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AGENDA

Introduction
Market and competition
Delivering customer value
Strategies
India
US
Manufacturing services Europe
Development & Technology
Finance
Recipharm – the Global CDMO

CEO
Thomas Elderd
• A leading European CDMO serving pharma globally
  - Strategic relationship with customers across the life cycle, from discovery to commercial manufacturing
  - 400+ customers, 500+ products, 100+ markets
  - Comprehensive network, 20+ facilities in Europe, North America and Asia
  - 3500+ employees

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

• 20+ years of profitable growth
  - Sek 4.7 bn pro forma\(^1\) net sales, 27% CAGR\(^2\) since 2013
  - Sek 730 m (~$90 m) pro forma\(^1\) EBITDA\(^3\), 35% 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
Due to a combination of successful organic and acquisitive activities, Recipharm has historically displayed strong, double-digit growth.
WE DEVELOP FAR-REACHING, LONG-STANDING RELATIONSHIPS

Long-standing customer relationships

- **Abbott** (since 2009)
- **AstraZeneca** (since 2002)
- **MEDA** (since 2007)
- **Novartis** (since 1990)
- **Pfizer** (since 1998)
- **Takeda** (since 1993)

400+ 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

Wide and diversified customer base

Based on 2015 Annual report

15% of 2015 sales backed with Recipharm IP
BUSINESS MODEL WITH BROAD COVERAGE AND BUILT-IN SYNERGIES

Full service offering across the life cycle, from discovery to commercial 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
  – Regulatory support
- **Synergies** between manufacturing and development
  – D&T initiatives drives growth in the manufacturing segments
  – Simplifies process for “tech transfer”
  – Manufacturing can generate new development activities

Note1. Interim report Q2 2016
THE EVOLVING CDMO INDUSTRY

-1990  2010  2015  2020

TIME PERIOD

1

• Toll manufacturing
• Local production often supporting capacity constraints and in line with blockbuster model of centralised control

2

• Range of services: development, manufacture, analysis, Quality Assurance
• Notion of “full service”

3

• Establishment of multi-regions/multi-continents
• Greater incidence of customer integration and partnership
• Proprietary formulations

4

• Global solution providers
• Range of turnkey services across the entire product supply chain
• MAA filing and regulatory support
• Risk sharing displaying high level of partnership and integration

Source: PHARMA network, Recipharm
To be acknowledged as the best-in-class provider of contract development and manufacturing solutions to the pharmaceutical industry by our customers, employees and other stakeholders.

To offer expertise and facilities in the development, production and supply of pharmaceuticals to demanding customers for global use.

OUR OVERALL OBJECTIVES

OUR FINANCIAL TARGETS

STRATEGIC PATHWAYS

OUR VALUE PROPOSITION
- Pharmaceutical expertise
- Manage complexity
- Full service offering
- Risk control
- Good value for money

MANUFACTURING SERVICES
- Sterile Liquids
- Solids & Others

DEVELOPMENT & TECHNOLOGY

OUR CORE VALUES
- Tenacity
- Professionalism
- Reliability
- Entrepreneurship

Vision and mission

Foundation

Strategic focus areas

Strategic targets
CORPORATE SOCIAL RESPONSIBILITY

GROUP POLICIES

MANAGEMENT SYSTEMS

Recipharm’s Code of Conduct
- Norms of conduct
- Labour
- Anti-discrimination
- Environment
- Anti-corruption

OUR CORE VALUES

Recipharm’s Supplier Code of Conduct
- Ethics
- Labour
- Health&Safety
- Environment
- Animal Welfare
- Management Systems

RECIIPHARM INTERNATIONAL ENVIRONMENT AWARD

United Nations Global Compact

PSCI Pharmaceutical Supply Chain Initiative
ORGANISED FOR SUCCESS: THE RECIPHARM MODEL

20 stand-alone operating companies in 10 countries united within the Recipharm operating model:

- **Local Adaptability**
  Stand-alone operating companies with their own strong management teams which promote local decisions, flexibility and local sales.

- **Consistency & Continuity**
  Consistency and continuity between our development and manufacturing facilities provide a smooth and efficient transfer from development to commercial production.

- **Strong Corporate Leadership**
  Group central management ensures strategy alignment and development as well as financing, marketing and sales.

- **Customer Focus**
  Our customers meet one Recipharm with one single brand.
GROWTH DRIVING STRATEGIES

- **Supplying innovative expertise**
- **Capturing emerging growth**
- **Consolidating CDMO industry**
- **Streamlining operations**
- **Employing exceptional people**
RECENT TRANSACTIONS ALIGNED WITH STRATEGIC OBJECTIVES
ENHANCED NETWORK IN EUROPE THROUGH FOUR TRANSACTIONS SINCE 2015

- **Kaysersberg**
  - Blow Fill Seal

- **Brescia**
  - Penicillins and Cephalosporins sterile powder filling

- **Uppsala**
  - Preclinical Development
  - API and Solid dose
RECENT TRANSACTIONS ALIGNED WITH STRATEGIC OBJECTIVES
GEOGRAPHIC EXPANSION BEYOND EUROPE SINCE 2015

Research Triangle Park
• Analytical & Formulation Development

Paonta Sahib & Karnal
• Sterile Liquids

Bangalore (1)
• Oral solids & liquids
• Analytical & Formulation Development

Ness Ziona (2)
• Chemical synthesis
• Analytical Development

---

(1) Bangalore expected completion Q4 2016
(2) Ness Ziona is a green field project
RECIPHARM’S UPDATED FINANCIAL TARGETS

- 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)
HIGHLY EXPERIENCED MANAGEMENT TEAM

CEO
Thomas Eldered

President, Manufacturing Services Europe
Kjell Johansson

Executive Vice President, Global Technologies
Carl-Johan Spak

Executive Vice President, Financial, Control & Investor Relations
Björn Westberg

Executive Vice President Strategy & Global Integration
Jean-François Hilaire

Executive Vice President, Corporate Development
Mark Quick

Vice President, Business Management
Kenth Berg

Vice President, Operations Development
Magnus Renck

Vice President, Human Resources
Jonas Lejontand

Vice President, Manufacturing Services & Head of CSR
Erik Haeffler

Vice President, Quality Management
Thomas Beck
UNDERLYING GROWTH IN PHARMA MARKET

Pharma Market – Value ($bn)

- 2015: $1,069bn
  - Developed: $684bn (4.9% CAGR)
  - Emerging: $385bn (6.6% CAGR)
- 2020: $1,400bn
  - Developed: $870bn (5.5% CAGR)
  - Emerging: $530bn

Pharma Market – Doses (bn)

- 2015: 3,400bn
  - Developed: 1,400bn (1.3% CAGR)
  - Emerging: 2,000bn (8.5% CAGR)
- 2020: 4,500bn
  - Developed: 1,490bn
  - Emerging: 3,010bn

• New products in developed markets +36% in value and +2% in doses
• Price pressure continues -$90bn
• Biosimilars +$41bn

Source: Global Medicines Use in 2020, IMS November 2015
## Drivers for Pharma Industry to Outsource

### Pharmerging Markets
- Mature Products
- Cost sensitive
- Supply chain/regulatory complexity

### Growth of Virtual Speciality Pharma
- Limited in-house capacity

### Biopharma growth
- Risk sharing
- Access to service partners
- Need for high capex lyophilisation

### "Niche-busters"
- Minimise investment to reduce risk
- Niche production requirements

### Generics Challenge
- Increased cost control
- Life cycle management
- Rx to OTC

### Consolidation
- Mergers lead to manufacturing rationalisation
- Reduced capability through organisation restructuring

### Pricing pressure
- Focus on efficiencies
- Mature products decline and cost need to be managed
WHAT CDMOs CAN OFFER

- Access to specialist knowledge, integrated development and manufacturing expertise
- Avoid high costs and large capex relating to the development of in-house manufacturing expertise, capacity and new technology
- Pooling production to yield lower unit costs compared to in-house production
- Improved lifecycle management
- Allow focus on core activities – R&D, marketing, sales
- Reduced time to market
THE FINISHED DOSE CDMO MARKET SET FOR FURTHER GROWTH

Source: Frost & Sullivan
THE CDMO MARKET – HIGHLY FRAGMENTED

Distribution of CDMOs by revenue level (number of CDMOs)

- Majority very small
- Absence of overall market leadership

Market share by revenue level

Source: PharmSource, September 2015
COMPETITOR SEGMENTATION

Breadth of Capability (technologies/geographies)

- **Few**
  - Smaller companies
  - Local
  - Lower development
  - Dependent on few customers

- **Many**
  - Mid to large companies
  - Regional CMO
  - Dependent on few customers

Complexity (service/manufacturing)

- **Low**
  - Smaller companies
  - Local
  - Lower development
  - Dependent on few customers

- **High**
  - Larger companies >$500m
  - Consolidators
  - CDMO/technology offering
  - *Eg Catalent, Patheon, AMRI*
  - Niche technology companies
  - High technology, innovators *e.g. Vetter*
“BIG IS BEAUTIFUL”
SCALE BENEFITS DRIVES CONSOLIDATION AND DELIVERS MARGIN GROWTH

**Customers**
- Large scale a pre-requisite to tender participation
- Supplier rationalisation and strategic partnerships
- Global footprints

**Economies of scale**
- Ability to drive business improvement
- Procurement

**Financial**
- Price maker not price follower
- Larger companies have better margins\(^1\) and organically grow at a faster pace\(^2\)
- Investment requirements squeeze smaller players
- Improved access to capital

Source: 1) PharmSource – Contract Dose Manufacturing Industry 2015
CDMO – A DIFFERENT OUTSOURCING INDUSTRY

Several factors create a highly symbiotic relationship between pharma companies and CDMOs

**Long product lifecycles**
- Product lifespan of several decades
- High margin pressures on pharma companies leading to efforts to maximise product lifecycle
  - reformulations
  - geographic expansion into emerging markets
  - Rx to OTC switches

**High switching costs**
- Switching CDMOs involves high costs and only considered if quality issues or significant savings potential for the pharma company
- Transfer of processes lengthy and highly resource intensive
  - usually takes at least 18-24 months
  - exposes the supply chain to significant risk

**Stringent regulatory environment**
- Heavily regulated industry
- Manufacturers thoroughly reviewed by different regulators
- Changes in manufacturing practices impose regulatory burden, delays and uncertainties

**High barriers to entry**
- New entrants need significant initial capital outlay
- Significant investment in maintaining know-how and assets
- Requirement of high level of technical know how, usually built over a long period of time
- As it is difficult to move around contracts it takes a long time to build reputation and be able to win new business
AGENDA

- Introduction
- Market and competition
- Delivering customer value
- Strategies
- India
- US
- Manufacturing services Europe
- Development & Technology
- Finance
- Recipharm – the Global CDMO

Executive Vice President Strategy & Global Integration
Jean-François Hilaire
MEETING CUSTOMER NEEDS

Primary Customer Needs:

- Technical capability (facilities, skills)
- Available capacity
- Reliable service
- Quality standard
- Competitive Prices

Recipharm has demonstrated its ability to satisfy customer needs.
CUSTOMERS BECOMING MORE DEMANDING

- Sourcing solutions for supplying Emerging Markets
- Specialty Pharma requiring much more elaborated support to compensate limited in-house capabilities
- Supporting in portfolio regeneration (Branded Generics, OTC)
- Suppliers network rationalisation, as consequence of multiple M&A
- Increased price pressure

Providing value and innovative solutions beyond just “plain” capacity
MEETING RISING CUSTOMER NEEDS IN ORDER TO TIGHTEN RELATIONSHIPS

Rising Customer Needs:

- Sourcing solutions for supplying Emerging Markets
- A full range of development and supply capabilities are expected from small and mid-size pharma
- Support in portfolio regeneration (Branded Generics, OTC)
- Sourcing solutions that ease Big Pharma supply chain agility
- Further competitive Prices

Recipharm Solutions:

- Unique presence in India, out of where we can supply Domestic and Export demand
- From drug discovery and API development to pharmaceutical formulation, including Regulatory support and from clinical supply to commercial supply
- Our unique End-to-End integrated capabilities in accelerating Market Access for our customers
- Our wide range of technical capabilities allow us to handle complex projects that simplify Supply Chain flows
- We are working at streamlining our Operations in order to offer price competitive solutions to our customers
**Recipham’s commercial success reflects the value actually delivered to Customers**

<table>
<thead>
<tr>
<th>Pharmaceutical expertise</th>
<th>Managing complexity</th>
<th>Full service offering</th>
<th>Risk control</th>
<th>Good value for money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wide range of technologies</td>
<td>Quality &amp; Compliance</td>
<td>From drug discovery to Marketing Authorization</td>
<td>Clean compliance records</td>
<td>Customised approach</td>
</tr>
<tr>
<td>Access to proprietary technologies</td>
<td>Geographic footprint in Europe and beyond (India)</td>
<td>Project management capabilities</td>
<td>Financial reliability</td>
<td>Drive innovation and costs improvement</td>
</tr>
<tr>
<td>Regulatory assistance</td>
<td>Reduce time-to-market</td>
<td>One-stop-shop from API to finished product</td>
<td>Deliver on promises</td>
<td>Operational excellence</td>
</tr>
</tbody>
</table>
AGENDA

Introduction
Market and competition
Delivering customer value
Strategies
India
US
Manufacturing services Europe
Development & Technology
Finance
Recipharm – the Global CDMO
STRATEGIES – BASED ON FOUR PILLARS

1. SUPPLYING INNOVATIVE EXPERTISE
2. CAPTURING EMERGING GROWTH
3. CONSOLIDATING THE CDMO INDUSTRY
4. STREAMLINING OPERATIONS
1. SUPPLYING INNOVATIVE EXPERTISE

- Serialisation
- Pharmaceutical Development
- Unique formulations (coated pellets, inhalators, ...)
- Intellectual Property
- Market Access support
- Demanded technologies (Lyophilisation, BFS, ...)
- Complex supply chain flows
- Largest lyophilisation capacity in Europe

Supplying Innovative Expertise
2. CAPTURING EMERGING GROWTH

- Multiple commercial channels
- Supply emerging markets out of India
- Connect US/European companies to Indian market
- Low production cost out of India
- Connect Indian companies to US/European markets
- Agility, Flexibility, Adaptability
- Logistics support
- Assistance in complex regulatory processes
Within the next 5 years, more than 75% incremental demand of pharmaceuticals will be generated within emerging markets.

- This incremental demand will not be filled with supply out of Europe
- None of our competitors are offering supply out of emerging markets combined with quality systems, controlled out of Europe

Source: McKinsey
3. CONSOLIDATING THE CDMO INDUSTRY

- Recipharm Acquisition Process
- Further consolidation themes
- Consolidating the CDMO Industry
- Integration status of newly acquired companies
- Recipharm Screening Model
RECIIPHARM ACQUISITION PROCESS

<table>
<thead>
<tr>
<th>Screening and evaluation</th>
<th>Meetings and visits</th>
<th>Offer</th>
<th>DD</th>
<th>Negotiation</th>
<th>Signing and closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targets constantly researched, tracked and evaluated</td>
<td>Frequent meetings and site visits held globally</td>
<td>Participate in both structured auction and bi-lateral processes</td>
<td>Defined process led by internal team supported by advisors</td>
<td>Lead-time from 3 months to 3 years, or more</td>
<td>Lead-time depending on necessary regulatory submissions</td>
</tr>
</tbody>
</table>

- Reputation and credentials are critical
- In 2016 already more than 25 targets evaluated
RECIIPHARM SCREENING MODEL - A RECIPE FOR SYNERGIES

TECHNOLOGIES
- Freeze dried ampoules
- Injectable hormones
- Effervescent tablets
- Ophthalmics
- Niche API’s
- Pre-clinical chemistry
- Coated pellets
- Blow-fill-seal
- Niche dosage forms

MARKETS
- Europe
- India
- Israel
- North America

RELATIONSHIPS
- ~ 160 new customers gained since IPO

RELATIONSHIP
- Nitin Lifesciences
- Kemwell SE
- Mitim
- Corvette Group
- OnTarget Chemistry

MARKET
- Cirrus (Kemwell USA)
- Lusomedicamenta
INTEGRATION PROCESS STATUS

Achieved in 2016:

- Acquisition & Integration of Brescia
- Acquisition of Uppsala
- Acquisition of Research Triangle Park site
- Acquisition of 2 Indian CDMOs (Kemwell expected to close in 4th Quarter)

On-going activities:

- Grow volumes with existing customers
- Capture synergies is Uppsala
- Set up Recipharm brand in the US
- India Integration
  - Secure adequate reporting and CSR control
  - Consolidate customer networks
  - Strengthen our visibility:
    - as Contract Development services supplier
    - as Leading Emerging Market CDMO supplier

Further initiatives:

- Bring new customers
- Extend relationships with Pfizer
- Extend our presence in the US
- India Integration
  - Extend our customer network
  - Expand our Emerging Markets reach
  - Build strategic partnerships with Major customers
  - Optimize our Development services offering
  - Adjust capacity
FURTHER CONSOLIDATION THEMES

**New Markets**
- **US**
  - Expand our Development and Manufacturing service offering
- **Europe**
  - Track acquisition and carve-out opportunities
- **Emerging Markets**
  - Local Manufacturing is now often required to reach some major markets such as Brazil, Turkey, Russia, Algeria...

**New Technologies**
Historically, Recipharm has been acquiring new capabilities (technologies, capacities, know how) through acquisitions
- **New Technologies**:
  - Pre-filled syringes
  - High potent API
  - Soft gel capsules, gums, ...
- **New capabilities**:
  - Multi-purpose API facility (vertical integration)

**New Customers**
- Gaining a greater coverage of the top 20 Big Pharma
- Gaining new small/mid-size customers in the US
4. STREAMLINING OPERATIONS

**Lean manufacturing:**
- Swedish Operations (Savings: 60 MSEK/year)
- Ex-Kemwell Uppsala site synergies (Savings: 25 MSEK/year)
- Lean Initiative at each of our manufacturing sites

**Procurement:**
- Reduce complexity in our current procurement chain
- E-Procurement (reverse auctions)
- Leverage our presence in India

**Adjust Capacity to the Demand:**
- Increase capacity
- Optimize product mix (Lyophilisation, BFS)

**Supply Chain:**
- One-Stop-Shop Solutions
- Involve India as service provider
- Purchasing

**Administration:**
- Finance
- Payroll
- IS/IT

Some shared services already implemented
STRATEGIES DRIVING PROFITABLE GROWTH

1. SUPPLYING INNOVATIVE EXPERTISE
2. CAPTURING EMERGING GROWTH
3. CONSOLIDATING THE CDMO INDUSTRY
4. STREAMLINING OPERATIONS
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US
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WHY INDIA?

**Fast growing Pharmaceutical Industry:**
- Indian Pharmaceutical sector output is ranked 3rd largest in volume
- $50bn in value (13th), +15% /year
- Export market: $20bn → US (28%), EU (18%), Africa (17%)
- Governmental initiative to make India a global leader in drug manufacture with projection of $300bn in 2030!

**Access to existing Expertise:**
- 30 global pharmaceutical manufacturers with sales > $150M
- 4,655 Pharmaceutical companies employing 345,000 people
- 2,633 US-FDA approved drugs
- Indian manufacturing facilities supply 20% of the world wide generics demand

Recipharm mission in India is to serve both domestic and export markets, regulated and semi-regulated markets

Source: Department of Pharmaceuticals, India
WHERE IN INDIA

Karnal

Paonta Sahib

Bangalore
WE SERVE DOMESTIC AND MULTINATIONAL CUSTOMERS

**With Development services:**
- Oral solid, Liquid and semi-solid formulations
- Formulation, analytical services and clinical supply

**With Commercial Supply:**
- Oral solids, oral liquids, semi-solids
- Sterile liquid, including lyophilised products
- Ophthalmic products

- To domestic and European/US markets
  - Supplying Indian and multinational customers
- To emerging markets
  - Africa, Middle-East, South-East Asia, CIS countries and Latin America

- Also strengthening Recipharms positioning to multinational Pharmaceutical companies
  - Cross-selling opportunities
  - Stronger position as Big Pharma are streamlining their supplier’s network
KEY DRIVERS FOR GROWTH OUT OF INDIA

• Strong domestic market growth → Strong volume demand

• Indian Market Access to European/US customers

• Access to low-cost development capabilities

• Cost effective export from India to Asia/CIS/Africa

• Combined capabilities Europe/India leverage new opportunities and improved ways of working
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Executive Vice President Strategy & Global Integration
Jean-François Hilaire
THE LARGEST PHARMA MARKET IN THE WORLD

To capture a share of a leading Market

- Largest Pharmaceutical market, highly profitable
- US Pharmaceutical manufacturing output: $ 156 bn (30% export)
- Innovation & Quality leadership

To Become a true Global CDMO

- Serve customers out of the US
- Develop relationship with new customers in the US
- Accede to vibrant small/mid-cap Biopharma market

To calibrate Recipharm against Competition

- Leading CDMOs North American based in the US
- Perceived also as a US player
OUR ROADMAP INTO THE US

Establish Recipharm brand in the US

• Research Triangle Park as an initial base
• Develop and strengthen the existing customer network
• Reach new customers
• Further expand our service offering

Further presence

• Other(s) CDMO(s)
• Carve-out of a manufacturing or development site
• Greater Boston area, West coast

Streamline Operations

• Optimise value chain in combining resources and capabilities available in the US, in Europe and in India
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President, Manufacturing Services Europe
Kjell Johansson
FULL MANUFACTURING SERVICES OFFERING

<table>
<thead>
<tr>
<th>Manufacture techniques</th>
<th>European manufacturing sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquids</td>
<td>Ashton</td>
</tr>
<tr>
<td>Injectables</td>
<td>Karlskoga</td>
</tr>
<tr>
<td>Solids</td>
<td>Strängnäs</td>
</tr>
<tr>
<td>Semi-solids</td>
<td></td>
</tr>
<tr>
<td>APIs</td>
<td></td>
</tr>
<tr>
<td>Ophthalmics</td>
<td></td>
</tr>
</tbody>
</table>

- Ashton
- Karlskoga
- Strängnäs
- Fontaine
- Monts
- Lisbon/Odivelas/Queluz
- Kaysersberg
- Parets
- Milan/Masate/Brescia/Lainate/Paderno Dugnano
- Wasserburg
- Höganäs
- Stockholm
- Uppsala
- Jordbro
MANUFACTURING BUSINESS MODEL

• **Wide service offering**
  - Manufacturing for clinical and/or commercial supply
  - TechTransfer, scale up, QA and analytical services
  - Supply chain. From procurement of material to finished goods distribution

• **Leverage our customer base**
  - Long time relationship
  - Contracts normally 18-24 months notice period
  - Several contracts per core customer
  - Majority of contracts on an exclusive basis
  - Non exclusive contracts linked to volume commitment during contract duration

• **Operational focus**
  - Efficiency
  - Quality
  - Delivery performance
DRIVING ORGANIC GROWTH

1. Focused sales organisation and processes
   - Strengthened organisation
   - Customer segmentation
   - Customer focus in sales process

2. New regulations
   - Serialisation – a business opportunity

3. Invest for growth
   - Lyophilization capacity
   - Blow Fill Seal (BFS) capacity
1. FOCUSED SALES ORGANISATION AND PROCESSES

STRENGTHENED SALES ORGANISATION

- **Organised to meet customer needs**
- **KAM**
  - Inrease in head count 2013-2016: >100%
- **Business Management directors (BM)**
  - >50%
- **Commercial managers (CM)**
  - 50%
- **Focus Area**
  - Strengthen relationship with existing key customers, to grow the business
  - Develop new businesses with new customers
  - Operational customer management
  - Extract additional value from existing business
1. FOCUSED SALES ORGANISATION AND PROCESSES
CUSTOMER SEGMENTATION TO DRIVE SALES

- Focussed customer targeting
- Customer service adapted to needs
- Customer strategies defined
1. FOCUSED SALES ORGANISATION AND PROCESSES
CUSTOMER FOCUSED SALES PROCESS

Responsibilities clearly defined on a central and local level

Simplified sales process illustration

**Lead generation**
- Website
- Fairs/exhibitions
- Business network
- From D&T

**Customers**
- Current
- New

**Find opportunities**
- KAM/CM
- BM

**Evaluation**
- CM

**Negotiation**
- KAM/CM
- BM

**Finalisation**
- CM/GM

Illustrative sales process timeline

- Request for quotation
- Contract signing
- Tech transfer initiation
- Manufacturing start

2-9 months
0-12 Months*
0-9 Months*

* Revenue generation

* Highly dependent on development work, investments and regulatory tasks
### 1. FOCUSED SALES ORGANISATION AND PROCESSES
**WINNING COMPLEX CONTRACTS**

<table>
<thead>
<tr>
<th>Company:</th>
<th>Tillotts Pharma AG</th>
<th>Redhill Biopharma Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products:</strong></td>
<td>• Entocort, Asacol</td>
<td>• RHB-105 (antibiotic)</td>
</tr>
<tr>
<td><strong>Technologies:</strong></td>
<td>• Spray coating, Capsules, Tablets, Liquids, Packaging</td>
<td>• Spraycoating, Mini-tablets, Capsules, packaging</td>
</tr>
<tr>
<td><strong>Investments:</strong></td>
<td>• 3.5 m€</td>
<td>• 1.5 m€</td>
</tr>
<tr>
<td><strong>Key success Factors:</strong></td>
<td>• Customized approach (BM, KAM)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Full service offering, managing complexity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Pharmaceutical expertise</td>
<td></td>
</tr>
</tbody>
</table>
2. NEW REGULATIONS - SERIALISATION

To prevent falsified medicines to be sold on the market

- Already legislation in China, Turkey, Korea, Argentina and some other smaller countries
- Legislation in EU, EEA and Switzerland, to be implemented from Q1 2019
- US requires serialisation from Nov 2017 and Track & Trace from 2023
- Saudi Arabia, Russia and some other countries will have legislation during the coming 1-3 years
- In total 55 countries are in the phase to make serialisation a requirement
2. NEW REGULATIONS- SERIALISATION

WHAT IS SERIALISATION?

• Printing of 2D barcode with unique serial number on all individual packs + human readable text
• Packaging with tamper evidence
• Generation and management of serial numbers
• Provide customers and/or authorities with these numbers
2. NEW REGULATIONS - SERIALISATION

CHALLENGES MANUFACTURES → OPPORTUNITIES

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory</td>
<td>• more services</td>
</tr>
<tr>
<td>Financially</td>
<td>• win new businessess</td>
</tr>
<tr>
<td>Technology</td>
<td>• creating an even more sticky business</td>
</tr>
<tr>
<td>Supply chain</td>
<td></td>
</tr>
<tr>
<td>IS/IT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>More revenues</td>
</tr>
</tbody>
</table>

- Smaller CMOs will face huge challenges
- Recipharm is well on track with competence, investments and technology

Serialisation an opportunity to drive growth both short and long term
# 3 INVEST FOR GROWTH
LYOPHILIZATION CAPACITY

## Background
- Freeze drying (lyophilization) has proven to be in high demand and current customers require additional capacity

## Actions taken
- An investment of EUR 32 million was approved in 2013 to increase capacity in Wasserburg
- An investment of EUR 3.7 million was approved recently to increase capacity in Milan

## Benefits to Recipharm
- Expansion of profitable business with existing and new customers and possibilities to attract customer projects in an earlier phase than today

## Status
- Wasserburg in operation mid 2017
- Milan in operation Q2 2018
- Discussions ongoing with customers regarding future demand and volume commitments
### 3 INVEST FOR GROWTH
#### BFS CAPACITY

| **Background** | • We are experiencing increased demand from US, Turkey, Australia and Canadian markets  
                   • Current customers require additional capacity |
| **Actions taken** | • An investment of EUR 18 million was approved earlier this year to increase capacity in Kaysersberg with a new high speed line  
                       • The investment will enable space for additionally three lines |
| **Benefits to Recipharm** | • Expansion of profitable business with existing customers  
                                  • Create opportunities to attract new customers and projects |
| **Status** | • New capacity in operation early 2018  
                      • Discussions ongoing with customers regarding future demand and volume commitments |
DEVELOPMENT & TECHNOLOGY

• Supporting customers to develop their products
  - Formulation development
  - Analytical services
  - API development
  - Preclinical chemistry

• Exploring technology to drive future business
  - IP
  - Product rights
DEVELOPMENT SERVICES

• Generates business for manufacturing
  – Close contact with customer over many years
  – Higher margins
  – Simplifies the “tech transfer” process
  – Manufacturing can generate new development activities

• A vital component of our value proposition
  – Can create a deeper partnership than just a subcontract relation
  – High technical expertise (about 50 PhDs)
  – Strong problem solving capabilities
SEAMLESS PHARMACEUTICAL DEVELOPMENT
ONE-STOP-SHOP CONCEPT

- Discovery
  - Med Chem & Preclinical
  - Synthesis
  - Analytical Chemistry
  - Pre-formulation

- Development
  - GMP API
  - GMP synthesis QC
  - Formulation development
  - Analytical chemistry
  - Stability studies
  - Packaging development
  - Manufacture of CTM
  - Regulatory support

- Commercial Manufacture
  - Drug Product
  - Clinical Trial
  - Clinical trial (with partner) Bioanalysis
  - Scale up & Tech Transfer
  - Manufacturing for all common dosage forms

- Project management
DEVELOPMENT SERVICES WITH GLOBAL REACH
CENTERS OF EXCELLENCE

<table>
<thead>
<tr>
<th>Europe</th>
<th>North America</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sweden – Solna, Uppsala</strong></td>
<td><strong>USA – Research Triangle Park, NC</strong></td>
<td><strong>India – Bangalore</strong> (from Q4-16)</td>
</tr>
<tr>
<td>- Preclinical chemistry</td>
<td>- Analytical and formulation development</td>
<td>- Analytical and formulation development</td>
</tr>
<tr>
<td>- Analytical and formulation</td>
<td>- Inhalation, transdermal and topical expertise</td>
<td>- Clinical trial manufacturing</td>
</tr>
<tr>
<td>development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sterile suite for clinical trial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>France – Pessac (Bordeaux)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Analytical and formulation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Coated pellets expertise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Commercial manufacturing of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>pellets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Israel – Ness Ziona</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Preclinical chemistry</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Italy – Paderno Dugnano (Milan)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Customs synthesis of API</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Development and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>manufacturing of niche APIs</td>
<td></td>
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</tr>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**HPLCs in Uppsala**

**Pellets**
BRIDGEHEAD TO THE LARGEST MARKET

- Cirrus Pharmaceuticals (acquired April 2016)
- First facility in the US
- Located in one the most important biotech clusters – Raleigh-Durham and Research Triangle Park in NC.
- Brings special technologies for development services
  - Inhalation, transdermal and topical
- Creates a platform for US sales operations
TECHNOLOGY

• Product rights
  – Developing new Gx products for out-licensing using internal development and manufacturing capabilities
  – Co-development possibilities
  – Marketing authorisations of established products, distributed by third parties
  – Special products: Erdosteine, ThyroSafe

• Other IP
  – Creating new IP
    ▪ Ball technology (formulation to preserve bioactivity of enzymes)
  – Access to IP
    ▪ License of drug delivery technologies
    ▪ Collaboration on drug delivery technologies
PRODUCT RIGHTS, DOSSIERS AND MARKETING AUTHORISATIONS

• Product portfolios
  (mature branded and unbranded generics)
  - UK, Ireland
  - Portugal
    ▪ Dávi
      o Ophtalmics
    ▪ Medicamenta
      o Pain, hypertension, derma

• Product development
  - Niche generics
  - For out-licensing
  - Collaborative projects
    ▪ Example: Astimex (Nystimex)
- Thyroid blocking in radiation emergency
- Unique international product extremely well suited for a specialist in manufacturing
- FDA approved with 10 years shelf life
- Volatile sales, mainly based on tender orders
ERDOSTEINE

- Unique mucolytic product originating from Edmond Pharma (Corvette acquisition)
- International sales
  - Europe, Korea, China, Indonesia, Turkey .......
- Sales growth
- API and finished dose forms
- Capsules, dry suspension, dispersible tablets and sachets
- Orphan Drug Designation in the US (partner Alitair)
- Modern Clinical Documentation
STRATEGIC INVESTMENTS

• Access to technologies and knowledge
• Always collaborative projects involving
  – Recipharm development services to a large extent
  – Future commercial manufacturing
Case Study: Synthonics Recipharm

1st Product Development

- Recipharm in Paderno Dugnano
  - Delivery of GMP batch of API

- Recipharm development in Solna
  - Small Scale Development
  - Analytic Method Development
  - GMP Batch
  - Technical Stability Studies

- CTC (strategic partner to Recipharm)
  - First in human clinical trial

- Recipharm Development in Uppsala
  - Bio analysis
D&T DRIVING MARGIN EXPANSION

Bring more products, new to the market and with higher margins to Recipharm manufacturing

Develop new Gx products, controlled by Recipharm, for out-licensing

Expand on Erdosteine and ThyroSafe®

Make strategic investments
AGENDA

- Introduction
- Market and competition
- Delivering customer value
- Strategies
- India
- US
- Manufacturing services Europe
- Development & Technology
- Finance
- Recipharm – the Global CDMO

Executive Vice President, Financial, Control & Investor Relations
Björn Westberg
Shareholders and share development

Financial performance

Delivering profitable growth

Achieving our sales target

Financial numbers in SEK million unless otherwise stated
### SHAREHOLDERS AND SHARE DEVELOPMENT

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Capital (%)</th>
<th>Votes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(30 June 2016)</td>
<td>(%)</td>
<td>(%)</td>
</tr>
<tr>
<td>Flerie Participation</td>
<td>19.4</td>
<td>40.3</td>
</tr>
<tr>
<td>Lannebo fonder</td>
<td>12.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Cajelo invest</td>
<td>12.1</td>
<td>38.0</td>
</tr>
<tr>
<td>First SE-pension fund</td>
<td>6.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Kemfin holdings</td>
<td>6.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Fourth SE-pension fund</td>
<td>5.5</td>
<td>1.7</td>
</tr>
</tbody>
</table>

- **4 733 shareholders; 15% of capital outside SE**
- **Dividend policy**
  - 30-50% of profit after tax
- **Share development since IPO (2.4 years)**
  - 78 → 140

Closing price last day per quarter. Q3-16 is represented by closing price Aug 29
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)
FINANCIAL DEVELOPMENT VS TARGETS

**Net Sales**
- 2,066 (LTM Q113) → 3,856 (LTM Q216)
- CAGR 21.6%
- Target > SEK 8bn 2020

**EBITDA**
- 13.3% (LTM Q113) → 14.8% (LTM Q216)
- Target > 16.0%

**Net debt to Equity**
- Q2-16 0.4 (0.4)
- Target < 0.8
SALES PER QUARTER

Potential phasing effects:
- Stock build up
- Material variances
- Retroactive price increases

→ Normally, Q2 and Q4 strongest, thereafter Q1 and Q3 (less working days)

Sales per quarter in relation to total yearly sales (excl acquisition impact)
SALES DEVELOPMENT

2014
- Corvette
- Lusomedicamenta
2015
- OT Chemistry
2016
- Mitim
- Nitin
- Kemwell (US+SE)

2014
- disc. Distribution SE
- + Pessac operations
- + Thyrosafe
2015
- disc. FR pack. Contract
- less sales product in FR
- + UK IP sales
2016
- + Alcon contract
**PRODUCTS/SERVICES MFG EUROPE**

<table>
<thead>
<tr>
<th>MFG organic sales is driven by</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume change existing products</td>
<td>Stable, -1% a “normal” year</td>
</tr>
<tr>
<td>Price change existing products</td>
<td>Average between 0 and inflation</td>
</tr>
<tr>
<td>Sales from new single projects</td>
<td>Increasing Year on Year</td>
</tr>
<tr>
<td>Sales from large portfolio contracts</td>
<td>Alcon 31 Dec 2015</td>
</tr>
</tbody>
</table>

**Significant contract changes**: (last 2 years)

<table>
<thead>
<tr>
<th>Contract</th>
<th>Change in sales</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution services SE</td>
<td>-19</td>
<td>disc. end 2014</td>
</tr>
<tr>
<td>Packaging contract FR ²/</td>
<td>-62</td>
<td>disc. end Q2 2015</td>
</tr>
<tr>
<td>Alcon contract FR ³/</td>
<td>+337</td>
<td>won end 2014</td>
</tr>
</tbody>
</table>

**Total**: +256

→ Very low churn rate (sticky business mainly due to regulated industry)
→ Alcon contract more than well balance discontinued businesses

---

¹/ Where contracts have been discontinued or very large new.
²/ Sales between Q3 2014 – Q2 2015
³/ From press release December 2015, using SEK to EUR rate of 9.3562
EBITDA DEVELOPMENT

**EBITDA (LTM)**
- 266 (LTM Q113) → 586 (LTM Q216)
- Accretive acquisitions
- Large portfolio contracts
- D&T development

**EBITDA margin (LTM)**
- 13.3% (LTM Q113) → 14.8% (LTM Q216)
- Q2 best ever 19.4% (17.9)
- Target > 16.0%
LEVERAGE DEVELOPMENT

Net debt to Equity

2014
- IPO - Equity
- Q4 – Corvette (IT)
- Q4 – Lusomedicamenta (PT)

2016
- Q1 – Mitim (IT)
- Q2 – Nitin 74% (IN)
- Q2 – Rights issue

Debt structure June 30 – 2016
- Term loan, used SEK 1 473 (of available 1 500)
- Revolving credit fac. Used SEK 937m (of 1 500)
- Other interest bearing debt SEK 223m
  Total SEK 2,633m interest bearing debt

Net debt to EBITDA

- Focus 2.0-3.0 (adjusted for acquisitions)
- Currently (Q2) 3.2
  Adjusted ~2.6 1/
- Assuming Kemwell India in Q4-16 ~ 3.2 2/

1/ adjusted for full year effect for completed acquisitions
2/ adding full effect on Kemwell India, including acquisition price effect and full year EBITDA effect
DELIVERING PROFITABLE GROWTH

ORGANIC GROWTH
- Invest in growth areas
- Large portfolio contracts
- Increase sales from emerging markets
- Win single projects

M&A
- Acquiring competitors
  - Market
  - Technology
  - Relationships

EFFICIENT OPERATIONS
- Synergies
- Lean initiatives
- Capacity utilisation

FINANCING
- Balancing equity/debt
- Cost efficient financing
ORGANIC GROWTH

**INVEST IN GROWTH AREAS**

- Capacity expansion freeze-drying – effect in 2017
- BFS technology investment – effect in 2018
- D&T investments

**LARGE PORTFOLIO CONTRACTS**

- Alcon contract (31 dec-15), +11% (1H-16)
- (3. x EV/EBTIDA)

**INCREASE SALES FROM EMERGING MARKETS**

- 4% of sales 2015 to emerging markets
- → 16% after acq 1/

**WIN SINGLE PROJECTS**

- Very strong prospect pipeline, both MFG and D&T
- Will also be boosted by the serialization project

---

1/ assuming full year sales from LTM business deals plus Kemwell India (sales acc to Press releases)
# ACQUIRING COMPETITORS

<table>
<thead>
<tr>
<th>Acquisition ¹/</th>
<th>Sales</th>
<th>EV</th>
<th>EBITDA</th>
<th>EV/EBITDA</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corvette (IT)</td>
<td>499</td>
<td>998</td>
<td>130</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td>Lusomedicamenta (PT)</td>
<td>456</td>
<td>1,039</td>
<td>114</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>OT Chemistry (SE)</td>
<td>29</td>
<td>15</td>
<td></td>
<td>not disclosed</td>
<td></td>
</tr>
<tr>
<td>Mitim (IT)</td>
<td>453</td>
<td>640</td>
<td>80</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>Kemwell (US+SE)</td>
<td>463</td>
<td>706</td>
<td>81 (43)</td>
<td>8.7 (16.5)²/</td>
<td></td>
</tr>
<tr>
<td>Nitin (IN)</td>
<td>391</td>
<td>1,114</td>
<td>94</td>
<td>11.9</td>
<td>High market growth in India</td>
</tr>
<tr>
<td>Kemwell (IN)</td>
<td>284</td>
<td>982</td>
<td>47</td>
<td>20.9</td>
<td></td>
</tr>
<tr>
<td>Kemwell (all)</td>
<td>746</td>
<td>1,688</td>
<td>128 (90)</td>
<td>13.2 (18.8)</td>
<td></td>
</tr>
</tbody>
</table>

- Higher multiples in growing markets
- Multiple decrease at time of closing as well
- EPS accretive acquisitions

¹/ Financial data taken from related press releases and rights issue prospectus
²/ Adjusted SEK 25 identified synergies and 14 as non-recurring costs 2015
EFFICIENT OPERATIONS

SYNERGIES
Cross-selling synergies
Administration
India operations
From acquisitions
Administration, purchasing

LEAN INITIATIVES/EFFICIENCY PROGRAMS
Sweden MFG operations
Ongoing lean initiatives
SEK 60m by beg 2017
SEK 25m by beg 2018

CAPACITY UTILISATION
Big Pharma
CMO
Recipharm
30-50% (normally)
50-60% (average)
40-100% dep on site

1/ management assessment
FINANCING THE GROWTH

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>14-Q2</th>
<th>16-Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>600</td>
<td>433</td>
<td>2 633</td>
</tr>
<tr>
<td>Cash</td>
<td>404</td>
<td>838</td>
<td>826</td>
</tr>
<tr>
<td>Equity (parent)</td>
<td>681</td>
<td>2 713</td>
<td>4 560</td>
</tr>
</tbody>
</table>

**Going forward**

**DEBT**
- Mix of debt components
- Different maturities
- Expect financing cost cheap

**EQUITY**
- Larger acquisitions 30%-50% equity
- Issue in kind, potentially
- Cash flow generation
5Y SALES TARGET ACHIEVED WELL AHEAD OF TIME

### Old target

<table>
<thead>
<tr>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,125</td>
<td>4,250</td>
</tr>
</tbody>
</table>

**Double sales in 5Y**

### New target

<table>
<thead>
<tr>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 8,000</td>
</tr>
</tbody>
</table>

**> SEK 8bn 2020**

Decided in Q1 2016

- **Non-organic growth**
  - Will be achieved 2H 2016

- **Double sales < 3Y**
SALES INCL ACQUISITIONS

- 2015A: 3.4bn
- Alcon: 10%
- Mitim: 13%
- Nitin: 12%
- Kemwell business: 22%
- After acq.: > 5bn
- 2020: > 8bn
NEW SALES TARGET WELL ON TRACK

> SEK 8bn 2020
  =
  double sales 4+ years

Already
> 5bn
(incl. FY effect acquisitions)

Acquisitions

<table>
<thead>
<tr>
<th>ORGANIC GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key areas</td>
</tr>
<tr>
<td>Lyo expansion</td>
</tr>
<tr>
<td>BFS expansion</td>
</tr>
<tr>
<td>Emerging markets</td>
</tr>
<tr>
<td>Existing pipeline</td>
</tr>
<tr>
<td>+ New contracts (large &amp; small)</td>
</tr>
</tbody>
</table>
BECOMING A GLOBAL CDMO

Bangalore, India expected in Q4, 2016
## STRATEGY PROVIDING RECIIPHARM WITH MULTIPLE DRIVERS OF POTENTIAL GROWTH

<table>
<thead>
<tr>
<th>Growth Drivers</th>
<th>Cost of Growth</th>
<th>Impact on Future Margins</th>
<th>Impact on Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in existing base and investments in growth areas</td>
<td>Low/ Medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Increasing market share as customers consolidate their CMO relationships and focus on top tier firms with wide capabilities – Recipharm is well positioned as a top 10 player globally, expanding directly into Emerging Markets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth from strategically important D&amp;T division</td>
<td>Low/ Medium</td>
<td>High</td>
<td>Low/ Medium</td>
</tr>
<tr>
<td>1) Higher valued added discovery and development services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Gx dossier development pipeline for customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New product contracts stemming from:</td>
<td>Low/ Medium</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>1) Established Products that entail a site transfer to one of Recipharm’s facilities or come with an existing facility producing the product</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Products new to the market where Recipharm can have significant advantage if supported by Recipharm in development phase already</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selective acquisition of other CDMOs</td>
<td>High</td>
<td>Medium/ High</td>
<td>High</td>
</tr>
</tbody>
</table>
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
- 14.8% LTM
- 0.4 end of Q2

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
BECOMING A GLOBAL LEADER

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

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

• High quality, high performance operations
  - Front runner in serialisation
  - Strong IP backed business

• Promising collaborations and partnerships
  - Access to innovative drug delivery technologies
  - Technology and product development partnerships and joint projects