

Recipharm completes strategic acquisition in India

Recipharm AB (publ) (“Recipharm” or the “Company”) announces today that it has now concluded the acquisition of Kemwell’s pharmaceutical businesses located in Bengaluru, India.

Highlights

- Expands position in emerging markets significantly, taking sales in these markets to more than SEK 800 million¹, dominated by sales directly to the fast-growing pharma market in India.
- Major extension of Recipharm’s capabilities in India:
 - Provides access to significantly increased development operation both in scale and breadth of capabilities.
 - Already working with customers with strong US ANDA² project pipeline.
 - Adds US FDA and EU approved highly efficient manufacturing options.
 - Expands manufacturing capabilities, complementary technology to Nitin Lifesciences.
- Further strengthens Recipharm’s synergistic business model by aligning Indian development and technology operations with the combined Company’s manufacturing capabilities in India and Europe. In addition, there are potential commercial synergies from enhanced customer offering and cross selling.

India transaction

- Pro-forma net sales for the businesses for the calendar year 2016 amounted to INR 2 263 million, an increase of 5% in spite of fourth quarter sales being temporarily negatively affected by India’s demonetisation scheme.
- The acquisition price for the businesses in India amounts to INR 7 980 million (SEK 1 058 million³) on a cash and debt free basis.
- As part of the transaction Recipharm also has a right of first negotiation to acquire Kemwell’s Indian biopharma business, which is not included in the transaction and will continue to be retained by the sellers.

Thomas Elderred, CEO of Recipharm AB said “I am pleased we have now finally completed this important acquisition. We are now in a position to offer our customers access to cost effective development and manufacturing capabilities able to serve international markets including the US. These acquisitions are already showing great promise and I am pleased the current Managing Director, Anurag Bagaria, and VP Corporate Development, Karan Bagaria, will continue in their current positions going forward.”

Information on the acquired businesses

The acquired business now known as Recipharm Pharmaservices Private Ltd, was originally founded by Subhash Bagaria. It employs around 1 200 people and comprises both development services as well as commercial manufacturing of solid, semi-solid, liquid and topical products, with customer

¹ Preliminary figure including already completed acquisition of majority stake in Indian company Nitin Lifesciences Ltd.

² Abbreviated New Drug Application.

³ Exchange rate of INR/SEK of 0.1326.



relations spanning decades. The solid dosage plant was commissioned in 2008 and has approvals from US FDA and EU amongst many other regulatory bodies. The oral liquids production plant was commissioned in 2011 and is specialized in automated high throughput large volume manufacturing, mainly for the Indian subcontinent. The development business is a rapidly growing business with a comprehensive service offering including formulation development, small scale manufacturing for clinical trials and a large analytical services business.

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This information is information that Recipharm AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 20 February 2016, at 08:30 am CET.

About Recipharm

Recipharm is a leading CDMO (Contract Development and Manufacturing Organisation) in the pharmaceutical industry employing some 3 500 employees. Recipharm offers manufacturing services of pharmaceuticals in various dosage forms, production of clinical trial material and APIs, and pharmaceutical product development. Recipharm manufactures several hundred different products to customers ranging from Big Pharma to smaller research- and development companies. Recipharm's turnover is approximately SEK 5.0 billion and the Company operates development and manufacturing facilities in France, Germany, India, Israel, Italy, Portugal, Spain, Sweden, the UK and the US and is headquartered in Stockholm, Sweden. The Recipharm B-share (RECI B) is listed on Nasdaq Stockholm.

For more information on Recipharm and our services, please visit www.recipharm.com