HIGHLIGHTS

THOMAS ELDERED, CEO
HIGHLIGHTS Q3

• Another quarter with solid progress
  +55% Net Sales growth (+53% LC)
  +68% EBITDA growth

• **D&T** strong development (in spite of less Thyrosafe)

• **Sterile Liquids** continued good demand and performance

• **Solids and Others** below expectations

• Continued strong operating cash flow

• Acquisitions important growth driver

• Partnerships and strategic investments

• Cost and efficiency program initiated in Sweden

• New SEK 1.5 Bn bank loan secured
FINANCIAL HIGHLIGHTS Q3 2015

Sales
SEK 785 m
+55%

Acquisitions contributed
SEK 280 m
(+55%)

1% other growth
(fix FX & excl Thyrosafe)

EBITDA
SEK 86 m
+68%

Acquisitions contributed
SEK 59 m

EPS
SEK
-0.01 (0.22)

Q3 normally weak
(holiday shutdowns)
NET SALES PER STRATEGIC BUSINESS SEGMENT

- MS-SL +68%
- MS-SO +24%
- D&T +165%

Q3 2014: 508m
Q3 2015: 785m
## Growth Initiatives On Track

<table>
<thead>
<tr>
<th>Growth initiatives</th>
<th>Track record</th>
<th>2015 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in existing manufacturing footprint and capacity</td>
<td>Strengthened sales organisation</td>
<td>Flat organic growth</td>
</tr>
<tr>
<td></td>
<td>2013-14 ~ 3% annual growth (constant FX)</td>
<td>Sequential growth in acquired businesses</td>
</tr>
<tr>
<td>Capacity expansion in manufacturing</td>
<td>Strong demand for freeze drying</td>
<td>Wasserburg expansion on track</td>
</tr>
<tr>
<td></td>
<td>100% utilization</td>
<td>SEK 145 M in capex</td>
</tr>
<tr>
<td>High growth in strategic important D&amp;T</td>
<td>12% share of total sales 2014 originate from D&amp;T projects.</td>
<td>168% increase vs. 2014</td>
</tr>
<tr>
<td></td>
<td>16% of Group sales</td>
<td>(9% excl acquisitions)</td>
</tr>
<tr>
<td></td>
<td>Development of IP portfolio</td>
<td>23% of Group sales</td>
</tr>
<tr>
<td>Portfolio outsourcing with asset acquisitions</td>
<td>+3 since 2007</td>
<td>[Kayserberg (Alcon, FR)]</td>
</tr>
<tr>
<td></td>
<td>2014: Pessac (FR)</td>
<td>Projects under review</td>
</tr>
<tr>
<td>Acquisition of CDMOs</td>
<td>+6 since 2007</td>
<td>OT Chemistry (SE)</td>
</tr>
<tr>
<td></td>
<td>2014: Corvette (IT)</td>
<td>[Nitin Lifesciences Ltd (IN)]</td>
</tr>
<tr>
<td></td>
<td>Lusomedicamenta (PT)</td>
<td>Projects under review</td>
</tr>
</tbody>
</table>
DELIVERING ON OUR ACQUISITION STRATEGY

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

MARKET
- Europe
- Israel
- North America
- India

RELATIONSHIP
- ~ 65 new customers gained through acquisitions

Note: Empty boxes reflect gaps in current portfolio which can be the focus of M&A
LONG-TERM OUTSOURCING CONTRACT WITH ALCON

Arrangement Overview

• Agreement in principle with Alcon, a Novartis company
• Long-term outsourcing of a range of ophthalmology products
• Concurrent acquisition of a manufacturing facility in Kaysersberg, France
• Approximately 260 employees will be offered continued employment with Recipharm
• Negotiations on-going. If successful, completion within the next few months

Benefits of the arrangement

- Long-term relation with important customer Alcon/Novartis
- Blow-fill-seal adds to sterile technology offering
- Potential synergies with Recipharm’s other French companies
- Attractive financial impact, accretive to margins, growth and EPS

Key Financials / Terms

• Expected annual sales approximately SEK 350m
• Expected EBITDA-margin well in line with group average
• Expected consideration for manufacturing asset less than SEK 200m

Sources: Company filings.
ACQUISITION OF NITIN LIFESCIENCES

Nitin Lifesciences - Business Overview

• Rapidly growing Indian CMO specialized in injectables manufacturing
• Offers liquid ampoules, liquid vials, sterile dry powder (beta lactam& non beta lactam), multidose-eye/ear drops and lyophilized vials
• Sales predominantly in India, with growing export share to currently 11 countries
• Approximately 500 employees
• Established in 1994

Strategic Rationale of the Acquisition

- Significant presence in expanding Indian market and platform for further growth in emerging markets
- Strengthens position in Steriles with a broad small volume parenteral portfolio
- Acquisition of a high quality customer base in India and globally
- Attractive financial impact as acquisition is accretive to margins, growth and EPS

Key Financials / Terms (Exp. Close in Q1 2016)

- Acquisition of 74% with option to acquire remaining 26%
- Purchase price: INR 6,712m (SEK 872m)
- Valuation: 12.4x EV/ LTM EBITDA
- LTM Sep Sales SEK 403m, EBITDA margin >20%
  • Raising Recipharm’s EBITDA margin on PF basis

Sources: Company filings.
ATTRACTIVE FINANCIAL IMPACT

Kaysersberg, Alcon outsourcing: negotiations on-going
Nitin conditional upon Indian FIPB approval

1) LTM October 2014-September 2015
2) Non-audited estimated full year
3) Non-audited local Indian GAAP October 2014- September 2015

RPH = Recipharm
KBG = Kaysersberg, outsourcing from Alcon
INCREASING SHARE OF THE STRATEGIC BUSINESS SEGMENTS

Notes
D&T Development & Technology
MS-SO Manufacturing Services Solids and Other
MS-SL Manufacturing Services Sterile Liquids

(1) Financial figures per segment contain intergroup transactions.
(2) Recognizes SEK 403m Nitin LTM Sep 2015 Sales (unaudited Indian GAAP figures), fully apportioned to the MS-SL segment.
FINANCIALS

BJÖRN WESTBERG, CFO

(CURRENCY SEK MILLION)
# P&L DEVELOPMENT

## Q3

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Net Sales</td>
<td>784,8</td>
<td>507,6</td>
</tr>
<tr>
<td>EBITDA</td>
<td>86,1</td>
<td>51,1</td>
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<tr>
<td>D&amp;A</td>
<td>-58,7</td>
<td>-25,8</td>
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<tr>
<td>EBIT</td>
<td>27,3</td>
<td>25,3</td>
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<tr>
<td>Financial items</td>
<td>-21,7</td>
<td>-8,4</td>
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<tr>
<td>Profit before tax</td>
<td>5,6</td>
<td>16,9</td>
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<tr>
<td>Tax</td>
<td>-6,0</td>
<td>-8,6</td>
</tr>
<tr>
<td>Net profit</td>
<td>-0,4</td>
<td>8,3</td>
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## YTD

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Net Sales</td>
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<td>EBITDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D&amp;A</td>
<td></td>
<td></td>
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<tr>
<td>EBIT</td>
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<td></td>
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<tr>
<td>Financial items</td>
<td></td>
<td></td>
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<tr>
<td>Profit before tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td></td>
<td></td>
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<tr>
<td>Net profit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Chart](chart.png)

[Chart](chart.png) in relation to sales
55% SALES GROWTH IN Q3
MANUFACTURING SERVICES – STERILE LIQUIDS

Sales increased by 68 % in Q3 vs LY
+ Acquisitions generated 65%

EBITDA increased by 116% in Q3
+ Acquisitions generated 119%

Sales Q3

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Sales</td>
<td>148</td>
<td>249</td>
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<tr>
<td>Acquisitions</td>
<td>+96</td>
<td></td>
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<tr>
<td>FX effect</td>
<td>+3</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>+1</td>
<td></td>
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Sales YTD

<table>
<thead>
<tr>
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<th>2015</th>
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<tbody>
<tr>
<td>Sales</td>
<td>473</td>
<td>741</td>
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<tr>
<td>Acquisitions</td>
<td>+253</td>
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<tr>
<td>FX effect</td>
<td>+17</td>
<td></td>
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<tr>
<td>Others</td>
<td>-2</td>
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EBITDA Q3

<table>
<thead>
<tr>
<th></th>
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<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>20</td>
<td>43</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+24</td>
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<tr>
<td>FX effect</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-1</td>
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EBITDA YTD

<table>
<thead>
<tr>
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<tr>
<td>EBITDA</td>
<td>94</td>
<td>172</td>
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<tr>
<td>Acquisitions</td>
<td>+61</td>
<td></td>
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<tr>
<td>FX effect</td>
<td>+4</td>
<td></td>
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<tr>
<td>Retroactive price increase Q1-14</td>
<td>-6</td>
<td></td>
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<tr>
<td>Others</td>
<td>+19</td>
<td></td>
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</tbody>
</table>

EBITDA margin YTD of 23.2% (19.8)
MANUFACTURING SERVICES – SOLIDS AND OTHERS

Sales increased by 24% in Q3 vs LY
+ Acquisitions added 24%
- Discontinued distribution services
- Competition in France of a large customer product
- Almost none production of ThyroSafe

EBITDA decreased by SEK 19m in Q3 vs LY
+ Acquisitions added 23%
- Sales and product mix effect

Sales Q3

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
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<tbody>
<tr>
<td>2014</td>
<td>314</td>
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<tr>
<td>Acquisitions</td>
<td>+76</td>
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<tr>
<td>FX effect</td>
<td>+7</td>
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<tr>
<td>Distribution services</td>
<td>-7</td>
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<tr>
<td>Large product - competition in FR</td>
<td>-13</td>
</tr>
<tr>
<td>Others</td>
<td>+13</td>
</tr>
<tr>
<td>2015</td>
<td>390</td>
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Sales YTD

<table>
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<th>Value</th>
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<tr>
<td>2014</td>
<td>1 090</td>
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<tr>
<td>Acquisitions</td>
<td>+250</td>
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<tr>
<td>FX effect</td>
<td>+25</td>
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<tr>
<td>Distribution services</td>
<td>-16</td>
</tr>
<tr>
<td>Large product - competition in FR</td>
<td>-41</td>
</tr>
<tr>
<td>Others</td>
<td>+10</td>
</tr>
<tr>
<td>2015</td>
<td>1 319</td>
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EBITDA Q3

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>19</td>
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<tr>
<td>Acquisitions</td>
<td>+4</td>
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<tr>
<td>Others</td>
<td>-23</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
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</table>

EBITDA YTD

<table>
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<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>137</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+35</td>
</tr>
<tr>
<td>Inventory effect Q1 2014</td>
<td>-12</td>
</tr>
<tr>
<td>One-off internal services 2014</td>
<td>-22</td>
</tr>
<tr>
<td>Others</td>
<td>-37</td>
</tr>
<tr>
<td>2015</td>
<td>78</td>
</tr>
</tbody>
</table>
DEVELOPMENT & TECHNOLOGY

Sales increased by 165% in Q3 vs LY
+ Acquisitions added 177%
- Reduced sales of tender product
+ Increased sales of other products

EBITDA increased by 145% in Q3 vs LY
+ Acquisitions added 158%
- Less tender product (Thyrosafe) sales
+ Positive product mix of other products

Sales Q3

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisitions</td>
<td>66</td>
<td>175</td>
</tr>
<tr>
<td>FX effect</td>
<td>+117</td>
<td>+117</td>
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<tr>
<td>Tender product</td>
<td>-15</td>
<td>-15</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
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Sales YTD

<table>
<thead>
<tr>
<th></th>
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<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Acquisitions</td>
<td>217</td>
<td>584</td>
</tr>
<tr>
<td>FX effect</td>
<td>+360</td>
<td>+360</td>
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<tr>
<td>Tender product</td>
<td>-2</td>
<td>-24</td>
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<tr>
<td>Others</td>
<td>+2</td>
<td>+29</td>
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EBITDA Q3

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisitions</td>
<td>20</td>
<td>49</td>
</tr>
<tr>
<td>FX effect</td>
<td>+31</td>
<td>+31</td>
</tr>
<tr>
<td>Others</td>
<td>-2</td>
<td>-2</td>
</tr>
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EBITDA YTD

<table>
<thead>
<tr>
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<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Acquisitions</td>
<td>64</td>
<td>177</td>
</tr>
<tr>
<td>FX effect</td>
<td>+96</td>
<td>+96</td>
</tr>
<tr>
<td>Others</td>
<td>+17</td>
<td>+17</td>
</tr>
</tbody>
</table>
55% INCREASE IN NET SALES

Q3

2014 577.9 611.0 507.6
Acquisitions 272.3 276.6 279.6
Thyrosafe, change 30.4 -39.5 -14.9
FX effect 20.0 12.9 8.2
Others -27.4 7.5 4.3
2015 873.2 868.5 784.8

vs 2014 Q1 Q2 Q3
Acquisitions 47.1% 45.3% 55.1%
Thyrosafe 5.3% -6.5% -2.9%
FX effect 3.5% 2.1% 1.6%
Others -4.7% 1.2% 0.8%

1/ Currency translation effect
2/ Solids and Others product facing generic competition in France
## 2015 PERFORMANCE

<table>
<thead>
<tr>
<th>KPIs</th>
<th>2015-YTD</th>
<th>2014-YTD</th>
<th>2014-FY</th>
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<tbody>
<tr>
<td>Net sales (12M)</td>
<td>3,399</td>
<td>2,269</td>
<td>2,569</td>
</tr>
<tr>
<td>EBITDA (12M)</td>
<td>547</td>
<td>332</td>
<td>390</td>
</tr>
<tr>
<td>EBITDA margin (12M%)</td>
<td>16.1</td>
<td>14.6</td>
<td>15.5</td>
</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>4.17</td>
<td>3.37</td>
<td>4.63</td>
</tr>
<tr>
<td>Return on Equity (%)</td>
<td>10.9</td>
<td>10.8</td>
<td>11.4</td>
</tr>
<tr>
<td>ROOC (%)</td>
<td>12.7</td>
<td>20.2</td>
<td>12.4</td>
</tr>
<tr>
<td>Equity to assets (%)</td>
<td>50.2</td>
<td>62.1</td>
<td>39.4(^1)</td>
</tr>
<tr>
<td>Net WC to sales (%)</td>
<td>20.7</td>
<td>19.9</td>
<td>27.3</td>
</tr>
<tr>
<td>Net debt</td>
<td>1,089</td>
<td>-405</td>
<td>1,164</td>
</tr>
<tr>
<td>Equity</td>
<td>2,768</td>
<td>1,604</td>
<td>2,131</td>
</tr>
<tr>
<td>Net debt to Equity</td>
<td>0.4</td>
<td>-0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Net debt to EBITDA</td>
<td>2.0</td>
<td>-1.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Cash</td>
<td>494</td>
<td>983</td>
<td>405</td>
</tr>
</tbody>
</table>

1) Net working capital is calculated as Inventory + AR + Prepaid exp&Accr Inc - AP-Accr exp&Prepaid Inc
CONCLUDING REMARKS
THOMAS ELDERED, CEO
### ON A MISSION TO BECOME A WORLD LEADING CDMO

**Sweden**  
**JORDBRO, HQ**  
- **HÖGANÄS**  
  - Solids (granulates & powders)  
- **KARLSKOGA**  
  - Semi-solids  
- **SOLNA**  
  - Development Services  
- **STOCKHOLM**  
  - Solids  
- **STRÅNGNÄS**  
  - Beta-lactams (solid forms and dry syrups)  
- **UPPSALA**  
  - Discovery and development services

**UK**  
- **ASHTON**  
  - Solids  
  - Semi-solids  
  - Inhalors

**Germany**  
- **WASSERBURG**  
  - Lyophilisates  
  - Steriles

**France**  
- **FONTAINE**  
  - Opthalmics

**[KAYSERSBERG]**  
- Solids

**Spain**  
- **PARETS**  
  - Solids  
  - Semi-solids  
  - Liquids

**Italy**  
- **LAINATE (Milan)**  
  - Lyophilised sterile beta lactam antibiotics
- **MASATE (Milan)**  
  - Lyophilisates  
  - Liquid fills
- **PADARNO**  
  - Finished dose form development and manufacturing

**Portugal**  
- **QUELUZ (Lisbon)**  
  - Solids  
  - Liquids  
  - Semi-solids  
  - Steriles
- **ODIVELAS (Lisbon)**  
  - Solids  
  - Liquids  
  - Semi-solids  
  - Steriles

**India**  
- **KARNAL (2)**  
  - Lyophilisates  
  - Steriles
- **PAONTA SAHIB**  
  - Lyophilisates  
  - Steriles

**Sweden**  
- **JORDBRO, HQ**  
  - **HÖGANÄS**  
    - Solids (granulates & powders)  
  - **KARLSKOGA**  
    - Semi-solids  
  - **SOLNA**  
    - Development Services  
  - **STOCKHOLM**  
    - Solids  
  - **STRÅNGNÄS**  
    - Beta-lactams (solid forms and dry syrups)  
  - **UPPSALA**  
    - Discovery and development services

**UK**  
- **ASHTON**  
  - Solids  
  - Semi-solids  
  - Inhalors

**Germany**  
- **WASSERBURG**  
  - Lyophilisates  
  - Steriles

**France**  
- **FONTAINE**  
  - Opthalmics

**[KAYSERSBERG]**  
- Solids

**Spain**  
- **PARETS**  
  - Solids  
  - Semi-solids  
  - Liquids

**Italy**  
- **LAINATE (Milan)**  
  - Lyophilised sterile beta lactam antibiotics
- **MASATE (Milan)**  
  - Lyophilisates  
  - Liquid fills
- **PADARNO**  
  - Finished dose form development and manufacturing

**Portugal**  
- **QUELUZ (Lisbon)**  
  - Solids  
  - Liquids  
  - Semi-solids  
  - Steriles
- **ODIVELAS (Lisbon)**  
  - Solids  
  - Liquids  
  - Semi-solids  
  - Steriles

**India**  
- **KARNAL (2)**  
  - Lyophilisates  
  - Steriles
- **PAONTA SAHIB**  
  - Lyophilisates  
  - Steriles
BUILDING A GLOBAL CDMO

- Build a broad network with critical mass across Europe
- IPO – Access to capital markets to enhance M&A fire-power
- 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
DELIVERING ON OUR STRATEGY

- Explore cross-selling opportunities
- Exploit our IP portfolio
- Investment in advanced technologies
- Product development partnerships
- Mitigation and improvement in Solids and Others
- Complete Alcon outsourcing
- Complete Nitin acquisition
- Further M&A activities with bolt-on acquisitions in Europe and expansion into new geographies
CONTACT INFORMATION

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Björn Westberg
CFO & EVP
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