

PRESS RELEASE

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Recipharm secures €25 million contract for Erdosteine API with Daewoong Pharmaceutical

Recipharm is pleased to announce that it has signed an agreement with Daewoong, the leading Korean based pharmaceutical company with a strong presence in respiratory therapeutics, for a ten year extension of its existing contract, through to 2025, for the manufacture and supply of Erdosteine API. The finished Erdosteine product is manufactured by Daewoong Pharmaceutical at its Korean facilities.

Under the terms of the new agreement, Daewoong will annually purchase minimum API quantities of Erdosteine worth a total of about €25 million from Edmond Pharma, a Recipharm Group company. In return, Daewoong has secured exclusive rights in Korea and Thailand to sell both the original product and to register and market all the new formulations, based on Erdosteine, which are currently under development at Edmond Pharma.

The first licensing agreement between Edmond Pharma and Daewoong Pharmaceutical was signed in 1994. As a consequence, Daewoong became Recipharm's exclusive partner in Korea and from 2008 for Thailand as well. The product has been sold under the name ERDOS in the Korean market ever since 1997.

Erdosteine is indicated for the treatment of acute and chronic respiratory diseases. Its pharmacological profile is characterized by a unique multifactorial activity: muco-modulatory, anti-bacterial, anti-inflammatory and anti-oxidant. The molecule is marketed in over 40 countries and currently, 75% of Erdosteine sold worldwide is supplied by Edmond Pharma. Erdosteine is available in capsule, sachet, suspension and dispersible tablet formulations. The chemical synthesis of API to the manufacture of capsules and dispersible tablets is performed in Recipharm's Paderno Dugnano facility, located just outside of Milan.

Pierfrancesco Manzo, Sales & Business Development Director for Erdosteine commented: "Daewoong Pharmaceutical is our first customer for the purchase of our Erdosteine API. We are therefore delighted to have secured this substantial extension of our contract with the company and believe strongly that this sets the basis for significant new growth of Erdosteine in Korea."

He continued: "Indeed, thanks to Daewoong's strong commitment on the scientific promotion of the product and our constant support in terms of clinical development, ERDOS has become a leading product in the Korean respiratory market with around 46 million capsules and 700 thousand suspensions sold in 2014 alone."



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About Recipharm

Recipharm is a leading CDMO (Contract Development and Manufacturing Organisation) in the pharmaceutical industry employing some 2,200 employees. Recipharm offers manufacturing services of pharmaceuticals in various dosage forms, production of clinical trial material including API and pharmaceutical product development. Recipharm manufactures more than 400 different products to customers ranging from Big Pharma to smaller research- and development companies. Recipharm's turnover is approximately SEK 3.4 billion and the Company operates development and manufacturing facilities in Sweden, France, the UK, Germany, Spain, Italy and Portugal and is headquartered in Jordbro, Sweden. The Recipharm B-share (RECI B) is listed on NASDAQ Stockholm.

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

About Erdosteine

Erdosteine is a thiol, discovered in Italy in the Research and Development laboratories of Edmond Pharma, which, thanks to its unique activities, is particularly effective in the treatment of respiratory diseases, such as acute bronchitis, chronic bronchitis and chronic obstructive pulmonary disease. It modulates mucus production and viscosity and increases the motility of the mucociliary transport, improving expectoration. Its clinical efficacy, combined with an excellent safety profile, is proved by more than 3.000 patients treated in 60 clinical trials and by over ten year experience in clinical practice worldwide.

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