

PRESS RELEASE

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Recipharm and Medspray establish joint venture to exploit novel softmist technology for pharmaceutical applications

Recipharm AB (publ) ("Recipharm"), a leading contract development and manufacturing organisation (CDMO) and Medspray BV ("Medspray"), a manufacturer of high tech spray nozzles, announce today that they have agreed to establish a joint venture known as Resyca BV to develop and exploit the softmist spray nozzle technology for pharmaceutical applications. Under this agreement, Recipharm will invest EUR 15 million in return for 51% of the shares of Resyca. Medspray will transfer their softmist intellectual property relating to pharmaceutical applications into Resyca. The technology has the potential to eliminate the need for propellants by delivering therapies deep into the lungs more effectively with lower doses as less ends up in the mouth and throat.

Commenting on the joint venture, Jean-François Hilaire, EVP Strategy and Global Integration, Recipharm AB, said: "I am very pleased we can announce this joint venture as it represents another piece in the jigsaw to build Recipharm into a world leading integrated device development and manufacturing provider. The novel softmist technology represents an opportunity to deliver inhaled therapies in a highly environmentally friendly manner without the need for propellants and less drug being wasted. We are already seeing significant interest in such technologies and by combining Medspray's knowhow in spray nozzle technology with Recipharm's device and pharmaceutical expertise, we are confident we will provide a unique offering to the market".

Thomas Eldered, CEO of Recipharm said: "Adding the softmist technology is well aligned with our overall strategy of making available more novel intellectual property to our customers offering as well as providing pharmaceutical products with less impact on the environment."

Han van Egmond, CEO of Medspray, added: "We are excited about the establishment of Resyca. By combining all the resources and capabilities of both Medspray and Recipharm we see great potential to offer customers a fully integrated solution from device development through to commercial supply in an environmentally sustainable way".

Recipharm's investment in Resyca will be made through its subsidiary Recipharm BV. Resyca will operate development facilities in Munich, Germany and spray nozzles will be supplied exclusively from Medspray in the Netherlands. It is envisaged that commercial supply of finished devices will be manufactured and supplied by other Recipharm affiliates including the specialist device manufacturing capabilities located in King's Lynn, UK. Additionally, Recipharm will receive an exclusive license to offer its customers the development and manufacturing of syringe-based devices using the softmist nozzle technology. Such devices will be marketed by Recipharm under the brand, Bepak by Recipharm.

Recipharm contacts

Thomas Eldered, CEO, telephone: +46 8 602 52 10

Tobias Hägglov, CFO, ir@recipharm.com, telephone: +46 8 602 52 00

Medspray contacts

Han van Egmond, CEO, han@medspray.com, telephone: +31 53 711 28 35

This information is information that Recipharm AB (publ) 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 17 November 2020 at 14:00 CET.

About the softmist technology

Using lithography and etching techniques from the semiconductor world, tiny pores can be created in ultrathin membranes. The pore size, which can be designed accurately between 1.5 and 15 microns, determines the droplet size by laws of physics. If a simple hydraulic pressure is applied, liquid jets emerge from the pores, like a micron sized garden sprayer. No electricity, a simple and robust mechanical system can be used. By mixing the droplets with the inhalation air stream, a slow-moving cloud of soft mist is generated. The selected existing fill and finish platform of prefilled glass syringes, with the softmist nozzles already mounted, gives good stability of the drug formulation over the shelf life, even for the complex biologic drugs of the near future.

About Recipharm

Recipharm is a leading Contract Development and Manufacturing Organisation (CDMO) in the pharmaceutical industry employing almost 9,000 employees. Recipharm offers manufacturing services of pharmaceuticals in various dosage forms, production of clinical trial material and APIs, pharmaceutical product development and development and manufacturing of medical devices. Recipharm manufactures several hundred different products to customers ranging from big pharma to smaller research and development companies. Recipharm's annual turnover is approximately SEK 11 billion. 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.

About Medspray

Medspray is a privately owned company in Enschede, the Netherlands. With its 40 employees Medspray focuses on the development and manufacturing of micro spray nozzles which are able to deliver soft mists. Medspray's slogan is: 'tiny technology for a sustainable future'. Medspray aims to contribute to a sustainable world by developing innovative spray nozzles for user-friendly health and physical care products. By making propellants redundant and increasing the user-friendliness for various purposes, especially where a slow-moving soft spray is required. Thanks to the high-tech nozzle chips, sprays can be tailored to suit any application, from inhalable aerosol clouds, to gentle nasal sprays, to cosmetic or fragrance sprays that do not feel wet on your skin.

For more information, visit the website at www.medspray.com.