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RECIIPHARM – OVERVIEW

• A leading European CDMO serving pharma globally
  - Strategic relationship with customers across the life cycle, from discovery to commercial manufacturing
  - 300+ customers, 500+ products
  - Comprehensive network, 20+ facilities in Europe, North America and Asia
  - 3200+ employees

• Attractive, unique value proposition
  - Pharmaceutical expertise
  - Manage complexity
  - Full service offering
  - Risk control
  - Added value for customers

• 20+ years of profitable growth
  - Sek 4.7 bn (~$580 m) pro forma\(^1\) 2015 net sales, 17% CAGR\(^2\) since 2013
  - Sek 730 m (~$90 m) pro forma\(^1\) 2015 EBITDA\(^3\), 39% CAGR\(^2\) since 2013
  - Exposure to high growth emerging markets
  - Founded 1995 by Lars Backsell (chairman) and Thomas Eldered (CEO)

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\(^1\) Reported 2015 including pro forma 2015 for acquisitions completed in 2016
\(^2\) As reported
\(^3\) EBIT + depreciations + amortizations
STRONG AND LONG-STANDING CUSTOMER RELATIONSHIPS

Long-standing customer relationships

300+ customers

Three largest customers 31% of sales 2015

No single product more than 3%

High barriers to switch/exit

15% of 2015 sales backed with Recipharm IP

Centralized key account management

Note 1. Based on 2015 Annual report
BUSINESS MODEL WITH BROAD COVERAGE AND BUILT-IN SYNERGIES

Full service offering from early development to manufacturing provided through three business segments:

- **Manufacturing Sterile Liquids** manufactures sterile technologies including liquid vials, lyophilisates and blow fill seal products
- **Manufacturing Solids & Others** is focused on manufacturing tablets, capsules and semi-solids. Also includes other dosage forms such as patches, aerosols and others
- **Development & Technology** offers pharmaceutical development services based on a range of technologies as well as a large number of proprietary products and an attractive IP portfolio
  - API development capabilities
  - GMP pilot facilities
  - Drug delivery methods
  - Drug master files
- Synergies between manufacturing and development
  - New D&T initiatives can drive growth in the manufacturing segments
  - Simplifies process for “tech transfer”
  - Manufacturing can generate new development activities

Note1. Interim report Q1 2016, i.e. including Mitim from Feb 24
RECIIPHARM’S UPDATED FINANCIAL OBJECTIVES

- Annual sales should exceed SEK 8 bn by 2020
- EBITDA margin should be higher than 16%
- Net debt to equity should be less than 0.8

* 2015 Recipharm actual and pro forma 2015 Nitin Lifesciences Ltd, Mitim Srl, Kemwell AB and Cirrus Pharmaceuticals Inc (not including Kemwell India, contingent upon FIPB approval, expected closing Q4 2016)
# GROWTH-DRIVING STRATEGY

## Track record

**Strategy**

- **Supply innovative expertise**
  - Serialisation SEK 400m (~$50m) project ongoing
  - Added sophisticated formulation technologies
  - European lyophilisation leader, ongoing SEK 330m (~$40m) exp. capex
  - Development centers in 2xSweden, France and Israel
  - 15% of 2015 sales backed by Recipharm’s IP

- **Capture emerging growth**
  - Emerging markets from Big Pharma
  - Corvette and Lusomedicamenta acquisition provides direct emerging markets sales

- **Consolidate the industry**
  - 15+ acquisitions since 2007
    - 2014: Corvette (IT), Lusomedicamenta (PT), Pessac (FR)
    - 2015: OnTarget Chemistry (SE), Kayserberg (Alcon) (FR), asset backed outsourcing

- **Streamline operations**
  - Reported EBITDA margin increased 540 bps 2011-2015
  - Lean Manufacturing type initiatives implemented at manufacturing sites
  - Swiss site closed 2011, UK steriles manufacture discontinued
  - New business management organization (2014)
  - Cost and efficiency program initiated in Swedish operations

- **Employ exceptional people**
  - 2015: Group Management Team 3 new positions
  - 2015: Two new operating company General Managers
  - 2015: Key Account Director
  - 2014-15: Share savings program for all employees
  - Powerful core values emphasizing entrepreneurship

## 2016 YTD

- **Serialisation pricing model unveiled**
- **Transdermal and inhalation capabilities (incl development)**
- **Lyo expansion on track, SEK 282 (~$35m) in capex**
- **US development capacity**
- **CSR initiatives, subscribed to UN Global Compact**

- **Nitin Lifesciences Ltd completed April 8, 2016**
  - Announced acquisition of Kemwell’s Indian pharmaceutical development and manufacturing business

- **Mitim Srl (IT) completed Feb 24**
  - Nitin Lifesciences Ltd (IN) (74%) April 8
  - Kemwell (SE,US) completed May 23
  - Projects under review

- **Cost and efficiency program under implementation, savings to kick in H2 2016**
  - SEK 25m (~$3m) cost synergies in SE mapped out

- **2016 Share savings program decided for all employees**

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Note 1. Investments per December 2015
Note 2. Including 5 manufacturing asset acquisitions in connection with outsourcing
CDMO INDUSTRY GROWTH DRIVERS REMAIN HIGHLY FAVOURABLE

**CAGR of 6.4% over the next five years**

**Market growth in the CDMO industry**

**Pharma industry growth**

- Innovation and new drug development
- Ageing populations
- Higher incidence of lifestyle and chronic ailments
- Emerging market demand increase
- Increasing health awareness

**Increasing outsourcing trend – mature product**

- Pharma company manufacturing footprint rationalisation
- Increasing prevalence of outsourcing particularly by Big Pharma
- Asset-backed manufacturing agreements
- Greater focus on core business

**Increasing outsourcing trend – Small & Mid-sized speciality pharma**

- Greater dependence on CDMOs as they lack development and manufacturing resources
- Innovative virtual models with limited infrastructure

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Note 1. Global Pharmaceutical CMO market (Mordor Intelligence, 2015) - Total market growth for manufacturing and development services, including primary production.
RECI PHARM WELL POSITIONED TO DRIVE SECTOR CONSOLIDATION

Recipharm has a strong track record of successful acquisitions...

...in the fragmented CDMO market

- Estimated >1,000 CMOs and CDMOs globally
  - 300+ in Europe and US²
- Mostly small players specialized towards a certain service and with limited geographic reach

Distribution of CDMOs per revenue level³

Note1. Estimated value of Alcon outsourcing agreement for 2016; Pro forma 2015 sales for Mitim Srl, Nitin Lifesciences Ltd and Kemwell’s operations in Sweden and the US
Note2. According to compilation and analysis carried out by an international strategy consulting firm, on Recipharm’s behalf, based on market reports from Frost & Sullivan, BCC and Business Insight (2013)
## RECENT TRANSACTIONS ALIGNED WITH STRATEGIC OBJECTIVES

### Contracts

<table>
<thead>
<tr>
<th>Company</th>
<th>Date</th>
<th>Description</th>
<th>Services</th>
<th>Sales</th>
<th>Asset Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcon</td>
<td>31 Dec 2015</td>
<td>Ophthalmic products, BFS-Technology</td>
<td>Supplies US, EU, JP, BR, Long term contract</td>
<td>&gt; EUR 36m</td>
<td>EUR 18m</td>
</tr>
</tbody>
</table>

### Acquisitions

<table>
<thead>
<tr>
<th>Company</th>
<th>Date</th>
<th>Description</th>
<th>Services</th>
<th>Sales</th>
<th>Asset Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nitin</td>
<td>11 Apr 2016</td>
<td>Sterile injectables (small volume parenterals)</td>
<td>&gt; 50 customers, Indian customers &amp; Global pharma</td>
<td>INR 2,970m (~$46m)</td>
<td>EV/EBITDA 11.7 (2015)</td>
</tr>
<tr>
<td>Mitim</td>
<td>24 Feb 2016</td>
<td>Sterile Injectables (beta lactams)</td>
<td>~75% of Sales to EUR, Increased US sales</td>
<td>EUR 42.5m (~$47m)</td>
<td>EV/EBITDA 8 (2015)</td>
</tr>
<tr>
<td>Kemwell</td>
<td></td>
<td>IN: “all” dosage forms (excl. injectables) &amp; Development</td>
<td>IN: 40 customers, Solids mainly US &amp; EUR, Liquid orals mainly IN, SE: ~ 95% exported, US: 120 customers (3Y)</td>
<td>SEK 746m (~$88m)</td>
<td>EV/EBITDA 15.5 (11.4) (2015)</td>
</tr>
</tbody>
</table>

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1/ EBITDA adjusted for 14 (non-recurring costs 2015) + 25 (expected savings)
2/ Proforma 2015
KEMWELL ACQUISITIONS 1/ ALLOW RECIPHARM TO TAKE NEXT STEP TOWARDS GLOBAL LEADERSHIP

Market
- Direct access to the US market
- Further strengthening India market presence
- Enhanced offering for Recipharm’s customers world-wide

Relationship
- Several Big Pharma customers
- Strengthening of global generics customer base
- Broad portfolio of US customer relationships

Technology
- Competitive oral liquids and solid dose manufacture with US FDA/EU approved manufacturing
- Inhalation, nasal and transdermal delivery
- Clinical trial manufacturing

Financial impact
- Substantial cost savings and synergy opportunities
- Potential sales synergies from enhanced customer offering and cross selling
- Expected to be accretive to EBITDA margin already from 2016

1/ Sweden and US completed 23 May. India contingent on FIPB approval, expected Q4 2016
**PROVEN TRACK RECORD IN VALUE ENHANCING ACQUISITIONS**

**DISCIPLINED EVALUATION, RELIABLE INTEGRATION**

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**TECHNOLOGY**
- Freeze dried ampoules
- Injectable hormones
- Effervescent tablets
- Ophthalmics
- Niche API’s
- Pre-clinical chemistry
- Coated pellets
- Blow-fill-seal
- Cytotoxics
- Pre-filled syringes
- Niche dosage forms

**MARKET**
- Europe
- North America
- Israel
- India

**RELATIONSHIP**
- ~ 160 new customers gained since IPO

Note: Empty boxes reflect gaps in current portfolio potential M&A focus
WELL ON TRACK TO REACH UPDATED SALES TARGET

Note1. Estimated value of Alcon outsourcing agreement for 2016
Note2. Pro forma 2015 sales for Mitim Srl
Note3. Pro forma 2015 January-December sales for Nitin Lifesciences Ltd
PRO FORMA FINANCIAL INFORMATION

- Significant increase in sales
  - Combined net sales increase of approx. SEK 1,300 million

- Adds approx. SEK 220 million in EBITDA
  - Corresponding to an increase of approx. 43%

Note. Pro forma 2015 for Mitim Srl, Nitin Lifesciences Ltd and Kemwell’s operations in Sweden and the US (Kemwell India not included)
Q1 UPDATE – GROUP LEVEL

- Sales and earnings affected by acquisitions, Kaysersberg contract and lower sales of Thyro safe in D&T, discontinued contract, acquisition costs, phasing and inventory effects
  - Net sales SEK 973 million, +11% yoy
  - EBITDA SEK 136 million, -14% yoy
  - EBITDA margin 14.0%, -4.1%-pts yoy

- Cost and Efficiency program in Sweden started
  - Expected effect during the second half of 2016

- A period with intensive acquisition activity
  - Acquisition of Mitim, Italy, completed
  - After the period: Acquisition of 74% of Nitin, India, completed
  - After the period: Agreement to acquire Kemwell’s pharma business in Sweden, USA and India
Q1 UPDATE – SEGMENT LEVEL

**Sterile Liquids**

- Sales SEK 368 million, +58% yoy
- EBITDA SEK 69 million, +5% yoy
- Kaysersberg contract sales SEK 91 million
- Discontinued (in Q3-15) packaging-only contract in France

- Sales SEK 233 million
- EBITDA margin 28.3%
- Q1 2015
- Sales SEK 368 million
- EBITDA margin 18.8%
- Q1 2016

**Solids & Others**

- Good activity level new customers/products
  - Sales SEK 462 million, +/-0
  - EBITDA SEK 60 million, +104% yoy
- EBITDA margin improvement
  - Positive inventory effect
  - Lower non-recurring costs
  - Negative phasing of revenue

- Sales SEK 462 million
- EBITDA margin 6.3%
- Q1 2015
- Sales SEK 462 million
- EBITDA margin 12.9%
- Q1 2016

**Development & Technology**

- Lower Thyrosafe sales, lower sales of a few high-margin products in UK, service expansion
  - Sales SEK 181 million, -18% yoy
  - EBITDA SEK 28 million, -60% yoy

- Sales SEK 220 million
- EBITDA margin 31.6%
- Q1 2015
- Sales SEK 181 million
- EBITDA margin 15.6%
- Q1 2016
RECIPHARM HAS GROWN FAST WHILE STRENGTHENING PROFITABILITY

Note1. Estimated value of Alcon outsourcing agreement for 2016
Note2. Preliminary 2015 January-December sales for Kemwell India operations
Note3. 2015 pro forma figures plus estimated figures for Alcon and Kemwell India per note 1 and 2
BECOMING A GLOBAL CDMO

- Build a broad network with critical mass across Europe
- IPO – Access to capital markets to enhance M&A firepower
- Increase the breadth of offering in high margin Steriles and D&T
- Grow and establish presence in Emerging Markets
- Establish foothold in the North American market
RECI PHARM INVESTMENT HIGHLIGHTS

1. Leading European CDMO, with global presence and emerging markets exposure
2. Attractive and unique value proposition
3. Synergies between development and production
4. Production efficiency improvements
5. Long-term customer relations provide stable cash flow generation
6. Experienced management team and Board of Directors
7. Strong financial structure
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