

Recipharm acquires OnTarget Chemistry and extends its offering into preclinical development services

Recipharm today announces that it has completed the acquisition of OnTarget Chemistry in Uppsala, Sweden. OnTarget Chemistry is a fast growing CRO company with a turnover in 2014 of close to SEK 29 million that is specialized in medicinal chemistry offering synthesis and analytical services which include rare and demanding specialties.

With the acquisition of OnTarget Chemistry, Recipharm will significantly broaden its pharmaceutical development capabilities. The inclusion of preclinical chemistry services will give Recipharm the possibility to engage much earlier in high potential customer projects. Furthermore, OnTarget Chemistry's synthesis capabilities will be of great value for the GMP development of APIs in Recipharm's Italian subsidiary, Edmond Pharma. Sales in 2015 show more than 60 % of total revenue outside Sweden with substantial sales in Germany, Japan and the UK. The business is profitable and the acquisition is expected to be accretive to EPS from 2016

Carl-Johan Spak, EVP of Development & Technology commented, "With the acquisition of OnTarget Chemistry we will be able to serve both existing and new customers with high quality development services. OnTarget Chemistry has a very skilled staff with a high number of PhDs working in a modern laboratory of very high standard. The acquisition is of strategic importance for Recipharm as it will together with the existing development organisation fuel manufacturing sales in the long term".

Fredrik Lehmann, CEO of OnTarget Chemistry added "The fit with Recipharm's development organisation is very good for us. We believe we can add preclinical competence and capabilities to Recipharm and we also look forward to contributing with a broad range of both local and international customers. This will be a great opportunity for us to continue to grow our business within Recipharm".

The purchase price was SEK 15.1 million, of which 50% is paid in cash and the remaining 50% is paid through an issue in kind of 45.838 series B shares in Recipharm. The share issue was resolved upon 15 June 2015 by the board of directors of Recipharm, based on an authorization given by the AGM 7 May 2015. Approximately 36% of the B shares in Recipharm the seller receives are subject to a lock-up of 2 years. The remaining B shares will be distributed by the seller to certain individuals that contributed their shares in OnTarget Chemistry to the seller before the transaction was consummated.

For more information please visit www.recipharm.com or contact:

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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 3.3 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 on Recipharm and our services, please visit www.recipharm.com

About OnTarget Chemistry

OnTarget Chemistry is a chemistry contract research organization (CRO) that offers premium quality synthetic and analytical chemistry services performed by a professional and experienced team of predominately PhD. level chemists with pharma backgrounds. The company is headquartered in Sweden with marketing presence in US, Japan, UK, Finland, Germany and France and has an U.S. office in Chicago since 2013.

For further information visit <http://www.ontargetchemistry.com>