

Q2 Results 2014

Geoffrey McDonough | CEO

Alan Raffensperger | COO

Mats-Olof Wallin | CFO



Stockholm | 18 July 2014

Highlights Q2 2014

Business

- Initiated direct sales of Orfadin® in NA
- Filed for EU approval of Xiapex® for Peyronie's Disease
- Entered partnership with Tigenix for the commercialisation of ChondroCelect®
- Released positive topline Eloctate™ from Kids A-LONG phase-3 paediatric data
- Eloctate approved by FDA
- Received preclinical data package from Biogen Idec to potentially add a future haemophilia A candidate (XTEN) to the collaboration agreement

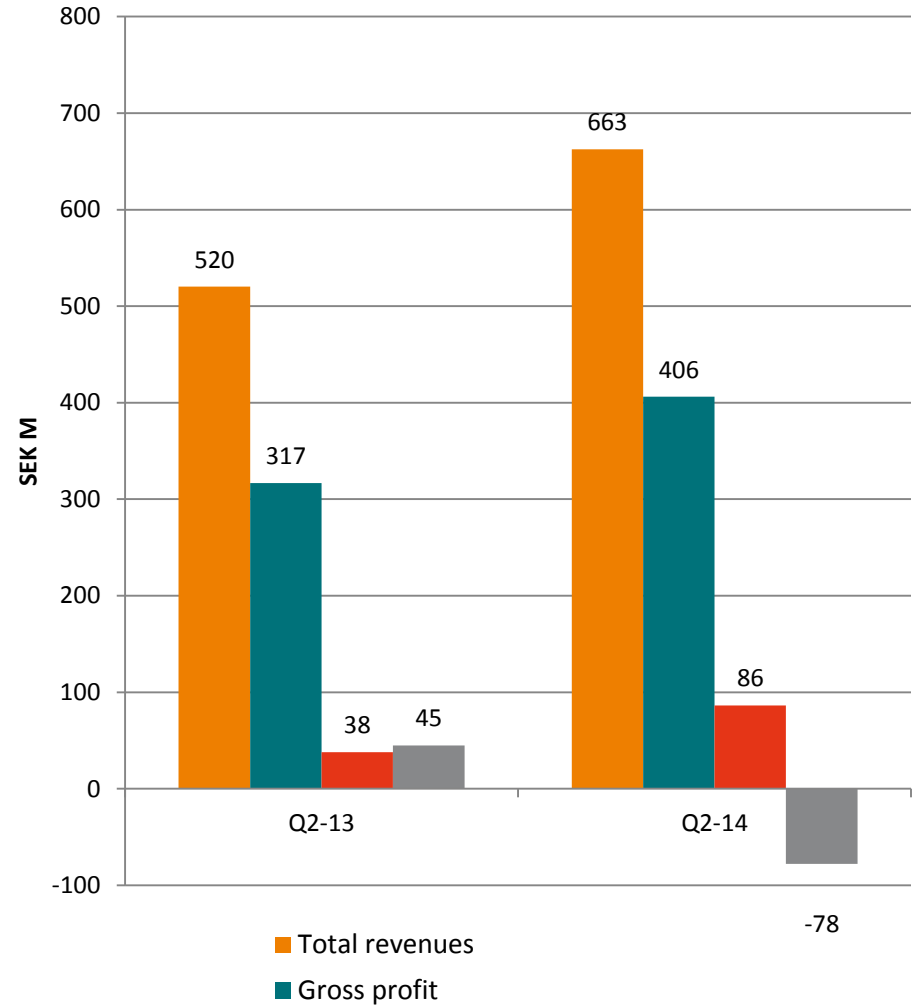
Other

- Biogen Idec and Sobi to donate 1 billion international units of clotting factor to support treatment of haemophilia in developing world
- Established North American Office in Massachusetts
- Kirsti Gjellan appointed Senior Vice President Manufacturing Operations
- Awarded Company of the Year at the European Mediscience Awards 2014

Highlights Q2 2014

Financial Q2 2014 (Q2 2013)

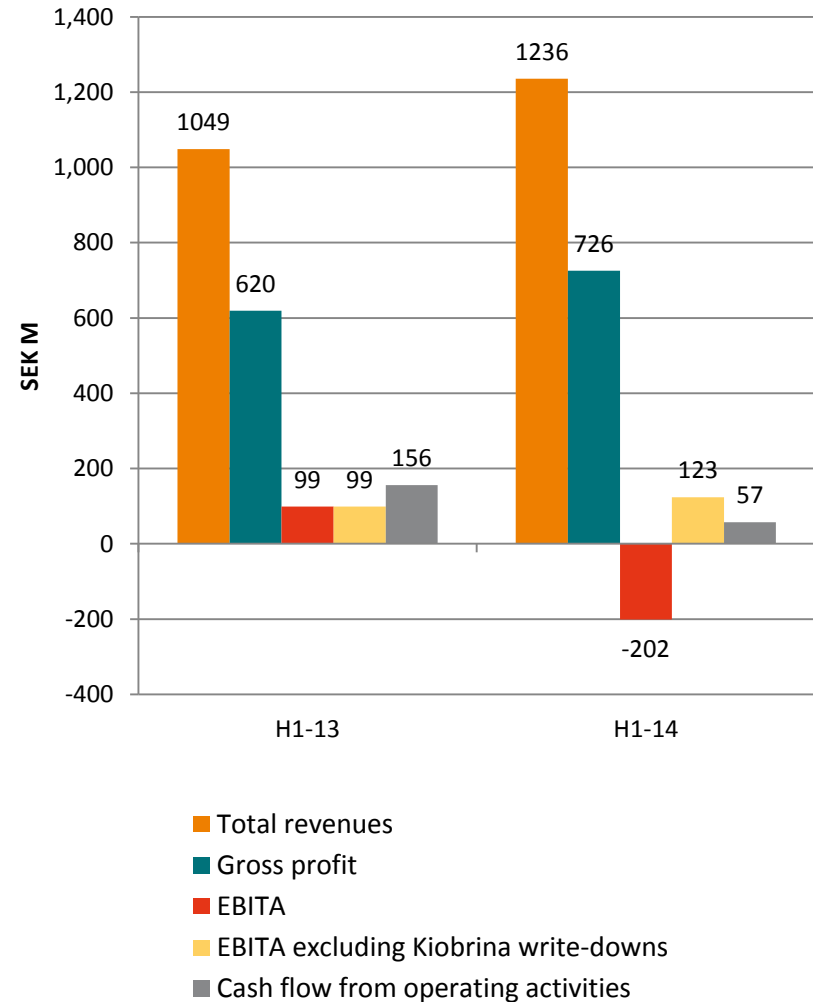
- Total revenues: SEK 663 M (520)
 - An increase of 27%
- Product revenues: SEK 476 M (372)
 - An increase of 28%
- Gross Margin: 61% (61)
- EBITA: SEK 86 M (38)
- Cash flow from operating activities: SEK -78 M (45)
- End of quarter cash position: SEK 503 M



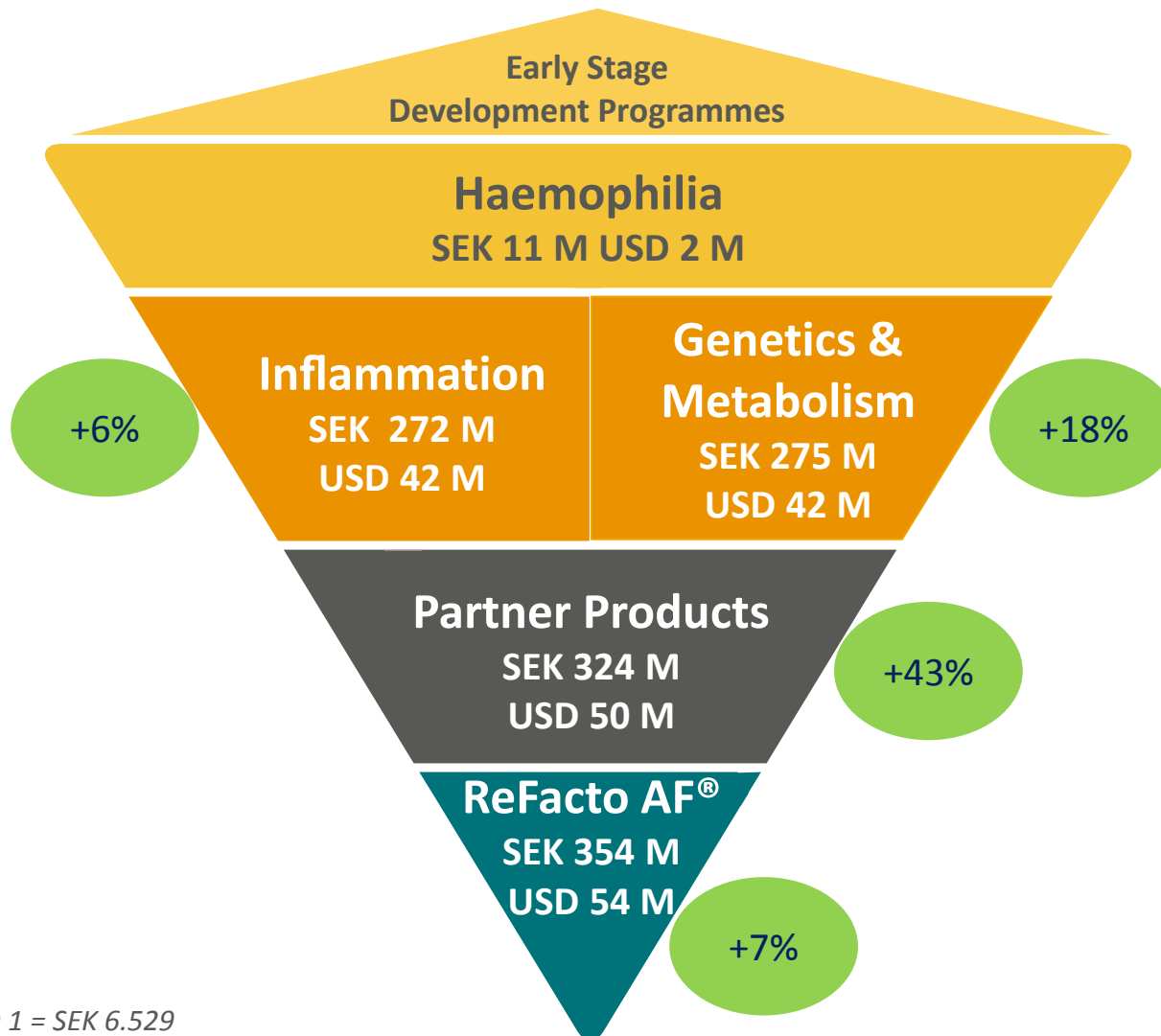
Highlights H1 2014

Financial H1 2014 (H1 2013)

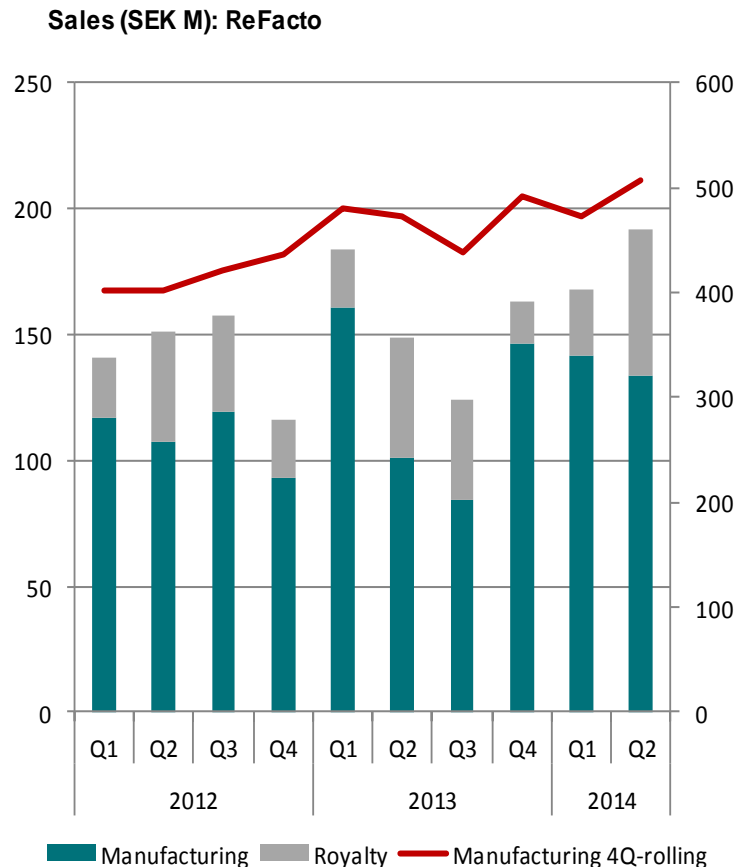
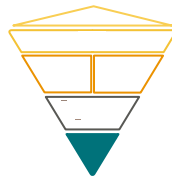
- Total revenues: SEK 1,236 M (1,049)
 - An increase of 18%
- Product revenues: SEK 881 M (716)
 - An increase of 23%
- Gross Margin: 59% (59)
- EBITA: SEK -202 M (99)
- EBITA excluding Kiobrina write-off SEK 123 M (99)
- Cash flow from operating activities: SEK 57 M (156)



YTD Revenue by Business Line



USD 1 = SEK 6.529



- Q2 revenue for manufacturing and royalty SEK 187 M (149)
 - Increase of 26%
 - H1 was SEK 355 M (333)
 - Strong 1H 2014 revenues reflect phasing of deliveries to Pfizer
 - Sobi expects deliveries to be lower in the second half of 2014
- Q2 manufacturing revenue SEK 134 M (101)
 - Q2 last year includes validation batches of SEK 17 M
- Q2 royalty revenue SEK 53 M (48)

Results Q2 2014

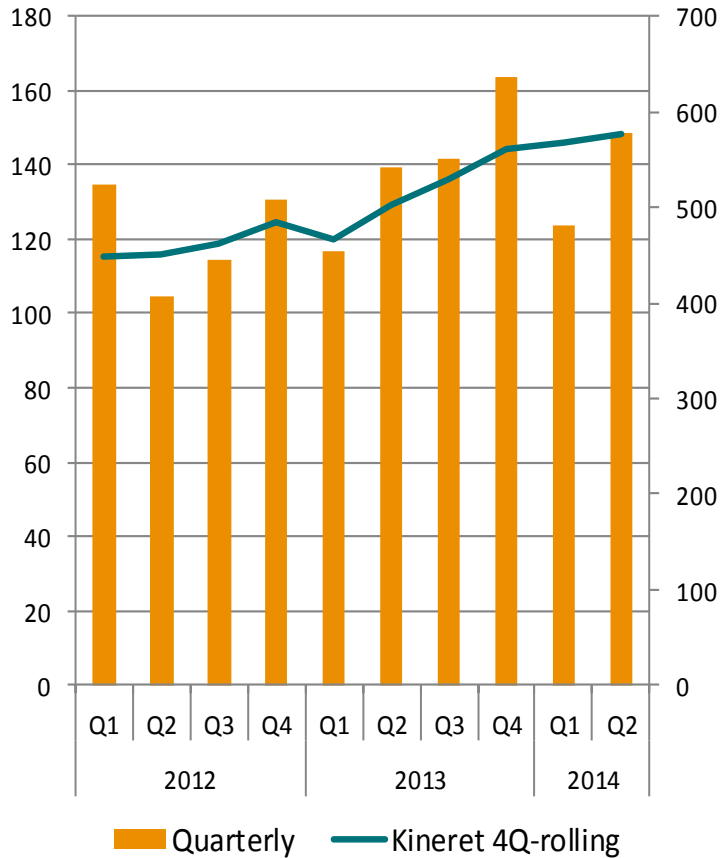
Alan Raffensperger | COO



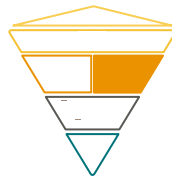
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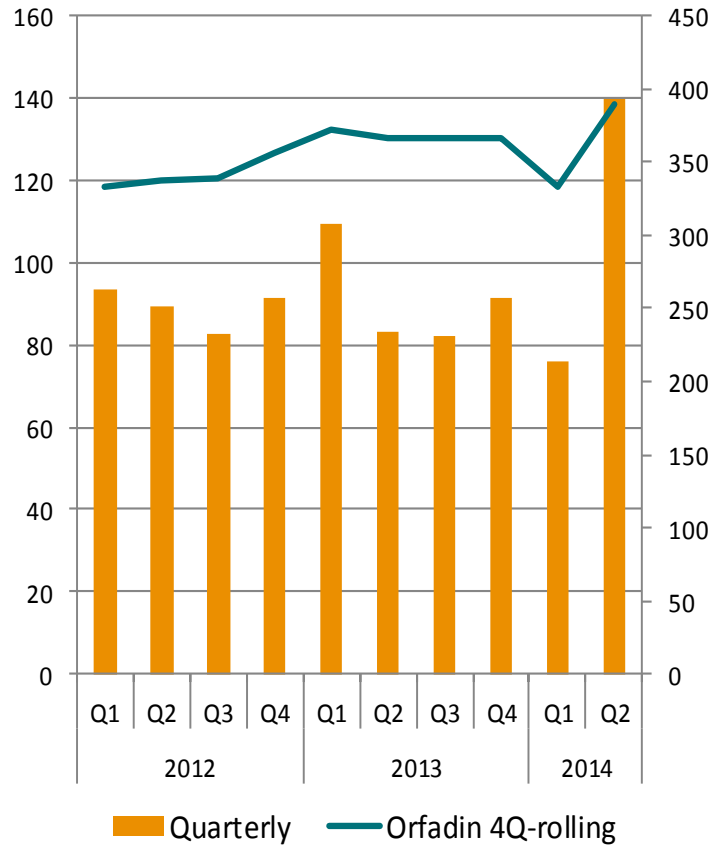
Sales (SEK M): Kineret



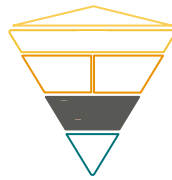
- Q2 revenue SEK 148 M (140)
 - increase of 6%
 - H1 was SEK 272 M (257)
- US volumes have returned to baseline order pattern after low levels in Q1 2014



Sales (SEK M): Orfadin

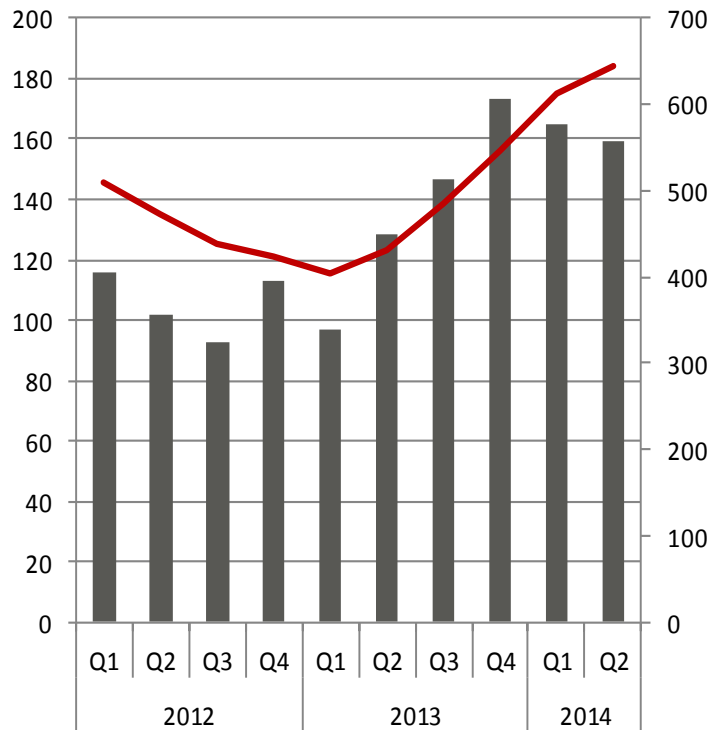


- Q2 revenue SEK 140 M (83)
 - increase of 68%
 - H1 was SEK 216 M (193)
- The step-up is mainly related to Sobi initiating direct sales in North America



Partner Products

Sales (SEK M): Partner Products



■ Partner Products — Partner Products 4Q-rolling

- Q2 revenue SEK 159 M (129)

- increase of 24%
- H1 was SEK 324 M (226)

- Growth driven by new partnerships signed in 2013 and by growth of the base portfolio

Financials Q2 2014

Mats-Olof Wallin | CFO



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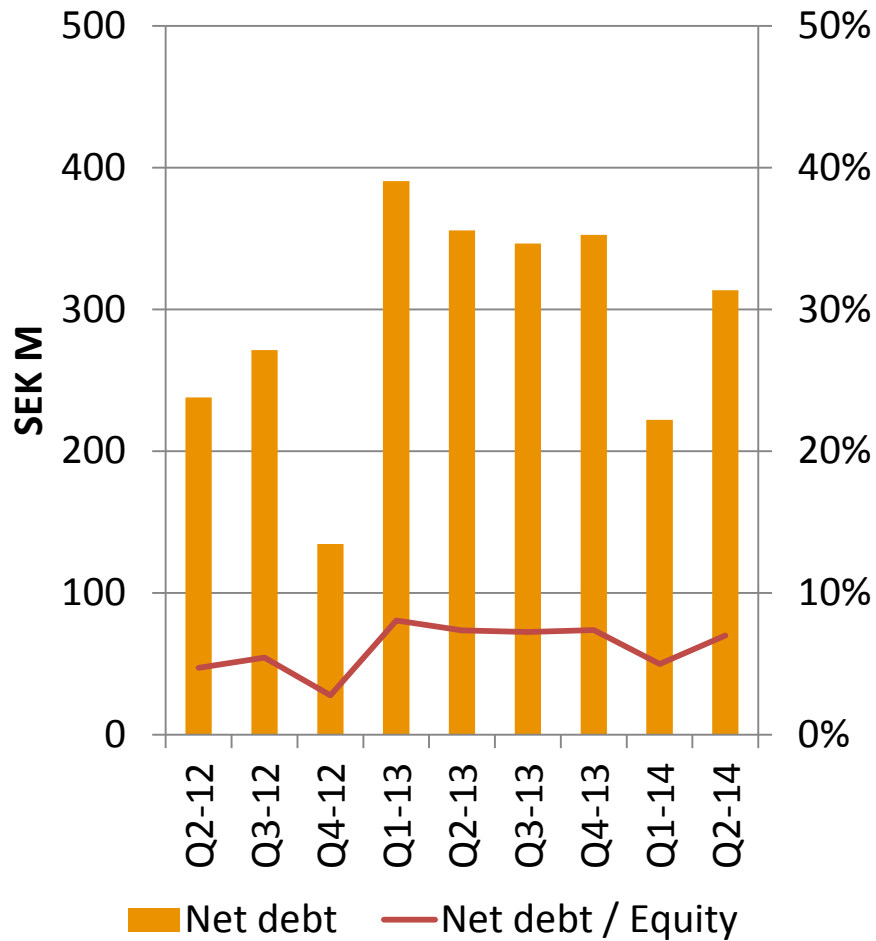
Profit and Loss Statement

<i>Amounts in SEK M</i>	Q2-14	Q2-13	H1-2014	H1-2013
Total revenues	663	520	1 236	1 049
Gross profit	406	317	726	620
<i>Gross Margin</i>	<i>61%</i>	<i>61%</i>	<i>59%</i>	<i>59%</i>
Sales and Administration	-193	-155	-349	-279
Research and development	-133	-121	-260	-240
Other operating revenues/expenses	7	-3	-318	-2
EBITA	86	38	-202	99
Amortizations and write-downs	-70	-70	-141	-134
EBIT	16	-32	-342	-35
Financial income/expenses	3	11	-11	-25
Income tax expense	6	10	49	37
Profit/loss for the period	26	-11	-303	-23

Balance Sheet

<i>Amounts in SEK M</i>	June 2014	June 2013	Dec 2013
ASSETS			
Intangible	4 241	4 767	4 637
Tangible and financial	161	154	152
Total non-current assets	4 402	4 920	4 789
Inventories	729	703	726
Accounts receivable	448	383	415
Other receivable	164	133	145
Cash and equivalent	503	438	445
Total current assets	1 844	1 657	1 730
Total Asset	6 246	6 577	6 519
EQUITY AND LIABILITIES			
Equity	4 475	4 826	4 769
Long term debt	815	789	796
Long term liabilities	270	318	307
Short term liabilities	686	643	647
Total liabilities	1 771	1 750	1 750
Total equity and liabilities	6 246	6 577	6 519

Net Debt



- End of quarter cash position: SEK 503 M
- Net debt SEK 314 M

Summary and Outlook

Geoffrey McDonough | CEO



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Outlook 2014 (Unchanged)

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

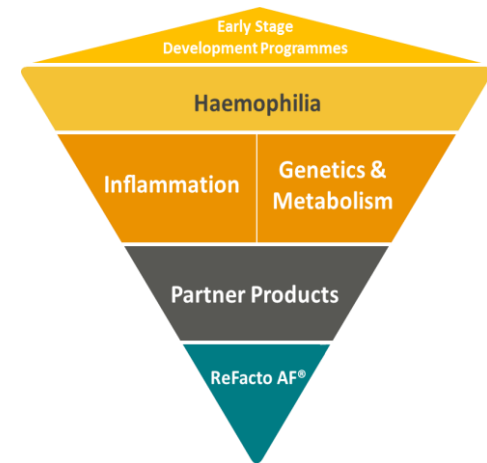
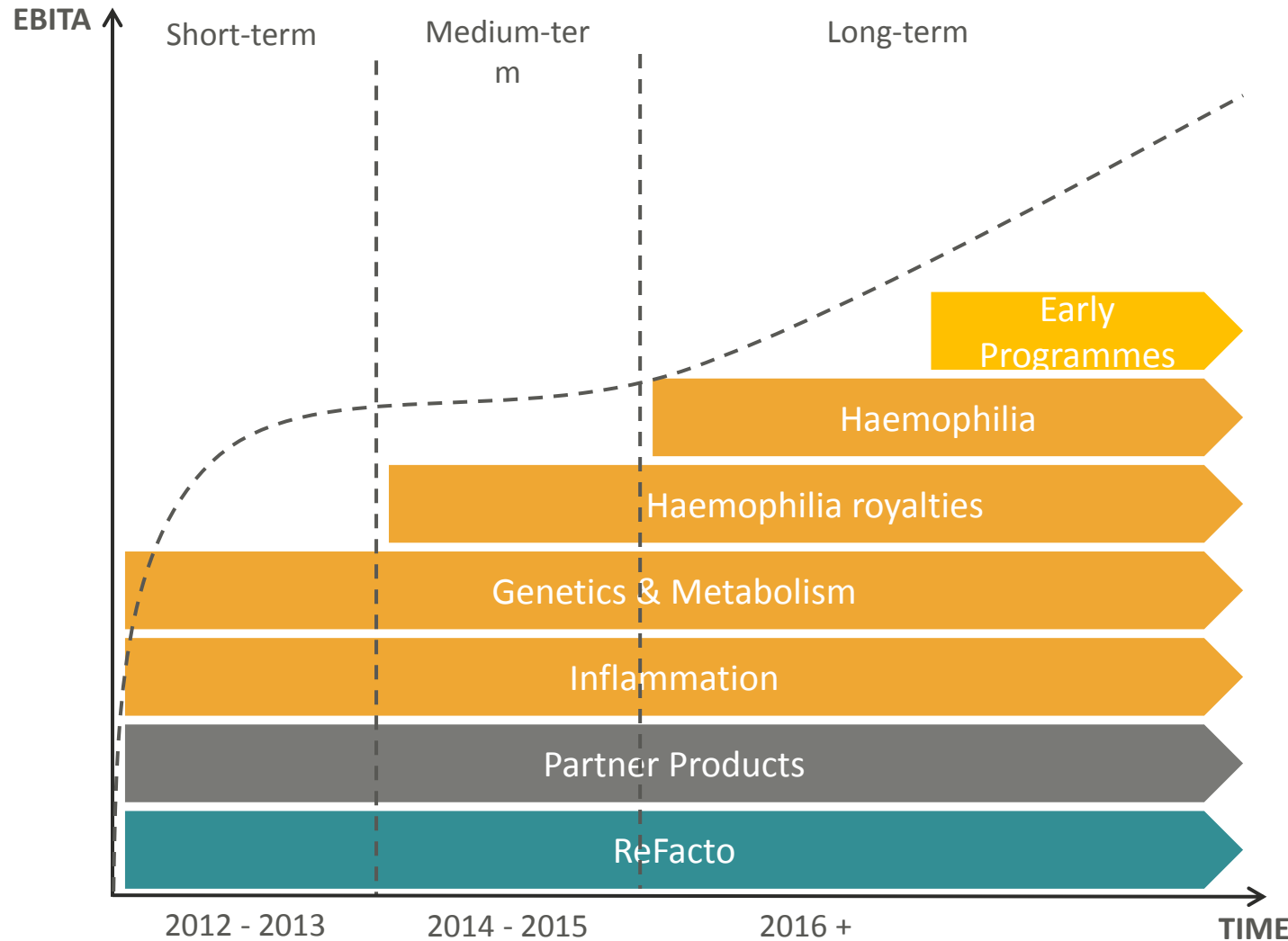
The outlook was first published in the 2013 Q4 report on 20 February 2014.

Building Our Future

1. Diverse, growing, and profitable base business focused on rare diseases
2. Near-term first-to-market long-acting haemophilia factors with exclusive USD 3.7B territory in Europe, Russia, and Middle East
3. Pipeline of early stage rare disease biologics



Building a Leading Rare Disease Company



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.

