RECIPHARM ACQUIRES ITALIAN CDMO MITIM SRL
24th February, 2016
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RECI PHARM + MITIM
CONSOLIDATES POSITION AS A LEADING CDMO

- Combined entity set to enhance Recipharm’s scale and revenue
  - 2015 pro forma revenue of EUR 42.5 million\(^1\)
  - 12% of Recipharm’s total 2015 revenues

- Transaction valued at EUR 68 million (SEK 640 million)
  - 8x2015 EBITDA\(^1\)

- Certain sellers subscribe to new issue of 1,039,724 RECI B shares
  - Valued at EUR 14 million, appr 2% of total share capital

- Accretive to EBITDA margin and EPS
  - Already from Q2 2016

\(^1\) Preliminary non-audited, numbers Italian GAAP

Note 1. Preliminary non-audited, numbers Italian GAAP
A STRENGTHENED POSITION WITHIN BETA LACTAMS

• Adds niche manufacturing service and expands total offering
  – Sales to the U.S and Europe

• High quality CDMO
  – Reputation of reliability and strong scientific knowhow

• Well invested facilities
  – Over EUR 12 million CAPEX since 2012, incl. three new state of the art filling lines

• Synergies with existing operations
  – Are expected to be released from the transaction due to integration with existing Italian operations
AGENDA

Mitim Srl

Transaction rationale

Transaction terms

Concluding remarks

Q&A
A LEADER IN BETA LACTAM CONTRACT MANUFACTURING

• Located in Brescia (Milan)
• Employs approximately 250 people
• Privately owned by Moroni family
• 85% of the revenue from injectable beta lactam manufacturing
  – Other beta lactam products include tablets and oral suspensions
• Other products include injectable sterile solutions, oral solids and liquids as well as semi-solids
• FDA inspected
• Reputation of reliability and strong scientific knowhow
• Well invested facility with five production lines
  – Over EUR 12 million CAPEX since 2012 on three new state of the art filling lines
  – The latest new filling line installed in 2015
AGENDA

Mitim Srl

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Q&A
ENHANCED SCALE AND PROFITABILITY

- Combined entity set to enhance Recipharm’s scale and profitability
- Mitim had 2015 pro forma revenues of EUR 42.5 million\(^1\) which would have represented an increase of almost 12% on Recipharm’s total 2015 revenues.

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Note 1. Preliminary non-audited numbers, Italian GAAP
STRENGTHENS POSITION AND CREATES SYNERGIES

• Mature low-growth market
• Adds niche manufacturing service and expands total offering
• Inspected by the FDA 2013 and 2015 creating further opportunities in the U.S market
• Operational and Commercial synergies to be realised due to integration with existing Italian operation.
• Complements the existing beta lactam business
  - In Strängnäs and Milan
AGENDA

Mitim Srl

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The acquisition is valued at EUR 68 million on a cash and debt free basis, corresponding to approximately 8 x 2015 pro forma EBITDA\(^1\). The acquisition will be paid in already available funds. Certain sellers will subscribe to a new issue of 1,039,724 RECI B shares at a value of EUR 14 million. The shares will be subject to a 12 months lock-up. No further financing is required. Transaction costs of approximately SEK 4 million will be charged to Q1 results. The transaction will be completed on February 24, 2016.

Note 1. Preliminary non-audited, Italian GAAP
### PRO FORMA FINANCIAL SUMMARY

<table>
<thead>
<tr>
<th>P&amp;L (SEKm)</th>
<th>Recipharm</th>
<th>Mitim(^1)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>3 389</td>
<td>398</td>
<td>3 787</td>
</tr>
<tr>
<td>EBITDA</td>
<td>510</td>
<td>80</td>
<td>590</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>15.0</td>
<td>20.0</td>
<td>15.6</td>
</tr>
</tbody>
</table>

Note 1. Pro forma, preliminary, non-audited, Italian GAAP
AGENDA

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Q&A
RECIIPHARM – BECOMING A GLOBAL CDMO

**Italy**
- LAINATE (Milan)
  - Lyophilised sterile beta lactam antibiotics

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

**Germany**
- WASSERBURG
  - Lyophilisates
  - Steriles

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

**France**
- FONTAINE
  - Solids

- KAYSERSBERG
  - Ophthalmics

**Portugal**
- QUELŽUZ (Lisbon)
  - Solids
  - Liquids
  - Semi-solids

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

**Sweden JÖRDBRO, HQ**
- HÖGÅNÄS
  - Solids (granulates & powders)

- KARLSKOGA
  - Semi-solids

- STOCKHOLM
  - Solids

- STRÅNGNÄS
  - Beta-lactams (solid forms and dry syrups)

**Sweden SOLNA**
- Development Services

**Sweden UPSALA**
- Discovery and development services

**Israel**
- Ness-Ziona
  - Discovery and development services

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Our new acquisition in Brescia, Italy

(1) Completion expected at April 1, 2016
STRONG EUROPEAN POSITION WITH EMERGING MARKETS PLATFORM

- Presence in all major European markets and India\(^1\)
- Global supply
- 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

(1) Completion expected at April 1, 2016
FOCUSED M&A STRATEGY TO DELIVER VALUE

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

MARKET
- Europe
- North America
- Israel
- India

RELATIONSHIP
- ~ 160 new customers gained since the IPO

Note: Empty boxes reflect gaps in current portfolio which can be the focus of M&A
(1) Completion expected at April 1, 2016
IDEALLY POSITIONED TO BUILD SHAREHOLDER VALUE

- Good position in the market
- Reshaping activities
- Capacity expansion
- Strategic partnerships
- New geographies

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
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
AGENDA

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