

Q1 Results 2014

Geoffrey McDonough | CEO

Alan Raffensperger | COO

Mats-Olof Wallin | CFO



Stockholm | 8 May 2014

Highlights Q1 2014

Business Q1

- US FDA approved Alprolix™
- Kiobrina® pivotal phase 3 study did not meet primary endpoint
- Cometriq™ approved in Europe for the treatment of MTC
- Health Canada approved Alprolix
- Sobi received EURORDIS Company Award 2014

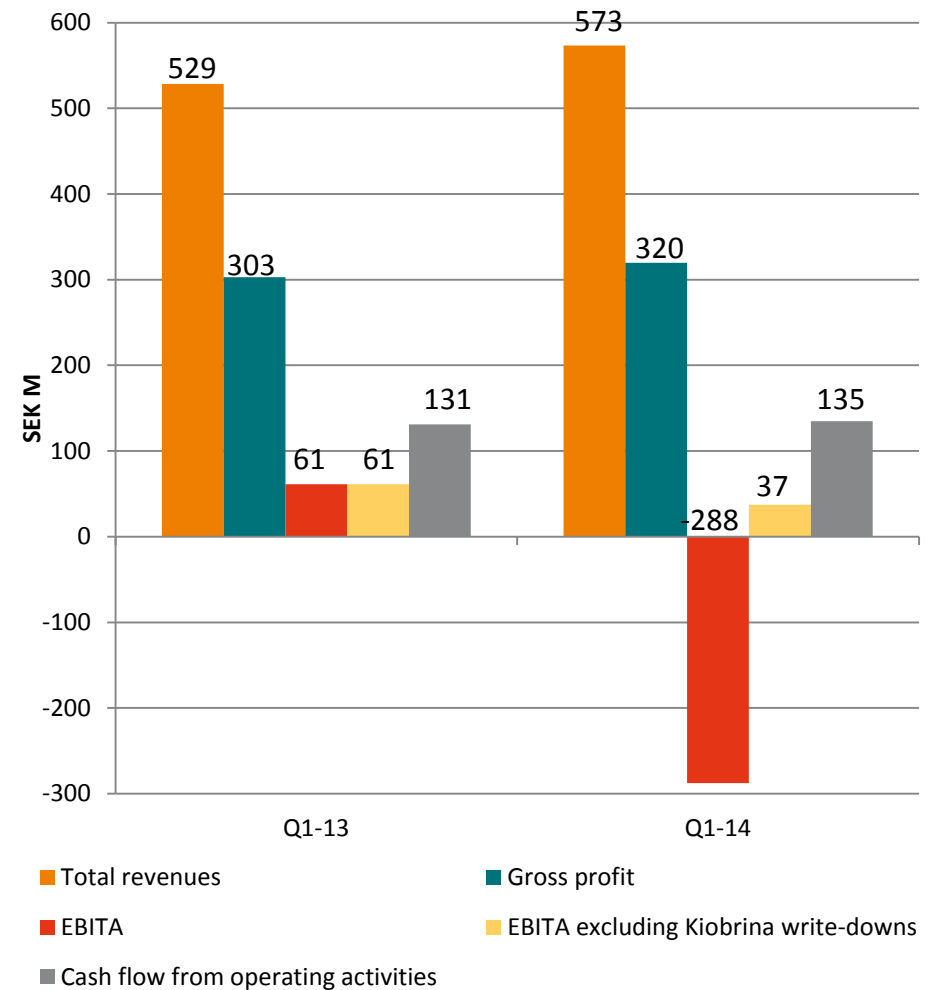
Events After the Quarter

- Positive phase 3 paediatric data from Kids A-LONG study
- Initiated direct sales for Orfadin® in the US

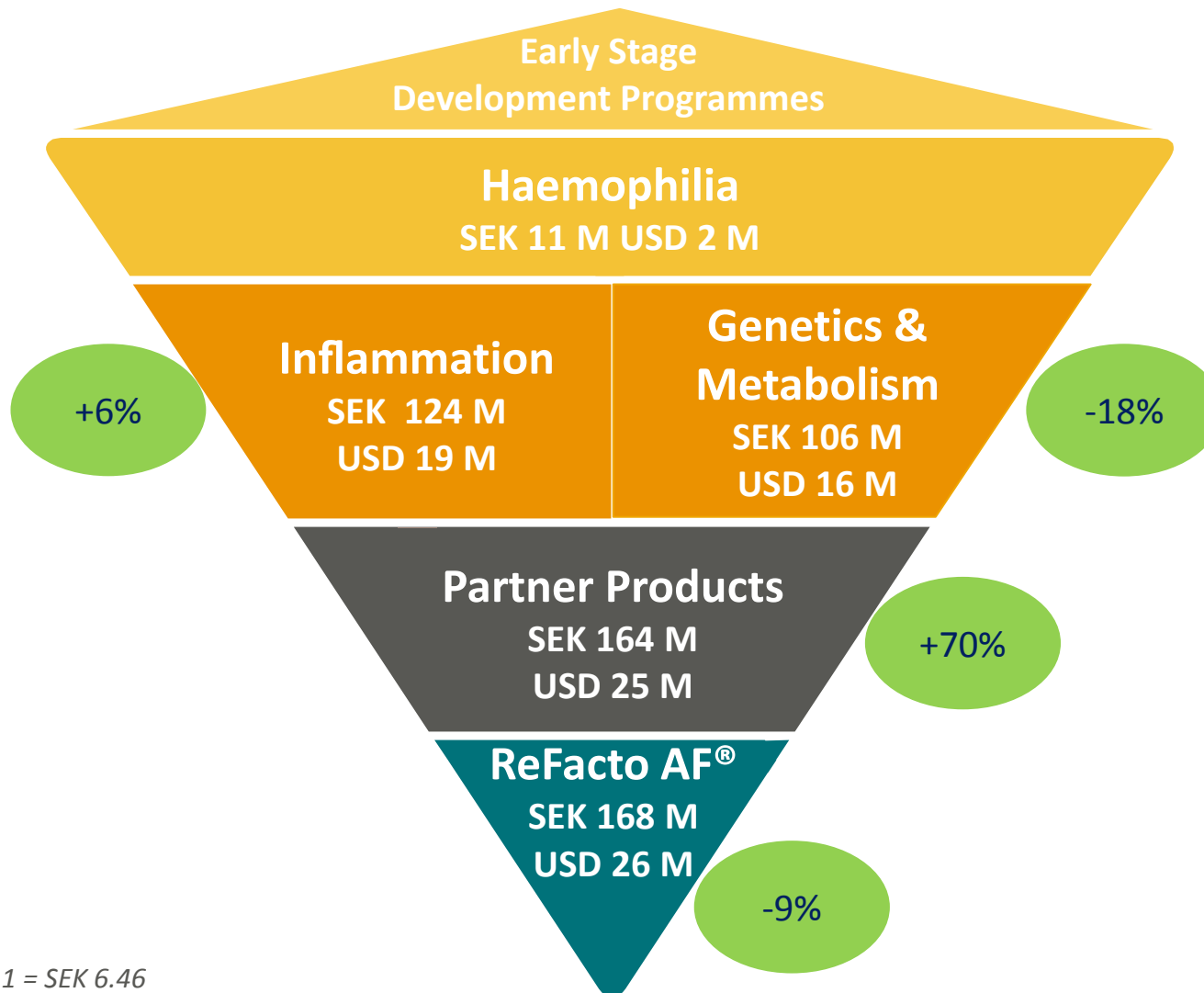
Highlights Q1 2014

Financial Q1 2014 (Q1 2013)

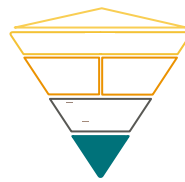
- Total revenues: SEK 573 M (529)
 - An increase of 8%
- Product revenues: SEK 406 M (345)
 - An increase of 18%
- Gross Margin: 56% (57)
- EBITA: SEK -288 M (61)
- EBITA excluding Kiobrina write-off SEK 37 M
- Cash flow from operating activities: SEK 135 M (131)
- End of quarter cash position: SEK 574 M



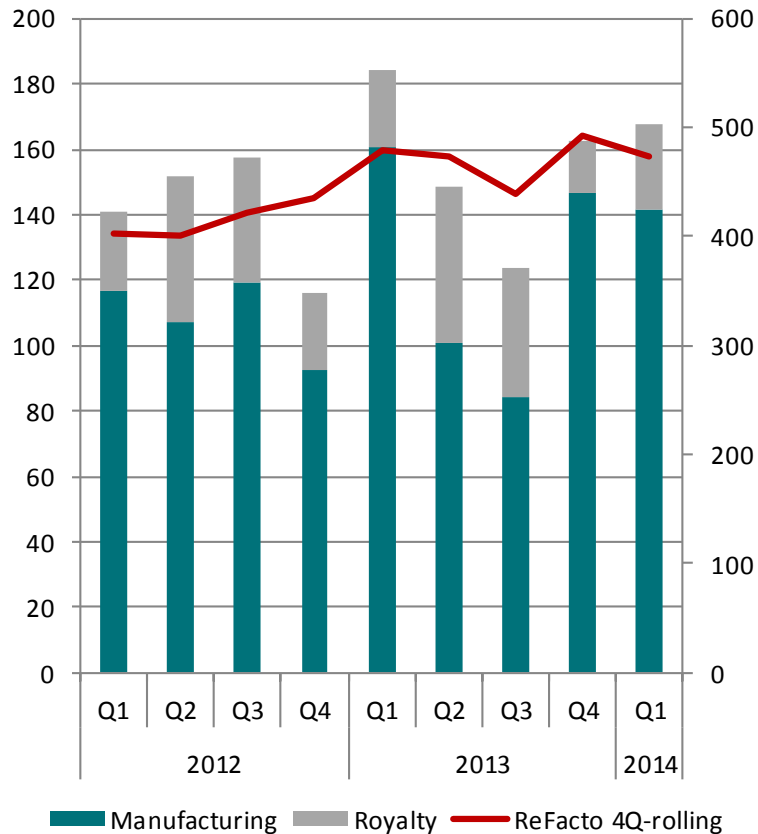
FY Revenue by Business Line



USD 1 = SEK 6.46



Sales (SEK M): ReFacto



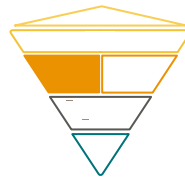
- Q1 revenue for manufacturing and royalty SEK 168 M (184)
 - decrease of 9%
 - due to variation in quarterly deliveries to Pfizer
- Q1 manufacturing revenue SEK 142 M (160)
- Q1 royalty revenue SEK 26 M (24)

Results Q1 2014

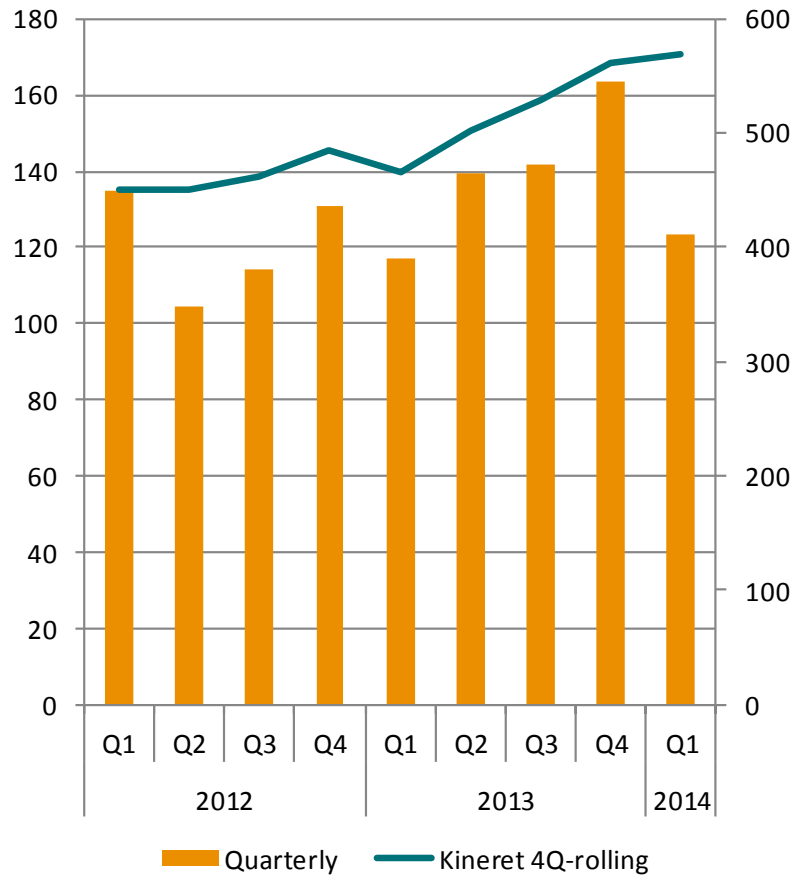
Alan Raffensperger | COO



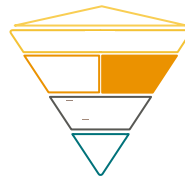
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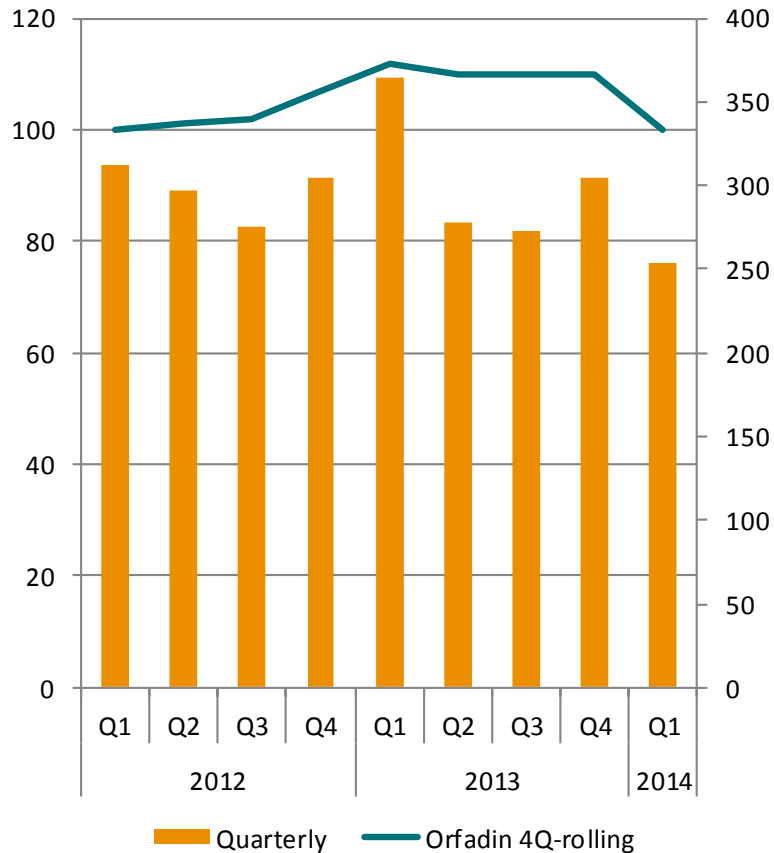
Sales (SEK M): Kineret



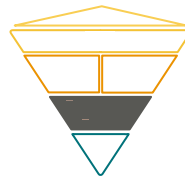
- Q1 revenue SEK 124 M (117)
 - increase of 6%
- US Q1 volumes were impacted by larger orders in Q4 2013
 - in-market demand stable
- EU continued good volume growth



Sales (SEK M): Orfadin

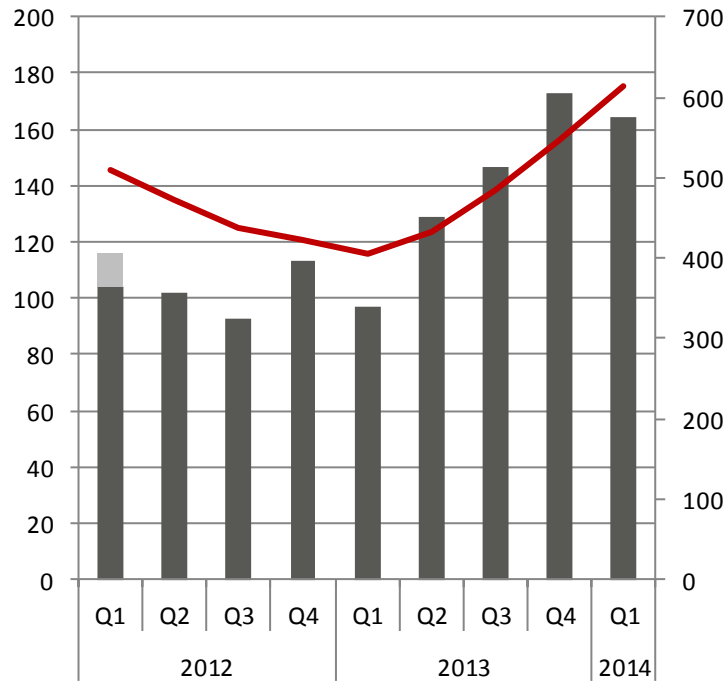


- Q1 revenue SEK 76 M (109)
 - decrease of 30%
 - Sobi recorded no US sales in Q1
- Revenue impacted by planned one-time stock return from termination of US distribution agreement
 - in-market demand is growing
- Initiated direct sales for Orfadin in North America on 1 April 2014
 - Q2 revenue will reflect Sobi direct sales
 - new structure will improve margins and should drive top-line growth



Partner Products

Sales (SEK M): Partner Products



Co-promotion Partner Products
Partner Products 4Q-rolling

- Q1 revenue SEK 165 M (97)
 - increase of 70%
- The growth driven by new partnerships signed in 2013 and by growth of the base portfolio
- New partnership signed with TiGenix for ChondroCelect[®], a cell based therapy for the repair of cartilage defects of the knee

Financials Q1 2014

Mats-Olof Wallin | CFO



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Profit and Loss Statement

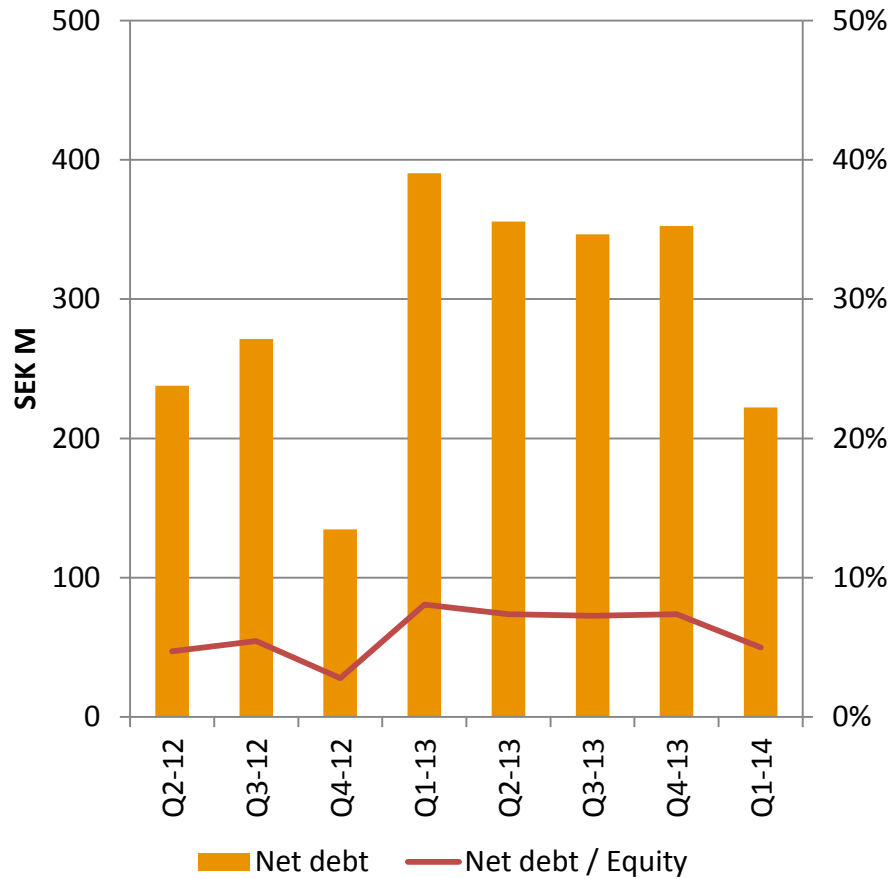
<i>Amounts in SEK M</i>	Q1-14	Q1-13
Total revenues	573	529
Gross profit	320	303
<i>Gross Margin</i>	<i>56%</i>	<i>57%</i>
Sales and Administration	-156	-124
Research and development	-127	-119
Other operating revenues/expenses	-325	2
EBITA	-288	61
Amortisation	-70	-65
EBIT	-358	-3
Financial income/expenses	-14	-36
Income tax	43	27
Profit/loss for the period	-329	-12

- Kiobrina outcome is fully reflected in the SEK 325 M write-off
 - Mostly relating to intangible assets and inventory
 - Cash flow impact relating to termination costs for the year is expected to be SEK -25 M

Balance Sheet

<i>Amounts in SEK M</i>	Mars 2014	Mars 2013	Dec 2013
ASSETS			
Intangible	4 303	4 834	4 637
Tangible and financial	159	126	152
Total non-current assets	4 462	4 960	4 789
Inventories	678	681	726
Accounts receivable	377	402	415
Other Receivable	133	112	145
Cash and equivalent	574	401	445
Total current assets	1 762	1 596	1 730
Total Asset	6 224	6 557	6 519
EQUITY AND LIABILITIES			
Equity	4 443	4 840	4 769
Long term debt	794	789	796
Long term liabilities	274	313	307
Short term liabilities	713	615	647
Total liabilities	1 781	1 716	1 750
Total equity and liabilities	6 224	6 557	6 519

Net Debt



- End of quarter cash position: SEK 574 M
 - Stronger sales + improved debt collection
- Net debt SEK 222 M

Summary and Outlook

Geoffrey McDonough | CEO



Stockholm | 8 May 2014

Outlook 2014

Revenues

MSEK 2,300 to 2,500

Gross Margin

58-60%

Operating costs

Operating costs are expected to increase as the company continues to prepare for the planned launch of the Haemophilia programmes.

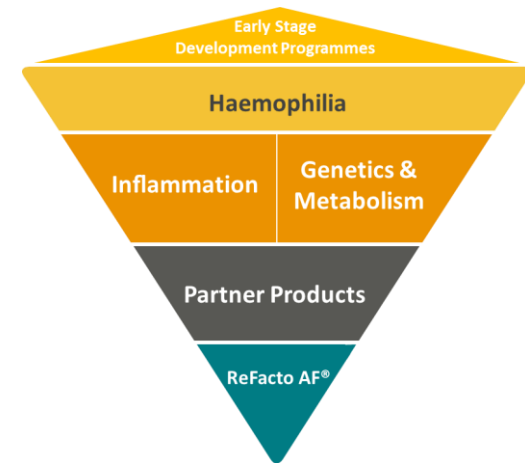
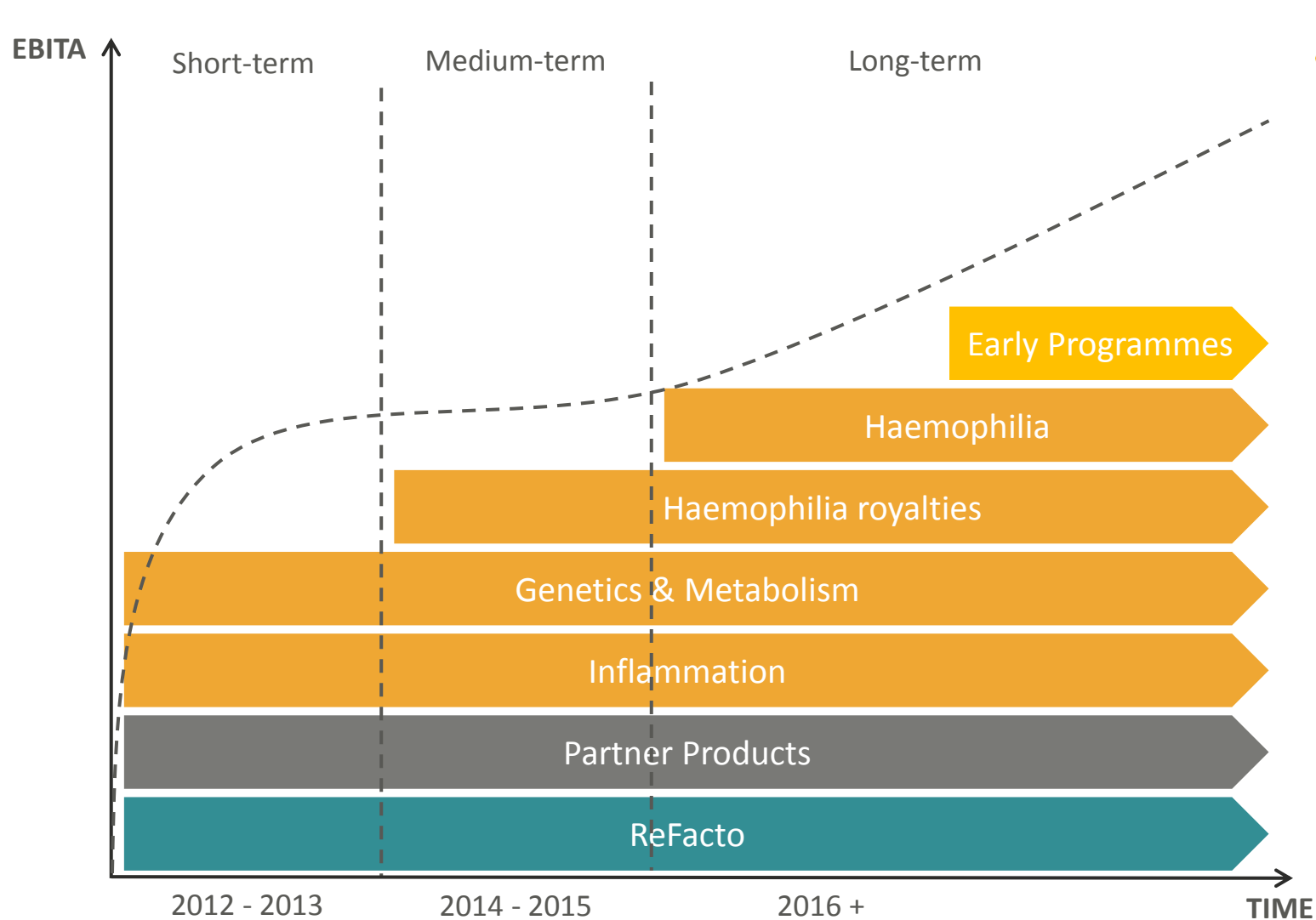
The outlook was first published in the 2013 Q4 report on 20 February 2014.

Strategic Priorities

- 1. Near-term** focus on growth in our base business, with sustainable positive cash flow from operations.
- 2. Medium-term** investments to ensure successful commercialisation of our haemophilia programmes.
- 3. Long-term** growth will come organically and through acquisitions.



Building a Leading Rare Disease Company

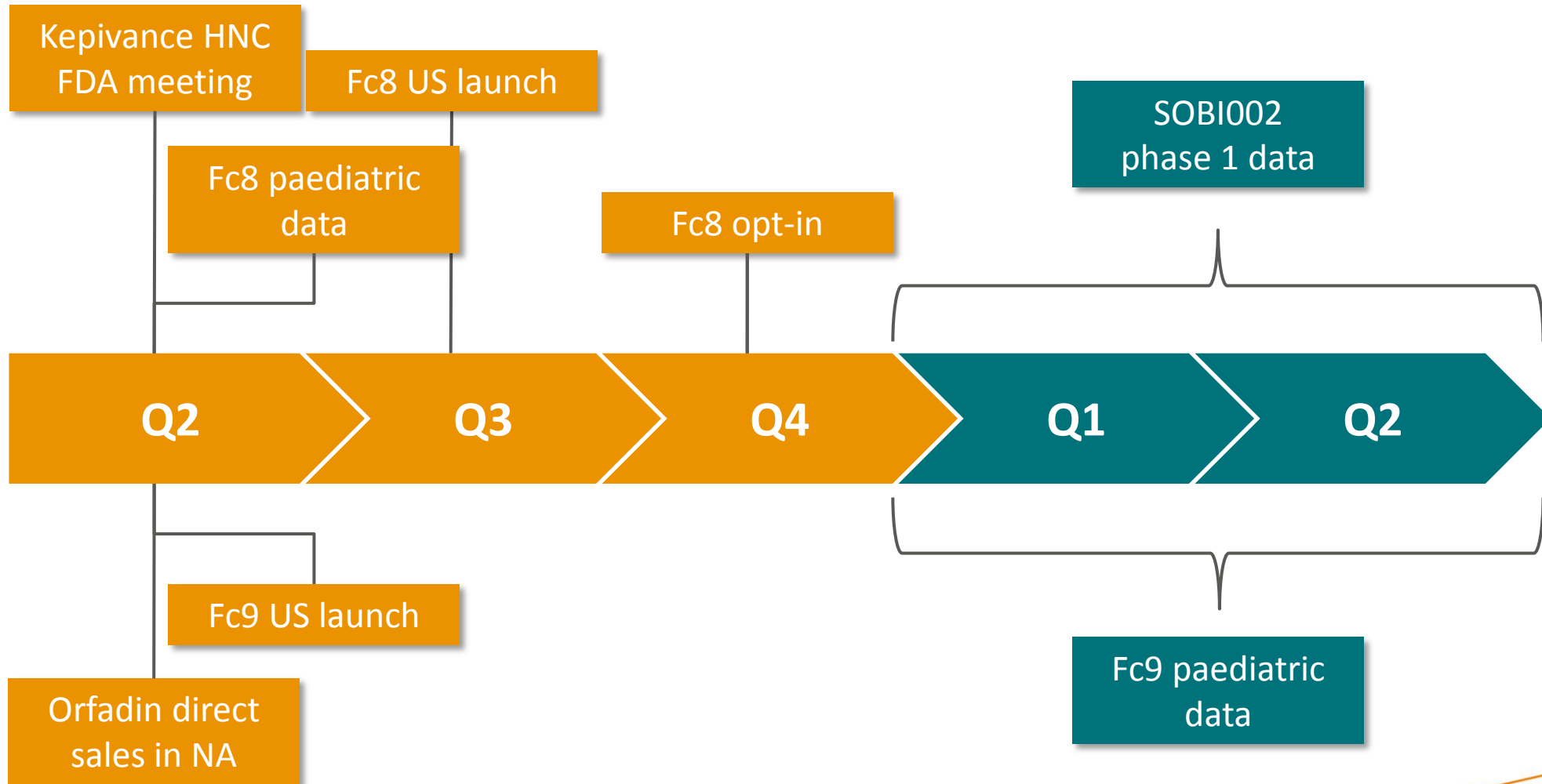


Building Our Future

1. Diverse, growing, and profitable base business focused on rare diseases
2. First to market, long-lasting haemophilia factors will potentially enter exclusive Sobi territories in the near term (current market USD 3.7B)
3. Pipeline of rare disease biologics



Key Events Calendar 2014 - 2015*



* Timing for all events is indicative

Summary

1. Diversified commercial portfolio focused on **improving cash flow and profitability**
2. Working to efficiently commercialise **our proprietary innovative medicines** for rare disease patients globally
3. Business model oriented to **building value through partnerships** from global early stage biologics development to late stage specialty distribution in Europe

