Q1 2018 Results

26 April 2018

AGENDA

Introduction

Business review

Financials

Pipeline

Summary

PRESENTERS

Guido Oelkers
Chief Executive Officer and President

Mats-Olof Wallin
Chief Financial Officer

Forward looking statements

In order to utilize the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, Swedish Orphan Biovitrum AB (publ) is providing the following cautionary statement, This presentation contains forward-looking statements with respect to the financial condition, results of operations and businesses of Swedish Orphan Biovitrum AB (publ), By their nature, forward-looking statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, There are a number of factors that could cause actual results and developments to differ materially from that expressed or implied by these forward-looking statements, These factors include, among other things, the loss or expiration of patents, marketing exclusivity or trade marks; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the impact of competition, price controls and price reductions; taxation risks; the risk of substantial product liability claims; the impact of any failure by third parties to supply materials or services; the risk of delay to new product launches; the difficulties of obtaining and maintaining governmental approvals for products; the risk of failure to observe ongoing regulatory oversight; the risk that new products do not perform as we expect; and the risk of environmental liabilities.

Q1 Highlights

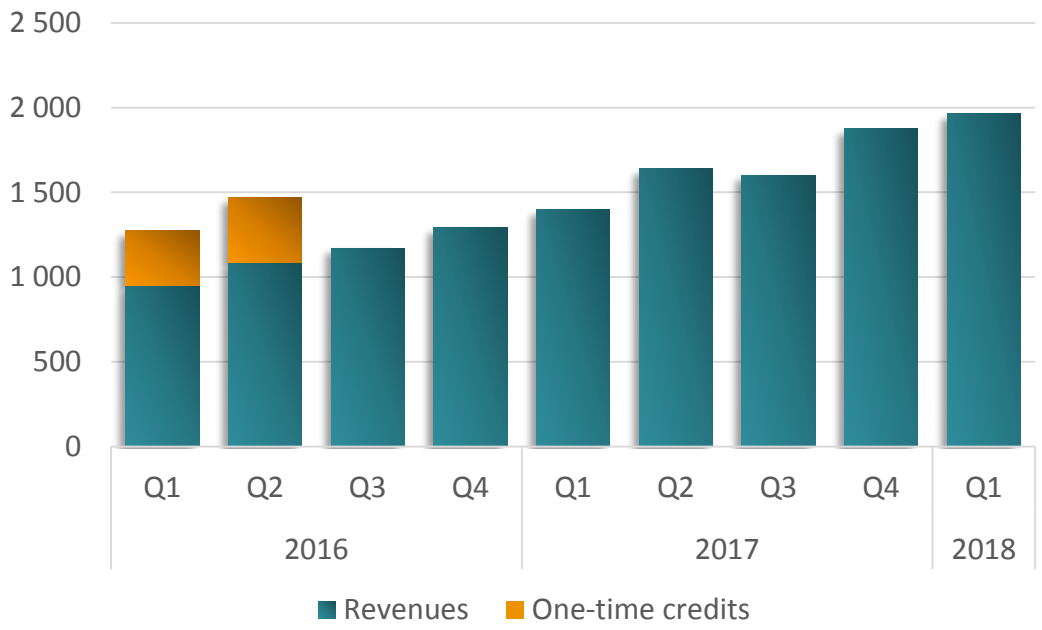
- Total revenues of SEK 1,964 M (1,396)
- 41 per cent sales growth in the quarter compared to Q1 2017 (43 per cent at CER)
- EBITA increased by 90 per cent to SEK 771 M (406)
- Net cash position of SEK 1,744 M (1,472 as of 31 December 2017)
- New contract signed for Elocta® with Health Services Executive in the Republic of Ireland
- Alprolix received reimbursement in France
- Kineret® received a positive CHMP opinion for the treatment of Still's disease in the EU, followed by the European Commission approval after the reporting period
- Continued solid growth for Orfadin®
- Ravicti® launched in major European markets
- FDA accepted Investigational New Drug application and granted Fast Track status for SOBI003
- Henrik Stenqvist appointed new CFO and will join in late spring
- Outlook revised

Significant events after the reporting period

- Kineret received EC approval for the treatment of Still’s disease
- Fredrik Wetterlundh was appointed as Head of Human Resources

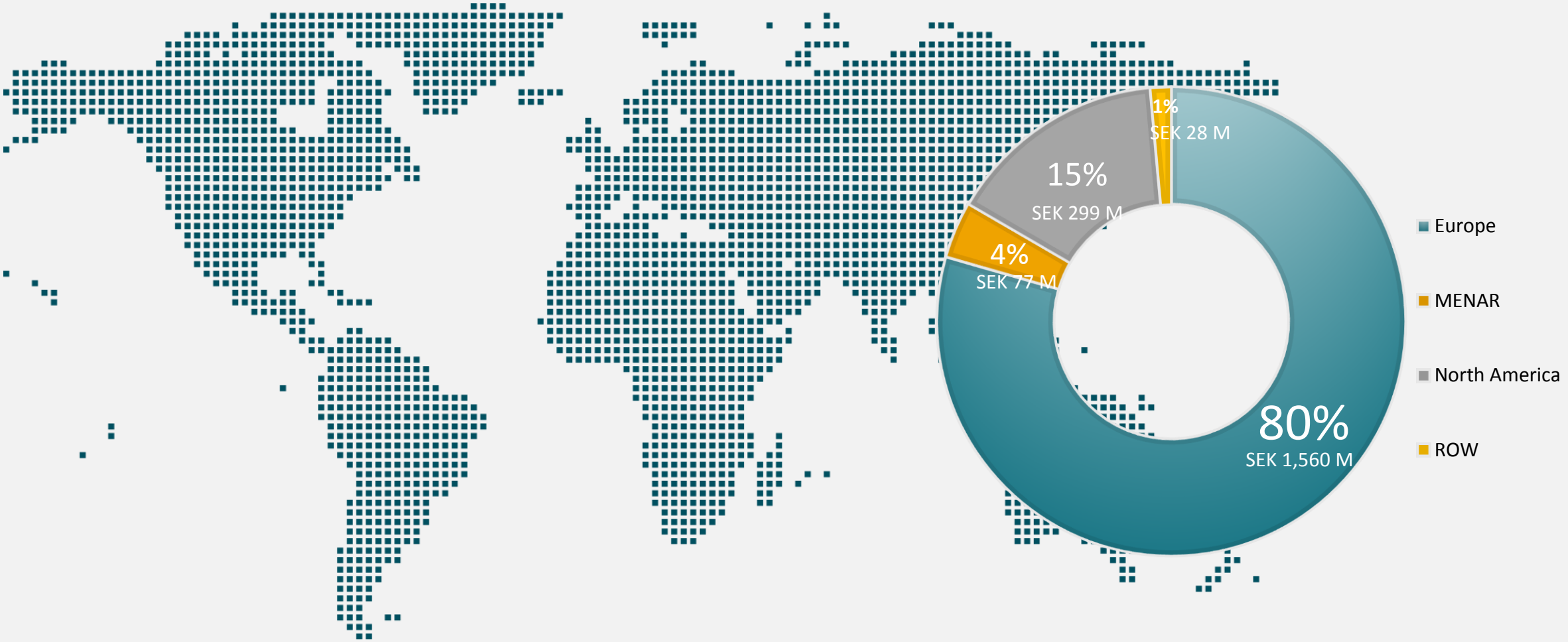
Financial highlights Q1

Total Revenue (SEK M)



	Q1 2018	Q1 2017	Change
Revenue (SEK M)	1,964	1,396	+41%
Gross margin	72%	74%	
EBITA (SEK M)	771	406	+90%
Cash flow from operations (SEK M)	277	323	-14%

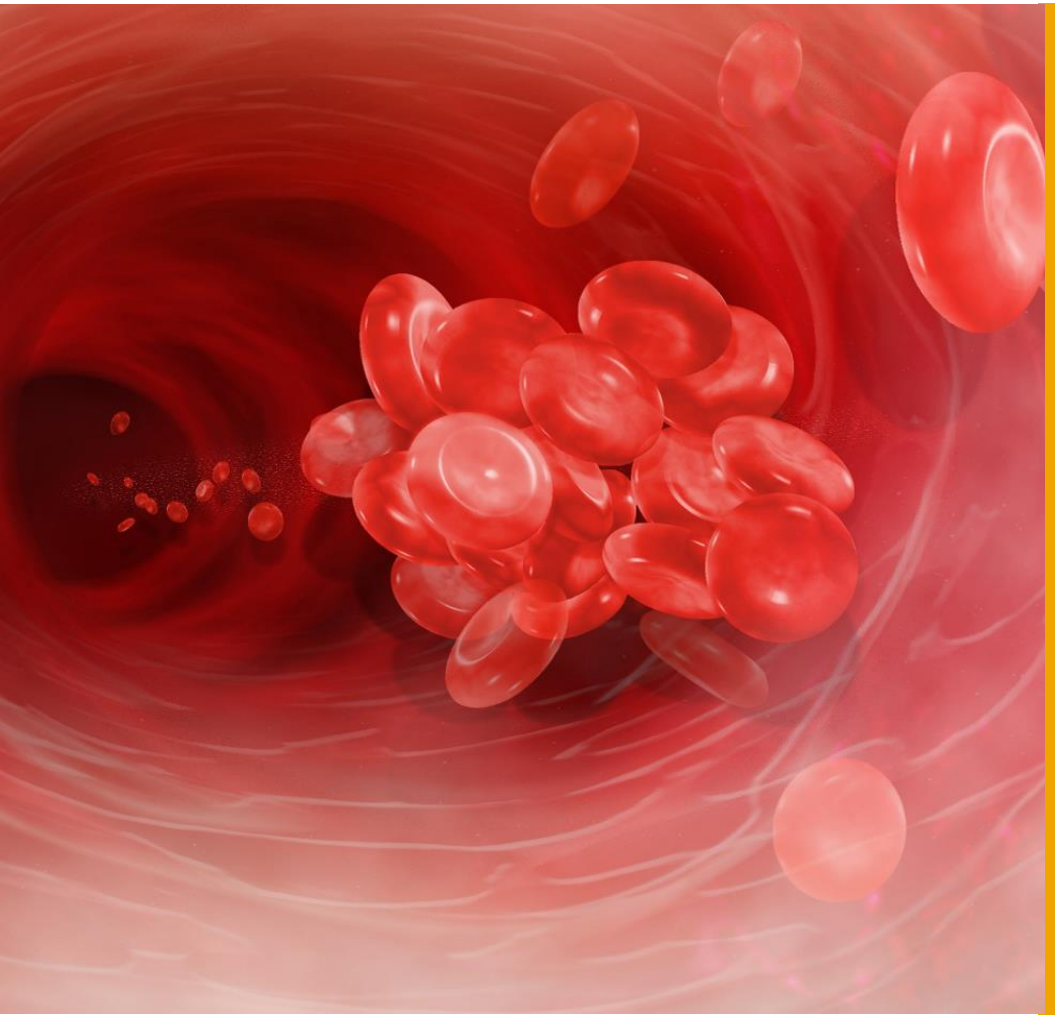
Revenues per region Q1 2018



Business review Q1

Guido Oelkers

Haemophilia – growth based on innovation

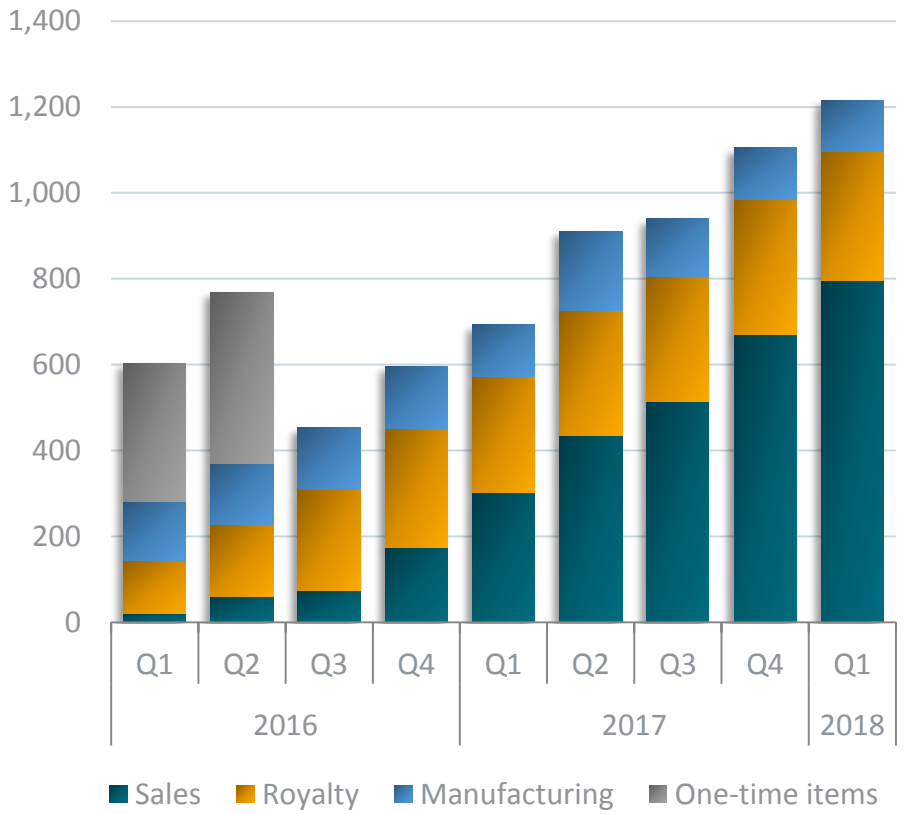


- **Safety established in thousands of patients**
  - Unique use of Fc fusion technology in haemophilia utilising a natural pathway in the body
- **Factor replacement therapy: standard of care**
- **Evidence shows improved joint health**
  - Prophylactic treatment with Elocta demonstrates improved joint health

Haemophilia – yet another strong quarter

- Total revenue of SEK 1,222 M (698)
  - SEK 801 M (300) in product sales revenue
  - SEK 301 M (277) in royalty revenue
    - ReFacto royalty for the US ceased 1 feb 2018
  - SEK 120 M (121) in manufacturing revenue
- Alprolix received reimbursement in France
- Starting from 2018, the ReFacto manufacturing business will be included in the Haemophilia business area

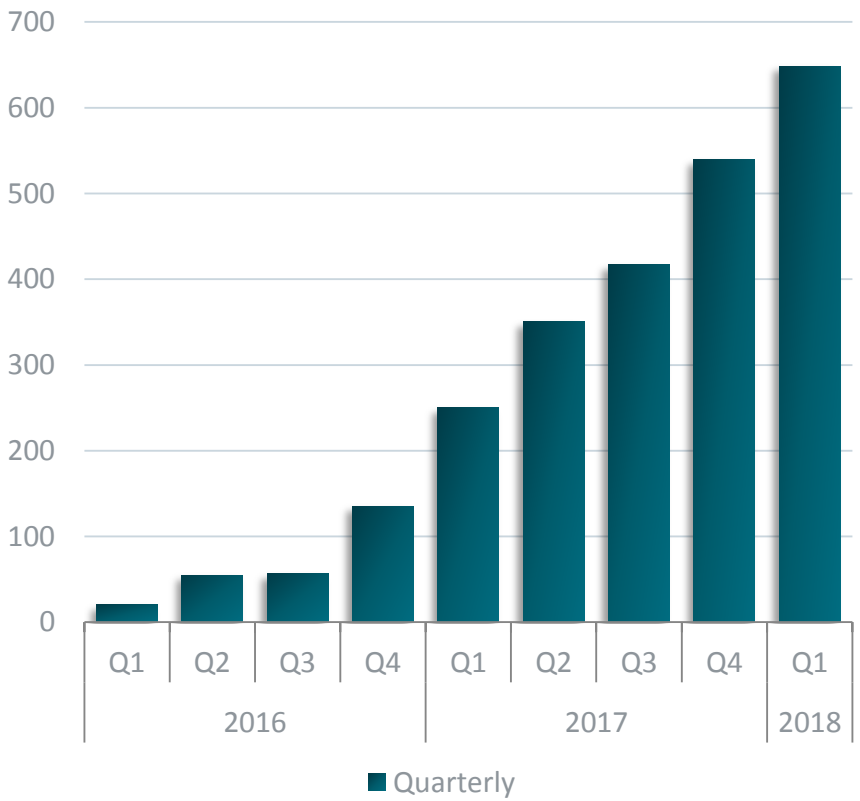
Sales Revenues (SEK M): Haemophilia



Elocta – becoming the standard of care

- Sales revenue of SEK 649 M (250)
  - SEK 398 M (159 per cent) growth
  - The main drivers for growth were France, Germany, Italy and the UK
- Acceleration in uptake in larger markets
- Reimbursed in 24 countries

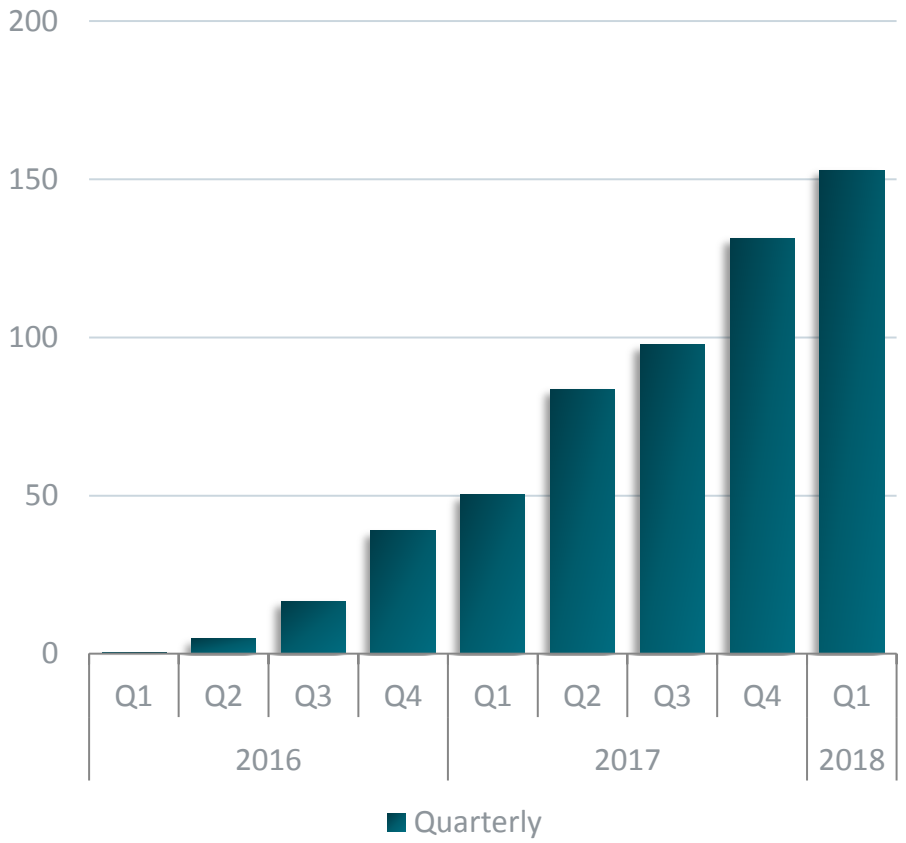
Sales Revenues (SEK M): Elocta



Alprolix – first EHL for haemophilia B in France

- Sales revenue of SEK 153 M (50)
  - SEK 103 M (204 per cent) growth
  - The main drivers for growth were Germany, Italy, RoI and UK
- Received reimbursement in France
- Reimbursed in 16 countries

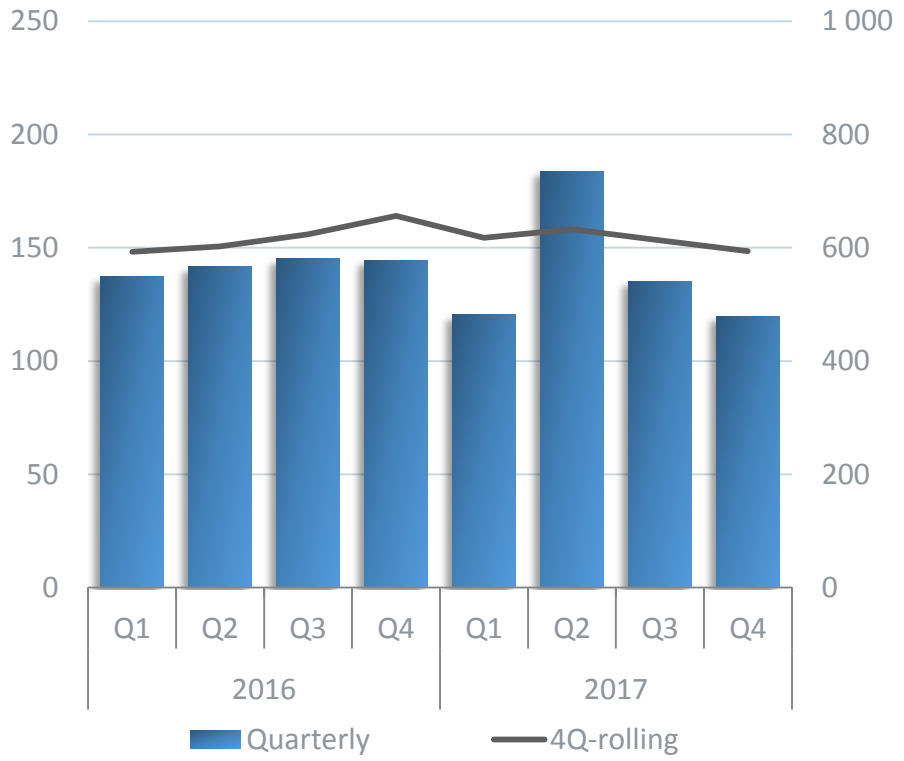
Sales Revenues (SEK M): Alprolix



Manufacturing revenues – stable source of income

- Revenue for ReFacto manufacturing SEK 120 M (121)
  - Decrease of 1 per cent due to phasing effects

Revenues (SEK M): Manufacturing



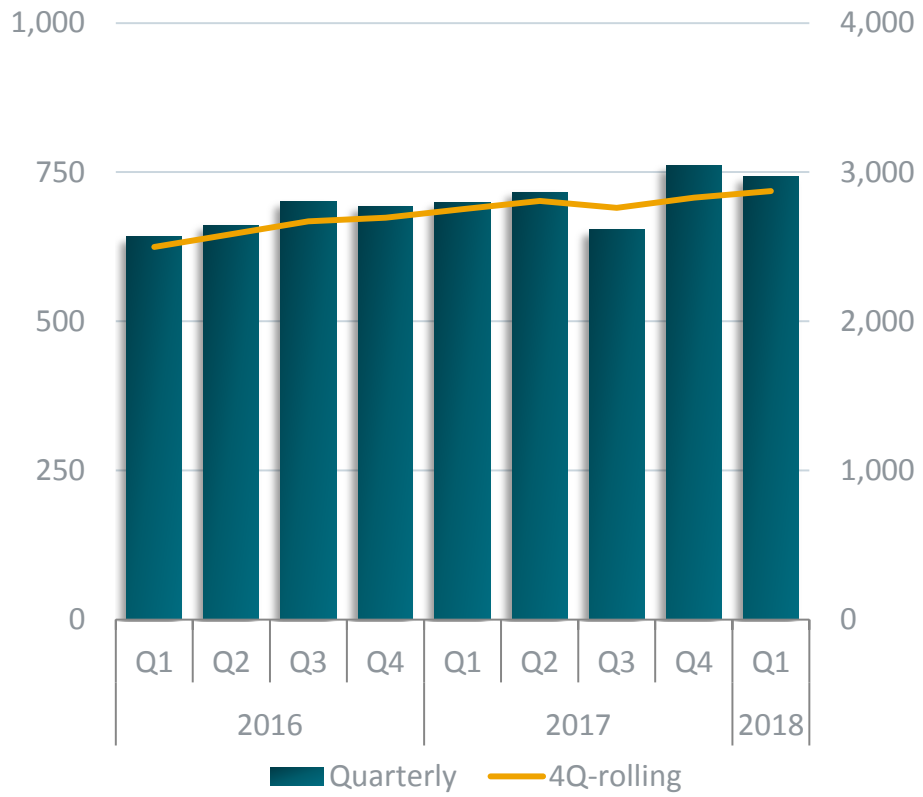
Specialty Care – core strengths

- **World-class commercialisation platform**
- **Lifecycle management & indication expansion**
- **Partner product portfolio with expansion possibilities**

Specialty Care – strong sales in the US

- Revenue of SEK 742M (698)
  - An increase of 6 per cent (9 per cent at CER)
- Growth driven by Kineret and Orfadin
- Ravicti launched in major European markets
- Solid growth for Xiapex
  - An increase of 4 per cent

Revenues (SEK M): Specialty Care



Orfadin – increased market share for new formulations

- Revenue SEK 224 M (216)
  - increase of 4 per cent (7 per cent at CER)
- Growth across EMENAR and North America driven by the new formulations
- Impact from generics has not yet been realised
- Once daily dosing approval for Orfadin in Canada

Revenues (SEK M): Orfadin

Kineret – double digit growth driven by continued investment in development

- Revenue SEK 297 M (277)
  - increase of 7 per cent (12 per cent at CER)

- Strong growth mainly driven by North America and the high interest in the IL-1 field
- Kineret received a positive CHMP opinion for the treatment of Still's disease in the EU, followed by the EC approval after the reporting period

Revenues (SEK M): Kineret

Financial results

Mats-Olof Wallin

Profit & loss statement

Amounts in SEK M	Q1 2018	Q1 2017	Change	Full-year 2017
Total revenues	**1,964**	**1,396**	41%	**6,511**
Total cost of goods and services sold	-552	-368	50%	-1,854
Gross profit	**1,412**	**1,028**	37%	**4,657**
Gross margin	*72%*	*74%*		*72%*
Sales and administrative expenses	-433	-382	13%	-1,644
Research and development expenses	-233	-218	7%	-908
Other operating revenue/expenses	25	-21		-52
EBITA	**771**	**406**	90%	**2,053**
EBITA margin	***39%***	***29%***		***32%***
Amortisation and write-downs	-111	-122	-9%	-453
EBIT	**660**	**284**	132%	**1,600**
Financial income/expenses	3	-15	-	-68
Profit before tax	**662**	**269**		**1,532**
Income tax expense	-148	-67	121%	-384
Profit for the period	**515**	**202**	155%	**1,149**

Balance sheet

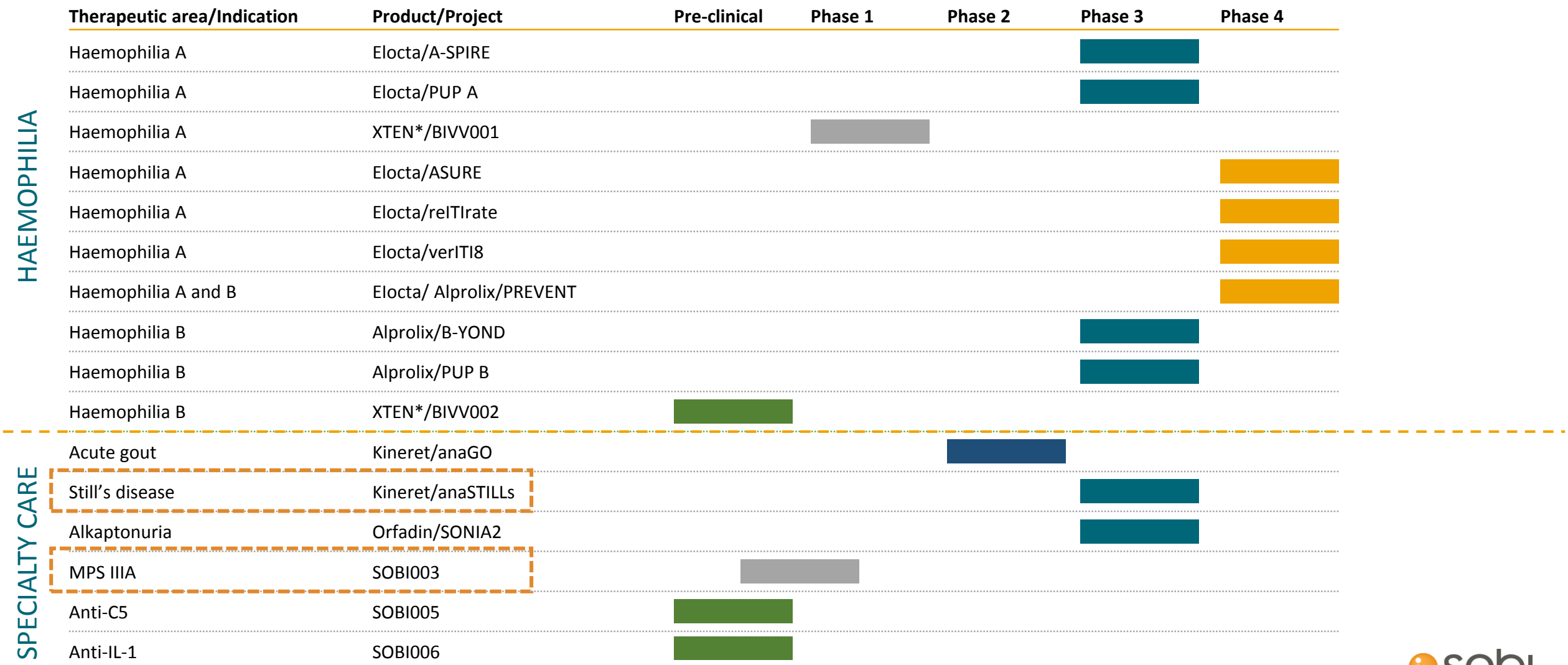
Amounts in SEK M	Mar 2018	Dec 2017	Mar 2017
Assets			
Intangible assets	6,343	6,445	6,747
Tangible and other non-current assets	333	301	281
Total non-current assets	6,676	6,746	7,028
Inventories	1,064	1,053	988
Accounts receivable	1,439	1,129	888
Other current receivable	458	496	396
Cash and cash equivalent	1,750	1,478	1,032
Total current assets	4,710	4,157	3,304
Total Asset	**11,386**	**10,903**	**10,332**

	Mar 2018	Dec 2017	Mar 2017
Equity and liabilities			
Shareholders' equity	7,215	6,701	5,609
Long-term liabilities	5	5	502
Long-term liabilities, non-interest bearing	1,675	1,832	2,199
Current liabilities	2,491	2,365	2,022
Total liabilities	4,171	4,202	4,723
Total equity and liabilities	**11,386**	**10,903**	**10,332**

Pipeline

Guido Oelkers

A rare disease pipeline with increasing value



* XTEN are Bioverativ development program, Sobi has elected to add programs to the collaboration agreement but not yet opted-in

Summary

Guido Oelkers

sobi

Outlook 2018[1,2]

- Sobi expects total revenues for the full-year to be in the range of SEK 7,900 – 8,100 M (7,500 – 7,700)
- Gross margin is expected to be at least 70 per cent (unchanged)
- Sobi expects EBITA for the full-year to be in the range of SEK 2,800 – 3,000 M (2,500 – 2,700)

[1]At current exchange rates as of 26 April 2018
[2]The original outlook was published on 22 February 2018

Our strategic direction

Further internationalisation
and commercialisation of Haemophilia

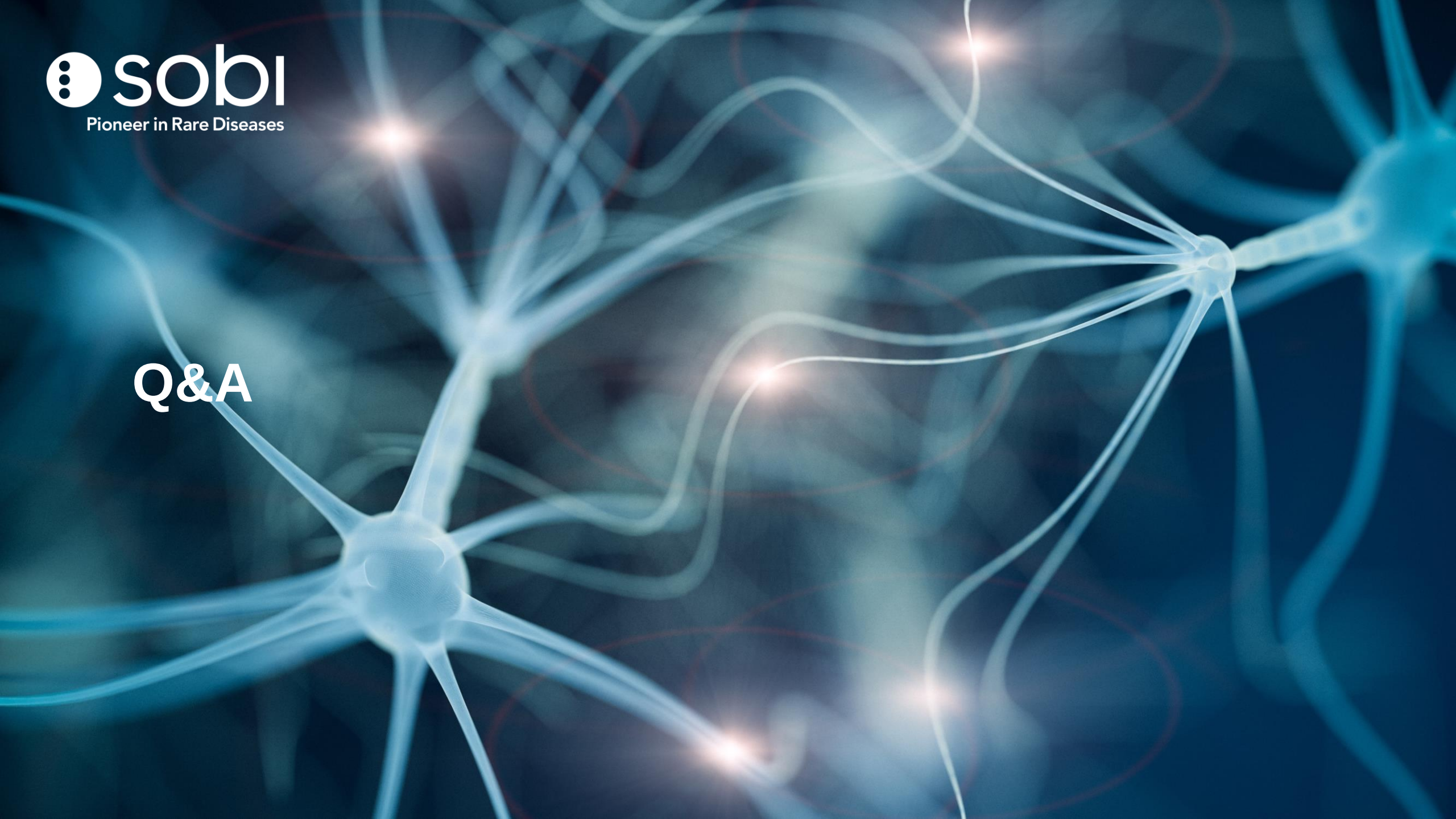
Build Specialty Care
as the preferred partner

Strengthen position
in the US and EMENAR

Build pipeline
and self-sustained R&D

Vision

To be recognised as a global leader in providing innovative treatments that transform lives for individuals with rare diseases


sobi
Pioneer in Rare Diseases
Q&A