

# RECORDATI S.p.A. ANNUAL REPORT 2024

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

**RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.p.A.**  
**Company subject to management and co-ordination by Rossini Holdings S.àr.l.**

Registered Office: 1, Via Matteo Civitali, Milan

Fully paid up share capital: € 26,140,644.50

Tax identification number and Milan Company Registration No. 00748210150

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

**BOARD OF DIRECTORS**

Elected by a Shareholders' Meeting dated 29<sup>th</sup> April 2022, in office until the date of the Shareholders' Meeting held to approve the 2024 Annual Report.

ANDREA RECORDATI  
Chairman

GUIDO GUIDI  
Vice Chairman

ROBERT KOREMANS  
Chief Executive Officer

MICHAELA CASTELLI	<i>Lead Independent Director</i>
ELISA CORGHI	<i>Independent</i>
GIORGIO DE PALMA	
LUIGI LA CORTE	<i>(also Group CFO)</i>
JOANNA LE COUILLIARD	<i>Independent</i>
GIAMPIERO MAZZA	
PIERGIORGIO PELUSO	<i>Independent</i>
CATHRIN PETTY	
KIM STRATTON	

**BOARD OF STATUTORY AUDITORS**

Elected by a Shareholders' Meeting dated 21<sup>st</sup> April 2023, in office until the date of the Shareholders' Meeting held to approve the 2025 Annual Report.

ANTONIO SANTI  
Chairman

LIVIA AMIDANI ALIBERTI  
EZIO MARIA SIMONELLI  
Statutory Auditors

ANDREA BALELLI  
SILVIA MINA  
Alternate Auditors

**INDEPENDENT AUDITORS**

Engaged by a Shareholders' Meeting dated 29<sup>th</sup> April 2020 for the financial years 2020-2028.

## Review of operations

To our Shareholders,

The annual report of Recordati Industria Chimica e Farmaceutica S.p.A. (hereinafter also the “Company”) for the year ended 31<sup>st</sup> December 2024, which we submit to you for your approval, reports net income of € 320,830 thousand.

The review of operations in the consolidated annual report may be consulted for further information on operations and growth strategies.

The items in the reclassified income statement which shows costs by function are given below with the relative percentage of revenue <sup>(1)</sup> and the change compared with the previous year:

€ (thousands)	2024	% of revenue	2023	% of revenue	Changes 2024/2023	%
<b>Net revenue<sup>(1)</sup></b>	<b>679,123</b>	<b>100.0</b>	<b>554,189</b>	<b>100.0</b>	<b>124,934</b>	<b>22.5</b>
Cost of sales	(268,893)	(39.6)	(232,114)	(41.9)	(36,779)	15.8
<b>Gross profit</b>	<b>410,230</b>	<b>60.4</b>	<b>322,075</b>	<b>58.1</b>	<b>88,155</b>	<b>27.4</b>
Selling expenses	(88,797)	(13.1)	(82,909)	(15.0)	(5,888)	7.1
R&D expenses	(74,361)	(10.9)	(55,825)	(10.1)	(18,536)	33.2
G&A expenses	(85,592)	(12.6)	(63,820)	(11.5)	(21,772)	34.1
Other income (expense), net	(5,216)	(0.8)	(657)	(0.1)	(4,559)	n.s.
<b>Operating income</b>	<b>156,264</b>	<b>23.0</b>	<b>118,864</b>	<b>21.4</b>	<b>37,400</b>	<b>31.5</b>
Dividends	283,209	41.7	198,245	35.8	84,964	42.9
Financial income (expense), net	(109,058)	(16.1)	(94,811)	(17.1)	(14,247)	15.0
<b>Pre-tax income</b>	<b>330,415</b>	<b>48.6</b>	<b>222,298</b>	<b>40.1</b>	<b>108,117</b>	<b>48.6</b>
Income taxes	(9,585)	(1.4)	1,719	0.3	(11,304)	n.s.
<b>Net income</b>	<b>320,830</b>	<b>47.2</b>	<b>224,017</b>	<b>40.4</b>	<b>96,813</b>	<b>43.2</b>

(1) Net revenue in the reclassified income statement includes revenue from services of € 80.4 million (€ 35.6 million in 2023).

The item also includes other revenue of € 192 thousand (€ 168 in 2023), mainly related to training grants and rents, which are classified in Note 4 Other revenue and income in the financial statements.

Net revenue came to € 679.1 million, up € 124.9 million on the previous year. The increase was attributable primarily to sales to subsidiaries in Europe relating to corporate products, especially in the urological segment. The trend for sales in Italy was also positive. We underline the positive impact resulting from the distribution agreement signed in July 2023 with GSK to market Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) in 21 countries, which therefore made a full contribution in 2024 unlike that made in 2023.

Revenue from services were up € 44.8 million compared with the previous year due in particular to the final figures for the entire year of the fee charged to subsidiaries for the grant of distribution rights for Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) acquired from GSK in their respective countries as well as to the higher fees received for management support services provided by the Company to the Irish subsidiary Recordati Ireland Ltd.

The reduction in the cost of sales as a percentage of net revenue, which fell from 41.9% to 39.6%, was due to a change in the mix of sales revenues compared with the previous year.

Selling expenses rose year-on-year by € 5.9 million (7.1%), mainly due to an increase in royalties paid as a result of greater sales on the market of the corporate product Eligard®, and an increase in management personnel to respond more effectively to an evolving business model and to grasp market opportunities. Advertising

expenses and other selling costs also rose.

R&D expenses amounted to € 74.4 million (10.9% of net revenue), up € 18.5 million (33.2%) compared with expenses incurred in the previous year. The increase is attributable primarily to the amortisation of intangible assets relating to the products covered by the distribution agreement with GSK. This effect was added to by an increase in R&D personnel costs to enlarge corporate units to support ongoing projects and geographical expansion.

General and administrative expenses amounted to € 85.6 million and included costs charged by subsidiaries, which in turn included product transfer price adjustments needed to comply with the arm's length principle which were up €6.4 million on the previous year.

If the impact reported above is excluded, the year-on-year increase in general and administrative expenses came to € 15.4 million, and was due primarily to the expansion of general coordination units to support a broad and increasingly complex product portfolio and the related costs, which also included greater investments in IT systems.

Other income and expenses, net resulted in a net expense of € 5.2 million and related in particular to company reorganisation costs and other non-operating costs amounting to €8.6 million, net of other income amounting to € 3.4 million, which included the recognition of prior year income of €2.0 million and "4.0 tax credits, R&D and Innovation costs and the purchase of electricity and natural gas" amounting to €0.7 million.

Operating income came to € 156.3 million (23.0% of net revenue), up € 37.4 million on the previous year, due to higher gross profit and despite the increase in operating costs and amortisation reported above.

Dividends from subsidiaries came to € 283.2 million, up € 85.0 million on 2023 (see note 10 in the notes of the financial statements for further details).

Net financial expenses amounted to €109.1 million with a year-on-year increase of € 14.2 million. This increase is due primarily to new loans taken out (see note 11 in the notes to the financial statements for further details).

The change in taxes of € 11.3 million is attributable to the increase in taxable income.

Net income was € 320.8 million.

A brief summary is given below of the net financial position, while further details are given in note 43 of the notes to the financial statements.

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Current account sight deposits and other cash and cash equivalents	135,444	28,562	106,882
Short-term receivables from Group companies	81,560	113,087	(31,527)
<b>Cash and cash equivalents and other short-term receivables</b>	<b>217,004</b>	<b>141,649</b>	<b>75,355</b>
Short-term payables to banks	(18,169)	(96,213)	78,044
Loans due within one year	(247,903)	(315,727)	67,824
Short-term payables to Group companies	(756,501)	(709,227)	(47,274)
<b>Current debt</b>	<b>(1,022,573)</b>	<b>(1,121,167)</b>	<b>98,594</b>
<b>Net current financial position (1)</b>	<b>(805,569)</b>	<b>(979,518)</b>	<b>173,949</b>
Receivables – payable after one year	718,458	83	718,375
Loans – due after one year	(2,079,143)	(1,323,964)	(755,179)
Long-term loans due to Group companies	(83,737)	(45,249)	(38,488)
<b>Non-current debt</b>	<b>(1,444,422)</b>	<b>(1,369,130)</b>	<b>(75,292)</b>
<b>Net financial position (2)</b>	<b>(2,249,991)</b>	<b>(2,348,648)</b>	<b>98,657</b>

(1) Current debt includes loans due within one year, amounts payable to banks and other short-term payables.

(2) Inclusive of the fair value of derivatives to hedge foreign exchange rate risk (cash flow hedges), recognised within asset item 23 and liability item 35 with an overall net positive impact of € 11,014 thousand as at 31<sup>st</sup> December 2024.

Following an agreement with Sanofi signed by the subsidiary Recordati UK LTD for the acquisition of the global rights to Enjaymo® from Sanofi, a biological pharmaceutical that is the only targeted product approved for the treatment of cold agglutinin disease (CAD), on 30<sup>th</sup> October 2024 the Company, authorised by the aforementioned subsidiary to raise the necessary funding and to pay the consideration to the counterparty, the Company entered into a loan agreement for a total amount of € 850.0 million, of which € 700.0 million granted by three by key banking partners (Facility A) and € 150.0 million (an incremental facility) by other banks. At the same time, following the aforementioned transaction, the Company entered into a loan agreement with Recordati UK LTD to grant it a total of € 761.7 million consisting of the value of the consideration in USD actually paid to Sanofi on the date of effect of the transaction, adjusted for the relative exchange-rate effect.

We report the following main transactions that took place during the year:

- the payment of € 253.7 million in dividends to shareholders, inclusive of an interim dividend of € 123.9 million;
- the payment of interest expense of € 100.7 million on loans;
- the purchase of treasury shares for € 119.0 million;
- the sale of treasury shares due to the exercise of stock options with a cash flow of € 92.7 million net of the loss recognised against the book value.
- the receipt of dividends from subsidiaries amounting to € 283.2 million.

The change in the financial position, net of the impacts reported above, confirms the Company's solid generation of cash flows which stood at approximately € 196.1 million.

Capital expenditure on property, plant and equipment came to € 17.2 million and related to investments made at the Milan headquarters (€ 9.0 million) and at the Campoverde di Aprilia plant (€ 8.2 million).

## R&D

The main R&D activities carried out in 2024 in the Specialty & Primary Care area are summarised in the paragraphs below.

### **Eligard® (leuprorelin acetate)**

Quality changes designed to ensure the continuity of supply (additional suppliers and production sites) were submitted and approved in the EU in 2024. The process to submit and approve changes continues in non-EU countries.

Activities were also carried due to safety changes made to update the product label in compliance with PRAC recommendations were approved in the EU in 2024.

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

After Brexit, specific packaging standards were developed for Great Britain and Northern Ireland under the Windsor Framework guidelines, which came into force in January 2025.

### **Reagila® (cariprazine)**

Trials are continuing, designed to demonstrate the efficacy and safety of cariprazine treatment in adolescents (13-17 years), while patient recruitment slowed significantly due to the effects of the COVID-19 pandemic and of the war in Ukraine.

Marketing authorisations for Reagila® 1.5 mg, 3 mg, 4.5 mg and 6 mg hard capsules were withdrawn in Turkey in November 2024.

A change to update the summary of the product's characteristics and the package leaflet in Europe, which includes the results of the Cypress trial (RGH-188-301) regarding the interaction between cariprazine and erythromycin, was approved in August 2024.

### **LOMEXIN® (fenticonazole)**

A change in the supply regime from a "prescription medicine" to a "non-prescription medicine" for 600 mg and 200 mg vaginal capsules was submitted in Cyprus in December 2024.

A change to extend the treatment indication to include the "treatment for mixed gram-positive bacterial infections" was turned down in Lithuania and was withdrawn for the DCP procedure in Belgium, Croatia, Cyprus, Denmark, Estonia, Luxembourg, the Netherlands and Slovenia.

New registrations for Lomexin 1,000 mg and 600 mg vaginal capsules were submitted in Gabon, Burkina Faso, Mali and Madagascar. Marketing authorisation in Montenegro for Lomexin 600 mg vaginal capsules was granted in November 2024.

The re-registration of marketing authorisations for Lomexin 600 mg and 1,000 mg vaginal capsules and 2% vagina cream was submitted in Russia in July 2024. The marketing authorisations for Lomexin 1% and 2% skin powder in Italy and Lithuania, Lomexin 2% skin solution and Lorenil 1% and 2% skin solution in Italy, Lomexin 200 mg vaginal capsules in Georgia and Azerbaijan and Lomexin 600 mg and 1.000 mg vaginal capsules in Azerbaijan have been withdrawn.

### **Activities involving pharmaceuticals for the treatment of rare diseases**

The Company carries out support activities for research carried out by other subsidiaries for which they are charged back on the basis of service agreements. In fact the Group is increasingly more committed to R&D for the development of treatments for rare diseases and it has many pharmaceuticals in its pipeline for treating these illnesses at different stages of development.

## OTHER INFORMATION

Company is subject to management and co-ordination by Rossini Luxembourg S.à.r.l, in accordance with Art. 2497 and following of the Italian Civil Code.

Key figures from the financial statements for the year ended 31<sup>st</sup> December 2023 approved by the company that exercises management and co-ordination are furnished in Attachment 6.

Treasury stock consisting of 2,361,729 shares was purchased during the year, for consideration of € 119.0 million and 2,651,852 shares were sold for consideration of € 115.4 million, following the exercise of options under the 2014-2018 and 2018-2022 stock option plans by Group employees.

As at 31<sup>st</sup> December 2024 the Company held 2,828,921 treasury shares in portfolio accounting for 1.35% of the share capital, with a nominal value of € 0.125 each.

The section “Principal risks and uncertainties” in the review of operations in the consolidated annual report may be consulted for an analysis and description of the principal risks and uncertainties to which the Company is exposed pursuant to paragraphs 1 and 2 of article 2428 of the Italian Civil Code.

The information required under point 6-*bis* of Art. 2428 of the Italian Civil Code concerning the Company’s objectives and policies in respect of financial risk management is reported in note 40 to the financial statements.

In compliance with the requirements contained in Art. 4, paragraph 7 of the Regulation on related-party transactions adopted with Consob Resolution 17221 of 12<sup>th</sup> March 2010 and subsequent amendments and also in Art. 2391-*bis*, paragraph 1 of the Italian Civil Code, the Company reports that it has adopted “Regulations for related-party transactions”, the full text of which is available on the Company website at [www.recordati.it](http://www.recordati.it) (in the “Corporate Governance” section), as last updated on 17<sup>th</sup> June 2021.

For all information on corporate governance, reference is made to the Report on Corporate Governance and Ownership Structure prepared in accordance with Art. 123-*bis* of the Consolidated Finance Law, approved by the Board of Directors at the same time as it approved the Annual Report. Information pursuant to paragraphs 1 and 2 of Art. 123 *bis* of Legislative Decree No. 58/1998 is contained in the separate “Report on Corporate Governance and Ownership Structure”, the full text of which is available on the company’s website [www.recordati.it](http://www.recordati.it) (in the “Corporate governance” section).

Reference is made for “information concerning the environment and personnel” to the Consolidated Non-Financial Statement.

The Company has a secondary headquarters at 4, Via Mediana Cisterna, Campoverde di Aprilia (Latina).

Shares held by directors, statutory auditors, general managers and other key management personnel are reported in the Report on remuneration policies and wages published in accordance with Art. 123-*ter* of the Consolidated Finance Law.

Reference is made to the information given in the Code of Ethics for details of the principles governing conduct adopted by the Company.

Reference is made to the information given in the Sustainability report for details of the company’s approach to sustainability.

Reference is made to note 45 to the financial statements for information required by the Consob (Italian securities market authority) communication dated 28<sup>th</sup> July 2006 on “atypical and/or unusual transactions”.

## RELATED-PARTY TRANSACTIONS

As at 31<sup>st</sup> December 2024, the Company had an aggregate net credit position of € 38,656 thousand towards group companies, with credit positions of € 941,908 thousand and debt positions of € 903,252 thousand.

The table below summarises these receivables and payables by nature:

<b>RELATED-PARTY TRANSACTIONS</b>	<b>Receivables (€ thousand)</b>	<b>Payables (€ thousand)</b>	<b>Net (€ thousand)</b>
Loans	777,792	(180,360)	597,432
Cash Pooling	22,141	(659,878)	(637,737)
Trade	127,271	(57,001)	70,270
Other	14,705	(6,013)	8,691
<b>Total</b>	<b>941,908</b>	<b>(903,252)</b>	<b>38,656</b>

A loan agreement was entered into with Recordati UK LTD for a total of € 761.7 million, following the successful conclusion of an agreement with Sanofi by the subsidiary for the acquisition of the global rights to Enjaymo® (see the comment on the net financial position on page 5 for further details).

Sales, services and royalties supplied to Group companies in 2024 amounted to € 422,812 thousand (€ 322,592 thousand in 2023).

During the year dividends were received from Recordati Rare Diseases S.a.r.l. for € 90,913 thousand, from Italcimici S.p.A. for € 40,524 thousand, from Recordati UK LTD for € 40,000 thousand, from Casen Recordati S.L. for € 38,712 thousand, from Recordati Ireland Limited for € 25,000 thousand, from Bouchara Recordati for € 20,000 thousand, from Natural Point S.r.l. for € 20,000 thousand, from Recordati Romania Srl for € 6,029 thousand and from Herbacos Recordati S.r.o. for € 2,031 thousand.

The following summary is given in the table below in compliance with Consob Resolution No. 15519 of 27<sup>th</sup> July 2006:

<b>PERCENTAGE OF TRANSACTIONS WITH RELATED PARTIES (€ thousand)</b>	<b>Total</b>	<b>Related Parties (amount)</b>	<b>Related Parties (%)</b>
<b>Percentage of transactions or positions in the balance sheet with related parties</b>			
Trade receivables and other	218,390	141,975	65.01%
Other non-current financial assets	718,458	718,373	99.99%
Short-term financial assets	81,560	81,560	100.00%
Trade payables and other	(171,033)	(63,014)	36.84%
Other non-current financial liabilities	(83,737)	(83,737)	100.00%
Other short-term financial liabilities	(756,501)	(756,501)	100.00%
<b>Percentage of transactions or positions in the income statement with related parties</b>			
Revenue	689,592	422,961	61.33%
Income from investments	283,209	283,209	100.00%
Costs of purchases and service provision	(366,386)	(60,653)	16.55%
Financial income/(expense), net	(109,058)	(34,002)	31.18%

Transactions and positions with related parties as a percentage of cash flows is basically the same as that for the income statement items because the transactions are conducted under normal market conditions.

With regard to direct relations during the year with the company that exercises management and coordination, we report that the CEO and some employees of the Recordati Group have been designated as beneficiaries of an incentive scheme, with a vesting period of five years, under which they have purchased shares of Rossini Luxembourg S.à.r.l. at face value, an indirect shareholder of Recordati S.p.A., and they will receive a return at the end of the life of the scheme.

With the exception of the previous point, no other direct business was conducted with the company that carries out management and coordination activities.

#### NON-EUROPEAN UNION SUBSIDIARIES

In relation to the provisions of articles 15 and 18 of the Markets Regulations concerning the conditions for the listing of the parent companies of companies formed and regulated under the laws of countries that do not belong to the EU and which are of significant importance for the purposes of consolidated financial statements, since 31<sup>st</sup> December 2024 the regulatory provisions of Art. 15 of the Markets Regulations have applied to the subsidiaries Recordati Ilaç, Sanayi Ve Ticaret A.Ş., Recordati Rare Diseases Inc., Rusfic LLC Recordati AG and Recordati UK LTD (formerly Eusa Pharma Uk Ltd) and the conditions laid down in the aforementioned Art. 15 in relation to which the certification is required from the management body have been satisfied.

#### SIGNIFICANT TRANSACTIONS, EXCEPTION TO DISCLOSURE OBLIGATIONS

The Company decided to take advantage, with effect from 20<sup>th</sup> December 2012, of the right not to comply with obligations to publish the reports required when significant extraordinary operations are performed consisting of mergers, demergers, share capital increases through contributions in kind, acquisitions and disposals, in accordance with Art. 70, paragraph 8 and with Art. 71, paragraph 1-*bis* of the Issuers' Regulations issued by Consob with Resolution No. 11971/1999 and subsequent amendments.

#### BUSINESS OUTLOOK

At the date of preparing the financial statements no corporate events had occurred after the end of the year which might require modifications to be made to the value of assets and liabilities and the amounts in the income statement.

The implementation of company policies, operations at the beginning of the current year, the potential of our products, the financial strength of the company and the managerial capacities of our personnel lead us to forecast a positive result again in 2025.

We underline that the forecast for consolidated companies is one of double-digit growth in revenues, EBITDA and adjusted net income in 2025, with an expected positive impact for the Company also.

Milan, 18<sup>th</sup> March 2025

on behalf of the Board of Directors  
the Chief Executive Officer  
Robert Koremans

**FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER 2024**

RECORDATI S.p.A.

INCOME STATEMENTS FOR THE YEARS ENDED  
31<sup>ST</sup> DECEMBER 2024 AND 31<sup>ST</sup> DECEMBER 2023

## Income statement

Amounts in euro	Notes	2024	2023
<b>Net revenue</b>	3	<b>678,930,869</b>	<b>554,021,021</b>
Other income	4	10,660,692	8,766,981
<b>Total income</b>		<b>689,591,561</b>	<b>562,788,002</b>
Raw materials costs	5	(182,689,311)	(156,434,961)
Personnel costs	6	(111,046,220)	(100,946,232)
Depreciation and amortisation	7	(53,704,686)	(35,292,850)
Other operating expenses	8	(183,696,711)	(160,755,975)
Changes in inventories	9	(2,190,414)	9,506,116
<b>Operating Income</b>		<b>156,264,219</b>	<b>118,864,100</b>
Income from investments	10	283,209,292	198,244,746
Financial income/(expense), net	11	(109,058,369)	(94,811,581)
<b>Pre-tax income</b>		<b>330,415,142</b>	<b>222,297,265</b>
Income taxes	12	(9,584,855)	1,719,471
<b>Net income</b>		<b>320,830,287</b>	<b>224,016,736</b>

### Earnings per share (in euro)

Basic	1.555	1.089
Diluted	1.534	1.071

Basic earnings per share are calculated on average shares outstanding in the relative periods, consisting of 206,316,241 shares in 2024 and 205,634,136 in 2023. The figures are calculated net of average treasury stock held, which amounted to an average of 2,808,915 in 2024 and 3,491,020 in 2023.

Diluted earnings per share are calculated taking into account rights granted to employees.

The explanatory notes form an integral part of these financial statements.

RECORDATI S.p.A.

BALANCE SHEETS as at 31<sup>ST</sup> DECEMBER 2024 and 31<sup>ST</sup> DECEMBER 2023

## Assets

Amounts in euro	Notes	2024	2023
<b>Non-current assets</b>			
Property, plant and equipment	13	105,655,162	99,201,685
Goodwill	14	16,944,333	16,944,333
Intangible assets	15	547,309,638	579,531,714
Investments	16	1,851,188,778	1,845,346,028
Other non-current financial assets	17	718,458,401	83,067
Deferred tax assets	18	11,844,642	10,044,877
<b>Total non-current assets</b>		<b>3,251,400,954</b>	<b>2,551,151,704</b>
<b>Current assets</b>			
Inventories	19	107,154,445	109,344,859
Trade receivables	20	187,925,835	144,881,335
Other receivables	21	30,463,683	45,767,685
Other current assets	22	2,697,238	2,452,842
Derivatives measured at fair value	23	14,166,162	11,048,967
Other short-term financial receivables	24	81,559,769	113,087,168
Cash and cash equivalents	25	135,444,133	28,561,500
<b>Total current assets</b>		<b>559,411,265</b>	<b>455,144,356</b>
<b>Total assets</b>		<b>3,810,812,219</b>	<b>3,006,296,060</b>

The explanatory notes form an integral part of these financial statements.

RECORDATI S.p.A.

BALANCE SHEETS as at 31<sup>ST</sup> DECEMBER 2024 and 31<sup>ST</sup> DECEMBER 2023

## Equity and Liabilities

Amounts in euro	Notes	31 <sup>st</sup> December 2024	31 <sup>st</sup> December 2023
<b>Equity</b>			
Share capital	26	26,140,645	26,140,645
Additional paid-in capital	26	83,718,523	83,718,523
Treasury stock	26	(131,570,438)	(127,970,088)
Statutory reserve	26	5,228,129	5,228,129
Other reserves	26	222,245,778	256,442,225
Revaluation reserve	26	2,602,229	2,602,229
Interim dividend	26	(123,948,886)	(117,396,107)
Net income	26	320,830,287	224,016,736
<b>Total equity</b>		<b>405,246,267</b>	<b>352,782,292</b>
<b>Non-current liabilities</b>			
Loans – due after one year	27	2,090,155,851	1,317,331,833
Employee benefit obligations	28	3,667,452	3,885,643
Other non-current financial liabilities	29	83,736,822	45,248,869
<b>Total non-current liabilities</b>		<b>2,177,560,125</b>	<b>1,366,466,345</b>
<b>Current liabilities</b>			
Trade payables	30	127,101,336	98,233,803
Other current payables	31	43,931,330	41,819,371
Tax liabilities	32	20,252,565	3,451,713
Other current liabilities	33	-	190,910
Provisions	34	9,289,715	4,626,570
Derivatives measured at fair value	35	4,857,871	17,558,440
Borrowings - due within one year	36	247,903,167	315,727,139
Payables to banks	37	18,168,894	96,213,299
Other short-term payables	38	756,500,949	709,226,178
<b>Total current liabilities</b>		<b>1,228,005,827</b>	<b>1,287,047,423</b>
<b>Total equity and liabilities</b>		<b>3,810,812,219</b>	<b>3,006,296,060</b>

The explanatory notes form an integral part of these financial statements.

RECORDATI S.p.A.

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31<sup>ST</sup> DECEMBER 2024 AND 31<sup>ST</sup> DECEMBER 2023

€ (thousands)	2024	2023
<b>Net income</b>	<b>320,830</b>	<b>224,017</b>
Gains/(losses) on cash flow hedges, net of tax	(1,403)	(5,535)
Valuation of employee benefits pursuant to IAS 19, net of tax	85	191
Financial assets measured at fair value through other comprehensive income	(3,995)	(7,650)
Other changes, net of tax	(142)	(142)
<b>Other items recognised in equity</b>	<b>(5,456)</b>	<b>(13,136)</b>
<b>Comprehensive income</b>	<b>315,374</b>	<b>210,881</b>
<b>Data per share (in euro)</b>		
Basic	1.529	1.026
Diluted	1.508	1.008

Basic earnings per share are calculated on average shares outstanding in the relative periods, consisting of 206,316,241 shares in 2024 and 205,634,136 in 2023. The figures are calculated net of average treasury stock held, which amounted to an average of 2,808,915 in 2024 and 3,491,020 in 2023.

Diluted earnings per share are calculated taking into account rights granted to employees.

The explanatory notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31<sup>ST</sup> DECEMBER 2024  
AND 31<sup>ST</sup> DECEMBER 2023

€ (thousands)	Share capital	Additional paid-in capital	Treasury stock	Statutory reserve	Other reserves			Revaluation reserves	Interim dividend	Net (loss)/income for the year	Total
					Sundry reserves	Reserve for derivative instruments	Stock option reserve - Performance shares reserve and/or Other IAS reserves				
<b>Balance as at 31<sup>st</sup> December 2022</b>	<b>26,141</b>	<b>83,718</b>	<b>(149,560)</b>	<b>5,228</b>	<b>120,994</b>	<b>5,249</b>	<b>162,360</b>	<b>2,602</b>	<b>(112,979)</b>	<b>219,234</b>	<b>362,987</b>
Allocation of 2022 net income as per shareholders' resolution of 21.04.2023											
<i>Dividends distributed</i>					(16,984)				112,979	(219,234)	(123,239)
<i>Retained earnings</i>											-
Sales of treasury stock			44,299		(14,203)						30,096
Repurchase of treasury stock			(22,709)								(22,709)
Dividends expired					13						13
Interim dividends									(117,396)		(117,396)
Comprehensive income					(142)	(5,535)	(7,459)			224,017	210,881
Stock option valuation reserve							9,146				9,146
Performance shares valuation reserve							3,003				3,003
<b>Balance as at 31<sup>st</sup> December 2023</b>	<b>26,141</b>	<b>83,718</b>	<b>(127,970)</b>	<b>5,228</b>	<b>89,678</b>	<b>(286)</b>	<b>167,050</b>	<b>2,602</b>	<b>(117,396)</b>	<b>224,017</b>	<b>352,782</b>
Allocation of 2023 net income as per shareholders' resolution of 22.04.2024											
<i>Dividends distributed</i>					(23,457)				117,396	(224,017)	(130,078)
<i>Retained earnings</i>											-
Sales of treasury stock			115,423				(22,752)				92,671
Repurchase of treasury stock			(119,023)								(119,023)
Dividends expired					14						14
Interim dividends									(123,949)		(123,949)
Comprehensive income					(142)	(1,403)	(3,911)			320,830	315,374
Stock option valuation reserve							6,118				6,118
Performance shares valuation reserve							11,337				11,337
<b>Balance as at 31<sup>st</sup> December 2024</b>	<b>26,141</b>	<b>83,718</b>	<b>(131,570)</b>	<b>5,228</b>	<b>66,093</b>	<b>(1,689)</b>	<b>157,842</b>	<b>2,602</b>	<b>(123,949)</b>	<b>320,830</b>	<b>405,246</b>

The explanatory notes form an integral part of these financial statements.

RECORDATI S.p.A.

CASH FLOW STATEMENT FOR THE YEARS ENDED 31<sup>ST</sup> DECEMBER 2024 AND 31<sup>ST</sup> DECEMBER 2023

€ (thousands)	2024	2023
<b><u>OPERATING ACTIVITIES</u></b>		
Net income	320,830	224,017
Income taxes	9,585	(1,719)
Net interest	109,857	97,697
Income from investments	(283,209)	(198,245)
Depreciation of property, plant and equipment	12,875	10,223
Amortisation of intangible assets	40,830	25,070
Equity-settled share-based payment transactions	6,639	4,304
Other non-cash items	(1,968)	3,070
Changes in other assets and other liabilities	30,266	(7,520)
<b>Cash flow from/(used in) operating activities before changes in working capital</b>	<b>245,705</b>	<b>156,897</b>
Change in inventories	2,190	(9,506)
Change in trade receivables	(43,045)	(34,201)
Change in trade payables	28,868	26,656
<b>Change in working capital</b>	<b>(11,987)</b>	<b>(17,051)</b>
Interest received	5,332	4,432
Interest paid	(100,713)	(74,570)
Income taxes paid	(3,287)	(6,198)
<b>Cash flow from/(used in) operating activities</b>	<b>135,050</b>	<b>63,509</b>
<b><u>INVESTMENT ACTIVITIES</u></b>		
Investments in property, plant and equipment	(17,219)	(19,897)
Disposals of property, plant and equipment	3	462
Investments in intangible assets	(10,909)	(324,922)
Disposals of intangible assets	2,301	98
Investments in subsidiaries	(5)	-
Dividends received	283,209	198,245
Change in financial receivables	(686,614)	58,893
Changes in other short-term financial receivables	(10,809)	29,150
<b>Cash flow from/(used in) investing activities</b>	<b>(440,043)</b>	<b>(57,971)</b>

RECORDATI S.p.A.

CASH FLOW STATEMENT FOR THE YEARS ENDED 31<sup>ST</sup> DECEMBER 2024 AND 31<sup>ST</sup> DECEMBER 2023

€ (thousands)	2024	2023
<b>FINANCING ACTIVITIES</b>		
New loans	1,020,000	348,400
Repayment of loans	(312,927)	(250,884)
Payment of lease liabilities	(1,310)	(1,431)
Change in short-term payables to banks and other lenders	(82,303)	10,129
Loans received from/(repaid to) subsidiaries	68,277	33,369
Changes in other short-term payables	209	71,763
Dividends paid	(253,718)	(245,958)
Repurchase of treasury stock	(119,023)	(22,709)
Sales of treasury stock	92,670	30,096
<b>Cash flow from/(used in) financing activities</b>	<b>411,875</b>	<b>(27,226)</b>
<b>Change in cash and cash equivalents</b>		
Net cash and cash equivalents at beginning of year	28,562	50,249
Cash and cash equivalents at year-end	135,444	28,562

The explanatory notes form an integral part of these financial statements.

RECORDATI S.p.A.

INCOME STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION No. 15519 OF 27<sup>TH</sup> JULY 2006

## Income statement

Amounts in euro	2024		2023	
		of which related parties		of which related parties
<b>Net revenue</b>	<b>678,930,869</b>	<b>422,812,192</b>	<b>554,021,021</b>	<b>322,591,876</b>
Other income	10,660,692	148,792	8,766,981	55,904
<b>Total income</b>	<b>689,591,561</b>		<b>562,788,002</b>	
Raw materials costs	(182,689,311)	(27,059,596)	(156,434,961)	(17.954.372)
Personnel costs	(111,046,220)		(100,946,232)	
Depreciation and amortisation	(53,704,686)		(35,292,850)	
Other operating expenses	(183,696,711)	(33,592,962)	(160,755,975)	(22.686.166)
Changes in inventories	(2,190,414)		9,506,116	
<b>Operating income</b>	<b>156,264,219</b>		<b>118,864,100</b>	
Income from investments	283,209,292	283,209,292	198,244,746	198.244.746
Financial income/(expense), net	(109,058,369)	(34,001,864)	(94,811,581)	(26.103.061)
<b>Pre-tax income</b>	<b>330,415,142</b>		<b>222,297,265</b>	
Income taxes	(9,584,855)		1,719,471	
<b>Net income</b>	<b>320,830,287</b>		<b>224,016,736</b>	

RECORDATI S.p.A.

BALANCE SHEET IN ACCORDANCE WITH CONSOB RESOLUTION N. 15519 OF 27<sup>TH</sup> JULY 2006

## Assets

Amounts in euro	31 <sup>st</sup> December 2024		31 <sup>st</sup> December 2023	
		of which related parties		of which related parties
<b>Non-current assets</b>				
Property, plant and equipment	105,655,162		99,201,685	
Goodwill	16,944,333		16,944,333	
Intangible assets	547,309,638		579,531,714	
Investments	1,851,188,778		1,845,346,028	
Other non-current financial assets	718,458,401	718,372,834	83,067	
Deferred tax assets	11,844,642		10,044,877	
<b>Total non-current assets</b>	<b>3,251,400,954</b>		<b>2,551,151,704</b>	
<b>Current assets</b>				
Inventories	107,154,445		109,344,859	
Trade receivables	187,925,835	127,270,761	144,881,335	81,833,222
Other receivables	30,463,683	14,704,671	45,767,685	14,750,320
Other current assets	2,697,238		2,452,842	
Derivatives measured at fair value	14,166,162		11,048,967	
Other short-term financial receivables	81,559,769	81,559,769	113,087,168	113,087,168
Cash and cash equivalents	135,444,133		28,561,500	
<b>Total current assets</b>	<b>559,411,265</b>		<b>455,144,356</b>	
<b>Total assets</b>	<b>3,810,812,219</b>		<b>3,006,296,060</b>	

RECORDATI S.p.A.

BALANCE SHEET IN ACCORDANCE WITH CONSOB RESOLUTION N. 15519 OF 27<sup>TH</sup> JULY 2006

## Equity and Liabilities

Amounts in euro	31 <sup>st</sup> December 2024		31 <sup>st</sup> December 2023	
		of which related parties		of which related parties
<b>Equity</b>				
Share capital	26,140,645		26,140,645	
Additional paid-in capital	83,718,523		83,718,523	
Treasury stock	(131,570,438)		(127,970,088)	
Statutory reserve	5,228,129		5,228,129	
Other reserves	222,245,778		256,442,225	
Revaluation reserve	2,602,229		2,602,229	
Interim dividend	(123,948,886)		(117,396,107)	
Net income	320,830,287		224,016,736	
<b>Total equity</b>	<b>405,246,267</b>		<b>352,782,292</b>	
<b>Non-current liabilities</b>				
Loans – due after one year	2,090,155,851		1,317,331,833	
Employee benefit obligations	3,667,452		3,885,643	
Other non-current financial liabilities	83,736,822	83,736,822	45,248,869	45,248,869
<b>Total non-current liabilities</b>	<b>2,177,560,125</b>		<b>1,366,466,345</b>	
<b>Current liabilities</b>				
Trade payables	127,101,336	57,001,208	98,233,803	29,299,772
Other current payables	43,931,330	6,013,205	41,819,371	5,957,973
Tax liabilities	20,252,565		3,451,713	
Other current liabilities	-		190,910	
Provisions	9,289,715		4,626,570	
Derivatives measured at fair value	4,857,871		17,558,440	
Loans – due within one year	247,903,167		315,727,139	
Payables to banks	18,168,894		96,213,299	
Other short-term payables	756,500,949	756,500,949	709,226,178	709,226,178
<b>Total current liabilities</b>	<b>1,228,005,827</b>		<b>1,287,047,423</b>	
<b>Total equity and liabilities</b>	<b>3,810,812,219</b>		<b>3,006,296,060</b>	

# RECORDATI S.p.A.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> December 2024

### 1. GENERAL INFORMATION

These financial statements as at and for the year ended 31<sup>st</sup> December 2024, have been prepared by Recordati Industria Chimica e Farmaceutica S.p.A. (hereinafter the “Company” or “Recordati”), and they were approved by the Board of Directors on 18<sup>th</sup> March 2025 which authorised their publication.

Recordati Industria Chimica e Farmaceutica S.p.A. is a listed joint-stock company registered and with service address in Italy. These financial statements are available at the registered address of the Company at 1, Via Matteo Civitali, Milan.

The Company’s activities include the development, production and marketing of pharmaceutical products or of pharmaceutical chemicals. The Company operates in a broad and diverse context which includes general medicine, specialist medicine, self-medication and rare diseases. In addition to being present in the cardiovascular field and in that of hypertension in particular, Recordati is also active in that of urology, with treatments for benign prostatic hyperplasia and male functional disorders, and in psychiatry.

The annual company financial statements comprise the income statement, the balance sheet, the statement of other comprehensive income, the statement of changes in equity, the cash flow statement and these notes to the financial statements.

The annual financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union and also by regulations issued to implement Art. 9 of Legislative Decree No. 38/2005. Details of the accounting standards adopted by the Company are given in note 2 to the financial statements.

The presentation adopted by the Company for the income statement in the separate company annual financial statements classifies revenues and expenses by nature. The distinction between the principle of current and non-current has been adopted for the presentation of assets and liabilities in the balance sheet. The indirect method was used to prepare the cash flow statement.

These financial statements are presented in euro (€) and all amounts in the notes to the statements are rounded to the nearest thousand euro unless otherwise stated.

#### SEGMENT REPORTING

The Company’s only operating segment is the specialty and primary care segment. Furthermore, the pharmaceutical chemicals business is considered an integral part of the specialty and primary care segment because from an organisational and strategic viewpoint it is involved principally in the production of the active ingredients required to produce pharmaceuticals.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In compliance with Legislative Decree No. 38 of 28<sup>th</sup> February 2005 (which implements the options provided for by Art. 5 of Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19<sup>th</sup> July 2002 concerning the application of international accounting standards), the annual company financial statements have been prepared by applying the International Financial Reporting Standards (IFRS) issued or revised by the International Accounting Standards Board (IASB) and endorsed by the European Union and also the regulations issued in implementation of Art. 9 of Legislative Decree No. 38/2005. These annual financial statements have been prepared using the same accounting standards as those applied in the last annual financial statements. The Company has not adopted any new standard, interpretation or amendment in advance that has been issued, but is not yet in force.

The financial statements have been prepared on a going concern basis, because the Directors have found no cash flow, operational or other indicators to suggest that the company might face difficulties in its ability to meet its obligations in the foreseeable future and in the next twelve months in particular. Account has been taken of the impacts, and also the potential impacts, resulting from the Russian-Ukraine crisis when making estimates and the related assumptions required to draft this financial report. The Group operates on the Russian market, in compliance with the regulations in force, and on the Ukrainian market with revenues in 2024 amounting to 5.2% and to 0.7% respectively of the Group's total revenue.

The Group constantly monitors developments in the conflict, as well as possible developments in the geopolitical environment and their consequences on business strategies in order to adopt mechanisms to safeguard its competitiveness, investments, performance and resources. Business in Russia performed positively in terms of demand for all the main products and no difficulties with payments were reported neither by local distributors nor by our Russian subsidiary to the Group's subsidiaries for the purchase of products.

In view of studies performed when preparing this financial report and also in consideration of the achievement of its expected results in the sector to which it belongs, no factors have been identified to-date which might have any significant impact on the financial statements.

### Adoption of new standards

The accounting standards adopted for the preparation of these financial statements are consistent with those used for the preparation of the financial statements for the year ended 31<sup>st</sup> December 2023, except for the adoption of new standards and amendments effective from 1<sup>st</sup> January 2024. The Company has not adopted any new standard, interpretation or amendment in advance that has been issued, but is not yet in force.

Among the changes effective as of 1<sup>st</sup> January 2024 we report amendments to IAS 12 introduced in response to the OECD's BEPS Pillar Two rules, which have been adopted in certain jurisdictions in which the Group operates.

The regulations entered into force for the financial year which began on 1<sup>st</sup> January 2024 and the Group, which falls within the scope of Pillar Two rules, has assessed the impact of the new regulations with consideration given to the changes introduced by IAS 12 "Income Taxes".

This assessment is based on the latest available information inclusive of tax returns, country-by-country reporting, the financial information for 2024 and the tax regulations currently in force in the various countries in which the Group is present.

On the basis of assessments carried out using the final figures for 2024 for each jurisdiction and the best interpretation of documents published by the OECD, all the countries in which the Group operates exceed transitional safe harbour thresholds except for Ireland, Switzerland and the United Arab Emirates. For these countries, the preliminary impacts, based on 2024 final figures, were used, with a total provision as at 31<sup>st</sup> December 2024 of € 0.2 million, related to the United Arab Emirates jurisdiction, to increase the items "Income Taxes" in the income statement and "Tax liabilities" under liabilities in the balance sheet.

The Group continues to monitor the actual implementation of the Pillar Two regulations on income taxes and to assess their impact on future financial results.

Various amendments and interpretations are applicable as of 1<sup>st</sup> January 2024, but on the basis of assessments carried out, these have had no impact on the annual financial statements of the Company for the year ended 31<sup>st</sup> 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: Additional Disclosures, to clarify the details of reverse factoring agreements and to require additional disclosures for these agreements.

The purpose of these disclosure requirements included in the amendments is to help users of financial statements to understand the impacts of reverse factoring agreements on the liabilities, cash flows and exposure to liquidity risk of an entity. The transition requirements clarify that an entity is not required to

provide disclosures in interim financial statements for 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 selling lessor uses in measuring a lease liability arising from a sale & leaseback transaction, to ensure that the selling lessor does not recognise gains or losses on the right of use retained by the lessor.

#### **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 the following:

- what is meant by the right to defer settlement of a liability;
- that the right to defer settlement must exist at the end of the financial year;
- that the classification is not impacted by the likelihood that an entity will exercise its right to defer settlement;
- that only if a derivative embedded in a convertible liability is itself an equity instrument does the maturity of the liability have no impact on its classification.

Also a requirement has been added for an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

#### **Use of estimates**

The preparation of financial statements requires estimates and assumptions to be made by directors based on the best possible assessments that have an impact on the values of revenue, expenses, assets and liabilities in the balance sheet and disclosure of contingent assets and liabilities as at the balance sheet date. If in the future those estimates and assumptions should differ from the actual circumstances, they shall be modified appropriately in accordance with the changes in the circumstances.

A brief description is given below of those items in the financial statements which more than others require greater discretion on the part of directors in making estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on financial data.

- Investments in subsidiaries: in compliance with the accounting standards applied, investments in subsidiaries are subject to impairment testing to ascertain whether a reduction in value has occurred, which is recognised with a write-down, when indicators exist which predict difficulty in realising the relative recoverable amount. Testing whether the aforementioned indicators exist requires the directors to make subjective assessments based on information available within the Company and on the market and on historical experience. Furthermore, if it is found that potential impairment may have occurred, the Company proceeds to measure it by using the measurement techniques considered most appropriate. Accurate identification of indicators of potential impairment and estimates to calculate it depend on factors which may change over time thereby influencing assessments and estimates made by the directors.
- Goodwill: according to the accounting standards applied by the Company, goodwill is subject to an annual impairment test to ascertain whether a reduction in value has occurred. That test requires the use of discretionary assessments by directors based on the information available within the Company and on the market as well as on past experience. These assessments also depend on factors which may change over time, thereby influencing assessments and estimates made by Management. Furthermore, if it is found that potential impairment may have occurred, the Company proceeds to measure it by using the measurement techniques considered most appropriate.

- Provisions: in some circumstances the decision as to whether or not a present obligation (legal or constructive) exists is not easy to make. Management assesses these circumstances on a case-by-case basis in combination with an estimate of the funds required to meet the obligation. When Management considers that it is only possible that a liability will arise, then the risks are reported in a special section of the report on commitments and risks without any recognition of a provision.
- Deferred tax assets: recognition must be supported by a plan to recover these assets based on hypotheses and assumptions that Management considers reasonable.
- Inventories: stock that may be obsolete or that has a slow turnover is periodically tested for impairment and is written down where the net realisable value is less than the carrying amount. Write-downs are based on assumptions and estimates resulting from experience and historical results.
- Financial instruments: trade receivables are adjusted by the relative allowances for bad debts to take account of their actual recoverable amount. Calculation of the amount of write-downs requires Management to make subjective assessments with account therefore taken of past events, current conditions and forecasts of future economic conditions.

Generally methods for measuring the fair value of financial instruments for accounting or disclosure purposes are summarised below with reference made to the main categories of financial instruments to which they apply:

- derivative instruments: appropriate pricing models are used based on market values for interest rates;
- loans and borrowings and unlisted financial assets: the discounted cash flow method (based on the present value of expected cash flows in consideration of current interest rates and credit ratings) is used for financial assets with maturities of greater than one year for measurement of the fair value on first-time recognition. Subsequent recognition is carried out using the amortised cost method;
- listed financial instruments: the market price as at the reporting date is used.

IFRS 13 requires the fair value of financial instruments to be measured by classifying them on the basis of a hierarchy of levels laid down by the standard itself, which reflects the degree of observability of the market inputs used in the calculation of the fair value. The following levels are identified:

- Level 1: unadjusted quotations recorded on active markets for assets or liabilities subject to measurement;
- Level 2: inputs that are not quoted prices as per level 1, but which are observable on the market, either directly (as in the case of prices) or indirectly (i.e. because they are derived from prices);
- Level 3: inputs that are not based on observable market data.

## Balance Sheet

*Property, plant and equipment* – Property, plant and equipment is recognised at historic cost net of the relative accumulated depreciation and any accumulated impairment. Subsequent costs are only capitalised when it is probable that the future economic rewards will flow to the Company. The costs for ordinary maintenance and repairs are recognised through profit or loss at the time at which they are incurred.

The carrying amount of property, plant and equipment is subject to impairment testing to measure any loss in value when events or situations occur which indicate that the carrying amount of the assets can no longer be recovered (see paragraph on impairment for details).

Depreciation is calculated 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 & machinery 10% - 17.5%
- Other equipment 12% - 40%

The depreciation of an asset begins when it is installed and is ready for use or, in the case of self-constructed assets, when the assets have been completed and are ready for use.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

*Leases* – The Company has applied IFRS 16 using the modified retrospective approach.

*Accounting model for the lessee* - At the start of a contract or when changes are made to a contract that contains a lease component, the Company allocates the consideration for the contract to each lease and non-lease component on the basis of the relative prices. At the date of inception of a lease contract, the Company recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost inclusive of the amount of the initial lease liability, adjusted for payments due for leasing carried out at the date of or before the date of inception, plus the direct costs incurred and an estimate of the costs that the lessee will have to bear for disassembly and removal of the underlying assets and to restore the underlying assets or the site in which it is located, net of lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the date of inception until the end of the lease contract unless the lease transfers ownership of the underlying asset to the Company at the end of the lease contract or, considering the cost of the right-of-use asset, it is expected that the Company will exercise its purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, calculated on the same basis as that used for property, plant equipment. Furthermore, standard practice is followed to reduce the value of the right-of-use asset for impairment and it is adjusted to reflect any changes resulting from subsequent measurements of the lease liability.

The Company measures lease liabilities at the present value of the payments due for the lease not paid at the date of inception, discounted using the interest rate implicit in the lease. If it is not possible to calculate that rate easily, the Company uses the incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as the discount rate.

The Company's incremental borrowing rate is calculated on the basis of interest rates obtained from various external sources of financing, which are then adjusted to reflect the terms and conditions of the lease and the type of asset leased.

Payments due for the lease included in the measurement of the lease liability are comprised of:

- fixed payments (including "in-substance" fixed payments);
- variable lease payments due that depend on an index or a rate, initially measured using an index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees; and
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, the payments due for a lease period where the Company has the option to extend it if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease in advance, unless the Company is reasonably certain that it will not terminate the lease in advance.

Lease liabilities are measured at amortised cost using the effective interest rate criteria and are measured again: if there is a change in the future payments due for the lease resulting from a change in an index or rate; if there is a change in the amount that the Company expects will be due under residual value guarantees; or if the Company changes its assessment of whether or not it will exercise a purchase, extension or termination option; or if there is a change in the "in-substance" fixed payments due.

When a lease liability is remeasured, the lessee makes a corresponding change to the relative right-of-use asset. If the carrying amount of a right-of-use asset is reduced to zero, the lessee recognises that change in net income for the year.

The Company recognises right-of-use assets which do not satisfy the requirement to be defined as investment property within the item “Property, plant and equipment” in the balance sheet and lease liabilities within the item “Loans”.

*Short-term leases and leases of low-value assets* - The Company has decided not to recognise right-of-use assets and lease liabilities relating to low-value assets and short-term leases, including computer equipment. The Company recognises the relative payments due for these leases as an expense on a straight-line basis over the lease term.

*Intangible assets* - An intangible asset is recognised only if it can be identified, if it is probable that it will generate future economic rewards and its cost can be measured reliably. Intangible assets are recognised at purchase cost, net of amortisation calculated on a straight-line basis and on the basis of their estimated useful life which, however, cannot exceed 20 years. Patents, licences and know-how are amortised from the year of the first sale of the relative products. Amortisation of distribution and licence rights is generally calculated over the duration of the contract using the following percentages held to be representative of the estimated useful life of the assets:

- patents and sales authorisations: 5% - 33%.
- distribution licences, trademarks and similar rights: 5% - 25%

*Goodwill* – Goodwill arising from acquisitions and/or mergers is allocated to the individual cash-generating unit to which it belongs. A cash-generating unit to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit 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 shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognise the impairment loss. The main assumptions used to calculate the value in use regard the expected operating cash flows during the period over which the calculation is made, the discount rate and the growth rate of the single cash generating unit considered.

*Impairment* - At each balance sheet date, or more frequently if necessary, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company 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 measuring value in use, the estimated future cash flows are discounted to their present value using a discount rate net of tax that reflects current market assessments of the time value of the money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised as income immediately.

*Investments in subsidiaries* – Investments in subsidiaries, which are those entities over which the Company holds control, are recognised at cost of purchase adjusted for impairment. Positive differences arising at the

time of purchase between the purchase cost and the quota of the equity at present values held in the subsidiary attributable to the Company are therefore included in the carrying amount of the investment.

In compliance with the accounting standards applied, in the presence of specific impairment indicators the value of investments in subsidiaries, measured on the basis of the cost criterion, is subject to impairment testing. More specifically, the value of investments is tested for impairment if the stated value of the investment in the separate financial statements is greater than the carrying amount of the net assets of the investment, with account also taken of the effects of any implicit gains recognised and tested in the consolidated financial statements. For the purposes of impairment testing, the carrying amount of investments is compared with the recoverable amount, defined as the higher of the value in use and the fair value less costs to sell. If the recoverable amount of an investment is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction constitutes impairment and is recognised through profit and loss.

For the purposes of the impairment testing, the fair value is measured on the basis of the market value of the investment, regardless of the percentage of ownership. For investments in unlisted companies, the fair value is measured on the basis of valuation techniques, including the market-multiples approach.

The value in use on the other hand is measured by applying the “discounted cash flow - equity side” criterion, which consists of calculating the present value of future cash flows which it is estimated will be generated by the subsidiary, inclusive of cash flows from operating activities and the consideration resulting from the final sale of the investment, net of the financial position as at the measurement date.

When calculating estimated future cash flows, the Company takes due consideration of risks related to climate change issues, inclusive of the applicable regulations. It assesses whether they could have a significant impact on the estimate of the recoverable amount and where necessary this includes the impacts on cash flow forecasts for the estimate of value in use.

If the necessary conditions for a previous write-down are reversed, the carrying amount of the investment is also reversed with recognition through profit and loss, up to the limits of the original cost.

According to IFRS 2, incentive plans for the employees of subsidiaries constitute an increase in the value of the relative investments. That increase in value consists of the fair value of the options on the grant date and it is recognised as an increase in the investments at constant rates over the period between the grant and the vesting date, with the balancing entry recognised directly in equity.

### *Financial instruments*

#### *Recognition and measurement*

Trade receivables and debt securities in issue are recognised at the time they are originated. All other financial assets and liabilities are recognised initially on the date they are traded and that is when the Company becomes a party to the contract underlying the financial instrument. The following are exceptions to this: trade receivables that do not contain a significant financial component, financial assets and liabilities that are initially recognised at more or less fair value or, if lower, at the present value of the minimum payments due for leases. On initial recognition, trade receivables which do not have a significant financial component are recognised at the transaction price.

#### *Classification and subsequent measurement*

##### *Financial assets*

On initial recognition, a financial asset is classified on the basis of its measurement: amortised cost; fair value recognised through the comprehensive income (FVOCI) – debt security; (FVOCI) – equity; or at fair value recognised through profit or loss (FVTPL).

Financial assets are not reclassified after their initial recognition unless the Company modifies its business model for the management of financial assets. In this case all the financial assets concerned are reclassified on the first day of the financial year after the business model is changed.

A financial asset must be measured at amortised cost if both the following conditions are met and it is not designated as at FVTPL:

- it is held as part of a business model the objective of which is to hold it in order to collect the relative 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 to be repaid.

A financial asset must be measured at FVOCI if both the following conditions are met and it is not designated as at FVTPL:

- it is held as part of a business model the objective of which is achieved both by the collection of the contractual cash flows and by the sale of the 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 to be repaid.

On the initial recognition of a security that is not held for trading, the Company may make an irrevocable choice to recognise subsequent changes in fair value through other comprehensive income. The choice is made for each asset.

All financial assets not classified as recognised at amortised cost or at FVOCI are recognised, as stated previously, at FVTPL. They include all derivatives. On initial recognition, the Company may irrevocably designate a financial asset as measured at fair value through profit or loss if by doing so it eliminates or significantly reduces an accounting mismatch which would otherwise result from the measurement of the financial asset at amortised cost or at FVOCI.

#### *Financial assets: subsequent measurement and profits and losses*

- *Financial assets measured at FVTPL*  
These assets are subsequently measured at fair value. Net profits and losses, inclusive of dividends or interest received, are recognised through profit or loss.
- *Financial assets at amortised cost*  
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, gains and losses on foreign exchange rates and impairment are recognised through profit and loss as are any profits or losses resulting from derecognition.
- *Debt securities measured at FVOCI*  
These assets are subsequently measured at fair value. Interest income measured using the effective interest rate method, gains and losses on foreign exchange rates and impairment are recognised through profit or loss. Other net profits and losses are recognised through comprehensive income. On derecognition accumulated gains or losses recognised through other comprehensive income are reclassified as recognised through profit or loss.
- *Equities measured at FVOCI*  
These assets are subsequently measured at fair value. Dividends are recognised through profit or loss unless they clearly represent a recovery in the value of the investment. Other net profits and losses are recognised through other comprehensive income and are never reclassified as recognised through profit or loss.

#### *Financial liabilities: classification, subsequent measurement and profits and losses*

Financial liabilities are classified as recognised at amortised cost or at FVTPL. A financial liability is classified as recognised at FVTPL when it is held for trading, is a derivative or is designated as such on initial recognition. Financial liabilities recognised at FVTPL are measured at fair value and any changes in their value, inclusive of interest expense, are recognised through profit or loss. Other financial liabilities are subsequently recognised

at amortised cost using the effective interest method. Interest expense and gains and losses on foreign exchange rates are recognised through profit or loss, as are any profits or losses resulting from derecognition.

#### *Derecognition*

##### *Financial assets*

Financial assets are derecognised when the contractual rights to the cash flows from them expire, when the contractual right to receive the cash flows as part of a transaction in which all the risks and rewards of ownership of the financial asset are transferred or when the Company neither transfers nor maintains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

The company is involved in transactions that involve the transfer of assets recognised in its accounts, but retains all or substantially all the risks and rewards arising from the transferred asset. In these cases the assets transferred are not derecognised.

##### *Financial liabilities*

The Company derecognises a financial liability when the obligation specified in the contract is discharged or cancelled or expires. The Company also derecognises a financial liability when there is a change in the terms of the contract and the cash flows of the modified liability are substantially different. In this case a new financial liability is recognised at fair value on the basis of the modified terms of the contract.

The difference between the carrying amount of the financial liability extinguished and the consideration paid (inclusive of assets that do not consist of cash transferred or liabilities taken on) is recognised through profit or loss.

#### *Netting*

Financial assets and liabilities can be netted and the amount resulting from that netting is recognised if, and only if, at the time the Company has the legal right to net the amounts and intends either to settle the balance on a net basis or realise the asset and settle the liability at the same time.

#### *Derivatives and hedges (hedge accounting)*

The Company uses derivatives to hedge its positions that involve foreign exchange and interest-rate risks. Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value and the relative changes are usually recognised through profit or loss.

The Company designates some derivatives as hedging instruments to hedge against changes in cash flows relating to highly probable transactions resulting from fluctuations in foreign exchange and interest rates and some derivatives and non-derivative financial liabilities as instruments to hedge against foreign exchange risk on a net investment in a foreign operation. At the start of the designated hedging relationship the Company documents its risk management objectives, the hedging strategy, the economic relationship, the hedging instrument and whether changes in the cash flows of the item hedged and of the hedging instrument are offset against each other.

#### *Cash flow hedges*

When a derivative is designated as an instrument to hedge against changes in cash flows, the effective portion of the changes in the fair value of the hedging derivative is recognised through other comprehensive income and stated in the cash flow hedge reserve. The effective portion of the changes in fair value of a hedging derivative that is recognised through other comprehensive income is limited to the cumulative change in fair value of the instrument hedged, at present value, since the inception of the hedge. The ineffective portion of changes in the fair value of the derivative is recognised immediately through profit or loss.

When the hedge ceases to meet the qualifying criteria or the hedging instrument is sold, expires or is exercised then hedge accounting is discontinued prospectively. When cash flow hedge accounting ceases, the amount that has accumulated in the cash flow hedge reserve remains in equity until, for a hedge that involves recognition of a non-financial asset or liability, it is included in the cost of the non-financial asset or liability at

the time of initial recognition or, for cash flow hedges, it is recognised through profit or loss in the financial year or in the subsequent financial years in which the expected cash flows hedged have an effect on profit or loss.

If future hedged cash flows are no longer envisaged, the amount must be immediately reclassified from the cash flow hedge reserve and from reserve for hedging costs to profit or loss.

#### *Hedging for net investments*

When a derivative or a non-derivative financial liability is designated as a hedging instrument for a net investment in a foreign operation, for derivatives, the effective portion of the change in the fair value of the derivative or, for a non-derivative instrument, the gains or losses on exchange rates, are recognised through other comprehensive income and are stated in the currency translation reserve in equity. The ineffective portion is recognised immediately through profit or loss. The amount recognised through other comprehensive income is reclassified to profit or loss on the disposal of the following operation.

*Inventories* - Inventories are measured at the lower of cost or market value, where the market value of raw materials and subsidiaries is their replacement cost while that related to finished goods and work-in-process is their net realisable value.

Inventories of raw materials and supplies are measured at their average weighted purchase 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 measured at their average weighted manufacturing cost which includes the cost of raw materials, consumables, direct labour and indirect costs of production, exclusive of general expenses.

Inventories are written down if the net realisable value is lower than cost as described above or in the case of obsolescence resulting from slow moving stocks.

*Cash and cash equivalents* - These consist of cash at banks on sight and readily marketable short-term investments and they are measured at market value.

*Equity* - Equity instruments issued by the Company are recognised at the amount of the proceeds received. All transactions of a capital nature between the Company and parties that exercise their rights and duties in their capacity as shareholders are recognised within that item.

Dividends declared by the Company are recognised as a liability at the time of approval of the resolution to distribute them.

The cost and selling prices of treasury shares are recognised directly in equity and therefore gains and losses on sales are not recognised through profit or loss.

*Provisions for employee benefits* - Employee benefits presented in the balance sheet are the result of valuations carried out as prescribed by IAS 19. The liabilities recognised in the balance sheet for post-employment benefit schemes represent the present value of the defined benefit obligation, as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost. More specifically, the "Projected Unit Credit Method" is used.

All actuarial gains and losses are recognised directly through other comprehensive income and stated in equity. Until 31<sup>st</sup> December 2006 the post-employment benefit provisions of Italian companies were considered defined benefit plans. The regulations governing those indemnities were amended by Law 296 of 27<sup>th</sup> December 2006 (2007 Finance Act) and subsequent amendments made in early 2007. In view of those changes and for companies with at least 50 employees in particular, those indemnities are only to be treated as defined benefit plans for the amounts that matured prior to 1<sup>st</sup> January 2007 (and not yet paid at the balance sheet date), while subsequent to that date they are treated as a defined contribution plan.

*Provisions* - Provisions are recognised when the Company 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.

*Foreign currencies* - Transactions in currencies other than the euro are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in those currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses on exchange rates are recognised through profit or loss for the period. Non-monetary assets and liabilities recorded at the exchange rates ruling on the dates of the transactions are not retranslated on the balance sheet date.

## Income statement

The expenses are stated on an aggregate basis in the income statement “by nature”. The choice of this method of presentation is based on the nature of the Company as both a holding and an operating company. The objective is to both optimise and simplify general accounting practices and all the relative compliance activity required by Italian tax regulations.

*Revenue* - Revenue is measured with account taken of the consideration specified in the contract with the customer. It is recognised when control over the goods or services is transferred and it is stated net of returns, discounts and rebates.

Information on the nature and timing of the satisfaction of performance obligations in contracts with customers and the relative policies for recognition of revenues is given below.

Revenue is mainly comprised of the sales of products and income from license agreements. Sales of products are shown by the net amount of the invoice, less the estimated amounts for discounts and returns, and they are recognised when the control of the goods has been transferred to third parties. This usually occurs when ownership passes to the customer, on shipment or on receipt of the goods, depending on the specific conditions of the sale.

Revenue arising from licensing agreements includes income generated by agreements to collaborate on products for which the Company has granted determined rights under licence but in which it retains a significant economic interests, through, for example, the ordinary sale of finished products. The revenue may take the form of up-front payments, profit-sharing and royalties. When control of the right to use intangible assets is transferred at the beginning of an agreement, the revenue is recognised in one single amount. If the substance of an agreement gives the right of access to intangible assets, the revenues are recognised over time, usually on a straight-line basis for the entire term of the contract. If the Company provides services, such as for example the supply of products, the revenue is recognised for the entire period of the service provision. Revenue linked to the achievement of a sales target by a licensee is recognised in one single amount when the target is reached. Revenue for royalties is recognised in one single amount when the right to receive them vests.

*Research and development expenses* - R&D expenses are charged to the income statement in the year in which they are incurred in accordance with IAS 38, except in cases where they are capitalised in accordance with that same standard. More specifically, IAS 38 requires development costs to be capitalised if the technical and commercial feasibility for the sale of the products subject to development has been determined with a high probability of success and if future economic rewards are probable. Those expenses include amounts due under collaboration agreements with third parties.

*Share based payment transactions* – According to IFRS 2, incentive plans for employees constitute a part of the remuneration of the beneficiaries, the cost of which is given by the fair value of the options on the grant date. It is recognised through profit or loss at constant rates over the period between the grant and the vesting date, with the balancing entry recognised directly in equity.

*Financial income and expense* – These include interest income and expense, foreign exchange gains and losses, both realised and unrealised, and differences arising from the valuation of securities. Interest income and

expense is recognised through profit and loss for the period to which it relates using the effective interest rate method.

*Taxation* - Taxation on income constitutes the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year and tax rates in force at the date of the balance sheet are applied.

Deferred tax is the tax 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 profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be used. Such assets and liabilities are not recognised if the temporary difference arises 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 realised. Deferred tax is recognised directly through profit or loss, except when it relates to items recognised directly in equity, in which case the deferred tax is also recognised in equity.

Deferred tax assets and liabilities are netted when they relate to income taxes levied by the same taxation authority and the Company 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 average weighted number of outstanding shares for the effects of all the potential dilutive ordinary shares.

### 3. NET REVENUE

Net revenue for the year ended 31<sup>st</sup> December 2024 amounted to € 678,931 thousand (€ 554,021 thousand for the year ended 31<sup>st</sup> December 2023) as detailed below:

€ (thousands)	2024	2023	Changes 2024/2023
Net sales	593,095	513,507	79,588
<i>Royalties and up-front payments</i>	5,404	4,899	505
Revenue from services	80,432	35,615	44,817
<b>Total</b>	<b>678,931</b>	<b>554,021</b>	<b>124,910</b>

Net sales revenue was as follows:

€ (thousands)	2024			2023		
	Italy	Abroad	TOTAL	Italy	Abroad	TOTAL
Pharmaceuticals	220,659	313,485	534,144	198,196	260,858	459,054
Pharmaceutical chemicals	1,290	55,678	56,968	2,895	50,411	53,306
Other	1,375	608	1,983	568	579	1,147
<b>Total net sales</b>	<b>223,324</b>	<b>369,771</b>	<b>593,095</b>	<b>201,659</b>	<b>311,848</b>	<b>513,507</b>

Net revenue by geographical area was as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Europe	626,662	509,769	116,893
<i>of which Italy</i>	227,454	205,105	22,349
Australasia	40,272	30,003	10,269
America	11,042	12,380	(1,338)
Africa	955	1,869	(914)
<b>Total</b>	<b>678,931</b>	<b>554,021</b>	<b>124,910</b>

The year-on-year increase in revenue of € 124.9 million was attributable primarily to sales to subsidiaries in Europe relating to corporate products, especially in the urological segment. We underline the positive impact resulting from the distribution agreement signed in July 2023 with GSK to market Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) in 21 countries, which therefore made a full contribution in 2024 unlike that made in 2023.

The positive trend for sales in Italy, which rose year-on-year by € 22.3 million, is mainly attributable to the products forming part of the GSK agreement, as well as to Cardicor®.

The good performance of Proctolyn® among the self-medication products, is mentioned and we report the termination of the marketing rights for sales of Transact® in Italy, which occurred in July.

We also report a year-on-year increase of € 4.4 million for sales of pharmaceutical chemicals (inclusive of the item could "Other"), due mainly to the pricing effect.

Net sales included sales of products to subsidiaries, which amounted to € 337,167 thousand (€ 282,269 thousand in 2023), as detailed below:

€ (thousands)	2024	2023	Changes 2024/2023
Recordati Ireland Ltd.	144,868	141,255	3,613
Innova Pharma S.p.A.	31,690	27,167	4,523
Casen Recordati S.L.	30,416	13,819	16,597
Laboratoires Bouchara Recordati S.a.s.	24,298	20,821	3,477
Recordati Pharma GmbH	20,598	18,304	2,294
Recordati Polska Sp. z o.o.	17,165	10,694	6,471
Herbacos Recordati s.r.o.	13,565	9,882	3,683
Jaba Recordati S.A.	10,619	7,224	3,395
Recordati Romania S.r.l.	9,055	7,703	1,352
Recordati Ilaç Sanayi Ve Ticaret A.Ş.	5,958	4,705	1,253
Recordati Rare Diseases S.à.r.l.	5,580	5,007	573
Recordati AB	5,527	3,200	2,327
Recordati AG	5,378	4,148	1,230
Rusfic LLC	5,179	3,025	2,154
Recordati BV	3,034	1,862	1,172
Recordati Hellas Pharmaceuticals S.A.	1,643	1,473	170
Recordati Austria	1,631	1,733	(102)
Recordati Pharmaceuticals Ltd.	651	221	430
Recordati Ukraine Ltd.	280	-	280
Opalia Recordati S.a.r.l.	34	24	10
Recordati Bulgaria LTD	-	2	(2)
<b>Total</b>	<b>337,167</b>	<b>282,269</b>	<b>54,898</b>

All trade with subsidiaries was conducted under normal market conditions.

Revenues for royalties, services and up-front payments amounting to € 85,836 thousand (€ 40,514 thousand in 2023), are composed as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Casen Recordati S.L.	22,940	4,378	18,562
Herbacos Recordati s.r.o.	1,008	398	611
Innova Pharma S.p.A.	937	1,101	(164)
Italchimici S.p.A.	535	486	49
Jaba Recordati S.A.	2,032	985	1,046
Laboratoires Bouchara Recordati S.a.s.	1,867	914	954
Natural Point S.r.l.	404	463	(59)
Opalia Recordati S.a.r.l.	179	-	179
Recordati AB	1,027	588	439
Recordati AG	4,769	3,302	1,467
Recordati Austria GmbH	248	174	74
Recordati BV	1,154	349	805
Recordati Hellas Pharmaceuticals S.A	2,177	642	1,536
Recordati Ilaç Sanayi Ve Ticaret A.Ş.	1,159	441	718
Recordati Ireland Ltd.	27,955	17,978	9,978
Recordati Pharma GmbH	2,936	1,990	946
Recordati Pharmaceuticals Ltd.	971	313	658
Recordati Polska S.p. z.o.o.	704	346	357
Recordati Rare Diseases Inc.	1,160	419	742
Recordati Rare Diseases S.à.r.l.	684	415	269
Recordati Romania S.r.l.	3,172	4,103	(932)
Recordati UK LTD	7,029	182	6,847
Recordati Ukraine Ltd.	128	30	99
Other	467	326	142
<b>Total services and royalties to subsidiaries</b>	<b>85,645</b>	<b>40,323</b>	<b>45,322</b>
Royalties and up-front payments	191	191	0
<b>Total services and royalties to non-Group entities</b>	<b>191</b>	<b>191</b>	<b>0</b>
<b>Total revenue from services and royalties</b>	<b>85,836</b>	<b>40,514</b>	<b>45,322</b>

Revenues for royalties from and services provided to subsidiaries related mainly to contracts under the "Group Service Agreement" for services provided on behalf of subsidiaries and under the "Supply and Distribution Agreement" for the distribution of GSK products, in relation to the distribution agreement entered into with GSK.

The considerable increase in this item compared with the previous year (€ 45,322 thousand) is mainly due to the marketing of GSK products in 2023 which started to take off in the last quarter.

Revenues from Recordati Ireland Ltd included € 25,436 thousand (€ 16,491 thousand in 2023) for adjustments to intercompany transfer prices made for compliance with the arm's length principle and payments received for activities carried out by the Company for support services in the identification, stipulation and negotiation of in-license contracts with companies outside the Group and proprietary product contracts by granting the use of its know-how to Recordati Ireland Ltd, on the basis of the same criteria defined with the revenue agency for previous years and incorporated in the intragroup contracts signed between Recordati SpA and Recordati Ireland Ltd.

Revenues from Casen Recordati S.L. rose significantly, mainly as a result of chargebacks in relation to the Supply and Distribution Agreement for products regarding the contract entered into with GSK and the adjustment of product transfer prices for compliance with the arm's length principle.

Revenues from Recordati UK LTD relate mainly to the chargeback of costs incurred on behalf of the subsidiary in connection with the Enjaymo project (Engagement Agreement dated 29<sup>th</sup> November 2024).

Revenues from Recordati AG relate in particular to R&D work carried out on behalf of that subsidiary on the products Signifor<sup>®</sup> and Isturisa<sup>®</sup>, to the "Supply and Distribution Agreement" and to the transfer price adjustment for compliance with the arm's length criterion on products regarding the contract entered into with GSK.

The year-on-year increase is due to higher chargebacks on GSK products.

Services and royalties to non-Group entities, which amounted to € 191 thousand, related entirely to the quota for the year of up-front payments resulting from licence and distribution contracts received in prior years.

#### 4. OTHER INCOME

Other income for the year ended 31<sup>st</sup> December 2024 amounted to € 10,661 thousand, an increase of €1,894 thousand on the previous year (€ 8,767 thousand for the year ended 31<sup>st</sup> December 2023). The item mainly includes non-recurring income, prior year income, grants for training courses, insurance refunds, amounts charged back to subsidiaries and to employees for the use of hired cars.

The year-on-year rise was due primarily to the combined effect of the following factors: greater income from chargebacks to subsidiaries and employees amounting to € 4,696 thousand, greater prior year income of € 1,750 thousand, and lower other non-recurring income of € 4,584 thousand, mainly due to lower "4.0, Research and Development and Innovation" tax credits.

No grants for investments recognised in the income statement have been received for the last five years.

## 5. RAW MATERIALS COSTS

Costs for raw materials and goods for the year ended 31<sup>st</sup> December 2024 amounted to €182,689 thousand (€ 156,435 thousand in 2023) and were composed as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Raw materials and goods:	165,633	138,258	27,375
<i>from licensing-in agreements</i>	100,232	79,113	21,119
<i>from others</i>	65,400	59,145	6,255
Packaging materials	10,225	10,641	(416)
Others and consumables	6,831	7,536	(705)
<b>Total</b>	<b>182,689</b>	<b>156,435</b>	<b>26,254</b>

The change in purchases of raw materials, goods and other materials is due to changes in the mix of sales by product and increases in inflation occurring on purchasing markets.

Costs from others included purchases from Recordati Ireland Ltd amounting to € 9,667 thousand, from Italcimici S.p.A. amounting to € 4,874 thousand, from Natural Point S.r.l. amounting to € 9,247 thousand, from Casen Recordati S.L. amounting to € 2,557 thousand, from Innova Pharma S.p.A. amounting to € 410 thousand, from Laboratoires Bouchara Recordati S.a.s. amounting to € 305 thousand and from Recordati AG amounting to € 27,060 thousand.

## 6. PERSONNEL COSTS

Personnel costs, which amounted to € 111,046 thousand in 2024 (€100,946 thousand in 2023) were composed as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Wages and salaries	75,765	68,436	7,329
Social security payments	21,848	21,582	266
Salary resulting from stock option plans	2,083	3,154	(1,071)
Salary resulting from performance share plans	4,557	1,150	3,407
Other costs	6,794	6,624	170
<b>Total</b>	<b>111,046</b>	<b>100,946</b>	<b>10,100</b>

The expense for incentive plans (stock options and performance shares) results from the application of IFRS 2, which requires the measurement of those instruments in the plans as a component of the wages of the beneficiaries and recognition of the cost calculated in that way through profit and loss. Stock option plans resulted in a cost of € 2,083 thousand in 2024, while costs relating to the long-term incentive plan named the "2023-2025 Performance Shares Plan" amounted to €4,557 thousand.

The increase in the item wages and salaries compared with the previous year was attributable to both an increase in the variable component of remuneration for management and to an increase in the average number of employees in the Company.

Starting in 2019, certain Group employees have been designated as beneficiaries of an incentive scheme, with a vesting period of five years, granted and fully financed by Rossini Luxembourg S.à r.l., an indirect shareholder of Recordati S.p.A.. They will benefit from a return at the end of the scheme and if the performance goals are met. In accordance with IFRS 2, this resulted in the recognition of a charge in the income statement in 2024 of € 934 thousand, which also includes the incentive plan granted by Rossini Luxembourg S.à r.l. to the CEO of the Recordati group.

Other costs included the quotas for the year of the leaving indemnity charges destined to pension funds in accordance with the legislation introduced by Law 296 of 27<sup>th</sup> December 2006.

Average workforce figures for the Company are shown in the table below:

	2024	2023	Changes 2024/2023
Executives	100	93	7
Office workers	626	587	39
Manual workers	352	366	(14)
<b>Total</b>	<b>1,078</b>	<b>1,046</b>	<b>32</b>

Details of numbers of personnel employed by the Company at the end of the year are also reported:

	2024	2023	Changes 2024/2023
Executives	101	96	5
Office workers	645	605	40
Manual workers	349	355	(6)
<b>Total</b>	<b>1,095</b>	<b>1,056</b>	<b>39</b>

## 7. DEPRECIATION AND AMORTISATION

The item “Depreciation, Amortisation and Write-downs” amounted to € 53,705 thousand in 2024 (€ 35,293 in 2023 and was composed of € 12,875 thousand for the depreciation of tangible assets and € 40,830 thousand for the amortisation of intangible assets, as reported below:

€ (thousands)	2024	2023	Changes 2024/2023
Patent rights and marketing authorisations	9,379	9,379	-
Distribution, licenses, trademarks and similar rights	31,451	15,607	15,844
<b>Total intangible amortisation</b>	<b>40,830</b>	<b>24,986</b>	<b>15,844</b>

€ (thousands)	2024	2023	Changes 2024/2023
Distribution, licenses, trademarks and similar rights	-	84	(84)
<b>Total intangible write-downs</b>	<b>-</b>	<b>84</b>	<b>(84)</b>

€ (thousands)	2024	2023	Changes 2024/2023
Industrial buildings	1,572	1,382	190
General plant	650	593	57
Accelerated depreciation machinery	4,777	3,675	1,102
Normal depreciation machinery	1,987	1,420	567
Miscellaneous laboratory equipment	1,443	1,210	233
Office furnishings and machines	88	86	2
Electronic equipment	549	503	46
Vehicles for internal transport	7	-	7
Improvements to leased assets	113	9	104
Rights of use (IFRS 16)	1,689	1,345	344
<b>Total depreciation of property, plant equipment</b>	<b>12,875</b>	<b>10,223</b>	<b>2,652</b>
<b>Total depreciation, amortization and write-downs</b>	<b>53,705</b>	<b>35,293</b>	<b>18,412</b>

The substantial increase in the amortisation of intangible assets relates mainly to the distribution rights for Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) acquired in the second half of 2023 from GSK, the amortisation process for which began in September 2023, and for which amortisation in 2024 came to € 16,279 thousand.

We also report higher amortisation for Eligard, up € 2,344 thousand, as a result of a milestone payment of € 70.0 million in the second half of 2023 following the positive conclusion of the regulatory approval of the new device, which proved to be an important factor for successful sales of the product itself.

## 8. OTHER OPERATING EXPENSES

Other operating expenses in 2024 came to € 183,697 thousand (€ 160,755 thousand in 2023). They were composed as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Royalties payable to non-Group licensors	32,375	28,127	4,248
Consultancy, services from non-Group entities and other expenses	29,206	19,996	9,210
External processing	15,281	18,914	(3,633)
Utilities and similar (motor fuel, gas, water, etc.)	10,702	13,576	(2,874)
Meetings and scientific publications, market surveys and expenses for medical and scientific communications and advertising	12,849	12,274	575
Commissions on sales to agents and logistics commissions	8,084	7,143	941
Sundry personnel costs	6,945	6,244	701
Transport and storage	6,085	5,878	207
Maintenance	4,543	4,704	(161)
IT system services and IT connections	5,267	4,200	1,067
Company reorganisation costs	2,008	2,758	(750)
Directors' fees	3,005	2,740	265
Destruction of industrial waste, cleaning and sanitisation	2,307	2,717	(410)
Sundry taxation and product registration taxes	2,367	2,219	148
Other costs	12,379	11,879	500
<b>Total from non-Group entities</b>	<b>153,403</b>	<b>143,369</b>	<b>10,034</b>
Transfer price margin charges from subsidiaries	17,843	11,483	6,360
Operating expenses and intercompany royalties	12,451	5,903	6,548
<b>Total from intercompany expenses</b>	<b>30,294</b>	<b>17,386</b>	<b>12,908</b>
<b>Total other operating expenses</b>	<b>183,697</b>	<b>160,755</b>	<b>22,942</b>

Compared to the previous year, costs payable to non-Group entities showed an overall increase of € 10,033 thousand, mainly due to the following:

- an increase in royalties payable of € 4,248 thousand, due mainly to an increase in market sales of Eligard® (€ 3,288 thousand), Reagila® (€ 524 thousand) and Metropolol® (€ 436 thousand);
- greater costs payable for consultancy and services from non-Group entities and other expenses of € 9,210 thousand, due to higher expenses charged on to subsidiaries and other consultancy and services from non-Group entities. These costs include the fees paid to the independent auditors, for which details are provided in Attachment 7 in compliance with Art. 149-*duodecies* of the Consob Issuers' Regulations.
- lower costs for external processing amounting to € 3,633 thousand mainly due to the decrease in the purchase price of production materials;
- utility costs down by € 2,874 thousand due to a fall in energy prices.

Details are given in the relative parts of the Remuneration Report (published in accordance with Art. 123-*ter* of the Consolidated Finance Law) of the following: the remuneration of directors, statutory auditors, general managers and other key management personnel and also shares held in the Company by, and incentive plans for, those same persons.

The item “sundry taxation” amounting to € 2,367 thousand (€ 2,219 thousand in 2023) is composed as follows:

€ (thousands)	2024	2023
Contribution under Decree Law No. 269/2003	216	152
Government licence tax	451	536
Municipal property and service taxes	389	442
Stamp duties and similar	15	9
Sundry taxes	1,296	1,080
<b>Total</b>	<b>2,367</b>	<b>2,219</b>

In compliance with Decree Law 269 of 30<sup>th</sup> September 2003 converted into Law 326 of 24<sup>th</sup> November 2003, a contribution was paid in April and May amounting to 7% of the expenses incurred in the previous year for advertising activities, self-certified by the Company within the legal time limits. Taxes for government licences were attributable to the maintenance of and changes to registrations for ethical and self-medication products and to the registrations of new products. Sundry taxes include Tari (refuse tax), convention and congress registration taxes and Campoverde duties.

Total Group costs payable, which came to € 30,294 thousand, were up substantially (€ 12,908 thousand) year-on-year, the result of € 6,360 thousand for greater product transfer price adjustments to comply with the arm's length criterion (totalling € 17,843 thousand in 2024) and of € 6,548 thousand for greater "Operating expenses and intercompany royalties" which totalled € 12,451 thousand in 2024). The latter were composed as follows at the end of the year:

- royalties payable of € 607 thousand, of which € 466 thousand to Innova Pharma S.p.A., € 72 thousand to Recordati Ireland Ltd and € 69 thousand to Recordati Rare Diseases Inc;
- costs for processing services of € 8,969 thousand, of which € 3,515 thousand payable to Recordati AG, € 2,044 thousand payable to Recordati UK LTD, € 1,737 thousand to Laboratoires Bouchara Recordati S.a.s., € 787 thousand to Casen Recordati S.L., € 377 Thousand to Recordati Ireland Ltd, € 293 thousand to Recordati BV, € 128 thousand to Recordati Bulgaria Ltd and € 88 thousand to Recordati Rare Diseases Germany GmbH;
- co-promotion costs of € 448 thousand, payable to Innova Pharma S.p.A only;
- costs for commercial services of € 2,427 thousand, of which € 1,236 thousand payable to Recordati BV, € 583 thousand payable to Recordati Pharmaceuticals Ltd, € 397 thousand to Recordati AG, € 130 thousand to Recordati Polska and € 81 thousand to Herbacos Recordati s.r.o.

## 9. CHANGES IN INVENTORIES

In 2024 for the item change in inventories in 2024 recorded a net decrease of € 2,190 thousand (a positive balance of € 9,506 thousand in 2023). The item was composed as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Raw materials, ancillary materials, consumables and stocks	(1,359)	(1,891)	532
Intermediates and work-in-process	4,006	(2,391)	6,397
Finished products	(4,837)	13,788	(18,625)
<b>Total</b>	<b>(2,190)</b>	<b>9,506</b>	<b>(11,696)</b>

## 10. INCOME FROM INVESTMENTS

In 2024 income from investments amounted to € 283,209 thousand (€ 198,245 thousand in 2023) and consisted entirely of dividends declared and distributed by subsidiaries. In detail dividends were distributed by Recordati Rare Diseases S.a.r.l. for € 90,913 thousand, by Italcimici S.p.A. for € 40,524 thousand, by Recordati UK LTD for € 40,000 thousand, by Casen Recordati S.L. for € 38,712 thousand, by Recordati Ireland Limited for € 25,000 thousand, by Bouchara Recordati for € 20,000 thousand, by Natural Point S.r.l. for € 20,000 thousand, by Recordati Romania Srl for € 6,029 thousand and by Herbacos Recordati S.r.o. for € 2,031 thousand.

## 11. FINANCIAL INCOME (EXPENSE), NET

Financial income (expense) showed net expense of € 109,058 thousand in 2024 (net expense of € 94,812 thousand in 2023). The item was composed as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Foreign exchange gains (losses)	1,067	3,893	(2,826)
Interest income from subsidiaries	5,447	3,370	2,077
Interest expense payable to subsidiaries	(39,449)	(29,473)	(9,976)
Interest expense on long-term loans	(75,768)	(68,659)	(7,109)
Interest expense on bond debt	(7,137)	(7,734)	597
Net interest on short-term financial positions	10,286	6,685	3,601
Bank charges	(2,937)	(2,450)	(487)
Costs for adjustment of employee benefit provisions (IAS 19)	(116)	(156)	40
Interest expense on lease liabilities (IFRS16)	(452)	(288)	(164)
<b>Total</b>	<b>(109,058)</b>	<b>(94,812)</b>	<b>(14,246)</b>

This item recorded a net negative increase of €14.246 thousand, mainly due to the following combined factors:

- an increase of € 9,976 thousand in interest payable to subsidiaries in relation to interest on loans and cash pooling;
- an increase in interest expense on loans and bond debt of € 6,512 thousand, due mainly to new loans taken out during the year, details of which are given in note 27;
- a fall in net foreign exchange gains (losses) of € 2,826 thousand, caused mainly by the depreciation of the Russian rouble;
- an increase in net interest income on short-term positions amounting to € 3,601 thousand, due mainly to greater net income on derivatives and greater interest on short-term deposits;
- an increase of € 2,077 thousand in net interest income from subsidiaries, due to greater interest income on loans receivable, as a result of a new loan of € 761.7 million granted to Recordati UK LTD as part of the Enjymo® operation already reported.

In 2024 the item “Foreign exchange rate gains (losses)” recorded net gains of € 1,067 thousand (net losses of € 3,893 thousand in 2023) of which € 4,858 thousand related to net gains realised during the year and € 3,791, thousand to net unrealised losses resulting from the valuation as at 31<sup>st</sup> December 2024 of receivables and payables in foreign currency.

Details of “Interest income from subsidiaries” amounting to € 5,447 thousand (€ 3,370 thousand in 2023) are as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Recordati UK Ltd	3,341	20	3,321
Recordati AG	1,355	2,651	(1,296)
Recordati Ireland Ltd.	105	442	(337)
Recordati Rare Diseases Japan K.K.	97	145	(48)
Recordati Netherlands B.V.	340	0	340
Other	209	112	97
<b>Total</b>	<b>5,447</b>	<b>3,370</b>	<b>2,078</b>

This interest income is composed of interest of € 4,965 thousand on loans and € 482 thousand from the centralised cash pooling treasury system in operation at the Company since 2007 on the basis of which monthly interest receivable and payable calculated on the net daily balance is recognised at market rates. As at 31<sup>st</sup> December 2024 both long-term loans, with Recordati UK LTD (€ 708,174), Recordati Rare Diseases Comercio De Medicamentos LTDA (€ 1,000 thousand) and Recordati Rare Diseases Japan K.K. (JPY €1,500,000 thousand), and short-term loans with Recordati Rare Diseases Australia Pty Ltd (AUD €3.700 thousand) and Recordati UK LTD (€ 53.303 thousand) were outstanding.

Details of “Interest expense payable to subsidiaries” amounting to € 39,449 thousand (€ 29,473 thousand in 2023) are as follows:

€ (thousands)	2024	2023	Changes 2024/2023
Casen Recordati S.L.	6,330	5,534	796
Recordati Netherlands B.V.	165	690	(525)
Recordati UK LTD	3,362	1,706	1,656
Italchimici S.p.A.	1,187	1,215	(28)
Natural Point S.r.l.	1,204	785	419
Recordati Pharma GmbH	2,525	892	1,633
Recordati Rare Diseases Inc.	8,952	1,968	6,984
Recordati Rare Diseases Italy S.r.l.	694	1,089	(395)
Recordati Rare Diseases Middle East FZ LLC	1,096	899	197
Recordati Rare Diseases S.a.r.l.	7,220	10,087	(2,867)
Rusfic LLC	2,063	1,560	503
Other intercompany companies	4,651	3,048	1,603
<b>Total</b>	<b>39,449</b>	<b>29,473</b>	<b>9,976</b>

This interest expense consists of € 10,778 thousand on loans granted by subsidiaries and € 28,671 thousand relating to the centralised cash pooling system.

As at 31<sup>st</sup> December 2024 both long-term loans payable were outstanding from Recordati Rare Diseases Inc (USD €75,000 thousand), from Herbacos Recordati s.r.o. (€ 2,500 thousand) and from Recordati Pharmaceuticals Ltd. (GBP €7,500 thousand) and short-term loans from Recordati Rare Diseases Middle East FZ LLC (€ 16,400 thousand) and from Recordati Rare Diseases Inc. (USD €75,000 thousand).

Interest expense in respect of personnel leaving indemnities (Italian *trattamento fine rapporto* scheme) relates to the interest cost component of the adjustment to the relative provision in compliance with IAS 19.

## 12. INCOME TAXES

In 2024 income taxes recognised in the income statement amounted to a net expense of € 9,585 thousand (net income of € 1,719 thousand in 2023). The item was composed as follows:

€ (thousands)	2024	2023	Changes 2024/2023
<u>Current taxation:</u>			
IRES (corporate income tax)	11,548	(987)	12,535
IRAP (regional tax on production)	2,237	-	2,237
“Patent Box” tax relief	(3,006)	(2,494)	(511)
Prior year taxation	141	44	96
<b>Total current taxation</b>	<b>10,920</b>	<b>(3,437)</b>	<b>14,357</b>
<u>Deferred taxation:</u>			
Provision for deferred tax assets/liabilities, net	(1,815)	(1,317)	(498)
Use of prior year deferred tax assets/liabilities	6,492	9,181	(2,689)
“Patent Box” tax relief	(6,012)	(6,146)	134
<b>Total deferred tax liabilities</b>	<b>(1,335)</b>	<b>1,718</b>	<b>(3,053)</b>
<b>Total</b>	<b>9,585</b>	<b>(1,719)</b>	<b>11,304</b>

The change in taxes of €11,304 thousand is attributable to the increase in taxable income.

In 2019 the Company concluded a preliminary agreement with the tax authorities to establish the methods and criteria for the calculation of the economic contribution in the event of the direct use of intangible assets subject to tax relief (known as “Patent Box” tax relief) with effect for the tax years 2015 to 2019. On the other hand, for the tax year 2020 the Company opted for the “self-assessment” regime for the same assets as those in the previous five-year period (except for expired patents and brands which in the meantime had been excluded from the objective scope of the tax relief). It applied for the option in its tax return for the year until the expiry of the five-year period of validity of the option (2020-2024). Subsequently, on 21<sup>st</sup> October 2021 the Company filed an application to use the preliminary agreement procedure for the use of intangible assets for the remaining period 2021-2024, indicating the same methods and criteria for calculating the economic contribution used in previous periods. Operating therefore on the same basis as in previous years, the Company calculated the tax benefit for the year 2024, recognised as a reduction in current and deferred taxes for a total amount of € 9,018 thousand (€ 8,640 thousand in 2023).

The item includes a provision of € 175 thousand for the impacts of the application of the Pillar Two regulations, which came into force for the financial year beginning 1<sup>st</sup> January 2024 and which has been adopted in certain jurisdictions in which the Group operates, including Italy. It is underlined that the amount set aside relates to the United Arab Emirates jurisdiction.

The provision for deferred tax (assets)/liabilities of € 1,815 thousand is composed as follows:

	2024		2023	
	Temporary differences	Tax impact	Temporary differences	Tax impact
<b>DEFERRED TAX ASSETS</b>				
Provisions (inclusive of agent customer indemnities)	(5,906)	(1,417)	(1,729)	(415)
Costs relating to future years	(1,386)	(333)	(1,308)	(314)
Write-down of inventories	(269)	(65)	(2,451)	(588)
<b>TOTAL</b>	<b>(7,561)</b>	<b>(1,815)</b>	<b>(5,488)</b>	<b>(1,317)</b>
<b>DEFERRED TAX ASSETS/LIABILITIES, NET</b>		<b>(1,815)</b>	<b>(1,317)</b>	

Uses of deferred tax assets and deferred tax liabilities from previous years, amounting to € 6,492 thousand, is reported below:

	2024		2023	
	Temporary differences	Tax impact	Temporary differences	Tax impact
<b>USE (ADVANCE) AND DEFERRED</b>				
Relief on goodwill	-	-	15,799	4,440
“Patent Box” tax relief	17,882	5,288	13,949	4,125
Provisions (inclusive of agent customer indemnities)	1,243	298	1,338	321
Write-down of inventories	2,216	532	-	-
Other	1,524	374	1,262	295
<b>TOTAL</b>	<b>22,865</b>	<b>6,492</b>	<b>32,348</b>	<b>9,181</b>
<b>USE (ADVANCE) AND DEFERRED</b>		<b>6,492</b>	<b>9,181</b>	

The reconciliation between the current tax rate for income tax levied on the Company and the actual tax rate incurred is as follows:

	2024	2023
Tax rate applicable for IRES (corporate income tax)	24.0	24.0
Dividends from subsidiaries	(19.6)	(20.3)
Economic Growth legislation (ACE – allowance for corporate equity)	0.0	(0.5)
Sundry items	0.1	(0.7)
Pillar Two	0.1	0.0
<b>Effective tax rate for IRES</b>	<b>4.6</b>	<b>2.5</b>
IRAP (regional tax on production)	1.0	0.6
“Patent box” tax relief	(2.8)	(3.9)
Prior year taxes	0.0	0.0
<b>Tax rate on pretax net income</b>	<b>2.9</b>	<b>(0.8)</b>

IRAP (regional tax on production) as a percentage of pre-tax profit was 1.0% because the tax is calculated on a different tax basis.

### 13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net of accumulated depreciation, amounted to € 105,655 thousand as at 31<sup>st</sup> December 2024 (€ 99,202 thousand as at 31<sup>st</sup> December 2023).

The table below, which also includes the value of right-of-use lease assets in application of IFRS 16, shows the items of which the overall balance is composed and the changes that occurred in the reporting period.

€ (thousands)	Land and build-ings	Plant and machin-ery	Other equipment	Improvements to leased assets	Construction in progress	Total
<b>Cost of acquisition</b>						
<b>Balance as at 31.12.23</b>	<b>52,865</b>	<b>190,454</b>	<b>48,555</b>	<b>1,471</b>	<b>46,649</b>	<b>339,995</b>
Additions	424	1,778	3,433	-	13,697	19,331
Disposals	-	(109)	(901)	-	-	(1,010)
Reclassifications	6,346	25,816	3,537	-	(35,699)	-
<b>Balance as at 31.12.24</b>	<b>59,635</b>	<b>217,939</b>	<b>54,624</b>	<b>1,471</b>	<b>24,647</b>	<b>358,316</b>
<b>Accumulated depreciation</b>						
<b>Balance as at 31.12.23</b>	<b>38,005</b>	<b>162,439</b>	<b>40,340</b>	<b>9</b>	<b>-</b>	<b>240,793</b>
Depreciation for the period	1,991	7,663	3,108	113	-	12,875
Disposals	-	(109)	(898)	-	-	(1,007)
Reclassifications	-	-	-	-	-	-
<b>Balance as at 31.12.24</b>	<b>39,996</b>	<b>169,993</b>	<b>42,550</b>	<b>122</b>	<b>-</b>	<b>252,661</b>
<b>Carrying amount</b>						
<b>31<sup>st</sup> December 2024</b>	<b>19,639</b>	<b>47,946</b>	<b>12,074</b>	<b>1,349</b>	<b>24,647</b>	<b>105,655</b>
31 <sup>st</sup> December 2023	14,860	28,015	8,216	1,462	46,649	99,202

In 2024 total additions of € 19,331 thousand and gross disposals of € 1,010 thousand were recorded as follows:

- the additions consisted of € 8,971 thousand for investments in the Milan headquarters and in the Milan plant, € 8,248 thousand for investments in the Campoverde plant and € 2,112 thousand for new motor vehicle finance lease contracts signed during the year;
- disposals, gross of provisions for depreciation released, amounted to € 129 thousand for the disposal of plant, machinery, sundry equipment and other assets and to € 881 thousand for motor vehicle finance leases terminated during the year.

Depreciation for the year, amounting to € 12,875 thousand, was calculated on all depreciable assets using rates which are held to be representative of the estimated useful life of the assets.

The table below shows the amounts for right-of-use lease assets in accordance with accounting standard IFRS 16. These rights relate mainly to motor vehicles used by pharmaceutical sales representatives who work in local areas. We report that no restrictions exist on title and property, plant and equipment pledged as security for liabilities.

€ (thousands)	Land and buildings	Plant and machinery	Other equipment	Total
<b>Cost of acquisition</b>				
<b>Balance as at 31.12.23</b>	<b>5,457</b>	<b>1,211</b>	<b>3,399</b>	<b>10,067</b>
Additions	-	-	2,112	2,112
Disposals	-	-	(881)	(881)
Reclassifications	-	-	-	-
<b>Balance as at 31.12.24</b>	<b>5,457</b>	<b>1,211</b>	<b>4,631</b>	<b>11,299</b>
<b>Accumulated depreciation</b>				
<b>Balance as at 31.12.23</b>	<b>281</b>	<b>809</b>	<b>1,716</b>	<b>2,806</b>
Depreciation for the period	420	249	1,021	1,690
Disposals	-	-	(881)	(881)
Reclassifications	-	-	-	-
<b>Balance as at 31.12.24</b>	<b>701</b>	<b>1,058</b>	<b>1,856</b>	<b>3,615</b>
<b>Carrying amount</b>				
<b>31<sup>st</sup> December 2024</b>	<b>4,756</b>	<b>153</b>	<b>2,775</b>	<b>7,684</b>
31 <sup>st</sup> December 2023	5,176	402	1,683	7,261

#### 14. GOODWILL

The item goodwill, amounting to € 16.944 thousand, was unchanged compared with 31<sup>st</sup> December 2023.

As already reported, goodwill arose from the allocation of the purchase price paid as part of the acquisition on 21<sup>st</sup> December 2022 from V.I.M. G. Ottaviani S.p.A. of a business unit related to the pharmaceutical speciality Telefil®, indicated for the treatment of erectile dysfunction and benign prostatic hyperplasia.

As reported in the preceding note 2, "Summary of significant accounting policies", goodwill is not amortised systematically but is tested for impairment at least once per year to determine its recoverable amount.

Goodwill has been allocated to the cash-generating unit ("CGU") to which it belongs. A cash-generating unit to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the 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 shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognise the impairment loss.

The recoverable amount was determined by calculating the value in use of the cash-generating unit on the basis of the discounted cash flows ("DCF Analysis") derived from the expected operating cash flows during the period over which the calculation is made (2025-2029) and the cash flows beyond this period, according to the expected net operating income model in perpetuity.

The main assumptions used to calculate the value in use regard the expected operating cash flows

during the period over which the calculation is made, the discount rate and the growth rate.

Forecasts of operational cash flows for the specific period used for the calculation (2025-2029) were taken from the 2025 budget approved by the Board of Directors of the Company on 13<sup>th</sup> February 2025 and, for the years 2026 to 2029, from specific forecasts for the cash generating unit subject to impairment testing, approved by the Board of Directors on 18<sup>th</sup> March 2025.

Adequate consideration has been given in the forecast of cash flows to the effects of the Russia-Ukraine conflict and, in light of the analysis performed and on the basis of the results forecast and the resilience of the pharmaceutical industry, no significant impacts been identified, in the current situation, on our assessment of the Specialty and Primary Care CGU. However, given the complexity of the situation and the uncertainty surrounding the development of the crisis and its possible repercussions, the Company monitors developments constantly.

As reported in the consolidated management report regarding potential risk relating to climate change, in view of the sector in which the Company operates, Recordati has concluded that the risk has no concrete or substantial impacts on the operations of the Company and that therefore it has no significant impact on the recoverable amount of the asset. It was therefore not considered necessary to carry out any sensitivity analysis on the potential impacts resulting from that risk. The company will continue to monitor this potential risk over the years.

The discount rate used for estimation purposes was the weighted average cost of capital, net of tax, which reflects current market assessments of the cost of money and the specific risk associated with the Specialty and Primary Care cash-generating unit. That rate was 9.36%.

The growth rate adopted for the period following the explicit forecast period was estimated on a prudent basis.

The impairment test carried out following the procedures described for the cash generating unit, was examined and approved by the Board Directors on 18<sup>th</sup> March 2025.

The value in use of the CGU was in fact substantially greater than the carrying amount recognised in the 2024 financial statements and therefore no impairment of goodwill was recognised.

Furthermore, as required by the impairment methodology approved by a Board of Directors meeting held on 13<sup>th</sup> February in 2025, a sensitivity analysis was conducted to show the possible impact on the value of the headroom available when the following parameters change: long-term growth rate (+/- 0.5%), growth in operating income (+/- 10%) and the discount rate (+/- 0.5%). The result of the analysis confirmed the absence of impairment losses.

## 15. INTANGIBLE ASSETS

Intangible assets, net of accumulated amortisation, amounted to € 547,310 thousand as at 31<sup>st</sup> December 2024 (€ 579,532 thousand as at 31<sup>st</sup> December 2023).

The table below shows the items of which the overall balance is composed and the changes that occurred during the reporting period.

€ (thousands)	Patent rights and marketing authorisations	Distribution, licences, trademarks and similar rights	Other	Assets under construction and advances	Total
<b>Cost of acquisition</b>					
<b>Balance as at 31.12.23</b>	<b>212,204</b>	<b>514,993</b>	<b>13,231</b>	<b>14,816</b>	<b>755,244</b>
Additions	-	3,007	-	7,902	10,909
Disposals	-	(2,445)	-	-	(2,445)
Reclassifications	-	12,321	-	(12,321)	-
<b>Balance as at 31.12.24</b>	<b>212,204</b>	<b>527,876</b>	<b>13,231</b>	<b>10,397</b>	<b>763,708</b>
<b>Accumulated amortisation/write-downs</b>					
<b>Balance as at 31.12.23</b>	<b>90,116</b>	<b>72,365</b>	<b>13,231</b>	-	<b>175,712</b>
Amortisation and write-downs	9,379	31,451	-	-	40,830
Disposals	-	(144)	-	-	(144)
Reclassifications	-	-	-	-	-
<b>Balance as at 31.12.24</b>	<b>99,495</b>	<b>103,672</b>	<b>13,231</b>	-	<b>216,398</b>
<b>Carrying amount</b>					
<b>31<sup>st</sup> December 2024</b>	<b>112,709</b>	<b>424,204</b>	<b>-</b>	<b>10,397</b>	<b>547,310</b>
<b>31<sup>st</sup> December 2023</b>	<b>122,088</b>	<b>442,628</b>	<b>-</b>	<b>14,816</b>	<b>579,532</b>

In 2024 total additions of € 10,909 thousand were recognised relating to the following investments:

- € 7,126 thousand related to the implementation of the S/4 Hana management software;
- € 3,783 thousand related to the development and improvement of computer apps used by various company departments.

We report various disposals amounting to € 2,445 thousand related to impairment in the value of licences related to the GSK agreement which failed to launch in Israeli-Palestinian conflict zones.

Amortisation, which totalled € 40,830 thousand, was calculated on all amortisable assets on the basis of their finite useful life and for a period not exceeding 20 years.

## 16. INVESTMENTS

Investments as at 31<sup>st</sup> December 2024 amounted to € 1,851,189 thousand (€ 1,845,346 thousand as at 31<sup>st</sup> December 2023), of which € 1,833,876 thousand related to investments in subsidiaries and € 17,313 thousand to other investments held by the Company.

Please refer:

- to Attachment 1 for details of changes occurring during the reporting period;
- to Attachment 2 for the percentage interests and the number of shares or quotas held;
- to Attachment 3 for a comparison between the carrying amount of the investments and the corresponding pro-rata equity.
- to Attachment 4 for a detailed summary of both directly and indirectly controlled subsidiaries with the sales revenue and net income for each company. All the investments reported regard share capital with voting rights.

The increase in the item compared with 31<sup>st</sup> December 2023 is mainly due to the following changes:

- an increase of € 9,880 thousand due to adjustments to the carrying amount of investments by an amount corresponding to the cost of the instruments granted to the employees of subsidiaries, in accordance with IFRS 2, as part of the incentive plans, of which € 3,102 thousand in relation to the cost of stock options and € 6,778 thousand in relation to the cost of performance shares. According to IFRS 2, incentive plans for the employees of subsidiaries constitute an increase in the value of the relative investments. That increase in value consists of the fair value of the options on the grant date and it is recognised as an increase in the investments at constant rates over the period between the grant and the vesting period, with the balancing entry recognised directly in equity;
- an increase of € 5 thousand due to the formation of the company Recordati Argentina S.r.l.;
- a decrease of € 4,043 thousand due to the fair value adjustment as at 31<sup>st</sup> December 2024 of the investment in the British company PureTech Health p.l.c., specialised in investments in start-up companies dedicated to innovative therapies, medical devices and new research technologies. The shares of this company have been admitted for listing on the London stock exchange since 19<sup>th</sup> June 2015 and the total fair value as at 31<sup>st</sup> December 2024 of the 9,554,140 shares held was € 17,308 thousand. The value of the investment was consequently decreased, compared with that recognised as at 31<sup>st</sup> December 2023 (€ 21,351 thousand) with the balancing entry, net of tax, recognised in other comprehensive income (in equity) in line with the accounting treatment in previous years.

In compliance with the accounting standards applied, in the presence of specific impairment indicators the value of investments in subsidiaries, measured on the basis of the cost criterion, is subject to impairment testing.

More specifically, the value of investments is tested for impairment if the stated value of the investment in the separate financial statements is greater than the carrying amount of the net assets of the investment, with account also taken of the effects of any implicit gains recognised and tested in the consolidated financial statements. For the purposes of impairment testing, the carrying amount of investments is compared with the recoverable amount, defined as the higher of the value in use and the fair value less costs to sell.

We report the discount rates used for carrying out impairment tests for each of the investments subject to testing as follows:

Investment	Discount rate
Accent LLC	14.32 %

Forecasts of operational cash flows for the specific period used for the calculation (2025-2029) were taken from the 2025 budget approved by the Board of Directors of the Company on 13<sup>th</sup> February 2025 and, for the years 2025 to 2029, from specific forecasts approved by the Board of Directors on 18<sup>th</sup> March 2025. Adequate consideration has been given in the forecast of cash flows to the effects of the Russia-Ukraine conflict. The impairment test found no need to write down the book value of the investment.

## 17. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets as at 31<sup>st</sup> December 2024 amounted to € 718,458 thousand (€ 83 thousand as at 31<sup>st</sup> December 2023) and mainly included the long-term portions of loans receivable from the subsidiaries Recordati UK LTD (€ 708,174 thousand), RRD Comercio De Medicamentos (€ 1,000 thousand) and RRD Japan (€ 9,198 thousand).

The substantial increase in the item relates to the long-term portion of the loan agreement entered into with Recordati UK LTD for a total of € 761.7 million, following the successful conclusion of an agreement with Sanofi by the subsidiary for the acquisition of the global rights to Enjaymo<sup>®</sup> (see the comment on the net financial position on page 5 for further details).

Long-term security deposits amounting to € 86 thousand were also recognised.

## 18. DEFERRED TAX ASSETS

Deferred tax assets as at 31<sup>st</sup> December 2024 amounted to € 11,845 thousand (€ 10,045 thousand as at 31<sup>st</sup> December 2023), a decrease of € 1,800 thousand during the year.

The composition and changes in this item during the year were as follows:

€ (thousands)	2024	2023
Balance as at 1 <sup>st</sup> January	10,045	9,866
Additions	8,318	9,360
Uses	(6,518)	(9,181)
<b>Balance as at 31<sup>st</sup> December</b>	<b>11,845</b>	<b>10,045</b>

€ (thousands)	Balance as at 31/12/2023	Addition	Use	Balance as at 31/12/2024
Adoption of IFRS 15	54	-	(54)	-
Valuation of derivatives	90	443	-	533
Provisions (inclusive of agent customer indemnities)	1,076	1,417	(298)	2,195
Write-down of inventories	676	65	(531)	210
Valuation of investments	(92)	49	-	(43)
Benefit from 2022 "Patent Box" tax relief	2,246	-	(2,246)	0
Benefit from 2023 "Patent box" tax relief	6,146	-	(3,042)	3,104
Benefit from 2024 "Patent box" tax relief	-	6,012	-	6,012
Other	(151)	333	(347)	(165)
<b>Total</b>	<b>10,045</b>	<b>8,318</b>	<b>(6,518)</b>	<b>11,845</b>

This item includes deferred tax assets relating to components of profits and losses recognised in equity amounting to € 465 thousand as at 31<sup>st</sup> December 2024 (€ 1,896 thousand as at 31<sup>st</sup> December 2023).

## 19. INVENTORIES

Inventories amounted to € 107,154 thousand as at 31<sup>st</sup> December 2024 (€ 109,345 thousand as at 31<sup>st</sup> December 2023). Details and changes during the year are shown below:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Raw materials, ancillary materials, consumables and stocks	22,799	24,180	(1,381)
Intermediates and work-in-process	32,150	28,144	4,006
Finished products and goods	52,205	57,021	(4,816)
<b>Total</b>	<b>107,154</b>	<b>109,345</b>	<b>(2,191)</b>

Final inventories are sufficient to meet expected future requirements and they are stated net of the related provision for obsolescence, which as at 31<sup>st</sup> December 2024 amounted to € 1,042 thousand, a substantial decrease compared with the figure for 31<sup>st</sup> December 2023 (€ 2,988 thousand).

The decrease was the result of a policy to optimise inventory, and was also related to expectations of the future sales mix.

## 20. TRADE RECEIVABLES

Trade receivables amounted to € 187,926 thousand as at 31<sup>st</sup> December 2024 (€ 144,881 thousand as at 31<sup>st</sup> December 2023), as detailed below:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Trade receivables from subsidiaries	127,271	81,833	45,438
Trade receivables from others:	61,679	64,058	(2,379)
<i>Italy</i>	47,564	51,864	(4,300)
<i>Abroad</i>	14,115	12,194	1,921
	<b>188,950</b>	<b>145,891</b>	<b>43,059</b>
Allowance for doubtful accounts	(1,024)	(1,010)	(14)
<b>Total trade receivables</b>	<b>187,926</b>	<b>144,881</b>	<b>43,045</b>

An overall net increase of € 43,045 thousand was recorded compared with the previous year, of which € 2,393 thousand related to a fall in receivables from non-Group customers and € 45,438 thousand to greater receivables from subsidiaries.

The exposure calculated on receivables from non-Group customers stood at 75 days outstanding as at 31<sup>st</sup> December 2024, compared with 84 days as at 31<sup>st</sup> December 2023.

Trade receivables include the year-end exchange rate adjustment of entries in non-euro currencies, which resulted in the recognition of negative exchange rate differences of € 9 thousand in 2024.

Receivables from subsidiaries amounted to €127,271 thousand as at 31<sup>st</sup> December 2024. They arose from the supply of goods and services and were composed as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Casen Recordati S.L.	23,172	6,392	16,780
Herbacos Recordati s.r.o.	4,199	2,006	2,193
Innova Pharma S.p.A.	5,911	7,315	(1,404)
Italchimici S.p.A.	269	209	60
Jaba Recordati S.A.	4,220	2,149	2,071
Laboratoires Bouchara Recordati S.a.s.	1,959	3,771	(1,812)
Natural Point S.r.l.	173	240	(67)
Opalia Recordati S.a.r.l.	190	23	166
Recordati AB	1,580	811	769
Recordati AG	5,164	3,103	2,061
Recordati Austria GmbH	439	951	(512)
Recordati BV	1,302	1,368	(66)
Recordati Hellas Pharmaceuticals S.A	1,528	652	876
Recordati İlaç Sanayi Ve Ticaret A.Ş.	3,802	1,849	1,952
Recordati Ireland Ltd.	42,316	32,117	10,199
Recordati Pharma GmbH	6,505	8,013	(1,508)
Recordati Pharmaceuticals Ltd.	746	265	480
Recordati Polska S.p. z.o.o.	3,227	2,604	622
Recordati Rare Diseases Inc.	1,180	104	1,076
Recordati Rare Diseases S.à.r.l.	899	681	218
Recordati Romania S.r.l.	4,504	5,214	(710)
Recordati UK LTD	11,091	1,057	10,034
Recordati Ukraine Ltd.	131	107	24
Rusfic LLC	2,398	642	1,756
Other	367	190	177
<b>Total</b>	<b>127,271</b>	<b>81,833</b>	<b>45,438</b>

The trade receivables from Recordati Ireland Ltd amounting to € 42,316 thousand (€ 32,117 thousand as at 31<sup>st</sup> December 2023), include the amounts charged back under a Commercial and Management Service Agreement. The year-on-year increase was mainly the result of the year-end transfer price adjustment, (€ 9,045 thousand), made for compliance with the arm's length criterion.

Receivables from Casen Recordati S.L., amounting to € 23,172 thousand (€ 6,392 thousand as at 31<sup>st</sup> December 2023), mainly comprise receivables relating to the "Group Service Agreement" and the "Supply and Distribution Agreement", regarding the agreement entered into with GSK, contracts, as well as receivables for the year-end adjustment of transfer prices to comply with the arm's length criterion. The substantial increase in this item compared with the previous year (€ 16,780 thousand) is mainly because in 2023 the Supply and Distribution Agreement only made an impact during the last quarter of 2023, whereas in 2024 it contributed for the entire year.

Receivables from Recordati UK LTD, amounting to € 11,091 (€ 1,057 thousand as at 31<sup>st</sup> December 2023) are mainly due to the chargeback of costs incurred on behalf of the subsidiary in connection with the acquisition of global rights on Enjaymo® from Sanofi, totalling € 10,667 thousand.

Other changes are attributable to automated netting procedures for outstanding intercompany positions, by which intercompany items are automatically netted against each other each month and the relative balances settled.

Changes in the allowance for doubtful accounts in 2024 are given below:

€ (thousands)	2024	2023
Balance as at 1 <sup>st</sup> January	1,010	1,031
Use for losses on receivables	(65)	(123)
Addition for the year	79	102
<b>Balance as at 31<sup>st</sup> December</b>	<b>1,024</b>	<b>1,010</b>

The Company uses a matrix to measure losses on trade receivables from individual customers, which is composed of a very high number of small balances.

Losses on receivables are estimated by using a method based on the probability of the deterioration of the receivables through the different stages of default. It considers exposures in different categories based on the credit risk characteristics they hold in common, such as for example geographical area and duration of the relationship with the customer. The following table provides information on exposure to credit risk for trade receivables from non-Group entities as at 31<sup>st</sup> December 2024.

€ (thousands)	Gross receivables
Current (not past due)	58,013
1-30 days past due	708
31-60 days past due	49
61-90 days past due	256
Over 90 days past due	2,653
<b>Total trade receivables, gross</b>	<b>61,679</b>

The total amount of the allowance for doubtful accounts is considered appropriate in relation to potential insolvency risks.

The composition of trade receivables in foreign currency is as follows:

	31.12.2024		31.12.2023	
	Currency(000)	€(000)	Currency(000)	€(000)
Receivables in US\$	5,481	5,126	5,316	4,906
Receivables in CHF	2,145	2,293	540	576
Receivables in RON	20,062	4,032	25,048	5,040
Receivables in CZK	75,657	2,995	32,648	1,338
Receivables in PLN	10,609	2,465	9,990	2,263
Receivables in GBP	413	499	128	148
Receivables in RUB	271,994	2,476	35,697	360
Receivables in TRY	89,111	2,424	10,183	318
Receivables in SEK	659	57	-	-
Receivables in JPY	-	-	15,496	98
Receivables in MXN	-	-	784	42

## 21. OTHER RECEIVABLES

Other receivables as at 31<sup>st</sup> December 2024 amounted to € 30,464 thousand (€ 45,768 thousand as at 31<sup>st</sup> December 2023) and they were composed as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Tax income	3,283	20,271	(16,988)
From subsidiaries	14,705	14,750	(45)
Advances to employees and agents	2,301	1,886	415
Other	10,175	8,861	1,314
<b>Total other receivables</b>	<b>30,464</b>	<b>45,768</b>	<b>(15,304)</b>

Tax receivables, amounting to € 3,283 thousand (€ 20,271 thousand as at 31<sup>st</sup> December 2022), were composed as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Receivables for current taxes from the tax consolidation	-	5,490	(5,490)
Receivables for current taxation	861	2,708	(1,846)
VAT	-	6,774	(6,774)
Receivables from foreign VAT tax authorities	125	494	(368)
Tax credits for research	2,296	4,801	(2,505)
Sundry receivables	-	4	(4)
<b>Total tax receivables</b>	<b>3,283</b>	<b>20,271</b>	<b>(16,988)</b>

As at 31<sup>st</sup> December 2024, IRES (corporate income tax) receivables from the tax consolidation were nil, because when the end of year provision for 2024 IRES was estimated, both by the Company and its Italian subsidiaries, which all form part of the tax consolidation, the resulting IRES balance for 2024 was one of debt amounting to € 13,606 thousand (for further details see Note 32 - Tax Liabilities).

Current tax receivables, amounting to € 861 thousand, consist mainly of a 2023 IRAP (regional tax on production) receivable netted against an end of year provision for 2024 IRAP (€ 1,671 thousand). The item also includes a year-end provision of € 175 thousand for a global minimum tax adjustment (Pillar Two). No payments on account were made in 2024.

Receivables from subsidiaries, amounting to € 14,705 thousand, include receivables for the tax consolidation from Italcimici S.p.A. (€ 6,450 thousand), Natural Point S.r.l. (€ 5,670 thousand), Recordati Rare Diseases Italy S.r.l. (€ 1,033 thousand) and Innova Pharma S.p.A. (€ 635 thousand), sundry receivables from Italcimici S.p.A. (€ 550 thousand), Innova Pharma S.p.A. (€ 336 thousand) and Recordati Pharmaceuticals Ltd (€ 31 thousand).

Advances to employees and agents, amounting to € 2,301 thousand (€ 1,886 thousand as at 31<sup>st</sup> December 2023), mainly relate to loans granted to employees who exercised stock options (€ 2,004 thousand), for the purchase of a total of 69,000 shares resulting from the exercise of stock options granted on 3<sup>rd</sup> August 2018 (30,000 shares) and 13<sup>th</sup> April 2016 (39,000 shares). The item also includes small amounts for advances to employees and expense accounts for pharmaceutical sales representatives.

Receivables from others, amounting to € 10,175 thousand mainly include the receivables for charges to GSK (€ 6,786 thousand) for the "Strategic Amount" under the framework agreement signed in 2023. We also report advances to suppliers (€ 1,888 thousand) and receivables for sundry amounts to be

charged but yet to be issued (€ 1,501 thousand).

## 22. OTHER CURRENT ASSETS

Other non-current financial assets as at 31<sup>st</sup> December 2024 amounted to € 2,697 thousand (€ 2,453 thousand as at 31<sup>st</sup> December 2023). This item consists exclusively of prepaid expenses relating to payments made in advance for various services.

## 23. DERIVATIVES MEASURED AT FAIR VALUE (current assets)

As at 31<sup>st</sup> December 2024 the fair value of derivatives classified within this item stood at € 14,166 thousand (€ 11,049 thousand as at 31<sup>st</sup> December 2023).

The fair value as at 31<sup>st</sup> December 2024 of the cross-currency swaps entered into by the Company to hedge a bond issued for \$ 75 million on 30<sup>th</sup> September 2014, totalled € 7,671 thousand.

That value represents the potential benefit resulting from a lower value of the future cash flows in United States dollars in terms of principal and interest, due to an appreciation of the foreign currency with respect to the time of finalising the loan and acquiring the hedge instruments. More specifically, the fair value of the derivative to hedge the \$ 50 million tranche of the loan granted by Mediobanca was positive by € 4,306 thousand, while that of the instrument to hedge the \$ 25 million tranche of the loan granted by Unicredit was positive by € 3,365 thousand.

The interest rate swaps to hedge the medium and long-term loans measured at fair value as at 31<sup>st</sup> December 2024 gave rise to a total asset of € 2,574 thousand which represents the unrealised benefit of paying the currently expected variable rates for the duration of the loans instead of the rates agreed.

The fair value as at 31<sup>st</sup> December 2024 of forward contracts entered into to hedge currency risks on the loan granted to the company Recordati Rare Diseases Japan (€ 37 thousand) was recognised through profit or loss.

The fair value as at 31<sup>st</sup> December 2024 of forward contracts entered into to hedge currency risks on the loan granted to the Recordati Pharmaceuticals Ltd (€ 42 thousand) was recognised through profit or loss.

The fair value as at 31<sup>st</sup> December 2024 of forward contracts entered into to hedge currency risks on loans with the company Recordati Rare Diseases Inc. (€ 3,811 thousand) was recognised through profit or loss.

The fair value as at 31<sup>st</sup> December 2024 of forward contracts entered into to hedge currency risks on the loan granted to the company Recordati Rare Diseases Australia Pty Ltd (€ 31 thousand) was recognised through profit or loss.

The fair value of these hedging derivatives is measured at level 2 of the hierarchy set out in financial reporting standard IFRS 13. The fair value is equal to the present value of the estimated future cash flows. The estimated future cash flows at a floating interest rate are based on listed interest-rate swaps, futures prices and interbank rates. The estimated cash flows are discounted using a yield curve which reflects the reference interbank rate applied by market participants for the measurement of interest-rate swaps.

## 24. OTHER SHORT-TERM RECEIVABLES

Other short-term receivables as at 31<sup>st</sup> December 2024 amounted to € 81,560 thousand (€ 113,087 thousand as at 31<sup>st</sup> December 2023) and are comprised solely of receivables from subsidiaries as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Herbacos Recordati s.r.o.	-	1	(1)
Recordati AB	1,059	-	1,059
Recordati AG	410	94,788	(94,378)
Recordati Ireland LTD	-	8,546	(8,546)
Recordati Netherlands B.V.	21,081	-	21,081
Recordati UK LTD	56,645	-	56,645
Recordati Rare Diseases Australia Pty Ltd	2,267	-	2,267
Recordati Rare Disease Japan K.K.	17	8,332	(8,315)
Recordati Rare Diseases SA de CV	-	1,099	(1,099)
Recordati Rare Diseases Comercio De Medicamentos LTDA.	81	321	(240)
<b>Total</b>	<b>81,560</b>	<b>113,087</b>	<b>(31,527)</b>

The item includes:

- cash pooling receivables from Recordati Netherlands B.V. (€ 21.081 thousand) and Recordati AB (€ 1.059 thousand);
- loans receivable from Recordati AG (CHF 385,785), Recordati Rare Diseases Comercio De Medicamentos Ltda (€ 81,115), Recordati Rare Diseases Japan K.K. (JPY 2,718,678), Recordati Rare Diseases Australia Pty Ltd (AUD 3,802,479) and Recordati UK LTD (€ 56,644,277.05).

Interest is paid on these loans at market rates.

## 25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31<sup>st</sup> December 2024 amounted to € 135,444 thousand (€ 28,562 thousand as at 31<sup>st</sup> December 2023) and consisted of current account sight deposits and short-term bank deposits, as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Current-account sight deposits	134,558	26,637	107,921
Petty cash	4	3	1
Proceeds from derivative instruments	883	1,922	(1,039)
<b>Cash and cash equivalents</b>	<b>135,444</b>	<b>28,562</b>	<b>106,882</b>

## 26. EQUITY

A summary of the changes in the equity accounts is reported in the relative statement. Following the entry into force of Legislative Decree 6/2003, which amended the Italian Civil Code, the table contained in Attachment 5 was introduced, which gives the composition of reserves on the basis of availability for use and distribution.

### *Share capital*

The share capital as at 31<sup>st</sup> December 2024 amounting to € 26,141 thousand, was fully paid up and was composed of 209,125,156 ordinary shares with a par value of € 0.125 each. It remained unchanged during the course of 2023.

### *Additional paid-in capital*

Additional paid-in capital amounted to € 83,718 thousand as at 31<sup>st</sup> December 2024 and remained unchanged compared with 31<sup>st</sup> December 2023.

The adoption of international accounting standards resulted in the elimination of revaluation reserves amounting to € 68,644 thousand. The tax obligation on these (untaxed – taxation suspended) was transferred to the additional paid-in capital reserve.

### *Treasury stock*

The treasury stock reserve amounted to € 131,570 thousand as at 31<sup>st</sup> December 2024 (€ 127,970 thousand as at 31<sup>st</sup> December 2023), and represents the value of the 2,828,921 treasury shares held in portfolio (3,119,044 as at 31<sup>st</sup> December 2023).

The net change during the year was € 3,600 thousand and was due to the sale of 2,651,852 shares for € 115,423 thousand at the service of the incentive plans and to the purchase of 2,361,729 shares for € 119,023 thousand.

### *Statutory reserve*

The statutory reserve as at 31<sup>st</sup> December 2024 amounted to € 5,228 thousand and remained unchanged compared with 31<sup>st</sup> December 2023, because the limit set by Art. 2430 of the Italian Civil Code had been reached.

### *Other reserves*

Other reserves as at 31<sup>st</sup> December 2024 totalled € 222,246 thousand (€ 256,442 thousand as at 31<sup>st</sup> December 2023). The composition and changes in this item are shown below:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Gain on merger	30,204	30,204	-
Extraordinary reserve	14,451	38,036	(23,585)
Reserve under Art.13 par.6 Legislative Decree No. 124/1993	99	99	-
Extraordinary VAT concession reserve	517	517	-
Research and investment grants	17,191	17,191	-
Non-distributable reserve for investments in southern Italy	3,632	3,632	-
International accounting standards reserve	157,841	167,049	(9,208)
<b>Total</b>	<b>223,935</b>	<b>256,728</b>	<b>(32,793)</b>
<i>Fair value of derivatives</i>	(1,689)	(286)	(1,403)
<b>Total other reserves</b>	<b>222,246</b>	<b>256,442</b>	<b>(34,196)</b>

### *Gain on merger*

The merger gain reserve as at 31<sup>st</sup> December 2024 amounted to € 30,204 thousand and was unchanged compared with 31<sup>st</sup> December 2023.

#### *Extraordinary reserve*

The extraordinary reserve as at 31<sup>st</sup> December 2024 amounted to € 14,451 thousand (€ 38,036 thousand as at 31<sup>st</sup> December 2023). The decrease of € 23,585 thousand compared with the previous year is a result of the following:

- the use of € 23,457 thousand for the distribution of a dividend in accordance with a shareholders' resolution dated 22<sup>nd</sup> April 2024;
- a decrease of € 142 thousand relating to the adjustment to the debt for the acquisition of the shareholding in Opalia Pharma SA.
- an increase of € 14 thousand for the allocation of dividends not paid and expired.

#### *Reserve under Art. 13, paragraph 6 of Legislative Decree No. 124/1993*

This reserve amounted to € 99 thousand as at 31<sup>st</sup> December 2024 and remained unchanged compared with 31<sup>st</sup> December 2023.

#### *Extraordinary VAT concession reserve*

This reserve (Laws 675/1977, 526/1982, 130/1983 and 64/1986), amounting to € 517 thousand, relates to special VAT allowances on investments and is unchanged compared with 31<sup>st</sup> December 2023.

#### *Research and investment grants*

This reserve amounted to € 17,191 thousand and was unchanged compared with 31<sup>st</sup> December 2023. The grants will be subject to taxation if they are used for purposes other than to cover losses, which, however, is not planned by the Company. The assets corresponding to the grants received from the Ministry of Industry and Commerce (formerly Asmez) have been depreciated.

#### *Non-distributable reserve for investments in southern Italy*

This reserve amounted to € 3,632 thousand and remained unchanged compared with 31<sup>st</sup> December 2023.

#### *International accounting standards reserve*

The international accounting standards reserve amounted to € 157,841 thousand as at 31<sup>st</sup> December 2024 (€ 167,049 thousand as at 31<sup>st</sup> December 2023) and was composed as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Reversal of non-current asset revaluations	40,479	40,479	-
Revaluation of investments	43,054	43,054	-
Inventories	463	463	-
Employee benefit obligations	(1)	(86)	85
Stock options	32,934	30,852	2,082
Adjustment to investments for stock options	33,551	30,449	3,102
Performance shares	5,707	1,150	4,557
Adjustment to investments for performance shares	8,634	1,853	6,781
Rossini Luxembourg S.à.r.l. incentive scheme	5,992	5,059	933
Reserve to adjust entries for merged companies	24	24	-
Financial instrument adjustment reserve	9,757	13,752	(3,995)
Sales of treasury stock	(22,753)	-	(22,753)
<b>Total</b>	<b>157,841</b>	<b>167,049</b>	<b>(9,208)</b>

We report the following with regard to the individual items that changed during the reporting period:

- the *employee benefit obligations* reserve amounting to € 1 thousand (€ 86 thousand as at 31<sup>st</sup> December 2023), shows the valuation as at the date of the employee benefits provision in accordance with IAS 19;
- the *stock options* reserve, amounting to € 32,934 thousand (€ 30,852 thousand as at 31<sup>st</sup> December 2023), which was measured in accordance with IFRS 2, relates to personnel expenses for stock options issued and granted after 7<sup>th</sup> November 2002 and which have not yet been exercised;
- the reserve for *Adjustments to investments* for stock options, amounting to € 33,551 thousand (€ 30,449 thousand as at 31<sup>st</sup> December 2023), also includes the cost of stock options for employees of subsidiaries in addition to those of the Company's managers, the value of which, in accordance with IFRS 2, was recognised as an increase in the value of the investments of the companies in which these employees work;
- the *performance shares* reserve, amounting to € 5,707 thousand, which was measured in accordance with IFRS 2, relates to personnel expenses for performance shares granted on 27<sup>th</sup> June 2023 and 9<sup>th</sup> May 2024;
- the reserve for *adjustments to investments for performance shares*, amounting to € 8,634 thousand, also includes the cost of performance shares for employees of subsidiaries in addition to those of the Company's managers, the value of which, in accordance with IFRS 2, was recognised as an increase in the value of the investments in the companies in which these employees are employed;
- the *Rossini Luxembourg S.à.r.l. incentive plan* reserve, amounting to € 5,992 thousand (€ 5,059 thousand as at 31<sup>st</sup> December 2023) relates to the cost calculated in accordance with IFRS 2, for the incentive plan from which some employees benefited in 2019 and under which they purchased Rossini Luxembourg S.à.r.l. shares at their par value;
- the *financial instrument adjustment reserve*, amounting to € 9,757 thousand (€ 13,572 thousand as at 31<sup>st</sup> December 2023), is a result almost entirely of the adjustment as at the adjustment date, net of tax, of the value of the investment in PureTech Health Plc, a company listed on the London Stock Exchange;
- the *reserve for the sale of treasury shares* which was negative by € 22,753 thousand (the balance as at 31<sup>st</sup> December 2023 was zero), contains the difference between the amount paid by Group employees who exercised options as part of stock option plans and the carrying amount of the treasury stock recognised in the balance sheet in accordance with international accounting standards;

#### *Reserve for derivatives*

In accordance with the provisions of IFRS 9, this reserve is comprised of the following: the balancing entry of the amounts for the assets resulting from measurement at market value of cross-currency swaps of a cash flow hedge nature, the balancing entry of the amount recognised through profit or loss to offset movements in the exchange rate at the end of the year relating to a hedged loan in foreign currency and the liabilities resulting from the measurement at the market value of interest rate swaps also of a cash flow hedge nature.

The amount as at 31<sup>st</sup> December 2024, net of tax, was negative by € 1,689 thousand.

### *Revaluation reserve*

The revaluation reserve as at 31<sup>st</sup> December 2024 amounted to € 2,602 thousand and was unchanged compared with 31<sup>st</sup> December 2023. The item includes revaluation balances pursuant to Law No. 413/1991.

For tax purposes we report that as at 31<sup>st</sup> December 2024 the untaxed (suspended taxation) reserves amounted to € 87,826 thousand (as indicated in Attachment 5) and were composed as follows:

- € 15,964 thousand for the Research and investment grant reserve, net of the taxed portion;
- € 517 thousand for the Extraordinary VAT concession reserve
- € 99 thousand for the Reserve under Art.13 par.6 Legislative Decree No. 124/1993 (Law establishing pension funds);
- € 71,246 thousand for Revaluation reserves, net of substitute taxes. Of these reserves € 68,644 thousand were derecognised in compliance with international accounting standards and the non-taxability was transferred to the additional paid-in capital reserve.

No deferred tax provisions were recognised in respect of those reserves, because, in accordance with IAS 12, these deferred tax provisions will be recognised in the year in which the distribution is declared.

### *Incentive plans*

Three stock option plans were in place in favour of certain Group employees as at 31<sup>st</sup> December 2023, the 2014-2018 plan with options granted on 13<sup>th</sup> April 2016, the 2018-2022 plan, with options granted on 3<sup>rd</sup> August 2018 and the 2021-2023 plan with options granted on 6<sup>th</sup> May 2021, 1<sup>st</sup> December 2021 and 24<sup>th</sup> February 2022.

The strike price of the options is the average of the company's listed share price during the 30 days prior to the grant date. The options vest in four tranches over five years, starting in the second year for the earliest grants and three years, in one lump sum, for the 2021 and 2022 grants and will expire if not exercised by the end of the eighth year following the year granted.

During the first half of 2023 the 2021-2023 plan was revoked, limited to the grant of options scheduled for 2023 under that plan, without therefore affecting the validity and effectiveness of the plan for the options granted in 2021 and 2022.

However, options cannot be exercised if employees leave the Company before they are vested.

Details of stock options outstanding as at 31<sup>st</sup> December 2024 are given in the table below.

Grant date	Strike price (€)	Options outstanding as at 1.1.2024	Options granted during 2024	Options exercised during 2024	Options cancelled and expired	Options outstanding as 31.12.2024
13 <sup>th</sup> April 2016	21.93	512,250	-	(480,750)	(31,500)	-
3 <sup>rd</sup> August 2018	30.73	1,893,000	-	(1,160,000)	(17,000)	716,000
6 <sup>th</sup> May 2021	45.97	2,391,500	-	(1,011,102)	(110,000)	1,270,398
1 <sup>st</sup> December 2021	56.01	130,000	-	-	-	130,000
24 <sup>th</sup> February 2022	47.52	3,093,000	-	-	(307,000)	2,786,000
<b>Total</b>		<b>8,019,750</b>	-	<b>(2,651,852)</b>	<b>(465,500)</b>	<b>4,902,398</b>

Starting in 2019, certain Group employees have been designated as beneficiaries of an incentive plan, with a vesting period of five years, granted and fully financed by Rossini Luxembourg S.à r.l., an indirect shareholder of Recordati S.p.A.. They will benefit from a return at the end of the plan and if the performance goals are met.

In accordance with IFRS 2, this resulted in the recognition of a charge in the income statement in 2024 of € 934 thousand, which also includes the incentive plan granted by Rossini Luxembourg S.à r.l. to the CEO of the Recordati group.

In the first half of 2023, the Company adopted a new long-term incentive plan named the “2023-2025 Performance Shares Plan” in favour of certain Group employees. The plan involves three grants of rights to receive shares in the Company free of charge, one for each year covered by the plan. After a vesting period of three years following the grant, the grantees will receive shares in the parent company which may reach up to 175% of the original amount set, depending on the achievement of certain performance indicators. These rights, however, will lapse if employees leave the company before the end of the vesting period. The first two grants were made on 27<sup>th</sup> June 2023, consisting of 440,485 rights and again on 9<sup>th</sup> May 2024 consisting of 437,634 rights. The cost relating to the Company arising from the new plan, calculated in accordance with IFRS 2, amounted to € 4,557 thousand as at 31<sup>st</sup> December 2024.

## 27. LOANS

Loans received as at 31<sup>st</sup> December 2024 and 31<sup>st</sup> December 2023 are summarised in the table below.

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Bond subscribed in dollars by the investor Pricoa Capital Group (Prudential)	36,442	46,543	(10,101)
Bond subscribed in euro by the investor Pricoa Capital Group (Prudential)	125,000	125,000	-
Loan granted by a pool of banks with Mediobanca as the agent at a floating interest rate repayable in semi-annual instalments by 2023	-	128,000	(128,000)
Loan granted by Allied Irish Bank at a floating interest rate repayable in semi-annual instalments commencing from 2022 and until 2026	28,000	34,000	(6,000)
Loan granted by a pool of national and international lenders, led by Mediobanca, at a floating interest rate repayable in a single payment in 2026	180,000	180,000	-
A syndicated loan at a floating interest rate repayable in semi-annual instalments commencing on 31 <sup>st</sup> March 2023 and repayable by 2 <sup>nd</sup> February 2027	568,600	692,400	(123,800)
Bond subscribed in euro by the investor Pricoa Capital Group (Prudential)	75,000	75,000	-
Loan granted by Cassa Depositi e Prestiti at a floating interest rate and repayable in semi-annual instalments starting from October 2025 for 70% and from April 2033 for the remaining 30%	50,000	50,000	-
Loan agreement signed with a pool of national and international lenders, led by Mediobanca, at a floating interest rate repayable in increasing semi-annual instalments, commencing from 2024 and to be fully repaid by May 2028	355,000	300,000	55,000
Loan from HSBC Continental Europe, at a floating interest rate, repayable in semi-annual instalments starting on 31 <sup>st</sup> August 2025 with the last on 29 <sup>th</sup> February 2029	70,000	-	70,000
A syndicated loan at a floating interest rate repayable in semi-annual instalments commencing on 31 <sup>st</sup> March 2027 and until 30 <sup>th</sup> October 2029	850,000	-	850,000
<b>Total amortised cost of loans</b>	<b>2,338,042</b>	<b>1,630,943</b>	<b>707,099</b>
Portion due within one year	(246,522)	(314,716)	68,194
<b>Portion due after one year</b>	<b>2,091,520</b>	<b>1,316,227</b>	<b>775,293</b>
Expenses relating to loans	(8,527)	(5,626)	(2,901)
<b>Portion due after one year net of costs</b>	<b>2,082,993</b>	<b>1,310,601</b>	<b>772,392</b>
Long-term lease liabilities (IFRS 16)	7,163	6,731	432
<b>Total</b>	<b>2,090,156</b>	<b>1,317,332</b>	<b>772,824</b>

Long-term lease liabilities include long-term liabilities arising from the application of IFRS 16, amounting to € 7,163 thousand (€ 6,731 thousand as at 31<sup>st</sup> December 2023), representing an obligation to make payments under existing lease contracts.

As at 31<sup>st</sup> December 2024 these outstanding loans, inclusive also of the current portions, amounting to € 247,903 thousand (see note 35), totalled € 2,338,059 thousand (€ 1,633,059 thousand as at 31<sup>st</sup> December 2023).

The net increase of € 705,000 thousand compared with 31<sup>st</sup> December 2023, was the result of new loans amounting to € 1,020,000 thousand, repayments for the year of € 312,927 thousand, an increase of € 802 thousand in lease liabilities in application of IFRS 16, the effect of the foreign currency translation of the amount for the bond subscribed in USD with Prudential (an increase of € 26 thousand) and the adjustment of liabilities according to the amortised cost criterion (a decrease of € 2,901 thousand).

The portions of the loans due after 31<sup>st</sup> December 2025 will be repaid, on the basis of the repayment schedules, in the following years:

Maturity	€ (thousands)
2026	495,653
2027	596,822
2028	404,936
2029	435,026
2030 and subsequent years	150,556
<b>Total loans</b>	<b>2,082,993</b>
Long-term lease liabilities (IFRS 16)	7,163
<b>Total</b>	<b>2,090,156</b>

Finally, we report the extinguishment of a loan of € 400.0 million (€ 128.0 million as at 31<sup>st</sup> December 2023) under an agreement signed by the Company in June 2019, initially with Mediobanca, Natixis and Unicredit and then subsequently syndicated with the involvement of a pool of national and international banks, with a 5-year term for which the repayment plan involved semi-annual repayments of the principal from 30<sup>th</sup> June 2020 until June 2024.

#### Details of loans outstanding as at 31<sup>st</sup> December 2024 (gross of the relative expenses)

- a) A bond subscribed by the Company on 30<sup>th</sup> September 2014 for a total of \$ 75 million, divided into two tranches: \$ 50 million at a fixed rate, repayable semi-annually from 30<sup>th</sup> March 2022 and maturing on 30<sup>th</sup> September 2026; and \$ 25 million, again at a fixed rate, repayable semi-annually from 30<sup>th</sup> March 2023 and maturing on 30<sup>th</sup> September 2029.

During the period, \$ 10 million of the first tranche and \$ 3.6 million of the second tranche were repaid and the total remaining debt as at 31<sup>st</sup> December 2024 amounted to \$ 37.9 million.

The conversion of the debt as at 31<sup>st</sup> December 2024 (totalling € 36,442 thousand) resulted in a net decrease in the liability of € 10,101 thousand compared with 31<sup>st</sup> December 2023, which coincided almost identically with the value of the instalments repaid due to an appreciation of the United States dollar against the Company's accounting currency in 2024.

The loan was hedged at the same time by two cross-currency swap transactions, which transformed the original debt into a total of € 56.0 million (€ 28.3 million as at 31<sup>st</sup> June 2024), of which € 37.3 million (€14.9 million as at 31<sup>st</sup> December 2024) at a lower fixed interest rate for the tranche maturing in 12 years and € 18.7 million (€ 13.3 million as at 31<sup>st</sup> December 2024) again at a lower fixed interest rate for that maturing in 15 years.

The measurement of the hedging instruments at fair value as at 31<sup>st</sup> December 2024, was positive on aggregate by € 7,671 thousand and was recognised directly as an increase in equity and an increase in the asset item "Fair value of hedging derivatives " (see note 23).

The bond is subject to covenants and failure to comply with them may result in the immediate call of the bond.

The financial covenants subject to measurement on a quarterly basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;

- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

- b) A bond was issued by the Company in May 2017 for a total of € 125.0 million, at a fixed rate, repayable annually from 31<sup>st</sup> May 2025 and maturing on 31<sup>st</sup> May 2032.

The bond is subject to covenants and failure to comply with them may result in the immediate call of the bond.

The financial covenants subject to measurement on a quarterly basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

- c) A loan agreement for € 40.0 million signed by the Company on 30<sup>th</sup> March 2021 with Allied Irish Bank at a floating interest rate equal to the 6-month Euribor (with a zero floor) plus a spread, floating on the basis of a step up/step down mechanism as a function of changes in the leverage ratio, with semi-annual payment of interest and principal, again on a semi-annual basis, starting from March 2022 and continuing until March 2026. The remaining debt recognised as at 31<sup>st</sup> December 2024 totalled € 28.0 million. The loan contract contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants subject to measurement on a semi-annual basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

- d) A loan agreement for € 180.0 million was negotiated by the Company in May 2021, provided by a consortium of domestic and international lenders led by Mediobanca. The main terms and conditions of the loan are a floating interest rate equal to the 6-month Euribor (with a zero floor) plus a fixed spread and a life of five years with repayment of the principal in a single instalment. Disbursement, net of structuring and up-front fees, took place on 21<sup>st</sup> May 2021.

The loan contract contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants subject to measurement on a semi-annual basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

- e) A loan agreement for a total of € 800.0 million was negotiated by the Company in two stages in 2022, granted by a consortium of domestic and international lenders.

The main terms and conditions of the loan are a floating interest rate equal to the 6-month Euribor (with a zero floor) plus a spread, floating on the basis of a step up/step down mechanism as a function of changes in the leverage ratio, and a life of five years, with repayments of the principal in semi-annual instalments starting from 31<sup>st</sup> March 2023, with the last instalment payable on 3<sup>rd</sup> February 2027.

The remaining outstanding debt recognised as at 31<sup>st</sup> December 2024 was € 568.6 million. Starting in July 2022, the loan was partially and progressively hedged by an interest rate swap (a cash flow hedge), which converted the hedged portion to a fixed interest rate.

The measurement of the derivatives at fair value at 31<sup>st</sup> December 2024 was positive in some cases by a total of € 1.1 million recognised directly as an increase in equity and an increase in the asset item "Derivatives measured at fair value" (see note 23), in other cases it was negative by a total of € 1.6 million, recognised directly as a decrease in equity and an increase in liability item "Derivatives measured at fair value" (see Note 35)

The loan contract contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants subject to measurement on a semi-annual basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

- f) A bond issued by the Company on 12<sup>th</sup> September 2022 totalling € 75.0 million was placed privately and fully with companies belonging to the Prudential group. The main terms and conditions are a fixed interest rate with semi-annual interest payments and a term of 12 years, with repayment of the principal in five annual instalments starting in September 2030 and ending on 12<sup>th</sup> September 2034. This transaction, designed to continue with the acquisition of medium to long-term funds to support the Group's further growth, enabled it to benefit from attractive market conditions. It has standard terms and conditions, common to the US private placement market, substantially in line with those of a bond issued by the Company in 2017. The loan contract contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants subject to measurement on a semi-annual basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

- g) A loan of € 50.0 million taken out by the Company in April 2023 with Cassa Depositi e Prestiti. The main terms and conditions are a floating interest rate equal to the 6-month Euribor (with a zero floor) plus a spread, semi-annual payment of interest and a life of 10 years with semi-annual repayments at constant rates starting in October 2025 for 70% of the principal and repayment in April 2033 for the remaining 30%. The disbursement took place on 18<sup>th</sup> May 2023. The loan contract contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants subject to measurement on a semi-annual basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

- h) A loan agreement totalling € 400.0 million was signed on 16<sup>th</sup> May 2023 by Recordati S.p.A. with a pool of eight national and international lenders, which included Mediobanca in the role of lead coordinator, with an individual quota of € 50.0 million. The loan consists of two independent loans of € 300.0 million and € 100.0 million each, both at an interest rate equal to the 6-month Euribor (with zero floor), plus a floating step up/step down spread based on changes in the leverage ratio with semi-annual interest payments and a term of five years. The loan of € 300.0 million was disbursed on 14<sup>th</sup> June 2023, while the loan of € 100.0 million, which consisted of a Capex Line that can be used to finance specific investments, with guaranteed availability of disbursements for 18 months, with availability for disbursement guaranteed for 18 months from

the date the loan was agreed, was disbursed on 13<sup>th</sup> November 2024. Both loans will be repaid in semi-annual instalments of increasing value starting in April 2024 and will be repaid in May 2028. They have been partially hedged with an interest rate swap with the characteristics of a cash flow hedge, whereby the hedged portion is transformed at a fixed interest rate. The remaining outstanding debt recognised as at 31<sup>st</sup> December 2024 was € 355.0 million.

Measurement of the fair value of the derivative instrument as at 31<sup>st</sup> December 2024 was negative by € 2,715 thousand and this was recognised directly as a reduction in equity and an increase in the liability item “Fair value of hedging derivatives” (see note 35).

The loan contract contains covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants subject to measurement on a quarterly basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

The loan agreement contains ESG-linked parameters starting in 2024, which, if met, will allow a reduction in the interest rate charged.

- i) A loan agreement for € 70.0 million entered into on 1<sup>st</sup> March 2024 by the Company with HSBC Continental Europe, at a floating interest rate equal to the 6-month Euribor (with a zero floor), plus a spread floating on the basis of a step up/step down mechanism as a function of changes in leverage ratio, and a term of five years with repayments of the principal in semi-annual instalments starting from 31<sup>st</sup> August 2025 with the last instalment on 29<sup>th</sup> February 2029. The loan contract contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants subject to measurement on a quarterly basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

- j) A loan agreement signed on 30<sup>th</sup> October 2024 by the Company with Mediobanca, UniCredit and Natixis, for the acquisition of Enjaymo<sup>®</sup> rights, for a maximum total of € 850.0 million, with payment of € 700.0 million guaranteed in equal amounts. Immediately afterwards, a syndication process was commenced, which, through the involvement of additional banks, enabled an additional € 150.0 million to be raised and, at the same time, the total value of € 850.0 million to be redistributed among the participants. The main terms and conditions are a floating interest rate equal to the 6-month Euribor (with a zero floor) plus a spread, floating on the basis of a step up/step down mechanism as a function of changes in the leverage ratio, and a life of five years, with repayments of the principal in semi-annual instalments starting from 31<sup>st</sup> March 2027, with the last instalment payable on 30<sup>th</sup> October 2029. The disbursement, net of structuring and up-front fees, took place in the last quarter of 2024. The loan was partially hedged by an interest rate swap (a cash flow hedge), which converted the hedged portion to a fixed interest rate. The measurement of the hedging instruments at fair value as at 31<sup>st</sup> December 2024 was positive by € 1,452 thousand and was recognised directly as an increase in equity and an increase in the asset item “Fair value of hedging derivatives” (see note 17).

The loan contract contains financial covenants which, if not complied with, may result in the immediate call of the loan.

The financial covenants subject to measurement on a quarterly basis are as follows:

- the ratio of consolidated net debt to consolidated EBITDA (for a period of twelve consecutive months) must be less than 3.00 to 1.00;
- the ratio of consolidated EBIT to consolidated net interest expense (for a period of twelve consecutive months) must exceed 3.00 to 1.00.

Those conditions were fulfilled.

## 28. EMPLOYEE BENEFIT OBLIGATIONS

The balance as at 31<sup>st</sup> December 2024 amounted to € 3,667 thousand (€ 3,886 thousand as at 31<sup>st</sup> December 2023), a decrease of € 219 thousand compared with the previous year.

€ (thousands)	31.12.2024	31.12.2023
Balance as at 1 <sup>st</sup> January	3,886	4,556
Additions for the year	116	156
Use during the year	(268)	(987)
Adjustment to the measurement of employee benefit obligation provisions (IAS 19)	(67)	161
<b>Balance as at 31<sup>st</sup> December</b>	<b>3,667</b>	<b>3,886</b>

The balance of the provision for employee benefit obligations as at 31<sup>st</sup> December 2024 is the same as the amount determined by measuring the provision as at 31<sup>st</sup> December 2024 in accordance with IAS 19.

The calculations carried out, which used actuarial parameters updated as at 31<sup>st</sup> December 2024, found a greater liability and resulted in the recognition of an adjustment of € 67 thousand to the fund compared with the figure as at 31<sup>st</sup> December 2024, which was stated, net of tax, in the statement of comprehensive income recognised in equity, as required by the relative accounting standard.

## 29. OTHER NON-CURRENT FINANCIAL LIABILITIES

Other non-current financial liabilities as at 31<sup>st</sup> December 2024 amounted to € 83,737 thousand (€ 45,249 thousand as at 31<sup>st</sup> December 2023). This item includes the long-term portions relating to loans from the subsidiaries Recordati Rare Diseases Inc. (USD 75,000 thousand), Herbacos Recordati s.r.o. (€ 2,500 thousand) and Recordati Pharmaceuticals Ltd (GBP 7,500 thousand).

### 30. TRADE PAYABLES

Trade payables as at 31<sup>st</sup> December 2024 amounted to € 127,101 thousand (€ 98,234 as at 31<sup>st</sup> December 2023), an increase of € 28,867 thousand compared with the previous year, mainly due to greater payables to subsidiaries.

The item also includes end-of-period provisions for invoices to be received and is composed as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Suppliers, subsidiaries	57,001	29,300	27,701
Suppliers, Italy	30,869	31,389	(520)
Suppliers, Italy for invoices to be received	9,774	10,265	(491)
Suppliers, abroad	15,001	12,537	2,464
Suppliers, abroad for invoices to be received	14,456	14,743	(287)
<b>Total trade payables</b>	<b>127,101</b>	<b>98,234</b>	<b>28,867</b>

There were no concentrations of large debts to a single or a small number of suppliers.

Details of trade payables to subsidiaries are as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Casen Recordati S.L.	19,635	2,029	17,606
Herbacos Recordati s.r.o.	654	410	244
Innova Pharma S.p.A.	1,054	2,436	(1,382)
Italchimici S.p.A.	604	3,842	(3,238)
Jaba Recordati S.A.	1,910	1,359	551
Laboratoires Bouchara Recordati S.a.s.	4,386	5,680	(1,294)
Natural Point S.r.l.	813	551	262
Recordati A.B.	1,138	0	1,138
Recordati AG	4,853	497	4,356
Recordati Austria GmbH	337	220	117
Recordati BVBA	3,211	3,350	(139)
Recordati Hellas Pharmaceuticals S.A.	2,129	261	1,868
Recordati Ireland LTD	2,890	1,347	1,543
Recordati Pharma GmbH	2,475	580	1,895
Recordati Pharmaceuticals LTD	276	387	(111)
Recordati Rare Diseases Germany GmbH	475	78	397
Recordati Rare Diseases Middle East FZ LLC	1,690	0	1,690
Recordati Romania S.R.L.	152	0	152
Recordati UK LTD	2,177	901	1,276
Rusfic LLC	5,877	4,713	1,164
Other subsidiaries	265	659	(394)
<b>Total payables to subsidiaries</b>	<b>57,001</b>	<b>29,300</b>	<b>27,701</b>

The substantial increase in this item compared with the previous year is mainly due to the Strategic Amount under the Supply and Distribution Agreement entered into with subsidiaries following the 2023 agreement entered into with GSK.

The composition of the payables in foreign currency is as follows:

	31.12.2024		31.12.2023	
	Currency(000)	€(000)	Currency(000)	€(000)
Payables in CAD	1	1	1	1
Payables in CHF	4,277	4,536	465	509
Payables in CNY	-	-	5	1
Payables in CZK	13,731	544	10,128	411
Payables in GBP	800	965	589	681
Payables in HUF	1,189	3	1,539	4
Payables in ILS	3	1	142	35
Payables in JPY	-	-	800	6
Payables in PLN	102	24	1,955	451
Payables in RON	756	152	-	-
Payables in RUB	693,586	7,669	471,135	5,736
Payables in SEK	13,149	1,143	63	6
Payables in TND	21	6	-	-
Payables in USD	4,889	4,598	7,549	6,949

The adjustment of trade payables in non-euro currencies resulted in the recognition of net positive exchange rate differences of € 1,711 thousand.

### 31. OTHER CURRENT PAYABLES

Other current payables as at 31<sup>st</sup> December 2024 amounted to € 43,931 thousand (€ 41,819 thousand as at 31<sup>st</sup> December 2023). The composition and changes in the individual items are as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Payables to non-group entities for the acquisition of Opalia Pharma S.A.	3,822	3,680	142
Employees	19,665	18,168	1,497
Social security	9,572	9,533	39
Commissions to agents	948	775	173
Payables to AIFA (Italian Medicines Agency)	879	1,071	(192)
Payables to shareholders for dividends to be paid	1,181	886	295
Other payables to subsidiaries	6,013	5,958	55
Other payables	1,851	1,748	103
<b>Total other current payables</b>	<b>43,931</b>	<b>41,819</b>	<b>2,112</b>

Payables to non-Group entities regard the acquisition of a further 10% of the share capital of Opalia Pharma S.A., reclassified into short-term liabilities on the basis of contractually agreed call and put options. The fair value of this purchase option is measured at level 2 because the valuation model considers the present value of the expected payments.

Amounts due to employees include amounts accrued and not paid, vacations accruing and not taken and bonuses for presence and for achieving objectives.

Social security payables not only include contribution expenses for those periods but also the amount

due to pension institutes for December.

Amounts payable to agents include € 58 thousand in commissions for foreign agents. The payable to AIFA (Italian Medicines Agency) relates to the payback provision (1.83 %) for the second half of 2024.

Details of other payables to subsidiaries are as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Casen Recordati S.L.	3,657	2,655	1,002
Herbacos Recordati s.r.o.	132	221	(89)
Jaba Recordati S.A.	107	365	(258)
Laboratoires Bouchara Recordati S.a.s.	131	413	(282)
Recor.Pharmaceuticals Ltd	129	-	129
Recordati BVBA	130	182	(52)
Recordati Hellas Pharmaceuticals S.A.	768	744	24
Recordati Pharma GmbH	287	-	287
Recordati Rare Diseases Italy S.r.l.	532	298	234
Other subsidiaries	140	1,080	(940)
<b>Total other payables to subsidiaries</b>	<b>6,013</b>	<b>5,958</b>	<b>55</b>

The increase in payables to Casen Recordati S.L. is due to the provision made for the “Strategic Amount” for the fourth quarter of 2024 under the Supply and Distribution Agreement following the agreement entered into in 2023 with GSK.

Finally, other payables include payables for credit notes to be issued (€ 978 thousand) and sundry payables, including contributions due in Bulgaria and Hungary for Eligard®, local taxes and various charges to be received.

## 32. TAX LIABILITIES

Tax liabilities as at 31<sup>st</sup> December 2024 amounted to € 20,253 thousand (€ 3,452 thousand as at 31<sup>st</sup> December 2023). The composition and changes in this item are as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Liabilities for employee withholding taxes	4,497	3,260	1,237
Liabilities for self-employed and associate workers' withholding taxes	150	192	(42)
Payables for current taxes from the tax consolidation (IRES - corporate income tax)	13,606	-	13,606
VAT liabilities	1,995	-	1,995
Other liabilities	5	-	5
<b>Total tax liabilities</b>	<b>20,253</b>	<b>3,452</b>	<b>16,801</b>

The substantial increase compared with previous years is because as at 31<sup>st</sup> December 2024 the Company had IRES payables from the tax consolidation (€ 13,606 thousand) and VAT payables (€1,995 thousand), whereas at the end of the previous year, the Company had a credit balance in respect of the two aforementioned items.

### 33. OTHER CURRENT LIABILITIES

Other current liabilities as at 31<sup>st</sup> December 2024 were nil (€ 191 thousand as at 31<sup>st</sup> December 2023). The decrease is due to the release of the last portion of deferred revenues related to up-front payments from licensing and distribution agreements received in previous years but accruing at a later date (2018-2024).

### 34. PROVISIONS

Provisions as at 31<sup>st</sup> December 2024 amounted to € 9,290 thousand (€ 4,627 thousand as at 31<sup>st</sup> December 2023). The composition and changes in this item are as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
For taxes	144	144	-
For agent customer indemnities	1,642	1,525	117
For other risks	7,504	2,958	4,546
<b>Total provisions</b>	<b>9,290</b>	<b>4,627</b>	<b>4,663</b>

The provision for taxes, unchanged compared with the previous year, arises from the merger of the former parent company FIMEI S.p.A. and is maintained on the balance sheet to cover any possible liabilities.

The various risks include provisions for 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 the Company's products relating to previous years.

### 35. DERIVATIVES MEASURED AT FAIR VALUE (current liabilities)

As at 31<sup>st</sup> December 2024 the fair value of derivatives classified within this item stood at € 4,858 thousand (€ 17,558 thousand as at 31<sup>st</sup> December 2023).

The fair value as at 31<sup>st</sup> December 2024 of the interest rate swaps to hedge medium and long-term loans gave rise to a total liability of € 4,279 thousand, which represents the missed opportunity to pay in future the currently expected floating rates for the duration of the loans instead of the rates agreed. The fair value measurement relates to interest rate swaps entered into by the Company to hedge interest rates on the following loans:

- a loan agreement for € 2,715 thousand signed in May 2023 with a consortium of eight national and international lenders, including Mediobanca in the role of lead coordinator;
- € 1,564 thousand for a loan totalling € 800.0 million, negotiated in 2022 by the Company in two stages. It should be noted that this loan was partially hedged (for € 348.4 million) and that the negative fair value measurement relates only to the interest rate swaps to hedge a € 199.2 million portion (the fair value measurement of the interest rate swaps on the remaining € 149.2 million was positive).

The fair value as at 31<sup>st</sup> December 2024 of a forward contract entered into to hedge currency risks on a loan to the company Rusfic LLC, for RUB 1,177,029 thousand nominal, was negative by € 575 thousand and the change was recognised through profit and loss.

The fair value as at 31<sup>st</sup> December 2024 of the forward contract entered into to hedge currency risks on a loan to the subsidiary Recordati Rare Diseases Mexico for MXN € 4,500 thousand nominal was negative by € 4 thousand and the change for the year was recognised through profit and loss.

The fair value of these hedging derivatives is measured at level 2 of the hierarchy set out in financial reporting standard IFRS 13 (see note 2). The fair value is equal to the present value of the estimated future cash flows. The estimated future cash flows at a floating interest rate are based on listed interest-rate swaps, futures prices and interbank rates. The estimated cash flows are discounted using a yield curve which reflects the reference interbank rate applied by market participants for the measurement of interest-rate swaps.

### 36. LOANS – DUE WITHIN ONE YEAR

The short-term portions of loans outstanding as at 31<sup>st</sup> December 2024, totalling € 247,903 thousand (€ 315,727 thousand as at 31<sup>st</sup> December 2023) are reported as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Bond subscribed in dollars by the investor Pricoa Capital Group (Prudential)	13,062	12,280	782
Bond subscribed in euro by the investor Pricoa Capital Group (Prudential)	15,625	-	15,625
Loan granted by a pool of banks with Mediobanca as the agent at a floating interest rate repayable in semi-annual instalments by 2024	-	127,636	(127,636)
Loan granted by Allied Irish Bank at a floating interest rate repayable in semi-annual instalments commencing from 2022 and until 2026	8,000	6,000	2,000
A syndicated loan at a floating interest rate repayable in semi-annual instalments commencing on 31 <sup>st</sup> March 2023 and repayable by 2 <sup>nd</sup> February 2027	140,000	123,800	16,200
Loan granted by Cassa Depositi e Prestiti at a floating interest rate and repayable in semi-annual instalments starting from October 2025 for 70% and from April 2033 for the remaining 30%	2,335	-	2,335
Loan agreement signed with a pool of national and international lenders, led by Mediobanca, at a floating interest rate repayable in increasing semi-annual instalments, commencing from 2024 and to be fully repaid by May 2028	58,750	45,000	13,750
Loan from HSBC Continental Europe, at a floating interest rate, repayable in semi-annual instalments starting on 31 <sup>st</sup> August 2025 with the last on 29 <sup>th</sup> February 2029	8,750	-	8,750
<b>Total loans due within one year</b>	<b>246,522</b>	<b>314,716</b>	<b>(68,194)</b>
Current portion of lease liabilities (IFRS 16)	1,381	1,011	370
<b>Total</b>	<b>247,903</b>	<b>315,727</b>	<b>(67,824)</b>

This item includes short-term liabilities resulting from the application of the financial reporting standard IFRS 16, amounting to € 1,381 thousand (€ 1,011 thousand as at 31<sup>st</sup> December 2023), which represent an obligation to make payments under existing lease contracts.

### 37. PAYABLES TO BANKS

Short-term liabilities to banks as at 31<sup>st</sup> December 2024 amounted to € 18,169 thousand (€ 96,213 thousand as at 31<sup>st</sup> December 2023). The composition and changes in this item are as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Current account overdrafts	1,363	533	830
Expenses on derivative instruments	218	383	(165)
Interest on loans	15,137	13,718	1,419
Interest on bonds	1,451	1,579	(128)
Drawings on short-term credit facilities	-	40,000	(40,000)
Revolving credit facilities	-	40,000	(40,000)
<b>Total</b>	<b>18,169</b>	<b>96,213</b>	<b>(78,044)</b>

The substantial decrease compared with 2023 is due primarily to the non-utilisation of short-term and revolving credit facilities.

On 1<sup>st</sup> March 2024 the Company renewed a revolving credit facility with UniCredit, with a maximum term of 12 months and for a maximum amount of € 24 million. This credit facility, not drawn on as at 31<sup>st</sup> December 2024, is a loan instrument which offers financial flexibility as it cannot be called and at the same time can be used flexibly on the basis of specific financial requirements. The agreement signed requires compliance with financial and earnings conditions similar to those already applied to other outstanding loans (see note 27. These conditions were fulfilled.

### 38. OTHER SHORT-TERM PAYABLES

Other short-term payables as at 31<sup>st</sup> December 2024 amounted to € 756,501 thousand (€ 709,226 thousand as at 31<sup>st</sup> December 2023).

The item includes payables to subsidiaries only, of which € 659,878 thousand related to payables arising from centralised treasury activities (cash pooling) and € 96,623 thousand related to loans payable, as follows:

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Bouchara Recordati S.a.s.	22,975	13,979	8,996
Casen Recordati S.L.	158,494	156,936	1,558
Fic Médical S.a.r.l.	240	81	159
Innova Pharma S.p.A.	11,057	6,331	4,726
Italchimici S.p.A.	15,120	40,322	(25,202)
Jaba Recordati S.A.	7,499	2,772	4,727
Laboratoires Bouchara Recordati S.a.s.	8,353	15,832	(7,479)
Natural Point S.r.l.	29,744	30,743	(999)
Recordati A.B.	0	978	(978)
Recordati BVBA	2,293	11,192	(8,899)
Recordati Hellas Pharmaceuticals S.A.	7,483	7,460	23
Recordati Ireland Ltd.	738	-	738
Recordati Netherlands B.V.	0	3,845	(3,845)
Recordati Pharma GmbH	76,003	45,731	30,272
Recordati Rare Diseases Germany GmbH	10,311	12,328	(2,017)
Recordati Rare Diseases Inc.	3	2	1
Recordati Rare Diseases Italy Srl	2,723	20,187	(17,464)
Recordati Rare Diseases S.a.r.l.	165,427	182,852	(17,425)
Recordati Rare Diseases Spain S.L.	4,024	286	3,738
Recordati UK LTD	125,354	82,052	43,302
Rusfic LLC	12,037	13,334	(1,297)
<b>Total cash pooling</b>	<b>659,878</b>	<b>647,242</b>	<b>12,635</b>
Herbacos Recordati s.r.o.	10	2,508	(2,498)
Recordati Pharmaceuticals LTD	644	8,646	(8,002)
Recordati Rare Diseases Middle East FZ LLC	16,806	27,400	(10,594)
Recordati Rare Diseases Inc.	79,163	23,278	55,885
Recordati Romania S.r.l.	0	152	(152)
<b>Total loans</b>	<b>96,623</b>	<b>61,984</b>	<b>34,639</b>
<b>Total other short-term payables</b>	<b>756,501</b>	<b>709,226</b>	<b>47,274</b>

### 39. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

As required by IFRS 7, a comparison of the carrying amounts as at 31<sup>st</sup> December 2024 and the fair values of financial assets and liabilities is given below.

€ (thousands)	Carrying amount	Fair value
<b>Financial assets</b>		
Other short-term financial receivables	81,560	81,560
Cash and cash equivalents and other current assets	138,141	138,141
Other non-current financial assets	718,458	718,458
Trade receivables	187,926	187,926
Other receivables	30,464	30,464
Derivatives measured at fair value	14,166	14,166
<b>Financial liabilities</b>		
Loans	2,338,059	2,339,564
- at fixed interest rates	199,719	201,371
- at fixed rate hedged by cross currency swaps (CCS)	36,371	36,224
- at floating rate hedged with interest rate swaps (IRS)	2,093,425	2,093,425
- liability for the application of IFRS 16	8,544	8,544
Trade payables	127,101	127,101
Other current payables and tax liabilities	64,184	64,184
Derivatives measured at fair value	4,858	4,858
Payables to banks	18,169	18,169
Other short-term payables	756,501	756,501
Other non-current financial payables	83,737	83,737

### 40. RISK DISCLOSURES

#### FINANCIAL RISKS

The Company constantly monitors the financial risks to which it is exposed in order to take immediate mitigation action when necessary.

The company aims to achieve a balanced and prudent financial structure as a fundamental condition for financing internal and external growth, thereby reducing financing costs to a minimum, while maximising returns. Speculative investments in shares, funds or financial assets which might impair the value of companies is not permitted.

The only financial investments admissible are investments in risk free assets and/or funds issued by major financial institutions.

The Company monitors the financial risks to which it is exposed in order to take immediate mitigation action, when necessary, in compliance with the applicable legislation and regulations and it transacts only with banks with a strong credit rating.

On the basis of the above and considering that the related effects would not be significant, no sensitivity analysis has been carried out.

As required by IFRS 7, information is given below on the main financial risks to which the Company is exposed.

### Credit risk

Credit risk is exposure to potential losses resulting from commercial counterparties failing to meet their obligations, also in relation to the effects of the prolonged period of economic and financial difficulty.

The Company closely controls its credit exposure through the allocation of credit limits to each single customer and an internal reporting system.

As at 31<sup>st</sup> December 2024 the credit exposure is not critical due to the large number of counterparties, their geographical distribution and the average amount of each receivable.

More specifically, it is considered that the allowance for doubtful accounts recognised in the balance sheet, amounting to € 1,024 thousand, is sufficient in relation to the risk of insolvency. Gross trade receivables, inclusive of receivables from subsidiaries, amounted to € 188,950 thousand.

### Interest rate risk

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

The Company's policy is to limit the risk arising from interest rate fluctuations by establishing medium to long-term loans at fixed or floating interest rates. Any floating rate loans are promptly hedged by using derivative instruments (e.g. interest rate swaps – IRS), used solely for hedging and not speculative purposes.

This hedging policy allows the company to reduce the risk attaching to fluctuations in interest rates (as illustrated in note 27).

### Foreign currency risk

The Company is exposed to foreign currency fluctuations which can affect its operating results.

In particular, the Company is exposed to foreign currency fluctuations on its international sales and financing denominated in currencies other than the euro.

The Company also enters into forward contracts for the purchase and sale of currency in order to hedge amounts at risk. It does this for hedging purposes only and not for speculation.

### Liquidity risk

The liquidity risk to which the Company could be exposed consists of the inability to raise sufficient funds for its ongoing business and for the development of its industrial and commercial activities. The two main factors which determine the Company's liquidity are, on the one hand, the resources 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 Company has a supply of readily available liquidity and substantial credit facilities available granted by a number of leading Italian and international banks.

The maturities of the Company's financial assets and its debt are reported in notes 24, 26, 34 and 35 to the financial statements which discuss cash and cash equivalents, medium to long-term borrowings and short-term debt from banks and other lenders. The Group believes that the funds and credit facilities currently available, in addition to those generated by operations and financing activities, are enough to satisfy investment needs, working capital requirements and the repayment of debts on their natural due dates.

## CLIMATE CHANGE RISK

As reported in the consolidated management report, the Company recognises a potential risk relating to climate change over a long-term time horizon and it will continue to monitor this potential risk over the years. As concerns the short and medium-term, in view of the sector, the company has currently classified climate change as a risk with no concrete or substantial impacts on the Company's operations.

## 41. SEGMENT REPORTING

Reporting by business segment, presented in compliance with IFRS 8 – Operating segments – has been performed according to the same accounting policies employed in the presentation of the consolidated financial statements of the Group where, following the acquisition of Recordati Rare Diseases, two main segments have been identified: the Specialty and Primary Care segment and the rare diseases pharmaceuticals segment, which relates to the whole of Recordati Rare Diseases. Consequently the only business segment that exists for Recordati S.p.A. is the Specialty and Primary Care segment. Furthermore, the pharmaceutical chemicals business is considered an integral part of the specialty and primary care segment because from an organisational and strategic viewpoint it is involved principally in the production of the active ingredients required to produce pharmaceuticals.

## 42. LITIGATION AND CONTINGENT LIABILITIES

The Company is a party to certain minor legal actions and disputes, the outcomes of which are not expected to result in any liability. The amount for contingent liabilities, currently considered “possible”, is not significant.

#### 43. NET FINANCIAL POSITION

For full disclosure on the Company's financial position, the following table is given which summarises its net financial position:

The situation is in line with the CONSOB Alert No. 5/21 of 29<sup>th</sup> April 2021 concerning compliance with "Guidelines on disclosure obligations in accordance with the Prospectus Regulation" published by the ESMA on 4<sup>th</sup> March 2021 with document ESMA32-382-1138.

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Current account sight deposits and other cash and cash equivalents	135,444	28,562	106,882
Short-term receivables from Group companies	81,560	113,087	(31,527)
<b>Cash and cash equivalents and other short-term receivables</b>	<b>217,004</b>	<b>141,649</b>	<b>75,355</b>
Short-term payables to banks	(18,169)	(96,213)	78,044
Loans due within one year	(247,903)	(315,727)	67,824
Short-term payables to Group companies	(756,501)	(709,227)	(47,274)
<b>Current debt</b>	<b>(1,022,573)</b>	<b>(1,121,167)</b>	<b>98,594</b>
<b>Net current financial position (1)</b>	<b>(805,569)</b>	<b>(979,518)</b>	<b>173,949</b>
Receivables - due after one year	718,458	83	718,375
Loans – due after one year	(2,079,143)	(1,323,964)	(755,179)
Long-term payables due to Group companies	(83,737)	(45,249)	(38,488)
<b>Non-current debt</b>	<b>(1,444,422)</b>	<b>(1,369,130)</b>	<b>(75,292)</b>
<b>Net financial position (2)</b>	<b>(2,249,991)</b>	<b>(2,348,648)</b>	<b>98,657</b>

(1) Current debt includes loans due within one year, amounts payable to banks and other short-term payables.

(2) Inclusive of the fair value of derivatives to hedge foreign exchange rate risk (cash flow hedges), recognised within asset item 23 and liability item 35 with an overall net positive impact of € 11,014 thousand as at 31<sup>st</sup> December 2024.

#### 44. NON-RECURRING SIGNIFICANT EVENTS AND TRANSACTIONS

In compliance with Consob communication of 28<sup>th</sup> July 2006 a summary is given in the table below of the main events, transactions and actions which are non-recurring and which do not repeat frequently in the usual course of business.

The overall net impact of such occurrences on the profit and loss, balance sheet and cash flow of the Company amounts was negative by € 561 thousand.

€ (thousands)	31.12.2024	31.12.2023	Changes 2024/2023
Restructuring	(561)	(564)	3
Donations to Ukraine	-	(100)	100
<b>Total non-recurring income/(expense)</b>	<b>(561)</b>	<b>(664)</b>	<b>103</b>

#### 45. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In compliance with CONSOB communication of 28<sup>th</sup> July 2006 the Company performed no atypical and/or unusual transactions in 2024 as defined in that same communication, according to which atypical and/or unusual transactions are those which because of their significance or importance, the nature of the counterparties, the content of the transaction, the way in which the transfer price is decided and the timing of the event (close to the end of the financial year) might give rise to doubts concerning: the accuracy and completeness of the information in the financial statements, a conflict of interests, the security of the company's assets, the protection of the interests of minority shareholders.

#### 46. RELATED-PARTY TRANSACTIONS

As at 31st December 2024, the Company had an aggregate net credit position of € 38,656 thousand towards group companies, with credit positions of € 941,908 thousand and debt positions of € 903,252 thousand.

The table below summarises these receivables and payables by nature:

RELATED-PARTY TRANSACTIONS	Receivables (€ thousand)	Payables (€ thousand)	Net (€ thousand)
Loans	777,792	(180,360)	597,432
Cash pooling	22,141	(659,878)	(637,737)
Trade	127,271	(57,001)	70,270
Other	14,705	(6,013)	8,691
<b>Total</b>	<b>941,908</b>	<b>(903,252)</b>	<b>38,656</b>

A loan agreement was entered into with Recordati UK LTD for a total of € 761.7 million, following the successful conclusion of an agreement with Sanofi by the subsidiary for the acquisition of the global rights to Enjaymo® (see the comment on the net financial position on page 5 for further details).

Sales, services and royalties supplied to Group companies in 2024 amounted to € 422,812 thousand (€ 322,592 thousand in 2023).

During the year dividends were received from Recordati Rare Diseases S.a.r.l. for € 90,913 thousand, from Italcimici S.p.A. for € 40,524 thousand, from Recordati UK LTD for € 40,000 thousand, from Casen Recordati S.L. for € 38,712 thousand, from Recordati Ireland Limited for € 25,000 thousand, from Bouchara Recordati for € 20,000 thousand, from Natural Point S.r.l. for € 20,000 thousand, from Recordati Romania Srl for € 6,029 thousand and from Herbacos Recordati S.r.o. for € 2,031 thousand.

The following summary is given in the table below in compliance with Consob Resolution No. 15519 of 27<sup>th</sup> July 2006:

PERCENTAGE OF TRANSACTIONS WITH RELATED PARTIES (€ thousand)	Total	Related Parties (amount)	Related Parties (%)
<b>Percentage of transactions or positions in the balance sheet with related parties</b>			
Trade receivables and other	218,390	141,975	65.01%
Other non-current financial assets	718,458	718,373	99.99%
Short-term financial assets	81,560	81,560	100.00%
Trade payables and other	(171,033)	(63,014)	36.84%
Other non-current financial payables	(83,737)	(83,737)	100.00%
Other short-term payables	(756,501)	(756,501)	100.00%
<b>Percentage of transactions or positions in the income statement with related parties</b>			
Revenue	689,592	422,961	61.33%
Income from investments	283,209	283,209	100.00%
Costs of purchases and service provision	(366,386)	(60,653)	16.55%
Financial income/(expense), net	(109,058)	(34,002)	31.18%

Transactions and positions with related parties as a percentage of cash flows is basically the same as that for the income statement items because the transactions are conducted under normal market conditions.

With regard to direct relations during the year with the company that exercises management and coordination, we report that some employees of the Recordati Group have been designated as beneficiaries of an incentive scheme, with a vesting period of five years, under which they have purchased shares of Rossini Luxembourg S.à.r.l. at face value, an indirect shareholder of Recordati S.p.A., and they will receive a return at the end of the life of the scheme.

With the exception of the previous point, no other direct business was conducted with the company that carries out management and coordination activities.

In compliance with disclosure obligations set out in Art. 38 of Legislative Decree No. 127/91, we report that fees paid to directors and statutory auditors for carrying out their functions during the course of 2024 amounted to € 2,643 thousand and € 170 thousand respectively.

Details of total remuneration received by directors and key management personnel are given in the table below.

€ (thousands)	2024	2023
Fixed remuneration	2,555	3,715
Non-monetary benefits	69	109
Bonuses and other incentives	1,776	2,610
Share-based payments	2,013	1,624
<b>Total</b>	<b>6,413</b>	<b>8,058</b>

The remuneration includes salaries and non-monetary benefits. Key management personnel also participate in stock option plans.

Following extraordinary operations involving the life of the Company in relation to the sale of their controlling interest by the Recordati family to a consortium of investment funds controlled by CVC Capital Partners VII Limited, on 28<sup>th</sup> February 2019 the Board of Directors of the Company, appointed by a Shareholders' Meeting held on 5<sup>th</sup> February 2019, noted the management and co-ordination exercised by Rossini Luxembourg S.à.r.l. over Recordati S.p.A. pursuant to articles 2497 and following of the Italian Civil Code.

We report that Rossini Luxembourg S.à.r.l. was formed on 14/05/2018. Key figures from the financial statements for the year ended 31<sup>st</sup> December 2023 approved by the company that exercises management and co-ordination are furnished in Attachment 6.

The direct parent of the Company forms part of a consortium of investment funds controlled by CVC Capital Partners.

#### 47. IMPORTANT EVENTS AFTER THE REPORTING PERIOD

At the date of preparing the financial statements no corporate events had occurred after the end of the year which might require modifications to be made to the value of assets and liabilities and the amounts in the income statement.

#### 48. PROPOSAL FOR THE ALLOCATION OF NET INCOME FOR THE YEAR

A proposal is made for the profit for the year, amounting to € 320,830,287 to be allocated as follows:

- distribution to shareholders of a dividend of € 0.67 per share, as the balance on the interim dividend for the financial year 2024 of € 0.60, on each of the shares outstanding on the ex dividend date, 19<sup>th</sup> May 2025, exclusive of treasury stock held in portfolio on that date, with payment on 21<sup>st</sup> May 2025 and record date on 20<sup>th</sup> May 2025. The total dividend per share proposed for the financial year 2024 therefore amounts to € 1.27 per share (€ 1.20 per share in 2023).
- allocation to the extraordinary reserve of the remaining net income.

**RECORDATI S.p.A.**  
**STATEMENT OF CHANGES IN DIRECT INVESTMENTS**
**ATTACHMENT 1**

€ (thousands)	Balance as at 31 <sup>st</sup> December 2023	Acquisiti- ons	Mergers	Fair value measure- ment	IFRS 2 Stock option measure- ment	IFRS2 Performance shares measure- ment	Balance as at 31 <sup>st</sup> December 2024
<b>Investments in subsidiaries</b>							
Casen Recordati S.L. – Spain	275,324	-	-	-	531	760	276,615
Innova Pharma S.p.A. – Italy	10,569	-	-	-	-	(3)	10,566
Bouchara Recordati S.a.s. – France	59,630	-	72,636	-	368	591	133,225
Recordati Pharmaceuticals Ltd. – United Kingdom	11,777	-	-	-	39	100	11,916
Recordati Hellas Pharmaceuticals S.A. – Greece	5,098	-	-	-	31	54	5,183
Herbacos Recordati s.r.o. – Czech Republic	20,085	-	-	-	47	89	20,221
Recordati Polska Sp. z.o.o. – Poland	20,855	-	-	-	184	312	21,351
Italchimici S.p.A. – Italy	106,294	-	-	-	-	-	106,294
Natural Point s.r.l. – Italy	83,643	-	-	-	13	-	83,656
Recordati AG – Switzerland	207,253	-	-	-	322	1,327	208,902
Recordati Rare Diseases Canada Inc. – Canada	245	-	-	-	-	-	245
Recordati Rare Diseases Inc. – United States	6,081	-	-	-	631	1,886	8,598
Recordati Rare Diseases S.A. de C.V. – Mexico	951	-	-	-	13	32	996
Recordati Rare Diseases Comercio Medicamentos Ltda – Brazil	263	-	-	-	13	28	304
Recordati Ireland Ltd – Ireland	2,021	-	-	-	126	100	2,247
Opalia Pharma S.A. – Tunisia	19,982	-	-	-	-	-	19,982
Recordati Romania Srl – Romania	1,724	-	-	-	31	51	1,806
Recordati Pharma GMBH – Germany	88,100	-	-	-	96	227	88,423
Accent LLC – Russian Federation	66,707	-	-	-	-	-	66,707
Recordati Ukraine LLC – Ukraine	-	-	-	-	-	-	-
Tonipharm S.A.S. – France (*)	72,636	-	(72,636)	-	-	-	-
Recordati Bulgaria Ltd – Bulgaria	58	-	-	-	9	-	67
Recordati (Beijing) Pharmaceutical Co., Ltd – China	847	-	-	-	13	-	860
Recordati UK LTD – United Kingdom	707,489	-	-	-	247	180	707,916
Recordati Rare Diseases S.a.r.l. – France	56,359	-	-	-	388	1,044	57,791
Recordati Argentina S.r.l. – Argentina	-	5	-	-	-	-	5
	<b>1,823,990</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>3,102</b>	<b>6,778</b>	<b>1,833,876</b>
<b>Investments in other companies:</b>							
Sifir S.p.A. – Reggio Emilia	-	-	-	-	-	-	-
Consorzio Dafne – Reggello (Florence)	2	-	-	-	-	-	2
Consorzio Nazionale Imballaggi – Rome	-	-	-	-	-	-	-
DGT – United States	-	-	-	-	-	-	-
PureTech Health p.l.c. – United Kingdom	21,351	-	-	(4,043)	-	-	17,308
Miacomet Inc.	-	-	-	-	-	-	-
Standard Biotoools Inc. – United States	3	-	-	-	-	-	3
	<b>21,356</b>	<b>-</b>	<b>-</b>	<b>(4,043)</b>	<b>-</b>	<b>-</b>	<b>17,313</b>
<b>Total</b>	<b>1,845,346</b>	<b>5</b>	<b>-</b>	<b>(4,043)</b>	<b>3,102</b>	<b>6,778</b>	<b>1,851,189</b>

\* Tonipharm S.a.s. was merged into Bouchara Recordati S.a.s.

**RECORDATI S.p.A.**  
**SUMMARY STATEMENT OF DIRECT INVESTMENTS**
**ATTACHMENT 2**

€ (thousands)	Balance as at 31 <sup>st</sup> December 2024	Percentage ownership	Number of shares or quotas possessed
<b>Investments in subsidiaries</b>			
Casen Recordati S.L. – Spain	276,615	100.00	2,389,660
Innova Pharma S.p.A. – Italy	10,566	100.00	960,000
Bouchara Recordati S.a.s. – France	133,225	100.00	10,000
Recordati Pharmaceuticals Ltd. – United Kingdom	11,916	100.00	15,000,000
Recordati Hellas Pharmaceuticals S.A. – Greece	5,183	100.00	1,005,000
Herbacos Recordati s.r.o. – Czech Republic	20,221	100.00	1
Recordati Polska Sp. z.o.o. – Poland	21,351	100.00	90,000
Italchimici S.p.A. – Italy	106,294	100.00	7,646,000
Natural Point s.r.l. – Italy	83,656	100.00	1
Recordati AG – Switzerland	208,902	100.00	650,000
Recordati Rare Diseases Canada Inc. – Canada	245	100.00	1,000
Recordati Rare Diseases Inc. – United States	8,598	100.00	100
Recordati Rare Diseases S.A. de C.V. – Mexico	996	100.00	49,999
Recordati Rare Diseases Comercio Medicamentos Ltda – Brazil	304	100.00	166
Recordati Ireland Ltd – Ireland	2,247	100.00	200,000
Opalia Pharma S.A.– Tunisia	19,982	90.00	612,000
Recordati Romania Srl – Romania	1,806	100.00	500,000
Recordati Pharma GMBH – Germany	88,423	55.00	1
Accent LLC – Russian Federation	66,707	100.00	1
Recordati Ukraine LLC – Ukraine	-	0.01	1
Recordati Bulgaria Ltd – Bulgaria	67	100,00	50
Recordati (Beijing) Pharmaceutical Co., Ltd – China	860	100.00	1
Recordati UK LTD – United Kingdom	707,916	100.00	10
Recordati Rare Diseases S.a.r.l. – France	57,791	84.00	4,580
Recordati Argentina S.r.l. – Argentina	5	5.00	446,525
	<b>1,833,876</b>		
<b>Investments in other companies:</b>			
Consorzio Dafne – Reggello (Florence)	2	1.16	1
Consorzio Nazionale Imballaggi – Rome	-	n.s.	1
DGT – United States	-	n.s.	n.s.
PureTech Health p.l.c. – United Kingdom	17,308	3.70	9,554,140
Miacomet Inc.	-	n.s	n.s
Standard Biotoools Inc. – United States	3	n.s	1.698
	<b>17,313</b>		
<b>TOTAL</b>	<b>1,851,189</b>		

**COMPARISON BETWEEN THE CARRYING AMOUNT OF DIRECT INVESTMENTS IN SUBSIDIARIES AND THEIR VALUATION USING THE EQUITY METHOD**

€ (thousands)	Share capital	31.12.2024 Equity	31.12.2024 Net income (loss)	Percentage ownership	Corresponding pro-rata equity (A)	Carrying amount (B)	Valuation at equity (C)
Investments:							
Casen Recordati S.L. – Spain	238,966	479,970	48,022	100.00%	479,970	276,615	581,889
Innova Pharma S.p.A. – Italy	1,920	13,120	1,668	100.00%	13,120	10,566	13,252
Bouchara Recordati S.a.s. – France	4,600	62,249	29,239	100.00%	62,249	133,225	248,089
Recordati Pharmaceuticals Ltd. – United Kingdom	18,090	15,965	716	100.00%	15,965	11,916	14,824
Recordati Hellas Pharmaceuticals S.A. – Greece	10,050	10,165	1,894	100.00%	10,165	5,183	8,699
Herbacos Recordati s.r.o. – Czech Republic	1,016	19,665	3,334	100.00%	19,665	20,221	32,813
Recordati Polska Sp. z.o.o. – Poland	1,053	24,413	5,624	100.00%	24,413	21,351	35,992
Italchimici S.p.A. – Italy	7,646	66,346	17,285	100.00%	66,346	106,294	137,327
Natural Point s.r.l. – Italy	10	72,497	15,573	100.00%	72,497	83,656	100,390
Recordati AG – Switzerland	69,061	472,140	76,654	100.00%	472,140	208,902	487,235
Recordati Rare Diseases Canada Inc. – Canada	234	3,287	985	100.00%	3,287	245	1,978
Recordati Rare Diseases Inc. – United States	11,530	463,245	56,184	100.00%	463,245	8,598	358,833
Recordati Rare Diseases S.A. de C.V. – Mexico	754	3,032	502	100.00%	3,032	996	2,685
Recordati Rare Diseases Comercio De Medicamentos Ltda – Brazil*	0	501	(1,133)	100.00%	501	304	(231)
Recordati Ireland Ltd – Ireland	200	149,918	48,688	100.00%	149,918	2,247	110,955
Opalia Pharma S.A. – Tunisia	2,919	31,641	4,496	90.00%	28,477	19,982	51,026
Recordati Romania Srl – Romania	1,005	11,155	5,560	100.00%	11,155	1,806	10,569
Recordati Pharma GMBH – Germany	600	167,659	33,410	55.00%	92,212	88,423	100,720
Accent LLC – Russian Federation*	0	320	17	100.00%	320	66,707	15,045
Recordati Ukraine LLC – Ukraine	24	4,204	417	0.01%	0	0	0
Recordati Bulgaria Ltd – Bulgaria	26	177	15	100.00%	177	67	177
Recordati (Beijing) Pharmaceutical Co., Ltd – Cina	752	1,326	632	100.00%	1,326	860	1,236
Recordati UK LTD - United Kingdom*	0	225,607	49,850	100.00%	225,607	707,916	686,718
Recordati Rare Diseases S.a.r.l. – France	420	336,252	105,235	84.00%	282,452	57,791	305,205
Recordati Argentina S.r.l. – Argentina	101	216	115	5.00%	11	5	12
	<b>370,978</b>	<b>2,635,071</b>	<b>504,985</b>		<b>2,498,252</b>	<b>1,833,876</b>	<b>3,305,439</b>

\* The carrying amount of the investment has not been adjusted to bring it into line with the amount calculated using the equity method because, amongst other things, the results of the annual impairment test showed that the difference was not to be considered an indicator of permanent impairment.

**SUMMARY INFORMATION ON SUBSIDIARIES**

Subsidiaries	Headquarters	Currency	Share capital	Net income (loss) 2024	Equity as at 31/12/2024	Revenue 2024
INNOVA PHARMA S.p.A. <i>Marketing and sales of pharmaceuticals</i>	Italy	€(000)	1,920	1,668	13,120	46,082
CASEN RECORDATI S.L. <i>Marketing and sales of pharmaceuticals</i>	Spain	€(000)	238,966	48,022	479,970	206,299
BOUCHARA RECORDATI S.A.S. Research, production and sales of pharmaceuticals	France	€(000)	4,600	29,239	62,249	20,750
REC.RARE DISEASES COMERCIO DE MEDICAMENTOS LTDA. <i>Dormant, holds pharmaceutical marketing rights in Brazil</i>	Brazil	BRL(000)	-	(7,279)	3,222	49,867
RECORDATI RARE DISEASES Inc. <i>Research, production and sales of pharmaceuticals</i>	USA	USD(000)	11,979	58,370	481,265	441,267
RECORDATI IRELAND LTD <i>Research, production and sales of pharmaceuticals</i>	Ireland	€(000)	200	48,688	149,918	312,186
LABORATOIRES BOUCHARA RECORDATI S.A.S. <i>Research, production and sales of pharmaceuticals</i>	France	€(000)	14,000	14,788	45,616	209,823
RECORDATI PHARMA GmbH <i>Marketing and sales of pharmaceuticals</i>	Germany	€(000)	600	33,410	167,659	110,509
RECORDATI PHARMACEUTICALS LTD <i>Marketing and sales of pharmaceuticals</i>	United Kingdom	GBP(000)	15,000	594	13,238	9,676
RECORDATI HELLAS PHARMACEUTICALS S.A. <i>Marketing and sales of pharmaceuticals</i>	Greece	€(000)	10,050	1,894	10,165	23,600
JABA RECORDATI S.A. <i>Marketing and sales of pharmaceuticals</i>	Portugal	€(000)	2,000	14,540	21,250	64,288
JABAFARMA PRODUTOS FARMACÊUTICOS S.A. <i>Marketing of pharmaceuticals</i>	Portugal	€(000)	50	146	883	840
BONAFARMA PRODUTOS FARMACÊUTICOS S.A. <i>Marketing of pharmaceuticals</i>	Portugal	€(000)	50	581	1,712	2,880
RECORDATI RARE DISEASES MIDDLE EAST FZ LLC <i>Marketing and sales of pharmaceuticals</i>	United Arab Emirates	€(000)	20	2,474	26,790	2,861
RECORDATI A.B. <i>Marketing and sales of pharmaceuticals</i>	Sweden	SEK(000)	100	20,103	74,745	329,184
RECORDATI RARE DISEASES S.A.R.L. <i>Research, production and sales of pharmaceuticals</i>	France	€(000)	420	105,235	336,252	270,538
NATURAL POINT S.r.l. <i>Marketing and sales of pharmaceuticals</i>	Italy	€(000)	10	15,573	72,497	35,181
RECORDATI AUSTRIA GmbH <i>Marketing and sales of pharmaceuticals</i>	Austria	€(000)	35	1,039	1,975	6,219

Subsidiaries	Headquarters	Currency	Share capital	Net income (loss) 2024	Equity as at 31/12/2024	Revenue 2024
RECORDATI RARE DISEASES UNITED KINGDOM LTD <i>Marketing and sales of pharmaceuticals</i>	United Kingdom	GBP(000)	50	550	1,237	6,682
RECORDATI BULGARIA LTD <i>Marketing and sales of pharmaceuticals</i>	Bulgaria	BGN(000)	50	30	347	799
RECORDATI RARE DISEASES GERMANY GmbH <i>Marketing and sales of pharmaceuticals</i>	Germany	€(000)	26	3,460	4,933	58,218
RECORDATI RARE DISEASES SPAIN S.L. <i>Marketing and sales of pharmaceuticals</i>	Spain	€(000)	1,775	1,784	6,811	36,801
RECORDATI RARE DISEASES ITALY S.R.L. <i>Marketing and sales of pharmaceuticals</i>	Italy	€(000)	40	1,847	15,097	38,085
RECORDATI BVBA <i>Marketing and sales of pharmaceuticals</i>	Belgium	€(000)	19	1,666	5,830	31,457
FIC MEDICAL S.A.R.L. <i>Marketing of pharmaceuticals</i>	France	€(000)	174	120	949	3,157
HERBACOS RECORDATI s.r.o. <i>Research, production and sales of pharmaceuticals</i>	Czech Republic	CZK(000)	25,600	83,971	495,260	1,044,930
RECORDATI SK s.r.o. <i>Marketing and sales of pharmaceuticals</i>	Slovak Republic	€(000)	33	60	571	2,101
RUSFIC LLC <i>Marketing and sales of pharmaceuticals</i>	Russian Federation	RUB(000)	3,560	804,224	7,530,633	10,531,583
RECOFARMA İLAÇ Ve Hammaddeleri Sanayi Ve Ticaret L.Ş. <i>Marketing of pharmaceuticals</i>	Turkey	TRY(000)	8,000	10,187	20,282	45,038
RECORDATI ROMANIA S.R.L. <i>Marketing and sales of pharmaceuticals</i>	Romania	RON(000)	5,000	27,659	55,490	134,067
RECORDATI İLAÇ Sanayi Ve Ticaret A.Ş. <i>Research, production and sales of pharmaceuticals</i>	Turkey	TRY(000)	2,104,409	284,761	2,815,815	4,566,072
RECORDATI POLSKA Sp. z o.o <i>Marketing and sales of pharmaceuticals</i>	Romania	PLN(000)	4,500	24,043	104,367	295,685
ACCENT LLC <i>Holds pharmaceutical marketing rights</i>	Russian Federation	RUB(000)	20	2,030	37,725	3,600
RECORDATI UKRAINE LLC <i>Marketing of pharmaceuticals</i>	Ukraine	UAH(000)	1,032	18,225	183,660	724,639
CASEN RECORDATI Portugal Unipessoal Ltd <i>Marketing and sales of pharmaceuticals</i>	Portugal	€(000)	100	158	1,172	744
OPALIA PHARMA S.A. <i>Research, production and sales of pharmaceuticals</i>	Tunisia	TND(000)	9,656	14,874	104,669	102,892

Subsidiaries	Headquarters	Currency	Share capital	Net income (loss) 2024	Equity as at 31/12/2024	Revenue 2024
OPALIA RECORDATI SARL <i>Marketing of pharmaceuticals</i>	Tunisia	TND(000)	20	1,787	11,523	5,707
RECORDATI RARE DISEASE S.A. DE CV <i>Marketing of pharmaceuticals</i>	Mexico	MXN(000)	16,250	10,823	65,349	155,028
RECORDATI RARE DISEASE COLOMBIA S.A.S <i>Marketing of pharmaceuticals</i>	Colombia	COP(000)	150,000	369,853	24,437,656	60,471,770
RECORDATI RARE DISEASE CANADA INC. <i>Marketing of pharmaceuticals</i>	Canada	CAD(000)	350	1,473	4,913	16,489
RECORDATI RARE DISEASE JAPAN K.K. <i>Marketing of pharmaceuticals</i>	Japan	JPY(000)	90,000	16,934	1,483,715	5,372,993
RECORDATI RARE DISEASE AUSTRALIA Pty Ltd. <i>Marketing of pharmaceuticals</i>	Australia	AUD(000)	200	1,426	2,252	11,476
ITALCHIMICI S.p.A. <i>Marketing and sales of pharmaceuticals</i>	Italy	€(000)	7,646	17,285	66,346	46,514
RECORDATI AG <i>Marketing and sales of pharmaceuticals</i>	Switzerland	CHF(000)	65,000	72,147	444,378	293,436
RECORDATI (BEIJING) PHARMACEUTICAL CO. Ltd. <i>Marketing of pharmaceuticals</i>	China	CNY(000)	5,706	4,794	10,057	69,129
RECORDATI RARE DISEASES FZCO <sup>(2)</sup> <i>Marketing and sales of pharmaceuticals</i>	United Arab Emirates	€(000)	39	851	3,205	11,150
RECORDATI UK Ltd <i>Marketing and sales of pharmaceuticals</i>	United Kingdom	€(000)	-	49,850	225,607	225,985
EUSA PHARMA (CH) GMBH <i>Marketing of pharmaceuticals</i>	Switzerland	CHF(000)	20	2	373	90
RECORDATI NETHERLANDS B.V. <i>Marketing and sales of pharmaceuticals</i>	Netherlands	€(000)	-	487	1,012	85,800
EUSA PHARMA DENMARK APS (DENMARK) <i>Marketing and sales of pharmaceuticals</i>	Denmark	DKK(000)	-	-	-	151
RECORDATI KOREA Co. Ltd. <i>Marketing and sales of pharmaceuticals</i>	South Korea	KRW(000)	100,000	57,598	1,052,052	7,691,268
RECORDATI ARGENTINA S.r.l. <i>Marketing and sales of pharmaceuticals</i>	Argentina	ARS(000)	89,305	140,655	229,960	861,651
RECORDATI RARE DISEASE MENA RHQ <i>Marketing and sales of pharmaceuticals</i>	Saudi Arabia	SAR(000)	500	-	500	-

**RECORDATI S.p.A.**  
**DETAILS OF ITEMS IN SHAREHOLDERS' EQUITY**

€ (thousands)	Amount	Availability for use	Amount available	Amount distributable without tax effects	Amount distributable with tax effects	Summary of uses over the preceding three years		Notes
						Replenishment of losses	Other Uses	
Share capital	26,141							
Additional paid-in capital reserve	83,718	A B C	83,718	15,074	68,644			1
Revaluation reserve	2,602	A B C	2,602	-	2,602			
Statutory reserve	5,228	B	-	-	-			
Treasury stock reserve	(131,570)		(131,570)	(131,570)	-			
<b>Other reserves</b>								
Gain on merger	30,204	A B C	30,204	30,204	-			
Extraordinary reserve	14,451	A B C	14,451	14,451	-		(50,085)	2
Reserve under Art. 13 par. 6 Legislative Decree No. 124/1993	99	A B C	99	-	99			
Research and investment grants	17,191	A B C	17,191	1,227	15,964			3
Extraordinary VAT concession reserve	517	A B C	517	-	517			
Southern Italy investment fund	3,632							
IAS reserve	156,152	A B C	156,152	156,152	-			
Interim dividends	(123,949)		(123,949)	(123,949)	-			
Net income (loss) for the period	320,830	A B C	320,830	320,830	-			
<b>Total equity</b>	<b>405,246</b>		<b>370,245</b>	<b>282,419</b>	<b>87,826</b>		<b>(50,085)</b>	

**Legend:**

- A for share capital increase
- B to replenish losses
- C to distribute to shareholders

**Notes:**

- 1 The additional paid-in capital reserve may be distributed when the statutory reserve has reached one fifth of the share capital.
- 2 The decrease is due to the difference between the amount paid by Group employees who exercised options under stock option plans and the value of treasury shares recognised in the financial statements in the last three years.
- 3 The research and investment grant reserve has already been subject to taxation of € 1,227 thousand.

SUMMARY OF THE LATEST FINANCIAL STATEMENTS APPROVED BY THE COMPANY THAT EXERCISES MANAGEMENT AND COORDINATION

<b>Annual financial statements of the company Rossini Luxembourg S.à.r.l.</b>	<b>Amounts euro 31/12/2023</b>	<b>Amounts in euro 31/12/2022</b>
<b>INCOME STATEMENT</b>		
REVENUE		
OPERATING COSTS	(103,869)	(92,354)
FINANCIAL INCOME (EXPENSES)	0	(136)
TAXES	(8,385)	(5,385)
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>(112,254)</b>	<b>(97,875)</b>
<b>ASSETS</b>		
NON-CURRENT ASSETS	1,098,330,981	1,098,330,981
CURRENT ASSETS	1,584,783	1,695,107
<b>TOTAL ASSETS</b>	<b>1,099,915,765</b>	<b>1,100,026,088</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	1,108,568	1,108,568
Reserves	1,099,417,178	1,099,417,178
Prior year net income (losses)	(517,638)	(419,763)
Net income (loss) for the year	(112,254)	(97,875)
<b>TOTAL EQUITY</b>	<b>1,099,895,854</b>	<b>1,100,008,108</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES	19,911	17,980
<b>TOTAL LIABILITIES</b>	<b>19,911</b>	<b>17,980</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,099,915,765</b>	<b>1,100,026,088</b>

## DISCLOSURE OF AUDITORS' FEES FOR ACCOUNTING AUDITS AND OTHER SERVICES

Type of service	Firm that provided the service	Amounts in euro
		Fees
Accounting audit	Auditor of the Company	250,388
Due diligence services	Auditor of the Company	185,150
Signing declarations and certifications	Auditor of the Company	161,254

CERTIFICATION IN RESPECT OF THE FINANCIAL STATEMENTS UNDER ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/98

1. The undersigned, Robert Koremans, in his capacity as Chief Executive Officer, and Niccolò Giovannini, as the Manager responsible for the preparation of the financial statements of Recordati S.p.A., pursuant to the provisions of article 154-*bis*, clauses 3 and 4, of Legislative Decree No. 58 of 24<sup>th</sup> February 1998, hereby attest

the adequacy in relation to the characteristics of the company and

the effective application,

of the administrative and accounting procedures applied in the preparation of the separate company financial statements for the financial year 2024.

2. They also attest that:

2.1 The financial statements as at 31<sup>st</sup> December 2024:

have been prepared in accordance with the international accounting standards, recognised by the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and Council, dated 19<sup>th</sup> 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 issuer.

2.2 The report on operations includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

Milan, 18<sup>th</sup> March 2025

Chief Executive Officer

Manager responsible for preparing the  
Company's financial reports

Robert Koremans

Niccolò Giovannini



Shape the future  
with confidence

# Recordati Industria Chimica e Farmaceutica S.p.A.

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 Financial Statements

### Opinion

We have audited the financial statements of Recordati Industria Chimica e Farmaceutica S.p.A. (the Company), which comprise the statement of financial position as at 31 December 2024, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 Financial Statements* section of our report. We are independent of the Company 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Shape the future  
with confidence

We identified the following key audit matters:

Key Audit Matter	Audit Response
<p>Recoverability of the book value of investments in subsidiaries</p> <p>As of 31 December 2024, the investments in subsidiaries recorded in the Company's financial statements amount to Euro 1.834 million.</p> <p>In case of specific impairment indicators, the value of investments in subsidiaries, recorded at cost, is tested for impairment by the directors. For the purpose of impairment testing, the value of the investments in subsidiaries is compared with the recoverable amount, defined as the higher of the fair value less costs to sell and the value in use. The processes as well as the methods of evaluation and calculation of the recoverable amount of investments in subsidiaries 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.</p> <p>Considering the significance of the item, the judgment requested and the complexity of the assumptions adopted in the estimation of the recoverable amount of investments in subsidiaries, we assessed this matter as a key audit matter.</p> <p>Financial statements disclosures related to this matter are reported in the note "2. Summary of significant accounting policies" and in particular in the note "16. Investments", which describes the composition of the balance as of 31 December 2024, as well as the methodology used to assess the recoverable amount of investments in subsidiaries, with specific reference to the valuation methodology and the assumptions used.</p>	<p>Our audit procedures related to the key audit matter included, among the others:</p> <ol style="list-style-type: none"><li>i. the analysis of the procedure adopted by the Company and the methodology applied in connection with identification and evaluation of any reduction in the value of investments in subsidiaries, taking into account the impairment test procedure approved by the Board of Directors of the Company on February 13, 2025;</li><li>ii. the analysis of the differences between the value of investments in subsidiaries and the corresponding value of the net assets of the subsidiaries, also considering the outcome of the activities performed to assess the recoverability of goodwill in the consolidated financial statements;</li><li>iii. the analysis of the impairment tests approved by the Board of Directors, including the analysis of the reasonableness of the expected cash flows;</li><li>iv. the assessment of the quality of forecasts as compared to the historical accuracy of the previous forecasts;</li><li>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.</li></ol> <p>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.</p> <p>Finally, we analyzed the disclosures provided in the financial statements of the Company as of 31 December 2024.</p>



Shape the future  
with confidence

## Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the 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 Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company 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 Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company's ability to 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.



**Shape the future  
with confidence**

However, future events or conditions may cause the Company to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 Company in conducting the audit.

We confirm that the opinion on the 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.

## 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 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 financial statements as at 31 December 2024 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at 31 December 2024 have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.



**Shape the future  
with confidence**

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 Recordati Industria Chimica e Farmaceutica S.p.A. as at 31 December 2024, including their consistency with the related 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 financial statements;
- express an opinion of the compliance with the laws and regulations of the Report on Operations 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 financial statements of Recordati Industria Chimica e Farmaceutica S.p.A. as at 31 December 2024.

Furthermore, 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, 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.

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.