HIGHLIGHTS Q1

- Sales and earnings affected by acquisitions, Kaysersberg contract and lower sales in D&T, discontinued contract, acquisition costs, phasing and inventory effects
- Net sales SEK 973 million, +11% yoy, +13% qoq
- EBITDA SEK 136 million, -14% yoy, +24% qoq
- EBITDA margin 14.0%, -4.1%-pts yoy, +2.3%-pts qoq
- Net debt / Equity 0.5 (0.3)
- Equity issue of SEK 407 million
- Acquisition of Mitim, Italy, completed
- Serialization implementation started
- After the period
  - Acquisition 74% of Nitin, India, completed
  - Agreement to acquire Kemwell’s pharma in Sweden, USA, India
MANUFACTURING SERVICES
STERILE LIQUIDS

• Strong demand for lyophilisation, lower for liquid injectables
• 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
• Lyophilisation capacity expansion in Wasserburg progressed according to plan
• Destocking with certain customers
MANUFACTURING SERVICES
SOLIDS & OTHERS

• Good activity level new customers/products
• Sales SEK 462 million, +/-0
• EBITDA SEK 60 million, +104% yoy
• Positive inventory effect, less non-recurring costs
• Negative phasing of revenue
• Cost and efficiency program in Swedish operations agreed

Net sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Last quarter</th>
<th>Year before</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2-15</td>
<td>467</td>
<td>391</td>
</tr>
<tr>
<td>Q3-15</td>
<td>390</td>
<td>314</td>
</tr>
<tr>
<td>Q4-15</td>
<td>514</td>
<td>491</td>
</tr>
<tr>
<td>Q1-16</td>
<td>462</td>
<td>462</td>
</tr>
</tbody>
</table>

EBITDA

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Last quarter</th>
<th>Year before</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2-15</td>
<td>49</td>
<td>53</td>
</tr>
<tr>
<td>Q3-15</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>Q4-15</td>
<td>39</td>
<td>62</td>
</tr>
<tr>
<td>Q1-16</td>
<td>59</td>
<td>29</td>
</tr>
</tbody>
</table>

- Last quarter
- Year before
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
GROWTH INITIATIVES
# 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

## 2016 YTD
- Organic growth
- Sequential growth in acquired businesses
- Wasserburg expansion 8 M in capex ytd, total 290 M
- -11% vs. 2015 (excluding acquisitions & Thyrosafe)
- 18% of Group sales

## Projects Under Review
- Mitim Srl (IT) 2016
- Nitin Lifesciences Ltd (IN) 2016
- Kemwell (IN, SE, US) 2016
- Mitim Srl (IT) 2016
- Nitin Lifesciences Ltd (IN) 2016
- Kemwell (IN, SE, US) 2016

## Additional Notes
- +4 since 2007
  - 2014: Pessac (FR)
  - 2015: Kaysersberg (FR)
- +9 since 2007
  - 2014: Corvette (IT), Lusomedica (PT)
ACQUISITION OF MITIM SRL (ITALY)

Mitim Srl - Business Overview

- Italian CDMO specialised in filling of injectable beta lactams
- Other products include injectable sterile solutions, oral solids, liquids as well as semi-solids
- Sales predominantly in Italy
- Approximately 200 employees
- FDA inspected

Key Financials / Terms

- Valuation: EUR 68 million (SEK 640 million)
- 2015 pro forma revenue of EUR 47.9 and EBITDA 9.0 million (in local GAAP)
- Paid in already available funds
- Certain sellers subscribed to new issue of 1,039,724 RECI B shares at a value of SEK 131 million, subject to a 12 months lock-up
- Transaction completed 24th February 2016

Strategic Rationale of the Acquisition

- Adds an important technology in the filling of injectable beta lactams
- Sales to the US market, with growth potential
- Five production lines including a State-of-the-art production line for injectable beta lactams
- Attractive financial impact as acquisition will be accretive to margins, growth and EPS
- Number of commercial and operational synergies
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)
- Valuation: 12.2x EV/ LTM EBITDA
- Preliminary 2015 sales INR 2,970m (SEK 391m)
- Preliminary 2015 EBITDA INR 721 (SEK 95m)
- 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

Sources: Company filings.
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 and Swedish operations**
  - Valuation: USD 85 million (SEK 693 million)
  - Consideration to sellers of appr. USD 30 million (SEK 243 million) in cash and issue of class B Recipharm shares to a value of USD 55 million (SEK 450 million)
  - Closing expected Q2 2016 after review by the Swedish Competition Authority
- **Indian operations**
  - Valuation: USD 120 million (SEK 982 million)
  - 100% cash consideration
  - Financed though a proposed new share issue
  - Closing expected before year end 2016 after approval from Indian (FIPB) authorities

Sources: Company filings.

- Estimated total sales 2015 SEK 745 million
- Estimated total EBITDA SEK 108 million
  (Based on local GAAP)
FINANCIALS

BJÖRN WESTBERG, CFO

(CURRENCY SEK MILLION)
# Q1 P&L Development

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>972.9</td>
<td>872.9</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>136.4</td>
<td>158.0</td>
</tr>
<tr>
<td></td>
<td>14.0%</td>
<td>18.1%</td>
</tr>
<tr>
<td><strong>D&amp;A</strong></td>
<td>-67.5</td>
<td>-57.6</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>68.9</td>
<td>100.4</td>
</tr>
<tr>
<td><strong>Financial items</strong></td>
<td>-22.0</td>
<td>68.1</td>
</tr>
<tr>
<td><strong>Profit bef. Tax</strong></td>
<td>46.9</td>
<td>168.5</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>-22.1</td>
<td>-47.6</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>24.8</td>
<td>120.8</td>
</tr>
</tbody>
</table>

1/ Includes SEK 11m in acquisition costs
2/ 2015 Q1 includes SEK 46.6 as a non-recurring financial gain
3/ The high effective tax ratio 47% (28) is related to adjustments of 2015 income tax
MANUFACTURING SERVICES – STERILE LIQUIDS

Sales Q1

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisitions</td>
<td>+35</td>
<td></td>
</tr>
<tr>
<td>Alcon contract</td>
<td>+91</td>
<td></td>
</tr>
<tr>
<td>Currency effect</td>
<td>-5</td>
<td></td>
</tr>
<tr>
<td>Disc. Packaging product (FR)</td>
<td>-17</td>
<td></td>
</tr>
<tr>
<td>Others (new projects mainly)</td>
<td>+31</td>
<td></td>
</tr>
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</table>

EBITDA Q1

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisitions</td>
<td>+4</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>69</td>
</tr>
</tbody>
</table>

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

### Sales Q1

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>462</td>
<td></td>
</tr>
<tr>
<td>Acquisition effect (2%)</td>
<td>+8</td>
<td></td>
</tr>
<tr>
<td>FX effect</td>
<td>-3</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-5</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>462</td>
<td></td>
</tr>
</tbody>
</table>

### EBITDA Q1

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Acquisition effect</td>
<td>+2</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>+29</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>60</td>
<td></td>
</tr>
</tbody>
</table>

- Lower sales in Swedish operations
- Lower sales (internal) of Thyrosafe
- Phasing of revenues
+ Sales from new single projects

- Lower sales, see above
+ Inventory effect
+ Less non-recurring costs
## DEVELOPMENT & TECHNOLOGY

### Sales Q1

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Acquisitions</th>
<th>Tender product</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>220</td>
<td>+8</td>
<td>-23</td>
<td>-24</td>
</tr>
<tr>
<td>2016</td>
<td>181</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Lower sales of a few products in the UK market

### EBITDA Q1

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Acquisitions</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>70</td>
<td>-4</td>
<td>-38</td>
</tr>
<tr>
<td>2016</td>
<td>28</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Lower sales of Thyrosafe
- Lower sales of a few high margin products
+12% CHANGE IN Q1 NET SALES

1/ Currency translation effect
2/ Sterile Liquids discontinued packaging (only) product (from Q3 2015) in France
## 2016 Q1 PERFORMANCE

<table>
<thead>
<tr>
<th>KPIs</th>
<th>2016Q1</th>
<th>2015Q1</th>
<th>2015 -FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales (12M)</td>
<td>3 489</td>
<td>2 865</td>
<td>3 389</td>
</tr>
<tr>
<td>EBITDA (12M)</td>
<td>488</td>
<td>455</td>
<td>510</td>
</tr>
<tr>
<td>EBITDA margin (12M %)</td>
<td>14,0</td>
<td>15,9</td>
<td>15,0</td>
</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>0,52</td>
<td>2,74</td>
<td>4,63</td>
</tr>
<tr>
<td>Return on equity (%)</td>
<td>3,7</td>
<td>13,1</td>
<td>11,4</td>
</tr>
<tr>
<td>ROOC (%)</td>
<td>5,8</td>
<td>12,4</td>
<td>7,6</td>
</tr>
<tr>
<td>Equity to assets (%)</td>
<td>40,8</td>
<td>48,9</td>
<td>48,1</td>
</tr>
<tr>
<td>Net working capital to Sales (%)</td>
<td>23,7</td>
<td>23,9</td>
<td>18,1</td>
</tr>
<tr>
<td>Net debt (SEKm)</td>
<td>1 510</td>
<td>1 510</td>
<td>1 164</td>
</tr>
<tr>
<td>Equity</td>
<td>3 180</td>
<td>2 711</td>
<td>2 740</td>
</tr>
<tr>
<td>Net debt to Equity</td>
<td>0,5</td>
<td>0,3</td>
<td>0,3</td>
</tr>
<tr>
<td>Net debt to EBITDA</td>
<td>3,1</td>
<td>2,1</td>
<td>2,3</td>
</tr>
<tr>
<td>Cash</td>
<td>1 628</td>
<td>607</td>
<td>534</td>
</tr>
</tbody>
</table>
CONCLUDING REMARKS
BECOMING A GLOBAL CDMO
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. Completed on 11th April, 2016
Note 3. The acquisition of the US and Sweden operations is expected to be completed during the second quarter 2016 and the acquisition of the Indian operations 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

Dividend return of 30-50% of profit after tax

Kemwell acquisitions

✓ SEK 745$ million of preliminary 2015 net sales

✓ Expected to be accretive to EBITDA margin from 2016

✓ Strong cash flow and proposed rights issue expected to maintain leverage in line with target

✓ Maintaining proposed dividend for 2015 of SEK 1.50 per share (1.25 in 2014)

Note 1. Estimated value of Alcon outsourcing agreement for 2016
Note 2. Preliminary pro forma 2015 sales for Mitim Srl
Note 3. Preliminary 2015 January-December sales for Nitin Lifesciences Ltd
Note 4. Preliminary 2015 January-December sales for Kemwell
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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