Q3: ON TRACK TO REACH OUR OVERALL OBJECTIVES

- Net sales SEK 1138m, up 45% vs PY
- EBITDA SEK 144m, up 67% vs PY
- EBITDA margin 12.6% vs 11.0% PY
- Profit after tax SEK 12m vs 0 PY
- Operating cash flow SEK 180m vs 81m PY
- Net debt/equity constant at 0.4
- Convertible bond of SEK 1 billion

Note 1: Completed 6 October, part of Q4 financials.
STERILE LIQUIDS SEGMENT UPDATE

• Continued strong demand
  – Lyophilisation
  – Blow-fill-seal

• Expansion projects
  – Finalising Wasserburg, DE
  – Started Masate, IT
  – Expanding Kaysersberg, FR

• Significant volume growth in India

• New contracts
  – Kaysersberg

• Important acquisitions contributing
  – Mitim, IT
  – Nitin Lifesciences, IN

Sales and % of total

SEK 499m (43%)

EBITDA and % of total

SEK 87m (58%)
SOLIDS AND OTHERS SEGMENT UPDATE

- Stable demand
- Maintenance capex
- Cost saving and efficiency program
  - Swedish operations
  - Integration synergies
- New contracts
  - Tillots Pharma AG
- Important acquisitions contributing
  - Kemwell, SE
  - Pending Kemwell, IN

Sales and % of total

- SEK 508m (43%)

EBITDA and % of total

- SEK 26m (18%)
DEVELOPMENT AND TECHNOLOGY SEGMENT UPDATE

- **US presence**
  - With new technologies

- **Lower product sales**
  - UK competition
  - Thyrosafe
  - Reference pricing impact in Portugal

- **Important study completed for Erdosteine**

- **Good growth in development services**
  - SE, IS, FR

- **Expansion projects**
  - Bioanalysis, SE
  - API development, IT

- **Global development integration**
  - Pending Kemwell, IN
  - Israel
  - US
ACQUISITIONS UPDATE

• Integration ongoing
  – Mitim Srl (IT), Feb 24
  – Nitin Lifesciences Ltd (IN), Apr 11
  – Cirrus Pharmaceuticals (US), May 23
  – Kemwell AB (SE), May 23

• Pending acquisition
  – Kemwell’s pharmaceutical business, (IN)¹

• Industry consolidation

• Opportunities under review
  – Technology
  – Market
  – Relationship

Note 1. Contingent upon approval by the Indian FIPB, expected in Q4 2016
# Q3 P&L DEVELOPMENT

<table>
<thead>
<tr>
<th></th>
<th>Q3 2016</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1 138.0</td>
<td>784.8</td>
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<tr>
<td>EBITDA</td>
<td>143.9</td>
<td>86.1</td>
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<tr>
<td></td>
<td>12.6%</td>
<td>11.0%</td>
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<tr>
<td>D&amp;A</td>
<td>-99.6</td>
<td>-58.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>44.3</td>
<td>27.3</td>
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<tr>
<td>Financial items</td>
<td>-22.1</td>
<td>-21.7</td>
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<tr>
<td>Profit bef. Tax</td>
<td>22.3</td>
<td>5.6</td>
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<tr>
<td>Tax</td>
<td>-10.2</td>
<td>-6.0</td>
</tr>
<tr>
<td>Net profit</td>
<td>12.1</td>
<td>-0.4</td>
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</table>
### MANUFACTURING SERVICES – STERILE LIQUIDS

#### Sales Q3

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>249</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+183</td>
</tr>
<tr>
<td>Alcon contract</td>
<td>+97</td>
</tr>
<tr>
<td>Currency effect</td>
<td>+3</td>
</tr>
<tr>
<td>Others</td>
<td>-33</td>
</tr>
<tr>
<td>2016</td>
<td>499</td>
</tr>
</tbody>
</table>

- API supply issue
- Other starting material supply issue

#### EBITDA Q3

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>43</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+38</td>
</tr>
<tr>
<td>Others</td>
<td>+5</td>
</tr>
<tr>
<td>2016</td>
<td>86</td>
</tr>
</tbody>
</table>

- Reduced sales in “old” business
  + Alcon contract
MANUFACTURING SERVICES – SOLIDS & OTHERS

**Sales Q3**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>390</td>
<td>Acquisitions +115</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FX effect -4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others +6</td>
</tr>
<tr>
<td>2016</td>
<td>508</td>
<td></td>
</tr>
</tbody>
</table>

- + Price adjustments
- + Sales new projects

**EBITDA Q3**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0</td>
<td>Acquisitions +18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others +8</td>
</tr>
<tr>
<td>2016</td>
<td>26</td>
<td></td>
</tr>
</tbody>
</table>

- + Efficiency program and price adjustments
DEVELOPMENT & TECHNOLOGY

Sales Q3

2015  175
Acquisitions  +9
Others  -23
2016  161

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

EBITDA Q3

2015  49
Acquisitions  -2
Others  -11
2016  36

- Lower sales of a few high margin products
- GBP currency effect – own products
- Reference pricing in Portugal
+45% CHANGE IN Q3 NET SALES

1/ Currency translation effect
## 2016 Q3 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>4 209</td>
<td>3 399</td>
<td>3 389</td>
</tr>
<tr>
<td>EBITDA (12M)</td>
<td>630</td>
<td>547</td>
<td>510</td>
</tr>
<tr>
<td>EBITDA margin (12M %)</td>
<td>15,0</td>
<td>16,1</td>
<td>15,0</td>
</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>2,13</td>
<td>4,17</td>
<td>4,72</td>
</tr>
<tr>
<td>Return on equity (%)</td>
<td>3,8</td>
<td>10,9</td>
<td>8,8</td>
</tr>
<tr>
<td>ROOC (%)</td>
<td>5,8</td>
<td>12,7</td>
<td>7,6</td>
</tr>
<tr>
<td>Equity to assets (%)</td>
<td>52,7</td>
<td>50,2</td>
<td>48,1</td>
</tr>
<tr>
<td>Net working capital to Sales (%)</td>
<td>22,1</td>
<td>20,7</td>
<td>18,1</td>
</tr>
<tr>
<td>Net debt (SEKm)</td>
<td>1 867</td>
<td>1 089</td>
<td>1 183</td>
</tr>
<tr>
<td>Equity</td>
<td>4 961</td>
<td>2 768</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>3,0</td>
<td>2,0</td>
<td>2,3</td>
</tr>
</tbody>
</table>
CONCLUDING REMARKS

THOMAS ELDERED
BECOMING A GLOBAL CDMO

Bangalore, India expected early 2017
FOCUSED M&A STRATEGY TO DELIVER VALUE

What Recipharm’s M&A strategy has delivered

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

MARKET
- India
- North America
- Europe
- 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 beginning of 2017
GROWTH DRIVING STRATEGY EXECUTION

• 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
• Highly attractive value proposition
  – 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
TRANSACTIONS STRONGLY ALIGNED WITH RECIPHARM’S FINANCIAL TARGETS

Financial targets

- At least SEK 8bn in sales by 2020
- EBITDA margin more than 16.0%
- Net debt to equity ratio of less than 0.8

Status

- On track. 45% increase in sales. Increase of 47% on full year 2015 sales from completed or pending acquisitions.
  - 12.6% Q3
  - 15.6% YTD
  - 15.0% LTM
- 0.4 end of Q3

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
Q&A
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