GROWTH DRIVING STRATEGY EXECUTION

• Completion of acquisitions
  – Nitin Lifesciences Ltd, India (74%) April 11
  – Cirrus Pharmaceuticals Inc, USA, May 23
  – Kemwell AB, Sweden, May 23

• Agreement to acquire Kemwell’s Indian pharmaceutical CDMO

• Integration according to plan
  – Mitim Srl, completed February 24
  – Kaysersberg Pharmaceuticals SAS, completed December 31, 2015

• Current business
  – Lyophilisation expansion progressing
  – Cost and efficiency program in Sweden ahead of plan
  – Leadership in serialisation

• Share issues of SEK 856 million

Note 1. Contingent upon approval by the Indian FIPB, expected completion in Q4 2016.
Note 2. Rights issue SEK 805 million and SEK 51 million from a directed issue to the sellers of Kemwell AB (all excl transaction costs)
HIGHLIGHTS Q2

- Sales and earnings affected by
  - Acquisitions
  - Kaysersberg contract
  - Thyrosafe
  - Phasing from Q1
  - Discontinued packaging-only contract
  - Reference pricing in Portugal
  - Lower sales in UK

- Net sales SEK 1 235m +42%
- EBITDA SEK 240m +54%
- EBITDA margin 19.4% (17.9)
- Net debt / Equity 0.4 (0.4)
STRONG RECOVERY IN SOLIDS & OTHERS

Legend
- Development & Technology
- Manufacturing Services Solids & Others
- Manufacturing Services Sterile Liquids

Share of Net Sales

2015FY: 51% Development & Technology, 40% Manufacturing Services Solids & Others, 22% Manufacturing Services Sterile Liquids, 27% Other

Q2-16: 43% Development & Technology, 40% Manufacturing Services Solids & Others, 17% Manufacturing Services Sterile Liquids, 17% Other

Share of EBITDA

2015FY: 40% Development & Technology, 39% Manufacturing Services Solids & Others, 21% Manufacturing Services Sterile Liquids, 22% Other

Q2-16: 36% Development & Technology, 47% Manufacturing Services Solids & Others, 17% Manufacturing Services Sterile Liquids, 17% Other
## GROWTH INITIATIVES ON TRACK

### Growth initiatives
- Growth in existing manufacturing footprint and capacity
- Capacity expansion in manufacturing
- High growth in strategic important D&T
- Portfolio outsourcing with asset acquisitions
- Acquisition of CDMOs

### Track record
- Strengthened sales organisation
  - 2013-15 ~ 6% growth (constant FX)
- Strong demand for freeze drying
  - 100% utilization.
- 12% share of total sales 2015 originate from D&T projects.
- 16% of Group sales
- Development of IP portfolio
- +4 since 2007
  - 2014: Pessac (FR)
  - 2015: Kaysersberg (FR)
- +9 since 2007
  - 2014: Corvette (IT), Lusomedica (PT)
  - 2015: OT Chemistry (SE)

### 2016 YTD
- Organic growth
  - Sequential growth in acquired businesses
- Wasserburg expansion
  - 23 M in capex ytd, total 305 M
- -1% vs. 2015
  - 17% of Group sales
- Projects under review
  - Mitim Srl (IT) 2016
  - Nitin Lifesciences Ltd (IN) 2016
  - Kemwell (IN, SE, US) 2016
  - Projects under review
ACQUISITION OF NITIN LIFESCIENCES LTD

Nitin Lifesciences - Business Overview

• Rapidly growing Indian CMO specialised 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

Key Financials / Terms

• Acquisition of 74% with option for remaining 26%
• Purchase price: INR 6,712m (SEK 824m)
  652 goodwill
  150 deferred tax
  498 other intangibles
  44 other liabilities
  164 other assets
  296 EQ non-contr. interest
• Valuation: 11.7x EV/ 2015 EBITDA
• 2015 Net sales INR 2,970m (SEK 391m)¹
• 2015 EBITDA INR 721 (SEK 95m)¹
• Completed April 11, 2016

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

Note 1. Pro forma, IFRS adjusted.
ACQUISITION OF KEMWELLS OPERATIONS IN SE, US AND IN

**Business Overview**

- Operations in Sweden, the US and in India
- US operations is located in Research Triangle Park, North Carolina, employs 50 people and offers a broad range of development services including inhalation, nasal and transdermal products
- The Swedish operations is located in Uppsala, employs appr. 210 people and is specialized in manufacturing of API, solid and semi-solid dosage forms
- The Indian operations is located in Bangalore, employs appr. 1400 people and offers a comprehensive development services as well as manufacturing of solids, semi-solids and liquids dosage forms.

**Strategic Rationale of the Acquisition**

- Significantly expands position in emerging markets
- Adds US operational presence and provides improved access to the world’s largest pharma market
- Further strengthening of synergistic business model by aligning development and manufacturing globally: US-India- Europe
- Attractive financials as acquisition provides cost savings and synergy opportunities.

**Key Financials / Terms US & Swedish operations**

- Purchase price SEK 659m
  - 409 goodwill
  - 93 deferred tax
  - 355 other intangibles
  - 236 other liabilities
  - 224 other assets
- Paid
  - SEK 201m (of which 42 in July) in cash and
  - Sek 458m in an issue in kind (3,159,572 B shares)

**Key Financials / Terms Indian operations**

- Valuation: USD 120m (SEK 982m)
- 100% cash consideration
- Financed through a proposed new share issue
- Closing expected before year end 2016 after approval from Indian (FIPB) authorities

- Estimated total sales 2015: SEK 745m
- Estimated total EBITDA 2015: SEK 108m
  (based on local GAAP)

Sources: Company filings.
FINANCIALS

BJÖRN WESTBERG, CFO

(CURRENCY SEK MILLION)
# Q2 P&L DEVELOPMENT

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>1,234.9</td>
<td>868.5</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>240.0</td>
<td>155.9</td>
</tr>
<tr>
<td></td>
<td>19.4%</td>
<td>17.9%</td>
</tr>
<tr>
<td><strong>D&amp;A</strong></td>
<td>-90.5</td>
<td>-57.9</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>149.5</td>
<td>98.0</td>
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<tr>
<td>Financial items</td>
<td>-18.1</td>
<td>-5.9</td>
</tr>
<tr>
<td><strong>Profit bef. Tax</strong></td>
<td>131.4</td>
<td>92.1</td>
</tr>
<tr>
<td>Tax</td>
<td>-47.7</td>
<td>-23.4</td>
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<tr>
<td><strong>Net profit</strong></td>
<td>83.7</td>
<td>68.7</td>
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MANUFACTURING SERVICES – STERILE LIQUIDS

Sales Q2

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>258</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+160</td>
</tr>
<tr>
<td>Alcon contract</td>
<td>+108</td>
</tr>
<tr>
<td>Currency effect</td>
<td>-1</td>
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<tr>
<td>Disc. Packaging product (FR)</td>
<td>-15</td>
</tr>
<tr>
<td>Others</td>
<td>+5</td>
</tr>
<tr>
<td>2016</td>
<td>515</td>
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</tbody>
</table>

EBITDA Q2

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>63</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+25</td>
</tr>
<tr>
<td>Others</td>
<td>+33</td>
</tr>
<tr>
<td>2016</td>
<td>122</td>
</tr>
</tbody>
</table>

- Discontinued packaging (from Q3-15) France
+ Alcon contract
+ Sales new projects
MANUFACTURING SERVICES – SOLIDS & OTHERS

Sales Q2

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>467</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+61</td>
</tr>
<tr>
<td>FX effect</td>
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<tr>
<td>Q1 price adjustment</td>
<td>+11</td>
</tr>
<tr>
<td>Others</td>
<td>+26</td>
</tr>
<tr>
<td>2016</td>
<td>561</td>
</tr>
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</table>

EBITDA Q2

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>49</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+12</td>
</tr>
<tr>
<td>Q1 price adjustment</td>
<td>+11</td>
</tr>
<tr>
<td>Others</td>
<td>+23</td>
</tr>
<tr>
<td>2016</td>
<td>95</td>
</tr>
</tbody>
</table>

- Higher sales (internal) of Thyrosafe
- Price adjustments
- Sales new projects

- Product mix and price adjustments
DEVELOPMENT & TECHNOLOGY

Sales Q2

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>189</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+9</td>
<td></td>
</tr>
<tr>
<td>Tender product</td>
<td>+30</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-6</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>222</td>
<td></td>
</tr>
</tbody>
</table>

- Lower sales in the UK market
- Reference pricing in Portugal

EBITDA Q2

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-6</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-6</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

+ Higher sales of Thyrosafe
- Lower sales of a few high margin products
- GBP currency effect – own products
- Reference pricing in Portugal
+42% CHANGE IN Q2 NET SALES

1/ Currency translation effect
2/ Sterile Liquids discontinued packaging (only) contract (from Q3 2015) for a Big Pharma product (in France)
## 2016 Q2 PERFORMANCE

<table>
<thead>
<tr>
<th>KPIs</th>
<th>2016-YTD</th>
<th>2015 -YTD</th>
<th>2015 -FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales (12M)</td>
<td>3 855</td>
<td>3 122</td>
<td>3 389</td>
</tr>
<tr>
<td>EBITDA (12M)</td>
<td>572</td>
<td>512</td>
<td>510</td>
</tr>
<tr>
<td>EBITDA margin (12M %)</td>
<td>14,8</td>
<td>16,4</td>
<td>15,0</td>
</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>2,14</td>
<td>4,22</td>
<td>4,72</td>
</tr>
<tr>
<td>Return on equity (%)</td>
<td>3,5</td>
<td>11,4</td>
<td>11,4</td>
</tr>
<tr>
<td>ROOC (%)</td>
<td>5,8</td>
<td>13,0</td>
<td>7,6</td>
</tr>
<tr>
<td>Equity to assets (%)</td>
<td>51,1</td>
<td>49,7</td>
<td>39,4</td>
</tr>
<tr>
<td>Net working capital to Sales (%)</td>
<td>26,7</td>
<td>23,2</td>
<td>18,1</td>
</tr>
<tr>
<td>Net debt (SEKm)</td>
<td>1 807</td>
<td>1 001</td>
<td>1 164</td>
</tr>
<tr>
<td>Equity</td>
<td>4 859</td>
<td>2 713</td>
<td>2 740</td>
</tr>
<tr>
<td>Net debt to Equity</td>
<td>0,4</td>
<td>0,4</td>
<td>0,4</td>
</tr>
<tr>
<td>Net debt to EBITDA</td>
<td>3,2</td>
<td>2,0</td>
<td>2,3</td>
</tr>
</tbody>
</table>
CONCLUDING REMARKS
BECOMING A GLOBAL CDMO

Bangalore, India expected in Q4, 2016
FOCUSED M&A STRATEGY TO DELIVER VALUE

What Recipharm’s M&A strategy has delivered¹

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

MARKET
- Europe
- North America
- India
- Israel

RELATIONSHIP
- ~ 250 new customers gained since the IPO

Note 1. Empty boxes reflect gaps in current portfolio which can be the focus of M&A
Note 2. The acquisition of Dagny Pharma, the Indian operations from Kemwell, is expected to be completed by the end of 2016
BECOMING A GLOBAL LEADER

- Global footprint established
  - Strong presence in all major European markets
  - Enhanced presence in India
  - Foothold established in attractive US market
- World wide market supply capabilities
- Diverse customer base
- Broad technology base
- High quality, high performance manufacturing facilities
- Access to competitive drug delivery technologies
- Technology and product development partnerships and joint projects
- Strong IP backed business
TRANSACTIONS STRONGLY ALIGNED WITH RECIPHARM’S FINANCIAL TARGETS

**Financial targets**

- **At least SEK 8bn in sales by 2020**
- **EBITDA margin of at least 16%**
- **Net debt to equity ratio of less than 0.8**

**Status**

- On track. 42% increase in sales. Increase of 47% on full year 2015 sales from completed or pending acquisitions.
- 19.4% Q2
- 17.0% YTD
- 15.1% LTM
- 0.4 end of Q2

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Note 1. Mitim Srl, pro forma 2015, IFRS adjusted
Note 2. Nitin Lifesciences Ltd, pro forma January-December 2015, IFRS adjusted
Note 3. Cirrus Pharmaceuticals Inc and Kemwell AB, pro forma January-December 2015, IFRS adjusted
Note 4. Dagny Pharma Pvt Ltd, Completion contingent upon Indian FIPB approval, closing expected Q4 2016, preliminary estimated January-December 2015, local GAAP
TRANSACTIONS STRONGLY ALIGNED WITH RECIPHARM’S KEY STRATEGIC PRIORITIES

- 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
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