

Press release

18<sup>th</sup> April 2016

## Notice to attend the Extra Ordinary General Meeting of Recipharm AB (publ)

The shareholders in Recipharm AB (publ), reg. no. 556498-8425 (the "Company"), are hereby invited to attend the extraordinary general meeting ("EGM") to be held on Tuesday 10 May 2016 at 15.00 pm at IVA Conference Centre, Grev Turegatan 16 in Stockholm, Sweden.

### Notification to attend etc.

Shareholders who wish to attend the EGM must

- be recorded in the share register kept by Euroclear Sweden AB no later than on Tuesday 3 May 2016, and
- notify the Company of their intention to attend the EGM at the latest by Friday 6 May 2016.

Notification to participate in the EGM must be in writing via the booking form available on the Company's website [www.recipharm.com](http://www.recipharm.com) or by e-mail to [EGM2016@recipharm.com](mailto:EGM2016@recipharm.com). Notification can also be made by telephone at +46-8-602 44 76. The notification shall state name, personal identification number/ company registration number, address, telephone number and number of shares held.

### Proxies

Shareholders represented by proxy must issue a written, signed and dated proxy. If the proxy is issued by a legal entity, a certified copy of the valid registration certificate (*Sw. registreringsbevis*) of the legal entity (or similar document for non-Swedish legal entity) must be attached to the proxy. The proxy may not be older than one year unless it states that it is valid for a longer period of time (the validity of the proxy may not exceed five years).

In order to facilitate the registration, proxies in its original as well as registration certificates and other authorization documents should be sent to the company address, Recipharm AB, Att: Katja Zaharova, Lagervägen 7, 136 50 Jordbro, well in advance before the meeting.

Proxy forms for shareholders who wish to attend the meeting by proxy will be available on the company website, [www.recipharm.com](http://www.recipharm.com).

### Shareholding in the name of a nominee

In order to be entitled to participate in the meeting, shareholders who hold their shares through nominees (*Sw. förvaltare*) must request a temporary registration of the shares in their own name, with Euroclear Sweden AB. Shareholders who wishes to obtain such registration must contact the nominee regarding this well in advance of 3 May 2016.

## Proposal for agenda

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to approve the minutes
6. Determination as to whether the Meeting has been duly convened
7. Resolution in respect of authorization for the Board of Directors to resolve to issue shares against payment in kind
8. Resolution in respect of authorization for the Board of Directors to resolve to issue shares with preferential rights for shareholders
9. Resolution in respect of authorization for the Board of Directors to issue shares and/or convertible bonds
10. Closing of the meeting

## Proposals by the Board of Directors

### *Resolution in respect of authorization for the Board of Directors to resolve to issue shares against payment in kind (item 7)*

On 18 April 2016, Recipharm announced that the Company had signed two separate agreements to acquire Kemwell's pharmaceutical CDMO businesses. The first acquisition, comprising US and Swedish operations, is expected to close during the second quarter 2016, after review by the Swedish Competition Authority. The second acquisition, comprising operations in India, is conditional on governmental approvals and expected to close before year end.

The acquisition price for Kemwell's operations in Sweden amounts to approximately USD 85 million (approximately SEK 693 million) in total, on a cash and debt free basis, and will be paid to the sellers, Kemfin Holdings Private Ltd ("Kemfin") and, as regards the Swedish operations, PerÅke Oldentoft, with approximately USD 30 million (approximately SEK 243 million) in cash as well as an issue in kind of series B shares in Recipharm corresponding to a value of USD 55 million (approximately SEK 450 million). The subscription price of the share issue in kind shall be calculated as the average of the volume weighted average share price for (i) 20 trading days prior to the day for signing of the acquisition agreement and (ii) 20 trading days prior to the date for the EGM, adjusted for non-occurring dividend of SEK 1.50 for the financial year 2015 proposed to be resolved at the Annual General Meeting to be held on 28 April 2016.

With reference to the above acquisitions, the Board of Directors proposes that the EGM authorizes the Board of Directors, during the period until the next AGM, to issue new series B shares against payment in kind in the form of all shares in Kemwell AB.

The new shares shall entitle to dividend for the first time on the record date for dividends occurring after the shares are registered with the Swedish Companies Registration Office. The new shares are not entitled to the dividend of SEK 1.50 per share proposed by the Board of Directors to be resolved at the Annual General Meeting to be held on 28 April 2016 regarding dividend for fiscal year 2015.

***Resolution in respect of authorization for the Board of Directors to resolve to issue shares with preferential rights for shareholders (item 8)***

In light of Recipharm's acquisition of CDMO businesses in the US, Sweden and India, announced on 18 April 2016 and described in item 7 above, the Board of Directors proposes that the Extraordinary General Meeting authorizes the Board of Directors, during the period until the next Annual General Meeting, to issue new shares with preferential rights for existing shareholders. The proceeds in connection with such share issue shall amount to approximately SEK 850 million before issue costs. The net proceeds from the rights issue will be used to finance the acquisition of the businesses referred to above.

At the Board of Directors' exercise of the authorization pursuant to item 7 above, Kemfin will become a meaningful shareholder in Recipharm. Kemfin and PerÅke Oldentoft have committed to a 12 month lock up period not to dispose of any of the shares received in connection with the share issue in kind. Based on the number of shares issued in the share issue in kind, Kemfin and PerÅke Oldentoft have also undertaken to subscribe for their respective *pro rata* share of the planned rights issue.

Should Kemfin and PerÅke Oldentoft receive shares in the share issue in kind prior to the record date for the proposed rights issue, they have committed themselves to participate in the rights issue by exercising all of their respective subscription rights. However, if the share issue in kind is not registered prior to the record date for the proposed rights issue, the Board of Directors will reduce the number of shares in the rights issue corresponding to Kemfin and PerÅke Oldentoft's prospective share of the rights issue. The Board of Directors proposes therefore, in case such situation will occur, that the EGM resolves to authorize the Board of Directors to carry out a directed share issue against cash payments to Kemfin and PerÅke Oldentoft, where the subscription price will be the same as in the proposed rights issue and the number of shares issued will correspond to the number of shares which Kemfin and PerÅke Oldentoft would have subscribed for in the rights issue if they had received the shares issued in connection with the share issue in kind prior to the record date for the rights issue.

The reason for deviation from the shareholders' preferential rights is that the directed share issue shall place Kemfin and PerÅke Oldentoft in the same situation as if the shares in share issue in kind had been delivered to them before the record date for the rights issue.

Resolutions on authorization pursuant to this item 8, which in certain situations also include the possibility to carry out a directed share issue to Kemfin and PerÅke Oldentoft is valid only if approved by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Meeting.

***Resolution in respect of authorization for the Board of Directors to issue shares and/or convertible bonds (item 9)***

Recipharm has a clear acquisition strategy designed to enable the company to participate in the consolidation of CDMO industry. Through acquisitions, Recipharm offered the opportunity to have

access to both new technologies and extended capacity, and new customers and markets. Through acquisitions, Recipharm also strengthen its presence in emerging markets.

The Board of Directors intends to recall its proposal to the Annual General Meeting on 28 April 2016, to authorize the Board of Directors to issue shares and/or convertible bonds. The Board of Directors proposes instead that the EGM authorizes the Board of Directors, on one or several occasions during the period until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, to resolve on share issues and/or issues of convertible bonds that involve the issue of or conversion to a maximum number of series B shares corresponding to ten percent of the total number of shares in Recipharm with regard to any additional shares in connection with the share issue against payment in kind pursuant to the authorization under item 7 above, and the rights issue to be carried out under the authorization pursuant to item 8 above. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights, if any, is to enable the company to carry out issues of shares and/or convertible bonds in a time-efficient way to finance acquisitions or investments in new or existing businesses. The issuance of shares or convertible bonds under the authorisation shall, in case of deviation from the shareholders' preferential rights, be made at a subscription price according to the prevailing market conditions at the time of the issuance of the shares and/or convertible bonds. Payment for subscribed shares and/or convertible bonds shall be made in cash, in kind or by way of set-off.

Resolutions on authorization pursuant to this item 9 is valid only if approved by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Meeting.

## OTHER INFORMATION

### Number of shares and votes

As per 18 April 2016, the total number of shares in the company amounts to 49,614,980, representing a total of 163,786,424 votes, whereof 12,685,716 shares of series A, 36,429,264 shares of series B and 500,000 shares of series D. The company holds 59,911 shares of series B and 500,000 shares of series D.

### Documents

The Board of Directors' reports and the auditor's statements pursuant to the Swedish Companies Act (SFS 2005:551) will, no later than on 19 April 2016, be held available at the company's website, [www.recipharm.com](http://www.recipharm.com), at the company's address at Lagervägen 7, 136 50 Jordbro and will be sent free of charge to shareholders who so request and provide their postal address or email address.

### The shareholders' right to submit questions

The board and the CEO shall, if any shareholder so requests and the board believes that it may be done without significantly harming the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial position and the company's relationship to other companies within the group as well as the consolidated financial statements. Anyone wishing to submit questions in advance can do so by sending them to the company at the address mentioned above.

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Jordbro, April 2016  
RECIPHARM AB (PUBL)  
The Board of Directors