Recordati Group. Recordati has identified the economic activities and main projects carried out within the context of its business in line with the above-mentioned regulations. An economic activity is considered eligible if it is included in the list of economic activities in the Delegated Acts on Climate and the Environment. In order to identify the activities eligible under the Taxonomy, the activities carried out by Recordati were analysed, with the aim of determining which of them could be traced back to those in the annexes to the Delegated Regulations, possibly referring to the NACE codes of the Group's economic activities.

[58] *The methodology of calculating the KPI components did not take into consideration the proportion of turnover from the sale of products made entirely by the CMOs (Contract Manufacturing Organisations). This is because the Company does not exercise financial control in such cases as defined by IFRS 15 "Revenue from Contracts with Customers".*

To this end, Recordati has identified the following projects and activities:

Section 1.2.2.1 (b) of Annex I to art. 8 of the Delegated Act

Eligible economic activities 2024		Description	CapEx	OpEx	Turnover
CCM 4.30	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	-	X	X
CCM 6.5.	Transport by motorbikes, passenger cars and light commercial vehicles	Renting/leasing of company fleet vehicles.	X	X	-
CCM 7.3.	Installation, maintenance and repair of energy efficiency equipment	Installation of more energy-efficient lighting systems.	X	-	-
CCM 7.4.	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Installation, maintenance and repair of charging stations for electric vehicles	X	-	-
CCM 7.5.	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation of equipment and devices for measuring, regulation and controlling energy performance of buildings	X	-	-
CCM 7.6.	Installation, maintenance and repair of renewable energy technologies	Installation and maintenance of solar panels	X	X	-
CCM 7.7.	Acquisition and ownership of buildings	Long-term rental of property	X	-	-
PPC 1.1	Manufacture of active pharmaceutical ingredients (APIs) or active substances	Manufacture of active pharmaceutical ingredients (APIs)	X	X	X
PPC 1.2	Manufacture of medicinal products	Manufacture of medicinal products	X	X	X
PPC 2.4.	Remediation of contaminated sites and areas	Soil remediation	X	X	-

Section 1.2.2.1 (b) of Annex I to art. 8 of the Delegated Act

Furthermore, it should be noted that Recordati has not issued any environmentally sustainable bonds or debt securities whose main purpose is to finance Taxonomy-aligned activities.

This disclosure constitutes the second financial year of reporting the information required by the European Taxonomy; therefore, Recordati has undertaken an analysis involving different corporate functions in order to classify assets in accordance with the above-mentioned regulations. This process took into account the consolidated data for the three KPIs with the aim of avoiding double counting.

For reporting on the taxonomy indicators, several functions were involved as information-owners. The data collected are consistent with the information reported in the Financial Statements.

2. TAXONOMY ALIGNMENT ANALYSIS

An economic activity is considered **aligned** with the European Taxonomy if:

- contributes substantially to at least one of the six environmental objectives;

- does not cause significant harm to any of the other five environmental objectives;

- respects the minimum safeguards.

After the eligible economic activities were identified, specific analyses of the technical criteria set out in the above-mentioned Regulations were carried out for the main projects related to each of the identified activities, in order to assess their alignment.

Recordati has not identified any activities aligned with the European Taxonomy because, although the risks connected to climate change were qualitatively assessed by Recordati's management, which has a high level of knowledge of the production processes and of the business, specific analyses were not employed in the course of this process for assessment of the Group's vulnerability to it, as required by the DNSH criteria for climate change adaptation. It is important to emphasise that the Group recognises that climate change represents a complex challenge, and that potential and future regulatory changes, as well as an increase in ever-more extreme and unpredictable weather events, have an impact on the planet and society with potential long-term repercussions on various sectors and companies. In this sense, Recordati acknowledges a potential long-term risk linked to climate change and will continue to monitor this potential risk over coming years. Following a precautionary approach, as sufficient evidences to assess compliance with the social safeguards and other DNSH criteria are not currently available, eligible activities are considered to be non-aligned.

3. DISCLOSURE ON EU TAXONOMY AND KPI CALCULATION CRITERIA

The turnover, OpEx and CapEx data for Taxonomy-eligible activities and Taxonomy-aligned activities, which were used for the calculation of Key Performance Indicators (KPIs) and percentages of balance sheet values, are represented according to the templates provided in Annex V to Delegated Regulation 2023/2486, amending Delegated Regulation 2021/2178.

3.1 Turnover indicators

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – 2024

Financial year N.	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (d)									
Economic activities (1)	Code (2) (a)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-Aligned Proportion of Turnover Year N-1 (18)	Enabling activity category (19)	Transitional activity category (20)
		€/000	%	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
of which enabling		-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which transitional		-	-							-	-	-	-	-	-	-	-		-
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		€/000	%	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	1,342	0.06%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	110,707	4.73%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								5%		
Manufacture of medicinal products	PPC 1.2	479,990	20.50%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								22%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) A.2)		592,040	25.28%	**0.06%**	-	-	**25.23%**	-	-								**27%**		
TOTAL (A.1 + A.2)		592,040	25.28%	**0.06%**	-	-	**25.23%**	-	-								**27%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**1,749,519**	**74.72 %**																
TOTAL (A)+(B)		**2,341,559**	**100%**																

The turnover KPIs were determined as follows:

- **denominator**: turnover from the management of Recordati's core business activities;
- **numerator**: turnover from Taxonomy-eligible and/or Taxonomy-aligned projects.

Compared to the previous year, there was no change in the way turnover was calculated. The methodology of calculating the KPI components did not take into consideration the proportion of turnover from the sale of products made entirely by the CMOs (Contract Manufacturing Organisations). This is because the Company does not exercise financial control in such cases as defined by IFRS 15 “Revenue from Contracts with Customers”.

The denominator of the KPI consists of the revenue for the year, as indicated in explanatory note no. 3 “Net revenue” to the Financial Statements.

The numerator of the turnover includes revenues from business activities, relating to the manufacture of both medicines and active ingredients. There were no significant changes in the KPI related to turnover during the year. Changes in the KPI related to turnover compared to 2023 are mainly attributable to normal business developments, as well as deriving from the sale of the electricity produced by the Campoverde co-generator in Aprilia.

3.2 Capital Expenditure (CapEx) indicators

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – 2024

Financial year N.	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (d)									
Economic activities (1)	Code (2) (a)	Absolute CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-Aligned Proportion of CapEx Year N-1 (18)	Enabling activity category (19)	Transitional activity category (20)
		€/000	%	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
of which enabling		-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which transitional		-	-							-	-	-	-	-	-	-	-		-
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		€/000	%	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	10,679	1.35%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1,021	0.13%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	6	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	49	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1,478	0.19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.25%		
Acquisition and ownership of buildings	CCM 7.7	15,308	1.93%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	6,069	0.77%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								2.40%		
Manufacture of medicinal products	PPC 1.2	10,414	1.32%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								1.96%		
Remediation of contaminated sites and areas	PPC 2.4	216	0.03%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								-		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) A.2)		**45,239**	**5.71%**	**7.19%**	-	-	**2.11%**	-	-								**4.66%**		
TOTAL (A.1 + A.2)		**45,239**	**5.71%**	**7.19%**	-	-	**2.11%**	-	-								**4.66%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**746,465**	**94.29%**																
TOTAL (A)+(B)		**791,704**	**100%**																

The KPIs for capital expenditure (CapEx) were determined as follows:

- **denominator**: the year's additions to tangible and intangible assets and right-of-use of leased assets
- **numerator**: the part of the capital expenditure (included in the denominator) that is any of the following:
  – assets or processes that are associated with Taxonomy-eligible or Taxonomy-aligned projects; or
  – where applicable, other activities falling within the definition of CapEx c) as per Delegated Regulation (EU) 2021/2178.

Compared to the previous year, Recordati reported a change in the way capital expenditure was calculated, as the relevant items relating to the leasing of transport vehicles as well as buildings and plants were reported separately. Moreover, compared to the previous year, the capital expenditure previously attributed to activity 4.1 “Electricity generation using solar photovoltaic technology” have been reclassified in relation to activity 7.6 “Installation, maintenance and repair of renewable energy technologies”.

The denominator of the KPI, as required by the regulations, is the sum of the additions recognised in the year 2024 with reference to tangible and intangible assets, recognised in accordance with:

– IAS 16 - Property, Plant and Equipment
– IAS 38 - Intangible Assets
– IFRS 16 - Leases

as indicated in explanatory notes no. 7 “Property, plant and equipment” and no. 8 “Intangible assets” (leases come under the same note as Property, plant and equipment).

The proportion of eligible economic activities in terms of capital expenditure mainly relates to investments in activities related to measures to improve energy efficiency, including the replacement and installation of energy-efficient lighting fixtures at major production sites, the installation of charging stations for electric and hybrid vehicles, leasing of company fleet vehicles, and installation of solar panels. In addition, substantial investments were made in business-related research and development and in the long-term leasing of assets.

3.3 Operating Expenditure (OpEx) indicators

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – 2024

Financial year N.	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm) (d)									
Economic activities (1)	Code (2) (a)	Absolute OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-Aligned Proportion of OpEx Year N-1 (18)	Enabling activity category (19)	Transitional activity category (20)
		€/000	%	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	A	T.
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
of which enabling		-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which transitional		-	-							-	-	-	-	-	-	-	-	-	-
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		€/000	%	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	108	0.15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	292	0.42%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	3,758	5.37%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								5.42%		
Manufacture of medicinal products	PPC 1.2	22,272	31.81%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								30.28%		
Remediation of contaminated sites and areas	PPC 2.4	216	0.31%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								-		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) A.2)		**26,648**	**38.06%**	**0.58%**	-	-	**37.49%**	-	-								35.70%		
TOTAL (A.1 + A.2)		**26,648**	**38.06%**	**0.58%**	-	-	**37.49%**	-	-								35.70%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**43,366**	**61.94%**																
TOTAL (A)+(B)		**70,014**	**100%**																

The KPIs for operating expenditure (OpEx), which include direct non-capitalised costs that relate to research and development; short-term lease, maintenance and repair of assets; and any other direct expenditures relating to the day-to-day servicing of property, plants and equipment necessary to ensure the continued and effective functioning of such assets, were determined as follows:

- **denominator**: direct non-capitalised costs that relate to research and development, short-term lease, maintenance and repair of assets;
- **numerator**: proportion of operating costs included in the denominator which refer to:
  - assets or processes that are associated with Taxonomy-eligible or Taxonomy-aligned projects;

The numerator of the KPI includes the "aligned" proportion of the costs incurred by the Company for the routine servicing of the solar panels installed at its production site in Spain, the proportion of costs for servicing the cogeneration plant, the remediation activities carried out at the Campoverde site, the operational expenditures for the manufacturing of active ingredients and for the manufacturing of medical products.

There were no significant changes in the KPI related to operating expenditure during the year.

3.4 Nuclear and fossil gas related activities

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

NUCLEAR ENERGY RELATED ACTIVITIES		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
FOSSIL GAS RELATED ACTIVITIES		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

Row	Economic activities	Revenue						CapEx						OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	-	0	0%	0	0%	0	-	0	0%	0	0%	0	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0%**	**0%**	**0**	**0%**	**0**	**0%**	**0%**	**0%**	**0**	**0%**	**0**	**0%**	**0%**	**0%**	**0**	**0%**	**0**	**0%**
8	**Total applicable KPI**	**2,341,559**	**100%**	**2,341,559**	**100%**	**0**	**-**	**791,704**	**100%**	**791,704**	**100%**	**0**	**-**	**70,014**	**100%**	**70,014**	**100%**	**0**	**-**

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)

Row	Economic activities	Revenue						CapEx						OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI																		
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI																		
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI																		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI																		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	-	0	-	0	0%	0	-	0	-	0	0%	0	-	0	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI																		
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Row	Economic activities	Revenue						CapEx						OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,342	100%	1,342	100%	0	0%	0	0%	0	-	0	-	108	26,82%	108	26,82%	0	-
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																		
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**28,540**	**100%**	**28,540**	**100%**	**0**	**0%**	**295**	**73.18%**	**295**	**73.18%**	**0**	**0%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,342**	**100%**	**1,342**	**100%**	**0**	**0%**	**28,540**	**100%**	**28,540**	**100%**	**0**	**0**	**403**	**100%**	**403**	**100%**	**0**	**0**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

Row	Economic activities	Revenue		CapEx		OpEx	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,749,519**	**100%**	**746,465**	**100%**	**43,366**	**100%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**1,749,519**	**100%**	**746,465**	**100%**	**43,366**	**100%**

NOTES/LEGEND:

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.: - climate change mitigation: CCM - climate change adaptation: CCA - Water and Marine Resources: WTR - circular economy: CE - pollution prevention and control: PPC - biodiversity and ecosystems: BIO.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) EL – Taxonomy-eligible activity for the relevant objective N/EL – Taxonomy-non-eligible activity for the relevant objective.

(d) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL; and (b) for DNSH - Y/N codes.

CLIMATE CHANGE

ESRS 2 GOV-3 – INTEGRATION OF SUSTAINABILITY- RELATED PERFORMANCE IN INCENTIVE SCHEMES

Please refer to chapter “GOV-3 Integration of sustainability-related performance in incentive schemes” in the part on “General Information”.

E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Recordati is committed to reducing its greenhouse gas emissions, thus contributing to the fight against climate change and promoting a more sustainable future for future generations[59].

At present, the Group does not have a structured transition plan as defined by the ESRS reporting standards[60], but it has embarked on a solid path towards decarbonisation, with the aim of progressively reducing its environmental impact and integrating more sustainable solutions into its processes. Although Recordati has not yet set emission-reduction targets explicitly aligned with limiting global warming to 1.5 °C, in line with the Paris Agreement, it has set a target to reduce Scope 1 and 2 CO_2eq[61] emissions by 20% (market-based) by 2030, compared to the base year 2022. These targets have been calculated using a structured methodology, and represent a significant first step on the path towards a progressive reduction of its climate impact.
Actions are mainly focused on the Group's pharmaceutical and chemical-pharmaceutical plants, as it is precisely these production processes that generate the greatest impact in terms of scope 1 and 2 emissions. The main levers to achieve this goal include the use of renewable energy (both through direct production with solar panels, and through the purchase of certified green electricity) and the adoption of other energy efficiency initiatives. For more details on actions and related resources, on targets, and on information regarding potential so-called locked-in GHG emissions, please refer to chapter “E1-3 Actions”, chapter “E1-4 Targets” and the chapter on the European Taxonomy, respectively. Furthermore, the goal of reducing scope 1 and scope 2 emissions is integrated into Recordati's Sustainability Plan, described in chapter “SBM-1 – Strategy, business model and value chain” within the “Strategy” section, to which you can refer for more details on the approval process for the targets.
To ensure a comprehensive approach to reducing emissions along the entire value chain, Recordati has reported on Scope 3 emissions for the first time in this document. Although no specific reduction targets have been set for these emissions at present, the Group is consolidating the calculation methodology and plans to evaluate and implement targeted initiatives for their reduction in the future.

[59] Recordati is not excluded from the EU Paris-aligned benchmark indices, according to the exclusion criteria defined in Article 12 of Commission Delegated Regulation (EU) 2020/1818.
[60] To date, no time frame has been set for the development of a transition plan as required by the ESRS reporting standards. This will be considered during the coming years.
[61] Since the contribution of CH_4 and N_2O appears to be insignificant compared to CO_2, it should be noted that CO_2 and CO_2eq emissions are broadly comparable within this document.

ESRS 2 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

As previously described in the chapter on the double materiality analysis ("IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities"), the physical and transitional risk associated with climate change has been qualitatively assessed by Recordati's management, which has a high level of knowledge of the production processes and the business.
Even though no specific resilience and climate scenario analyses were used in the assessment, the qualitative evaluation was done considering the following aspects:

- Physical risk, e.g. air temperature, extreme heat, storms, intense rainfall, flooding and drought, with potential impacts, for example, on the cost of energy, protection of assets and business continuity.
- Transition risk, connected to e.g. potential and future regulatory changes linked to the ongoing transition to a decarbonised economy (e.g. legal and financial risks due to a failure to observe performance standards, etc.), with a potential impact, for example, on systems technologies, compliance/energy costs, etc.

Recordati recognises that climate change represents a complex challenge. Potential and future regulatory changes and an increase in ever-more extreme and unpredictable weather events have an impact on the planet and society with potential long-term repercussions on various sectors and companies. In this sense, Recordati acknowledges a potential long-term physical and transitional risk linked to climate change and will continue to monitor this potential risk over coming years.
Regarding short and medium-term risk, considering the sector in which the Group operates, Recordati has currently classified climate change as a risk without concrete or material impacts on company operations and the Company has assessed it as having a low level of risk.
In relation to this potential risk, and in coordination with its Head of ESG, the Group monitors changes in the laws and standards and sets environmental targets within its sustainability strategy. To increase the ability of its corporate strategy to adapt to climate change-related phenomena, including in the long term, Recordati has adopted intervention measures, including, for example, the purchase of renewable energy, the installation of photovoltaic panels and specific energy efficiency projects. The Group has also adapted its "*All-Risk Property*" insurance policies to cover direct and indirect damage, guaranteeing protection against potential stoppages or interruptions to the production cycle.

ESRS 2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In identifying the impacts of both Recordati's own activities and its value chain, the peculiarities of the Group's activities (with particular reference to its production sites) as well as its sector of operations were taken into account.
In particular, as far as climate change is concerned, a current impact related to the generation of direct and indirect GHG emissions was identified through an analysis of the specific activities that the company carries out in the different production sites, as well as considering the activities carried out upstream and downstream in the value chain. With regard to climate change risk, a qualitative analysis was carried out by Recordati's management considering both physical and transitional aspects.
As mentioned in the previous section, the company did not resort to specific climate scenario analyses. Recordati acknowledges a potential long-term risk linked to climate change, which it will continue to monitor over the coming years. Regarding short and medium-term risk, considering the sector in which the Group operates, Recordati has currently classified climate change as a risk without concrete or material impacts on company operations and the Company has assessed it as having a low level of risk.

E1-2 POLICIES

As defined in the Group Code of Ethics, Recordati is committed to implementing policies aimed at increasing the environmental sustainability of company activities and meeting all related legal and regulatory requirements. Everyone — the workers, shareholders, business partners and third parties with whom the Group cooperates — is required to comply with the applicable company rules and procedures and to promptly report any shortcomings or non-compliance. In performance of its activities, the Group:

- Uses advanced technologies for the purposes of environmental protection, energy efficiency, the sustainable use of resources, combating climate change and protecting our natural world;
- Promotes initiatives in production plants aimed at minimising energy consumption and reducing the emission of greenhouse gases and other pollutants into the atmosphere;
- Promotes environmental protection by providing information and holding regular training courses, appointing officers responsible for compliance with environmental management issues, and carrying out inspections and verifications of the compliance of its production sites;
- Provides regular information to stakeholders regarding its environmental commitment.

In December 2024, Recordati formalised its Environment, Health and Safety Policy, which sets out the principles to be followed regarding health, safety and environmental issues (climate change, waste and the circular economy, pollution, water management).
The policy applies to all Recordati employees and third parties who operate on behalf of Recordati at all sites owned, leased or rented by Recordati and where the Group has operational responsibilities (such as sites managed or controlled by Recordati). The Policy has been approved and signed by the members of the company's Top Management most closely involved in its implementation, along with the Chief Executive Officer.
The principles and guidelines that underpin the policy are found in numerous internal documents, including the Code of Ethics and the Whistleblowing Policy. The policy is available on the company intranet for consultation by all employees. The Group HSE department is responsible for reviewing and updating the policy on a regular basis, working in close contact with cross-functional health and safety experts and with representatives of the interested parties.
With specific reference to climate change, the policy emphasises the commitment to addressing climate change through proactive and sustainable practices, reducing greenhouse gas emissions through the adoption of energy-efficient technologies, encouraging the transition to renewable energy sources and optimising processes to minimise environmental impact.

E1-3 ACTIONS

The Recordati Group carefully monitors the energy resources used in the performance of its activities, adopting initiatives to reduce consumption, as well as developing an energy systems certification process, with the aim of improving the energy efficiency of all its activities.
The main energy resources used at the Group's plants are electricity, natural gas and, in certain limited and infrequent cases, diesel. In 2024, the Group's plants consumed approximately 172,000 MWh, slightly below 2023 consumption.
As part of its approach to climate action, the Recordati Group is implementing several initiatives, mainly at the Group plants with the greatest environmental impacts, in order to reduce energy consumption and atmospheric emissions. These projects focus on energy efficiency measures and the procurement or generation of renewable electricity. Moreover, energy consumption is constantly monitored and other initiatives have been launched, such as the progressive incentivisation of low environmental-impact vehicles in the company fleet.

The main initiatives implemented by the Group are listed below, referring mainly to initiatives for the purchase and production of renewable energy:

- In line with established goals, Recordati has continued to install solar panels at its various production plants. In 2024, installation of solar panels was completed in Türkiye, reaching installed power of approximately 860 kWp, in addition to systems already installed in 2022 in Ireland and Spain[62]. By 2026, the Group aims to install further new systems at plants in Italy (Campoverde) and Tunisia, as well as expanding the system in Spain, reaching installed power of 11,000 kWp. In 2024, the installation at the production site in Türkiye reduced the plant's Scope 2 Location-based emissions by about 195 tCO_2eq, which represents about 5% of the plant's Scope 2 emissions.
- Analysing electricity purchased from the grid for the Group's plants, Recordati continues to purchase 100% renewable energy in countries where this is possible (energy certified by Guarantees of Origin for European countries and I-RECs for Türkiye)[63]. In 2024, this commitment ensured that savings of Scope 2 market-based GHG emissions could be maintained at around 10,000 tCO_2eq[64].

The Group's commitment in the fight against climate change has also been confirmed with the goal of a 20% reduction in Scope 1 and Scope 2 emissions by 2030.

The Group's great commitment is also evident in the investments pursuant to the roadmap for the installation of solar panels, amounting to around 13.2 million euros.

Please refer to the chapter on the European Taxonomy for more details on 2024.

Other initiatives should also be noted which, although they are minor in terms of reducing CO_2eq emissions compared to the purchase of renewable energy and installation of solar panels at the Group's production plants, are nevertheless in line with the policy adopted by the Company for efficient energy consumption and the reduction of its emissions footprint.

- Management systems: since 2023, the Turkish Çerkezköy plant has obtained ISO 50001 certification for its energy management system. The Group aims to extend this certification to several Group plants,

[62] *The maximum installed power of the Turkish plant is approximately 480 kWp. These solar panels meet around 5% of the plant's electricity needs.*
[63] *It is noted that 100% of the renewable electricity purchased is for Group production sites located in countries where it is available, and therefore with the exception of the Tunisian site. Including Tunisian consumption in FY24, electricity from renewables purchased at the Group's production plants is approximately 90%. For full disclosure, it is noted that as regards the annexed offices of the plant, this excludes the purchase made for the offices in the Czech Republic, as the electricity contract for this specific area is included in the lease and thus is not regulated or managed directly by the Group. In any case, the impact on total electricity is negligible.*
[64] *Savings of Scope 2 Market-based GHG emissions have been estimated starting from the consumption of energy from certified 100% renewable sources at the Group's production plants, multiplied by the AIB 2023 emission factor for the country where the Group operates.*

representing at least 90% of energy consumption, by 2029. In 2025, the goal is to extend ISO 50001 certification to the Tunisian plant (thus covering around 13% of energy consumption by all Group plants)[65].

- With the goal of continuous improvement, Recordati is committed to measuring, evaluating and monitoring its energy consumption, including through the periodic conduct of energy audits or analyses by specialised third parties. As part of its commitment to lower environmental impacts, the Italian plants in Milan and Campoverde, as well as the Tunisian and Turkish plants, launched energy analysis activities in 2024 in order to define an action plan aimed at reducing environmental impacts. Moreover, actions have been implemented at the plants to raise employee awareness about energy saving, through training programmes. These initiatives are essential as they support the company's commitment to responsible management of energy resources, while simultaneously allowing the expected performance results and set company targets to be achieved.
- In terms of lighting systems, the Group has implemented various efficiency initiatives in recent years, including the gradual, programmed replacement of traditional lighting systems with LED lights or, in certain cases, the installation of motion sensors to reduce electricity consumption. Today, many areas of Group manufacturing sites and offices are already equipped with LED lighting systems.
- Incentivisation of low environmental-impact vehicles: also, in 2024, the Group carried out a monitoring and control activity to assess the emissions of its global fleet of company vehicles. In order to lower the environmental impact of the company fleet, Group guidelines were issued in 2022 which introduced a maximum limit on CO_2eq emissions for new cars in the company fleet. Various Group sites also offer charging stations for electric and hybrid vehicles. With regard to emissions linked to the company fleet, please refer to the relevant table on emissions in chapter “E1-6 Gross Scopes 1, 2, 3 and total GHG emissions”. It should be noted that the slight increase in emissions related to the Group’s car fleet is largely attributable to an increase in the number of vehicles.

E1-4 TARGETS

The reduction of greenhouse gas emissions is a pillar of the Group's Sustainability Plan, which sets concrete targets to limit its environmental impact and contribute to the energy transition. As previously noted in chapter “E1-1 Transition plan for climate-change mitigation”, although Recordati has not yet set emission-reduction targets explicitly aligned with limiting global warming to 1.5 °C in line with the Paris Agreement, and although it has not availed of specific climatic scenario analyses, Recordati has set a target to reduce CO_2eq emissions.
In terms of the production plants, the goal is to reduce Scope 1 and 2 CO_2eq emissions by 20% by 2030, using 2022 as the base year and taking a Market-based approach. Specifically, the Group aims to decrease Scope 1 emissions by 21% and Scope 2 emissions by 15% by 2030. Currently, the Group has not identified so-called locked-in emissions that could jeopardise the achievement of the emission targets which have been set.
The main steps to achieve these targets include the use of renewable energy, both through photovoltaic systems and the purchase of certified energy, and measures to increase energy efficiency in production facilities. Specifically:

- With regard to the production of electricity from renewable sources, the Group has set out a roadmap for the installation of solar panels at production sites. In addition to the solar panels installed at the Spanish and Irish plants in 2022 (installed power capacity of 386 kWp), the Group aims to install new renewable energy production systems reaching 11,000 kWp by 2026 (800 kWp in 2024; 5,600 kWp in 2025; 11,000 kWp in 2026)[66]. In 2024, with the installation of panels in Türkiye, the Group achieved the goal set for the

[65] *In 2023, the Turkish plant obtained ISO 50001 certification for its energy management system, covering approximately 11%. In 2025, with extension of certification to Tunisia, a quota of 13% would be reached.*

[66] *The renewable energy produced but not consumed by the plants, which is instead fed into the grid, actively contributes to the decarbonisation of the national electricity system. Although this benefit is not taken into consideration for the company's emissions balance under the GHG Protocol, Recordati generates a positive systemic impact by supporting the energy transition.*

year 2024. In 2024, solar panel installation works were started in Spain (for the expansion of the existing panels), Tunisia and Italy (Campoverde) to meet the targets set in the roadmap.

- With regard to the purchase of renewable energy, the Group is committed to purchasing 100% of its electricity from renewable sources for sites located in countries where this option is available, using Guarantees of Origin for Europe and I-RECs for Türkiye[67]. Energy efficiency measures are also emphasised, with specific initiatives at the Campoverde chemical-pharmaceutical plant in Aprilia and the adoption of consumption optimisation measures at the Milan site. The installation of photovoltaic panels at Campoverde is a key step in enabling the subsequent resizing of the cogenerator turbine. In fact, the production of renewable energy reduces dependence on the cogenerator, allowing the energy load needed to be progressively reduced. This decrease in the demand for energy from the cogenerator will make it possible to downsize the turbine, which is planned to take place in 2027. This will result in a real reduction in CO_2eq emissions due to the decrease in methane consumption.
- It should also be noted that the goal of obtaining ISO 50001 certification for several of the Group's plants, accounting for at least 90% of energy consumption by 2029, is a further lever for improving the energy management system. The plan is to obtain ISO 50001 certification for the Tunisian Plant (covering around 13% of energy consumption by all Group Plants) in 2025[68].

The Group has also established a structured process for reporting Scope 3 emissions, starting from this document, and will consider setting a specific reduction target in the future, once the methodology for calculation has been established.

[67] It is noted that 100% of the renewable electricity purchased is for Group production sites located in countries where it is available, and therefore with the exception of the Tunisian site. Including Tunisian consumption in FY24, electricity from renewables purchased at the Group's production plants is approximately 90%. For full disclosure, it is noted that as regards the annexed offices of the plant, this excludes the purchase made for the offices in the Czech Republic, as the electricity contract for this specific area is included in the lease and thus is not regulated or managed directly by the Group. In any case, the impact on total electricity is negligible.

[68] In 2023, the Turkish plant gained ISO 50001 certification for its energy management system, covering around 11% of the energy consumption of all Group plants, calculated based on data for FY 2023. In 2025, with extension of certification to Tunisia, a quota of 13% would be reached.

CO_2eq emission reduction target (tonnes and percentage)[69]

	2022 (Base year)	2024	2030 (Target)
Scope 1 CO_2eq emissions	37,768	37,280	29,825
Scope 2 (market-based) CO_2eq emissions	2,270	1,460	1,929
Total Scope 1 and Scope 2 (market-based) CO_2eq emissions	**40,038**	38,740	**31,754**
% reduction	-	- 3%	-20%

Achieving the CO_2eq emissions reduction target relies on two main decarbonisation levers: installing photovoltaic systems, and improving the energy efficiency of production processes and power generation.
The installation of photovoltaic systems (excluding the planned system at Campoverde) will contribute about 4% to the reduction of emissions, thanks to the increase in self-production of energy from renewable sources and the consequent decrease in dependence on the electricity grid. However, the impact of photovoltaics alone is limited as the group already buys electricity with Guarantees of Origin, ensuring supply from renewable sources. The main contribution, 95%, will come from the energy efficiency measures implemented at the Campoverde site, with a specific focus on resizing the cogenerator turbine. This step is closely linked to the installation of photovoltaic panels at the site, as the reduction in the demand for energy from the cogenerator, achieved through solar energy, will create the necessary conditions to optimise turbine operation. Finally, a further 1% reduction in emissions will be achieved through energy efficiency measures at the Milan site.
The implementation of projects, particularly related to the production of renewable energy, will bring more significant benefits from 2027, when the chemical plant's cogenerator turbine will be downsized after completion of the installation of solar panels at the Campoverde di Aprilia plant.[70]
The Group has defined its emission reduction targets based on a structured methodology; however, these are currently not explicitly aligned with the 1.5 °C global warming limitation pathway pursuant to the Paris Agreement.
In the target-setting process, Recordati adopted such internationally recognised methodologies as those set out in the Greenhouse Gas (GHG) Protocol.
In addition, the Group takes into account several variables that could affect the achievement of its targets, including regulatory developments, technological innovations and changes in market demands. However, the emission reduction targets which have been set are absolute and not intensity-based, so they do not depend on changes in sales volumes or market demand. Should significant changes occur due to external factors, the Group will reassess and adjust its targets in a manner consistent with the evolving context and the best practices in relation to decarbonisation.

[69] Since the contribution of CH_4 and N_2O appears to be insignificant compared to CO_2, it should be noted that CO_2 and CO_2eq emissions are broadly comparable within this document. The target does not currently include emissions from administrative offices (with the exception of the parent company headquarters in Milan, which are included), but refers to initiatives related to the production plants. Since the Group already purchases certified renewable energy in plants where it is possible to purchase it, in reaching the target defined as the sum of Scope 1 and Scope 2, the relative weight of the Scope 2 reduction is less than that of Scope 1. The further improvement will be achieved by installing solar panels in Tunisia, where it is not possible to purchase green energy from the grid. The Scope 2 emission reduction in 2023 and 2024 compared to the baseline is due to production efficiencies and, to a lesser extent, to the purchase of I- RECs for a residual part of Türkiye 's electricity.
[70] Until the turbine at Campoverde is downsized, the reduction of emissions will be minimal and may be offset by changes in production, fluctuations in economic activity, and other energy efficiency initiatives that did not emerge during the target-setting phase.

E1-5 ENERGY CONSUMPTION AND MIX

The Group's total energy consumption amounted to 206,694 MWh, of which 86,7% was from fossil sources and 13,3% from renewable sources, largely in line with 2023 values.
There was also an increase of around 127% in the consumption of self-generated electricity from renewable sources. This is attributable primarily to the completion of the installation of photovoltaic panels at the Çerkezköy plant in Türkiye in April 2024.
In line with 2023, all electricity purchased from renewable sources was supplied by certified sources.

Energy consumption of the Recordati Group

	Unit of measurement	2024	2023	Change
Fuel consumption from coal and coal products	MWh	0	0	-
Fuel consumption from crude oil and petroleum products[71]	MWh	34,533	32,871	*5%*
Fuel consumption from natural gas	MWh	140,297	140,709	*-0.3%*
Fuel consumption from other fossil sources	MWh	0	0	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources[72]	MWh	4,303	3,853	*12%*
Total energy consumption from fossil sources	**MWh**	**179,133**	**177,432**	***1%***
Share of fossil sources in total energy consumption	%	**86.7%**	86.2%	*0.5%*
Consumption from nuclear sources[73]	MWh	0	0	-
Share of consumption from nuclear sources in total energy consumption	%	0%	0%	-
Fuel consumption from renewable sources, including biomass	MWh	0	0	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources[74]	MWh	26,694	27,939	*-4%*
Consumption of self-generated non-fuel renewable energy[75]	MWh	867	382	*127%*
Total renewable energy consumption	**MWh**	**27,561**	**28,321**	***-3%***
Share of renewable sources in total energy consumption	%	13.3%	13.8%	*-0.5%*
Total energy consumption	**MWh**	**206,694**	**205,753**	***0.5%***

[71] The data refer to the consumption of production sites and of company fleet. The 2023 figures were updated including also the consumption of the fleet.
[72] In terms of production sites, this refers to Tunisia's consumption of non-renewable electricity and a negligible portion from the Czech Republic offices. Moreover, an estimate of the purchased electricity consumed by the offices of the Group's administrative headquarters has been included for both 2023 and 2024. In considering this factor, it was assumed that 100% of purchased energy came from non-renewable sources. For the sake of completeness, it should be noted that the purchase of electricity for the administrative offices of foreign subsidiaries is not managed directly by the Group, but the related costs are included in the rental fee.
[73] For full disclosure, it is noted the presence of a negligible share of purchased electricity generated from nuclear sources for a part of the plant in Czech Republic, not directly managed by the Group.
[74] The figure refers to renewable electricity only.
[75] The consumption of self-generated electricity from renewable sources refers to the photovoltaic systems installed at the production plants in Cork (Ireland), Utebo (Spain) and Çerkezköy (Türkiye). Specifically, the systems at the Irish and Spanish plants have been in operation since March and December 2022 respectively, while the Turkish system went into operation in April 2024.

Energy intensity ratio in high climate impact sectors[76]

	Unit of measurement	2024	2023	Change
Energy from high climate impact sectors	MWh	**206,694**	205,753	0.5%
Net revenue from activities in high climate impact sectors[77]	Million €	**2,341.6**	2,082.3	12.4%
Energy intensity ratio	MWh/million €	**88.27**	98.80	-10.7%

In terms of energy consumption by the production plants alone, pharmaceutical sites consumed approximately 46,000 MWh in 2024 (27% of the total), slightly up on the values for 2023. Compared to chemical-pharmaceutical plants, pharmaceutical plants used higher quantities of diesel (80% of the diesel consumed by the Group) to produce energy and more electricity was purchased from the national grid. However, energy consumption by the Group's chemical-pharmaceutical production plants in 2024 was 126,000 MWh (73% of the total). The chemical-pharmaceutical plants consume higher quantities of natural gas than the pharmaceutical sites: a high proportion of this gas usage derives from the electricity generation system at the Campoverde di Aprilia plant, where a self-generation policy for electricity and thermal energy has been in place for almost 30 years thanks to the installation of a co-generation system (for more details, see the "Co-Generation System of the Campoverde di Aprilia" paragraph). Through the use of a single fuel source (natural gas), the co-generation system enables the plant to generate enough electricity to meet its needs, sell any excess to the national grid and produce all of the steam used in the plant without the use of any additional gas or resources. The approximately 14% increase in electricity sold is attributable to lower demand from the plant with the same quantity of self-generated electricity.

Energy consumption at the pharmaceutical production plants of the Recordati Group

	Unit of measurement	2024	2023	Change
Fuel consumption from coal and coal products	MWh	0	0	-
Fuel consumption from crude oil and petroleum products	MWh	478	404	*18%*
Fuel consumption from natural gas	MWh	17,273	16,660	*3.7%*
Fuel consumption from other fossil sources	MWh	0	0	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	3,576	3,231	*11%*
Total energy consumption from fossil sources	**MWh**	**21,327**	**20,295**	***5.1%***
Share of fossil sources in total energy consumption	%	**46.7%**	44.9%	*1.9%*
Consumption from nuclear sources	MWh	0	0	-
Share of consumption from nuclear sources in total energy consumption	%	0%	0%	-
Fuel consumption from renewable sources, including biomass	MWh	0	0	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources[78]	MWh	23,653	24,734	*-4%*

[76] Under the applicable legislation, high climate impact sectors are those listed in Sections A to H and in Section L of the NACE classification (as defined in Commission Delegated Regulation (EU) 2022/1288). Specifically, for Recordati, the sectors considered in this respect correspond to the NACE codes C21.1 and C21.2, corresponding to the activities of "Manufacture of basic pharmaceutical products" and "Manufacture of pharmaceutical preparations" respectively.

[77] The amount of the net revenue taken into account in calculating the energy intensity ratio can be traced back to explanatory note no. 3 "Net revenue" to the financial statements.

[78] The figure refers to renewable electricity only.

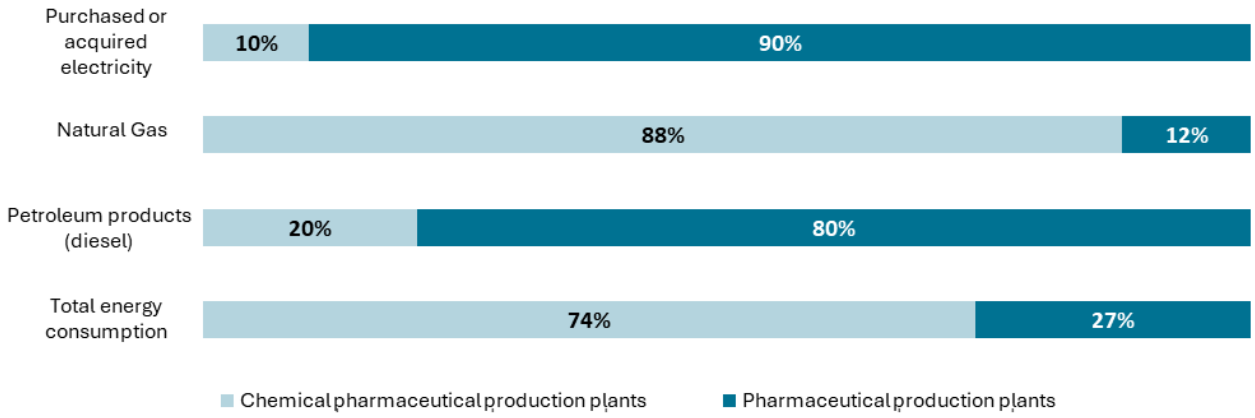
Consumption of self-generated non-fuel renewable energy[79]	MWh	649	202	*221%*
Total renewable energy consumption	**MWh**	**24,302**	**24,936**	***-3%***
Share of renewable sources in total energy consumption	%	53.3%	55.1%	*-2%*
Total energy consumption	**MWh**	**45,629**	**45,231**	***0.9%***

Energy consumption at the chemical-pharmaceutical production plants of the Recordati Group

	Unit of measurement	2024	2023	Change
Fuel consumption from coal and coal products	MWh	0	0	-
Fuel consumption from crude oil and petroleum products	MWh	122	97	*26%*
Fuel consumption from natural gas	MWh	123,024	124,049	*-0.8%*
Fuel consumption from other fossil sources	MWh	0	0	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	0	0	-
Total energy consumption from fossil sources	**MWh**	**123,146**	**124,146**	***-0.81%***
Share of fossil sources in total energy consumption	%	**97.4%**	97.3%	*0.1%*
Consumption from nuclear sources	MWh	0	0	-
Share of consumption from nuclear sources in total energy consumption	%	0%	0%	-
Fuel consumption from renewable sources, including biomass	MWh	0	0	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources[80]	MWh	3,042	3,205	*-4%*
Consumption of self-generated non-fuel renewable energy[81]	MWh	217	179	*21%*
Total renewable energy consumption	**MWh**	**3,259**	**3,384**	***-4%***
Share of renewable sources in total energy consumption	%	2.6%	2.7%	*-0.1%*
Total energy consumption	**MWh**	**126,405**	**127,530**	***-0.9%***

[79] The self-generated electricity from renewable sources refers to the photovoltaic systems installed at the production plants in Utebo (Spain) and Çerkezköy (Türkiye), the latter of which became operational in April 2024.
[80] The figure refers to renewable electricity only.
[81] The self-generated electricity from renewable sources refers to the photovoltaic system installed at the production plant in Cork. Specifically, this system has been in operation since December 2022.

Percentage of electricity use by production plants according to usage and type of production plant



Electricity and thermal energy generated and sold by the Campoverde di Aprilia co-generation plant

	Unit of measurement	2024	2023	Change
Self-generated electricity	MWh	**32,457**	32,038	*1%*
consumed internally	MWh	**25,899**	26,293	*-1%*
sold externally	MWh	**6,558**	5,745	*14%*
Self-generated and consumed thermal energy	Kg of steam	**62,076,000**	65,589,000	*-5%*
Total electricity produced from non-renewable sources	**MWh**	**40,068**	42,335	*-5%*

THE CO-GENERATION SYSTEM AT THE CAMPOVERDE DI APRILIA PLANT

Co-generation is defined as the combined generation of electricity and heat based upon a “cascade process”, where electricity is produced using a high-temperature thermo-dynamic cycle which, in turn, releases heat and produces thermal energy. In the industrial sector, co-generation is also produced using gas-powered turbines.

The co-generation system at the Campoverde di Aprilia plant, in operation since 1996, is equipped with a 15-bar methane gas turbine. In its current configuration and with an air temperature of 9°C, the system is able to generate a maximum output of approximately 4.3 MW of electricity. Gas turbines operate by burning the fuel source in a special combustion chamber and expanding it with compressed air inside the turbine itself. During expansion, the mixture of air and fuel interacts with the blades of the turbines and activates the rotational motion of the rotor to generate mechanical energy.

This mechanical energy is then converted into electricity by an alternator. The fumes produced by the gases expanded in the turbine are emitted at very high temperatures (450-500°C) and consequently specialist heat exchangers or boilers may be used (the Recordati plant at Campoverde di Aprilia uses a steam recovery boiler) to produce hot water or steam.

The use of the steam recovery boiler avoids the use of methane gas to fully meet the plant's demand for steam, which is used both in chemical processes and as a heating fluid. The steam recovery boiler installed in the co-generation system, which recovers the gases expanded in the turbine, enables the production of 15-bar saturated steam up to a capacity of 16 tons per hour. Without this production of steam using the gas turbine fumes in the steam recovery boiler, an estimated 4 million m^3 of additional gas would have been required for the year 2024, corresponding to approximately 33% of the plant's annual gas consumption in 2024 (which came to around 12 million m^3). This avoided more than 8,000 tonnes of CO_2eq emissions[82].

In recent years, the gas turbine and reduction gearbox of the co-generation plant were updated in order to improve the efficiency of the co-generation system.

[82] *Source of emission coefficient data for natural gas: Ministero Dell'Ambiente e della Sicurezza Energetica, Tabella Parametri Standard Nazionali, 2023.*

E1-6 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

In 2024, the Group's Scope 1 direct emissions were primarily related to the energy consumed by the chemical pharmaceutical production plants for industrial production (natural gas and diesel), to which a smaller share (about 23% of total Scope 1 direct emissions) is also added due to consumption by the Group's vehicle fleet. Recordati is committed to minimising refrigerant gases and gradually replacing old equipment containing refrigerants with new machinery that does not contain ozone-depleting gases. The increase over the 2023 value is mainly due to releases that occurred at the Campoverde di Aprilia plant, which were promptly managed by the Group.
On the other hand, the Scope 2 indirect emissions associated with the Group's purchase of electricity from the grid decreased by around 12% according to the Location-based approach, while they decreased slightly when following the Market-based approach (around 4%)[83].
Scope 3 greenhouse gas emissions include all indirect emissions generated throughout the value chain, both upstream and downstream of business activities. In Recordati's case, these represent a significant component of the overall total. Category 1, "*Purchased goods and services*", was found to have the greatest impact, with emissions of over 193,400 tonnes of CO_2eq, accounting for 63% of total Scope 3 emissions, followed by Category 2 ("*Capital goods*"), accounting for approximately 15%.
These figures were calculated in compliance with the guidelines of the GHG Protocol, applying the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The data were mainly extracted from the Group's internal systems and multiplied by emission factors provided by internationally recognised databases. No specific data provided by external partners or suppliers were used, therefore the estimate methodologies set out in the GHG Protocol were relied upon.

[83] *This rise is attributable to the increased energy consumption of the plant in Tunisia, where renewable energy cannot be purchased.*

Greenhouse gas emissions of the Recordati Group[84] [85]

					Retrospective		Milestones and Target years		
	Unit of measurement	2022 (base year)	2023	2024	*Trends (2024 vs 2023)*	2025	2030	2050	*Trend (2024 vs 2022 - base year)*
***Scope 1* GHG emissions**									
Gross *Scope 1* GHG emissions	tCO_2eq	37,768	36,607	**37,280**	1.84%		-21%		-1%
of which: from fuels	tCO_2eq	28,869	28,184	**28,296**	0.4%				
of which: from refrigerant gases	tCO_2eq	993	200	**364**	82.07%				
of which: from car fleet[86]	tCO_2eq	7,906	8,223	**8,620**	4.83%				
Percentage of Scope 1 GHG emissions from regulated Emission Trading Schemes (ETS)	%	0%	0%	**0%**	-				
***Scope 2* GHG emissions**									
Gross Scope 2 (Location-based) GHG emissions[87]	tCO_2eq	10,002	9,981	**8,785**	-11.99%				
Gross Scope 2 (Market-based) GHG emissions[88]	tCO_2eq	2,270	1,789	**1,714**	-4.19%		-15%		-25%
***Scope 1* + *Scope 2* GHG emissions**									
Gross *Scope 1 + Scope 2 (Location-based)* GHG emissions	tCO_2eq	47,770	46,588	**46,065**	-1.12%				
Gross *Scope 1 + Scope 2 (Market-based)* GHG emissions	tCO_2eq	40,038	38,396	**38,994**	1.56%		-20%		-3%
***Scope 3* GHG emissions**									
Gross *Scope 3* GHG emissions	tCO_2eq	-	-	**307,517**	-				
Percentage of *Scope 3* GHG emissions calculated with primary data	%	-	-	**0%**	-				
1. Purchased goods and services	tCO_2eq	-	-	**193,463**	-				
2. Capital goods	tCO_2eq	-	-	**46,952**	-				
3. Fuel- and energy-related activities (not included in Scope 1 or 2)	tCO_2eq	-	-	**9,228**	-				
4. Upstream transportation and distribution	tCO_2eq	-	-	**34,330**	-				
5. Waste generated in operations	tCO_2eq	-	-	**1,188**	-				
6. Business traveling	tCO_2eq	-	-	**5,018**	-				

[84] Source of emission coefficient data for natural gas and diesel: Ministero dell'Ambiente e della Sicurezza Energetica, Tabella Parametri StandardNazionali, 2024. Scope 1 and 2 emissions have been calculated using a methodology in line with the GHG Protocol (specifically the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard - Revised Edition). See the methodological description given in the text for Scope 3 emissions.

[85] The data shown are for the consolidated accounting Group. Note that the figure for 2022, which represents the baseline for the target, does not include the estimate for emissions by foreign administrative offices. In order to expand the emissions reporting boundary to the entire Group, the data shown for 2023 and 2024 also include the estimate for emissions by the Group's foreign offices.

[86] Scope 1 emissions relating to the use of fuel by company vehicles have been estimated based on the average mileage of each car defined in the leasing contract and the average emission factor of fleet vehicles.

[87] The Location-based approach uses national average emission factors relating to the specific configuration of national electricity production. As of 2024, the source for emission factors is the IEA, 2024.

[88] The Market-based approach uses an emission factor defined on a contractual basis with the electricity supplier and defines that the purchase of renewable electricity with Guarantee of Origin does not imply emissions of greenhouse gases calculated according to this approach. Consequently, consumption at the European plants certified by Guarantees of Origin and the share of consumption at the Turkish plant certified by I-RECs have been excluded from the calculation of Scope 2 emissions (according to the Market-based approach). The national "residual-mix" emission factors were applied to calculate emissions using the Market-based approach (source of residual-mixes: (AIB European Residual Mixes - 2023).

					Retrospective				*Milestones and Target years*
	Unit of measurement	**2022 (base year)**	**2023**	**2024**	***Trends (2024 vs 2023)***	**2025**	**2030**	**2050**	***Trend (2024 vs 2022 - base year)***
7. Employee commuting	tCO_2eq	-	-	**3,884**	-				
8. Upstream leased assets	tCO_2eq	-	-	**-**	-				
9. Downstream transportation	tCO_2eq	-	-	**4,023**	-				
10. Processing of sold products	tCO_2eq	-	-	**3,470**	-				
11. Use of sold products	tCO_2eq	-	-	**-**	-				
12. End-of-life treatment of sold products	tCO_2eq	-	-	**5,961**	-				
13. Downstream leased assets	tCO_2eq	-	-	**-**	-				
14. Franchises	tCO_2eq	-	-	**n.a.**	-				
15. Investments	tCO_2eq	-	-	**-**	-				
Total GHG emissions	tCO_2eq								
Total GHG emissions - *Location-based*[89]	tCO_2eq	-	-	**353,582**	-				
Total GHG emissions - *Market-based*[90]	tCO_2eq	-	-	**346,511**	-				

The company has identified and analysed significant Scope 3 categories based on materiality criteria, including their relative contribution to the overall total, transition risks and opportunities, and stakeholder priorities.
Recordati is committed to progressively improving the quality of its Scope 3 data through the continuous refinement of its systems and the integration of increasingly accurate methodologies. This approach makes it possible to identify priority areas for reduction of the carbon footprint and to promote sustainable management throughout the value chain.
Scope 3 emissions were quantified in accordance with the following methodologies, in line with the provisions of the GHG Protocol:

Emissions Category	**Description of the methodology of calculation/estimate**
Category 1	Category 1 emissions include all upstream (i.e. cradle-to-gate) emissions from the production of goods and services acquired in the reporting year. To ensure an accurate calculation, two different methodologies were applied depending on the availability of data. • For purchased goods, when quantitative information was available, the average-data method was adopted, applying specific emission factors from the *Ecoinvent v3.11 cutoff IPCC 2021 - GWP100* database. If quantitative information was not available, the spend-based method was used instead, applying emission factors from the CEDA 2024 database. The data required for the calculation refer to the legal entities considered relevant. • For purchased services, emissions were calculated using the spend-based method. Each service was associated with a reference sector within the CEDA 2024 database.

[89] *The 2024 data cannot be compared to previous reporting years, as data on Scope 3 GHG emissions were not available.*
[90] *The 2024 data cannot be compared to previous reporting years, as data on Scope 3 GHG emissions were not available.*

Category 2	Category 2 emissions include all upstream (i.e. cradle-to-gate) emissions from the production of capital goods acquired by Recordati in the reporting year. Emissions were quantified using the spend-based method, applying emission factors from the CEDA 2024 database.
Category 3	Category 3 includes upstream (i.e. cradle-to-gate) emissions related to the production of fuels and energy purchased and consumed by Recordati in the reporting year, that are not included in Scope 1 or Scope 2. Emissions were quantified by multiplying consumption data by the emission factors from the *IEA 2023* database for electricity, and from the *UK Government GHG Conversion Factors for Company Reporting – DEFRA 2024* for fuels.
Category 4-9	Emissions in Categories 4 and 9 arise from the transport and distribution of products bought and sold by Recordati, using vehicles and infrastructure which the company does not own or directly control. Category 4 includes all inbound transport, intercompany transport between different company structures, and outbound transport where the cost is borne by Recordati. Category 9, on the other hand, comprises only outbound transportation where the cost is not borne by Recordati, but by third parties. Two methods were adopted to calculate emissions, depending on the availability of data. When information was available on the mass transported and the distance travelled, the Distance-Based Method was used, applying the emission factors provided by the *UK Government GHG Conversion Factors for Company Reporting – DEFRA 2024* database. If such data were not available, the Spend-Based Method was used instead, applying emission factors from the CEDA 2024 database. Category 9 does not include data for the Rare Diseases division. For the Rare Diseases division, the scope of analysis does not include outbound transportation not purchased by Recordati, due to the current unavailability of the data necessary for the calculation on the system. Similarly, the so-called “last mile” was not included for Category 9 due to a lack of information.
Category 5	Category 5 includes emissions from third-party disposal and treatment of waste generated in Recordati's owned or controlled operations during the reporting year. To calculate the emissions, the Waste-type-specific Method was adopted, which involves using emission factors for specific waste types and waste treatment methods. The emission factors applied come from the *UK Government GHG Conversion Factors for Company Reporting – DEFRA 2024*. The scope of analysis includes the production plants.
Category 6	Category 6 includes emissions from business travel in vehicles not owned by Recordati. Calculation was performed using the Distance-Based Method, applying the emission factors from the *UK Government GHG Conversion Factors for Company Reporting – DEFRA 2024* database. The data used as the basis for the calculation were collected via a travel agency which covers eight countries where most employees are located. For countries not covered by the agency, emissions were estimated in proportion to the number of employees per country.
Category 7	Category 7 includes emissions from the transportation of employees between their home and their worksites and from remote working. Emissions related to the use of company cars for commuting were not taken into account, as they are already reported in Scope 1. The calculation was performed using the Distance-Based Method, collecting data on working days, distance travelled and means of transport used, to which emission factors from the *UK Government GHG Conversion Factors for Company Reporting – DEFRA 2024* database were applied. Information was obtained via surveys, while data on journeys via the company

	shuttles were provided by site contacts. For those employees who did not respond to the survey, proportionate emissions were estimated based on the results of those who participated.
Category 8	Leased assets used by the Group are mainly administrative offices. The value of the emissions generated has been included in Scope 2 emissions.
Category 10	Category 10 includes emissions from the processing and transformation of intermediate products sold to customers by Recordati before their final distribution. Emissions were calculated by multiplying the quantities of APIs (Active Pharmaceutical Ingredients) sold by Recordati to customers by an emission factor determined through an internal benchmark. This benchmark was developed based on data relating to the existing production processes within Recordati, thus enabling a consistent and representative estimate of the emission-related impact linked to the subsequent processing of the products sold.
Category 11	Category 11 emissions were not considered relevant to Recordati, since the products sold by the Group do not generate direct or indirect emissions during their use. In fact, most of Recordati's pharmaceutical products are ingested, injected or applied topically, without releasing harmful emissions into the atmosphere.
Category 12	Category 12 includes emissions from the disposal and treatment of packaging for the products sold by Recordati at the end of their life. Contributions from the drugs themselves was excluded, as they are taken by the patients and therefore do not generate end-of-life emissions. Packaging quantities were multiplied by emission factors derived from the *UK Government GHG Conversion Factors for Company Reporting – DEFRA 2024* database. The methods of disposal were determined based on statistical data.
Category 13	Category 13 emissions are not relevant to Recordati, since there are no particular assets leased to third parties at present.
Category 14	Category 14 emissions do not apply to Recordati, since the Group does not operate any franchises.
Category 15	Category 15 emissions are not relevant to Recordati, since the Group's investments concern new companies and structures that are directly integrated into the emissions reporting boundary. Consequently, these emissions are already included in Scope 1 and Scope 2 reporting.

Emission intensity ratio (Total GHG emissions per net revenue)

	Unit of measurement	2024[91]
Total Location-based GHG Emissions	**tCO_2eq**	**353,582**
Total Market-based GHG Emissions	**tCO_2eq**	**346,511**
Net revenue[92]	**million €**	**2,341.6**
Location-Based Emission intensity ratio	**tCO_2eq / million €**	**151**
Market-Based Emission intensity ratio	**tCO_2eq / million €**	**148**

E1-7 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

The Group has not currently adopted specific activities aimed at removing or offsetting GHG emissions (such as carbon credits, for example).

E1-8 INTERNAL CARBON PRICING

The Group does not currently apply internal carbon pricing systems.

[91] *The 2024 data cannot be compared to previous reporting years, as data on Scope 3 GHG emissions were not available.*
[92] *The indicator considered can be traced back to the data given in explanatory note no. 3 "Net revenue" to the Financial Statements.*

POLLUTION

ESRS 2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Recordati is particularly conscious of the issue of pollution, and recognises that the potential release of pollutants into water and soil, whether as part of its activities or in the upstream value chain, can damage the environment. Moreover, it is aware that failure to respect the legislation on this topic could result in potential fines or sanctions for the Group.
In order to guarantee the compliance of its activities, the Group adopts methods for prevention and management in its production processes through activities of monitoring emissions into the air, water and soil, as well as implementing specific procedures for the responsible management of the substances of concern and very high concern used at the Group's chemical-pharmaceutical plants. In addition, all activities are carried out in line with the requirements of the applicable environmental regulations including, among other things, regulation of the handling, production, transport, storage, use and disposal of materials, including the discharge of pollutants and pharmaceutical residues into the environment.
Conscious of the type of activities and systems in place at its sites, the company's production plants were analysed as part of the double materiality analysis to identify the potential impacts and risks of non-conformity in relation to pollution, taking the specific production processes and relevant applicable regulatory requirements into consideration. Activities in the upstream value chain were also taken into consideration. Finally, local communities were not involved during the IRO assessment phase. However, the Group is attentive to its business practices towards the communities and regions concerned.
For a description of the processes to identify and assess material pollution-related impacts and risks, see chapter “IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities” in the section on “Management of impacts, risks and opportunities”.

E2-1 POLICIES

The Recordati Group has always been committed to pursuing environmental sustainability in its business activities and complying with all environmental legal and regulatory requirements.
In December 2024, Recordati formalised the Group’s **Environment, Health and Safety Policy**, which covers the following material topics: health and safety, climate change, pollution, the circular economy, waste management and water management.
The policy also includes a specific section on pollution. In fact, protecting the environment is vital for people’s well-being, because the health of the planet and human health are bound tightly together. Because the air, water, soil and climate all directly affect people’s quality of life, taking care of health also means acting responsibly to protect the environment and future generations. To this end, the Group is committed to conducting its business in a socially responsible manner and in accordance with sustainable practices, national and international laws, and the expectations of its stakeholders.
Conscious of this, Recordati undertakes to prevent the pollution of the soil, air and water in all aspects of its business, including through the responsible use of the chemical substances (such as those of concern and of very high concern, for example) and materials used in its production processes. For this purpose, to mitigate potential impacts on the environment in line with the principles of the policy, the Group carries out prevention and monitoring activities for its production processes as described in the following chapters. It also promotes initiatives to train and raise awareness of the environment among all employees, actively engaging them to encourage everyone to help maintain and develop healthy ecosystems in the areas where Recordati operates. Moreover, the Group has adopted operating procedures designed to both prevent and manage emergency situations, also with a view to avoiding impacts on people and the environment when incidents do occur.

The policy applies to the entire Recordati workforce and to third parties who operate on behalf of Recordati at all sites owned, leased or rented by Recordati where it has operational responsibilities (such as sites managed or controlled by Recordati). Furthermore, environmental aspects including pollution are covered in the Group Code of Ethics, which is signed by the Group's suppliers. Respect for the environment and related laws and regulations are a key criteria in the Group's supplier selection process.
For more details on the environmental policy, please refer to chapter "E1-2 Policies" in the section on "Climate Change".

E2-2 ACTIONS

All of the Group's production sites hold the necessary environmental authorisations and ensuring compliance with said authorisations is an important part of the responsibilities of the Management team at each site. Demonstrating this commitment to protecting the environment and to continuous improvement, the Campoverde di Aprilia chemical-pharmaceutical plant in Italy and the Tunisian pharmaceutical plant have an ISO 14001-certified environmental management system. Recordati has set out a roadmap to extend ISO 14001 certification to several other Group plants by 2027. The target for 2025 is to reach 100% of API chemical plants holding ISO 14001 certification. These certifications attest that the manufacturing sites have a management system that is suitable for mitigating and safeguarding against the environmental impacts of their activities, and attest to their efforts for continuous, coherent, efficient and sustainable improvement. For more details on the Sustainability Plan and the targets, please refer to the chapter on "SBM-1 Strategy, Business Model and Value Chain" within the "Strategy" section.
In addition, for several years, the chemical pharmaceutical plant in Cork has joined the Responsible Care initiative which aims to promote the continuous improvement in the chemical and pharmaceutical industry of all aspects that have a direct or indirect aspect on the environment, employees or the community.
The Group's plants feature an environmental management system, with risk assessment activities conducted periodically in order to evaluate the risks present in the plants and identify preventive measures. The Group also conducts internal inspections and receives audits by external certification bodies or regulators. As regards internal audits, for example, various activities were conducted in 2024 at the chemical-pharmaceutical plants in Campoverde (mainly in relation to the efficacy and efficiency of the Environmental Management System, in accordance with the ISO 14001 standards and the provisions of the applicable laws) and in Cork, as well as the pharmaceutical plants in Milan, Tunisia, Türkiye and France.
In 2024, Recordati plants underwent regular periodic inspections with no critical issues being identified. Regarding external audits, those conducted by the certification bodies (for the purposes of ISO 14001 certification, specifically at the Campoverde production site and in Tunisia) and by regulatory authorities and customers should be noted in particular.
Environmental topics are also covered in periodic training sessions provided to Group employees, especially those responsible for such aspects at the production plants. As well as the mandatory training required by local laws, the Group also offers voluntary training programmes. The training courses focus on a range of topics, including the environmental management system and related internal policies, and specific operating procedures.

Pollution of air

With reference to air pollutants that are not greenhouse gases, various thresholds have been defined for the different types of pollutant; the Group makes sure these are not exceeded thanks to continuous monitoring and control activities of the emission points. In particular, emission points at production sites are authorised and monitored according to specific local laws in each country.
Given the nature of their activities and processes, the active pharmaceutical ingredient production plants in Campoverde di Aprilia and Cork — representing the Group's most significant sources of atmospheric emissions — are listed on the European Pollutant Release and Transfer Register (E-PRTR), established under EC Regulation 166/2006. The Campoverde di Aprilia site is also included in the national inventory of plants with the potential to cause major incidents, based on Italian Legislative Decree 334/99, replaced by Italian

Legislative Decree no. 105/2015, which transposed Directive 2012/18/EU. In this regard, all the obligations arising from said inclusion are carried out regularly.
Specific initiatives to monitor, control and reduce emissions include continued activities to upgrade systems at the Campoverde plant in 2024 in order to reduce atmospheric emissions, again with the target of continuous improvement in terms of both efficiency and environmental protection. The emissions are managed according to a specific procedure and specifically, the existing scrubber systems are included in the improvement plan, which outlines constant verification of the efficiency of the moderation system.
At the Cork plant, monthly monitoring of the scrubber (system for cleaning fumes) is constantly carried out by an independent laboratory, as was the annual monitoring of the emission points of pharmaceutical powders. Also, the site was fully compliant in 2024.
Likewise, at the Basilea plant, there is an ongoing process in place to optimise the scrubber with the aim of achieving zero solvent emissions for hazardous atmospheric pollutants and a reduction in volatile organic compounds.

Pollution of soil

Correct spillage management is regulated by specific standard operating procedures at the Group's various plants, which state that the spilled product must be collected using absorbent spill kits suitable for use with all types of hazardous and non-hazardous materials. Once used, the kits are handled and destroyed in the most appropriate way based on the hazardous nature of the product. For example, at the Campoverde di Aprilia plant small leaks of chemical substances are resolved using liquid chemical absorption kits, while to remedy more significant leaks external drainage systems are employed. For the containment of spillages of chemical substances from containers or tanks, bunds and retention areas are used at the plant.
Please note that, following a voluntary report made by the Company to the competent authorities in 2001 about the potential contamination of some portions of the land and water at the Campoverde di Aprilia plant resulting from past industrial production, an administrative proceeding was initiated which is still pending. In regard to this proceeding, governed by Art. 242 of Italian Legislative Decree. 152/06, in February 2021, the Company received feedback from the local authorities, which entailed rewriting part of the documentation produced by the Company in the proceedings, in order to take into account the observations made by ARPA in Lazio in January of the same year, in a context characterised by constant technical developments.
The Company promptly acted on the feedback and, in particular, following the relative approval by the authorities, implemented an updated characterisation plan developed for progress Phases I and II, carrying out activities to update the data based on new legal provisions and using updated scientific methods and technologies. Based on the new characterisation data, in 2023 the Company submitted the conceptual site model and the Health and Environmental Risk Analysis to the competent bodies, as essential documents to proceed with the administrative procedure in question. The competent bodies then convened a Services Conference that met in October 2023 and, following the feedback given at the event, in 2024 Recordati presented an updated Risk Analysis. This is currently being reviewed by the authorities and will be discussed at a new session of the Services Conference, scheduled in January 2025. In any case, from the initial survey of the situation subject to this procedure, the Company has continued to implement all necessary and appropriate containment measures and monitoring actions while continually updating the authorities.

Pollution of water

All Group production plants are equipped with systems and procedures to monitor consumption and wastewater (e.g. monitoring of pH values, suspended solids, BOD, COD, metals, aromatic solvents, chlorinated aromatic solvents, aliphatic solvents and surfactants). Regarding wastewater, if necessary or required by local laws, plants have installed or implemented wastewater treatment systems before discharging water into public water treatment system or into the natural environment. In compliance with local and national environmental laws, plants analyse and constantly monitor the quality of wastewater in order to observe the minimum standards set by local and national environmental authorities. Specifically, all plants must observe applicable environmental laws and must hold the necessary water-discharge permits.
In 2024, the Tunisian production site continued its participation in the EU-funded iMERMAID project, which aims to tackle risks connected to contaminants of emerging concern.

For more information on water management initiatives, see the section on “Water”.

iMERMAID: INNOVATIVE SOLUTIONS FOR THE REMOVAL OF PHARMACEUTICAL CONTAMINANTS

The Tunisian subsidiary Opalia Recordati continued to take part in the iMERMAID Project: an EU-funded project focused on protecting the Mediterranean Sea and its surroundings, which play a crucial role in various socioeconomic activities. It aims to address the growing threats of CoECs “Contaminants of Emerging Concern” which have not yet been studied and may pose a potential threat to ecosystems and humans. In fact, iMERMAID Project aims at integrating innovative strategies for prevention, monitoring, and remediation.
Thanks to the consortium of 26 partners (SMEs, academic & research organisations, industrial partners, public bodies and NGOs) from Europe and beyond which guide it, the iMERMAID project encourages new collaborations to develop advanced sensor and remediation technologies, strengthen regulations to reduce contamination, enhance economic opportunities, and improve the quality of life for EU residents at the same time. The primary ambition is to create innovative and replicable approaches to prevent, monitor and remediate chemical pollution to support EU mission to restore, protect and preserve the health of our oceans, seas, and waters.
Opalia Recordati, which is an active partner in the project and which hosted the fourth edition of the iMERMAID Consortium Meeting in 2024, is committed to the study and development of a new technological solution consisting of a micro-fluidic photo-catalytic reactor at its waste water treatment plant (WWTP), aimed at comparing micro-contaminant removal performances with those of the existing bacterial reactor to test its effectiveness in absorbing micro-pollutants.

Substances of concern and very high concern

All of the Group's plants subject to the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation comply with the necessary legal requirements. The regulation aims to ensure the protection of human health and the environment by requiring companies that produce, import or market chemical substances to assess the risks associated with their use. Recordati applies the requirements provided for by the REACH regulation in purchasing and managing the substances covered by the legislation. To ensure compliance with the rules imposed by the regulation, Recordati implements a series of actions aimed at the proper management of substances of concern and of very high concern, which include:

- **Mapping and monitoring of substances of concern and very high concern**: the list of chemical substances used in the plant is periodically updated, with their classification as substances of concern and very high concern checked. Compliance with obligations under the REACH regulation, such as registration, authorisation or any restrictions on use, is also checked;
- **Substitution and reduction of the use of hazardous substances**: where technically and economically feasible, safer alternatives or solutions are sought to limit the use of such substances, in favour of more sustainable processes with a lower impact;
- **Safety Data Sheet (SDS) control and supply chain management**: the information provided by suppliers is constantly checked, and internal procedures are updated based on regulatory developments and any changes in the classification of substances;
- **Collective and individual protection measures**: to ensure the safe management of substances of concern and very high concern, appropriate containment systems are adopted to limit dispersion and exposure. Specific procedures are also planned and implemented for the management of hazardous substances, to reduce the risk of their accidental release. Personnel are provided with appropriate personal protective equipment (PPE), ensuring safe use in compliance with current regulations;

- **Emergency plans and waste management**: there are provisions in place to deal with any accidental spills, such as absorbent kits and containment basins, as well as specific procedures for the proper disposal of hazardous waste in compliance with current regulations;
- **Staff training and awareness-raising**: personnel are continuously updated on chemical risks, safety measures and the obligations imposed by the REACH regulation, promoting the informed use of substances and effective application of prevention measures;
- **Periodic audits and checks**: internal audits are carried out to ensure compliance with the procedures, and to identify any room for improvement in the management of chemicals.

The actions described in the chapter refer to the Group and, specifically, to the production plants. In terms of the value chain, please note that no specific activities are underway at the moment. However, it should be noted that the Group has drawn up a plan for monitoring conducted through desk audits and subsequent engagement activities (described in more detail in section "S2 - Workers in the value chain") in order to monitor the environmental practices of suppliers (including issues related to pollutants and chemical substances).

Environmental impact of products

As well as endeavouring to minimise the environmental impact of the production processes conducted at its industrial plants (both pharmaceutical and chemical-pharmaceutical), the Group also recognises stakeholders' concerns regarding pharmaceutical residues in the environment that mainly derive from the use of medicines by patients. To this end, the Group assesses the environmental risks of its products from the R&D stage, in compliance with applicable law.

Environmental risk assessment of pharmaceutical products

Man-made pharmaceutical residues have become a pressing topic of environmental concern. Following the detection of pharmaceutical residues in drinking and surface water reserves, regulatory authorities across the world, including the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA), have developed detailed guidelines on how the negative environmental impact of pharmaceutical products should be assessed.

To this end, regulatory bodies now require an Environmental Risk Assessment (ERA) as an integral element of the authorisation process for the commercialisation of pharmaceutical products. The assessment is mandatory for pharmaceuticals to treat human conditions and those for veterinary use. Recordati is committed to guaranteeing the effective environmental management of its products according to current guidelines. In this regard, in September 2024 the new European guidelines for assessing the environmental risks of pharmaceuticals for human use entered into force. All new pharmaceuticals developed by the Group are subject to an environmental risk assessment prior to approval.

Data on the persistence in the environment and possible toxicity to living species are collected according to international standards. During the environmental risk assessment, the safe concentration, i.e. the concentration at which the pharmaceutical does not harm the soil or aquatic organisms, is identified. The Group notifies the outcome of the assessment to the regulatory authorities in specific environmental impact reports.

Throughout the product lifecycle, for any extension of the authorisation to market the product (new indications or new dosages) Recordati revises and updates the existing environmental assessment dossier or generates a new one to reflect the latest information on the potential environmental impact of the product.

Personnel at the R&D department attend periodic internal training sessions focused specifically on environmental legislation, with a view to raising awareness on the topic and ensuring that staff are up to date with any changes to legislation.

Furthermore, continuous efforts are made in the Group's R&D laboratories to reduce the environmental impact of the laboratories through the adoption of instruments that use lower quantities of solvents, guarantee reduced energy and water consumption, and produce less waste.

E2-3 TARGETS

Environmental protection is one of the pillars of the Group's Sustainability Plan which sets out its future targets.
On the topic of environmental management, including the management of pollution, Recordati has set out a roadmap to extend ISO 14001 certification to several other Group plants by 2027, representing a combined 90% of all waste produced. The target for 2025 is to reach 100% of API chemical plants holding ISO 14001 certification.
Although a quantitative target for the reduction of pollutants has not yet been defined, the Group believes it can identify areas for action aimed at continuous improvement through the implementation of a certified environmental management system. For more details on the Sustainability Plan and the targets, please refer to the chapter on "SBM-1 Strategy, Business Model and Value Chain" within the "Strategy" section.

E2-4 POLLUTION OF AIR, WATER AND SOIL

In 2024, there were no emissions of almost any pollutants into the air, water or soil above the threshold values established by European Regulation 166/2006 E-PRTR. However there was one exception, relating to the emission of the "nickel and compounds" pollutant into water. The value recorded at the Campoverde site (90 kg/year)[93] exceeded the applicable threshold defined by European Regulation 166/2006 E-PRTR (set at 20 kg/year). However, the Campoverde value is still within the limits set by the *Best Available Techniques - Associated Emission Levels* (BAT-AEL), i.e. the emission levels associated with the best available techniques established by the Integrated Environmental Authorisation that regulates the emission limits to be respected by the plant. In addition, the value recorded may have been overestimated, as it was reached by multiplying the average concentration of the pollutant found in analyses of discharges by the volume of total discharges. This was because it was considered appropriate to apply the same calculation methodology used for the other discontinuous emission values.

E2-5 SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN[94]

Considering the business sector in which Recordati operates, the production processes at the pharmaceutical chemical plants involve the use of various substances that are classified under Annex VI, Section 3 of EU Regulation 1272/2008 of the European Parliament and of the Council. In particular, the procurement and use of such substances can be attributed to the activities conducted at the chemical-pharmaceutical plants in Cork and Campoverde. The tables below represent the quantities of chemical substances classified as being of concern or of very high concern purchased by the Group's chemical plants (in Cork and Campoverde).

[93] The data on emissions into a receiving body of water were duly measured by an external accredited laboratory on a monthly basis, as required by the Integrated Environmental Authorisation (IEA) issued by the Province of Latina in December 2020. The average annual value for each pollutant complies with the concentration limits set by the Best Available Techniques - Associated Emission Levels (BAT-AELs) for the sector.
[94] If a substance belongs to more than one hazard class, the weight of that substance is shown in both hazard classes. Consequently, the sum of the substances broken down by hazard classes may exceed the total substances used.

Substances of concern

No substances of concern left the company's plants as emissions or as services in 2024. All substances of concern considered in 2024 belong to two main categories: those purchased as raw materials for production; and those which, once processed, leave the plant as isolated intermediates (substances of concern that leave facilities as part of products) and active ingredients (substances of concern that leave facilities as products) which are subsequently used in the Group's own pharmaceutical plants or sold to other customers, who will use them in turn for the production of pharmaceutical products. This ensures the complete management of substances of concern, both incoming and outgoing, throughout the entire production cycle. The difference between the quantities of substances of concern entering and leaving the plant is due to the chemical transformation processes that take place during production. These processes not only lead to a variation in quantities, but also change the hazardous characteristics of substances.

	Unit of measurement				**2024**
Hazard classes (annex VI, part 3, of Regulation (EU) No. 1272/2008 of the European Parliament and of the Council)		**Substances of concern that are generated or used during the production or that are procured**	**Substances of concern that leave facilities as emissions, as products, or as part of products or services**	Substances of concern that leave facilities as products	Substances of concern that leave facilities as part of products
Carcinogenicity, categories 1 and 2	tonnes	**352.5**	**23.2**	1.0	22.1
Germ cell mutagenicity, categories 1 and 2	tonnes	**349.4**	**0.0**	0.0	0.0
Reproductive toxicity, categories 1 and 2	tonnes	**683.9**	**24.3**	2.1	22.1
Germ cell mutagenicity, category 2	tonnes	**55.7**	**0.0**	0.0	0.0
Reproductive toxicity, category 1	tonnes	**462.2**	**60.5**	44.7	15.8
Reproductive toxicity, category 2	tonnes	**779.9**	**49.6**	49.6	0.0
Respiratory sensitiser, category 1	tonnes	**582.1**	**6.5**	6.5	0.0
Skin sensitiser, category 1	tonnes	**353.9**	**0.0**	0.0	0.0
Total quantity of substances of concern	**tonnes**	**3,619.6**	**164.1**	103.9	60.0

Substances of very high concern

No substances of very high concern left the company's plants as emissions, as products, or as parts of products or services in 2024. Specifically, Recordati uses a number of substances of very high concern in its production processes, purchased by the company as raw materials. These substances are N,N-Dimethylacetamide, N,N-Dimethylformamide and Dimethyl sulfate. The first two substances are classified as toxic to reproduction (Art. 57c), while Dimethyl sulfate has carcinogenic properties (Art. 57a). The substances of very high concern are handled in the plant in accordance with the provisions of the REACH regulation, ensuring compliance with all standards concerning their safe management, registration and use. For more information on how these substances are managed, please refer to chapter “E2-2 Actions and resources related to pollution”.

	Unit of measurement	**2024**
Hazard classes (as classified under Regulation (EC) No. 1907/2006 (REACH))		**Substances of very high concern that are generated or used during the production or that are procured**
Carcinogenicity (Article 57a)	tonnes	88.0
Reproductive toxicity (Article 57c)	tonnes	265.7
Total quantity of substances of very high concern	**tonnes**	**353.7**

WATER

ESRS 2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The Group recognises that the intake and use of water, both directly and upstream throughout the value chain, can affect the availability of water resources, particularly in water-stressed areas. Therefore, conscious of the importance of natural resources and of water resources in particular, Recordati actively invests in the development of production processes aimed at reducing water use and improving the quality of discharged water.
For a description of the processes to identify and assess material water-related impacts and risks, see chapter "IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities" in the section on "Management of impacts, risks and opportunities". The analysis considered the production activities and the geographic location, focusing in particular on plants located in water-stressed areas and considering the water supply necessary for the normal continuation of production processes. In addition, local communities were not involved during the impact and risk assessment phase. However, the Group is attentive to its business practices towards the communities and regions concerned.

E3-1 POLICIES

The Recordati Group has always been committed to pursuing environmental sustainability in its business activities and complying with all environmental legal and regulatory requirements.
In December 2024, Recordati formalised the Group's **Environment, Health and Safety Policy**, which covers the following material topics: health and safety, climate change, the circular economy, waste management and water management.
The policy contains a specific paragraph on water management which outlines the principles to be observed to ensure the correct use, treatment and disposal of water. The Recordati Group also adopts responsible practices and maintains a constant focus on monitoring and applying the highest water management standards. It ensures that all wastewater is treated and, when possible, reused or returned to the environment under quality conditions that comply with the required environmental regulations applicable in each country. Using the most advanced technologies, the Group implements all necessary measures to prevent contamination and protect ecosystems, paying particular attention to water-stressed areas.
The policy applies to the entire Recordati workforce and to third parties who operate on behalf of Recordati at all sites owned, leased or rented by Recordati where it has operational responsibilities (such as sites managed or controlled by Recordati).
Furthermore, the environment, including responsible water management, is covered in the Group Code of Ethics which is acknowledged and signed by the Group's suppliers. Respect for the environment and related laws and regulations are a key criteria in the Group's supplier selection process.
For more details on the environmental policy, please refer to chapter "E1-2 Policies" in the section on Climate Change.

E3-2 ACTIONS

The use of water resources is primarily attributable to the manufacturing cycle and process cooling at the plants, in addition to sanitary uses.
All Group production plants are equipped with systems and procedures to monitor consumption and wastewater (e.g. monitoring of pH values, suspended solids, BOD, COD, metals, aromatic solvents, chlorinated aromatic solvents, aliphatic solvents and surfactants). Regarding wastewater, if necessary or

required by local laws, plants have installed or implemented wastewater treatment systems before discharging water into public drains or into the natural environment. In compliance with local and national environmental laws, plants analyse and constantly monitor the quality of wastewater in order to observe the minimum standards set by local and national environmental authorities. Specifically, all plants must observe applicable environmental laws and must hold the necessary water-discharge permits. For more information on the quality characteristics of water discharges, please see chapter “E2-2 Actions”.
Below is a description of some initiatives implemented by the Group to guarantee responsible water management, both in terms of consumption and wastewater:
At the headquarters in Milan, the heating and air-conditioning system, which uses geothermal heat pump technology, uses groundwater. This groundwater is drawn from a shaft and channelled into the system for use in the heating or air-conditioning systems before being returned in its original condition to the groundwater reserves via two return channels. In addition, in 2022 another initiative was launched to implement an automatic cleaning system at the oral-solid-dosage production plant, with a view to further reducing water consumption. The project was completed in 2024.
With regard to the Campoverde di Aprilia plant in Italy, which is located in a water-stressed area, a project has been launched in recent years to replace the use of water from wells with river water for the external cleaning of departments and for certain cooling systems, in order to minimise the impact of manufacturing activities on subterranean water levels.
At the Turkish plant in Çerkezköy, the topics of environmental protection and impact reduction, including the conscious use of water resources, were introduced during flash meetings for training and awareness-raising.
In addition, it should be noted that the Tunisian production site, which is also located in a water-stressed area, continued to take part in the EU-funded iMERMAID project, which aims to tackle risks connected to contaminants of emerging concerns. Please refer to chapter “E2 – Pollution” for further details.

The actions described in this chapter refer to the Group and, specifically, to the production plants. In terms of the value chain, no specific activities are underway at the moment. However, it should be noted that the Group has drawn up a plan for monitoring conducted through desk audits and subsequent engagement activities (described in more detail in section “S2 - Workers in the value chain”) in order to monitor the environmental practices of suppliers (including issues related to water management).

E3-3 TARGETS

Environmental protection is one of the pillars of the Group's Sustainability Plan which sets out its future targets.
Although no quantitative target for the reduction of water use has yet been set, when it comes to the topic of environmental management, including the improvement of water management, Recordati has set out a roadmap to extend ISO 14001 certification to several other Group plants. By implementing a certified environmental management system, the Group is confident it can identify action areas with a view to ensuring continuous improvement.
For more details on the Sustainability Plan and the targets, please refer to the chapter on “SBM-1 Strategy, Business Model and Value Chain” within the “Strategy” section.

E3-4 WATER CONSUMPTION

Total water intake in 2024 was approximately 3,257,000 m^3, of which 49% was surface water, approximately 45% was subterranean (e.g. groundwater) and the remainder, around 6%, was from the mains supply.
In 2024, the overall water intake at the Group’s production plants increased by 15% compared to 2023. This increase which predominantly relates to the intake of surface water, is mainly attributable to cooling activities and unscheduled maintenance at the chemical plant in Campoverde di Aprilia. Around 73% of the Group’s water intake is attributable to the chemical-pharmaceutical plant in Campoverde di Aprilia, which is

located in a water-stressed area[95]. In addition to the Italian plant, the Turkish plant and the Tunisian plant are also located in areas considered to be subject to water stress, although they do have lower water intake. The total volume of recycled and reused water stands at around 438,000 m^3, mainly thanks to reuse activities at the Milan and Utebo sites. Finally, it should be noted that in line with 2023, no water was stored at Recordati's plants in 2024 (except for water stored for fire-fighting purposes).

Water intake at Recordati Group production plants by source (m^3)

	Unit of measurement	2024	2023	Change %
Surface water	m^3	**1,591,781**	987,586	61%
Groundwater[96]	m^3	**1,466,922**	1,631,550	-10%
of which: water from the safety barrier well	m^3	**162,735**	195,258	-17%
Mains water	m^3	**198,328**	200,897	-1%
Total	**m^3**	**3,257,031**	**2,820,033**	**15%**

Percentage of recycled and reused water at Recordati Group production plants[97]

		2024		2023	
	Unit of measurement	Total	% of total water intake	Total	% of total water intake
Recycled and reused water	m^3	**438,004**	**13%**	**487,266**	17%

In 2024, Recordati discharged approximately 3 million m^3 of water, of which 81% to surface water and the remainder to subterranean water (14%) and to the sewerage system (5%). In 2024, total water discharge at the Group's production plants increased by 16% compared to 2023. This increase, which relates to discharges to surface water, is mainly attributable to the chemical-pharmaceutical plants in Campoverde di Aprilia (where extraordinary maintenance activities were carried out) and in Cork, where rainwater, mainly intended for fire-fighting purposes, was discharged in line with the procedures for the proper management of the tanks present at the plant.
Around 72% of the Group's water discharge is attributable to the chemical pharmaceutical plant in Campoverde di Aprilia, which is located in a water-stressed area.

[95] *To determine the areas suffering from water stress, the Aqueduct tool developed by the World Resources Institute was used. Sites are classified as subject to water stress if they have a rating of "Extremely high", "High" or "Medium high".*
[96] *It is noted that since more accurate data became available, figures for the amount of groundwater taken in in 2023 have been restated from those presented in the 2023 Non-Financial Statement. Specifically, data on the barrier well at the Campoverde di Aprilia site has been added.*
[97] *According to the reporting standards applied, recycled and reused water is defined as the amount of water and wastewater (treated or untreated) that has been used several times before being discharged from the company's plants or shared plants. The water may be reused in the same process (recycled) or in a different process within the same plant (owned by the company or shared with other companies) or at another plant owned by the business (reuse). This definition adds to and replaces the one used for 2023; the relevant figure has therefore been restated in line with the proposed methodological update.*

Water discharge at Recordati Group production plants (m^3)

	Unit of measurement	2024	2023	Change %
Surface water	m^3	2,495,172	1,814,460	38%
Groundwater	m^3	438,004	542,148	-19%
Sewerage system	m^3	144,409	297,778	-52%
Total	**m^3**	**3,077,585**	**2,654,386**	**16%**

In 2024, Recordati used over 179,000 m^3 of water. The consumption data, calculated as the difference between water intake and water discharge, is largely attributable to routine activities at the company's main pharmaceutical and chemical-pharmaceutical plants. With regard to water consumption in areas affected by water stress in 2024, the figure was mainly attributable to the Campoverde di Aprilia site (approximately 142,000 m^3), in addition to the water consumption at the plants in Tunisia and Türkiye, for a total of around 156,000 m^3.

Water intensity ratio (calculated as the ratio between water consumption and Group net revenue)

	Unit of measurement	2024	2023	Change %
Water consumption	m^3	179,446	165,647	8%
Net revenue[98]	million €	2,341.6	2,082.3	12.4%
Water intensity ratio	**m^3/ million €**	**76.64**	**79.55**	***-4%***

[98] *The indicator considered can be traced back to the data given in explanatory note no. 3 "Net revenue" to the Financial Statements.*

RESOURCE USE AND CIRCULAR ECONOMY

ESRS 2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The use of resources to produce products and the generation of waste, mainly due to production processes, either directly or along the upstream value chain, can have negative impacts on the environment and local communities if not properly managed through rigorous procedures and standards.
The Group also recognises the risks associated with potential non-compliance with environmental regulations. Therefore, Recordati must comply with laws and regulations on the environment, health and safety. These requirements include, for example, regulation of the handling, manufacture, transportation, storage, use and disposal of materials, including the discharge of pollutants and pharmaceutical residues into the environment. Non-compliance can result in fines and penalties.
For a description of the processes to identify and assess material impacts and risks linked to the use of resources and to the circular economy, please see chapter “IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities” in the section on “Management of impacts, risks and opportunities”. With regard to the use of resources and circular economy at Recordati's plants, the specific nature of the production processes, raw materials used and products manufactured were taken into account. The stringent regulations that characterise the pharmaceutical sector were also considered. Local communities were not involved during the impact and risk assessment phase. However, the Group is attentive to its business practices towards the communities and regions concerned.

E5-1 POLICIES

The Recordati Group has always been committed to pursuing environmental sustainability in its business activities and complying with all related legal and regulatory requirements.
In December 2024, Recordati formalised the Group’s **Environment, Health and Safety Policy**, which covers the following material topics: health and safety, climate change, circular economy, waste management and water management.
The policy contains a specific paragraph on waste management and circular economy. In particular, the Group is committed to reducing the production of waste linked to manufacturing activities, with a particular focus on correctly disposing of hazardous substances. Recordati uses materials which can be recycled or disposed of in accordance with applicable regulations, and optimises the use of raw materials, selecting materials that can be recycled in compliance with the applicable regulations. At the same time, in line with the rigorous legislation that governs the pharmaceutical sector, the Recordati Group undertakes to adopt a circular approach focused on recovery and reuse where possible.
The policy applies to the entire Recordati workforce and to third parties who operate on behalf of Recordati at all sites owned, leased or rented by Recordati where it has operational responsibilities (such as sites managed or controlled by Recordati).
Furthermore, as noted above, environmental issues including waste management are also covered in the Group Code of Ethics, which is acknowledged and signed by the Group's suppliers. Respect for the environment and compliance with related laws and regulations are a key criteria of the supplier selection process.
For more details on the environmental policy, please refer to chapter “E1-2 Policies” in the section on “Climate Change”.

E5-2 ACTIONS

Waste management and circular economy

The Recordati Group's commitment to environmental protection is also evidenced by its determination to reduce the waste produced by its activities; its adoption of a circular approach aimed at recovery and re-use wherever possible; and the correct disposal of chemical and pharmaceutical products, particularly at its production sites.

All waste is processed in accordance with the applicable national laws, and chemical and pharmaceutical waste is managed according to specific internal procedures. In particular, the various types of waste produced at the plants are classified as hazardous or non-hazardous. In accordance with internal operating procedures, all waste is assigned an identification code which in turn defines the management procedure for that type of waste. The classification of waste according to its origin and type (material and composition analysis) is maintained within the sites, leaving the waste collected and stored separately at defined delivery points, and after temporary storage the waste is sent for recycling or disposal (according to its characteristics). Waste disposal is contracted to specialist firms that hold the relative authorisations to act as carriers, intermediaries and recipients.

Depending on the planned storage and disposal process, it is of the utmost importance that workers working in the production plants receive training in waste classification. Training courses for new hires and specific refresher courses are offered throughout the year. Furthermore, in accordance with the provisions of Italian law (Legislative Decree no. 231/01), the Group's organisational model includes the appointment of various waste management officers at the Italian plants.

As previously noted in the section on pollution, all of the Group's production sites hold the necessary environmental authorisations. Ensuring compliance with said authorisations is an essential part of the responsibilities of the Management team at each site. As a demonstration of commitment to the environmental and to continuous improvement, it is highlighted that the Italian Campoverde di Aprilia chemical-pharmaceutical plant and the Tunisian pharmaceutical plant have an ISO 14001 certified environmental management system. Recordati has set out a roadmap to extend ISO 14001 certification to several other Group plants by 2027. The target for 2025 is to reach 100% of API chemical plants holding ISO 14001 certification. For more details on the Sustainability Plan and the targets, please refer to the chapter on "SBM-1 Strategy, Business Model and Value Chain" within the "Strategy" section.

Amongst the main initiatives under way at the Group plants for the management of waste and circular economy, the Campoverde di Aprilia plant conducted analysis of various initiatives to recover and reuse chemical raw materials employed in production processes, such as benzaldehyde and palladium. In 2024 approximately 56% of the benzaldehyde used in production processes was derived from the recovery carried out in 2023. Meanwhile, a total of 12.6 kg of palladium was recovered from production processes in 2024 thanks to a partnership with third-party companies (compared to 7.1 kg in 2023).

At the Milan site, a major investment was made in waste management with the purchase of an IT system to support the administrative side of the waste management process. This tool, which has been in operation at the Campoverde site for several years, reinforces and digitises the management process, and allows for interaction with the National Electronic Waste Traceability Register (RENTRI), a new regulatory requirement in force in Italy from February 2025.

Sustainable packaging

In line with the strict legislation that governs the pharmaceutical sector, the Group continued various initiatives intended to promote the widespread use of more sustainable packaging in 2024. For example, as described in more detail in the Sustainability Plan, the use of FSC-certified paper was expanded to other products. In addition, the Milan plant started to recover and reuse wooden pallets in 2024, and the expansion of this recovery activity to other plants is also being considered.

The actions described in the paragraph refer to the Group and, specifically, to the production plants. In terms of the value chain, please note that no specific activities are underway at the moment. However, it should

be emphasised that the Group has drawn up a plan for monitoring conducted through desk audits and subsequent engagement activities (described in more detail in section "S2 - Workers in the value chain") in order to monitor the environmental practices of suppliers (including issues related to waste management).

E5-3 TARGETS

Environmental protection is one of the pillars of the Group's Sustainability Plan which sets out its future targets. On the topic of environmental management, including the management of waste, Recordati has set out a roadmap to extend ISO 14001 certification to several other Group plants by 2027, representing a combined 90% of all waste produced. The target for 2025 is to reach 100% of API chemical plants holding ISO 14001 certification.
Although no quantitative target for the reduction of waste has yet been set, when it comes to the topic of environmental management, including the improvement of waste management, the Group is confident it can identify action areas with a view to ensuring continuous improvement by implementing a certified environmental management system.
Moreover, the Group aims to continue exploring new initiatives for the recovery and reuse of the chemical raw materials used in production processes, and to continue analysing possible new packaging solutions with a lower environmental impact, in compliance with the stringent regulations that characterise the pharmaceutical sector.
The targets, which can be qualitative and quantitative in nature, are measured and reported on by the Group each year, specifying the state of achievement of each objective in relation to the defined time frames (the result of monitoring).
For more details on the Sustainability Plan and the targets, please refer to the chapter on "SBM-1 Strategy, Business Model and Value Chain" within the "Strategy" section.

E5-4 RESOURCE INFLOWS

In 2024, the total weight of inbound products and technical and biological materials was approximately 28,000 tonnes[99]. This figure includes both inbound packaging and raw materials.
It should be noted that the main raw materials belonging to the following categories were taken into account for the definition of the indicator: API (Active Pharmaceutical Ingredients), excipients, intermediates and base chemicals. Purified water[100], which is essential to pharmaceutical production at the Group's plants, was also included.
With specific reference to the packaging[101], the main types of packaging were considered. For each of these categories, various materials were considered, including paper, plastic, aluminium and glass, as well as other specific materials used at certain plants.
It is also important to emphasise that, as regards inbound raw materials including packaging, the Group operates in a highly regulated sector and, therefore, the use of components sourced from a sustainable supply chain, secondary reused and/or recycled components, is subject to stringent regulations.
Based on the data and information currently available, and considering the total weight of inbound products and technical and biological materials, the percentage of biological materials used by the business to manufacture products and offer services (including packaging) sustainably sourced is insignificant.

---

[99] The data includes an estimate for the inbound packaging and raw materials. The weight of the raw materials has been estimated based on data on the main raw materials used, expressed in kilograms, acquired for the Group's chemical and pharmaceutical production plants. Therefore, reference is made to purchases of these raw materials used for production at the Group's plants. The raw materials used by CMO subcontractors are not included. Packaging weight was estimated based on information provided by the main suppliers of packaging to the production plants, who specified the quantities purchased by the Group in kilograms for each type of material. For some plants, notably Pardubice and Nanterre, the figure was estimated. The total estimated weight of inbound technical and biological materials and products does not include data from the Basilea plant, as the quantities of materials managed at this site are negligible.
[100] The data on purified water relates to consumption at the Utebo, Pardubice, Opalia, Saint Victor, Çerkezköy and Milan plants.
[101] The packaging data refers to the Campoverde, Cork, Milan, Saint Victor, Utebo, Opalia, Çerkezköy, Pardubice and Nanterre plants.

In this context, various initiatives have nonetheless been implemented. As regards the packaging sustainably sourced, the Group has transitioned to the use of certified paper (e.g. FSC) for certain products in recent years (see the Sustainability Plan, in the chapter on "SBM-1 Strategy, Business Model and Value Chain" in the "Strategy" section).
Moreover, based on the data and information currently available, as well as considering the total weight of inbound products and technical and biological materials, the weight and percentage of secondary reused or recycled components, secondary intermediary materials and products used by the business for its products and services (including packaging) is insignificant.
However, it should be noted that projects for the recovery of certain raw materials, such as palladium and benzaldehyde, have been developed, as previously described. In 2024 approximately 56% of the benzaldehyde used in production processes was derived from the recovery carried out in 2023. Meanwhile, a total of 12.6 kg of palladium was recovered from production processes in 2024 thanks to a partnership with third-party companies (compared to 7.1 kg in 2023). However, these values remain negligible at present compared to the total weight of materials.

E5-5 RESOURCE OUTFLOWS

For a description of the main products of the Recordati Group, see chapter "SBM-1 Strategy, Business Model and Value Chain" in the "Strategy" section. As noted above, the Group operates in a highly regulated sector in which the specifications and characteristics of each product[102] are defined by the applicable regulations. As regards recyclability, in terms of the packaging used for products, certain materials such as paper, glass and plastic are recyclable under the local regulations in force.
In terms of the waste produced, approximately 5,000 tonnes of waste were produced in 2024, of which 62% consisted of hazardous waste (substances defined as hazardous by legislation in the country of origin) and 38% of non-hazardous waste (all other forms of liquid and solid waste), down 11% compared to 2023. This trend is mainly attributable to a reduction in the waste produced at the chemical plant in Campoverde di Aprilia. As the percentage of recycled waste is 12%, non-recycled waste therefore accounts for 88%. However, considering all the waste sent for recovery, the percentage of waste sent for disposal operations comes to 58%. Finally, in line with previous years, no radioactive waste was produced in the Group's plants in 2024.

[102] *In the context of pharmaceutical products, principles of circularity such as durability, reusability, repairability, disassembly, remanufacturing and refurbishment, for example, do not apply. As previously described, some initiatives related to the circular economy are involved in chemical processes (in particular, initiatives concerning palladium and benzaldehyde).*

Total waste produced by Recordati Group plants, by type and disposal method[103]

	Unit of measurement	2024			2023			Change %		
		Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Waste diverted from disposal by recovery operation type										
Total	tonnes	**1,136.6**	**1,190.2**	**2,326.8**	1,231.2	1,365.1	2,596.3	-8%	-13%	-10%
of which: preparation for re-use	tonnes	**0.0**	**0.0**	**0.0**	0.0	0.0	0.0	-	-	-
of which: recycling[104]	tonnes	**63.9**	**614.3**	**678.2**	38.2	740.9	779.1	67%	-17%	-13%
of which: other recovery operations	tonnes	**1,072.6**	**575.9**	**1,648.5**	1,193.0	624.2	1,817.2	-10%	-8%	-9%
Waste directed to disposal by disposal operation type										
Total	tonnes	**2,307.7**	**947.1**	**3,254.8**	2,481.6	1,355.3	3,836.9	-7%	-30%	-15%
of which: incineration	tonnes	**792.5**	**323.2**	**1,115.7**	765.2	461.3	1,226.5	4%	-30%	-9%
of which: landfilling[105]	tonnes	**1.5**	**23.6**	**25.1**	1.9	98.6	100.5	-20%	-76%	-75%
of which: other disposal operations	tonnes	**1,513.7**	**600.3**	**2,114.0**	1,714.5	795.4	2,509.9	-12%	-25%	-16%
Total waste produced	**tonnes**	**3,444.3**	**2,137.3**	**5,581.6**	3,712.8	2,720.4	6,433.2	-7%	-21%	-13%
Percentage of total	**%**	**62%**	**38%**	**100%**	**58%**	**42%**	**100%**	**4%**	**-4%**	**0%**

The waste generated depends on the specific activities carried out at each site. It may include the following types, among others: chemical or pharmaceutical substances, packaging, paper, plastic, aluminium and metal used for the packaging of the Group's products, as well as food waste generated by the canteens, where present. Given the nature of the industry, a significant portion of the waste produced is classified as hazardous (especially at the Cork and Campoverde chemical-pharmaceutical sites) and requires disposal as the safest method. Specifically, most of the waste at these sites consists of waste deriving from production activities, such as pharmaceutical products, APIs, solvents, excipients, and wastewater generated as part of the production processes.

[103] In most cases, the data on waste quantities are either provided directly by the Group's waste management companies, through weighing, or retrieved from computerised management systems.

[104] The increase in hazardous waste not sent to disposal compared to 2023 is mainly due to the different treatment methods used for the recovery/regeneration of solvents at the plant to which the Cork facility sends its hazardous waste.

[105] The decrease in non-hazardous waste sent to landfill compared to 2023 is mainly due to the increased efficiency of the production processes at the Utebo plant, leading to less waste being produced.

CONSOLIDATED SUSTAINABILITY STATEMENT

SOCIAL INFORMATION

OWN WORKFORCE

ESRS 2 SBM-3 S1 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The Group's employees can be divided into 3 main categories: Office Employees, who mainly carry out on-site laboratory or office tasks; Field Employees, who operate as part of the sales network locally, specifically medical sales representatives and the Medical Science Liaison team; and Plant Operators, who are directly involved in the production activities and related support services. To guarantee a strong level of workforce flexibility, in addition to these three categories the Group also works with collaborators who are not employees. These mainly include agents, interns, contractors and temporary workers, most of whom are involved in production.

The Group conducted a double materiality analysis which identified the main impacts and risks associated with its own workforce. The following sections of this chapter describe how these topics are managed and integrated into the Group's strategy.

The material topics identified during the analysis included the promotion of diversity and inclusive practices that can have a positive impact on employee motivation and enrich the company’s capacity for innovation, which represents a driver in the business’ success. The D&I activities conducted by the Group are described in specific paragraphs.
Recordati believes in the value of diversity and innovation in all corporate contexts and encourages the Group’s staff to freely experience and express diverse ideas, solutions and opinions.
The Group believes that to reach their full potential, people must be able to feel comfortable in themselves, each with their own opinions and ideas, and empowered to pursue their own goals in the way that they deem fit, always respecting the Group’s Code of Ethics. Consequently, all managers are called upon to share the Group’s targets with their collaborators, enabling everyone who works within the Group to define and propose targets and growth pathways and align them with company strategy.

The double materiality analysis also highlighted training and development as a material topic. The promotion of opportunities for growth, training and development has a positive impact on staff motivation, growth of expertise and talent attraction and retention. The Group has also identified a risk associated with the attraction and retention of talent.
In the belief that the Group’s results are closely tied to people’s ability to be actively engaged in achieving those goals, Recordati continuously strives to improve its HR recruitment, development and optimisation policies. The recruitment process is aimed at selecting the most qualified candidates that best match to the qualifications required by company departments, in accordance with equal opportunities and considering the market *benchmarks* and parameters of internal fairness. Training and development aim to encourage personal and professional growth, as well as career progression, with respect for personal aptitudes and preferences, by creating an environment that allows everyone to express their talents.

The promotion of work-life integration initiatives, such as smart working, also supports a good balance between work and private life and is considered a key element as it contributes to generating a positive impact on employee well-being and motivation.

The Group recognises the vital importance of health and safety as an absolute priority and responsibility. Work-related injuries can negatively impact workers' lives. Furthermore, non-compliance with health and safety laws and regulations may also generate a compliance risk. This impact and this risk were considered with particular reference to the Group's own workforce and to third parties who operate on behalf of Recordati at all sites owned, leased or rented by Recordati where it has operational responsibilities (such as

sites managed or controlled by Recordati). Production plants, and chemical plants in particular, represent the contexts in which workers are exposed to the greatest level of risk[106].

Recordati complies with all applicable laws and regulations, and is constantly committed to promoting and strengthening a culture of safety, encouraging responsible conduct and striving to protect the health and safety of everyone who works on behalf of the Group, focusing in particular on preventive action.

Any violation of the human rights of employees (including working time, adequate wages, social dialogue, freedom of association, collective bargaining, equal treatment, child labour and forced labour) could potentially generate a negative impact on people. Recordati complies with all regulations in force regarding employment contracts and the protection of workers' rights. Additionally, the Group guarantees workers' rights to join and form trade unions and is committed to ensuring that union representatives experience no discrimination in the workplace and are able to communicate freely with their associates.
As regards its own employees, the Group has not identified any activities with a risk of forced or child labour, in terms of both operation and the countries or areas in which those activities take place.

Finally, the Group has considered the possible negative impacts associated with any potential loss of sensitive information or personal data linked to its stakeholders, including employees, managed by Recordati.

See chapter "SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model" for more details on the impacts and risks identified and the methodology followed.

S1-1 POLICIES

The Recordati Group has a long history of entrepreneurial passion, a strong reputation, and the aspiration to continue to grow, innovate and create value for patients, investors and employees in an ethical, long-lasting and sustainable way. The Recordati Group recognises the central importance of its Human Resources, who represent the primary factor for the successful implementation of the corporate strategy and the generation of value in the long term. To this end, the Group is committed to guaranteeing employees' commitment and engagement to the company's purpose and values, and improving the quality of life of present and future generations to protect their well-being, health and safety, always in full compliance with current provisions and laws. It incentivises training and professional development. It promotes a balanced, merit-based and inclusive environment where each individual is able to optimise their capabilities, ideas, potential and talent.

The Recordati Group operates in highly specialised sectors such as the specialist and general medicine pharmaceutical sector, the treatment of rare diseases, and chemical pharmaceuticals. In order to operate effectively in these fields, it is essential to collaborate with increasingly highly qualified employees who bring professionalism and added value to the Group and enable us to tackle the challenges inherent to the sector. For this reason, Recordati is increasingly committed to ensuring the implementation of a human resources management policy that prioritises people's well-being and professional development.

The Group places great emphasis on policies and practices that improve conditions for its collaborators, setting a benchmark as a leading company where people aspire to work and that offers its employees a unique experience while further strengthening their connection with the Group. Recordati's Employee Value Proposition aims to keep key resources, their successors, and internal talent and to be competitive when attracting talented individuals from outside the company.

Everyone is important at Recordati and part of a community where each person contributes to the Group's success. The Company encourages and supports its staff to unlock their potential, staying true to company's *purpose*: *Unlocking the full potential of life*.

[106] *For more details on the health and safety management system, please refer to the paragraphs concerning Health and Safety within the chapters of this section.*

Recordati has adopted a series of HR policies to ensure that its personnel management aligns with the values and strategies of the Group, establishing principles and guidelines that all Group employees are required to follow.

Below is a summary of the main contents of the policies that encompass the relevant topics emerging from the double materiality analysis described in the chapter “SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model”.

The following policies align with the Group Code of Ethics and have been approved and signed by the Top Management personnel most involved in ensuring their implementation, as well as by the Chief Executive Officer. These refer to all of the Group's own workforce and, where specifically stated, also extend to the value chain.

The policies have also been made available to the Group's own workforce on the company intranet and describe the channels and mechanisms in place for reporting any concerns or violations, along with the relative management processes.

D&I Policy

As stated in the Group Code of Ethics and described in the D&I Policy issued in November 2024, at Recordati we believe that inclusion, the celebration of diversity (including but not limited to age, gender, sexual orientation and gender identity, disability and neurodiversity, ethnicity, language, nationality and cultural origin, learning style, family status, education, socio-economic situation, political and trade union beliefs, religious beliefs or any other personal characteristics) and collaboration enhance the capacity for innovation, and thus represent a driver of business success. In fact, by celebrating diversity and promoting inclusive practices the Group is able to effectively react to societal and market changes. For Recordati, inclusion means developing a working environment where everyone feels welcome, respected, supported and appreciated for their individuality and talent: this means having the freedom to express their thoughts and opinions in a culture characterised by active listening, where everyone has the opportunity to make mistakes and to learn from them.

To promote this culture and as part of the “One Company” approach, the Group asks each manager not only to guarantee that there is no discrimination of any type in the workplace, but also to underline the importance of Diversity & Inclusion (D&I) issues by demonstrating how diversity, equity and inclusion can help the Group to achieve its short, medium and long-term goals and objectives, in accordance with the applicable laws and regulations. Recordati strives to make everyone aware of their value and encourage them to be ambassadors for the Group.

The policy is based on the leading standards and guidelines on human rights, such as the UN Universal Declaration of Human Rights, the Charter of Fundamental Rights of the European Union, and the decent work standards established by the conventions of the International Labour Organization (ILO). The Policy also refers to internal Group documents such as the Code of Ethics, the Whistleblowing Policy, the Sexual Harassment Policy and the Global Recruitment Policy.

The D&I Policy applies to all Group employees and sets out the fundamental principles that underpin the Group's approach to Diversity and Inclusion. It clarifies the responsibility of each and every employee to promote a corporate culture that rejects all forms of discrimination and prejudice, with specific reference to the following examples: gender, age, ethnic/racial background, sexual orientation, gender identity, physical ability and neurodiversity, nationality, cultural background, learning styles, religion, family status, educational background and socio-economic status, as well as other personal characteristics.

To promote the principles set out in the policy, the 2025 training plan focuses specifically on the D&I Policy adopted by the Group.

Sexual Harassment Policy

In order to prevent, identify and manage potential incidents of harassment and to promote a safe and inclusive working environment in which all individuals have the right to physical and psychological integrity, the Recordati Group adopted a Sexual Harassment policy in 2022.

The Group takes a zero-tolerance approach to all forms of sexual harassment in the workplace and emphasises the importance of reporting any potential incidents, undertaking a commitment to protect anyone who makes a report in good faith from any form of retaliatory action. The policy does not prevent the injured party from reporting the incident to the competent Authorities, according to the applicable local legislation.

The Policy applies to all Recordati employees and third parties who interact with Recordati employees at the workplace.

The Document is inspired by the principles established in the Universal Declaration of Human Rights and Convention 190/2019 of the International Labour Organization. The Policy also refers to internal Group documents such as the Code of Ethics and the Whistleblowing Policy.

In the second half of 2023, a new online training course which covers the Sexual Harassment Policy was rolled out in all companies of the Recordati Group. This course is available in Italian, English, Turkish, Polish, German, Spanish, Portuguese, French, Czech, Russian and Chinese, and is aimed at all employees with access to digital devices. In 2024, the Recordati Group continued to pursue its commitment to ensure that 100% of Group employees are involved a training programme on sexual harassment by extending the training to all new employees.

Environment, Health and Safety Policy

The Recordati Group is committed to continuously improving its occupational health and safety performance and complies with all applicable legal and regulatory requirements.
As stated in the Code of Ethics, the Group is committed to disseminating and consolidating a culture of safety, raising awareness of risks, also through training activity aimed at promoting responsible behaviour and working to protect the health and safety of those operating for the Group, including by preventive measures. In this regard, in December 2024 the Recordati Group adopted a specific health, safety and environment policy that sets out the key principles and responsibilities to be followed when adopting prevention and protection measures to improve occupational health and safety conditions. The policy promotes active communication and encourages workers to report any concerns (such as accidents, near misses, potentially unsafe conditions, etc.), without any personal detriment, in order to facilitate continuous and long-lasting improvement.
The policy applies to all Recordati employees and third parties who operate on behalf of Recordati at all sites owned, leased or rented by Recordati and where the Group has operational responsibilities (such as sites managed or controlled by Recordati).
The principles and guidelines that underpin the policy are found in numerous internal documents, including the Code of Ethics and the Whistleblowing Policy.
The Group HSE department is responsible for reviewing and updating the policy on a regular basis, working in close contact with health and safety experts and with representatives of the interested parties.

Human Rights Policy

In February 2025, Recordati formalised a specific policy on Human Rights. This policy emphasises the Group's commitment to act with responsibility and integrity, ensuring that human rights are integrated into all aspects of its activities and promoted throughout the entire value chain.

The Human Rights Policy is aligned with the leading international standards, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights which includes the Universal Declaration of Human Rights, and the Charter of Fundamental Rights of the European Union. These

frameworks guide the Group's commitment to unholding human rights in all of its operations and along the value chain.

The document was drafted with support from the Group's management personnel, who have in-depth knowledge of the business and the value chain, as well as of ESG, compliance, legal and HR aspects. The process did not involve any external stakeholders.

The principles enshrined in the Policy concern the protection of health and safety, freedom of association and the right to collective bargaining, working conditions, working hours and adequate remuneration, non-discrimination, diversity and inclusion, child labour, forced or compulsory labour, modern slavery and human trafficking, local and minority communities (including indigenous populations), privacy and data protection.

Furthermore, these aspects are also highlighted in several internal documents to help ensure that the principles of human rights are put into practice in the Group's everyday actions. These include, for example, the Code of Ethics, the Group policies on the main company processes such as the Health, Safety and Environment Policy, the Diversity and Inclusion Policy and the Whistleblowing Policy, and relevant local procedures.

For 2025, the Group aims to distribute the Human Rights Policy to all Group employees.

Privacy

For more information on the Privacy policy, refer to the “Business Conduct” section.

Finally, despite not being the subject of a formalised *ad hoc* policy, the importance of **training and the work-life balance** is recognised in the Group Code of Ethics. Recordati believes that employee well-being is essential, and encourages the professional growth and career development of its human resources, providing technical and professional advancement through on-the-job training as well as classroom and on-line courses. Furthermore, the Group believes it is important to provide an environment that allows employees to enjoy a satisfactory quality of working life, including through corporate welfare programmes.
Recordati encourages employee involvement in Company activities and promote improvement in the quality of internal relationships in general.
Moreover, each policy makes specific reference to awareness and training on the topics and principles contained therein.

S1-2 PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS’REPRESENTATIVES ABOUT IMPACTS

Recordati is committed to maintaining an open channel of communication with its own workforce to inform, engage and inspire them around the company strategy and the results achieved. Transparent and constructive dialogue not only facilitates communication between the various parties, but also supports the creation of a positive, inclusive and respectful working environment.

Dialogue and engagement activities are essential to gathering employee feedback, providing an understanding of their needs and informing the development of a strategic and targeted action plan. These activities are defined and managed by the Human Resources department.

The main activities regularly undertaken include:

Culture Survey and People Engagement Survey

- Several initiatives were carried out in 2024, notably including the Culture Survey. Following on from the previous surveys conducted in 2022 and 2023, in summer 2024 Recordati asked the company's senior leadership group, which has around 300 members, to complete another survey in order to continue to understand what the company can do to ensure people feel engaged, empowered and fulfilled, and to monitor any improvements. The survey also contained questions on diversity and inclusion, freedom of

expression, and work-life balance. The results and feedback were encouraging, and provided suggestions on how to continue to create a positive working environment at Recordati.

- The Group also carries out periodic People Engagement Surveys. Recordati ran its first ever global People Engagement Survey in February 2023, collecting feedback from over 4,300 employees and empowering them to express their opinions in an honest and transparent way. The aim of Recordati's survey was to use everyone's feedback to build an even more connected and inclusive environment, in which everyone could feel safe to speak up and supported to contribute to the company's growth and success. The survey achieved an excellent participation rate of 80% and highlighted some key drivers, strengths and opportunities of betterment. Recordati developed a significant action plan and undertook important initiatives at a global level, focused on the areas of improvement identified by the survey[107].In order to continue to understand the issues and monitor the progress achieved, including in relation to the activities implemented in response to the impacts, the Group plans to conduct a second People Engagement Survey in 2025 which, like the first edition, will involve the entire company workforce.

Employee groups: Culture Ambassadors and D&I Champions

- In response to the feedback collected by the surveys, Recordati established a company-wide network of Culture Ambassadors in 2023. This network now has over 80 members, with representatives in various business areas across 32 countries. The role of the Culture Ambassadors is to engage colleagues locally in cultural initiatives, thereby strengthening their sense of pride in the company and ensuring that feedback and opinions from employees on global projects are taken on board. Specifically, the Culture Ambassador network supported the creation and implementation of the company's "Unlocking the Full Potential of Life" mission in 2023, while in 2024 it continued to guarantee that the Group's strategy is implemented across the business, promoting Recordati's mission to both internal and external audiences. One of the actions taken was to ensure that key messages are reflected at local meetings and that plant employees are also involved. In 2025, the Culture Ambassadors will be involved in the process to update the Group's values, ensuring that employee perspectives are reflected when defining the corporate strategy and culture.
- In April 2024, a global network of more than 60 D&I Champions was created, with representatives from all of the countries in which the Group operates and all business units. This network is tasked with co-creating the D&I agenda and harmonising the global strategy with local priorities. The D&I Network meets virtually on a monthly basis, and in-person once a year. During the in-person meeting in June 2024, the D&I Champions worked to define the scope of the network and their role as ambassadors. They also participated in three D&I training modules with a "train-the-trainer" format, with the ultimate aim of replicating these workshops with leadership teams in their respective countries or business units.

Other initiatives

- The Group publishes a quarterly newsletter on the company intranet to share the main news and initiatives conducted at Group level with its employees.
- Another opportunity to promote teamwork and engage employees is represented by corporate volunteering initiatives, which see the active involvement of employees in activities benefiting the community.

For engagement activities linked to human rights which are planned for 2025, please refer to chapter "S1-1 – Policies" and to the Sustainability Plan.

Health and Safety

The Recordati Group believes that participation of employees in the identification and reporting of any issues regarding health and safety in the workplace or possible dangerous situations to which employees may be

[107] *For more details on the first People Engagement Survey, see the 2023 Annual Report. The survey also contained questions on training, development, trust and collaboration, health and safety, diversity and inclusion, and engagement.*

exposed is of fundamental importance and encourages such involvement. A specific procedure was adopted at the Group's plants to declare and report dangerous situations or irregularities at the plants. As established by individual local legislation, periodic meetings of the Group's internal Health and Safety Committees or special dedicated work groups present in the plants are also held, involving Workers' Representatives, management representatives and members of the Health, Safety and Environment (HSE) service, in order to create and consolidate a collaborative working environment, above all regarding certain sensitive topics such as health and safety in the workplace.

Industrial relations

The industrial relations model plays a fundamental role, providing opportunities for dialogue with workers and guaranteeing that their rights are upheld. The industrial relations system implemented by the Companies of the Recordati Group is based on engaging workers and their representatives, where applicable, in the pursuit of the company's objectives, ensuring that the goals to be achieved are constantly monitored. It is based on continuous dialogue and debate, characterised by proper and transparent relations, and is aimed at increasing the firm's competitiveness and promoting maximum employment.

Industrial relations are managed at a local level, mainly by the Human Resources department, with workers and workers' representatives involved through periodic meetings, the frequency of which varies according to need and based on the regulatory provisions of each country.
During discussions of financial matters and/or related to how work is carried out or the correct application of union rights, a specific agreement is drawn up and signed by both parties, containing the information relating to what was agreed and discussed during the meeting.
In 2024, the periodic meetings with trade union representatives took place in a constructive and collaborative climate and covered various topics mainly related to working conditions, including new working hours, new benefits, productivity-related bonuses and the modulation of collective shut-downs, for example.

The Group is aware that certain strategic decisions can have repercussions on its employees and, therefore, in line with the principle of constructive and timely dialogue with the parties involved, in the event of major organisational changes (such as restructuring or other significant operations) the Group undertakes to inform workers and their representatives, with the period of notice varying between countries but always in compliance with local regulations, collective bargaining contracts and trade-union agreements. Moreover, also in compliance with local regulations and the collective bargaining and trade union agreements in place, in the event of extraordinary operations that affect the number of people employed in a certain region the Company uses tools to minimise the social impact, such as temporary economic support (redundancy incentives) and relocation packages.

Regarding the involvement of workers representatives, the Group has informed the trade unions of Milan and Campoverde di Aprilia about the new developments in sustainability reporting. Further information activities will be carried out after the publication of the Financial Statements.

S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS

Details of the reporting channels made available to all stakeholders, including the Group's own workers, to raise any concerns, along with the relative management processes, are described in chapter "G1-1 Business conduct policies and corporate culture" in the "Business Conduct" section.

S1-4 ACTIONS

The actions described below are managed by the Human Resources department.

DIVERSITY AND EQUAL OPPORTUNITIES

Recordati is committed to combatting all forms of workplace discrimination and promotes the value of diversity throughout the organisation. The Group's D&I principles are enshrined in its D&I Policy, as previously alluded to, but are also referred to in other internal documents and policies, such as the Code of Ethics and the Sexual Harassment Policy.
In 2024, the Group's commitment to Diversity & Inclusion was consolidated through a series of activities that engaged Recordati's own workforce in the process to achieve the D&I targets set out in the Sustainability Plan. The Group annually publishes its performance on achieving the goals set in the Sustainability Plan to monitor and disclose its progress. Furthermore, in order to monitor the effectiveness of the D&I initiatives, an inclusion index will be introduced into the 2025 People Engagement Survey to measure employee perceptions of inclusivity at Recordati.

Main actions in 2024:

- At the start of 2024, the Recordati Group's D&I strategy was formalised, structured around three pillars that encompass all business areas and consider both internal and external factors. One key element of the strategy is the D&I Vision "Your uniqueness, our strength", which conveys the message that Recordati's strength stems from its acceptance and appreciation of the uniqueness of each individual.
- Underlining the efforts made by the Group to promote diversity and inclusion, and in line with the commitments stated in the Sustainability Plan, Recordati has signed European Diversity Charters in thirteen countries in the EU: Austria, France, Germany, Greece, Ireland, Poland, Portugal, Czech Republic, Romania, Slovakia, Spain and Sweden, in addition to the Charter in Italy which was signed in 2021. By signing these Charters, and as enshrined in the Code of Ethics, Recordati undertakes to combat all forms of discrimination in the workplace and to enhance diversity within its organisation. In 2025, the Group will complete the signatures of the European Diversity Charters in the two remaining countries, Belgium and the Netherlands, thereby reaching the important milestone of signing the Diversity Charter in all the main European countries in which it operates[108].
- In line with the commitments stated in the Sustainability Plan, the Group created a global network of more than 60 D&I Champions in April 2024, with representatives from all of the countries in which the Group operates and all business units. This network is tasked with co-creating the D&I agenda and harmonising the global strategy with local priorities. This is all aimed at the creation of a diverse and inclusive working environment, in which every employee feels safe, supported, included and valued for who they are. The D&I Network meets virtually on a monthly basis, and in-person once a year. During the in-person meeting in June 2024, the D&I Champions worked to define the scope of the network and their role as ambassadors. They also participated in three D&I training modules with a "train-the-trainer" format, with the ultimate aim of replicating these workshops with leadership teams in their respective countries or business units. The D&I Champions can also personalise their profiles on the company intranet by adding a tag with the "D&I Champion" title.
- In 2024, three training modules were developed internally, to be delivered through in-person sessions with all leaders:
  – Introduction to D&I at Recordati
  – Our D&I approach in 5 steps
  – Unconscious Bias

  The modules were delivered by the Group D&I Manager to the D&I Champions during the annual in-person meeting, adopting a train-the-trainer format. More than 1,100 hours of training were delivered in 2024 and the Group intends to continue to offer D&I training in 2025.

[108] *With at least 10 employees.*

- A specific page was published on the company intranet which currently features a homepage and three sections: Vision and Strategy, EU Diversity Charters, Global D&I Network.
- The partnership with Valore D continued, an Italian business association committed to promoting gender balance and an inclusive culture. In this regard, a number of employees took part in D&I awareness-raising and training initiatives, as well as intercompany mentoring programmes.
- An internal survey on corporate culture was carried out in July 2024, involving Group management (around 300 managers). The survey was aimed at gathering feedback on actions implemented to foster a culture of inclusion, trust and ongoing feedback. The results of the survey showed that, according to our leaders, Recordati has become a more inclusive company where there is confidence in the change taking place.

Training and development

As stated in the Code of Ethics, Recordati considers the development of its people to be fundamental for their fulfilment and the company's success. The Group encourages the professional growth and career development of its employees by providing technical and professional advancement through on-the-job, classroom and online training. Access to training, development and career advancement opportunities must be based on merit and capabilities, guaranteeing fairness and equal opportunities to all parties involved.

At Recordati, skills are developed through on-the-job training, online and in-person courses, individual and group work, coaching, and mentoring. Furthermore, these programmes focus not only on the skills most relevant to employees' current roles, but also identify the skills and abilities required for future roles and for the company's continued development.

The Recordati Group has adopted the 70:20:10 learning model:

- 70% experiential learning: the bulk of the training is delivered through on-the-job experiences, where skills are shaped by everyday projects and challenges;
- 20% social learning: interaction with colleagues, feedback and collaboration contribute significantly to growth;
- 10% formal leaning: the training concludes with participation in workshops and courses with the awarding of certificates.

The main initiatives implemented by the Group during the year concerned the development of the technical, managerial and linguistic skills of Group employees (including temporary and part-time workers), and specialist and professional skills development programmes.

A hybrid approach to training has been adopted: in-person training sessions can also be attended remotely, and events are recorded to provide a resource for future use.
The Group's commitment to the training and development of its employees can be seen in several activities, including:

- **Group e-learning platform**: the use of the e-learning platforms was extended in 2024. The platforms track the take-up of each course and enable the more agile and effective management of courses that are mandatory for all of the Group's employees, regardless of site. The mandatory courses available on the platform include courses on Pharmacovigilance, Compliance, the Code of Ethics, Health and Safety, as well as a course on Safe Driving, a course on Unconscious Bias, and Sexual Harassment. The courses require employees to complete a final exam to show that the content has been understood and assimilated.
- **Synchronised global training**: in 2024, globally synchronised online training courses were developed and implemented, including workshops on "Setting targets" and "How to make fair and impartial assessments", for example. These were offered to 700 managers responsible for employees across the Group at a global level. Each manager was invited to participate in two 120-minute sessions per workshop; the meetings, one theoretical and one practical, were aimed respectively at explaining the theory and enabling an exchange of experiences between the participants. To enable everyone to participate, Train-

the-Trainer courses on these topics were offered to all of the Group's HR managers who, after completing them, were able to deliver the training themselves in their local language. Again, managers who were not able to attend the sessions were able to view the recordings after the event.

- **Recordati Leadership Academy**: launched in 2022, this project continued in 2024 with the aim of offering newly appointed leaders the opportunity to develop their skills and potential. The courses includes training days, coaching sessions, self-assessments and the development of an action plan to help participants to acquire or develop their leadership skills. These skills include the ability to self-manage, reflecting on one's own personality, character, and way of thinking and acting within the organisation, to be able to manage, inspire, and relate and communicate with others.
- **Competencies Toolkit**: to support the Group's HR managers in training all employees on the new Recordati Competencies, a manual was created containing role-plays, interactive exercises and tips that can be used during meetings. Train-The-Trainer courses on how to use the manual were offered to all Group HR managers, who were then able to train managers in the local language.
- **MyImpact Training**: to train people on the new "MyImpact" assessment system, both technically and in terms of the process, the Group's HR managers received training which they then passed on to their colleagues, independently and in the local language.
- **Personality and Preference Inventory (P.A.P.I.) certification project**: aimed at the Group's HR managers, the P.A.P.I. test is a diagnostic tool that identifies an individual's skills and personality traits. The tool can be used during the recruitment process and during employee appraisals. The entire team participated in the training and are now able to share a common perspective and discuss evaluations of people's strengths and areas for improvement.

In total, approximately 10 Million euros was spent on training in 2024.

Performance evaluation systems

In the context of continuous professional development, performance evaluation systems are an integral part of an employee's growth trajectory at Recordati. In fact, the Group has implemented a range of actions to guide, assess and optimise the skills of its employees:

- **Identification of new Group Key Competencies**: in 2024, collaboration, empowerment/accountability, focus and innovation were identified as the new Key Competencies which the Group needs. Each of these competencies has been linked to specific principles of conduct for different professional categories at global level. In this way, the Group has defined not only what it expects of its people in terms of targets, but also how these targets are to be achieved.
- **Launch of MyImpact**: in 2024, the Group launched a new personal assessment and development platform. Designed in 2023, the system has been developed with a people-centric design and offers a collaborative way to set targets, measure performances, and guide and encourage continuous feedback to support individual development plans for all participants. Thanks to the platform, the individual assessment and development process has been extended to all employees with a company email address.
- **Assessment tools**: to further encourage the development and growth of competencies within the Group, the company has adopted a new suite of tools at global level, including for example psychometric tests, 360° feedback and an assessment centre, to standardise the assessment process across its branches and offer greater opportunities for development at an international level.

As highlighted in the Sustainability Plan, in order to nurture the growth aspirations of personnel through individual development plans, the Group has set itself the target of ensuring that at least 70% of employees have identified professional growth goals through an individual development plan (IDP). (2024 base year: 45.8%).

Remuneration and benefits system

The Recordati Group has always been committed to ensuring that employee remuneration is in line with the applicable regulations, the responsibilities of the role, and individual performances. In fact, the remuneration system of the Recordati Group is based on the meritocratic "Pay for performance" principle, and has been designed to encourage and reward high levels of performance, aligning managers' and employees' interests with those of our shareholders. Recordati remains committed to establishing competitive remuneration and benefits structures that align with the company's targets and local characteristics. Recordati's remuneration policies fully comply with national labour legislation and local collective bargaining agreements, guaranteeing equity and consistency in all contexts.
The remuneration system is composed of basic remuneration, benefits (e.g. health insurance), a short-term variable component (variable annual bonus), and a long-term variable component.

The Group offers a variable short-term monetary incentive scheme to its employees, based on the achievement of financial, quantitative and quantitative targets that can be measured over the course of one year.
The variable component of total remuneration varies between the Group's Italian and foreign companies. In Italy, the variable component consists mainly of the Group Short Term Incentive (Group STI) and the Participation Bonus (available to all middle managers and staff, but not to top or senior managers). For its foreign companies, the variable component is based on the Group STI Plan and other local STI plans, as well as any specific elements provided for by national legislation.

In 2023, following a comprehensive review process that included benchmark analysis and consultations with leading industry experts, and with the goal of aligning the interests of key leaders with the long-term growth and success of the organisation, Recordati opted to review its Long-Term Incentive (LTI) scheme, transitioning from Stock Options to Performance Shares in line with best practices. The new LTI plan offers participants the right to receive shares at no cost at a future date, on the condition that specific performance conditions set by the company are met.

Employee welfare and work-life balance

The Recordati Group believes that the welfare of its employees is a key element to achieving company targets. Welfare initiatives differ across the Group's countries of operation, in order to better reflect the local context (regulatory frameworks, available public services, etc.) and employees' needs.

More generally, the principles that inspire the Group's choice of welfare initiatives are:

- the promotion of a professional climate that allows employees to benefit from a healthy work-life balance;
- increased employee engagement, sense of belonging and motivation;
- a reduction in turnover and, in terms of Employer Branding, an increasingly attractive and visible corporate profile on the employment market, particularly within highly selective contexts.

The package offered by the Recordati Group is in line with market practices and provides for a series of additional benefits, from preventive care initiatives (such as flu vaccinations and specialist medical appointments on company premises) to memberships of professional associations, supplier discount schemes (such as with public transport providers), access to the company canteen, company vehicles and health insurance.

The Parent Company in Italy also offers a "flexible benefits" system that allows employees to replace part of their variable remuneration package with goods and/or services in kind that would normally be purchased privately by the employee to meet their personal or family needs, promoting significant fiscal advantages at the local level. The term "flexible benefits" refers to a fixed allowance allocated to employees that can be "spent" freely on the goods and services which best correspond to their individual requirements. This package has been designed to offer the broadest possible variety of options, meeting the different needs of

a population characterised by diverse ages and requirements. Employee welfare is managed by a self-service online platform.

With regard to well-being, several initiatives were made available to employees in 2024, such as tips on healthy lifestyles and daily routines. For example, awareness-raising activities on physical and mental health were organised. In Italy, employees at the Parent Company were given access to a streaming platform hosting a wide range of live and on-demand fitness classes. Furthermore, employees could share access to the platform with up to three family members. In the first instance, the initiatives involved the Group's Italian employees, with the aim of evaluating the future roll-out to other Group companies.

Alongside the various welfare initiatives, Recordati also gives Group employees the opportunity to work remotely for a few days a week, allowing them to benefit from maximum flexibility, always in compliance with the applicable local legislation and in line with their roles and duties.

To further improve employee welfare, a specific target has been integrated into the Sustainability Plan to map the many experiences that have been developed by the Group's branches in recent years. For further details, see the Sustainability Plan.

Health and Safety

As enshrined in the Code of Ethics and in the new Group Health, Safety and Environment Policy described above, the Recordati Group is committed to promoting and consolidating a culture that protects health, safety and the environment, increasing awareness of risks through initiatives and activities aimed at promoting responsible behaviour. Furthermore, it endeavours to guarantee the health and safety of all Group employees as well as third parties who operate on behalf of Recordati at all sites owned, leased or rented by Recordati where it has operational responsibilities (such as sites managed or controlled by Recordati). The focus on this topic is essential for the Group: compliance with health and safety regulations by anyone present at Recordati's sites is fundamental to guaranteeing a safe and secure working environment, preventing incidents and helping to protect collective welling. For this reason, the process of selecting and qualifying suppliers based on their preparation, approach and performance in terms of accidents is of strategic importance.

At its manufacturing sites, regardless of the nature and purpose of the activities carried out, the Group implements prevention measures in accordance with local legislation, aimed at ensuring the constant improvement of occupational health and safety conditions and providing appropriate technical, economic and professional resources. In particular, all production sites are subject to technical and organisational measures, including:

- the adoption of Group guidelines for a systematic approach to the management of health and safety risks and environmental impact;
- the precise and dynamic assessment of the risks and critical issues and the resources to be protected;
- the prompt and accurate reporting of injuries, accidents and near-misses, with all causes thereof investigated, in order to adopt the appropriate corrective measures;
- the continuous maintenance and adoption of advanced technologies to prevent the emergence of risks relating to workers' health and safety;
- the review and technological updating of working practices;
- the provision of training and communications initiatives;
- the adoption of appropriate emergency procedures and health check protocols.

All Recordati employees, particularly department managers, are constantly reminded to employ the maximum care in performing their activities, strictly observing any safety and prevention measures established and avoiding any possible risks to themselves or their collaborators and colleagues. In this context, the Group works hard to maximise the individual responsibility of management figures through the definition and formalisation of occupational health and safety roles and responsibilities. Activities at each production site are controlled and monitored through inspections and audits, performed both internally and

by external companies appointed by the organisation to monitor compliance with Group regulations. In 2024, internal health and safety audits were carried out at plants in the following countries: Italy (Campoverde and Milan), France (Nanterre), Ireland, Tunisia, the Czech Republic and Switzerland. Also in 2024, the plants in Türkiye, Spain, Italy (Campoverde) and Ireland were subject to HSE audits by the local authorities. No critical concerns or compliance issues were raised.
As regards the health and safety management systems, the Tunisian pharmaceutical production plant has been certified according to standard ISO 45001 for several years and remains so to this date. To extend the adoption of this standard and increase the coverage to an increasingly large number of workers, the Group has prepared a roadmap with the aim of achieving ISO 45001 certification at numerous Group plants and covering 80% of plant employees by 2030.[109] To this end, a preliminary gap analysis for the certification is planned at the Milan plant in 2025.

Prevention, monitoring and management of risks for health and safety

The Group is constantly committed to ensuring the ongoing improvement of health and safety in the workplace, to which we constantly devote financial resources as well as carrying out continuous assessments of the risks, critical issues and resources to be protected. The Group records injuries and occupational disease, constantly monitors the main injury rates and analyses the causes and circumstances of every incident, taking prompt improvement actions where necessary. Moreover, events affecting the health and safety of employees at manufacturing sites are subject to periodic review by the Group's executive management and presented to the Risk, Control and CSR Committee.
On all production sites, there is a procedure in place for the management of accidents defined as "near-misses", i.e. any work-related event that could have caused injury or illness but did not; therefore, an event that has the inherent potential to cause injury or significant damage to the environment, equipment or company assets. The procedure involves filling in specific forms, investigating what happened and identifying the corrective measures to be implemented to avoid repetition of the event and reduce the related risk.

In case of accidents at work, the HSE department is promptly informed to activate the specific management procedure. An inspection of the accident site is conducted, involving the managers of the department/site and work group where the accident took place, with a view to gathering all of the information required to analyse the cause of the incident and identify the corrective actions to be taken. All manufacturing plants have personnel with specific first-aid training and the Italian, Irish, Spanish, Swiss, Tunisian and Turkish plants also have an on-site nurse equipped for the management of first aid with the physical presence of qualified healthcare operators.

All Group plants provide their employees with workplace health services. Specifically, every plant appoints its own company doctor or engages external qualified medical personnel with the role of performing inspections aimed at checking the physical condition and ergonomics of workstations, flagging any inadequacies. Additionally, this figure takes prompt action in the case of any accidents. The health service is responsible for the medical examinations required by applicable local laws aimed at periodic monitoring of the state of health of each employee, the frequency and type of which is defined on the basis of the age and type of work performed by each employee.

With regard to the handling and transportation of chemicals and hazardous substances, specific procedures have been defined and adopted at the Group plants where they are required. In many cases, with a view to promoting health and safety, these are shared with/applied to external collaborators and contractors too, as is the case for the Group's chemical-pharmaceutical plants, for example.

At the Group's plants, periodic health and safety risk assessment activities are performed, intended to analyse and manage risks and consequently prevent accidents and/or injuries. Below are some examples of risk assessments and improvement actions adopted.

[109] *The Tunisian plant already holds ISO 45001 certification which covers 18% of employees working in Group plants (calculated based on plant employee data for 2023).*

Regarding Group chemical-pharmaceutical plants, particular attention is focused on managing chemical substances. At the Italian plant in Campoverde di Aprilia, the Risk Assessment Document is continuously updated; specifically, the Chemical Risk Assessment, Explosive Atmosphere (ATEX) Management Risk Assessment and the work-related stress risk assessment were updated in 2024. At the Irish plant in Cork, assessments also are focused on the most dangerous elements of the plant and processes, in particular the use of thionyl chloride and its delivery, storage and reloading. Since 2023, assessment of risks associated with management and disposal of process waste solvents led to an important change in how they are managed and disposed of.

As for the Group's pharmaceutical plants, the Italian production site in Milan has updated the Risk Assessment Document, which collates the specific risk assessments carried out. Specifically, updates were made to the risk assessment for pregnant women/working mothers, work-related stress, vibration risk, risk of manual handling of loads, radon risk, ergonomic risks associated with the use of video display terminals, risk of artificial optical radiation, and risk of electrocution, following which the necessary improvements were made. At the Saint Victor plant in France, the vibration risk and noise risk assessments and the Single Risk Assessment Document were updated in 2024. The Single Risk Assessment Document was also updated at the Nanterre site. At the Turkish production site in Çerkezköy, in addition to the updating of the fire risk assessment, “flash meetings” with production operators at shift start/changeover continued in 2024, with the goal of raising their awareness and increasing their participation in occupational health and safety processes. At the Opalia Recordati site in Tunisia the general risk assessment document was updated. Furthermore, a specific assessment was developed on the risk of work at height and on safe driving.

Finally, as already implemented in the Basel plant in 2023 and to support best practices on HSE across the Group's sites, periodic health and safety tours (walkarounds) have been established to actively involve plant managers, department heads and operators to verify the health and safety measures established in the plant in the field and offer the opportunity to suggest further improvements.

In 2024, spending on and specific investments in health and safety at Group plants totalled approximately 2.4 Million euros[110].

Training and information activity

The Recordati Group believes that training and educating its employees is essential to ensuring the mitigation of health and safety risks. As well as providing mandatory training in compliance with the time frames and methods defined by applicable local laws, the Group also delivers additional voluntary courses. In view of the importance of promoting and consolidating a culture of health and safety, the Group is launching the structured “ESH Engagement and Leadership Programme”, described in more detail in the Sustainability Plan. The programme will be launched in Italy in 2025 and will be rolled out to all of the Group's sites in 2027.

During 2024, around 12,650 hours of health and safety training were provided, mostly for workers in the production plants.

The main training plans include, for example, training on the use and storage of hazardous chemicals and flammable materials during manufacturing processes, the correct use of personal protective equipment, the correct handling of loads and the posture to adopt in working environments, noise risk, fire prevention, and first aid. In the plants, for the relevant roles, specific training is delivered on procedures for handling/ transporting hazardous chemical substances. In some cases, and specifically in all situations where greater attention is required to manage the risks potentially generated by interference between the activities of contractors and Recordati employees, the training also involved external workers and contractors.

[110] *These figures are included in the explanatory notes no. 4 of the Financial Statements.*

Working conditions

As stated in the chapters above as well as in the Code of Ethics and various Group policies described in chapter "S1-1 Policies", Recordati operates in compliance with the international principles, labour laws, regulations and good practices that govern working conditions.

Regarding human rights, the Group commits to preventing and rejecting exploitation of labour, especially child labour, and undertakes to ensure that its suppliers do the same. Within the Group, Recordati takes steps to guarantee that the human rights of all workers are respected, combating all types of harassment, violence, threats, abuse of authority, and the exploitation of crisis situations. As well as complying with the provisions of the applicable laws and/or collective labour agreements, managers across all company departments constantly monitor compliance with the provisions of the Code of Ethics and are committed to intervening promptly in the event of any situation that could potentially result in breaches of the conduct required and promoted by the Group. Furthermore, the Company has established a whistleblowing system to enable its employees to report any alleged violations. As indicated above, Recordati has adopted a specific Human Rights Policy that emphasises the Group's commitment to act with responsibility and integrity, ensuring that human rights are integrated into all aspects of its business and promoted throughout the value chain.

For details on the other points identified as part of the Workers' Rights topic, see the paragraph on remuneration, diversity and inclusion, and relations with trade unions.

Privacy

For details on the management of privacy issues and personal data protection for employees and third parties, please refer to the paragraph on Privacy in the "Business Conduct" chapter.

S1-5 – TARGETS

A people-centric approach is one of the pillars of the Group's Sustainability Plan, which sets out the targets that the Group aims to achieve. The targets in the plan, which can be both qualitative and quantitative, are measured and reported on by the Group each year, specifying the state of achievement of each objective in relation to the defined time frames (the result of monitoring). For further details, please refer to chapter "SBM-1 Strategy, business model and value chain", and in particular to the Sustainability Plan.

METRICS

S1-6 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

At 31 December 2024, the total number of the Group's employees is 4,583[111], an increase compared to 2023, of which 50% were men and 50% were women. The only countries where the Group has 50 or more employees representing at least 10% of its total number of employees are Italy and Türkiye. In Italy Recordati has 1,208 employees, of which 408 are women and 800 are men. The Turkish branch employs 630 people, of which 195 are women and 435 are men. The data are in line with 2023.

With regards to the breakdown of the Recordati Group's workforce by professional category, to facilitate ongoing comparison between the various corporate positions and give a clearer understanding of the organisation, the Group's employees are divided into three categories: Top and senior managers[112], middle

[111] *The data is also provided in the Group's Consolidated Financial Statements, in the Income statement section.*

[112] *The Top Management category includes the entire Executive Leadership Team (ELT), the Group Finance and Group IT directors, the Regional Vice President, the General Manager, and the Leadership Team of the Specialty & Primary Care, Rare Disease and Industrial Operations business units. The Senior Management category includes the Italian managers and the equivalent roles in other countries (including the Country Management Team).*

managers and staff. There are 310 top and senior managers (7%), 874 middle managers (19%) and 3,399 staff (74%).

Employees by gender[113]

Gender	2024	2023
Men	2,299	2,264
Women	2,284	2,191
Other	ND	ND
Not disclosed	ND	ND
Total	**4,583**	**4,455**

Number of employees and percentage by country

	2024		2023	
Countries where the Group operates	**No. of employees**	**% of employees**	**No. of employees**	**% of employees**
Italy	1,208	26.4%	1 172	26.3%
Türkiye	630	13.7%	639	14.3%
France	393	8.6%	396	8.9%
Tunisia	343	7.5%	363	8.1%
Spain	327	7.1%	340	7.6%
Russia	260	5.7%	262	5.9%
United States	221	4.8%	143	3.2%
Poland	146	3.2%	147	3.3%
Germany	133	2.9%	132	3.0%
Portugal	115	2.5%	111	2.5%
Czech Republic and Slovakia	114	2.5%	118	2.6%
Ukraine	92	2.0%	89	2.0%
Switzerland and Austria	86	1.9%	77	1.7%
Great Britain	80	1.7%	70	1.6%
Ireland	73	1.6%	73	1.6%
China	47	1.0%	25	0.6%
Romania and Bulgaria	42	0.9%	42	0.9%
Japan	35	0.8%	22	0.5%
Benelux	32	0.7%	31	0.7%
Other Countries[114]	206	4.5%	203	4.7%
Total	4,583	100%	4,455	100%

[113] Data relative to the composition of the workforce refer to the headcount as at 31 December 2024. With regard to the breakdown of employees by gender, data relating to the genders "Other" and "Not disclosed" is not currently tracked within the company systems. Consequently, the breakdown in the following tables refers to women and men only. The data on total employees is consistent with the information reported in the Integrated Consolidated Financial Statements, in the Profile of the Group.

[114] The item "Other Countries" includes the employees who work in Argentina, Armenia, Australia, Baltic countries, Belarus, Brazil, Canada, Colombia, South Korea, Georgia, Greece, Kazakhstan, the Middle East, Mexico, Nordic countries and Hungary.

As regards the percentage of employees by location[115], Europe accounts for around 63% of employees, followed by Asia/Oceania at 23%, Africa at 8%, and finally America at 6%. Each region presents a generally even gender balance: 49% women and 51% men in Europe; 48% women and 52% men in Asia/Oceania; 52% women and 48% men in America; and 58% women and 42% men in Africa.

Total employees leaving the Group by gender

	2024		2023	
	Number of people	Outbound turnover %	Number of people	Outbound turnover %
Employees leaving the Group				
Men	368	16%	339	15%
Women	350	15%	357	16%
Total	**718**	**16%**	**696**	**16%**

In 2024, 846 new employees joined the Recordati Group, with a total inbound turnover rate (the ratio between the number of new employees and the total Group workforce as at 31 December 2024) of approximately 18%, in line with 2023. Meanwhile, the number of employees who left the company was 718, with an outbound turnover rate (the ratio of number of people leaving the Group to total Group workforce as of 31 December 2024) of around 16%[116], in line with 2023. Around 52% of new employees hired during the year were women.
The inbound and outbound turnover percentages by gender were generally balanced, with the inbound turnover rate at 19% for women and 18% for men. Similarly, the outbound turnover rate was 15% for women and 16% for men.

[115] The "Asia and Oceania" geographical area includes the Turkish branch (Recordati Ilaç ve Hammaddeleri Sanayi ve Ticaret A.S.) and the Russian branch (RUSFIC LLC).
[116] Outbound turnover by gender refers to the ratio between the number of people leaving the Group and the total Group workforce as at 31 December 2024 for each gender. The same methodology applies to inbound turnover.

Employees by contract type and gender[117]

No. of employees	2024			2023		
	Men	Women	Total	Men	Women	Total
Employees by contract type (permanent, temporary, variable hours) and gender						
Total	**2,299**	**2,284**	**4,583**	**2,264**	**2,191**	**4,455**
Permanent Contracts	2,217	2,133	**4,350**	2,179	2,022	**4,201**
Temporary Contracts	82	149	**231**	85	169	**254**
Variable hours	0	2	**2**	0	0	**0**
Employees by contract type (full or part time) and gender						
Total	**2,299**	**2,284**	**4,583**	**2,264**	**2,191**	**4,455**
Part-time	14	74	**88**	19	84	**103**
Full-time	2,285	2,210	**4,495**	2,245	2,107	**4,352**

The Recordati Group believes that a stable and lasting working relationship is an important contributing factor of employee motivation and is essential for the Group's growth and development. For this reason, 95% of the Group's employees are hired on permanent contracts and the Group limits the use of temporary contracts to exceptional cases[118], mainly linked to occasional peaks in production, temporary maternity cover, or cover for long-term absence.

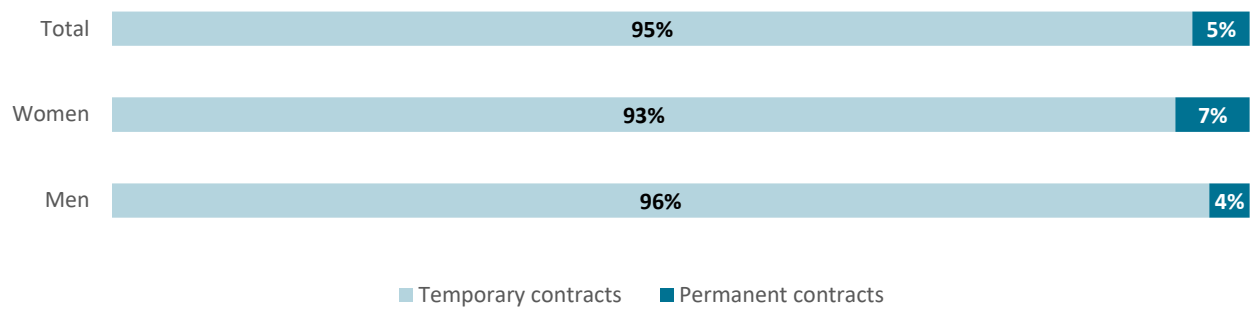
Furthermore, at contractual level, 88 people are employed on part-time contracts[119] provided by the Group to help employees meet personal commitments that preclude full-time employment.

[117] *The number of people is based on the headcount as at 31 December 2024 with the exception of non-guaranteed hours employees who are calculated as Full Time Equivalent (FTE). In 2024 there were 10 non-guaranteed hours employees. These figures are calculated as 2 employees as these were calculated as effective Full Time Equivalents in December to ensure alignment between this sustainability report and the financial statements. For the 2023 data, it was not possible to account for non-guaranteed hours employees separately; therefore, these people have been incorporated into the category of employees on temporary contracts as Full Time Equivalents (FTE).*

[118] *Temporary contracts account for approximately 0.3% of working relationships in the America region, 6% in Asia and Oceania, almost 5 % in Europe and just under 7% in Africa.*

[119] *More than 3% of employees in the Europe region are on part-time contracts, followed by the America region at more than 0.3%, and the Asia and Oceania region at around 0.3%. There are no employees on part-time contracts in Africa.*

Employees by contract type (permanent or temporary) and gender (%)



S1-7 CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE UNDERTAKING'S OWN WORKFORCE

The Group's workforce (4,583) is also supplemented by 205 people who collaborate with Recordati in various capacities: specifically, 96 are self-employed people[120], while 109 are workers made available by companies that mainly carry out "HR selection and supply activities"[121].
These collaborators mainly belong to the plant production or commercial areas locally, and are mainly employees of third parties involved in production operations at the Group's chemical and pharmaceutical plants. The data are in headcount as at 31 December 2024.
The total number of collaborators as at 31 December 2023 was 191; as such, no significant variations were recorded in 2024.

S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

As regards Industrial Relations, the Recordati Group guarantees the right to join unions and collective bargaining rights in all the Countries where it is operative in full compliance with current legislation. The Group adopts positive and constructive conduct and policies towards Workers' Representative Organisations and Trade Unions. Recordati therefore guarantees the right of workers to join and form trade unions, supports alternative means of union association and collective bargaining and ensures that trade union representatives are not discriminated against in the workplace and can communicate freely with their members in full compliance with local legislation. For more details on dialogue activities, please refer to chapter "S1 – 2 Processes for engaging with own workers and workers'

representatives about impacts" in this section.

As in the previous year, in 2024 around 55% of the Group workforce was covered by a collective labour agreement.

In Italy, one of the countries in which Recordati has 50 or more employees representing at least 10% of its total number of employees, the percentage of employees covered by collective bargaining agreements is 100%, with all 1,208 employees covered.

[120] *Mainly consultants who work at the Company to carry out tasks that would otherwise be done by an employee.*
[121] *Mainly equivalent to temporary workers.*

Outside the European Economic Area (EEA)[122], the only region where Recordati has 50 or more employees representing at least 10% of its total number of employees is Asia-Oceania, where the percentage of employees covered by collective labour agreements is 1%.

Collective bargaining coverage and social dialogue[123]

	2024		
	Collective bargaining coverage		Social dialogue
Coverage rate	**Employees - EEA countries**	**Employees - Non-EEA regions**	**Workplace representation (EEA only)**
0-19%		Asia / Oceania	
20-39%			
40-59%			
60-79%			
80-100%	Italy		Italy

In Italy, the only country within the EEA in which Recordati has 50 or more employees representing at least 10% of its total number of employees, the percentage of employees with workplace representation is 100%.

There is no agreement with employees for representation by a European Works Council (EWC), a European Company Works Council (SE-WC) or a Cooperative Society Works Council (SCE-WC). The data in the table on collective bargaining and social dialogue are in line with the data for 2023.

In addition to the above, regarding collective bargaining coverage outside the EEA, the table below shows the percentages of employees covered by collective agreements broken down by all the regions where the Group operates, regardless of the number of employees present.

Percentage of employees covered by collective bargaining agreements by geographic area outside the European Economic Area

	2024	2023
Region	**Percentage of employees covered by collective bargaining agreements**	Percentage of employees covered by collective bargaining agreements
European countries outside of the EEA[124]	34%	35%
America	6%	11%
Africa	100%	100%
Asia and Oceania	1%	1%

[122] The European Economic Area (EEA) includes the following countries: Belgium; Bulgaria; Czech Republic; Denmark; Germany; Estonia; Ireland; Greece; Spain; France; Croatia; Italy; Cyprus; Latvia; Lithuania; Luxembourg; Hungary; Malta; Netherlands; Austria; Poland; Portugal; Romania; Slovenia; Slovakia; Finland; Sweden.

[123] Only countries in which Recordati has 50 or more employees representing at least 10% of its total number of employees are included.

[124] This includes: Switzerland, United Kingdom, Ukraine and Belarus.

S1-9 DIVERSITY METRICS

In line with previous years, the Group's workforce is characterised by an even gender balance. In fact, the workforce is represented by 50% men and the remaining 50% by women. Moreover, around 52% of new employees hired during the year were women, and women hold 33.5% of all top and senior management positions, up compared to 2023.

Gender distribution between Top and Senior Managers of the Group

	2024						2023					
	Men		Women		Total		Men		Women		Total	
No. of employees and percentage	No.	%	No.	%	**No.**	**%**	No.	%	No.	%	**No.**	**%**
Top and Senior Managers	206	66%	104	34%	**310**	**100%**	213	69%	95	31%	**308**	**100%**

Employees by professional category and gender

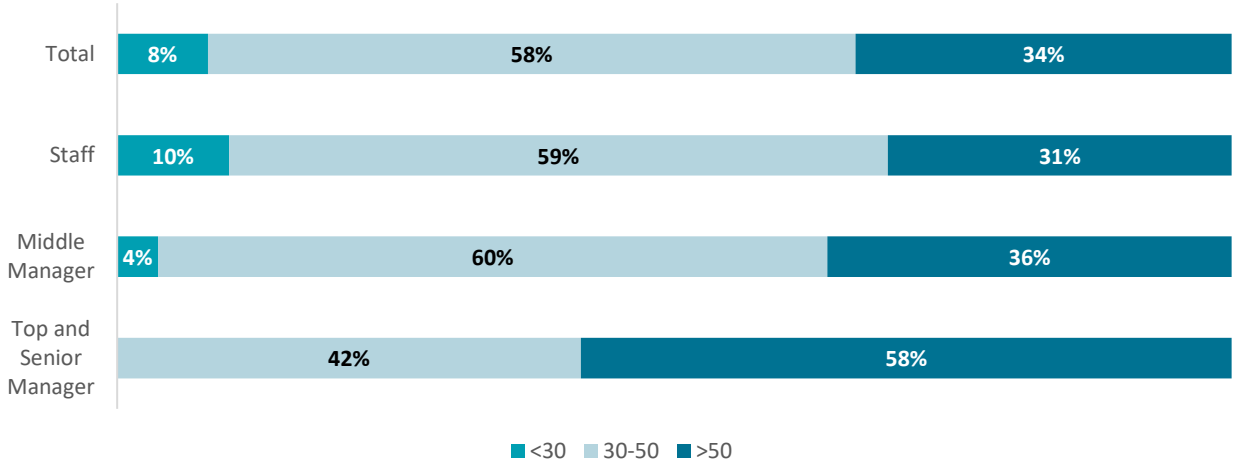
	2024			2023		
No. of employees	Men	Women	**Total**	Men	Women	**Total**
Top and Senior Managers	206	104	**310**	213	95	**308**
Middle Managers	424	450	**874**	381	429	**810**
Staff	1,669	1,730	**3,399**	1,670	1,667	**3,337**
Total	**2,299**	**2,284**	**4,583**	**2,264**	**2,191**	**4,455**

Employees by professional level and age

Approximately 58% of the workforce is composed of employees aged between 30 and 50; 34% are over 50 and approximately 8% are under 30.

	2024				2023			
No. of employees	**<30**	**30-50**	**>50**	**Total**	**<30**	**30-50**	**>50**	**Total**
Top and Senior Managers	0	129	181	**310**	0	148	160	**308**
Middle Managers	32	525	317	**874**	22	535	253	**810**
Staff	341	2,009	1,049	**3. 399**	355	2,097	885	**3,337**
Total	**373**	**2,663**	**1,547**	**4,583**	**377**	**2,780**	**1,298**	**4,455**

Employees by professional level and age (%)



S1-10 ADEQUATE WAGES

Recordati is committed to ensuring that all employees receive fair and adequate pay, always in line with and, in most cases, above the minimum rates established in the collective bargaining agreements and/or by national legislation. The Group's remuneration policy is based on market benchmarking and periodic analyses, and ensures that salaries reflect not only legal requirements, but also local economic conditions and the competitiveness of the sector.

S1-11 SOCIAL PROTECTION

Recordati Group employees are covered by social protection mechanisms that protect against the loss of income caused by important life events, in line with the various regulations applicable in the countries in which the Group operates. More information on the diverse social protection mechanisms in place and the relative coverage for Group employees is given below.

Social protection mechanisms available to employees

	2024
Events covered by social protection mechanisms	**Group employees covered by social protection mechanisms[125]**
Illness	All Group employees
Unemployment starting from when the own worker is working for the undertaking	All Group employees except those in Argentina, Colombia, United Arab Emirates, Sweden and Tunisia
Work-related injuries and acquired disability	All Group employees
Parental leave	All Group employees except those in Colombia, Kazakhstan, United Arab Emirates, Mexico, Romania, Bulgaria and Tunisia If both maternity and paternity leave is considered, the coverage applies to all employees.
Retirement	All Group employees except those in the United Arab Emirates

[125] *Employees that are not covered by social protection mechanisms do not fall into any specific professional category. Coverage depends on the local legislation in force.*

S1-12 PERSONS WITH DISABILITIES

In 2024 employees with disabilities represented 2% of total Recordati Group employees[126]. Of these, 58% were men and 42% were women.

S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

In 2024 the Recordati Group provided more than 146,000 hours of training, translating to around 32 hours of training per person, in line with the previous year. In particular, approximately 73% of all training hours was provided to Staff , 22% to Middle Managers and 5% to Top and Senior Managers .

Hours of employee training per capita by professional level and gender

	2024			2023		
	Men	Women	Total	Men	Women	Total
Top and Senior Managers	22.7	29.7	**25.0**	36.4	33.8	**35.6**
Middle Managers	38.5	34.0	**36.2**	43.4	34.7	**38.8**
Staff	31.8	31.3	**31.5**	33.6	28.3	**31.0**
Total	**32.2**	**31.8**	**32.0**	**35.5**	**29.8**	**32.7**

44% of the training hours delivered to employees regarded technical and specialist training while 24% focused on medical and scientific information techniques, 12% on managerial training, 11% on language training, and 9% on health and safety.

Percentage of employees that participated in regular performance and career development reviews by employment category and gender

	2024			2023		
	Men	Women	Total	Men	Women	Total
Top and Senior Managers	97%	93%	**95%**	71%	76%	**72%**
Middle Managers	91%	92%	**91%**	53%	57%	**55%**
Staff	59%	75%	**67%**	24%	44%	**34%**
Total	**68%**	**79%**	**74%**	**33%**	**48%**	**41%**

In 2024 the Recordati Group delivered around 3,040 hours of training for “non-employees”, up compared to 2023, with around 15 hours per capita. In 2024, 18 workers participated in regular performance and career development reviews, representing around 9% of “non-employees”, up compared to 2023.

S1-14 HEALTH AND SAFETY METRICS

33 work-related injuries were recorded in 2024 (employees and non-employees). As in previous years, there were no fatalities.

[126] *Recordati monitors disability data in compliance with the provisions of applicable legislation. To date, there are no restrictions on the collection of this data in any of the countries in which the Group operates. Recordati has started to disclose disability data from the present Sustainability Statement, therefore, the 2023 figures are not available.*

Number of accidents and Group Employee Health and Safety indicators

Health and Safety Metrics[127]	2024			2023		
	Employees	Non-employees	Total	Employees	Non-employees	Total
Number of fatalities due to	0	0	**0**	0	0	**0**
injury	0	0	**0**	0	0	**0**
work-related ill health	0	0	**0**	0	0	**0**
No. of recordable work-related injuries	32	1	**33**	31	0	**31**
Work-related injury rate[128]	3.82	2.92	**3.78**	4.04	0.00	**3.87**
Number of confirmed cases of work-related ill health[129]	2	0	**2**	1	0	**1**
Number of days lost due to	1,782	5	**1,787**	1,697	0	**1,697**
injuries caused by work-related injuries	1,727	5	**1,732**	1,642	0	**1,642**
work-related ill health	55	0	**55**	55	0	**55**
fatalities due to work-related injuries	0	0	0	0	0	**0**
fatalities due to work-related ill health	0	0	0	0	0	**0**

In 2024, the percentage of workers covered by a health and safety management system certified in accordance with ISO 45001 was around 18%[130], calculated considering workers operating in the plants (7% if considering the entire company workforce). The Group aims to extend ISO 45001 certification to various plants and to cover around 80% of all plant employees by 2030. A preliminary Gap Analysis is planned for the Milan plant in 2025 with a view to obtaining the certification.

[127] The reporting boundary has been extended compared to the data reported in the previous Report. The data shown in the table for 2024 and 2023 refer to the entire Recordati Group.

[128] The work-related injury rate in line with the ESRS Standards is calculated by dividing the number of work-related injuries by the total number of hours worked and multiplying the quotient by 1,000,000.
Hours worked refer to actual hours for people who work in the Group's production plants. For all other employees, hours worked are estimated based on normal or standard working hours, taking into account entitlement to periods of paid leave (e.g., paid holidays, paid sick leave, public holidays).

[129] This refers to cases of work-related ill health confirmed by official medical checks.

[130] Tunisia already holds ISO 45001 certification as at 2024. Therefore, all own workers ad the site are covered by a health and safety management system.

Furthermore, 6 incidents related to commutes to and from work (commuting incidents) were recorded in 2024, down compared to 2023, with a total of 264 days lost.

Commuting incidents	2024			2023		
	Employees	Non-employees	Total	Employees	Non-employees	Total
Total number of commuting incidents	5	1	**6**	14	0	**14**

Finally, no fatalities caused by work-related injury and/or ill health were recorded in 2024 among workers in the value chain who operate at Recordati Group sites.

S1-15 WORK-LIFE BALANCE METRICS

At the Recordati Group, all employees have the right to at least one type of family-related leave. All women and men at the Group have the right to maternity or paternity leave. 90% of employees are entitled to parental leave. The remaining 10% who are not entitled to parental leave refers to Group employees who work in countries where local legislation does not provide for this option. However, these employees are still entitled to maternity or paternity leave.
Finally, around 70% of Group employees are entitled to carer's leave. The remaining 30% who are not entitled to carer's leave refers to Group employees who work in countries where local legislation does not provide for this option.

Percentage of employees entitled to family-related leave

Type of leave	2024		2023	
	No. of employees	%	No. of employees	%
Maternity/paternity leave	**4,583**	**100%**	**4,455**	**100%**
Parental leave	**4,135**	**90%**	**3,990**	**90%**
Carer's leave	**3,149**	**69%**	**3,103**	**70%**

Percentage of employees who took family-related leave

Type of leave[131]	2024		2023	
	No. of employees	%	No. of employees	%
Maternity/paternity leave	**157**	**3%**	**143**	**3%**
Parental leave	**91**	**2%**	**77**	**2%**
Carer's leave[132]	**225**	**7%**	**70**	**2%**

[131] The percentage of employees who took family-related leave was calculated as the ratio between number of employees who took leave and the total number of employees entitled to take leave.
[132] As for carer's leave, the figures are significantly higher than last year, mainly due to a change in Spanish legislation and an increase in Italy following a clarification of the criteria for accessing this type of leave.

S1-16 REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

In 2024 the unadjusted gender pay gap[133], defined as the difference in average earnings between men and women, expressed as a percentage of men's earnings, was 15% of total remuneration. Considering the adjusted percentage, weighting the relative weight of each professional category with respect to the total workforce, there was no significant variation between the remuneration of men and women. For more information on workforce distribution in the various employment categories, see chapter "S1-9 Diversity metrics".
As of 2025, Recordati plans to launch a more detailed analysis of the gender pay gap, starting with the parent company and then progressively evaluating its operations in other countries.

Gender pay gap by remuneration component [134]

Gender pay gap	2024		2023	
	Basic salary	Total Remuneration	Basic salary	Total Remuneration
Unadjusted	11%	**15%**	12%	**15%**
Adjusted	-1%	**0%**	-2%	**1%**

Ratio between total annual remuneration of the highest paid individual and the median remuneration of all employees

The ratio between total annual remuneration of the highest paid individual (Chief Executive Officer) and the median remuneration of all employees (not including the highest paid individual) is around 75, in line with 2023[135].

[133] *The calculations considered the entire company workforce, regardless of role, level of education or experience. Please note that the values were not adjusted for the difference in buying power between the various countries.*

[134] *The pay gap was calculated in line with the methods established by European legislation. In particular, gross hourly wages were determined by dividing annual salaries by 48 to obtain the gross weekly wage. 48 was chosen as the estimated number of working works in one year, not including weekends and national holidays. This value was then divided by the number of standard working hours established at local level to calculate the average gross hourly wage. All remuneration data have been converted into euros using exchange rates based on the values as at 31 December 2024. As regards the variable and supplementary components included in total remuneration, the data refer to payments effectively received. Unlike the basic annual salary, which is annualised and reparametrized for all Full-Time Equivalent (FTE) workers, the variable and supplementary components depend on factors such as performance criteria and the number of months worked during the year. For example, the Group Short-Term Incentive (STI) is paid exclusively to eligible employees who have worked for at least five months in the reference year. Furthermore, the variable component not only includes short-term incentives and sales commissions, but also production bonuses, one-off bonuses and any recurring monetary allowances.*

[135] *It should be noted that an important methodological change was introduced for the calculation of Total Remuneration in 2024: the calculation now includes the Long Term Incentive (LTI) values, expressed as the LTI award value. The LTI award value is calculated by multiplying the number of rights granted by the Fair Market Value (FMV) at the award date. In the case of Recordati, the FMV was EUR 40.71 for 2023 and EUR 44.43 for 2024. This represents a step towards greater transparency as it provides a more complete and accurate understanding of the overall remuneration structure. Consequently, the 2023 values differ from those published in the 2023 report as they has been recalculated to adapt them to this methodology. This adjustment was undertaken to ensure greater consistency and comparability between the two years, allowing for a more reliable comparison of total remuneration over time. The adjustment explains the significant increase in the remuneration ratio compared to the previous year. As LTIs represent a significant portion of the remuneration received by directors, and the Chief Executive Officer in particular, the adjustment has led to an increase in the remuneration ratio of the CEO compared to previous years. This effect was expected as Long Term Incentives are awarded to approximately 10% of employees. To further contextualise the impact of this new methodology, applying the previous criteria and therefore excluding LTIs, the remuneration ratio of the CEO in 2024 would have been 48.05, in line with the value reported in previous years. Total Remuneration includes the Annual Basic Salary, any Short-Term Incentive (STI) payments received during the reference year (Group STI, Local STI, Sales Incentives and Sales Commissions), One-Off Bonuses, Monetary Allowances, Production Bonuses, Referral Bonuses, Transaction Bonuses, Awards and Recognitions. These data have been extracted from the HRIS system and are maintained locally. As in previous years, Benefits in Kind and other forms of Benefits are not included in the calculation as the data-collection process at central level is undergoing refinement. Annual Basic Salary is given as a total annual figure for a Full-Time Equivalent (FTE) worker at 100%. For employees who joined the company during the year, the salary is reported on an annualised basis, rather than the salary for the months actually worked.*

S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

In 2024, a total of 4 work-related reports were submitted through the available channels, such as the Whistleblowing channel and/or other available channels.

1 report of discrimination or harassment was received in 2024. Investigations by the company are still ongoing.

In 2024, no human rights incidents were reported in connection to the Recordati Group's own workforce, including incidents constituting non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

Recordati has not received any significant fines and/or sanctions and/or requests for compensation for damages.

WORKERS IN THE VALUE CHAIN

ESRS 2 SBM-3 S2 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL

Recordati recognises the importance of the workers that operate within its value chain, and respect for human rights is a key priority for the Group.

As described in more detail in the next paragraph, Recordati has implemented a series of policies and practices aimed at promoting dignified working conditions, occupational health and safety, and respect for human rights. Furthermore, the Group is committed to managing such aspects, which could have a potential impact on workers in the value chain, according to a responsible and sustainable approach. In fact, responsible sourcing is one of the cornerstones of the Group's Sustainability Plan and is reflected in specific future targets; for more information, see chapter SBM-1 "Strategy, business model and value chain".
The workers in Recordati's value chain mainly form part of the workforce of the Group's suppliers, who provide, for example, raw materials, packaging materials, finished products, industrial services and other services aimed at the regular conduction of the Group's business. As emerged from the double materiality analysis, despite working in a highly regulated sector, and thanks to the direct involvement of the competent company personnel, the Group has identified the main risks and negative impacts that could potentially arise in relation to workers in the value chain.

The Group recognises the vital importance of health and safety as an absolute priority and responsibility. Work-related injuries and ill health of workers in the value chain can negatively impact workers' lives. Furthermore, non-compliance with health and safety laws and regulations may also generate a compliance risk. This impact and this risk have been considered with particular reference to employees of third parties who operate on behalf of Recordati at all sites owned, leased or rented where the Group has operational responsibilities (e.g. sites managed or controlled by Recordati). Production plants, and chemical plants in particular, represent the contexts in which workers are exposed to the greatest level of risk[136].
Another topic that could have a negative impact on workers in the value chain is the potential violation of the human rights of workers in the value chain (including working hours, adequate wages, social dialogue, freedom of association, collective bargaining, equal treatment, child labour and forced labour).
Considering the diversity of the countries in which workers in the Group's value chain operate, predominantly upstream, Recordati recognises that less stringent labour laws may be in force in certain geographic contexts, such as in developing and/or emerging economies, which could potentially expose workers to negative impacts related to human rights violations. The Group mitigates these risks through the adoption of a robust supplier relations policy. See the chapters below and the chapter on "G1-1 Management of Supplier Relations" in the "Business Conduct" section for more information on supplier selection and monitoring.

Finally, the Group recognises that workers in the value chain may be exposed to negative impacts related to Privacy. Likewise, the Group may be exposed to non-compliance risks should these aspects not be effectively managed. For more information on how this topic is managed by the Group, see the section on "Business Conduct", chapter "Personal data management – Privacy".

For more information on the impacts, risks and opportunities, please refer to the chapter on double materiality "IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities" and to subsequent chapters for a description of the responsible sourcing activities implemented by the Group.

[136] *For more details on the health and safety management system, please refer to the "Own Workforce" chapter*.

S2- 1 POLICIES

As described in the Code of Ethics, with regard to human rights the Group adheres to the highest international standards, such as the UN Universal Declaration of Human Rights, the EU Charter of Fundamental Rights, and the decent work standards set out in ILO (International Labour Organization) conventions.

Recordati acts to guarantee respect of all human rights for all workers and recognises the importance of safeguarding and promoting them throughout the value chain, taking actions to ensure that their suppliers also do so. Recordati requires suppliers to accept the Code of Ethics in the supplier qualification phase and reserves the right to terminate the contractual relationship in the event of conduct incompatible with the values and principles expressed therein[137].

In February 2025, Recordati also formalised a specific policy on Human Rights. This policy emphasises the Group's commitment to act with responsibility and integrity, ensuring that human rights are integrated into all aspects of its business and promoted throughout the value chain. The principles enshrined in the policy concern the protection of health and safety, freedom of association and the right to collective bargaining, working conditions, working hours and adequate remuneration, non-discrimination, diversity and inclusion, child labour, forced labour, modern slavery and human trafficking, local and minority communities (including indigenous populations), and privacy and data protection[138].
To monitor compliance with the principles set out in the Human Rights Policy and the Code of Ethics, Recordati conducts risk assessments and audits of its suppliers and partners.

In December 2024 the Recordati Group also adopted a specific Health, Safety and Environment Policy that collates and formalises the preventative measures to improve occupational health and safety, the principles to be adopted, and the relative responsibilities. The policy promotes active communication and encourages workers to report any concerns (such as accidents, near misses, unsafe conditions, etc.), without any personal detriment, in order to facilitate continuous improvement. The policy applies to all Recordati employees and third parties who operate on behalf of Recordati at all sites owned, leased or rented by Recordati and where the Group has operational responsibilities (such as sites managed or controlled by Recordati).[139]

Finally, the Group is currently formalising the Supplier Code of Conduct. This sets out the key principles on ethics, human rights, labour practices, health and safety, and environmental sustainability that must be observed by all of the Group's suppliers. Once the Code is formalised it will be distributed to suppliers.

For more information on the Privacy policy, please refer to the "Business Conduct" section, chapter "Personal data management – Privacy".

[137] *For more information on the Code of Ethics, please refer to the section on "G-1 Business conduct".*
[138] *For more details on the human rights policy, please refer to the section "S-1 Own Workforce".*
[139] *For more details on the policy regarding health and safety, please refer to the section "S-1 Own Workforce".*

S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

Recordati engages with suppliers as legal entities through the involvement of professional figures representing the supplier itself, not directly with suppliers' workers.
Dialogue with suppliers and strategic partners is mainly conducted through everyday and/or institutional relationships and is generally managed by the procurement business unit and/or the units making the purchase request.

In order to increase awareness around sustainability issues throughout its supply chain, Recordati organised engagement initiatives in both 2023 and 2024 for the suppliers[140] who received the lowest scores in the previous year's ESG assessment process (12 suppliers in 2024). During this activity, comments and feedback were provided to suppliers to improve sustainability performance and increase awareness around these themes, including human rights. The meetings represent an opportunity to discuss the evaluated topics with the supplier[141], and focus is placed mainly on the areas for improvement identified. The Group intends to continue this engagement activity in 2025. The main functions involved in this activity are the ESG function and the Procurement function. For more details, see chapter "G1-2 – Management of relationships with suppliers" in the "Business Conduct" section.

S2-3 – PROCESSES TO REMEDY NEGATIVE IMPACTS AND REPORTING CHANNELS FOR EXPRESSING CONCERNS

Although the workers that operate in the value chain are not directly involved in dialogue activities, Recordati promotes an open-door communication policy and, like all of the Group's stakeholders, workers in the supply chain have access to various channels for reporting any concerns or violations. Details of the reporting channels made available to all stakeholders (including workers throughout the value chain) to raise any concerns, along with the relative management processes, are described in chapter "G1-1 Corporate culture and business conduct policies" in the "Business Conduct" section.

In 2024 no reports of problems or incidents were received via the reporting channels made available to stakeholders on human rights and working conditions in relation to the upstream or downstream value chain, including non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. Consequently no interventions to remedy critical situations were necessary. As stated above, the Group reserves the right to terminate any contractual relationship held with third parties in the event of conduct that is incompatible with the values and principles enshrined in the Group Code of Ethics.

For more information on privacy, please refer to the "Business Conduct" section, chapter "Personal data management – Privacy".

S2- 4 - ACTIONS

In addition to the supplier selection and qualification process described in the "Business Conduct" section, chapter "G1-2 – Management of relationships with suppliers", the Group continued to implement the plan to audit suppliers this year as part of its responsible sourcing strategy, with the objective of strengthening the monitoring of sustainability matters along the supply chain. This activity was conducted by a third party (EcoVadis) using desk audits. The suppliers involved were assessed across four key areas for sustainability:

[140] *Suppliers are involved as legal entities in this case too.*
[141] *The Ecovadis assessment consists of four key areas for sustainability: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. More specifically, it requires information on health and safety; human rights (including child and forced labour); working conditions (including working hours, wages, equal opportunities, training and development and union relations); business ethics; and privacy management, for example. In relation to the environment, the questionnaire analyses, for example, issues related to the management of water, waste, hazardous chemical substances, energy and emissions into the atmosphere.*

Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. The supplier monitoring and engagement activities described above are aimed at raising awareness of these matters, thereby helping to prevent and reduce the risks and potential negative impacts related to ESG aspects along the supply chain. The main results for the audits carried out are shown below:

ESG assessments of suppliers

	2024	2022- 2023
No. audits conducted	59	115

A total of 59 desk audits on ESG matters specified in the EcoVadis assessment were carried out during 2024. These comprised 44 new suppliers audited and 15 follow-up audits[142]. The suppliers audited belong to the main and most strategic product categories: suppliers of finished products (Contract Manufacturing Organisations - CMOs), raw materials, packaging, industrial services, logistics, and other services. 49% of suppliers considered in the current 2024 audit achieved an overall rating (i.e. taking into consideration the four key areas for sustainability, as previously detailed) of "advanced", while 46% were rated as "good". Only 5% of suppliers received a "partial" performance rating and, as in 2023, no suppliers were found to be insufficient or critical in 2024.
The audits were carried out on suppliers located in different geographic areas, mostly in Europe[143].

The main business units involved in the Responsible Sourcing activities are Procurement and ESG. Assessments are conducted by an independent third party (EcoVadis).
The reporting channels are managed by the Internal Audit business unit which, when conducting the necessary investigations, may also request support from other relevant business units, such as Legal & Compliance.

Main responsible sourcing actions Recordati:
- requires suppliers to sign the Code of Ethics, which includes respect for the fundamental human rights of all workers, during the supplier selection phase;
- has adopted a formalised Human Rights Policy and Environment, Health and Safety Policy;
- has defined a supplier monitoring plan that considers ESG;
- carries out engagement activities on ESG topics with the suppliers that received the lowest scores during the assessment process to promote and raise awareness of these issues.

For information on the health and safety of workers employed by third parties who work on behalf of Recordati in workplaces where Recordati has operational responsibilities, see the section on the "Own Workforce". For more information on privacy-related matters, please refer to the "Business Conduct" section, chapter "Personal data management – Privacy".

[142] *The mix of new suppliers and follow-up audits also enables progressive improvements in supplier performance to be monitored over time.*
[143] *The geographic area refers to the legal entity subject to the EcoVadis audit, in certain cases with reference to the Parent Company.*

S2-5 – TARGETS

The Group aims to continue to conduct supplier verification activities both through assessments of new suppliers and follow-up audits (the target is to conduct 150 sustainability audits by 2026, with a total of 50 ESG audits conducted per year in 2024, 2025 and 2026)[144]. Specifically, the follow-up audits provide an opportunity to assess the level of improvement achieved by suppliers that have already been subject to previous audits. Furthermore, the Group aims to continue conducting engagement activities on ESG topics with the suppliers that received the lowest scores in the previous year's assessment process in order to improve awareness of ESG matters.

Moreover, the Group aims to formalise and distribute the Supplier Code of Conduct to all strategic suppliers. Specifically, distribution of the Code to new suppliers will begin in 2025, reaching all strategic suppliers by 2027.

The targets, which can be qualitative and quantitative in nature, are measured and reported on by the Group each year, specifying the state of achievement of each target in relation to the defined time frames (the result of monitoring). For further details, please refer to the Sustainability Plan, chapter "SBM-1 Strategy, business model and value chain".

[144] *The target for annual audits includes max 30% follow-up audits vs the previous year. The audits include suppliers from the main and most strategic product categories, including suppliers of finished products (Contract Manufacturing Organisations - CMOs), raw materials, packaging, industrial services, logistics, and other services. The indicator has been defined considering a progressive roll-out. The mix of new suppliers and follow-up audits also enables monitoring of the progressive improvement in supplier performance over time. The indicator for the number of audits is tied to the credit facility finalised in 2023 with a pool of banks.*

PATIENTS

ESRS 2 SBM-3 S4 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL

Recordati has always believed that health, and the opportunity to live life to the fullest, is a right, not a privilege. Based on this belief, Recordati renewed its corporate mission in 2023 to "Unlocking the full potential of life", which reflects what every person at Recordati does every day.

The Group conducted a double materiality analysis which identified the main impacts and risks associated with patients.

One key aspect, both in terms of impact and risk, is quality. The Group constantly strives to implement activities, procedures and quality control functions throughout the entire supply chain (from research and development, to procurement of raw materials, to production and sales) with the aim of guaranteeing product quality and safety and ensuring patient health and safety. Despite rigorous compliance with standards and regulations, like any company operating in the pharmaceuticals sector, the Group could be potentially exposed to product liability risk for damages caused by its pharmaceuticals (with the potential need for product recalls, impacts on patient health and consequent economic or reputational impacts for the company).

Another priority aspect that emerged from the analysis is access to products and information. The Group places patients' interests at the very heart of its work and is committed to offering people the possibility to be the best version of themselves, whether they are living with a common illness or a rare disease. We do this by offering affordable products through the Specialty & Primary Care business unit, and providing innovative treatments that address serious unmet medical needs through our Rare Diseases business unit. We also strive to promote awareness-raising initiatives to increase understanding, improve diagnosis, and expand treatment availability. For more information on the business and portfolio of the Specialty & Primacy Care and Rare Diseases business units, see the "Strategy" section.

The Group also recognises the potential risk associated with the labelling of pharmaceutical products, linked to failure to comply with relevant legislative and regulatory requirements and the risk of inappropriate use of the products by Patients resulting from the provision of inaccurate information. Recordati knows that accurate, complete and transparent sharing of information, also with doctors and healthcare workers, when promoting medicinal products, in compliance with current regulations and ethical standards, makes it possible to offer patients the best therapeutic assistance and avoid possible negative impacts linked to misleading communications. It also recognises a compliance risk linked to the quality of scientific information services, to the integrity with which sales agents conduct themselves, and to their observance of the applicable laws in relation to scientific information about medication.

The expansion of research and development activities also makes it possible to offer new therapies and respond to currently unmet medical needs. In this area, the promotion of the utmost rigour in the conduction of clinical trials is also a priority, as is respecting the health and safety of all involved parties.

Finally, the Group has considered the possible negative impacts associated with any potential loss of sensitive information or personal data linked to its stakeholders, including patients, managed by Recordati.

RESEARCH AND DEVELOPMENT ACTIVITIES (ENTITY SPECIFIC)

MDR-P POLICIES

The Recordati Group is focused on developing and offering innovative products, in areas where the Group can make a difference, and with the aim of improving human health and quality of life.

The Recordati Group has two business units, with a focus on Rare Diseases and Specialty and Primary Care, and to this end, the Group invests in R&D including life-cycle management (in rare diseases), as well as maintaining the highest product quality and safety standards throughout the product life-cycle. The central importance of patients, including the most vulnerable is an integrated part of the Recordati Group's strategy.

Rather than relying solely on internal research/discovery, the Group is focused on bringing in late stage and commercial stage products that offer potential also for life-cycle management activities.

As set out in the Group Code of Ethics, research and development is conducted in accordance with good clinical and laboratory practices, guaranteeing compliance with the highest international standards. Recordati uses animals in scientific experiments only when this is strictly necessary, that is when there is no alternative and when it is expressly required by the health authorities. In such cases, Recordati makes use of specialised centres which guarantee adherence to national and supra-national legislation and which effectively implement the principles of the 3Rs: Replacement (using alternative methods), Reduction (minimising the number of animals used) and Refinement (protecting animal welfare).

Recordati ensures the utmost rigour in performance of clinical studies through appropriate data management and the transparent management of results, thus avoiding any potential conflicts of interest. The health and safety of the subjects involved in clinical and post-marketing studies are the Group’s top priority, along with the protection of their human rights, including the rights to dignity, self-determination, privacy, and the confidentiality of personal data. Subjects enrolled in the studies are provided with clear and comprehensive information, expressed using comprehensible, non-technical language. The Group uses trial centres and suppliers of proven reliability and professionalism and which are capable of meeting the highest legal and regulatory requirements, as well as the applicable codes of conduct for the industry.

See the “Business Conduct” section for more details on the Code of Ethics.

MDR-A: ACTIONS

The main R&D activities conducted in the rare diseases field in 2024 are described below.

- The PASIPHY phase II clinical study on the development of pasireotide in post-bariatric hypoglycaemia.
- The REC 0559 phase II clinical trial for the treatment of neurotrophic keratitis was updated: as announced at Q2 2024 results at the end of July 2024, preliminary top-line data from the phase II REC-0559 trial for the treatment of neurotrophic keratitis showed the primary endpoint of corneal healing was not met, and hence further development in this indication is not pursued
- The work on Dinutuximab beta (Qarziba®) in the United States progressed: the Group had a positive meeting with the FDA at the end of the second quarter of 2024 to define a potential regulatory pathway towards asking regulatory bodies for a Biologics License Application (BLA) in relapsed/refractory high-risk neuroblastoma. Further analysis and some additional clinical data are required, and a meeting with the FDA to discuss the analysis of the data is expected in mid-2025.
- Work on Isturisa® in the United States was further developed. In June 2024 Recordati submitted the supplemental New Drug Application (sNDA) for the label extension of osilodrostat (Isturisa®) for Cushing syndrome in the United States, with a regulatory decision expected in mid-2025.

In addition, Recordati:

- continued the development of a new Cystadrops® formulation that is easier to use for ocular cystinosis patients. A new dropper was developed and submitted to the FDA in August and was approved at the end of 2024. New solutions are currently under review for EU market.
- supported several scientific societies sponsored studies to investigate the use of Qarziba in new stages of the treatment algorithm of Neuroblastoma and Ewing's sarcoma.
- continued to pursue the goal of providing a valid solution to MSUD patients with the MAAPLIV product: responses to the D120 questions have been provided to the EMA, feedback is expected on DAY180 in 1° trimester of 2025.

In 2024, spending in R&D totalled 286 million euros (this amount includes amortisation relating to products acquired or for which the Group is a licensee). Expenditure and investments in 2024 on R&D corporate studies, which represent the Group's main R&D projects, came to 21.6 million euros.

For the sake of completeness, the approach and procedures adopted by the Group to guarantee ethical and transparent conduct in its clinical trials are described below:

Clinical trials are essential for determining whether new medicinal products are safe and effective treatments for patients. In particular:

- interventional clinical trials are conducted by various Recordati Group companies to demonstrate the efficacy and safety of new drugs in the development phase in various rare diseases and in populations with unmet medical needs;
- observational post-marketing clinical studies, known as "real world" studies, are conducted to monitor the benefit-risk balance of new drugs once they are on the market and to collect additional data to improve the knowledge of the product.

To ensure full compliance with the requirements defined by the regulatory authorities and to guarantee the utmost rigour in the performance of clinical trials, the Group has defined a set of standard operating procedures (Corporate Standard Operating Procedures - SOPs), and the entire process is closely monitored through continuous auditing activity.

Standard Operating Procedures – Corporate R&D Quality Management System: the same Standard Operating Procedures are applied at all of the Group's research centres to ensure that interventional clinical trials are conducted in compliance with the highest international standards, and in line with the principles established in the Declaration of Helsinki and the Good Clinical Practice (GCP) guidelines defined by the International Council of Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH), as well as applicable local laws and regulations.
At the same time, observational Post-Authorisation Safety Studies (PASS) are conducted in line with the Guidelines for Good Pharmacoepidemiology Practice (GPP) and Good Pharmacovigilance Practice (GVP).
The confidentiality of the collected data is protected in accordance with current privacy legislation such as the General Data Protection Regulation (EU) 2016/679 ("GDPR").
Study results are reported in accordance with the requirements of the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA).

Staff qualifications and training: all Recordati employees involved in the planning, conduction and reporting of clinical trials are suitably qualified in terms of professional experience and training. The Group delivers periodic training programmes on applicable company procedures and study-specific aspects (therapeutic areas, study protocols). Training is delivered and documented in collaboration with the Quality Assurance Department. Particular attention was paid to training all Group personnel on the requirements of the new European Clinical Trials Regulation (EU-CTR) and the Medical Devices Regulation (MDR).

Selection and supervision of Contract Research Organisations (CROs): the Recordati Group's clinical trials are performed with the support of adequately qualified international Contract Research Organisations (CROs), experienced in conducting clinical studies in various countries in collaboration with research centres. The CROs are only selected after an in-depth evaluation of their experience and procedures, as assessed also

during qualification audits. Subsequently, the respective roles and responsibilities of Recordati and the CRO are defined clearly and in detail in specific written agreements.
The personnel of the Recordati Group, in the capacity of sponsor of the study, perform continuous oversight on the activities carried out by the CRO in accordance with a specifically defined plan, in order to ensure that:

- appropriate documentation on the medicinal product (as included in the Investigator's Brochure and in the Investigational Medicinal Product Dossier) and on the study itself (as described in the protocol, in the informed consent form and in the Case Report Form) is prepared and submitted to the Competent Authorities, the Ethics Committees and the Investigators prior to the start of the trial and, if necessary, updated during the study;
- the medicinal product is produced in accordance with the Good Manufacturing Practice guidelines and is adequately packaged and labelled in accordance with the Good Clinical Practice guidelines;
- the clinical trials only begin upon receipt of the necessary approvals issued by the Health Authorities, the Ethics Committees and the Institutions, and having established an appropriate insurance for the patient;
- patients are included in the clinical trials only having voluntarily confirmed their wish to participate (having received adequate information from the investigators regarding the objective, methods, benefits and potential risks of the study), and in compliance with applicable privacy law (such as the EU GDPR);
- the study is conducted and reported in accordance with the requirements of the Good Clinical Practice (GCP) guidelines and in line with the applicable laws and regulations.

Risk assessment: Recordati, as sponsor of the clinical trial, conducts an in-depth analysis of the possible risks and benefits for the patients associated with their participation in a clinical trial (due to the administration of an experimental drug, the design of the study and/or its procedures) both before and during the study. The description of possible risks is included in the documents submitted to the Competent Authorities, the Ethics Committees and the Investigators. The risks are also described to the patients included in the trial in a clear, concise and comprehensible language in the informed consent form. The possible risks are minimised through the definition of appropriate patient inclusion and exclusion criteria (age, gender, concomitant diseases and treatments), the use of placebos only when ethically acceptable and/or required by the Health Authorities, the highest standards of care, the availability of medical treatment (if necessary) in the event of adverse reactions and the avoidance of invasive and unnecessary procedures.
The safety profile of the investigational products and the risks associated with participation in the clinical trial are continuously monitored by qualified medical personnel at Recordati (and, when required by the protocol, by an independent and external "Drug Safety Monitoring Committee"). Health authorities, investigators and patients are duly informed during performance of the study in the event of any changes in the expected benefits and risks.

Data integrity: the integrity of the data is ensured by the verification of the original documents filed at the research centres by the study monitors, by the validation of the IT systems used for data collection, analysis and reporting, and by co-monitoring visits performed by Recordati personnel in collaboration with the CRO monitor. Collected data is processed in accordance with the operating procedures and quality standards established by Recordati.

Audits: the entire process is monitored through constant auditing activity over the CRO, from the qualification step through to the subsequent conduction of the trial. Recordati also conducts audits at research trial sites following a risk-based approach.
In order to ensure the compliance with the applicable legislation, internal audits are also performed inside the Recordati Group.
Furthermore, both Recordati - as sponsor - and the CROs may be inspected by the Regulatory Authorities to verify compliance with the Good Clinical Practice guidelines and pharmacovigilance obligations.

Data transparency*:* data transparency is ensured through the entry of clinical trials in a public register (EU Clinical Trial Registry and/or ClinicalTrials.gov) before the enrolment of the first patient, and through publication of the results of the trial in accordance with the requirements of the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA).

Archiving: the study essential documents are maintained in electronic or paper format for the period of time required by applicable legislation and accordance with Recordati's procedures.

Investigator Initiated Studies (IIS) supported by Recordati: in line with the Group's standard operating procedures, Recordati may decide to support clinical trials proposed by academia after a careful evaluation of the scientific value of the proposed study, the expected benefits, and the possible risks associated with the use of the Group's existing pharmaceutical medicinal products in new indications.
In such cases, a written agreement between Recordati and the Investigator/Sponsor of the study is signed in order to ensure the exchange of safety information and enable an appropriate description of the potential benefits and risks to the patient.

MDR-T - TARGETS

The Sustainability Plan also includes the R&D targets related to the activities determined for 2025.
The targets, which can be qualitative and quantitative in nature, are measured and reported on by the Group each year, specifying the state of achievement of each objective in relation to the defined time frames (the result of monitoring). For further details on the Sustainability Plan, the definition process and future targets, please refer to chapter SBM-1 "Strategy, business model and value chain".

ACCESS TO MEDICINE AND HEALTHCARE

S4-1 – POLICIES

Recordati has always believed that health, and the opportunity to live life to the fullest, is a right, not a privilege. Whether that is for common diseases or the rarest, it wants to give all people the opportunity to be the best version of themselves by having access to affordable, innovative and sustainable healthcare. As stated in our Code of Ethics, Recordati aims to constantly increase the availability of our products to anyone who needs them, while at the same time guaranteeing complete compliance with applicable regulations in the markets where we operate.
While a specific ad hoc policy on this topic has not been formalised, the approach and principles on access to treatment and pricing adopted by the Group are described below.

Access and Pricing Principles

Access to medicine remains a cornerstone of Recordati's ESG strategy and the Company is committed to improving both accessibility and affordability of its products in all geographical areas in which it operates. Access to pharmaceutical products requires a collective effort: with the industry, policymakers and payers working together to remove barriers so that people can unlock their potential to live a full life.

Recordati has a value-based approach to affordability that ensures the prices of medicines reflect the benefits they deliver to patients, their families, the healthcare system, and society as a whole. This approach balances responsible pricing and sustainable business while also supporting the cost of continuing to invest in drug development.
There are numerous factors that impact pricing decisions, with the process varying significantly from country to country. At the centre of Recordati's approach are the needs of patients and their accessibility to critical treatments.

The Company understands and recognises that, in countries with limited resources, there are different healthcare needs and affordability challenges than in higher-income countries. It also knows that there are health inequities in these higher-income countries, where many people still do not have access to enough public health coverage or private insurance.

Recordati understands that the global health economies are being further squeezed due to budgetary pressures, and aligns its product innovation accordingly. The Company ensures that any new product candidates bring tangible benefits to patients, healthcare providers and payers alike. Recordati adopts a partnership approach to new medicine approvals, to ensure we partner with the right suppliers and experts to achieve the best results in a cost effective manner.

Recordati supports activities and organises its own to deliver treatment to underserved populations, including disease education, and assisting uninsured and underinsured patients in navigating healthcare services. It also supports access programmes designed to give financial and disease management support, especially in the rare disease segment.

Compassionate use of medicinal products

Recordati believes that conducting clinical trials is the best way to ensure a broad patient access to medicinal products, because clinical trials ensure the collection of the efficacy and safety data required by the Health Authorities to grant a marketing approval and a price reimbursement.

However, Recordati recognises that certain patients with serious or life-threatening conditions may not be suitable to take part in a clinical trial and may not be able to access satisfactory alternative treatments. In these cases, in line with company policy and in accordance with the Group's Standard Operating Procedures, Recordati may provide access to medicinal products that are not yet available on the market on compassionate grounds, in cases where this approach is approved by medical and pharmacovigilance

personnel with specific knowledge of the product, and in accordance with all applicable laws and regulations. The Policy on compassionate use has been approved and signed by the members of the company's Top Management most closely involved in its implementation, along with the Chief Executive Officer. The document references the key reference legislation. This document is also available on the company intranet.

S4-4 – ACTIONS

Some of the actions taken by Recordati to promote and improve access to medicine and healthcare are described below.

- **Development of innovative medicines for both existing and new markets**

With a specific focus on rare diseases, Recordati actively engages in the development of new medicines both internally and through agreements with other pharmaceutical companies and research institutes. Commitment, scientific rigour, capability and highly specialized personnel allow Recordati to develop new treatments and build an innovative product pipeline, including through life-cycle management, new products and post marketing.

In terms of geographic presence, the Group has continued to expand its footprint in China. After the approval of the marketing authorization for Carbaglu® in June 2023 and the first commercial sales in November 2023, further progress was made in 2024:

- The Isturisa® new drug application (NDA) was approved by the China National Medical Products Administration (NMPA) in September for the treatment of adult patients with Cushing syndrome.
- The NDA for Signifor® LAR was submitted in March 2024. Priority review status was granted, and a regulatory decision is expected by mid-2025.

More details on the Group's R&D activities are given in the previous section.

- **Provision of high-quality and affordable products for a broad range of therapeutic areas including low- and middle-income countries through the Specialty & Primary Care Division:**

Recordati has a strong and proven heritage of supporting people living with a wide range of common illnesses that affect large populations every day – creating value for patients, payers and physicians across primary and specialty care with both prescription and self-medication treatments.

As highlighted in the Sustainability Plan, through the Specialty & Primary Care Division the Group is committed to pursuing its investments in the plant in Tunisia, with a view to continuing the provision of high-quality and affordable products that serve a broad range of therapeutic areas, including in low-and middle-income Countries (Tunisia and Sub-Saharan Africa).
To this end, in 2024 Recordati continued to invest in the Tunisian plant, specifically investing in a new automatic packaging line that includes a blister-packing and cartoning machine. The warehouse will be also expanded by approximately 2,200 square metres. The construction works will begin in 2025 and are scheduled for completion in 2026.

Furthermore, in 2024 the "Health Caravans" project was implemented in Tunisia. The project aims to provide access to specialist medical treatment in the most disadvantaged rural areas of the country. The initiative involved a team of cardiologists, with over 350 patient visits conducted. Access to healthcare remains a challenge in Tunisia, especially in rural areas. The health caravans are a further iteration of Recordati's commitment to reduce health inequality and provide equal access to treatments, with the goal of promoting wellbeing and improving quality of life for vulnerable communities.
Based on the success of previous editions of the project, in 2025 the initiative will be rolled out to new areas of Tunisia in order to raise awareness on prevention and early diagnosis among an increasingly wider audience.

- **Support for patient associations, caregivers, doctors and institutions to increase awareness, promote improved diagnosis, and expand the availability of treatments, especially for people with rare diseases.**

This is done, for example, by promoting meetings with healthcare professionals, providing information to raise awareness, and actively participating in scientific conferences. Recordati also engages in collaboration with groups and associations to promote correct information for patients and sponsors awareness-raising days. In addition, the Recordati Rare Diseases Foundation was established to provide independent and unconditional support for training programmes aimed at the scientific community in the field of rare diseases. These high-level training courses are organised under the supervision of an external scientific committee.

In line with the defined targets, in 2024 the Group continued to work closely with rare disease communities by holding meetings with healthcare professionals (e.g. Cushing syndrome and acromegaly, acute intermittent porphyria and ocular manifestation of cystinosis), providing disease education to raise awareness (e.g. printed and digital brochures, websites and videos, but also through the Patient Advocacy Liaison programme for patients who are taking our products) and actively participating in scientific conferences. The Group was also involved in various collaborations with groups and associations (such as the American Porphyria Foundation, HCU Network America and Castleman Disease Collaborative Network) to provide disease education to patients and sponsor awareness-raising days. It facilitated patient engagement using Smart Device Apps to facilitate information and awareness activities, as well as events dedicated to patients providing information and explanations about specific diseases.

In 2024, the total investment by Recordati Rare Diseases in awareness-raising initiatives, including those promoted by the Foundation, came to 1.8 Million euros.

RAISING AWARENESS OF RARE DISEASES

RECORDATI RARE DISEASES FONDATION D'ENTREPRISE

Working in the field of rare diseases represents an important responsibility towards patients and healthcare operators, and this is a core commitment for Recordati. The Recordati Rare Diseases Foundation was established to provide independent and unconditional support for training programmes aimed at the scientific community in the field of rare diseases. These high-level training courses are organised under the supervision of an external scientific committee. The overall aim is to share experience in the diagnosis, management and outcome of rare disorders where individual knowledge is by its nature limited. The Foundation gives specialists the opportunity to broaden their expertise, develop new ideas and establish scientific relationships.

A number of live events are held each year bringing together clinicians and scientists from all over the world to discuss innovations and new diagnostic and management strategies.

The Foundation's 2024 activities were organized in-person allowing for healthcare professionals to meet, network, share clinical cases and discuss diagnostic procedures, research topics and new developments in the scientific community. Three CME (Continuing Medical Education) courses were organised in the field of Inborn Errors of Metabolism and in endocrinology. Specifically, these regarded metabolic myopathies, which are rare genetic neuromuscular diseases affecting children and adults, and a course in endocrinology focusing on adrenal insufficiency, a condition that is rare and can be life-threatening if not diagnosed and treated promptly. The year ended with a top-notch course on the scientific advances related to cellular trafficking and other related neurometabolic and genetic diseases.

All these events highlight the commitment in raising rare disease awareness and focusing on the increased patients' diagnosis, treatment options and well-being.

The Foundation remains as a key player in medical education in the rare diseases field and will pursue its mission with events in 2025 involving adult and paediatric metabolic specialists, hepatologists, neurologists, endocrinologists, geneticists, biochemists, nutritionists and other healthcare professionals from around the world.

OTHER INITIATIVES

In 2024, our commitment to raising awareness and improving outcomes for patients with idiopathic multicentric Castleman disease (iMCD) remained a central focus of the disease awareness initiatives promoted by Recordati. Through a strong **collaboration with the Castleman Disease Collaborative Network** (CDCN), Recordati supported three key events: the Quest for a Cure, the Patient & Loved One Summit, and the Physician & Researcher Annual Meeting at ASH. These events provided vital platforms for education, connection, and collaboration among patients, caregivers, and medical professionals. Additionally, Recordati proudly celebrated World Castleman's Disease Day in July, serving to amplify awareness of the condition through dedicated activities and messaging. These efforts, coupled with our ongoing partnerships and patient engagement strategies, demonstrate our unwavering commitment to the rare disease community and the lives of those affected by iMCD.

During 2024 **Recordati Rare Diseases and the Royal Cornwall Hospitals Trust** worked together to develop an **annual multidisciplinary clinic day** for patients with mycosis fungoides cutaneous T-cell lymphoma (MF-CTCL), a rare condition that used to be treated in general dermatology clinics. This clinic brought together the dermatology and haematology departments in the trust as well as expertise from the regional hub in Bristol. The project enabled the local dermatology team to

increase their knowledge and expertise of this rare condition to enhance patient care and also enabled education of the patients in their condition.

In Brazil, Recordati launched the **"*Raros em Foco*" diagnostic programme** for patients with urea-cycle disorders, acute intermittent porphyria, and acromegaly. The initiative aims to provide more effective access to diagnostic tests which are often either not available or not covered by public health insurance. This program is offered through a specialized operator, is directed to the physician in order to provide exams that identify a pathology and/or its variations and is free of charge for the patient.

- **Product donations**

Recordati supports product donations to disadvantaged people who are unable to purchase medicines, or during times of humanitarian emergencies In 2024, total product donations amounted to approximately 250 Thousand euros[145].

- **We remain "Focused on the Few", caring for the most vulnerable patients through the Rare Diseases Division and through specific Patient Access Programmes.**

The Group is dedicated to caring for the most vulnerable. The motto "Focused on the Few" expresses Recordati's conviction that every single patient should have access to the best possible treatment.
Rare diseases can affect patients of any age, gender and ethnicity, and involve every category of medical specialisation. These are chronic, often fatal or severely debilitating diseases that have a huge impact on patients, their families and society. To treat these diseases, specialist medical products known as "orphan drugs" are developed. A disease is defined as rare when its prevalence, understood as the number of cases in a specific population, does not exceed a set threshold. In Europe, this threshold is 0.05% of the population, corresponding to 5 cases in every 10,000 people, while according to the US threshold, less than 200,000 people are affected by the condition in the entire population of the United States. Over 30 million people live with rare diseases in Europe alone. There are more than 7,000 known rare diseases, but today approved treatments exist for just 10% of these. The number of patients is so small that a rare disease is often not "adopted" by the pharmaceutical industry, hence the expression "orphan drug".
Due to the broad spectrum of existing diseases and the scarcity of available information, physicians may never examine a patient with a rare disease in their entire career. For this reason, there is always the risk that when a child is born with a rare disease, a correct diagnosis may not be made and timely treatment may not be provided. The limited number of patients and scarcity of relevant knowledge and expertise characterise rare diseases. In order to guarantee that the scarce knowledge and resources are made available, these are often shared through international cooperation channels. In order to provide assistance to persons affected by a rare disease and encourage pharmaceutical and biotechnology companies to invest in treatments for rare diseases, governments have introduced various legal and financial incentives.
The Recordati Group operates in the rare diseases segment worldwide through Recordati Rare Diseases, a series of dedicated companies that make its specialist pharmaceuticals for rare diseases available directly in Europe, the Middle East, Türkiye, the United States of America, Canada, Russia, Australia, Japan, China, and some Latin American countries, as well as in several other countries through selected partners. Recordati Rare Diseases is a leading pharmaceutical company entirely devoted to the research, development and commercialisation of drugs for the treatment of rare diseases, with a portfolio of products dedicated to rare genetic metabolic disorders and rare endocrine diseases.
In November 2024, Recordati finalized the acquisition of Enjaymo (sutimlimab), a biologic which is the only approved targeted product for the treatment of cold agglutinin disease (CAD), a rare B-cell

[145] *Product donations are measured at market value.*

lymphoproliferative disorder, leading to severe, debilitating fatigue and other anemic manifestations (e.g. arthralgia, muscle weakness), that can significantly impact patients' quality of life.

The Group has developed a direct distribution and packaging system capable of efficiently providing very small quantities of specialised products to people all around the world very quickly. Recordati manages a GMP-certified site in Nanterre (Paris) that is entirely dedicated to packaging, storage and shipment of products for rare diseases to all countries.

The activities carried out by Recordati Rare Diseases include support for patient associations for people affected by rare diseases, which help patients and their families by facilitating access to orphan drugs and treatment centres. Recordati's orphan drug specialists actively collaborate with the medical community to facilitate dialogue between hospitals with limited expertise in rare diseases and specialist medical centres able to diagnose and treat rare conditions in an appropriate manner. Also in the context of facilitating access to treatments, in 2024 Recordati Rare Diseases continued to support two programmes to provide assistance to patients eligible to receive support for the costs related to its products: the Patient Assistance Program (PAP) and the Co-Pay Assistance Program (CAP):

- Patient Assistance Program (PAP): this programme enables Recordati Rare Diseases to supply products to patients who have been prescribed with the medication by medical professionals, but do not have adequate medical insurance to cover the cost of the drug and are able to demonstrate financial need. A case-by-case assessment is carried out by a third party on behalf of Recordati Rare Diseases in order to substantiate eligibility and register patients in the programme.
- Co-Pay Assistance Program (CAP): this support programme, available for certain products, is administered through a third party on behalf of Recordati Rare Diseases and provides financial support to insured patients for all or part of their financial responsibilities not covered by their insurance plan. In order to benefit from this assistance, patients must fulfil certain eligibility requirements, and have a valid medical prescription for the product.

These two programs are active in the USA and Canada and are focused on Endocrinology, Oncology, and Metabolic therapeutic areas. Similar programs are in place in other geographic areas, for instance, China, Colombia and Argentina.

During 2024, Recordati supported more than 1,600 rare disease patients with Patient Assistance Program (PAP), Co-Pay Assistance Program (CAP) and similar programmes.

The Group incurred costs of over 34.6 Million euros in 2024 for the Patient Assistance Program (PAP) and Co-Pay Assistance Program (CAP) in the USA (measured at market value).

The commitment to combat antibiotic resistance and neglected tropical diseases

With regard to antibiotic resistance, Recordati is exploring the antifungal and antibacterial properties of fenticonazole with fungal and bacterial strains resistant to common treatments, including species able to form biofilms, a type of microrganism defence that is particularly challenging to address. The same molecule is also being studied to assess its potential effectiveness in the treatment of Leishmaniasis, a parasitic condition classified as a neglected tropical disease (tropical infections that are particularly common in low-income populations in developing regions of Africa, Asia and the Americas). These neglected diseases are often overlooked because they affect some of the world's poorest and most vulnerable communities. The cutaneous form of Leishmania causes skin lesions that leave permanent scars, often causing social stigma, particularly among women and children. The discovery of new drugs that are more effective and better tolerated is highly desirable.

Information on products and labelling

To prevent and mitigate the risks associated with labelling pharmaceutical products, linked to failure to comply with relevant legislative and regulatory requirements and the risk of inappropriate use of the products by Patients resulting from inaccurate information provided, the Group Regulatory Affairs function, with the support of other company functions and experts, constantly monitors the relevant legal and

regulatory landscape through regulatory intelligence. The necessary changes to the dossiers, regulatory documentation, packaging, label, blister pack, information leaflets, graphics and promotional material are made using the existing change management and approval procedures, in line with regulatory and legal requirements, ensuring the scientific validity of the contents. For more information, see the “Responsible Marketing” section.

S4-2 – PATIENT ENGAGEMENT PROCESSES

Please refer to the section on stakeholder engagement and the previous paragraph for information on awareness-raising campaigns and support for patient associations, caregivers, doctors and institutions to increase understanding, improve diagnosis and expand treatment availability, especially for people with rare diseases.
Please also consult the pharmacovigilance section for information on the channels for reporting Safety concerns.

S4-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR PATIENTS TO RAISE CONCERNS

Please also consult the pharmacovigilance section for information on the channels for reporting Safety concerns. Moreover, like all stakeholders, patients have access to specific channels to report any concerns or violations. Details of the reporting channels made available to all stakeholders, along with the relative management processes, are described in chapter “G1-1 Corporate culture and business conduct policies” in the “Business Conduct” section.

S4-5 – TARGETS

Recordati believes that every single patient should have access to the best possible treatments, and the Group's strategy and Sustainability Plan also include targets on access to medicine and healthcare.

The targets, which can be qualitative and quantitative in nature, are measured and reported on by the Group each year, specifying the state of achievement of each objective in relation to the defined time frames (the result of monitoring). For further details on the Sustainability Plan, the definition process and future targets, please refer to chapter SBM-1 “Strategy, business model and value chain”.

PRODUCT QUALITY AND SAFETY

S4-1 POLICIES

In the Group Quality Manual, Recordati sets out the quality principles and management processes adopted to ensure maximum priority is afforded to product safety, effectiveness, availability and reliability, patient and consumer safety, the quality of data submitted as part of authorisation requests, and stakeholder interactions.
Each and every Recordati employee is charged with protecting and implementing these principles. As such, Recordati firmly believes in the validity of the principles set out in the Manual and plays an active role in raising employee awareness at all levels of the organisation to ensure that the policy is dispersed, understood and implemented.

As noted in the Quality Manual:

- All activities are conducted in compliance with the applicable regulations, codes and quality standards.
- Leaders are responsible for ensuring that procedures are adopted to adequately define the requirements for activities affecting product quality, product registration and/or the data that supports product quality and patient/consumer safety.
- Data integrity according to ALCOA++ principles is ensured throughout the product life cycle.
- An Integrated Risk Management System is adopted, aimed at ensuring that any risks associated with our products are duly identified, assessed, and minimised or eliminated.
- At Recordati, every team member makes a significant contribution to promoting and maintaining a quality-centric mentality. All employees and temporary personnel have the appropriate education, training, skills and experience to competently carry out their roles, in line with applicable legislation and Recordati's internal policies and procedures.
- Registrations, documentation and data are managed in compliance with applicable law.
- The Group pursues continuous improvement in all of its activities to ensure that its products and services command the greatest possible level of satisfaction and trust.
- The status of the quality management system is monitored on a regular basis and, when necessary, changes are made to maintain or improve the guarantee of quality.
- Quality KPIs are adopted to reflect the conformity of the governance of the Quality Systems, and the data are evaluated on a systematic basis in the Quality Management Review.

The Manual and the principles enshrined therein apply to all of the Group's plants. The document has been signed by the Group Quality Assurance Manager.
The Quality topic is also covered in the Group Code of Ethics, which includes also the principles related to suppliers.

S4-4 ACTIONS

In order to guarantee the highest possible levels of patient health and safety, the Group guarantees product quality and safety throughout the Recordati supply chain, from research and development of new products to the procurement of raw materials and packaging and the production, control and commercialisation of registered medicines.

During research and development phases, specific clinical studies are carried out in order to ensure the efficacy and safety of the products and monitor for the emergence of any possible harmful side effects. The results of these studies are assessed by national and supranational bodies before marketing authorisation of the medicines is issued in the respective countries.

Within the supply chain, the Group’s suppliers are selected according to stringent assessment criteria and are periodically audited to confirm compliance with the applicable quality standards.

During manufacture at all Recordati facilities, all medicinal products are produced in accordance with the provisions of Good Manufacturing Practices (GMPs) in plants authorised by the relative local and non-European regulatory bodies. The Group's plants periodically undergo inspections and audits to ascertain compliance with current legislation and applicable procedures. Furthermore, all third party production facilities used by Recordati are subject to periodic audits, verifying the existence of the necessary regulatory authorisations required and ascertaining that all manufacturing and control activities are conducted in compliance with GMPs.

Manufacturing processes at the Group's sites involves rigorous and complete preliminary controls of the batches of raw materials and packaging materials received. This occurs before their use in the established manufacturing and packaging processes. In almost all cases, these controls are conducted at the Quality Control laboratories located within the Group's plants. In the event that external laboratories are used, these are selected and monitored according to the same rigorous procedure adopted for the Group for third party manufacturing facilities. In both cases, the Quality Control laboratories must be expressly authorised and certified to perform these control activities, with inspections performed by national and international regulatory agencies.

In order to guarantee the quality and safety of the products, each batch of medicines is subject to a preliminary quality control procedure prior to its release on the market, with the approval for distribution granted only in the event that the batches comply completely with the specifications authorised by the relevant Regulatory Authorities. The Group has launched a project to introduce an electronic global Laboratory Information Management System (LIMS) to simplify laboratory quality control processes, improve data management, and increase overall efficiency, with a view to further ensuring compliance with industry standards and legal requirements. The project involves the design, configuration and implementation of a custom-made LIMS solution developed to meet the specific requirements of the Group. The system will initially be trialled at one pilot site but has been designed to allow easy implementation at other sites.

Furthermore, all production processes are subject to preliminary validation procedures to confirm the capacity to supply medicines in a way that is reproducible over time, in line with the quality, safety and efficacy standards that form the basis for registration of the drug with the competent Authorities. Production and control procedures, as well as the validation of these processes, are guaranteed through the use of certified equipment subject to periodic recalibration. Specially and periodically trained personnel are responsible for manufacturing and control in accordance with applicable GMPs. These personnel operate in line with rigorous internal Standard Operating Procedures, with the goal of making every operation consistently reproducible and aligned with the defined standards.
As part of Recordati's goal to increase digitalisation and standardisation at Group level, a validated and standardised electronic management system was implemented in 2024 to manage its Standard Operating Procedures.
Furthermore, in 2024 Recordati extended the implementation of an electronic Quality Management System (QMS), ensuring the harmonised management of potential deviations, complaints and corrective/preventive actions at the Group's production plants and in its Research and Development activities. In the future, the adoption of the QMS in these areas will be consolidated at Group level through the introduction of the same system for Audits, Change Control and Supplier Qualification. This digitalisation process will coincide with the publication of the Group guidelines, aimed at setting out the minimum requirements for legal compliance and enabling the continuous improvement of the Pharmaceutical Quality System.

All personnel engaged in GMP activity receive training at least once a year on general or specific aspects of GMPs, in addition to periodic updates on the various procedures, with particular reference to procedures regarding the use of equipment, codes of conduct and safety protocol. During the year, an electronic system was also introduced for the management, assignment and monitoring of "GxP" training, ensuring that training is promptly provided to all employees and duly recorded.

For the product commercialisation phase, the Recordati Group has implemented a system aimed at guaranteeing compliance with European, Russian, Turkish and US Directives on anticounterfeiting measures, as well as those of other countries with equivalent regulations in force, observing the measures expected by

the respective Authorities with regard to product serialisation and aggregation, and for the use of quality seals on packaging, always in line with applicable local legislation. Furthermore, when handling any complaints made regarding its products, the Group investigates any possibility of counterfeiting in order to report any such instances to the Authorities.

As well as medicines, the Recordati Group also markets Medical Devices and Dietary Supplements. The quality systems that support the Group's activities related to production, where applicable, or marketing, comply with all applicable legislation. As regards Medical Devices, activities are conducted under the supervision of Notified Bodies, which require specific certification according to the provisions of a European Regulation that recently came into force.
Finally, after the products have been sold, the Recordati Group operates a post-sale pharmacovigilance policy, enabling doctors, healthcare workers and patients to promptly notify the Group of any significant events or adverse reactions experienced during the use of Recordati products.

Several projects have been carried out to ensure that the Group's processes continue to increase the level of compliance with GMPs. One such project, the implementation of Integrated Quality software to manage documents, GMP training and quality events, has led to increased process efficiency and standardisation, as well as a reduction in the risks associated with these kinds of activities. The Group has invested approximately 1.7 million euros into this project, in addition to licence costs for use of the implemented systems, amounting to around 1.3 million euros in 2024.
For several years, Recordati has implemented a project at all of the Group's production plants to assess and verify compliance with data integrity guidelines. The project is still ongoing. The results of the evaluations and analyses conducted at each site inform the necessary actions to be taken over the years, and the relative annual budgets are allocated. Expenditure at the Group's various plants totalled approximately 1.2 Million euros in 2024.

Audits and inspections

In order to ensure the quality and safety of its products and verify the compliance of its suppliers with applicable quality, environmental, health and safety regulations, the policies implemented by the Recordati Group include regular audits, as well as continuous inspections performed by the competent regulatory authorities and self-inspections within its own production plants.

Inspections and quality audits

The production plants of the Recordati Group are necessarily authorised to produce medicinal products by the respective local Authorities and as such are subject to periodic regulatory inspection. In addition to regulatory inspections, production plants are audited by the Group’s clients or by accreditation bodies qualified to certify compliance with ISO international standards.

Within its own pharmaceutical plants, the Group is committed to maintaining a quality control system that fulfils all applicable national and international requirements, guidelines and standards for the production of finished pharmaceutical products. In particular, all of the manufacturing plants operate in line with GMPs (Good Manufacturing Practices) and are regularly audited through inspections conducted by the competent national and international authorities. The Quality Control departments are responsible for the control of procured raw materials and the finished products in accordance with the relative procedures, approved methods and the pharmacopoeial monographs.

In addition to the production facility monitoring system, the Authorities also conduct periodic inspections at the branches that operate as medicinal product distribution companies in their respective regions.

In 2024, a total of 131 inspections/audits were carried out at the Group’s pharmaceutical production plants and branches in order to assess product quality, safety, and compliance with certification standards. Of these, 93 (71%) were internal audits and self-inspections carried out by the Group, while the remaining 38 (29%)

were carried out by the competent authorities (e.g., Health Ministries, Regulators, Certification Bodies) and third-party companies that receive Recordati products.

In 2024, the pharmaceutical plants underwent inspections by regulatory bodies in order to renew and grant the relevant authorisations to manufacture and/or distribute medicinal products. Of particular interest in this regard are those that were performed:

- by the French authority, ANSM, at the Saint Victor production site, in order to renew the relevant periodic GMP authorisation;
- by the Russian authority at the Milan production site, for renewal of the respective GMP authorisations for the specific region;
- by the Czech authority for the Pardubice production site, in order to renew the relevant periodic GMP authorisation;
- by the Ukrainian authority at the Turkish production site;
- by the local authorities for periodic Good Distribution Practices (GDP) inspections at the commercial departments in Austria, Romania, Switzerland and Sweden.

At the Tunisian production site and the Romanian branch, inspections were carried out for ISO Quality, Safety and Environment certifications.
The Group also received supervisory inspections for activities regarding the manufacture and/or distribution of medical devices. In particular, inspections were conducted by Eurofins and ICIM at the Milan site. All of the inspections resulted in renewal of the existing authorisations.

In addition to the inspections received from external bodies, the pharmaceutical production plants are subject to internal audits carried out by the Group's internal Quality Assurance unit on a regular basis.

As regards the inspections at the Group’s two chemical-pharmaceutical plants, in 2024 a total of 60 audits/inspections were carried out. Of these, 36 were internal (mainly involving Safety, Quality and the application of specific procedures) and 24 were performed by clients (mainly regarding quality control/GMP compliance of the manufacturing processes of APIs), certification bodies on the environmental management system, and regulatory and control authorities regarding quality, environment, and health and safety.

Supplier audits

One of the main control measures implemented in the supply chain are the audits carried out by the Group at third-party companies which produce medicines, medical devices and dietary supplements, as well as suppliers of APIs, excipients, packaging and services. In addition to assessments at the supplier approval stage, use of suppliers is also dependent on the ongoing quality monitoring of all supplies in order to constantly verify the level of quality and compliance with agreed specifications. The monitoring activities reduce the risk for the company by ensuring that suppliers constantly respect the quality standards and agreed specifications, guaranteeing product safety for patients and preventing any non-conformities with regard to quantity.

As regards the audits conducted by the pharmaceutical division, in line with the Group's procedures, all suppliers, particularly those supplying raw materials (e.g. active substances, excipients), packaging materials and services, are subject to periodic audits as defined by a risk assessment. In fact, in 2024 the Pharmaceutical Division of the Recordati Group conducted 173 supplier audits, of which 39% on suppliers of raw materials (active substances and excipients), 26% on third- party manufacturers, 15% on logistics service providers, 14% on suppliers of packaging materials, 2% on laboratories and calibration companies and the remaining 4% on other suppliers.

As regards supplier audits conducted by the chemical-pharmaceutical division, in 2024 a total of 3 audits were conducted, mainly on suppliers of raw materials and packaging.

Anti-counterfeiting

Recordati operates in compliance with anti-counterfeiting legislation and takes the necessary steps to allow the unique identification of medicinal products, as required by the law regarding serialisation in pharmaceutical manufacturing.
Since 2006, the European Federation of Pharmaceutical Industries and Associations (EFPIA) has been developing a standardised medicinal products traceability system as part of the fight against counterfeiting. Working in collaboration with three other European organisations, EFPIA has been involved in the creation of an ambitious coding and serialisation system known as the European Stakeholder Model (ESM). In conjunction with this project, ESM members worked to implement the European Medicines Verification System (EMVS) which aims to regulate the dispensation of medicines to ensure product authenticity.
In this context, in February 2016 the European Parliament issued a regulation dictating the technical requirements for all prescription medicines in order to combat medicines being counterfeited. This regulation came into force in February 2019. However, certain member states, Italy included, are exempt from implementing this regulation for a further six years due to the adoption of internal anti-counterfeiting systems at national level. From such date, prescription drugs that do not comply with the safety requirements established by this regulation may no longer be marketed.
In this regard, in 2015 the Recordati Group launched a project to ensure that all medicinal products produced at its own production plants or those of third-party companies comply with this regulation. The project was completed in line with the implementation deadlines provided for by legislation and the packs produced for the Group have been compliant with legislative requirements since January 2019. In particular, a packaging management procedure was introduced, under which each individual packet is stamped with a two-dimensional code containing a unique identification number, and a quality seal is applied. Moreover, all information generated in regard to the serialisation of individual packs are collated in a database designed to enable the in-out management of all third parties of the Group as part of a European data-collection system.

All warehouses (both internal and external to the Group) used to store serialised pharmaceuticals are made aware of the regulations and the European warehouses are connected to the relative national systems for product authenticity spot checks. Compliance with the applicable regulations is verified through audits conducted by Recordati at the relative warehouses. As regards the requirements of individual national Authorities, Recordati cooperates with the relative national systems for the resolution of alerts arising from product audits in the logistics chain or at point of delivery to the public.

Similar initiatives aimed at combating the counterfeiting of medicinal products have been launched or are currently being implemented in various countries in which the Group operates. Specifically, in Türkiye, China, the US, Korea and Russia, drugs marketed by the Recordati Group are already fully aligned with these safety requirements. Finally, in the Middle East several initiatives are currently being implemented to combat product counterfeiting. On the whole, projects to combat drug counterfeiting continued, in full compliance with the developing legislation. In 2022, phase 2 of the serialization project in Bahrain was completed, while in 2023 the project was completed for products marketed in the United Arab Emirates (UAE). In 2023, serialisation was also introduced in Kuwait. Many other markets have decided to implement legislation to combat the counterfeiting of medicines. In 2023, Recordati implemented Uzbek legislation, enabling the Group to carry out serialisation and aggregation also for this market. Finally, in 2024 Recordati began and completed the alignment process with the new Kazakh legislation.

S4-2 PROCESSES FOR ENGAGING WITH PATIENTS ABOUT IMPACTS

With regard to Patients, no engagement activities on Quality were carried out. Please refer to the paragraph on “Pharmacovigilance” for information on the channels for reporting Safety concerns and to the chapter “S4 – Actions” on the relationship with Quality regulatory authorities.

S4-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND REPORTING CHANNELS

The Recordati Group operates in full compliance with legislation and regulations in various fields thanks to dedicated and qualified personnel. As indicated in the Code of Ethics, compliance of all conduct with applicable legislation and ethical regulations is a mandatory prerequisite for Recordati and its collaborators in every country in which it operates.

Key figures in the Group active in this regard include the managers of the Pharmacovigilance Department, the Scientific Department, the Clinical and Manufacturing Quality Assurance Departments and the Regulatory Affairs Department, as well as the Qualified Person, the Health, Safety and Environment Manager and the Compliance Officer. Activities aimed at ensuring compliance with legislation and regulations are undertaken in line with international best practices and are constantly examined during inspections conducted by commercial partners, authorities and certification bodies.
In this regard, the Recordati Group complies with the regulations issued by industry certification bodies and has achieved the GMP (Good Manufacturing Practices) certification for product quality and safety, issued by the relevant national and foreign authorities for all plants. The Campoverde di Aprilia site is also regularly inspected by the Italian Medicines Agency, the US Food and Drug Administration, the Brazilian Agência Nacional de Vigilância Sanitária and the Korean Food and Drug Administration and is certified by the Japanese Ministry of Health.

Complaints received from the market are managed by the Quality system in accordance with applicable legislation, ensuring that such reports are promptly recorded, evaluated and investigated. Where necessary, Recordati applies specific operating procedures to quickly and effectively recall its products. In 2024, no severe problems or incidents related to patients were reported[146].

Pharmacovigilance System

Monitoring the safety of medicines is essential to ensure the effective used of the drugs and to provide high-quality medical care. In compliance with national and international laws and regulations on pharmacovigilance, Recordati has adopted an appropriate pharmacovigilance system aimed at ensuring the correct and timely evaluation of its products, both original and under licence, with particular attention given to the risk-benefit ratio.

Patient safety is a fundamental value for Recordati and is guaranteed by the pharmacovigilance system which, through the Group's quality system, operates in accordance with applicable legislation and the Good Vigilance Practice (GVP) guidelines.

In all countries in which Recordati operates directly through its affiliates, it ensures implementation of adequate measures to guarantee product safety through the creation and sharing of corporate procedural documentation, applicable to the entire Group. For all countries in which Recordati does not have direct operations (including developing countries or those with less stringent local laws), meanwhile, the safety of Recordati products is in any case ensured through the definition of specific pharmacovigilance agreements

[146] *The extremely low number of recalls were related to events that did not have a negative impact on the health of patients and were promptly handled by the Company.*

with selected local partners. These agreements detail all activities to be conducted and the corresponding time frames and methods, all in compliance with Recordati procedures and regulatory requirements.

The pharmacovigilance system and its quality system establish specific responsibilities and procedures for the performance of activities, which apply at Group level in accordance with local and EU legislation. All of Recordati's processes that apply to the Pharmacovigilance system are reviewed by the Group QA R&D Manager and approved by the Qualified Person for Pharmacovigilance (QPPV), who is responsible for ensuring that the company's pharmacovigilance system conforms to the applicable legislation. The QPPV oversees the collection, assessment and communication of product safety data, ensuring that any adverse reactions are promptly reported to the competent authorities.

Monitoring of the Pharmacovigilance System

Recordati's Pharmacovigilance system is subject to continuous monitoring through internal audits, audits by commercial partners and inspections by the regulatory authorities. In addition, partners' observance of the existing agreements, as well as of local and EU legislation, is subject to monitoring through audits of the commercial partners.

Close safety profile monitoring applies to the entire product life cycle (from clinical trials to commercialisation) of all of the Recordati Group's drugs at a global level. The Group collects and evaluates all information relating to adverse events involving its drugs, monitors their benefit/risk profiles and assesses/discusses them during specific Safety Committee meetings. The relevant information is promptly communicated to the competent authorities in accordance with current legislation. The collection of reports of possible adverse reactions made by patients and physicians is an essential element of the safety analysis.

All company personnel must be aware of the concept of pharmacovigilance and of the steps to take should they become aware of an adverse reaction following the use of a Group pharmaceutical product. On this basis, when joining the company, all new employees receive dedicated training and all employees are required to take an annual refresher course. Furthermore, pharmacovigilance personnel are updated on pharmacovigilance obligations through participation in internal and external training courses.

The pharmacovigilance system collects information on all suspected adverse drug reactions (ADRs), adverse events (AEs) and special situations associated with authorised medicinal products, originating from both spontaneous and non-spontaneous sources, within the countries under its jurisdiction.

Safety concerns may be reported via various channels, including:

- Telephone calls received by the Recordati call centre or any other call centre accessible to external users;
- Product quality complaints (PQCs) received by the Quality Assurance department;
- Medical enquiries (ME) received by the Medical Information department;
- Legal actions received by the Legal department;
- Digital communication channels under the supervision of the digital communications manager;
- Communications received via the Recordati website;
- Email and fax from any user;
- Organised data collection systems, including
  - Market research (MR), Patient Support Programmes;
  - Clinical trials: Interventional/non-interventional clinical trials;

Furthermore, in accordance with the applicable legislation, all package inserts for medicinal products always indicate the ways in which patients can report adverse reactions.

S4-5 TARGETS

The Sustainability Plan also includes quality targets. The targets, which can be qualitative and quantitative in nature, are measured and reported on by the Group each year, specifying the state of achievement of each objective in relation to the defined time frames (the result of monitoring). For further details on the Sustainability Plan, the definition process and future targets, please refer to chapter "SBM-1 Strategy, business model and value chain".

RESPONSIBLE MARKETING

S4-1 – POLICIES

As set out by the Group Code of Ethics, Recordati seeks to enable doctors and healthcare operators to offer their patients the best possible therapeutic care, providing them with complete, accurate and truthful information in accordance with the applicable legislation on the promotion of medicinal products. At Recordati regulations on advertising products to the public are rigorously applied, adopting a simple, clear, and complete approach to communication and refraining from any improper and/or misleading practices. For more details on the Code of Ethics, please refer to the section on “Business conduct”.

In February 2025 the Group issued the “Promotional and Non-Promotional Activities” Policy. Recordati is committed to providing truthful and non-misleading information about its products and the related diseases, enabling healthcare professionals to make autonomous decisions without being subject to undue pressure or inappropriate influence. The Promotional and Non-Promotional Activities Policy establishes clear guidelines for the management of such activities, ensuring compliance with legal, regulatory and ethical standards, and fostering transparency and trust among healthcare professionals, patients and external parties.
The Policy has been approved and signed by the members of the company’s Top Management most closely involved in its implementation, along with the Chief Executive Officer, and is available on the company intranet.
The policy applies to all Recordati Group companies.

S4-4 – ACTIONS

Relationships with the medical community, healthcare operators (pharmacists, nursing staff, or other healthcare workers in public and private healthcare structures), scientific societies, and medical associations must be handled in a transparent and traceable manner, in full observance of the applicable laws and rules of conduct set out by the professional codes of national industry associations.

All information and promotion activities regarding drugs promoted by the Group Companies are regulated by internal procedures and with assigned personnel (Scientific and Regulatory Affairs Departments) who are responsible for ensuring compliance with supra-national and national legislation and are aligned with the national codes of conduct of the relative industry associations.
In particular, these company procedures regulate medical and scientific information activities and relations with the medical community and healthcare facilities. The procedures adopted by all Group Companies are particularly important, with the major ones regarding the sponsorship and organisation of conventions and training events, the contribution of professional medical consultancy services, the distribution of information and promotional materials and free samples, and the disbursement of donations and other grants to scientific companies and healthcare facilities.

The Group's medical and scientific information procedures explicitly specify the applicable legislative provisions and the obligations contained in the professional codes of conduct applicable in the various counties in which the Group operates. Furthermore, the procedures are aligned with the content of the Group's Anti-bribery Manual and contain the necessary internal organisational and authorisation provisions. Finally, all procedures comply with the principles of control and transparency, correct separation of functions and traceability in decision-making processes.

Recordati has commercial relationships with both private customers and with customers in Public Administration. Private customers include, for example, distributors, wholesalers, pharmacies, and the large-scale retail trade. Customers in Public Administration include, for example, hospitals, care homes, and public pharmacies. All commercial relationships with our customers are based on fairness, honesty and mutual

respect and always comply with the current regulations in the markets where the Company operates. Within these relationships, the Company guarantees full and correct fulfilment of contracts and provides high-value products and services in terms of quality, safety, and environmental impact. In terms of our commercial relationships with customers in Public Administration, in addition to respecting the aforementioned principles, the Company also guarantees correct fulfilment of all obligations related to participation in tenders organised by Public Bodies.

The correct application of the procedures and the compliance of the marketing activities conducted by Group Companies are periodically subject to specific internal audits in the context of the audit plan approved by the Parent Group. Moreover, the Group Companies, which are members of industry associations, submit their marketing and scientific-information procedures and activities for independent assessment and annual certification. In 2024, audits were conducted on promotional activities, the distribution of free samples, scientific consultancy by healthcare operators and other processes pertaining to marketing and medical/scientific information activities.

The Group's External Operating Personnel (medical representatives) receive constant training on regulations regarding drug advertising and the provision of information in compliance with local legislation, and specific training on ethics and anti-bribery topics in the context of the company's training plans.
The activities described above help to ensure the effective adoption of conduct necessary to ensure compliance with regulatory requirements, while also reducing the company’s risk of non-compliance.

S4 – 2 PROCESSES FOR ENGAGING WITH PATIENTS ABOUT IMPACTS

No specific patient engagement activities on responsible marketing are planned.

S4 – 3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR PATIENTS TO RAISE CONCERNS

Please refer to the paragraph on “Pharmacovigilance” for information on the channels for reporting Safety concerns. Moreover, like all stakeholders, patients too have access to specific channels to report any concerns or violations. Details of the reporting channels made available to all stakeholders, along with the relative management processes, are described in chapter “G1-1 Corporate culture and business conduct policies” in the “Business Conduct” section.

S4-5 – TARGETS

As set out in the Sustainability Plan, the Group plans to update the Group Code of Ethics and to launch a training programme in 2025, with the aim of training at least 90% of all Group employees by 2026. The Code of Ethics also includes aspects related to responsible marketing, and consequently this topic is also covered in the employee training course on the main content of the Code. For further details on the Sustainability Plan, the definition process and future targets, please refer to chapter “SBM-1 Strategy, business model and value chain”.

PRIVACY

For details on privacy and personal data protection for employees and third parties, please refer to the Business Conduct section in the chapter “Personal data management – Privacy”.

SUPPORT FOR LOCAL COMMUNITIES (ENTITY SPECIFIC)

SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Recordati believes that contributing to the well-being of the community and dedicating part of our resources to acts of solidarity is not merely the fulfilment of company obligations or professional duty, but rather a moral imperative, an essential part of a healthy business capable of growth but at the same time able to support and develop the community in which it operates and make its employees proud. A relationship founded on dialogue and support for the needs of local communities and stakeholders is fundamental to the creation of long-term value. Supporting local communities can encourage local development and strengthen relations with key stakeholders, increasing the prosperity and wellbeing of the areas in which Recordati operates. For more information on the process adopted to identify positive impacts on communities and the relative dialogue mechanisms, see chapters “IRO-1 Description of processes to identify and assess material impacts, risks and opportunities” and “SBM-2 Interests and views of stakeholders” respectively.
The Recordati Group promotes initiatives which support medical-scientific organisations and patients through the relevant associations and social projects to aid the sections of the population most at need, including in the context of emergencies and humanitarian crises. In fact, the Sustainability Plan contains a specific goal linked to supporting local communities through the donation of money, goods, facilities or company products and through direct participation of employees in social initiatives. For more information on how this topic shapes the company's strategy and business model, see chapter “SBM-1 Strategy, business model and value chain”.

MDR-P POLICIES

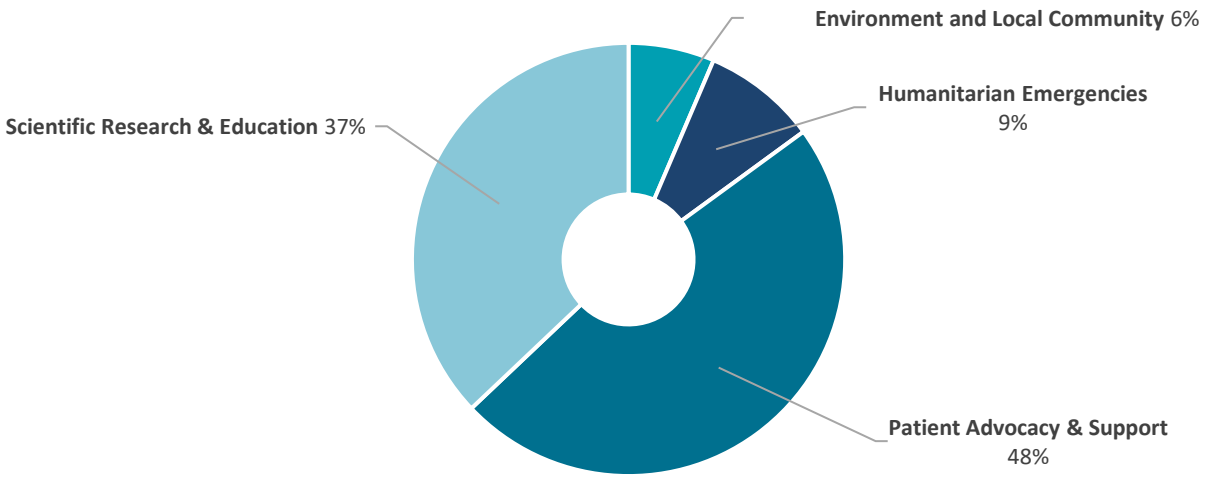
The Recordati Group has established a Donations Policy to regulate donations made by the company, understood as any monetary or other contributions aimed at supporting an organisation working in the interests of the community or improving the quality and availability of healthcare without receiving anything in return.
The Donations Policy adopted by the Recordati Group establishes the principles that every Recordati Group company is required to observe in the management of donations, governing the related organisational, authorisation and procedural aspects. This Policy applies to all Recordati Group personnel.

Specifically, the goal of the Policy is to define the types of donations permitted, identify possible recipients, clarify the causes to which donations may be allocated and set out what is permitted and what is not. Donations must strictly comply with applicable laws, regulations and standards, and particular attention must be taken in all cases in which donations are provided, directly or indirectly, to organisations that may purchase, prescribe or recommend Recordati products.
The document contains a detailed description of the process to follow, from the donation or contribution request, through to due diligence, internal approval and, finally, definitive authorisation of the donation.
The Policy has been approved and signed by the members of the company’s Top Management most closely involved in its implementation, along with the Chief Executive Officer.
The Document refers to the guidelines already provided in other Group documents, including the Code of Ethics, Anti-Corruption Manual, Policy on the Compassionate Use of Medicinal Products and the Policy on Management of Transfers of Value.
The Policy is available on the company intranet in order to ensure that all employees can easily access information and consult the established guidelines.

MDR-A ACTIONS

In line with the Group Donation Policy and commitments made in the Sustainability Plan, in 2024 the Recordati Group made donations totalling approx. 2.7 Million euros[147], in the form of both monetary and product donations. The Group primarily offers support in the context of humanitarian emergencies (e.g. aid to areas affected by floods in Spain), patient support, scientific research and education, and environmental and community initiatives. In the area of support for patients, scientific research and education, work on the treatment of rare diseases is of particular importance. This includes information and awareness initiatives, support for patient associations and scientific events.

Recordati Group donations by category



In 2024, in addition to donations (monetary and product), many initiatives were run supporting local communities in which the Group operates, through the direct participation of employees in social initiatives. Among others, some initiatives saw the participation of Recordati employees in Germany, China and Switzerland in voluntary work to protect the natural environment. A group of employees in Germany organised a day dedicated to cleaning roadsides, pavements and flowerbeds in the area surrounding the company offices. The Recordati China team also organised a clean-up in green areas around Beijing, collecting litter abandoned in woodland and along paths. Employees of the Swiss branch offered their support to a farmer to help manage land in the local area.

Various branches participated in charity runs to raise funds and awareness. In Tunisia, for example, several employees took part in “Run for Little Hearts”, raising funds for children affected by congenital heart problems. In Spain, a group of employees participated in two competitions organised to promote teamwork and sport.

In Italy, the Milan team collaborated with the AVIS organisation to promote blood donation, underlining the importance of this commitment for the community and for those who require these resources.

Recordati Rare Diseases in Spain, China and Italy organised activities to support vulnerable children hospitalized in local healthcare structures. In Spain, in collaboration with the non-profit Fundación Juegaterapia (Playtherapy Foundation), the Recordati team contributed to the creation of a games room, enabling children to play during treatments, thus reducing their levels of stress. In China several employees organised a fun day with disabled children at the Children’s Welfare Home of Beijing to mark the Dragon Boat Festival. In Italy, several employees spent a day with children on wards at Genova’s Gaslini hospital. The Spanish branch of Recordati, in collaboration with Fondazione Theodora and their Dottor Sorriso children’s

[147] *This figure includes monetary donations and product donations measured at market value.*

entertainers, launched a project involving hospitalized children and their families. Finally, in response to environmental and humanitarian emergencies, Recodati Poland supported local communities affected by the September floods, while the Spanish branch helped communities affected by the floods there in October.

Activity also continued for the planting of trees, demonstrating Recordati's commitment to protecting nature and local areas.

From 2021 to 2024, the Recordati Group planted approx. 24,000 trees (approx. 5 per employee). Having successfully completed the Forestami project in Italy and other planting initiatives in Tunisia for the three years 2021–2023, in 2024, the Turkish branch sponsored the planting of approx. 10,000 trees in the reforestation area of Kilis Yeniyurt, which was hit by the 2023 earthquake, with support from the Tema Foundation.

MDR-T - TARGETS

Recordati aims to continue supporting communities through monetary and/product donations and other initiatives in 2025 (including employee volunteer activities). The initiatives and amounts donated will be defined during the year on the basis of the projects identified by the Group and local branches, and in accordance with the principles established in the Donations Policy and Group procedures.

Recordati effectively monitors policies and actions regarding local communities through regular analysis of initiatives launched. This is done through dialogue with charity organisations and associations, in order to evaluate the outcomes of the various initiatives run during the year.
The targets, which can be qualitative and quantitative in nature, are measured and reported on by the Group each year, specifying the state of achievement of each objective in relation to the defined time frames (the result of monitoring). For further details on the Sustainability Plan, the definition process and future targets, please refer to chapter "SBM-1 Strategy, business model and value chain".

CONSOLIDATED SUSTAINABILITY STATEMENT

GOVERNANCE INFORMATION

4.1 BUSINESS CONDUCT

ESRS 2 GOV-1 ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

See chapter “GOV 1 – The role of the administrative, management and supervisory bodies”.

ESRS 2 IRO-1 G1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

As described in chapter IRO-1 “Description of the processes to identify and assess material impacts, risks and opportunities”, the risks and impacts associated with business conduct identified by the Group refer to potential instances of corruption or unlawful conduct. Supplier management, and specifically the promotion of ethical, social and environmental principles along the supply chain, is another impact that has been identified.
The process to identify the material impacts and risks associated with business conduct considered the Group's activities and its relations with stakeholders, as well as the legal and regulatory obligations linked to the specific nature of its business.

G1-1 CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

The Recordati Group is committed to conducting its business ethically, transparently and honestly in all the countries where it operates, respecting the applicable laws, professional codes of conduct, the Code of Ethics, the Anti-Bribery Manual and the Organisational, Management and Control Models, as well as internal procedures.
The Recordati Group believes that ethics, integrity and legal compliance are the core values of the Company. The Group rejects any violation of the law and is committed to adopting a zero-tolerance policy towards corruption. Wherever it does business, the Group aims to ensure the highest ethical and compliance standards and to contribute to the well-being of all stakeholders, including patients, employees, business partners, shareholders and all the communities in which the Group operates. These shared commitments form the foundations of the Group’s responsible approach to business.
The Recordati Group's Compliance programme is structured as a set of internal codes of conduct, policies and procedures, such as the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001, the Code of Ethics and the Anti-Bribery Model, which establish the responsibilities, principles and practices to be adopted in the performance of its activities. This programme applies to all Group companies and employees and, to the extent of their responsibilities, other stakeholders, such as collaborators and suppliers.
The Group monitors and constantly updates these documents, also taking into account changes to regulations and the leading national and international guidelines and best practices.
Furthermore, as stipulated in the Code of Ethics and the Anti-Bribery Manual, the Group promotes the delivery of training courses to ensure that the principles contained in the documents are fully understood and effectively adopted. The training, education and awareness programmes, which are provided on a continuous basis, are fundamental to promoting a culture of compliance and, in particular, to optimising understanding and awareness of anti-corruption laws and regulations.
The Group is therefore committed to improving knowledge and understanding among all its stakeholders — especially employees and collaborators — through training courses and other educational initiatives. Participation in these courses were also extended to certain external parties (for example, agents and contractors) who, although not employed directly by the Recordati Group, perform activities in the name of and on behalf of the Recordati Group on an ongoing basis. It is therefore important to note that participation

in training programmes, along with the successful completion of the related tests, is one of the indicators used by the Group to monitor and evaluate its business culture. The Group's business culture is also constantly evaluated through a composite series of other qualitative and quantitative indicators, including but not limited to the number and type of reports received through whistleblowing channels (which may be submitted by any stakeholder), the results of monitoring and audit activities concerning compliance with company regulations and standards, investment in the development of the Compliance Department, the results of the self-assessment questionnaires on ethics and compliance periodically completed by all the Group's branches, and the number of training or awareness-raising activities carried out within the Group.
Furthermore, as stated in the Code of Ethics, commercial relationships with third parties (suppliers, consultants, partners) are founded on respect for the principles of fairness, professionalism, efficiency, loyalty, transparency and equal opportunities. The Group establishes written agreements specifying the responsibilities of each party and requires that the principles of the Code of Ethics be respected. Recordati only works with honourable, trustworthy people and businesses with good reputations, after performing checks on the information available on them. Furthermore, Recordati requires suppliers to accept the Code of Ethics in the supplier qualification phase and reserves the right to terminate the contractual relationship in the event of conduct incompatible with the values and principles expressed therein.

The Recordati Group Code of Ethics

The Code of Ethics establishes the fundamental values of Recordati that guide and support the Group in its operations and relationships with stakeholders, both internal and external. It sets out the responsibilities of all recipients and defines "shared commitments", i.e. conduct through which Recordati's values find concrete, practical application. The Code of Ethics includes guidance on:

- How we manage our business, including guidance on: Ethical and lawful conduct; Product quality and safeguarding health; Commitment to environmental protection and sustainable development; Conflicts of interest and protecting the Company's assets; Accounting transparency, confidentiality of information, personal data and social media.
- People and the workplace, including indications regarding: Protecting people, Equity, equality and protection of human rights: Health and safety in the workplace
- Relationships with our stakeholders.

The Code includes a detailed description of expected conduct and the Group's commitment to each of the above topics[148].
The Code is adopted by all Group Companies and applies to all employees, associates, directors, members of company bodies, commercial partners and other third parties with which the Group collaborates, including consultants, intermediaries, agents and contractors, clearly defining the Company's expectations in terms of ethical standards and standards of conduct. This document, therefore, serves as a reference for all Recordati stakeholders and represents the Group's commitment to conducting its business and managing both internal and external relationships in an ethical and sustainable manner.
The Group Code of Ethics is approved by the Board of Directors of Recordati S.p.A and adopted by all Group companies. The Board of Directors of Recordati S.p.A is ultimately responsible for the implementation of the Code of Ethics.
This Code has been inspired by the main standards and guidelines for corporate governance, human rights and the environment, such as the United Nations' Universal Declaration of Human Rights, the Charter of Fundamental Rights of the European Union, the decent work standards set out in ILO (International Labour Organization) conventions, the OECD (Organisation for Economic Cooperation and Development) Guidelines for multinational enterprises, and national and supra-national Anti-Bribery legislation (e.g.: the OECD Anti-Bribery Convention, Italian Legislative Decree 231/2001, the Foreign Corrupt Practices Act, the Bribery Act, Loi Sapin 2, Ley Orgánica, etc.), as well as ISO 14001 standards on the environment.

[148] *The Code also includes considerations on animal welfare and scientific testing on animals. Please refer to the chapter on Patients, Research and Development Section for more details.*

Additionally, the principles and guidelines contained in the Code are further detailed in numerous other company documents. These documents help all recipients of the Code to put its principles into practice in their daily work. These additional documents include, for example, the Group's Anti-Bribery Manual; national organisational, management and control models and local compliance procedures; privacy management models; the product quality and clinical research management system; the Group's policies on the main corporate processes and its policies on the environment and safety in the workplace, as well as the relevant local procedures; local and Group accounting manuals; and the administrative and technical procedures which govern Company activities in detail.
The Code of Ethics, adopted by all Group Companies, is published on the Recordati Group website and Intranet in order to guarantee widespread availability and access, and its distribution within the Group has been carried out with involvement of the General Managers of all Group Companies. It has been translated and made available in Italian, English, French, Turkish, Russian, Spanish, Portuguese, Polish, Czech, German, Japanese and Chinese. For information on training on the Code of Ethics, please refer to the training paragraph in chapter "G1-3 – Prevention and detection of corruption or bribery".

Recordati's reporting channels

The Code of Ethics defines the methods for reporting breaches (whistleblowing) and provides information on management of such reports.
It is important to note here that the whistleblowing channels are accessible to all of the Group's stakeholders, whether internal or external. To this end, the Group's whistleblowing portal is hosted on the Recordati Group website. Reports may also be submitted by email or post. Reports may concern violations of the Code of Ethics, the Anti-Bribery Manual, company policies or applicable laws, corruption and bribery, harassment, bullying, mobbing, etc.
Recordati is committed to taking responsibility for all the reports it receives and to respond to them, guaranteeing maximum confidentiality in their management and the anonymity of the whistleblower, without prejudice to legal obligations and protection of the rights of persons accused maliciously or in bad faith. The Group has adopted various complementary measures to protect whistleblowers, and the whistleblowing channels may also be used anonymously. In this regard, appropriate communication mechanisms have been established between whistleblowers and the business units responsible for handling reports. These mechanisms are also available in the event of anonymous reports. Other protection mechanisms adopted include but are not limited to: measures to ensure the person named in the report is not included on any investigative board, measures to guarantee the confidentiality of the whistleblower, and the implementation of appropriate segregation measures. All ethics and compliance training courses delivered by the Group include a specific section on the reporting channels that may be used in the event of violations to company regulations or any other conduct incompatible with internal regulations or applicable laws.
The reports are received by the Internal Audit business unit which has the necessary investigative skills and experience. Furthermore, when conducting its preliminary enquiries and investigations, it may also request support from other relevant business units, such as Legal & Compliance.
These mechanisms for protecting whistleblowers, together with the mechanisms for receiving and handling reports, the company coordination mechanisms (including with the Supervisory Bodies established pursuant to Italian Legislative Decree 231/2001) and the mechanisms for conducting investigations, are set out in a specific Group Policy on Whistleblowing, which applies globally, is subject to periodic review, and guarantees that reports are promptly and meticulous analysed, investigated and addressed.
Under this Policy, investigations are conducted by the Internal Audit business unit which reports directly to the Chairperson of the Group, and whose independence is therefore guaranteed by its organisational position. To further strengthen the independence and objectivity of the investigations, the above Policy also provides for the creation of a Whistleblowing Committee, as well as the involvement of the Supervisory Body pursuant to Italian Legislative Decree 231/2001, in the event that the alleged violation relates to matters covered by the said decree.

Additionally, Recordati expressly prohibits any type of retaliation against anyone lodging a report in good faith. Recordati is committed to creating a collaborative work environment, where the dignity of every person is respected and everyone can feel at ease in reporting any violations of the law, the Code or Company policies.

The Anti-Bribery Model of the Recordati Group

The Recordati Group is deeply committed to conducting its business in line with the principles of transparency, honesty and ethics in all of the countries in which it operates, and rejects all forms of corruption. To this end, since 2009, the Group has conducted an assessment of its internal control systems in line with international and supra-national anti-bribery (or anti-corruption) legislation in the countries where the Group has branches and has developed a Group Anti-Bribery programme and Manual that involves both the personnel of the Parent Company and branch personnel. The anti-bribery programme, contained in the respective Group Anti-Bribery Manual, consists of four main phases:

1. assessment of local and national legislation;
2. assessment of local systems, procedures and models to safeguard against corruption;
3. analysis of existing risks and controls to identify any residual risks;
4. updating of the Group's Anti-Bribery Manual.

The Anti-Bribery Manual applies to all of the Group's operations without exception, and is subject to periodic review[149]. The subsidiaries' General Managers are responsible for the anti-corruption governance at a country level. Managers of the Corporate Departments are responsible for anti-corruption governance at corporate division level. The Group Compliance Department is in charge of supervising the anti-corruption governance.
Currently, the Group Anti-Bribery Manual contains 16 business areas potentially exposed to the risk of corruption, for which specific principles of conduct have been formulated to avoid corruption. The 16 areas are research and development, production, relations with the medical community and healthcare facilities, regulatory activities, transactions with public authorities, consultancy, medical samples, courses and conferences, promotional material, contributions and donations, financial transactions, human resources and relations with politicians or political parties and procurement management, interaction with the public administration and management of entertainment expenses.
The Group Anti-Bribery Manual, translated and distributed in English, French, Turkish, Russian, Spanish, Portuguese, Polish, Czech, German, Chinese and Italian, was published on the Recordati Group Intranet and website to guarantee widespread availability and access, and its distribution within the Group was carried out with the involvement of the General Managers of all Group Companies.
As noted in the Anti-Bribery Manual, the Group Internal Audit Department is responsible for conducting periodic audits in order to ascertain whether the measures adopted to combat the risks of corruption and bribery are adequately designed and effectively implemented. Moreover, these audits aim to assess any reports of alleged non-compliance. The end goal is to ensure that the anti-corruption laws and provisions in force and described in the Anti-Bribery Manual are observed and effectively implemented. Moreover, as described above, the procedures adopted by the Group prevent any persons involved in an investigation from participating in it. They also establish mechanisms for reporting to senior management, including the CEO, Chairperson, and the Supervisory Bodies established pursuant to Italian Legislative Decree 231/2001.
In addition to the Code of Ethics and the Anti-Bribery Manual, all relevant policies, including the whistleblowing policy, have been made available on the company intranet. Finally, as described in the section

[149] *During the most recent revision of the Manual, in 2020, which involved significant additions and improvements to the contents and areas covered, with new examples of potential corruption risks and related guidelines for conduct, the key principles for preventing corruption within the Group had already been strengthened (e.g. absolute prohibition on facilitation payments and prohibition on payment of contributions, whether direct or indirect, in any form to parties, movements, committees and organisations of a political or trade-union nature, including to their representatives and candidates, outside those permitted by specific provisions of law) and the structure of the Group Anti-Bribery Manual was reviewed for easier consultation and comprehension. Updating of the Anti-Bribery Manual and aspects regarding its implementation were based on Business Against Corruption: A Framework For Action - U.N. Global Compact, Transparency International. The Anti-Bribery Manual is available on the Corporate website in the Governance, Compliance Programmes section and on the corporate Intranet.*

on Training below, all company personnel take part in a periodic training programme that includes specific courses on the Code of Ethics and the Anti-Bribery Manual, as well as on dealing with Ethics and Compliance dilemmas that may arise during their professional activities.
Training and refresher courses are also delivered to members of the Group's administrative, management and supervisory bodies.
Please refer to the training paragraph in chapter "G1-3 – Prevention and detection of corruption or bribery" for further details regarding training on business conduct.

G1-3 PREVENTION AND DETECTION OF CORRUPTION OR BRIBERY

The Organisational, Management and Control Model

The main sustainability topics are regulated within the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (the "Models"), adopted by all the Italian companies of the Recordati Group and in similar Models or sets of procedures adopted by the other subsidiaries of the Recordati Group. In the second half of 2024, the parent company Recordati S.p.A. updated its Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001 to take into account the latest offences introduced into the legislation. The new Model, which has been approved by the company's Board of Directors, has undergone updates to both the General Section and Special Section, specifically in relation to the revision of numerous operational management protocols. Similar updates will also be made to the Models of all of the Group's Italian subsidiaries, where applicable.
Actual application of the Model was guaranteed by monitoring and training activities implemented in part by the Supervisory Body that continued to perform its activity in compliance with its By-Laws. In 2024, the Recordati S.p.A. Supervisory Body met eleven times.
Like the parent company Recordati S.p.A. and the other Italian Group Companies, as regards the foreign companies of the Group, following the adoption of an Organisational, Management and Control Model in compliance with Ley Orgánica 2015/1 of 30 March 2015, the Spanish subsidiaries Casen Recordati S.L. and Recordati Rare Diseases S.L. correctly performed the activities provided for in the Model through the action of their Supervisory Bodies. In 2024, the Supervisory Bodies of the two Spanish companies met regularly and performed activities in accordance with their Regulations in order to ensure the adequacy, implementation and updating of the Model adopted by the Company. In accordance with the respective Models adopted, the Supervisory Bodies of the various Companies present an Annual Report on their activities to the respective Boards of Directors.
The organisational models adopted by the Group companies are dynamic and effective tools thanks to the constant control and updating activities also performed by the Supervisory Bodies. All of the Organizational Models (Italian and foreign) provide for dedicated channels for reporting irregularities or breaches by employees and regular personnel training on the contents of the Models and reference standards. The Models are constantly monitored and updated, with particular attention to crime prevention and risk assessment following changes to legislation with the introduction of new types of offences.
The Supervisory Bodies appointed within the Group Companies are collegiate and composed of an internal member (the Internal Audit Manager or the Compliance Officer) and external professionals (criminal lawyers or university professors in business administration). Each Supervisory Body is internally regulated and operates according to a specific action plan. The Supervisory Bodies have their own spending budget and periodically report to the Board of Directors and the Board of Statutory Auditors (where present). The Group's Italian companies, Recordati S.p.A., Innova Pharma S.p.A., Italchimici S.p.A. and Recordati Rare Diseases Italia S.r.l. submit their medical and scientific information and relationship management protocols, which are part of their respective models pursuant to Italian Legislative Decree 231/2001, to certification by Farmindustria, through an independent inspection body (Certiquality).
In February 2024, the protocols of the aforementioned Companies were audited by Certiquality, which renewed and confirmed the Farmindustria Certification attesting compliance of the activities related to medical-scientific information with the association's code of ethics.

Similarly, where required by law or by professional codes of conduct, other subsidiaries of the Recordati Group also submit their medical and scientific information procedures for independent review by the associations of national pharmaceutical companies. In terms of transparency towards the medical community, the Group, in the countries in which it operates, complies with applicable legislation and provisions of Professional Codes of Conduct of national industry associations (including Farmindustria in Italy) that are part of the EFPIA European federation. To enable optimal professional ethics in relationships between industry and the scientific and healthcare worlds, the Group Companies publicly disclose "value transfers" carried out by the Company in relation to healthcare professionals and organisations. These value transfers are publicly disclosed on the company websites of the Group Companies or in accordance with other methods required by applicable regulations in the various countries.
The systematic approach of the Organisational, Management and Control Models pursuant to Italian Legislative Decree 231/2001 is reinforced though additional models dedicated to other company departments, such as in the context of health and safety in the workplace, environmental management, privacy and export control. Further information regarding the Models, the relative procedures and the training provided on the same is available in the section "Internal Control and Risk Management System" of the Corporate Governance Report and Ownership Structure.

Anti-corruption governance

Anti-corruption is a collective responsibility. To facilitate compliance with anti-corruption laws, rules and regulations, Recordati is committed to:

- Identifying the organizational structure
- Appointing roles and responsibilities
- Promoting awareness of the Anti-Corruption Compliance Program

The subsidiaries' General Managers are responsible for the anti-corruption governance at a country level. Corporate Directors are responsible for anti-corruption governance at corporate division level. The Group Internal Audit and Compliance & Ethics Departments work together to supervise the anti-corruption governance. Anti-Corruption Governance at Recordati is composed of the following areas:

- Regulatory and Compliance Requirements monitoring
- Risk Identification and Assessment
- Due Diligence
- Policies and Procedures Design and Update
- Whistleblowing Channels
- Compliance Audit
- Reporting to Top Management
- Training, Education and Awareness
- Disciplinary Measures

During 2024, the communication, coordination and control activities between the parent company and the various subsidiaries continued through the use of information flows on anti-corruption and anti-terrorism, allowing interception and management of potential risk situations through dedicated channels.

With regard to the detection of corruption and internal fraud, a continuous monitoring tool based on mass analysis of transactions in the company's accounting systems continued to be implemented in 2024. This tool, based on business intelligence systems, enables continuous monitoring of anomalous accounting transactions en masse and planning of audits with greater precision and accuracy.
The Compliance Questionnaire tool was also updated. This is submitted to General Managers of the Group's foreign subsidiaries and the Recordati S.p.A. Supervisory Body on a regular basis in order to strengthen information flows regarding ethics, compliance and the existence of potentially negative situations or events in these areas.
The Group Internal Audit Department periodically carries out audits to check whether the corruption risk prevention measures are adequate and function effectively or to verify any reports of non-compliance

received. The end goal is to ensure that the applicable laws on corruption and the provisions contained in the Group Anti-Bribery Manual are respected and effectively implemented within the Group.
As described in the relevant paragraph, as regards the channels for reporting breaches and irregularities of laws and internal procedures, for some time now the Company has established dedicated whistleblowing channels as part of its organisational models pursuant to Italian Legislative Decree 231/2001 for Italian Companies and the Group Anti-Bribery system. Whistleblowing management has been formalised by means of internal procedures that ensure the confidentiality of the whistleblower, safeguards (non-retaliation policy) and anonymity, if desired by the whistleblower and in accordance with the relevant and recently updated European legislation.
The Group Internal Audit Department is tasked with presenting the results of the activities relating to the Anti-Corruption Compliance Program (e.g. whistleblowing, auditing and, together with the Group Compliance & Ethics Department, periodic reviews and document updates) to Top Management. In accordance with the procedures adopted at both Group and local level, the Group Internal Audit Department collects all the reports and provides accurate information, including the corrective actions proposed, to Top Management, including the Risk, Control and CSR Committee. The independence of the investigations conducted into the received reports is guaranteed by the organisational position of the Internal Audit business unit, which reports directly to the Chairperson of the Group[150]. These tools and additional information regarding the fight against corruption are described in more detail in the "Internal Control and Risk Management System" section of the Corporate governance report and ownership structure. See also the Anti-Bribery Manual available on the Corporate website in the Governance, Compliance Programmes section.

Training

In 2024, in addition to training on the Group Code of Ethics or on the internal anti-corruption and anti-bribery protocols for all new Recordati Group employees as part of the commitment to provide regular training on these topics to the entire workforce, including at-risk functions, a number of specific refresher courses were provided. This training was provided through the provision of online courses for all Group employees with access to digital devices and the distribution of hard-copy training materials for employees without access to such devices. Furthermore, the training was provided to Group employees regardless of contract type (part-time or full-time, permanent or temporary contract). As regards training on the Code of Ethics, the Anti-Bribery Manual and the 231 Model, courses were also offered to external parties who, while not directly employed by the Recordati Group, conduct activities in the name and on half of the Recordati Group on an ongoing basis (e.g. agents, contractors).
The key training courses provided in 2024 were:

- *Code of Ethics:* to facilitate the dissemination and comprehension of the principles enshrined in the Code of Ethics, the Group has continued to promote training activities by providing a course on the contents of the Code of Ethics. This online course, which includes a final learning assessment, is available in Italian, English, Turkish, Polish, German, Spanish, Portuguese, French, Czech, Russian and Chinese. In 2024, approximately 650 new employees completed the course on the Code of Ethics. The activities carried out during the year made it possible to continue to keep all Group employees trained on the Code of Ethics;
- *Anti-Bribery Manual:* to facilitate the dissemination and comprehension of the principles enshrined in the Anti-Bribery Manual, the Group has continued to promote training activities by providing a course on the contents of the Manual. The online course, which includes a final learning assessment, was made available in English, Turkish, Polish, German, Spanish, Portuguese, French, Czech, Russian, Chinese and Italian. This course is delivered to all Group employees with access to digital devices and was updated in October 2024 in order to guarantee an updated understanding of the company's anti-corruption policies and ethical principles, strengthening the Group's commitment to legal compliance and best practices. In 2024, approximately 3,550 employees completed the course on the Anti-Bribery Manual. The activities carried

[150] *For more information on the separation between investigators and those under investigation, please refer to the section on the reporting channels.*

out during the year made it possible to continue to keep all foreign Group employees trained on the Anti-Bribery Manual;

- *Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001*: to promote dissemination and comprehension of the principles set out in the Organisational, Management and Control Models pursuant to Italian Legislative Decree 231/2001 adopted by the Group's Italian companies, an online training programme was launched, including a final learning assessment, aimed at Italian employees with access to digital devices. In 2024, the course on the Organisational, Management and Control Models pursuant to Italian Legislative Decree 231/2001 was delivered to all new and current employees of the Group's Italian companies as part of a series of refresher courses aimed at specific employee categories. As such, in 2024 approximately 345 employees completed the course on the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001. The activities carried out during the year made it possible to continue to keep all of the Group's Italian employees trained on the 231 Model;
- "Ethics and Compliance Dilemmas": to ensure that the training courses on ethics and compliance remain constantly up-to-date, in 2024 the interactive "Ethics and Compliance Dilemmas" course was integrated into the training programme aimed at all employees of Recordati Group companies. Launched in 2023, this online course, available in Italian, English, Turkish, Polish, German, Spanish, Portuguese, French, Czech, Russian and Chinese, focuses on ethics, corruption prevention, managing conflicts of interest, people and workplaces, and handling inside information, and was completed by approximately 600 Group employees in 2024 alone.

Besides the training provided for new employees, in 2024, additional training was provided on corruption prevention and healthcare compliance. These courses were completed by around 540 employees from various European Recordati Group companies and included refresher training on the 231 Model, the Anti-Bribery Manual and local codes of conduct adopted by industry associations. In addition to this, ethics and corruption prevention training programmes were held by several Recordati Group companies. Furthermore, in December 2024 all employees at the Group's plants who do not have access to digital devices were provided with a leaflet containing information and training on the Recordati Code of Ethics. This initiative involved around 730 employees at Recordati Group plants.
The above training programmes on the Code of Ethics, Anti-Bribery Manual, Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001, Ethics and Compliance Dilemmas and Sexual Harassment will continue to be delivered to new employees.
As highlighted in the Sustainability Plan, in 2025 the Code of Ethics will be updated and the new version will be distributed to Group employees. At least 90% of all Group employees will receive training by 2026.

Finally, it is noted that the B.o.D. was involved in a dedicated Induction on the Compliance Framework of the Group. Moreover, the Risk Control and CSR Committee and the Board of Directors are periodically updated on the compliance plan.

G1-4 CONFIRMED INCIDENTS OF ACTIVE OR PASSIVE CORRUPTION

No cases of corruption were recorded in 2024 and Recordati did not receive any fines for violations of corruption and bribery laws. Consequently no interventions to remedy critical situations were necessary.

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

As noted in the Group Code of Ethics, Recordati recognises the fundamental value of the supply chain in creating safe, high-quality products, and is committed to working with suppliers and strategic partners that share its values and ethical, social and environmental principles. Commercial relationships with third parties (e.g. suppliers, consultants and partners) are founded on respect for the principles of fairness, professionalism, efficiency, loyalty, transparency and equal opportunities. The Group establishes written agreements specifying the responsibilities of each party and requiring that the principles of the Code of Ethics be respected.

The Recordati Group is served by a network of suppliers that are predominantly located in the countries in which the Group operates production plants or has a commercial presence. The supply chain is characterised by the purchase of direct ingredients (active substance, packaging material, excipients and chemical intermediates), finished products and indirect services required for regular operation (consultancy services, marketing, supplies, licensing, etc.). In this regard, the main purchase categories are represented by raw materials (and in particular APIs – Active Pharmaceutical Ingredients), packaging, industrial products and services, and finished products.

In line with previous years, suppliers of finished goods (Contract Manufacturing Organizations - CMOs) are mainly based in Europe, while suppliers of raw materials are predominantly located in Europe and Asia. Approved suppliers of packaging for medicinal products produced directly in the Group's plants are mainly based in countries in which the Group has manufacturing sites, and finally, suppliers of industrial materials and services for production plants have a strong local presence due to the type of goods and services.

Discussing sustainability implies sharing the values and ethical, social and environmental principals in which the Group believes with suppliers and strategic partners. In this context, the Group requires suppliers to accept the Code of Ethics from the approval phase and reserves the right to terminate the contractual relationship in the event of conduct incompatible with the values and principles expressed therein.

In order to operate as a supplier of the Recordati Group, our suppliers are selected and approved according to two different methods for direct and indirect products. For the purchase of indirect materials and services, information regarding the suppliers' economic and financial position is collected through documentary evidence and research. For the purchase of direct materials, potential suppliers are subjected to financial checks and are required to follow a regulated documentation collection procedure in line with GMPs and GDPs (Good Manufacturing Practices and Good Distribution Practices) before undergoing a strict monitoring and auditing process.

In order to standardise the supplier selection and qualification process, the "Attitude project" continued, aimed at implementing a new purchase management policy at Group level using an eProcurement platform. The project aims to promote transparency in the procurement process in terms of supplier assessment and effective negotiation in line with the distribution of procedures and tools at a centralised and local level. The project was continued in 2024, which made it possible to integrate approximately 80% of the Group's strategic suppliers into a single, shared database, i.e. suppliers in the most relevant product categories, such as raw materials, packaging, industrial products and services, finished products/CMOs. Recordati's goal is to continue to progressively expand the project to all of the Group's suppliers.

One of the criteria used to select suppliers is respect for the Group Code of Ethics, which sets out the principles adopted to put the Group's values into practice, including, specifically, respect for the fundamental human rights of all workers and the principles of environmental protection.

These selection criteria are binding and all suppliers must declare their commitment to the Code and the practices contained therein. This obligation is formalised through special contractual clauses. As a result, any violation of the Code represents a breach of contract, and the Group reserves the right to assess the severity

of the situation and take immediate corrective action. In the most serious cases, the group reserves the right to terminate the contractual relationship.
Furthermore, in the supplier-approval questionnaire consideration is also given to environmental and social aspects. In fact, information is requested regarding existence of health, safety and environment management systems (e.g. ISO 14001 and ISO 45001).
Furthermore, the Group is currently formalising the Supplier Code of Conduct. This sets out the key principles on ethics, human rights, labour practices, health and safety, and environmental sustainability that must be observed by all of the Group's suppliers.
As part of its responsible procurement strategy and in addition to the attention given to this aspect during the supplier selection process, the Group also continued its supplier auditing plan in 2024, with a view to strengthening monitoring on sustainability issues throughout the supply chain and reducing the relative risks. This activity was conducted by a third party using desk audits. In addition, with a view to continuous improvement and increasing awareness around ESG matters throughout its supply chain, the Recordati Group once again organised engagement initiatives in 2024 for the suppliers that received the lowest scores in the previous year's assessment process. 12 suppliers took part in these initiatives in 2024. During this activity, comments and feedback were provided to suppliers to improve sustainability performance and increase awareness around these themes.
For more details on ESG audits, Responsible Sourcing targets and product quality and safety audits, see the sections on "S-2 Workers in the Value Chain" and "S-4 Product Quality and Safety".

[S1, S2, S4] PERSONAL DATA MANAGEMENT - PRIVACY

Policies

As noted in chapter “SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model”, which outlines the results of the double materiality analysis, the Group is conscious of the importance of managing all aspects related to privacy and confidentiality, as any potential loss of sensitive information or personal data linked to stakeholders (employees, suppliers and workers in the supply chain, patients and other third parties) which is managed by Recordati could have negative impacts on stakeholders and pose a compliance risk.

In line with regulatory requirements on the management of privacy and personal data protection, the Group has already conducted an alignment process to comply with the European General Data Protection Regulation no. 679/2016 (“GDPR”), leading to the 2018 publication of a Personal Data Policy that applies to all European companies of the Recordati Group. The policy describes the key data protection requirements under the GDPR, including principles, rights, and the management of data processing registers. The policy also describes the Personal Data Management Model (the “Privacy Model”), listing the roles and responsibilities of the personnel involved and ensuring coordination between the parent company and the branches, through interactions between the Group Data Protection Officer and the Privacy Officers appointed at the individual branches.

To guarantee that the same level of privacy and personal data protection is provided in all of the countries in which the Group operates, another privacy and personal data protection policy was issued in 2024 which applies to all Group companies globally. This policy describes the principles, rights and privacy structure of Recordati, as well as the procedures to follow in the event of breaches of the personal data linked to any stakeholder (including employees, suppliers and workers in the supply chain, patients and other third parties). Potential breaches must be managed without undue delay and in compliance with any time frames imposed by applicable privacy and data protection laws, and following the approach described in the policy.

Both policies define a governance system for the processing of all data managed directly by the Recordati Group (such as data related to its internal workforce, for example), and therefore aim to guarantee the protection of the personal data of all data subjects who may be involved through their activities and business relationships, such as employees, suppliers, doctors, patients and other third parties.

To ensure that the policies are properly understood, the Recordati Group has developed specific training activities and learning assessments for employees, which are described in more detail below.

Both policies have been approved and signed by the senior management officer most involved in the implementation process, as well as by the Chief Executive Officer, and are available for consultation by all employees on the company intranet.

Finally, the policies also describe the channels and mechanisms for reporting concerns or violations, and the relative management processes. These channels (such as the whistleblowing channel) are available to all stakeholders (including employees, patients, suppliers and workers in the supply chain). For further details, please refer to the paragraph on “Recordati’s reporting channels”.

Finally, Recordati has also established processes to engage stakeholders on the processing of personal data and the relative impact. With specific regard to employees, Recordati has produced an information leaflet on the management of personal data. This leaflet, which is given to all new hires, informs employees of data processing activities and the relative impacts, in compliance with applicable legal obligations. Employees also attend the training courses described above. As regards suppliers and workers in the supply chain, Recordati S.p.A. has stipulated contractual requirements on compliance with data protection regulations and, when required by legislation, enters into agreements with suppliers to regulate the processing of personal data carried out by them on Recordati’s behalf. Finally, with regard to patients and other end users, Recordati operates in compliance with all applicable legislation, providing the necessary information on personal data processing and, where required, obtaining the necessary consent.

Activities related to privacy are managed by the Privacy function within the Group Legal & Compliance department.

Actions implemented

To promote personal data protection and prevent potential impacts on the privacy of employees and third parties, daily assistance and support was offered in 2024 to Italian and foreign Recordati companies regarding privacy matters (also in reference to local privacy legislation in countries where the GDPR is not applicable) linked to contracts, new projects/initiatives and relationships with employees, suppliers, commercial partners and the medical community.

Furthermore, to minimise the risk of non-compliance with privacy regulations, the Recordati Group conducted a compliance audit in 2024 at 22 branches located in Europe, the US, China and Türkiye. Based on the results of the audit, where necessary the branches developed an action plan which will be implemented in 2025. These actions may affect not only the company's internal workforce but also the value chain, including suppliers and third parties such as doctors, pharmacists and patients, with a potential impact on all stakeholders involved.

Moreover, in accordance with the aforementioned Privacy Model, the European companies of the Group have periodically updated their processing register, increasing the information contained therein and adapting it to the activities carried out. This task was particularly extensive and was conducted with assistance from external consultants who supported the process and ensured a coherent approach. The process involved almost all company departments and was very effective in reaffirming the importance of privacy issues and the Recordati Group's focus on them, as well as in creating a coherent and updated map of privacy activities and the related risks. The processing registers will be further revised during the periodic update in 2025.

Working with external consultants, the Group has also analysed the privacy requirements of domestic legislation in the United Arab Emirates and in Saudi Arabia. and an action plan will be drafted in 2025 to ensure that the Group's branches comply with the relative local regulations.

To encourage the dissemination and comprehension of the principles contained in the Privacy Model adopted by the Recordati Group, an online training programme was implemented beginning in 2019, aimed at Group employees with access to digital devices working in Italy and other EU countries where the GDPR is applicable. The course, which includes a final learning assessment, is available in Italian, English, Polish, Spanish, Portuguese, French, Czech and German. In 2024 a total of 355 Recordati Group employees participated in the training course. The activities carried out during the year made it possible to continue to keep all the Group's European employees trained on the Recordati Privacy Model.

In 2024, the Recordati Group also invested in training its Privacy Officers. This commitment was put into practice through constant interaction with the Group Privacy Manager and through specific activities, such as an in-person privacy training day delivered with support from external consultants. The training day also involved practical case studies and an additional in-depth virtual study of privacy issues in relation to the use of artificial intelligence tools. The activity involved the Group Privacy Officers located in Europe as part of a periodic training programme specifically dedicated to these figures, which aims to ensure that the employees involved remain up-to-date and competent in this area.

Towards the end of 2024, the Recordati Group also began to develop an online training programme aimed at promoting awareness and understanding of the principles and content of the new Group privacy and data protection policy. The programme will be rolled out to all of the Group's branches in 2025 and will be translated into 10 languages. See the Sustainability Plan for more details.

Finally, there were no inspections or audits by the Italian Data Protection Authority and/or equivalent competent data protection authorities during the year, nor were any complaints against the company filed with the Italian Data Protection Authority pursuant to Art. 77 of the GDPR. The Recordati Group effectively managed data security incidents, which mainly regarded incidents at its suppliers, and notified the competent data protection authorities of a data breach in one case only. On receiving the notification, the data protection authority in question decided that no further action or investigation was required.

In any case, no security incidents and/or data breaches that could pose a high risk to the rights and freedoms of the data subjects involved were recorded.

Targets

Reaffirming the Group's commitment to promoting the protection of data and privacy, as well as preventing the potential risk of non-compliance with applicable regulations on the matter, Recordati has integrated a specific target into its Sustainability Plan related to training on privacy aspects for Group employees with access to digital devices. For further information on the Sustainability Plan, please refer to chapter "SBM-1 Strategy, business model and value chain".
Furthermore, to mitigate privacy-related impacts and risks, the Group undertakes to maintain its current practices for the protection of suppliers' personal data, as described above, and to abide by the existing good practices in the clinical and pharmacovigilance sectors for the protection of patient data.

CONSOLIDATED SUSTAINABILITY STATEMENT

CERTIFICATION OF THE SUSTAINABILITY STATEMENT

Certification of Sustainability Reporting, pursuant to Article 81-ter (1) of Consob Regulation No. 11971/14 May 1999, and subsequent amendments and integrations

1. The undersigned Robert Koremans, as Chief Executive Officer, and Niccolò Giovannini, as Financial Reporting Officer of Recordati S.p.A. attest, pursuant to Art.154-bis (5-ter), of the Italian Legislative Decree No.58 of 24 February 1998, that the Sustainability Statements included in the Management Report were drawn up:

a) In accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and to Legislative Decree No. 125 of 6 September 2024;
b) With the specifications adopted pursuant to Article 8.4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Milan, 18th March 2025

Chief Executive Officer

ROBERT KOREMANS

Financial Reporting Officer

NICCOLÒ GIOVANNINI

CONSOLIDATED SUSTAINABILITY STATEMENT

AUDITOR'S REPORT

Shape the future with confidence

Recordati Industria Chimica e Farmaceutica S.p.A.

Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010

EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Shape the future
with confidence

Independent auditor's report on the limited assurance of the Consolidated Sustainability Statement in accordance with Article 14-bis of Legislative Decree n. 39, dated 27 January 2010 (*Translation from the original Italian text*)

To the shareholders of
Recordati Industria Chimica e Farmaceutica S.p.A.

Conclusions

We have been appointed to perform a limited assurance engagement pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree n. 125 dated 6 September 2024 (hereinafter "Decree") on the Consolidated Sustainability Statement of Recordati Industria Chimica e Farmaceutica S.p.A. and its subsidiaries (hereinafter "Group" or "Recordati Group") for the year ended on 31 December 2024, prepared in accordance with Article 4 of the Decree, included in the specific section of the Management Report of Recordati Group.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Recordati Group Consolidated Sustainability Statement for the year ended on 31 December 2024, has not been prepared, in all material aspects, in accordance with the reporting principles adopted by the European Commission pursuant to European Directive 2013/34/EU (*European Sustainability Reporting Standards*, hereinafter also referred to as "ESRS");
- the information included in the paragraph "*European Taxonomy*" of the Consolidated Sustainability Statement has not been prepared, in all material aspects, in accordance with Article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter "Taxonomy Regulation").

Elements underlying the conclusions

We have performed a limited assurance engagement in accordance with the Sustainability Reporting Assurance Standard ("*Principio di Attestazione della Rendicontazione di sostenibilità*") – SSAE (Italy). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for conducting an engagement aimed at obtaining a reasonable level of assurance and are also less extensive. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if the engagement aimed to acquire a reasonable level of assurance. Our responsibilities under this Standard are further described in the section "*Auditor's responsibility for the Assurance on the Consolidated Sustainability Statement*" of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the Consolidated Sustainability Statement according to Italian law.

Shape the future
with confidence

Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1, under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Other Matters – Comparative information

The comparative information included in the Consolidated Sustainability Statement for the year ended on 31 December 2023, has not been subjected to verification.

Responsibility of directors and those charged with governance for the Consolidated Sustainability Statement

The directors are responsible for the development and implementation of procedures used to identify the information included in the Consolidated Sustainability Statement in accordance with the requirements of the ESRS (hereinafter the "Materiality assessment process") and for the description of such procedures in the paragraph "Impact, risk and opportunity management " of the Consolidated Sustainability Statement.

The directors are also responsible for the preparation of the Consolidated Sustainability Statement, which contains the information identified through the Materiality assessment process, in accordance with the requirements of Article 4 of the Decree, including:

- compliance with *ESRS*;
- compliance with Article 8 of the EU Taxonomy Regulation regarding the information contained in the paragraph "*European Taxonomy*".

This responsibility entails the establishment, implementation, and maintenance, as required by law, for that part of internal control that they consider necessary in order to allow the preparation of the Consolidated Sustainability Statement in accordance with the requirements of Article 4 of the Decree, free from material misstatements caused by fraud or not intentional behaviors or events. This responsibility also includes the selection and application of appropriate methods for processing the information as well as the development of assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Intrinsic limitations in the preparation of the Consolidated Sustainability Statement

As indicated in paragraph "*Basis for preparation*", for the purpose of reporting prospective information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the Consolidated Sustainability Statement, regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty associated with the realization of any future events, both concerning the occurrence itself and regarding the extent and timing of its occurrence, the variations between actual values and prospective information could be significant.

Shape the future
with confidence

As indicated in the paragraph "*Basis for preparation*", the information related to Scope 3 greenhouse gas emissions is subject to greater intrinsic limitations compared to Scope 1 and 2, due to the limited availability and accuracy of the information used to define such information, both quantitative and qualitative, as well as due to reliance on data, information, and evidence provided by third parties.

Auditor's responsibility for the Assurance of the Consolidated Sustainability Statement

Our objectives are to plan and perform procedures to obtain a limited level of assurance that the Consolidated Sustainability Statement is free from material misstatements, due to fraud or not intentional behaviors or events, and to issue a report containing our conclusions. Errors may arise from fraud or not intentional behaviors or events and are considered significant if it can be reasonably expected that they, individually or in the aggregate, could influence the decisions made by users based on the Consolidated Sustainability Statement.

In the context of the engagement aimed at obtaining a limited level of assurance in accordance with the Sustainability Reporting Assurance Standard ("*Principio di Attestazione della Rendicontazione di Sostenibilità*") – SSAE (Italy), we exercised professional judgment and maintained professional skepticism throughout the duration of the engagement.

Our responsibilities include:

- considering the risks to identify the information in which a significant error is likely to occur, whether due to fraud or not intentional behaviors or events;
- defining and performing procedures to verify the information in which a significant error is likely to occur. The risk of not detecting a significant error due to fraud is higher than the risk of not detecting a significant error arising from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or manipulation of internal controls;
- directing, supervising, and conducting the limited assurance of the Consolidated Sustainability Statement and assuming full responsibility for the conclusions regarding the Consolidated Sustainability Statement.

Summary of the work performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed on the Consolidated Sustainability Statement were based on our professional judgment and included interviews, primarily with the company personnel responsible for preparing the information included in the Consolidated Sustainability Statement, as well as documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we performed the following procedures, partly in a preliminary phase before the end of the year and subsequently in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies, and the context in which it operates concerning sustainability issues;

Shape the future
with confidence

- understanding the processes underlying the generation, detection, and management of the qualitative and quantitative information included in the Consolidated Sustainability Statement, including the analysis of the reporting perimeter;
- understanding the process implemented by the Group for identifying and assessing relevant impacts, risks, and opportunities based on the principle of Double Materiality concerning sustainability issues and verifying the related information included in the Consolidated Sustainability Statement;
- identifying the information for which there is a likelihood of a significant error risk;
- defining and performing analytical and substantive procedures, based on our professional judgment, to address the identified significant error risks, including:
    - for the information collected at the Group level:
        - carrying out inquiries and document analysis regarding qualitative information, particularly policies, actions, and targets on sustainability issues, to verify consistency with the evidence collected;
        - performing analytical procedures and limited assurance procedures on a sample basis regarding quantitative information;
    - for the information collected at site level, conducting on-site visits for Recordati Industria Chimica e Farmaceutica S.p.A. (Campoverde di Aprilia plant, Italia) and Recordati Ílaç Sanayi Ve Ticaret A.S. (Çerkezköy Organize Sanayi Bölgesi plant, Turkey). These sites were selected based on their activities and their relevance to the metrics of the Consolidated Sustainability Statement. During these visits, we conducted interviews with Group personnel and obtained documentary evidence regarding the determination of the main metrics;
- regarding the requirements of Article 8 of the EU Taxonomy Regulation, understanding the process implemented by the Group to identify eligible economic activities and determine their aligned nature based on the provisions of the EU Taxonomy Regulation, and verifying the related information included in the Consolidated Sustainability Statement;
- cross-checking the information reported in the Consolidated Sustainability Statement with the information contained in the consolidated financial statements in accordance with the applicable financial reporting framework or with the accounting data used for the preparation of the consolidated financial statements or with the management data of an accounting nature;
- verifying the structure and presentation of the information included in the Consolidated Sustainability Statement in accordance with the ESRS;
- obtaining the representation letter.

Milan, 27 March 2025

EY S.p.A.
Signed by: Giovanni Luca Guerra, Auditor

This report has been translated into the English language solely for the convenience of international readers.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

RECORDATI S.P.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2024 AND 31 DECEMBER 2023

INCOME STATEMENT

€ (thousands) [1]	Note	2024	2023
Net revenue	3	**2,341,559**	**2,082,331**
Cost of sales	4	(741,287)	(659,707)
Gross profit		**1,600,272**	**1,422,624**
Selling expenses	4	(497,728)	(472,857)
Research and development expenses	4	(286,026)	(255,747)
General and administrative expenses	4	(156,648)	(128,253)
Other income/(expenses), net	4	(21,013)	(7,759)
Operating income		**638,857**	**558,008**
Financial income/(expenses), net	5	(91,673)	(66,972)
Pre-tax income		**547,184**	**491,036**
Income taxes	6	(130,676)	(101,822)
Net income		**416,508**	**389,214**
Attributable to:			
Equity holders of the Parent		416,508	389,214
Non-controlling interests		0	0
Earnings per share (euro)			
Basic		2.019	1.893
Diluted		1.992	1.861

(1) Except amounts per share.
Basic earnings per share base is calculated on the average number of shares outstanding in the respective years, 206,316,241 for 2024 and 205,634,136 for 2023. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 2,808,915 for 2024 and 3,491,020 for 2023.
Diluted earnings per share are calculated taking into account rights granted to employees.

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

RECORDATI S.P.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

ASSETS

€ (thousands)	Note	31 December 2024	31 December 2023
Non-current assets			
Property, plant and equipment	7	206,700	178,657
Intangible assets	8	2,513,159	1,938,197
Goodwill	9	797,078	778,350
Other equity investments and securities	10	17,385	21,555
Other non-current assets	11	14,206	12,458
Deferred tax assets	12	94,527	76,674
Total non-current assets		**3,643,055**	**3,005,891**
Current assets			
Inventories	13	506,447	404,831
Trade receivables	14	516,743	445,193
Other receivables	15	109,024	99,401
Other current assets	16	21,387	19,924
Derivative instruments measured at fair value	17	15,376	11,079
Cash and cash equivalents	18	322,423	221,812
Total current assets		**1,491,400**	**1,202,240**
Total assets		**5,134,455**	**4,208,131**

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

RECORDATI S.P.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 31 DECEMBER 2023

SHAREHOLDERS' EQUITY AND LIABILITIES

€ (thousands)	Note	31 December 2024	31 December 2023
Shareholders' equity			
Share capital		26,141	26,141
Share premium reserve		83,719	83,719
Treasury shares		(131,570)	(127,970)
Reserve for derivative instruments		(1,689)	(286)
Translation reserve		(274,413)	(264,700)
Other reserves		64,023	61,219
Profits carried forward		1,818,039	1,636,451
Net income		416,508	389,214
Interim dividend		(123,949)	(117,396)
Shareholders' equity attributable to equity holders of the Parent	19	**1,876,809**	**1,686,392**
Shareholders' equity attributable to non-controlling interests	20	0	0
Total shareholders' equity		**1,876,809**	**1,686,392**
Non-current liabilities			
Loans - due after one year	21	2,173,810	1,353,216
Provisions for employee benefits	22	21,355	21,239
Deferred tax liabilities	23	133,422	144,208
Total non-current liabilities		**2,328,587**	**1,518,663**
Current liabilities			
Trade payables	24	296,698	263,979
Other payables	25	195,385	174,407
Tax liabilities	26	93,941	67,110
Other current liabilities	27	4,693	5,307
Provisions for risks and charges	28	22,092	16,596
Derivative instruments measured at fair value	29	5,633	19,993
Loans - due within one year	21	287,772	355,752
Short-term debts to banks and other lenders	30	22,845	99,932
Total current liabilities		**929,059**	**1,003,076**
Total shareholders' equity and liabilities		**5,134,455**	**4,208,131**

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

RECORDATI S.P.A. AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME RECOGNISED IN SHAREHOLDERS' EQUITY FOR FINANCIAL YEARS ENDED 31 DECEMBER 2024 AND 31 DECEMBER 2023

€ (thousands) [1]	2024	2023
Net income	**416,508**	**389,214**
Gains/(losses) on cash flow hedges, net of tax effects	(1,403)	(5,535)
Gains/(losses) on translation of foreign financial statements	(9,713)	(59,682)
Gains/(losses) on equity-accounted investees, net of tax effects	(4,089)	(7,238)
Other changes, net of tax effects	1,318	(1,398)
Income and expenses recognized in shareholders' equity	**(13,887)**	**(73,853)**
Comprehensive income	**402,621**	**315,361**
Attributable to:		
Equity holders of the Parent	**402,621**	**315,361**
Non-controlling interests	**0**	**0**
Per-share data (euro)		
Basic	1.951	1.534
Diluted	1.925	1.508

(1) Except amounts per share.
Basic earnings per share base is calculated on the average number of shares outstanding in the respective years, 206,316,241 for 2024 and 205,634,136 for 2023. These amounts are calculated deducting treasury shares in the portfolio, the average of which was 2,808,915 for 2024 and 3,491,020 for 2023.
Diluted earnings per share are calculated taking into account rights granted to employees.

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

RECORDATI S.P.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN GROUP SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER 2024 AND 31 DECEMBER 2023

€ (thousands)	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									Non-controlling interests	Total
	Share capital	Share premium reserve	Treasury shares	Reserve for derivative instruments	Translation reserve	Other reserves	Profits carried forward	Net income	Interim dividend		
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
Dividend distribution							(236,218)		112,979		(123,239)
Change in share-based payments						7,595	3,275				10,870
Purchase of treasury shares			(22,710)								(22,710)
Sale of treasury shares			44,299				(14,202)				30,097
Interim dividend									(117,396)		(117,396)
Other changes							47,161				47,161
Comprehensive income				(5,535)	(59,682)	(8,636)		389,214			315,361
Balance at 31 December 2023	**26,141**	**83,719**	**(127,970)**	**(286)**	**(264,700)**	**61,219**	**1,636,451**	**389,214**	**(117,396)**	**0**	**1,686,392**
Allocation of 2023 net income							389,214	(389,214)			0
Dividend distribution							(247,473)		117,396		(130,077)
Change in share-based payments						5,575	10,945				16,520
Purchase of treasury shares			(119,023)								(119,023)
Sale of treasury shares			115,423				(22,753)				92,670
Interim dividend									(123,949)		(123,949)
Other changes							51,655				51,655
Comprehensive income				(1,403)	(9,713)	(2,771)		416,508			402,621
Balance at 31 December 2024	**26,141**	**83,719**	**(131,570)**	**(1,689)**	**(274,413)**	**64,023**	**1,818,039**	**416,508**	**(123,949)**	**0**	**1,876,809**

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

RECORDATI S.P.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2024 AND 31 DECEMBER 2023

€ (thousands)	2024	2023
OPERATING ACTIVITIES		
Net income	416,508	389,214
Income taxes	130,676	101,822
Net interest	73,193	67,879
Depreciation of property, plant and equipment	33,425	28,875
Amortization of intangible assets	133,600	113,795
Write-downs	14,330	368
Equity-settled share-based payment transactions	16,520	10,870
Other non-monetary components	54,569	61,970
Change in other assets and other liabilities	28,657	(8,211)
Cash flow generated/(used) by operating activities before change in working capital	**901,478**	**766,582**
Change in:		
- inventories	(55,758)	(50,337)
- trade receivables	(86,782)	(100,565)
- trade payables	30,021	40,269
Change in working capital	**(112,519)**	**(110,633)**
Interest received	4,834	5,103
Interest paid	(79,504)	(70,339)
Income taxes paid	(144,371)	(105,394)
Cash flow generated/(used) by operating activities	**569,918**	**485,319**
INVESTMENT ACTIVITIES		
Investments in property, plant and equipment	(36,647)	(29,687)
Disposals of property, plant and equipment	1,852	329
Investments in intangible assets	(814,514)	(353,577)
Disposals of intangible assets	2,367	317
Sale of non-current assets held for sale	2,000	3,000
Cash flow generated/(used) by investment activities	**(844,942)**	**(379,618)**
FINANCING ACTIVITIES		
Opening of loans	1,092,200	347,611
Repayment of loans	(350,739)	(280,234)
Payment of lease liabilities	(11,581)	(10,172)
Change in short-term debts to banks and other lenders	(77,695)	12,452
Dividends paid	(253,718)	(245,958)
Purchase of treasury shares	(119,023)	(22,710)
Sale of treasury shares	92,670	30,097
Cash flow generated/(used) by financing activities	**372,114**	**(168,914)**
Change in cash and cash equivalents	**97,090**	**(63,213)**
Opening cash and cash equivalents	221,812	284,734
Currency translation effect	3,521	291
Closing cash and cash equivalents	**322,423**	**221,812**

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

CONSOLIDATED FINANCIAL STATEMENTS

EXPLANATORY NOTES

RECORDATI S.P.A. AND SUBSIDIARIES

EXPLANATORY NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The consolidated financial statements of the Recordati Group for the year ended 31st December 2024 were prepared by Recordati Industria Chimica e Farmaceutica S.p.A. (the "Company" or the "Parent Company" and, together with its subsidiaries, the "Group"), with headquarters at Via Matteo Civitali no. 1, 20148 Milan, Italy, and was approved by the Board of Directors' on 18th March 2025, which authorized distribution to the public. The document is available at the registered office.

The consolidated financial statements were prepared in accordance with the International Accounting Standards ("IFRS") issued or revised by the International Accounting Standards Board ("IASB") and endorsed by the European Union, and with the Italian regulations implementing article 9 of Italian Legislative Decree no. 38/2005. To better represent the Group's operations, the profit and loss accounts are classified by function, while they are classified by nature in the financial statements of the Parent. The distinction between current and non-current was adopted for the presentation of assets and liabilities in the balance sheet. In preparing the cash flow statement, the indirect method was used.

Details regarding the accounting standards adopted by the Group are specified in Note 2.

The consolidated financial statements as of 31st December 2024 comprise those of the Parent Company and all its subsidiaries. The companies included in the consolidation scope, the consolidation method applied, their percentage of ownership and a description of their activity are set out in Note 39.

The scope of consolidation changed in 2024 following the establishment of Recordati Rare Diseases MENA RHQ, operating in Saudi Arabia and Recordati Argentina S.r.l., operating in Argentina. Furthermore, Tonipharm S.A.S. was merged into Bouchara Recordati S.A.S., EUSA Pharma (Denmark) ApS was liquidated and EUSA Pharma (UK) Ltd. was renamed Recordati UK LTD.

In November 2024 the global rights to Enjaymo® were acquired from Sanofi. Enjaymo® (sutimlimab) is a biologic product and it's the only approved targeted product for the treatment of cold agglutinin disease (CAD), a rare B-cell lymphoproliferative disorder. It is a humanised monoclonal antibody indicated for the treatment of haemolysis in adults with CAD and, in 2022, it was granted approval by the United States Food and Drug Administration (FDA), the European Commission (EC) and the Japanese Ministry of Health, Labour and Welfare. The acquisition of the rights led to an overall outlay of € 781.7 million, including the costs incurred for the transaction and for the purchase of the inventory existing at the effective date of the contract. The total disbursement was shown in the cash flow statement among "Investments in intangible assets", while in the balance sheet assets it was classified under intangible assets for € 699.7 million and in inventories for € 82.0 million.

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

2. SUMMARY OF ACCOUNTING STANDARDS

The financial statements were prepared in accordance with the International Accounting Standards ("IFRS") issued or revised by the International Accounting Standards Board ("IASB") and endorsed by the

European Union and with the Italian regulations implementing Article 9 of Italian Legislative Decree no. 38/2005, in continuity with what was done for the consolidated financial statements at 31st December 2023, with the exception of the adoption of the new standards and amendments in force from 1st January 2024 described in the following paragraph "Application of new standards". The Group did not adopt any new standard, interpretation or amendment in advance that was issued but not yet in force.

The financial statements were prepared on a going concern basis because the Directors verified the non-existence of indicators of a financial, operational or other nature which could signal critical issues on the Group's ability to meet its obligations in the foreseeable future and, in particular, in the next twelve months. Specifically, in making the estimates and assumptions related to the preparation of the consolidated financial statements, the impacts, including potential ones, deriving from the war in progress between Russia and Ukraine. The Group operates on the Russian market, in compliance with current regulations, and on the Ukrainian market with revenue in 2024 totalling respectively 5.2% and 0.7% of the Group's total revenue. 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. In light of the analysis done, also in consideration of the achievement of the expected results and the relevant sector, in preparing these financial statements, no effects were currently identified that could have a significant impact on the financial statement figures.

The financial statements for the consolidated companies, prepared by the Board of Directors or the Sole Director for submission to the respective Shareholders' Meetings, have been reclassified and adjusted as required in accordance with International Financial Reporting Standards. The criteria applied is consistent with that of the consolidated financial statements at 31st December 2023.

The financial statements have been prepared on the historical cost basis, except for the financial assets available for sale included under the line "Other equity investments and securities", derivative financial instruments (and the relative underlying hedged financial liability) for which their fair value has been applied as prescribed by IFRS 9 and defined benefit plans for which the actuarial valuation was carried out as prescribed by IAS 19.

Economies experiencing hyperinflation

The Group controls companies based in Türkiye and, starting in the first half of 2024, in Argentina. These countries have now reached a situation in which the presence of hyperinflation is the consensus, in line with international accounting standards. As of 1st January 2022 for Turkish companies and 22nd April 2024, day of its incorporation, for that in Argentina, the reference standard IAS 29 "*Financial Reporting in Hyperinflationary Economies*" has been applied, the effects of which, mainly with reference to Türkiye, are reflected in the Group's consolidated results as at 31st December 2024.

In particular, in accordance with the standard, the restatement of balance sheet values as a whole requires application of specific procedures and an evaluation process.
For the income statement, all items were restated applying the change in the general level of prices in effect at the date on which the revenue and costs were initially recorded in the financial statements at the reporting date. For the purpose of converting the income statement thus restated into euro, the exact exchange rate at 31st December 2024 was applied consistently, in accordance with IAS 21 in the presence of hyperinflationary economies, instead of the average exchange rate for the period.
With regard to the balance sheet, the cash elements have not been restated, as they were already expressed in the unit of measurement as at the closing date of the period. Non-cash assets and liabilities were instead revalued from the date on which the assets and liabilities were initially recognised until the end of the period.

Application of new accounting principles

The OECD BEPS Pillar Two rules came into force with the financial year beginning 1st January 2024, based on which amendments had already been made to IAS 12 "Income taxes" in 2023.

Pillar Two legislation has been substantially adopted in some of the jurisdictions in which the Group operates and based on the final figures for the entirety of 2024, all countries pass the "transitional safe harbours" apart from Ireland, Switzerland and the United Arab Emirates. For these countries the effects were implemented with total provisioning of € 3.2 million, increasing the items "Income taxes" in the income statement and "Tax liabilities" in the balance sheet liabilities, of which € 1.5 million recorded by each of the subsidiaries in Ireland and Switzerland and € 0.2 million by the Parent Company.
Below is a brief description of the new principles, interpretations and amendments with mandatory application as of 1st January 2024. Based on our assessments they have not had any significant effects on the consolidated Financial Statements to 31st December 2024:

- *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, to clarify the characteristics of reverse factoring arrangements and to require that further information about such arrangements be given. The reporting requirements included in the amendments aim to assist readers in understanding the effects of reverse factoring arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition requirements clarify that an entity must not provide information in the interim financial statements relating to the first year of application of the amendments.

- *Amendments to IFRS 16: Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a seller-lessee uses in the measurement of lease liabilities arising from a sale and leaseback transaction, to ensure that the seller-lessee does not recognise profit or loss with reference to the right of use maintained by it.

- *Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.
The amendments clarify:
  - what is meant by right to defer settlement;
  - that the right to defer settlement must exist at the end of the financial year;
  - that the classification is not impacted by the probability that an entity will exercise its right to defer settlement;
  - that only if an embedded derivative in a convertible liability is an equity instrument, does the maturity of the liability have no impact on its classification.

Furthermore, a requirement for additional information was introduced when a liability arising from a loan arrangement is classified as non-current and the entity's right to defer settlement is subject to compliance with covenants within twelve months.

Use of estimates

The preparation of the financial statements by management requires estimates and assumptions to be made, based on management's best judgement, that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. If in the future these estimates and assumptions differ from the actual circumstances, they will be amended as appropriate when circumstances change.

The balance sheet accounts which require, more than others, a higher degree of subjectivity on the part of management when making estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on financial data are hereunder briefly described.

- *Goodwill*: according to the accounting standards applied by the Group, goodwill is subject to annual impairment testing in order to ascertain whether a reduction in value has occurred. These tests require, on the part of management, subjective evaluations based on available information within the Group and from the market, as well as historical experience. They also depend on factors that could change over time, influencing the valuations and estimates made by management. Furthermore, when it has been determined that a potential reduction in value may have occurred, the Group proceeds to determine it by using the evaluation methods deemed to be most adequate.
- *Provisions for risks*: the identification of the existence or not of a current obligation (legal or implicit) is not easy to determine in some cases. Management evaluates these events on a case-by-case basis together with an estimate of the amount of financial resources required to comply with the obligation. When management considers that the generation of a liability is only possible, the risks are disclosed in the appropriate information section on risks and liabilities, and no accruals are made.
- *Deferred tax assets*: recording is supported by a recovery plan based on hypotheses and assumptions which management considers to be reasonable.
- *Inventories*: inventories which appear to be obsolete or slow-moving are periodically tested and written down if their recoverable value in less than their book value. Write-downs are based on assumptions and estimates which derive from experience and the historical results obtained.
- *Financial instruments*: trade receivables are reduced by their relative provision for bad debts in order to take into account their effective recoverable value. The determination of the amounts to be written down requires that management make subjective evaluations which take into account past events, current conditions and expectations of future economic conditions. In general, the methods for the calculation of the fair value of financial instruments, for accounting or disclosure purposes, are summarized below with regard to the main categories of financial instruments:
  - Derivative financial instruments: pricing models are adopted based on the market values of the interest rates;
  - Receivables and payables and unlisted financial assets: for financial instruments with maturity at more than 1 year, the discounted cash flow method was applied (discounting to the present the expected cash flows in consideration of the current interest rate conditions and creditworthiness) to determine the fair value on “first recognition”. Further measurements are made based on the amortized cost method;
  - Listed financial instruments: the market value at the reporting date is used.

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.

Basis of consolidation

The consolidated financial statements include those of the Parent Company and the enterprises controlled by it, directly or indirectly, prepared at 31st December each year. Control is attained when the Group is exposed or has the right to variable returns originating from its relationship with the

investee and at the same time has the capacity to affect these returns by exerting its power over that entity. Specifically, the Group controls an investee if and only if the Group has:

- investment power over the entity (i.e. holds valid rights that give it the ability to actually manage business relevant to the investee entity);
- exposure or rights to variable returns originating from the relationship with the investee entity;
- the ability to exert power over the investee entity to affect the total returns.

Generally, it is presumed that having the majority of voting rights leads to control. In support of this assumption and when the Group does not hold the majority of voting (or similar) rights, the Group considers all the relevant facts and circumstances to establish whether it controls the investee entity, including:

- Contractual agreements with other voting rights holders;
- Rights originating from contractual agreements;
- The Group's voting rights and potential voting rights.

The Group reconsiders whether it has control of an investee or not if the facts and circumstances indicate that there have been changes in one or more of the three relevant factors which define control. Consolidation of a subsidiary begins when the Group gains control of it and ceases when the Group loses control. The assets, liabilities, revenue and costs of the subsidiary acquired or disposed of during the year are included in the consolidated financial statement from the date the Group obtains control until the date the Group can no longer exert control over the company.

The financial statements of the subsidiaries are prepared according to the same accounting standards adopted by the Parent Company. Where necessary, consolidation adjustments are made to bring the accounting policies used in line with those used by the Company.

All intercompany transactions and balances between group enterprises, including unrealized gains, are eliminated on consolidation. Unrealized losses are also eliminated, unless they cannot be recovered later.

The consolidation is made with the full line-by-line method. The criteria adopted for the application of this method include, among others:

a. elimination of the book value of investments in consolidated companies against the related shareholders' equity and the assumption at the same time of all their assets and liabilities;
b. elimination of intercompany payables and receivables and transactions, as well as intercompany profits and losses not yet realized;
c. any excess of the cost of acquisition over the value of equity at the date of acquisition is recognized as goodwill;
d. non-controlling interests in the equity of consolidated subsidiaries are shown separately under equity, while non-controlling interests in the net income of these companies are shown separately in the consolidated income statement.

The financial statements of foreign subsidiaries expressed in currencies other than Euro are translated into Euro as follows:

- assets and liabilities, with the exception of shareholders' equity, at year-end exchange rates;
- shareholders' equity at historical exchange rates, for year of formation;
- income and expense items at the average exchange rates for the year;
- the goodwill resulting from the acquisition of a foreign company is recognized in the currency of the country in question and translated at year-end exchange rates.

Translation differences arising from this process are shown in the consolidated statement of comprehensive income.

Balance Sheet

Property, plant and equipment – Property, plant and equipment is sated at purchase cost less accumulated depreciation and any recognized impairment loss. Reviews are performed when events or situations occur which indicate that the carrying amount of the assets can no longer be recovered (see paragraph on impairment).

Depreciation is computed on a straight-line basis using rates which are held to be representative of the estimated useful life of the assets:

- Industrial buildings 2.5% - 5.5%
- Plant and machinery 10% - 17.5%
- Other equipment 12% - 40%

Gains or losses arising from the disposal or retirement of an asset are determined as the difference between the sales proceeds and the net carrying amount of the asset and are recognized in income.

Leasing – The Group applied IFRS 16, using the modified retrospective approach.

Accounting model for lessee – At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of its related stand-alone price. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In this case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis of those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted to reflect any changes deriving from remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interests rate implicit in the lease. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the assets leased.

The payments due for the lease included in the measurements of the lease liability comprise:

- fixed payments (including substantially fixed payments);
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero, the lessee recognises the change in the profit/loss for the year.

The Group presents right-of-use assets that do not meet the definition of investments property in "Property, plant and equipment" and lease liabilities in "Loans" in the balance sheet.

Short-term leases and leases of low value assets – The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets – An intangible asset is recognized in the accounts only if identifiable, likely to generate future economic benefits and its cost can be reliably determined. Intangible assets are recognized at purchase cost, net of amortization calculated on a straight line basis and on the basis of their estimated useful life which, however, cannot exceed 20 years. Patents, licenses and know-how are amortized as from the year of the first sale of relevant products. Amortization of distribution and license rights is calculated over the duration of the contract, using the following rates which are held to be representative of the estimated useful life of the assets.

- Industrial patent rights and marketing authorizations 5% - 33%
- Distribution licenses, trademarks and similar rights 5% - 25%.

Goodwill – Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly-controlled entity at the date of acquisition. Transaction costs associated with a business combination are not considered acquisition costs, but are recognized as expenses in the year they are incurred. Goodwill is recognized as an asset and subjected annually to an impairment test in order to determine any loss of value. This test is performed with reference to a cash-generating unit, or CGU, to which goodwill is attributed and at the level at which it is monitored.

Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate.

On disposal of a subsidiary, associate or jointly-controlled entity, the attributable amount of remaining goodwill is included in the determination of the gain or loss on disposal.

Impairment – At each reporting date, or more frequently if necessary, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If these indications exist, the recoverable amount of these assets is estimated to determine the amount of the write-down. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the context of determining estimated future cash flow, the Group takes into consideration risks associated with issues linked to climate change, including applicable regulations, assessing whether

these may have a significant impact on estimates of the recoverable value and, when necessary, including the effects on cash flow forecasts for estimates of value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash- generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. However, the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized. A reversal of an impairment loss is recognized as income immediately. Losses resulting from the impairment of goodwill cannot be reversed.

Equity investments in associates – An associate is an enterprise over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee. The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting.

Financial instruments
Recognition and measurement
Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party to the contractual provisions of the financial instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement
Financial assets
On initial recognition, a financial asset is classified on the basis of its measurement: amortized cost; fair value through other comprehensive income ("FVOCI") - debt security; (FVOCI) - equity security; or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified after their initial recognition, unless the Group changes its business model for management of financial assets. In this case, all the financial assets involved are reclassified on the first day of the year following the change in the business model.

A financial asset must be measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset must be measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This choice is made for each asset.

All financial assets not classified as measured at amortized cost or at FVOCI, as indicated above, are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: subsequent measurement and gains and losses

- **Financial assets measured at FVTPL**
  These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss for the year.
- **Financial assets measured at amortized cost**
  These assets are subsequently measured at amortized cost in conformity with the effective interest criterion. The amortized cost is decreased by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss, as are any gains or losses on derecognition.
- **Debt investments measured at FVOCI**
  These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
- **Equity securities measured at FVOCI**
  These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified as at FVTPL when it is held for trading, represents a derivative or is designated as such at the moment of initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost in using the effective interest criterion. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the assets transferred are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group derecognizes a financial liability also in the case of a change in the related

contractual terms and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognized at fair value on the basis of the modified contractual terms.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivative instruments are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the cost of the non-financial item on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges
When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognized in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion is recognized immediately in profit or loss. The amount recognized

in other comprehensive income is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Inventories – Inventories are stated at the lower of cost and net realizable value, where the market value of raw materials and subsidiaries is their substitution cost while that related to finished goods and work-in-process is their net realizable value. Inventories of raw materials, supplies and promotional material are valued at their average acquisition cost including costs incurred in bringing the inventories to their location and condition at year end. Inventories of work-in-process and finished goods are valued at their average manufacturing cost which includes the cost of raw materials, consumables, direct labour and indirect costs of production.

Inventories are written-down if market value is lower than cost as described above or in the case of obsolescence resulting from slow moving stocks.

Cash and cash equivalents – Cash in banks on demand and short-term highly liquid investments measured at market value.

Non-current assets classified as held for sale and discontinued operations – These consist of components of an entity, whose operations and cash flows can be distinguished operationally and for financial reporting purposes, which have either been disposed of or satisfy the criteria to be classified as held for sale.
A non-current asset (or disposal group) classified as held for sale is measured at the lower of fair value less costs to sell it and its carrying amount. Non-current assets or disposal groups that are classified as held for sale are not depreciated.

Shareholders' equity – Equity instruments issued by the Company are recognized at the proceeds received. Dividends distributed by the Parent Company are recognized as payables at the moment of the resolution to distribute them. The purchase cost and selling price of treasury shares are recognized directly in equity and are therefore not recognized in the income statement.

Provisions for employee benefits – Employee benefits are recognized on the basis of the results of the measurements made according to what is established by the accounting standard IAS 19. The liability recognized in the balance sheet for post-employment benefit plans is the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost. In particular the Projected Unit Credit Method is applied.

Provisions for risks and charges – Provisions for risks and charges made when the Group has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Transactions in foreign currencies – Transactions in currencies other than the euro are initially recognized at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on exchange are included in net profit or loss for the period. Non-monetary assets and liabilities recognized at the exchange rates prevailing on the dates of the transactions are not retranslated on the reporting date.

In the consolidated financial statements, the assets and liabilities of the Group's foreign currency operations are translated at the exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in the consolidated statement of comprehensive income and included in the item "reserve from translation of financial statements in foreign currencies". This reserve is recognized as income or as expenses in the period in which the subsidiary is disposed of.

Income statement

Revenue – Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer. Revenues are stated net of discounts, rebates and returns.

Information about the nature and the timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies are as follows.

Revenues mainly comprise product sales and revenue from licensing-out agreements. Product sales represent net invoice value less estimated rebates, returns and chargebacks and are recognized when control of the goods has been transferred to a third party. This is usually when ownership passes to the customer, either on shipment or on receipt of goods by the customer, depending on the specific trading terms.

Revenue from licensing-out agreements includes income from collaborative arrangements on the Group's products where the Group has licensed certain rights associated with those products, but retains a significant ongoing economic interest, through for example the ongoing supply of finished goods. Income may take the form of up-front payments, profit sharing and royalties. Where control of a right to use of intangible assets passes at the outset of an arrangement, revenue is recognized at one point in time. Where the substance of an arrangement is that of a right to access intangible assets, revenue is recognized over time, normally on a straight-line basis over the life of the contract. Where the Group provides ongoing services (i.e. supply of products), revenue in respect of this element is recognized over the duration of these services. Sales performance milestones are accounted for when the licensee achieves the sales target, so these are recognized at one point in time. Royalties received from the licensee are accounted for when the licensor is entitled to the payment, so these are to be recognized at one point in time.

Cost of sales – This represents the cost of the goods sold. It includes the cost of raw materials, supplies and consumables, finished goods, and direct and indirect production expenses.

Selling expenses - These include all expenses incurred in connection with the products sold during the year, such as payroll and other costs for sales and marketing personnel, promotional expenses and all distribution costs.

Research and development expenses – Research and development costs are expensed in the income statement in the year in which they are incurred in accordance with IAS 38, except the cases for which the same IAS 38 prescribes the capitalization. IAS 38 prescribes that development costs must be capitalized when, in relation to the products of the activity, technical and commercial feasibility is achieved with high probability of success and future economic benefits are probable. These costs include amounts due under collaboration agreements with third parties.

Transactions involving share-based payments – As prescribed by IFRS 2, stock option and performance share plans for the benefit of Group employees are considered part of their remuneration, the cost of which is the fair value of the rights at the date they are granted. This cost is recognized in profit and loss linearly distributed over the vesting period with a counter-item booked directly to equity.

Financial income and expenses – These include interest income and expenses, foreign exchange gains and losses, both realized and unrealized, and differences arising from the valuation of securities. Interest income and expenses are recognized in profit and loss using the effective interest method.

Taxes – Income taxes are the sum of current and deferred taxes. Current taxes are based on taxable profit for the year and the tax rates in force at the reporting date are applied.

Deferred taxes are taxes expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax liabilities are generally recognized all taxable temporary differences, while deferred tax assets are recognized to the extent to which it is considered

probable that there will be taxable fiscal results in the future that will enable the use of the deductible temporary differences. Assets and liabilities are not recognized if the temporary differences derive from goodwill.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognized in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Earnings per share – Earnings per share is the net income for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the number of shares outstanding for the effects of all dilutive potential ordinary shares.

3. NET REVENUE

The Group's revenue is derived from contracts with customers and is not subject to significant seasonal fluctuations, except for those in the cough and cold therapeutic area.

Total net revenue in 2024 was € 2,341.6 million, up by 12.4% compared to 2023. This includes € 111.6 million for sales of Avodart® and Combodart®/Duodart®, for which sales and distribution rights had been acquired from GSK during the third quarter of 2023, and revenue of € 10.9 million, generated in December, related to the Enjaymo® product for which Sanofi recently sold the global rights to Recordati. The increase is also attributable to strong organic growth in turnover in both business segments, despite the negative impact of the currency exchange effect, amounting to a total of € 26.9 million.

Revenue can be detailed as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Net sales	2,325,679	2,068,054	257,625
Royalties	10,982	9,947	1,035
Upfront payments	1,369	1,371	(2)
Various revenue	3,529	2,959	570
Total net revenue	**2,341,559**	**2,082,331**	**259,228**

The effect of the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” to activities in Türkiye, taking account of the provisions of IAS 21 “Effects of Changes in Foreign Exchange Rates”, had a positive effect on net revenue of € 14.4 million. It should be noted that the Argentine company did not achieve revenues.

Royalties are related to products in the Rare Diseases segment for € 6.6 million and to those of the *Specialty and Primary Care* segment for € 4.4 million.

The following tables show net revenue broken down by therapeutic area and geographic area by country, with an indication of the related business segments identified by the Group.

THERAPEUTIC AREA

€ (thousands)	Specialty & Primary Care 2024	Specialty & Primary Care 2023	Rare Diseases 2024	Rare Diseases 2023	Total 2024	Total 2023
Urology	399,941	280,375	-	-	399,941	280,375
Cardiovascular	385,208	365,213	-	-	385,208	365,213
Gastrointestinal	217,498	219,267	-	-	217,498	219,267
Cough and Cold	137,280	137,121	-	-	137,280	137,121
Other treatment areas	309,309	311,604	-	-	309,309	311,604
Chemicals	58,468	54,031	-	-	58,468	54,031
Endocrinology	-	-	321,686	242,318	321,686	242,318
Metabolic and other areas	-	-	258,941	271,551	258,941	271,551
Oncology	-	-	253,228	200,851	253,228	200,851
Total net revenue	**1,507,704**	**1,367,611**	**833,855**	**714,720**	**2,341,559**	**2,082,331**

GEOGRAPHIC AREA BY COUNTRY

€ (thousands)	Specialty & Primary Care 2024	Specialty & Primary Care 2023	Rare Diseases 2024	Rare Diseases 2023	Total 2024	Total 2023
Pharmaceutical revenue						
Italy	299,672	281,562	30,815	28,198	330,487	309,760
U.S.A.	-	-	391,487	316,072	391,487	316,072
Spain	180,759	135,774	33,267	29,330	214,026	165,104
France	138,749	143,288	36,011	36,389	174,760	179,677
Germany	108,498	106,146	52,943	44,756	161,441	150,902
Russia, Ukraine, other CIS	128,569	120,917	21,933	19,649	150,502	140,566
Türkiye	122,427	94,056	10,357	3,461	132,784	97,517
Portugal	61,904	55,041	5,276	5,155	67,180	60,196
Other Eastern European countries	135,636	121,377	32,326	28,978	167,962	150,355
Other Western European countries	98,600	90,228	65,104	62,178	163,704	152,406
North Africa	43,755	38,701	1,984	1,515	45,739	40,216
Other international sales	130,667	126,490	152,352	139,039	283,019	265,529
Total pharmaceutical revenue	**1,449,236**	**1,313,580**	**833,855**	**714,720**	**2,283,091**	**2,028,300**

€ (thousands)	Specialty & Primary Care 2024	Specialty & Primary Care 2023	Rare Diseases 2024	Rare Diseases 2023	Total 2024	Total 2023
Pharmaceutical chemicals revenue						
Italy	2,879	3,691	-	-	2,879	3,691
Other European countries	16,342	15,209	-	-	16,342	15,209
U.S.A.	4,723	6,735	-	-	4,723	6,735
America (U.S.A. excluded)	6,012	5,541	-	-	6,012	5,541
Asia and Oceania	27,911	21,528	-	-	27,911	21,528
Africa	601	1,327	-	-	601	1,327
Total chemical pharmaceuticals revenue	**58,468**	**54,031**	**0**	**0**	**58,468**	**54,031**
Total net revenue	**1,507,704**	**1,367,611**	**833,855**	**714,720**	**2,341,559**	**2,082,331**

4. OPERATING EXPENSES

Total operating expenses for 2024 amounted to € 1,702.7 million, up compared to the € 1,524.3 million of 2023, and are classified by function as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Cost of sales	741,287	659,707	81,580
Selling expenses	497,728	472,857	24,871
Research and development expenses	286,026	255,747	30,279
General and administrative expenses	156,648	128,253	28,395
Other (income)/expenses, net	21,013	7,759	13,254
Total operating expenses	**1,702,702**	**1,524,323**	**178,379**

The cost of sales totals € 741.3 million, up compared to the previous year and representing 31.7% of revenue, in line with 2023. The higher cost of sales of products acquired from GSK is offset by the lower impact deriving from the effects of the revaluation at fair value of the inventory acquired as part of the transactions relating to EUSA Pharma and Enjaymo®, according to IFRS 3. Its negative impact on the income statement, calculated based on the units sold for the year, amounted to € 37.5 million (compared to € 58.9 million in 2023). The effect of the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" and several provisions of IAS 21 "Effects of Changes in Foreign Exchange Rates" to activities in Türkiye was € 16.4 million, compared to € 11.2 million in 2023. It should be noted that the Argentine company has a cost of sales equal to zero.

Selling expenses rose by 5.3% compared to the previous year, at 21.3% of revenue, improving on the 22.7% in 2023 thanks to positive revenue performance (including the contribution from new products) and operations implemented during recent years to make the sales structure in *Specialty & Primary Care* business more efficient.

Research and development expenses, at € 286.0 million, were up by 11.8% compared to 2023. The growth is the result mainly of higher amortisation of € 12.6 million related to the intangible assets

acquired from GSK, the effects of which in 2023 had been recorded starting from the third quarter, € 2.9 million amortization, started in December 2024, related to the rights of Enjaymo®, and expenses in support of the growth of the endocrinology portfolio in the United States of America.

General and administrative expenses rose by 22.1% due to the strengthening of the general coordination structure and to investments in progress with reference to new IT systems to support the Group's growth.

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

€ (thousands)	2024	2023	Changes 2024/2023
Non-recurring costs:			
- restructuring	5,972	5,210	762
- EUSA Pharma acquisition	1,949	3,791	(1,842)
- emergency in Ukraine and Spain	127	117	10
- earthquake in Türkiye and Syria	0	520	(520)
Impairment of intangible assets and goodwill	14,330	369	13,961
Other	(1,365)	(2,248)	883
Other (income)/expenses, net	**21,013**	**7,759**	**13,254**

Under the terms of the CONSOB Communication of 28th July 2006, on events, transactions and matters which are non-recurring or do not occur frequently in the normal course of business we can note:

- the costs linked to the targeted restructuring of the *Specialty & Primary Care* field force, in particular in Spain and Greece;
- the residual costs from the acquisition of EUSA Pharma, mainly relating to tech transfer fees;
- the cost of donations made after the flooding in Spain in October 2024 and the conflict in Ukraine.

In compliance with the CONSOB Communication dated 28th July 2006, it is noted that, during 2024, there were no atypical or unusual transactions, as defined by the Communication.

Write-downs of intangible assets for € 14.3 million refer to the Ledaga® distribution licence for € 11.8 million, of which € 2.0 million following an amendment of the underlying agreement for the return of the rights of the Japanese market, and the € 2.5 million milestone paid to the operational partner for the development of the product REC 0559 for the treatment of neurotrophic keratitis, as the preliminary top-line data from the phase II trial shows the primary endpoint of corneal healing was not met.

Total operating expenses are broken down by nature as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Material consumption	552,538	459,276	93,262
Payroll costs	410,266	363,796	46,470
Other employee costs	67,455	59,090	8,365
Variable sales expenses	96,158	103,533	(7,375)
Depreciation, amortization and write-downs	181,355	143,038	38,317
Utilities and consumables	53,298	55,433	(2,135)
Other expenses	341,632	340,157	1,475
Total operating expenses	**1,702,702**	**1,524,323**	**178,379**

The proportion of raw material consumption to net revenue was 23.6%, up compared to the 22.1% of 2023, mainly due to the integration of Avodart® and Combodart®/Duodart®.

The item "Payroll costs" grew by € 46.5 million due to the higher average number of employees (4,410 people in 2024 compared to 4,301 people in 2023) and increases in salaries. Stock option plan expenses of € 5.2 million decreased compared to the cost of € 7.9 million in the previous year. In the first half of 2023, the Parent Company adopted a new long-term incentive scheme, called the "2023-2025 Performance Shares Plan" which benefits certain Group employees (see Note 19). The cost for the year, determined according to IFRS 2, amounted to € 11.3 million, an increased on the € 3.0 million in 2023. There were 4,583 employees as of 31st December 2023, an increase over the 4,455 at the end of 2023.

tarting 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 2024 income statement of € 1.2 million, which also includes the incentive plan granted by Rossini Luxembourg S.à r.l. to the Chief Executive Officer of the Recordati Group.

Variable sales expenses mainly include distribution charges and royalties paid.

Total amortisation amounted to € 167.0 million, of which € 133.6 million related to intangible assets, up by € 19.9 million over the previous year, attributable mostly to the acquisition of rights of Avodart® and Combodart®/Duodart® from GSK (€ 16.3 million for the entire 2024 compared to € 3.6 million in 2023) and Enjaymo® from Sanofi (€ 2.9 million for December 2024 only), and € 33.4 million relating to property, plant, and equipment, up by € 4.5 million over 2023.

The item "Utilities and consumables" mainly includes costs for electricity and gas, consumables and IT services and recorded a net decrease compared to 2023 as a result of the lower impact of the costs of energy and materials used in production.

The item "Other expenses" includes costs for consulting and external services, promotion and clinical trials. It also includes the non-cash costs of € 37.5 million deriving from the effects of the revaluation at fair value of the inventory acquired as part of the transactions relating to EUSA Pharma and Enjaymo® in accordance with IFRS 3, which amounted to € 58.9 million in 2023.

5. NET FINANCIAL INCOME AND EXPENSES

In 2024 and 2023 the net balance of financial components was negative respectively of € 91.7 million and € 67.0 million.

The main items are summarized as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Interest expense on loans	78,975	72,516	6,459
Net exchange rate (gains)/losses	9,342	(2,158)	11,500
Net (income)/expense on short-term positions	(5,962)	(4,181)	(1,781)
Expenses on leases	2,186	1,939	247
Expenses for defined benefit plans	385	402	(17)
Turkish hyperinflation effects (IAS 29)	6,747	(1,546)	8,293
Total net financial (income)/expenses	**91,673**	**66,972**	**24,701**

The increase in interest expense on loans, of € 6.5 million, is mainly due to new debt undertaken in both the second quarter of 2023 for € 350.0 million and in 2024 for € 1,090.0 million, of which € 850.0 million

in the fourth quarter of 2024 for the acquisition of Enjaymo®. Note number 21 contains the details of the loan contracts.

Net exchange losses, mostly unrealised, amounted to € 9.3 million, whereas in the previous year there were net exchange gains of € 2.2 million. These changes are mainly attributable to the trend in the US dollar and the Russian rouble.

The hyperinflation effect was negative for € 6.7 million in 2024 following a positive impact of € 1.5 million in 2023 mainly due to the net effect of the revaluation of balance sheet entries of subsidiaries in Türkiye.

6. INCOME TAXES

Income taxes, amounting to € 130.7 million, include the income taxes levied on all consolidated companies as well as the Italian regional tax on production (IRAP) applicable to all Italian companies. This item increased by € 28.9 million compared to 2023. The amount includes provisioning of € 3.2 million for the effects deriving from application of the Pillar Two regulations in the tax jurisdictions of Ireland, Switzerland and the United Arab Emirates, determined as described in detail in note 2. In 2023 there was a non-recurring element of of € 2.7 million in tax income linked to the treatment of hyperinflation in Turkey, following the release of deferred tax liabilities, due to the Turkish authorities' decision to treat the hyperinflation effect as relevant for local tax purposes.

In 2019, the Parent Company signed an advance agreement with the Italian Revenue Agency, to define the calculation methods and criteria for the "patent box", 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 2024, Recordati S.p.A. took part in the reverse charge regime for the same assets as in 2015-2019 (apart from the expired patents and brands excluded in the meantime from the objective scope of the subsidy). The Company, operating in line with the previous years, determined the tax benefit pertaining to 2024, recognised to reduce the tax amounts, as € 9.0 million.

The current standard corporate income tax rate in Italy can be reconciled with the tax rate effectively incurred on consolidated pre-tax income, as follows:

	2024 %	2023 %
Standard income tax rate on pre-tax income of the Parent Company	24.0	24.0
Dividends from foreign subsidiaries	0.6	0.5
Pillar Two	0.6	-
Foreign tax rate differential	(1.1)	(2.6)
Tax benefit provided by the so-called "Patent box" in Italy	(1.3)	(1.8)
ACE from reverse merger	-	(0.3)
Other differences, net	0.5	0.2
Effective tax rate on income	**23.3**	**20.0**
IRAP	0.6	0.7
Effective tax rate on pre-tax income	**23.9**	**20.7**

IRAP is levied only on Italian companies and is computed applying an average rate of 4.65% to a broader taxable base calculated before the deduction of interest.

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 as of 1 January 2023	**115,259**	**258,107**	**106,914**	**40,890**	**521,170**
Additions	9,567	3,214	14,068	19,914	46,763
Disposals	(1,516)	(1,087)	(10,488)	(263)	(13,354)
Write-downs	0	0	(118)	0	(118)
Hyperinflation	5,368	7,239	1,542	130	14,279
Other changes	(5,031)	1,728	(97)	(12,522)	(15,922)
Balance as of 31 December 2023	**123,647**	**269,201**	**111,821**	**48,149**	**552,818**
Additions	17,079	5,654	16,402	21,122	60,257
Disposals	(12,853)	(357)	(8,009)	(407)	(21,626)
Hyperinflation	7,346	6,866	2,712	(366)	16,558
Other changes	4,839	28,273	(470)	(38,297)	(5,655)
Balance as of 31 December 2024	**140,058**	**309,637**	**122,456**	**30,201**	**602,352**
Accumulated amortization					
Balance as of 1 January 2023	**60,851**	**220,380**	**80,755**	**0**	**361,986**
Amortization for the year	7,937	9,367	11,570	0	28,874
Disposals	(1,516)	(1,087)	(10,488)	0	(13,091)
Hyperinflation	606	4,598	(147)	0	5,057
Other changes	(1,186)	(5,349)	(2,130)	0	(8,665)
Balance as of 31 December 2023	**66,692**	**227,909**	**79,560**	**0**	**374,161**
Amortization for the year	8,840	12,023	12,562	0	33,425
Disposals	(8,747)	(356)	(7,671)	0	(16,774)
Hyperinflation	2,057	4,443	1,745	0	8,245
Other changes	(189)	(424)	(2,792)	0	(3,405)
Balance as of 31 December 2024	**68,653**	**243,595**	**83,404**	**0**	**395,652**
Net amount					
1 January 2023	**54,408**	**37,727**	**26,159**	**40,890**	**159,184**
31 December 2023	**56,955**	**41,292**	**32,261**	**48,149**	**178,657**
31 December 2024	**71,405**	**66,042**	**39,052**	**30,201**	**206,700**

The increases in property, plant and equipment of € 60.3 million are mainly linked to the Parent Company (€ 19.3 million, largely for investments in its production plants), to the subsidiaries in France (€ 9.5 million) and in the United States of America (€ 7.8 million) especially in relation to the renewal of office leases, and to predominantly production investments in the plants in Türkiye (€ 5.5 million), Tunisia (€ 2.6 million), Ireland (€ 1.6 million) and Spain (€ 1.4 million).

"Other changes" includes the conversion into euro of the property, plant and equipment recognised in other currencies, which led to a net decrease of € 2.4 million compared to 31st December 2023, 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 as of 1 January 2023	**32,351**	**1,436**	**19,892**	**53,679**
Additions	9,119	0	8,659	17,778
Disposals	(1,386)	(1)	(6,874)	(8,261)
Hyperinflation	612	(2)	702	1,312
Other changes	(157)	(110)	(1,261)	(1,528)
Balance as of 31 December 2023	**40,539**	**1,323**	**21,118**	**62,980**
Additions	15,308	0	10,679	25,987
Disposals	(12,209)	0	(4,701)	(16,910)
Hyperinflation	641	0	1,730	2,371
Other changes	(93)	0	(760)	(853)
Balance as of 31 December 2024	**44,186**	**1,323**	**28,066**	**73,575**
Accumulated amortization				
Balance as of 1 January 2023	**10,831**	705	**11,272**	**22,808**
Amortization for the year	5,466	268	6,380	12,114
Disposals	(1,386)	(1)	(6,874)	(8,261)
Hyperinflation	314	(3)	(648)	(337)
Other changes	(383)	(110)	(1,077)	(1,570)
Balance as of 31 December 2023	**14,842**	**859**	**9,053**	**24,754**
Amortization for the year	6,129	259	6,920	13,308
Disposals	(8,246)	0	(4,672)	(12,918)
Hyperinflation	287	0	713	1,000
Other changes	(132)	0	15	(117)
Balance as of 31 December 2024	**12,880**	**1,118**	**12,029**	**26,027**
Net amount				
1 January 2023	**21,520**	731	**8,620**	**30,871**
31 December 2023	**25,697**	**464**	**12,065**	**38,226**
31 December 2024	**31,306**	**205**	**16,037**	**47,548**

Rights of use of leased assets refer mainly to the office premises 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 as of 1 January 2023	**1,116,842**	**1,193,425**	**22,428**	**101,910**	**2,434,605**
Additions	1,066	245,602	825	17,784	265,277
Disposals	(1,064)	(1,755)	(107)	(251)	(3,177)
Write-downs	0	(251)	0	0	(251)
Hyperinflation	3,770	1,110	754	0	5,634
Other changes	20,505	82,175	(797)	(75,856)	26,027
Balance as of 31 December 2023	**1,141,119**	**1,520,306**	**23,103**	**43,587**	**2,728,115**
Additions	699,672	18,824	818	12,133	731,447
Disposals	(31)	(7,862)	(469)	(37)	(8,399)
Write-downs	0	(11,830)	0	(2,500)	(14,330)
Hyperinflation	3,782	(385)	806	1	4,204
Other changes	(9,758)	15,738	299	(14,218)	(7,939)
Balance as of 31 December 2024	**1,834,784**	**1,534,791**	**24,557**	**38,966**	**3,433,098**
Accumulated amortization					
Balance as of 1 January 2023	**366,435**	**290,048**	**19,949**	**0**	**676,432**
Amortization for the year	51,315	61,760	720	0	113,795
Disposals	(1,045)	(1,755)	(60)	0	(2,860)
Hyperinflation	2,073	712	552	0	3,337
Other changes	(949)	747	(584)	0	(786)
Balance as of 31 December 2023	**417,829**	**351,512**	**20,577**	**0**	**789,918**
Amortization for the year	54,827	77,995	778	0	133,600
Disposals	(13)	(5,562)	(457)	0	(6,032)
Hyperinflation	2,270	(309)	618	0	2,579
Other changes	(7,899)	7,432	341	0	(126)
Balance as of 31 December 2024	**467,014**	**431,068**	**21,857**	**0**	**919,939**
Net amount					
1 January 2023	**750,407**	**903,377**	**2,479**	**101,910**	**1,758,173**
31 December 2023	**723,290**	**1,168,794**	**2,526**	**43,587**	**1,938,197**
31 December 2024	**1,367,770**	**1,103,723**	**2,700**	**38,966**	**2,513,159**

The highest increase in the year, amounting to € 699.7 million inclusive of transaction expenses, is related to the acquisition from Sanofi in November of the rights to Enjaymo® (see Note 1). Based on assessments made, the useful life of the intangible asset is estimated to be 20 years.

Other increases for the year mainly include:

- € 11.5 million, equivalent to the $ 12.5 milestone linked to the fulfilment of the contractual conditions for Juxtapid®;
- € 10.7 million for investments in software;
- € 3.8 million referring to clinical studies that comply with the criteria set by the IAS 38 accounting standard on capitalisation;
- € 3.6 million relative to rights for Fotivda®;

- € 0.8 million related to the renewal of the license for the Trasact® LAT product in Portugal;
- € 0.5 million for the milestone payment relating to the distribution of Ledaga® in Spain.

Write-downs for € 14.3 million refer to the Ledaga® distribution licence for € 11.8 million, of which € 2.0 million following an amendment of the underlying agreement for the return of the rights of the Japanese market, and to € 2.5 million milestone paid to the operational partner for the development of the product REC 0559 for the treatment of neurotrophic keratitis, as the preliminary top-line data from the phase II trial shows the primary endpoint of corneal healing was not met.

The "Other changes" includes the conversion into euro of the value of the intangible assets held and booked in different currencies, which determined a net decrease of € 7.8 million compared to 31st December 2023 mainly attributable to the devaluation of the Swiss franc for € 9.6 million, of the Russian ruble for € 1.2 million and of the Turkish lira for € 0.6 million and to the revaluation of the U.S. dollar for € 3.7 million.

9. GOODWILL

Goodwill as of 31st December 2024 and 2023 amounted to € 797.1 million and € 778.3 million respectively. The changes, described below, come from the adequate recognition of changes in the exchange rates required under IAS 21 "Effects of changes in foreign exchange rates" and from the application of the requirements of IAS 29 "Financial reporting in hyperinflationary economies".

€ (thousands)	
Balance as of 31 December 2023	778,350
Hyperinflation adjustments	28,110
Exchange rate adjustments	(9,382)
Balance as of 31 December 2024	**797,078**

Total net goodwill as ofat 31st December 2024, of € 797.1 million, was divided between the two CGU as follows:

- € 532.7 million to *Specialty and Primary Care* (SPC);
- for € 264.4 million to the CGU referring to medicines for Rare Disease treatments.

As reported in Note 2 "Summary of significant accounting policies", goodwill is not amortized systematically but is subject to impairment test at least once a year to determine its recoverable value. Goodwill is allocated to the individual cash-generating units identified based on the business segments and the markets on which the new acquisitions operate. A cash-generating unit to which goodwill has been allocated shall be tested for impairment annually, and when there is any indication that it may be impaired, by comparing the carrying amount of the unit, including goodwill, with the recoverable amount of the unit. If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit is not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity must recognize an impairment loss.

The recoverable amount was determined by calculating the value in use of the individual cash-generating units based on discounted cash flow (DCF analysis) originating from operating cash flow forecasts for the period used explicitly for the calculation (2025-2029) and from the cash flow beyond that period, according to the net operating income model expected in perpetuity.

The main assumptions used for calculating the value in use concern the expected operating cash flows during the period assumed for the calculation, the discount rate and the growth rate.

Operating cash flow forecasts for the period explicitly used for the calculation (2025-2029) come from the 2025 budget approved by the Board of Directors of the Parent Company on 13th February 2025 and,

for 2026 to 2029, from specific forecasts prepared for the cash-generating units subject to impairment testing approved by the Board of Directors on 18th March 2025. The cashflow forecast took due account of the effects of the Russia/Ukraine conflict. Considering this analysis and based on the expected results and the resilience of the pharmaceutical industry, no significant impacts have been identified yet about the measurement of the Specialty & Primary Care CGU. Nonetheless, given the complexity of the situation and uncertainties about developments in the crisis and their possible impacts, the Company continues to monitor the situation.

As highlighted in the Management Report, with regard to the potential risk related to climate change, considering the sector in which the Group operates, Recordati concluded that this risk has no concrete or significant impact on the company's operations and therefore does not have a significant impact on the estimate of the recoverable value of assets; it was therefore not deemed necessary to carry out a sensitivity analysis exercise on the potential impacts deriving from this risk. The Group will continue to monitor this potential risk over the years.

The discount rate used for estimates is the after-tax average weighted cost of capital which reflects current market valuations of the cost of money and the specific risk associated with the cash-generating units.

The following table shows the discount rates used for the impairment test for each of the two cash-generating units:

Cash-generating unit	Discount rate
Specialty and Primary Care segment	9.36%
Drugs for the treatment of rare diseases	8.05%

The growth rates used for the period after the explicit forecast period were prudently estimated and consider the specific features of each country involved.

The impairment tests, carried out according to the procedures described for each cash-generating unit, were examined and approved by the Board of Directors on 18th March 2025. For both CGUs the value in use was higher, even significantly so, than the book value of the net capital invested recognized in the financial statements as of 31st December 2024 and therefore no impairment of goodwill was recognized. In addition, as required by the impairment methodology approved by the Board of Directors on 13th February 2025, a sensitivity analysis was conducted to show the possible impact on the headroom value of changes in the following parameters: long-term growth rate (+/- 0.5%), operating profit growth rate (+/- 10%) and discount rate (+/- 0.5%). The result of the analysis confirmed that there were no impairment losses.

10. OTHER EQUITY INVESTMENTS AND SECURITIES

At 31st December 2024 the details of other equity investments and securities were as follows:

€ (thousands)	Book value		Percentage stake	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
PureTech Health p.l.c. - United Kingdom	17,307	21,350	3.7%	3.5%
Phaxiam Therapeutics S.A., France	73	198	0.4%	0.7%
Standard BioTools Inc. - United States of America	3	3	n.s.	n.s.
Other	2	4	n.s.	n.s.
Total equity investments and securities	**17,385**	**21,555**		

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 19th June 2015, the Company's shares were admitted for trading on the London Stock Exchange. As of 31st December 2024, the total fair value of the 9,554,140 shares held was € 17.3 million. The value of the investment was consequently adjusted to the stock exchange value and fell by € 4.1 million, compared to 31st December 2023, 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 € 0.2 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. In June 2023, the company announced the merger with Pherecydes Pharma S.A., changing its name to Phaxiam Therapeutics S.A. The new shares were admitted for trading on the French regulated market starting on 29th June 2023. The value of the investment, currently represented by 43,103 shares, was adjusted to the stock exchange value and decreased by € 0.1 million compared to 31st December 2023, 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

As of 31st December 2024 this item amounted to € 14.2 million, an increase of € 1.7 million compared to 31st December 2023, and mainly refers to receivables falling due beyond twelve months. It includes the discounted receivable of € 4.0 million in respect of ARS Pharmaceuticals Inc. following the signing of the agreement in February 2023 for the return of the rights on ARS-1, previously recognised under intangible assets.

12. DEFERRED TAX ASSETS

As of 31st December 2024 deferred tax assets amounted to € 94.5 million (€ 76.7 million at 31st December 2023).

The main deferred tax assets and their changes are presented in the two tables below:

€ (thousands)	2024	2023
Balance as of 1 January	76,674	76,895
Additions	29,764	21,237
Utilizations	(11,911)	(16,084)
Reclassifications	0	(5,374)
Balance as of 31 December	**94,527**	**76,674**

€ (thousands)	Revenues/costs with deferred tax effect	Patent Box	Tax credits	Other	Total
Balance as of 1 January	**17,131**	**8,392**	**448**	**50,703**	**76,674**
Additions	12,387	6,012	-	11,365	**29,764**
Utilizations	(4,218)	(5,288)	(448)	(1,957)	**(11,911)**
Balance as of 31 December	**25,300**	**9,116**	**0**	**60,111**	**94,527**

The item *Patent Box* refers to the economic benefit for the direct use of intangible assets covered by subsidies and that can be used in subsequent years.

The tax credit relates to the tax incentives associated with the construction of the production plant in Türkiye, used up in 2024.

The item "Other" mainly refers to temporary differences deriving from the elimination of unrealised profits on intercompany sales.

The tax effect of comprehensive income statement components is € 1.8 million (€ 1.3 million as of 31st December 2023).

13. INVENTORIES

Inventories as of 31st December 2024 amounted to € 506.4 million (€ 404.8 million as of 31st December 2023), net of provisions for the impairment of pharmaceutical products nearing expiry and slow moving of € 15.6 million (€ 20.1 million as of 31st December 2023). The increase in the balance is mainly attributable to the effects deriving from the acquisition of Enjaymo®, the rights to which were recognised in the fourth quarter of the year (see Note 1). Specifically, the value of € 11.3 million for the acquisition of inventory at the date of the agreement with Sanofi, as well as the right to repurchase products currently sold by Sanofi in accordance with the contractual provisions, was increased by € 70.7 million to reflect the overall fair value of € 82.0 million, as required by accounting standards. This revaluation was posted to the income statement in conjunction with the sales of the products to which it refers; the portion relating to sales made in December 2024 was € 8.2 million and, as a result, the residual value as of 31st December 2024 was € 62.5 million.

The residual value of the revaluation of inventories made in 2022, in application of IFRS 3 after the EUSA Pharma acquisition, amounts to € 4.3 million.

Inventories by category are broken down as follows:

€ (thousands)	31/12/2024	31/12/2023	Changes 2024/2023
Raw materials and supplies	100,906	86,956	13,950
Semi-finished goods and work in process	92,658	85,345	7,313
Finished goods	312,883	232,530	80,353
Total	**506,447**	**404,831**	**101,616**

14. TRADE RECEIVABLES

Trade receivables as of 31st December 2024 and 2023 amounted to € 516.7 million and € 445.2 million respectively. The amounts are expressed net of provisions for impairment, which as of 31st December 2024 amounted to € 14.7 million (€ 15.7 million as of 31st December 2023). This item is considered consistent with positions which, for the particular nature of the customers or the destination markets, may be difficult to collect. The average number of days of exposure was 63, down compared to the 66 days in 2023. Provisions for doubtful accounts decreased by € 1.0 million (decrease of € 2.0 million in 2023), and this difference is classified in the selling expenses.

The Group uses a matrix to measure the expected credit losses on trade receivables from individual customers, which comprise a very large number of small balances. Losses are estimated using a method based on the probability of a receivable progressing through successive stages of insolvencies calculated separately for exposures in different segments based on common credit risk characteristics, such as

geographical region and duration of the customer relationship. The following table provides information about the exposure to credit risk for trade receivables:

€ (thousands)	31/12/2024	31/12/2023	Changes 2024/2023
Current (not past due)	459,569	381,744	77,825
1-30 days past due	23,283	28,935	(5,652)
31-60 days past due	9,389	6,367	3,022
61-90 days past due	2,452	8,918	(6,466)
More than 90 days past due	36,767	34,883	1,884
Total gross trade receivables	**531,460**	**460,847**	**70,613**

Additional information about how the Group assesses its exposure to credit risk and provisions for doubtful accounts is provided in Note 32.

15. OTHER RECEIVABLES

Other receivables amounted to € 109.0 million, up by € 9.6 million compared to 31st December 2023. The relevant details are presented in the table below:

€ (thousands)	31/12/2024	31/12/2023	Changes 2024/2023
Tax receivables	79,017	72,508	6,509
Advances to employees and agents	3,369	2,796	573
Other	26,638	24,097	2,541
Total other receivables	**109,024**	**99,401**	**9,623**

Tax receivables also include value added tax (VAT) receivable (€ 21.8 million) and advance payments of income tax paid in excess. Advances to employees and agents comprise advances on expense accounts and other receivables. The “Other” receivables item includes the advances paid to suppliers and other parties, as well as settlements due from licensors and € 5.3 million relating to the short-term discounted receivable from ARS Pharmaceuticals Inc., posted following the signing of an agreement in February 2023 for the restitution of rights to ARS-1, previously recognised among the intangible assets. Following approval by the European Medicines Agency (EMA), € 2.0 million was collected in the third quarter of the year.

16. OTHER CURRENT ASSETS

Other current assets amounted to € 21.4 million (€ 19.9 million as of 31st December 2023) and relate mainly to prepaid expenses.

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

As of 31st December 2024 the value of derivative instruments included under this item amounted to € 15.4 million.

The measurement at market (fair) value of the cross-currency swaps, entered into by the Parent Company to hedge the US$75 million loan issued on 30th September 2014 resulted in a total asset of €

7.7 million. 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 of the derivative hedging the US$ 50 million tranche of the loan, provided by Mediobanca, was positive for € 4.3 million, and that hedging the US$ 25 million tranche of the loan, provided by UniCredit, yielded a € 3.4 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 € 2.6 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 amount relates to the interest rate swaps entered into by the Parent Company to hedge the interest rates on the syndicated loan recently concluded to fund the acquisition of the rights to Enjaymo® (€ 1.5 million) and on the loan finalised in the first half of 2022 (€ 1.1 million) (see Note 21).

As of 31st December 2024, the measurement of other hedging transactions on foreign currency positions was positive for € 5.1 million against an essentially nil balance as of 31st December 2023, with the difference recognised 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 two of the hierarchy provided for in 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.

18. CASH AND CASH EQUIVALENTS

A breakdown is shown in the following table:

€ (thousands)	31/12/2024	31/12/2023	Changes 2024/2023
Demand current account deposits	293,445	194,959	98,486
Short-term time deposits	28,930	26,808	2,122
Cash on hand	48	45	3
Total cash and cash equivalents	**322,423**	**221,812**	**100,611**

Short-term time deposits consist of tied deposits with maturities of three months or less.

At 31st December 2024, cash and cash equivalents were mainly in euros (171.8 million), US dollars (89.7 million, especially for the subsidiary Recordati Rare Diseases Inc.), Tunisian dinars (46.2 million), Japan yen (1,655.0 million, mainly for the subsidiary Recordati Rare Diseases Japan), Polish zloty (€ 5.6 million), Russian roubles (567.2 million, mainly from the subsidiary Rusfic LLC) and Swiss francs (4.4 million, mainly for the subsidiary Recordati AG).

19. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Share capital - the share capital as of 31st December 2024, of € 26,140,644.50, was fully paid up and consisted of 209,125,156 ordinary shares with a par value of € 0.125 each. During 2024, there were no changes.

Share premium reserve – As of 31st December 2024, this amounted to € 83.7 million, unchanged compared to the previous year.

Treasury shares - As of 31st December 2024, 2,828,921 treasury shares are held in the portfolio, a decrease of 290,123 shares compared to 31st December 2023. The change was due to the disposal of 2,651,852 shares for an amount of € 92.3 million to enable the exercise of the options attributed to employees as part of the stock option plans and to the purchase of 2,361,729 shares for an amount of € 119.0 million. The total cost to purchase the treasury shares in the portfolio was € 131.6 million, with an average unit price of € 46.51.

Reserve for derivative instruments measured at fair value - In accordance with the provisions of the international accounting standard IFRS 9, this shareholders' equity reserve contains the entry for the value of the assets and liabilities resulting from the measurement at market value of the cross-currency swaps qualifying as cash flow hedges, the entry for the recognition in the income statement offsetting the valuation at year-end exchange rates of the foreign currency loans hedged, and the assets and liabilities resulting from the measurement at market value of the interest rate swaps also qualifying as cash flow hedges. As of 31st December 2024 this value, net of the tax effect, was negative € 1.7 million.

Other reserves – As of 31st December 2024, these amounted to € 64.0 million, up by € 2.8 million compared to 31st December 2023. Other reserves include the statutory reserve of the Parent Company (€ 5.2 million), reserves for grants received (€ 15.5 million) and reserves for amounts booked directly to equity in application of the international accounting standards. The application of IFRS 2 had a positive effect of € 36.5 million, while the application of IAS 19 had a positive effect of € 0.3 million. The recognition of the gains associated with the investment in Puretech Health p.l.c. determined a positive after-tax effect of € 9.7 million, while the recognition of the reduced value of the investment in Phaxiam Therapeutics S.A. determined an after-tax negative effect of € 3.6 million. The completion of the reverse merger in 2021 led to the recognition of a reserve for € 0.4 million.

Profits carried forward and net income - As of 31st December 2024, profits carried forward amounted to € 1,818.0 million, up by € 181.6 million compared to 31st December 2023 and the Group's net income was € 416.5 million, up by 7.0% compared to € 389.2 million in 2023. Some of the shareholders' equity reserves recognised in the Group's Italian companies are in tax suspension and, according to the fiscal rules, their distribution is subject to taxation. These reserves, net of the substitute taxes already paid of € 18.4 million, amounted to € 152.2 million. In accordance with the international accounting standard IAS 12, deferred taxes are not recognized on these suspended reserves until their distribution is resolved.

Interim dividend - During the year, the Board of Directors of the Parent Company resolved to distribute an interim dividend for 2024 of € 0.60 per share, for a total amount of € 123.9 million, payable as of 20th November.

Incentive plans - As of 31st December 2024, the Company has two stock option plans benefiting certain Group employees: the 2018-2022 plan with the grant on 3rd August 2018 and the 2021-2023 plan with the grants on 6th May 2021, 1st December 2021 and 24th 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 grant in 2018 and the three years, and in a single tranche for the 2021 and 2022 grants. 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 as of 31st December 2024 are detailed in the following table:

	Strike price (€)	Quantity 1/1/2024	Granted 2024	Exercised in 2024	Cancelled and expired 2024	Quantity 31/12/2024
Grant date						
13 April 2016	21.93	512,250	-	(480,750)	(31,500)	-
03 August 2018	30.73	1,893,000	-	(1,160,000)	(17,000)	716,000
06 May 2021	45.97	2,391,500	-	(1,011,102)	(110,000)	1,270,398
01 December 2021	56.01	130,000	-	-	-	130,000
24 February 2022	47.52	3,093,000	-	-	(307,000)	2,786,000
Total		**8,019,750**	**-**	**(2,651,852)**	**(465,500)**	**4,902,398**

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 several performance conditions. The measurement according to IFRS 2 led to an expense in the 2024 income statement of € 1.2 million, which also includes the incentive plan granted by Rossini Luxembourg S.à r.l. to the Chief Executive Officer of the Recordati Group.

In the first half of 2023, the Parent Company adopted a new long-term incentive plan called "2023-2025 Performance Shares Plan", benefiting certain Group employees. The plan provides for three grants of rights to receive Company shares free of charge, one for each year covered. After a three-year vesting period following the grant date, recipients receive shares from the Parent Company in an amount that can total 175% of that originally granted, based on certain performance indicators. However, these rights will expire if the employee leaves the Company before they are vested. The first two grants were carried out on 27th June 2023, for a total of 440,485 rights and on 9th May 2024 for a total of 437,634 rights. The cost for the year, determined according to IFRS 2, amounted to € 11.3 million.

20. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

All consolidated companies are 100% owned, except for the Tunisian company Opalia Pharma, which is 90% owned. The company has, however, been 100% consolidated by applying the anticipated acquisition method allowed by IAS 32. Consequently, the amount estimated for the acquisition of the remaining 10%, of € 3.8 million, was recognized as a liability since the transfer of this remaining quota is covered by contractual agreements which provide for reciprocal put and call options between the parties which have a high probability of being exercised. Subsequent changes of the estimate will be recognized in a shareholders' equity reserve. This accounting method is not detrimental to the rights of the non-controlling shareholders during the period until all capital shares are transferred.

21. LOANS

As of 31st December 2024, loans amounted to € 2,461.6 million, up by a net € 752.6 million compared to 31 December 2023.

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 € 48.9 million, a net decrease of € 10.9 million compared to 31st December 2023.

During 2024, loan liabilities increased by € 1,116.0 million of which € 1,090.0 million from opening new bank loans and € 26.0 million relating to new lease contracts. Repayments over the year totalled € 362.3 million, of which € 350.7 for loans and € 11.6 million for lease liabilities.

During the year, the € 400.0 loan from 2019, initially agreed with Mediobanca, Natixis and Unicredit and subsequently syndicated with a pool of Italian and international banks, reached maturity and was fully repaid.

The effect of the translation of loans in foreign currencies and of expenses incurred to place the loans, together with the early termination of some leases, determined a total net decrease of € 1.1 million compared to 31st December 2023.

A breakdown of medium- and long-term loans as of 31st December 2024 and 2023 is shown in the following table:

€ (thousands)	31/12/2024	31/12/2023
GRANTED TO RECORDATI S.p.A.:		
Loan from Mediobanca, UniCredit and Natixisis, subsequently syndicated involving other credit institutions, at a variable interest rate, repayable in semi-annual instalments starting 2027 through 2029. The payable was partially converted to a fixed interest rate through interest rate swap transactions	*844,803	-
Loan from HSBC Continental Europe, at a variable interest rate, repayable in semi-annual instalments starting 2025 through 2029	*69,767	-
Loan from a pool of eight national and international lenders led by Mediobanca, consisting of two independent variable-rate loans repayable between 2024 and 2028 in six-monthly instalments. The payable was partially converted to a fixed interest rate through interest rate swap transactions	*353,954	*298,052
Loan from 'Cassa Depositi e Prestiti', at a variable interest rate, repayable in semi-annual instalments from 2025 until 2033	*49,977	*49,974
Guaranteed senior notes privately placed with international institutional investors in 2022 at a fixed interest rate, repayable in annual installments starting 2030 through 2034	*74,781	*74,758
Loan from a pool of national and international banks, specifically Mediobanca, JP Morgan, UniCredit and Banca Nazionale del Lavoro, subsequently syndicated with the involvement of other international credit institutions, at a variable interest rate, repayable starting in 2023 and through 2027. The payable was partially converted to a fixed interest rate through interest rate swap transactions	*567,191	*689,981
Loan from a consortium of Italian and international lenders led by Mediobanca, at a variable interest rate, repayable in a single installment in 2026	*179,770	*179,608
Loan from Allied Irish Bank, at a variable interest rate, repayable in semi-annual installments starting 2022 through 2026	*27,963	*33,934
Loan from Mediobanca, Natixis and UniCredit, syndicated involving a pool of Italian and international banks, at a variable interest rate, repaid in 2024	-	*127,636
Guaranteed senior notes privately placed with international institutional investors in 2017 at a fixed interest rate, repayable in annual installments starting 2025 through 2032	*124,938	*124,930
Guaranteed senior notes privately placed in 2014 with international institutional investors, structured in two tranches: US$50 million at fixed interest rate repayable in semi-annual installments starting 2022 through 2026, converted with cross currency swap into a debt of € 37.3 million at fixed interest rate, US$25 million at fixed interest rate repayable in semi-annual installments starting 2023 through 2029, converted with cross currency swap into a debt of € 18.7 million at fixed interest rate	*36,371	*46,444
Liabilities for leases granted to Recordati S.p.A.	8,544	7,742
GRANTED TO OTHER GROUP COMPANIES:		
Loan from UBS Switzerland AG to Recordati AG for CHF 72.0 million, at fixed interest rate, repayable in semi-annual instalments starting 2024 through 2029	68,530	-

€ (thousands)	31/12/2024	31/12/2023
Loan from UBS Switzerland AG to Recordati AG for CHF 40.0 million, at fixed interest rate, repayable in semi-annual instalments starting 2022 through 2025	6,640	21,328
Loan from UBS Switzerland AG to Recordati AG for CHF 75.0 million, at variable interest rate, repayable in semi-annual instalments starting 2020 through 2025	7,969	24,298
Various interest-free loans granted to Casen Recordati S.L. repayable within 2029	120	139
Liabilities for leases granted to the other Group companies	40,265	30,144
Total amortized cost of loans	**2,461,583**	**1,708,968**
Loans due within one year, classified among current liabilities	287,773	355,752
Loans due after one year, classified among non-current liabilities	2,173,810	1,353,216

** Net of expenses incurred for placing the loans, amortized on the basis of the effective interest rate. At 31st December 2024, the remaining expenses totalled € 8.5 million, mainly related to the loans granted to Recordati S.p.A. by a loan consortium in 2024 (€ 5.2 million), in 2023 (€ 1.0 million) and in 2022 (€ 1.4 million), the 2024 loan with HSBC (€ 0.2 million) and the 2021 loan from a loan consortium led by Mediobanca (€ 0.2 million), the bonds issued by Recordati S.p.A. in 2014, 2017 and 2022 (totalling € 0.4 million) and the loans from Cassa Depositi e Prestiti and Allied Irish Bank (€ 0.1 million in total).*

The repayment schedule for loans due after 31st December 2025, based on their amortization plans, is as follows:

€ (thousands)	
2026	520,840
2027	622,769
2028	422,926
2029	441,997
2030 and subsequent years	165,278
Total	**2,173,810**

The weighted average interest rate as of 31st December 2024, calculated applying the rates resulting from the hedging instruments, is 4.19%.

The main loans outstanding are:

a) Loan for a total of € 850,0 million taken out by Recordati S.p.A. in two different stages.
On 30th October 2024 the Parent Company entered into a loan with Mediobanca, UniCredit and Natixis intended for the acquisition of the rights to Enjaymo®, for a total maximum amount of € 850.0 million, guaranteed for € 700.0 million on an equal basis. A syndication process was launched immediately after, which, by involving other credit institutions, made it possible to raise an additional € 150.0 million while reallocating the overall value of € 850.0 million among the participants. 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 31st March 2027, with the final instalment on 30th October 2029. Disbursement, net of structuring and up-front fees, took place in the final quarter of 2024. The loan was partially hedged with interest rate swaps, qualifying as a cash flow hedge, effectively converting the hedged portion to a fixed interest rate. As of 31st December 2024, the fair value of the derivatives was measured as positive for a total of € 1.5 million, which was recognised directly as an increase in equity and as an increase in the asset item "Derivative instruments measured at fair value" (see Note 17).
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 three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

b) Loan for € 70.0 million taken out by the Parent Company on 1st March 2024 with HSBC Continental Europe at a variable interest rate at the six-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 five-year term with semi-annual repayment of the principal starting 31st March 2025, and final instalment on 29th February 2029.
The loan includes covenants which, if not met, could lead to a request for immediate repayment of the loan.
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 three;

– the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

c) Loan for 72.0 million Swiss francs taken out on 26th February 2024 by the subsidiary Recordati AG with UBS Switzerland AG, and disbursed in April of the same year, at a fixed interest rate, with quarterly interest payments and semi-annual repayment of principal starting December 2024, through April 2029. The value in euro of the outstanding loan as of 31st December 2024 was € 68.5 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 three;
– the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

d) Loan for a total of € 400.0 million taken out on 16th May 2023 by Recordati S.p.A. with a consortium of eight national and international lenders including Mediobanca as the coordinating institution, for an individual portion of € 50.0 million. The loan is formed of two independent loans for € 300.0 million and € 100.0 million respectively, both at a variable interest rate equal to the six-month Euribor (with a zero floor) plus a variable spread based on a step-up/step-down mechanism on changes in the Leverage Ratio, with an interest payment every six months and a five-year term. The loan for a higher amount, disbursed on 14th June 2023, will be repaid in semi-annual instalments of increasing value starting from April 2024 and with settlement in May 2028. It was partially hedged with interest rate swaps, qualifying as a cash flow hedge, effectively converting the hedged portion to a fixed interest rate. As of 31st December 2024, the fair value of the derivatives was measured at negative € 2.7 million, which was recognized directly as a decrease in equity and as an increase in the liability item “Derivative instruments measured at fair value” (see Note 29). The loan for € 100.0 million, consisting of a Capex Line that can be used within 18 months to fund specific investments, was disbursed on 13th November 2024, with semi-annual repayments on a straight-line basis starting from October 2025 for the principal half and May 2028 for the remaining half.

The 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 three;
– the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

The loan includes ESG-linked parameters as from 2024, which if complied with, will reduce the interest rate applied, or an increase if these are not achieved.

e) Loan for € 50.0 million negotiated by the Parent Company in April 2023 with Cassa Depositi e Prestiti. The terms of the loan provide for a variable interest rate equal to the six-month Euribor (with a zero floor) plus a variable spread, an interest payment every 6 months and a ten-year term with semi-annual repayments on a straight-line basis starting from October 2025 for 70% of the principal and repayment in April 2033 for the remaining 30%. The disbursement took place on 18th May 2023.

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

These parameters are being observed.

f) Bond issued by the parent company on 12th 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 twelve years, with repayment of the principal in five annual instalments starting in September 2030 and expiring on 12th 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 three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

g) Loan for a total of € 800.0 million negotiated by Recordati S.p.A. in two different stages during 2022, disbursed by a consortium of Italian and international lenders.
The terms of the loan provide for a variable interest rate at the six-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 five-year term with semi-annual repayment of the principal starting 31st March 2023, with the final instalment on 3rd February 2027. The outstanding debt as of 31st December 2024 amounted to € 567.2 million. From July 2022, the loan was partially and progressively hedged with an interest rate swap, qualifying as a cash flow hedge, effectively converting the hedged portion to a fixed interest rate. The fair-value measurement of derivative instruments as at 31st December 2024 was in some cases positive, for a total of € 1.1 million, which was posted as a direct increase of net equity and an increase to the asset item “Derivative instruments at fair value” (see Note 17), but in other cases was negative for a total of € 1.6 million, which was directly posted as a decrease in net equity and an increase to the liability item “Derivative instruments at fair value” (see Note 29).
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
- onsecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

h) Loan for 40.0 million Swiss francs taken out on 16th 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 as of 31st December 2024 was € 6.6 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 three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

i) € 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 six-month Euribor (with a zero floor) plus a fixed spread and a five-year term and single instalment repayment on maturity. Disbursement, net of structuring and up-front fees, took place on 21st 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 three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

j) Loan for € 40.0 million entered into by the Parent Company on 30th March 2021 with Allied Irish Bank at a variable interest rate of the six 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 debt outstanding recognized as of 31st December 2024 amounted to a total of € 28.0 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 three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

k) Loan for 75.0 million Swiss francs taken out on 17th April 2020 by the subsidiary Recordati AG with UBS Switzerland AG, at a variable interest rate of the three-month 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 31st December 2024 was € 8.0 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 three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

l) 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 31st May 2025 through 31st 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 three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

m) Guaranteed senior notes issued by the Parent Company on 30th September 2014 for a total of US$ 75 million, divided into two tranches: US$ 50 million at fixed rate, repayable semi-annually starting 30th March 2022 and with maturity 30th September 2026, and US$ 25 million again at fixed rate, repayable semi-annually starting 30th March 2023 and with maturity 30th September 2029. During the period, US$ 10.0 million of the first tranche and US$ 3.6 million of the second tranche were repaid, and the outstanding debt as of 31st December 2024 amounted to a total of US$ 37.9 million, with a counter-value of € 36.4 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 (€ 28.2 million at 31st December 2024), of which € 37.3 million (€ 14.9 at the date of this report) at a lower fixed rate for the tranche with maturity at 12 years and € 18.7 million (€ 13.3 million at the date of this report) again at a lower fixed rate than the one maturing at 15 years. As of 31st December 2024, hedging instruments measured at fair value were positive for a total of € 7.7 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 17).
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 three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

22. PROVISIONS FOR EMPLOYEE BENEFITS

The balance as of 31st December 2024 amounted to € 21.4 million (€ 21.2 million as of 31st December 2023) and reflects the Group's liability towards its employees determined in accordance with IAS 19.

The changes in these provisions were follows:

€ (thousands)	2024	2023
Balance as of 1 January	21,239	19,418
Additions	3,486	2,363
Utilizations	(1,840)	(2,143)
Adjustment for actuarial (gains)/losses	(1,530)	1,601
Balance as of 31 December	**21,355**	**21,239**

This liability is mainly due to the severance indemnities (TFR, Trattamento Fine Rapporto) in the Italian companies. The value of these provisions, measured in accordance with IAS 19, amounted to € 4.7 million. The other liabilities are mainly due to contribution plans in being in the French company

Laboratoires Bouchara Recordati (€ 4.4 million), in the U.S. company Recordati Rare Diseases (€ 3.8 million), in the German company Recordati Pharma (€ 1.5 million), in the Swiss company Recordati AG (€ 4.0 million) and in the other Recordati Rare Diseases companies (€ 1.6 million). The fair value calculation made using actuarial assumptions updated to 31st December 2024 determined a decrease of € 1.5 million compared to the value of the provisions as of 31st December 2023, which is recognized in the statement of comprehensive income, net of the tax effect, as prescribed by the relevant accounting standard.

23. DEFERRED TAX LIABILITIES

As of 31st December 2024, deferred tax liabilities amounted to € 133.4 million, down by € 10.8 million compared to 31st December 2023.

Their changes are shown in the table below:

€ (thousands)	2024	2023
Balance as of 1 January	144,208	167,865
Additions	4,188	4,074
Utilizations	(14,975)	(22,357)
Reclassifications	0	(5,374)
Balance as of 31 December	**133,422**	**144,208**

The decrease is mainly determined by the recognition of the profit effects for the year from the reduction in deferred tax liabilities originally calculated on the higher measurements of intangible assets and inventories from EUSA Pharma, which were recognised as part of the allocation of the price paid for the acquisition.

As of 31st December 2024 no deferred tax liabilities were calculated on subsidiaries' undistributed profits as, considering the current dividend policy applied by the Group and thanks to the substantial exemption from double income taxation, no significant additional tax would have to be paid by the Group.

The tax effect of comprehensive income statement components is € 0.5 million, unchanged compared to 31st December 2023.

24. TRADE PAYABLES

Trade payables, which are entirely of a commercial nature and include end-of-year provisions for invoices to be received, as of 31st December 2024 and 2023 amounted to € 296.7 million and € 264.0 million respectively.

25. OTHER PAYABLES

Other payables as of 31st December 2024 amounted to € 195.4 million, and their breakdown is provided in the table below:

€ (thousands)	31/12/2024	31/12/2023	Changes 2024/2023
Contributions to national medical insurance schemes	77,658	61,714	15,944
Personnel	69,494	65,355	4,139
Social security	22,246	21,966	280
Other	25,987	25,370	617
Total other payables	**195,385**	**174,405**	**20,980**

The change compared to 31st December 2023 is largely due to the increase in contributions to be paid to national medical insurance schemes, of which:

- € 47.3 million (an increase of € 19.6 million) payable by Recordati Rare Diseases Inc.;
- € 8.4 million (a decrease of € 5.4 million) payable by Recordati Pharma GmbH to the "Krankenkassen" (German medical insurance schemes);
- € 22.0 million (an increase of € 1.7 million) payable in total by Italian companies and subsidiaries in Greece, France, Switzerland, Canada and Ireland.

The item "Other" includes the payable of € 3.8 million related to the acquisition of a further 10% of the capital of Opalia Pharma reclassified among current liabilities based on the put and call options provided for contractually. The fair value of this purchase option is measured at level 2 as the valuation model considers the present value of the expected payments.

26. TAX LIABILITIES

Tax liabilities as of 31st December 2024 amounted to € 93.9 million (€ 67.1 million as of 31st December 2023) and include mainly tax payables, net of advances already paid, computed by the companies on the basis of estimated taxable income, and withholding taxes payable.

27. OTHER CURRENT LIABILITIES

As of 31st December 2024, other current liabilities amounted to € 4.7 million, down by € 0.6 million compared to 31 December 2023. An amount of € 1.6 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.

28. PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges set aside as of 31st December 2024 amounted to € 22.1 million and include tax provisions and other provisions for future contingencies to cover liabilities of uncertain timing and value. The following tables show their composition and changes.

€ (thousands)	31/12/2024	31/12/2023	Changes 2024/2023
For taxes	621	525	96
Future contingencies	21,471	16,071	5,400
Total other provisions	**22,092**	**16,596**	**5,496**

€ (thousands)	2024	2023
Balance as of 1 January	16,596	16,209
Additions	9,048	2,635
Utilizations	(3,552)	(2,248)
Balance as of 31 December	**22,092**	**16,596**

The various risks include provisions for restructuring costs, returned products, legal disputes and others. The net change during the year was mainly due to a provision for the negotiations underway in Italy, for the possible claw back on one of our products relating to previous years, and for restructuring charges. The year-end balance is mainly related to the Parent Company and to the other Italian companies (€ 11.6 million), to the Spanish company Casen Recordati (€ 3.2 million), the subsidiaries in France (€ 2.8 million), Germany (€ 1.1 million), United States (€ 0.9 million) and Portugal (€ 0.7 million).
Despite the uncertainty surrounding the ongoing disputes and litigation, the provisions set aside are considered the best estimate of these liabilities, based on the information available on the reporting date.

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

As of 31st December 2024 the value of derivative instruments included under this item amounted to € 5.6 million.

The measurement at market (fair) value as of 31st December 2024 of the interest rate swaps hedging a number of loans gave rise to a total liability of € 4.3 million, which represents the unrealized opportunity to pay in future the variable interest rates currently expected, instead of the agreed rates for the duration of the loans. The amount relates to the interest rate swaps entered into by the Parent Company to hedge the interest rates on loans with lender consortia in 2023 (€ 2.7 million) and in 2022 (€ 1.6 million).

As of 31st December 2024, other hedging transactions were in place on foreign currency positions, the measurement of which was negative for € 1.3 million compared to the € 3.9 million as of 31st December 2023, 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.

In October 2024, with the repayment of the final instalment, the intercompany loan granted to Recordati AG in October 2019 by the Parent Company for an amount of 228.9 million Swiss francs was fully repaid. The forward exchange contracts entered into by Recordati S.p.A. to hedge exchange rate risk were consequently extinguished and the zeroing of the negative measurement of € 12.9 million as of 31st December 2023 was recognised in the income statement offsetting the exchange losses arising from the closure of the underlying loan at current exchange rates.

The fair value of these hedging derivatives is measured at level two of the hierarchy provided for in 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.

30. SHORT-TERM DEBTS TO BANKS AND OTHER LENDERS

Short-term debts to banks and other lenders as of 31st December 2024 were € 22.8 million and mainly comprise temporary use of short-term credit lines by the parent company, as well overdrafts of a number of foreign associates and interest due on existing loans.

On 1st March 2024, the Parent Company renewed the revolving credit line with UniCredit, with a maximum term of 12 months and for a maximum amount of € 24 million. This credit line, which had not been used as ofat 31st December 2024, 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 (see Note 21). These conditions were met.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

As prescribed by IFRS 7, the book values and fair values as of 31st December 2024 of financial assets and liabilities are resented below:

€ (thousands)	Book value	Fair value
Financial assets		
Financial assets measured at fair value		
Other equity investments and securities	17,385	17,385
Derivative instruments measured at fair value	15,376	15,376
Financial assets not measured at fair value		
Cash and cash equivalents	322,423	322,423
Trade receivables	516,743	516,743
Other receivables	109,024	109,024
Financial liabilities		
Financial liabilities measured at fair value		
Derivative instruments measured at fair value	5,633	5,633
Other payables	3,822	3,822
Financial liabilities not measured at fair value		
Loans		
- at variable interest rates	1,637,984	1,637,984
- at variable interest rates hedged with interest rate swaps	463,410	463,410
- at fixed interest rates	275,009	201,371
- at fixed interest rates hedged with cross currency swaps	36,371	36,224
- lease liabilities	48,809	48,809
Trade payables	296,698	296,698
Other payables	285,504	285,504
Short-term debts to banks and other lenders	22,845	22,845

32. DISCLOSURE OF RISKS

FINANCIAL RISKS

The Group constantly monitors the financial risks to which it is exposed in order to take immediate mitigating actions when necessary.

The Group aims at achieving a balanced and prudent financial structure as a basic condition for funding internal and external growth, minimizing financing costs and maximizing yields. Speculative investments in equities, funds or financial assets which could impair the value of the company are forbidden.
The only financial investments permitted are investments in risk-free assets and/or funds issued by major financial institutions.
The Group monitors the financial risks to which it is exposed in order to take immediate mitigating actions, whenever necessary, in compliance with the applicable legislations and regulations.
All companies belonging to the Group work only with investment grade banks.
On the basis of the above and considering that the related effects would be insignificant, no sensitivity analysis has been performed.

As prescribed by IFRS 7, the main financial risks to which the Group is exposed are disclosed below.

Credit risk - The Group closely controls its credit exposure through the allocation of credit limits to each single customer and an internal reporting system. As of 31st December 2024, the credit exposure was not critical due to the large number of customers, their geographic distribution and the average amount of each account receivable. In particular, as of 31st December 2024, total trade receivables of € 531.5 million included € 36.8 million in receivables past due by more than 90 days. Of these, € 7.0 million are receivables from public hospitals which, despite their long collection times, do not represent a significant risk situation. The provisions for doubtful accounts of € 14.7 million are considered sufficient to cover potential losses due to insolvency. The measurement of credit risk also took into account the potential impact of the Ukraine conflict.

Interest rate risk - The Group raises funds using debt and invests excess cash in money market and other financial instruments. The fluctuation of market interest rates influences the cost and returns of the debt and investment instruments, therefore affecting the Group's net financial expenses.

The Group's policy is to limit the risk arising from interest rate fluctuations by establishing fixed interest loans or variable interest loans hedged by derivative financial instruments, which are used to hedge risk and are never of a speculative nature, to minimize such fluctuations, as described in Note 21. As a result of this policy and considering the current amount of net debt, it is believed that changes in current interest rates would not have a significant impact on net financial expenses.

Foreign currency risk - The Group is exposed to foreign currency exchange rate fluctuations, which can affect its operating results and the value of its equity. All companies are subject to exchange rate fluctuations affecting trade and financial balances denominated in currencies different from their own. In order to limit this risk, in some cases, non-speculative hedging instruments are negotiated.

In relation to the euro companies, as of 31st December 2024 the main net exposures in other currencies not hedged by derivative instruments, were as follows:

- net receivables of 27.9 million US dollars;
- net receivables of 53.9 million Brazilian reals;
- net receivables of 26.9 million Polish zloty;
- net receivables of 22.2 million Rumanian RON;
- net receivables of 69.0 million Mexican pesos;
- net receivables of 2.2 million British pounds;
- net debts of 3.7 million Swiss francs.

Among the non-euro companies, as of 31st December 2024, the main net exposures in currencies other than the company's national currency and not hedged by derivative instruments are in euro, US dollars and Japanese yen. The net exposures in euro are mainly related to the companies based in Switzerland (net payables of 6.5 million), Ukraine (net payables of 3.8 million), Australia (net payables of 2.9 million), United States (net payables of 2.8 million), Brazil (net payables of 2.6 million), South Korea (net payables of 2.3 million), Türkiye (net payables of 1.1 million), Canada (net payables of 1.1 million), Czech Republic

(net receivables of 2.9 million), Poland (net receivables of 2.4 million) and Tunisia (net receivables of 2.1 million). Net exposures in US dollars refer mainly to the companies in Brazil (net payables of 6.5 million), Colombia (net payables of 4.8 million) and Japan (net receivables of 3.3 million). Exposure in Japanese yen refers to the companies in Switzerland (net receivables of 843.7 million).

For consolidation purposes, the income statements and balance sheets of the non-euro companies have been converted from their local currencies into euro. As of 31st December 2024, the net asset values of these companies, excluding goodwill, are denominated mainly in US dollars (481.3 million), Swiss francs (451.3 million), Turkish lira (2,952.7 million), Russian roubles (8,198.9 million), pounds sterling (14.5 million), Czech crowns (498.0 million), Romanian ron (54.1 million), Polish zloty (104.2 million) and Tunisian dinars (116.4 million). The effect of exchange rate variations on the conversion of these amounts is recognized in the consolidated statement of comprehensive income and booked to the translation reserve in shareholders' equity which, as of 31st December 2024, was a negative € 274.4 million.

Liquidity risk - The liquidity risk to which the Group may be exposed is represented by the inability to raise sufficient financial resources for its ongoing business and for the development of its industrial and commercial activities. The two main factors which determine the Group's liquidity are, on the one hand, the cash generated or absorbed by operations and by investments, and on the other, the expiry and renewal terms of debt or the degree of liquidity of financial investments and market conditions. As of 31st December 2024, the Group has at its disposal liquidity readily available for its operations and plentiful lines of credit granted by a number of leading Italian and international financial institutions. The terms and conditions of the Group's loans and its financial assets are set out in Notes 18, 21 and 30 which address, respectively, short-term financial investments, cash and cash equivalents, medium/long-term loans and payables to banks. The Group believes that the funds and credit lines currently available, in addition to those generated by operations and financing activities, are sufficient to meet investment needs, working capital requirements and the repayment of debts at their natural due dates.

CLIMATE CHANGE RISK

As highlighted in the Management Report, the Group acknowledges a potential long-term physical and transitional risk linked to climate change and will continue to monitor this potential risk over coming years. Regarding short and medium-term risk, considering the sector in which the Group operates, Recordati has currently classified climate change as a risk without concrete or material impacts on company operations.

33. OPERATING SEGMENTS

The financial information reported by line of business and geographic area, 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.

Based on the characteristics of their business, operational and strategic models two main business segments can be identified, the Specialty and Primary Care segment and the segment dedicated to treatments for rare diseases.

The identification took into account the different management and marketing strategies applied to the products belonging to the two segments. Consequently, clearly identified and separate models and organizational structures have been developed. All economic and financial data derive from precise accounting and not from generic allocation criteria.

The geographic footprint of the Group's Specialty & Primary Care business is focused mainly on Europe. The Group operates in the main European markets, including Central and Eastern Europe, Russia and the other C.I.S. countries, Ukraine, Turkey and Tunisia, where it has established its own subsidiaries. In the rest of the world sales of Specialty and Primary Care products are carried out mainly through

licensing agreements with pharmaceutical companies of high standing. The Group has gradually extended its international presence through the acquisition of existing marketing organizations with the aim of adding our proprietary products and those obtained under multi-territorial licenses to the local portfolios.

The Group's segment dedicated to treatments for rare diseases is a worldwide business. The Group operates through Recordati Rare Diseases, its dedicated group of subsidiaries, sharing the conviction that each person with a rare disease has the right to the best possible treatment. Our organizations work closely with specialists, health care professionals, patients, their families and associations to spread knowledge, improve diagnosis and treatment, and enable access to treatment by supporting patients. Recordati Rare Diseases operates directly in Europe, the Middle East, North Africa, the U.S.A., Canada, Mexico, Brazil, Colombia, Japan, Australia, New Zealand, China and South Korea, through its subsidiaries and highly qualified distributors in the rest of the world.

The Group's CEO, together with the segment managers, reviews the internal management reports for each segment at least quarterly.

The two following tables show financial information for these two business segments as at 31st December 2024 and include comparative data.

€ (thousands)	**Specialty & Primary Care segment***	**Rare diseases segment**	**Values not allocated**	**Consolidated financial statements**
2024				
Revenue	1,507,704	833,855	-	2,341,559
Expenses	(1,080,974)	(621,728)	-	(1,702,702)
Operating income	**426,730**	**212,127**	**-**	**638,857**
2023				
Revenue	1,367,611	714,720	-	2,082,331
Expenses	(979,374)	(544,949)	-	(1,524,323)
Operating income	**388,237**	**169,771**	**-**	**558,008**

** Includes pharmaceutical chemical operations.*

€ (thousands)	Specialty & Primary Care segment*	Rare diseases segment	Not allocated**	Consolidated financial statements
31 December 2024				
Non-current assets	1,534,603	2,091,067	17,385	3,643,055
Inventories	293,569	212,878	-	506,447
Trade receivables	299,148	217,595	-	516,743
Other receivables and other current assets	52,772	77,639	15,376	145,787
Cash and cash equivalents	-	-	322,423	322,423
Total assets	**2,180,092**	**2,599,179**	**355,184**	**5,134,455**
Non-current liabilities	37,047	117,730	2,173,810	2,328,587
Current liabilities	328,477	284,331	316,251	929,059
Total liabilities	**365,524**	**402,061**	**2,490,061**	**3,257,646**
Net capital employed	**1,814,568**	**2,197,118**		
31 December 2023				
Non-current assets	1,537,393	1,446,943	21,555	3,005,891
Inventories	260,945	143,886	-	404,831
Trade receivables	285,246	159,947	-	445,193
Other receivables and other current assets	74,802	44,523	11,079	130,404
Cash and cash equivalents	-	-	221,812	221,812
Total assets	**2,158,386**	**1,795,299**	**254,446**	**4,208,131**
Non-current liabilities	38,454	126,994	1,353,215	1,518,663
Current liabilities	308,550	218,849	475,677	1,003,076
Total liabilities	**347,004**	**345,843**	**1,828,892**	**2,521,739**
Net capital employed	**1,811,382**	**1,449,456**		

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 & 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.
No single customer contributed more than 10% to revenue in 2024 or in 2023.

The following table shows net revenue by geographic area:

€ (thousands)	2024	2023	Changes 2024/2023
Europe	1,650,059	1,492,071	157,988
of which Italy	*336,264*	*317,144*	*19,120*
Asia and Oceania	156,011	139,881	16,130
America	477,463	394,861	82,602
Africa	58,026	55,518	2,508
Total	**2,341,559**	**2,082,331**	**259,228**

The Group's production facilities are located almost exclusively in Europe, and therefore non-current assets and investments are, for the most part, in this geographic area.

34. NET FINANCIAL POSITION

The following table summarizes the Group's net financial position: This situation is in line with the CONSOB call for attention 5/21 of 29th April 2021, in compliance with "Guidelines on disclosure requirements pursuant to the Prospectus Regulations", published by ESMA on 4th March 2021 in the document "ESMA32-382-1138".

€ (thousands)	31/12/2024	31/12/2023	Changes 2024/2023
Deposits in bank current accounts and cash on hand	293,493	195,004	98,489
Short-term time deposits	28,930	26,808	2,122
Cash and cash equivalents	**322,423**	**221,812**	**100,611**
Short-term debts to banks and other lenders	(22,845)	(99,932)	77,087
Loans - due within one year	(248,389)	(333,222)	84,833
Notes issued [(1)]	(25,862)	(10,226)	(15,636)
Leasing liabilities – due within one year	(10,696)	(10,249)	(447)
Short-term borrowings	**(307,792)**	**(453,629)**	**145,837**
Short-term financial position	**14,631**	**(231,817)**	**246,448**
Loans - due after one year	(1,928,294)	(1,091,727)	(836,567)
Notes issued [(1)]	(202,558)	(228,243)	25,685
Leasing liabilities – due after one year	(38,113)	(27,637)	(10,476)
Non-current financial debt	**(2,168,965)**	**(1,347,607)**	**(821,358)**
Net financial position	**(2,154,334)**	**(1,579,424)**	**(574,910)**

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

35. RECONCILIATION BETWEEN THE PARENT COMPANY'S SHAREHOLDERS' EQUITY AND NET INCOME AND GROUP CONSOLIDATED SHAREHOLDERS' EQUITY AND NET INCOME

The reconciliation between the Parent Company's shareholders' equity and net income and the group consolidated shareholders' equity and net income is as follows:

€ (thousands)	Shareholders' equity		Net income	
	31/12/2024	31/12/2023	2024	2023
Recordati S.p.A.	405,246	352,782	320,830	224,017
Consolidation adjustments:				
- Elimination margins in inventories	(94,152)	(78,677)	(15,475)	5,884
- Related tax effect	27,654	22,614	5,040	(1,506)
- Other adjustments	(42,014)	(32,082)	(10,367)	(6,004)
Retained earnings of consolidated subsidiaries at beginning of the year, net of amounts already recognized by Recordati S.p.A.	1,454,799	1,321,387	-	-
Net income for consolidated companies, net of amounts already recognized by Recordati S.p.A.	399,689	365,068	399,689	365,068
Dividends received from consolidated subsidiaries			(283,209)	(198,245)
Write-down of holdings in subsidiaries			0	0
Translation adjustments	(274,413)	(264,700)	-	-
Consolidated financial statements	**1,876,809**	**1,686,392**	**416,508**	**389,214**

36. 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. Potential liabilities currently assessed as possible are not of significant amounts. Some agreements require the payment of future milestones as certain conditions—whose fulfillment is uncertain yet—occur, with the consequence that the contractually required payments are now merely potential. The estimated value as of December 31, 2024 is approximately € 262 million, mainly related to the acquisition of the rights to Enjaymo®, whose agreement provides for additional payments of up to $ 250 million linked to commercial milestones, if net revenues reach certain thresholds equal to or above peak annual total sales expectations.

37. RELATED-PARTY TRANSACTIONS

The Group's direct 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.

In compliance with the disclosure obligations required by Article 38 of Italian Legislative Decree 127/91, it is hereby specified that the overall compensation of the Directors and Statutory Auditors of the Parent Company for the performance of their specific functions, including those in other Group companies, during 2024 amounted to € 2.6 million and € 0.2 million respectively.

Compensation of directors and other key management personnel (the latter down to two people in 2024, compared to six in 2023) is broken down in the following table:

€ (thousands)	2024	2023
Fixed remuneration	3,027	4,161
Non-monetary benefits	175	263
Bonuses and other incentives	2,147	2,942
Share-based payments	2,348	1,749
Total	**7,697**	**9,115**

Compensation of the Group's key management personnel includes salaries and non-cash benefits. The executive officers also participate in the Group's stock option and performance share plans.

Except for what is stated above, 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.

38. SUBSEQUENT EVENTS

At the date of preparation of the financial statements, no significant events had occurred after the closing of the fiscal year that would require changes to the values of assets, liabilities or the profit and loss.

In February, Rossini S.à r.l. successfully sold approximately 10.5 million ordinary shares of Recordati Industria Chimica e Farmaceutica S.p.A., amounting to approximately 5% of the Company's share capital. Following the placement, Rossini holds approximately 46.82% of the Company's share capital.

39. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED ACCOUNTS AS OF 31 DECEMBER 2024

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 *Marketing of pharmaceuticals*	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

Consolidated companies	Head office	Share capital	Currency	Consolidation method
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	419,804.00	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
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
FIC 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 ILAÇ 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

Consolidated companies	Head office	Share capital	Currency	Consolidation method
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
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
RECORDATI BULGARIA Ltd *Marketing of pharmaceuticals*	Bulgaria	50,000.00	BGN	Line-by-line
RECORDATI (BEIJING) PHARMACEUTICAL CO., Ltd *Promotion of pharmaceuticals*	People's Republic of China	1,000,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES FZCO *Marketing of pharmaceuticals*	United Arab Emirates	1,000.00	AED	Line-by-line
RECORDATI UK LTD *Research and marketing of pharmaceuticals*	United Kingdom	10.00	EUR	Line-by-line
RECORDATI Netherlands B.V. *Marketing of pharmaceuticals*	Netherlands	1.00	EUR	Line-by-line
EUSA Pharma (CH) GmbH *Marketing of pharmaceuticals*	Switzerland	20,000.00	CHF	Line-by-line
RECORDATI KOREA, Co. Ltd *Marketing of pharmaceuticals*	South Korea	100,000,000.00	KRW	Line-by-line
RECORDATI RARE DISEASES MENA RHQ(1) *Marketing of pharmaceuticals*	Saudi Arabia	500,000.00	SAR	Line-by-line
RECORDATI ARGENTINA S.R.L.(1) *Marketing of pharmaceuticals*	Argentina	88,605,000.00	ARS	Line-by-line

(4) Set up in 2024

PERCENTAGE OF OWNERSHIP

Consolidated companies	Recordati S.p.A. *Parent Company*	Recordati Pharma GmbH	Bouchara Recordati S.a.s.	Casen Recordati S.L.	Recordati Rare Diseases S.à r.l.	Herbacos Recordati s.r.o.	Recordati Ilaç A.Ş.	Opalia Pharma S.A.	Recordati AG	Recordati UK LTD	Total
INNOVA PHARMA S.P.A.	100.00										100.00
CASEN RECORDATI S.L.	100.00										100.00
BOUCHARA RECORDATI S.A.S.	100.00										100.00
RECORDATI RARE DISEASES COMERCIO DE MEDICAMENTOS LTDA	100.00										100.00
RECORDATI RARE DISEASES INC.	100.00										100.00
RECORDATI IRELAND LTD	100.00										100.00
LABORATOIRES BOUCHARA RECORDATI S.A.S.			100.00								100.00
RECORDATI PHARMA GmbH	55.00			45.00							100.00
RECORDATI PHARMACEUTICALS LTD	100.00										100.00
RECORDATI HELLAS PHARMACEUTICALS S.A.	100.00										100.00
JABA RECORDATI S.A.				100.00							100.00
JABAFARMA PRODUTOS FARMACÊUTICOS S.A.				100.00							100.00
BONAFARMA PRODUTOS FARMACÊUTICOS S.A.				100.00							100.00
RECORDATI RARE DISEASES MIDDLE EAST FZ LLC					100.00						100.00
RECORDATI AB					100.00						100.00
RECORDATI RARE DISEASES S.à r.l.	84.00	16.00									100.00
RECORDATI RARE DISEASES UK Limited					100.00						100.00
RECORDATI RARE DISEASES GERMANY GmbH					100.00						100.00
RECORDATI RARE DISEASES SPAIN S.L.					100.00						100.00
RECORDATI RARE DISEASES ITALY S.R.L.					100.00						100.00
RECORDATI BV					100.00						100.00
FIC MEDICAL S.à r.l.			100.00								100.00
HERBACOS RECORDATI s.r.o.	100.00										100.00
RECORDATI SK s.r.o.						100.00					100.00
RUSFIC LLC			100.00								100.00
RECOFARMA ILAÇ Ve Hammaddeleri Sanayi Ve Ticaret L.Ş.							100.00				100.00
RECORDATI ROMÂNIA S.R.L.	100.00										100.00
RECORDATI İLAÇ Sanayi Ve Ticaret A.Ş.				100.00							100.00
RECORDATI POLSKA Sp. z o.o	100.00										100.00
ACCENT LLC	100.00										100.00
RECORDATI UKRAINE LLC	0.01		99.99								100.00
CASEN RECORDATI PORTUGAL Unipessoal Lda				100.00							100.00
OPALIA PHARMA S.A.	90.00										90.00
OPALIA RECORDATI S.à R.L.			1.00					99.00			100.00
RECORDATI RARE DISEASES S.A. DE C.V.	99.998				0.002						100.00
RECORDATI RARE DISEASES COLOMBIA S.A.S.				100.00							100.00
ITALCHIMICI S.p.A.	100.00										100.00
RECORDATI AG	100.00										100.00
RECORDATI AUSTRIA GmbH									100.00		100.00
RECORDATI RARE DISEASES CANADA Inc.	100.00										100.00
RECORDATI RARE DISEASES JAPAN K.K.					100.00						100.00
NATURAL POINT S.r.l.	100.00										100.00
RECORDATI RARE DISEASES AUSTRALIA Pty Ltd					100.00						100.00
RECORDATI BULGARIA Ltd	100.00										100.00
RECORDATI (BEIJING) PHARMACEUTICAL CO., Ltd [1]	100.00										100.00
RECORDATI RARE DISEASES FZCO					100.00						100.00
RECORDATI UK LTD	100.00										100.00
RECORDATI Netherlands B.V.										100.00	100.00
EUSA Pharma (CH) GmbH										100.00	100.00
RECORDATI KOREA, Co. Ltd										100.00	100.00
RECORDATI RARE DISEASES MENA RHQ [1]					100.00						100.00
RECORDATI ARGENTINA SRL [1]	5.00									95.00	100.00

[1] *Set up in 2024*

RECORDATI S.P.A. AND SUBSIDIARIES

ANNEX 1

DISCLOSURE OF AUDITORS' FEES FOR ACCOUNTING AUDITS AND OTHER SERVICES

Type of service	Provider of the service	Recipient	Fees Amounts in €
Accounting Auditing	Auditor of the Parent Company	Parent Company	250,388
Accounting Auditing	Auditor of the Parent Company	Subsidiaries	253,371
Accounting Auditing	Network of the auditor of the Parent Company	Subsidiaries	807,452
Due diligence	Auditor of the Parent Company	Parent Company	185,150
Tax compliance	Network of the auditor of the Parent Company	Subsidiaries	35,154
Signing declarations and certificates	Auditor of the Parent Company	Parent Company	161,254
Signing declarations and certificates	Auditor of the Parent Company	Subsidiaries	7,853
Signing declarations and certificates	Network of the auditor of the Parent Company	Subsidiaries	274,776
Other services	Network of the auditor of the Parent Company	Subsidiaries	16,542

CONSOLIDATED FINANCIAL STATEMENTS

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

RECORDATI S.P.A. AND SUBSIDIARIES

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

PURSUANT TO ART. 154-BIS OF ITALIAN LGS. DECREE 58/98

1.

The undersigned Robert Koremans, as Chief Executive Officer, and Niccolò Giovannini, as Financial Reporting Officer of Recordati S.p.A., pursuant to the provisions or Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the adequacy with respect to the Company structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the consolidated financial statements during financial year 2024.

2.

The undersigned certify further that:

2.1

the consolidated financial statements as of 31st December 2024:

- have been prepared in accordance with the applicable International Accounting Standards, as endorsed by the European Union under the terms of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19th July 2002;
- correspond to the amounts shown in the Company's accounts, books and records;
- provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

2.2

The annual report includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Milan, 18th March 2025

Chief Executive Officer

ROBERT KOREMANS

Financial Reporting Officer

NICCOLÒ GIOVANNINI

CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S REPORT

Shape the future with confidence

Recordati Industria Chimica e Farmaceutica S.p.A.

Consolidated financial statements as at 31 December 2024

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010, and article 10 of EU Regulation n. 537/2014

EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Shape the future
with confidence

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Recordati Industria Chimica e Farmaceutica S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Recordati Group (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Recordati Industria Chimica e Farmaceutica S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EY S.p.A.
Sede Legale: Via Meravigli, 12 – 20123 Milano
Sede Secondaria: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.975.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

Shape the future
with confidence

We identified the following key audit matters:

Key Audit Matter	Audit Response
Recoverability of goodwill	
The goodwill recognized in the consolidated financial statements of Recordati Group as of 31 December 2024 amounts to Euro 797 million. The goodwill originates from acquisitions made by the Group and it has been allocated to the individual Cash Generating Unit (CGU) identified on the basis of the business segments and the markets where acquired companies operate. At each financial statements date, or more frequently if needed, the directors verify the recoverability of goodwill by comparing the carrying amount with the related value in use of each CGU, determined discounting the expected cash flows. The processes as well as the methods of evaluation and calculation of the recoverable amount of each CGU, in terms of value in use, are based on assumptions, sometimes complex, which imply, by their nature, estimates by the directors, especially with regard to the forecast of future cash flows, the determination of the discount rates and growth rates adopted beyond the period with explicit forecasts. Considering the significance of the item, the judgment requested and the complexity of the assumptions adopted in the estimation of the recoverable amount of goodwill, we assessed this matter as a key audit matter. Financial statements disclosures related to this matter are reported in the note "2. Summary of accounting standards" and in particular in the note "9. Goodwill", which describes the composition of the balance as of 31 December 2024, as well as the allocation process to the various CGUs and the methodology applied to assess the recoverable amount of assets, with specific reference to the valuation methodology and the assumptions used.	Our audit procedures related to the key audit matter included, among the others: i. the analysis of the procedure adopted by the Company and of the methodology applied in connection with the valuation of goodwill, taking into account the impairment test procedure approved by the Board of Directors of the parent company on February 13, 2025; ii. the evaluation of the methodology used for the identification of the CGUs and the allocation of assets and liabilities to the individual CGUs; iii. the analysis of the impairment test approved by the Board of Directors of the parent company, including the analysis of the reasonableness of the expected cash flows; iv. the assessment of the quality of forecasts as compared to the historical accuracy of the previous forecasts; v. the sensitivity analysis on key assumptions in order to identify the changes in assumptions that could have a significant impact on the valuation of the recoverable amount. Our procedures were performed with the support of our experts in valuation techniques, who analyzed the valuation methodologies adopted, verified the mathematical accuracy of the calculation models and evaluated the criteria adopted to determine the discount rates and growth rates applied beyond the period with explicit forecasts. Finally, we analyzed the disclosures provided in the consolidated financial statements of Recordati Group as of 31 December 2024.

Shape the future
with confidence

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the the Parent Company Recordati Industria Chimica e Farmaceutica S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to

Shape the future
with confidence

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Recordati Industria Chimica e Farmaceutica S.p.A., in the general meeting held on 29 April 2020, engaged us to perform the audits of the consolidated financial statements for each of the years ending 31 December 2020 to 31 December 2028.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Shape the future
with confidence

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Recordati Industria Chimica e Farmaceutica S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at 31 December 2024 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at 31 December 2024 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), e-*bis*) and e-*ter*) of Legislative Decree n. 39 dated 27 January 2010 and pursuant to article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Recordati Industria Chimica e Farmaceutica S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Group Recordati as at 31 December 2024, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations, excluding the section related to the consolidated sustainability information, and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998;
- issue a statement on any material misstatement in the Report on Operations and in certain specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998.

In our opinion, the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, are consistent with the consolidated financial statements of Recordati Group as at 31 December 2024.

Shape the future
with confidence

Furthermore, in our opinion, the Report on Operations, excluding the section related to the consolidated sustainability information, and the specific information contained in the Report on Corporate Governance and Ownership Structure pursuant article n. 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-*ter*), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with applicable laws and regulations does not extend to the section of the Report on Operations related to consolidated sustainability information. The conclusion on the compliance of this section with the applicable standards governing its preparation criteria and the compliance with the disclosure requirements pursuant to article 8 of (EU) Regulation 2020/852 are formulated by us in the attestation report pursuant to article 14-bis of Legislative Decree No. 39 dated 27 January 2010.

Milan, 27 March 2025

EY S.p.A.
Signed by: Giovanni Luca Guerra, Auditor

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.