

Q3 Results 2013

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Stockholm | 30 October 2013

Highlights Q3 2013

Business

- Signed collaboration agreement for XIAPEX[®] with Auxilium
- Acquired full rights for Kineret[®] and additional clinical data for Kepivance[®]
- Expanded the COMETRIQ[®] territories
- Received positive CHMP opinion for Kineret for treatment of CAPS
- Submitted filing for Orfadin Liquid to EMA

Financial Q3 2013 (Q3 2012)

- Total revenues: SEK 517 M (464)
 - An increase of 12%
- Product revenues: SEK 394 M (306)
 - An increase of 28%
- Gross Margin: 59% (57)
- Ended the quarter with a cash position of SEK 449 M
- Earnings per share: SEK -0.21 (-0.17)

Our Priorities

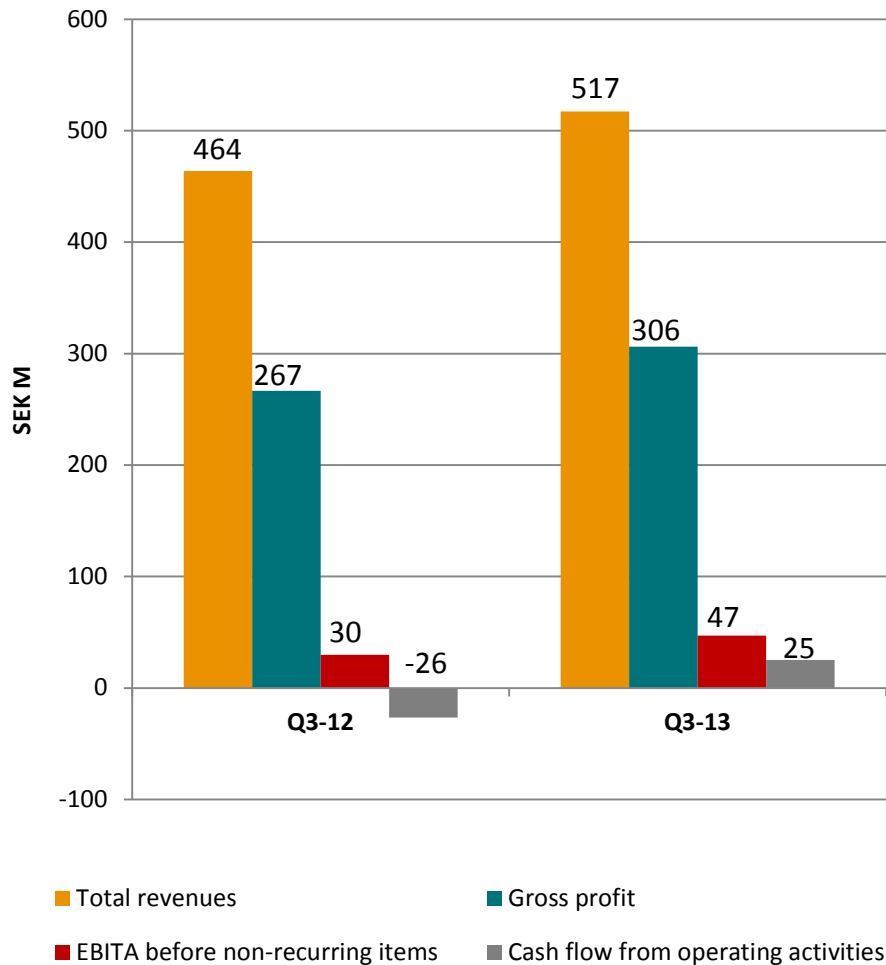
1. Diversified commercial portfolio focused on **improving cash flow and profitability**
2. Working to efficiently commercialize **our proprietary innovative medicines** for rare disease patients globally
3. Business model oriented to **building value through partnerships** from global early stage biologics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



Significant Events After Q3 Close

- Gained rights to distribute RAVICTI® in Middle East
- Submitted filing for Orfadin Liquid to FDA
- Biogen Idec regulatory update

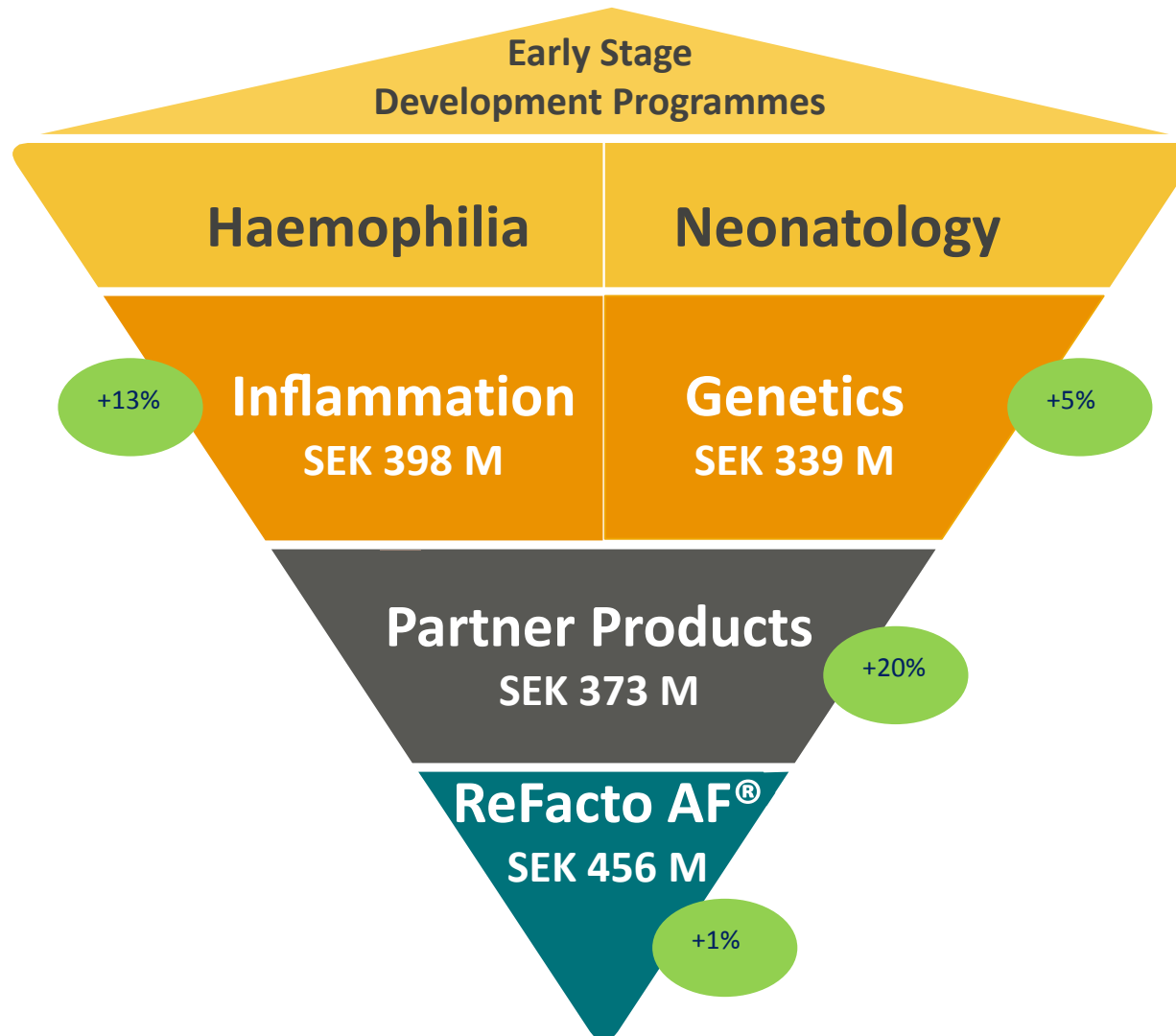
Consolidated Results Q3

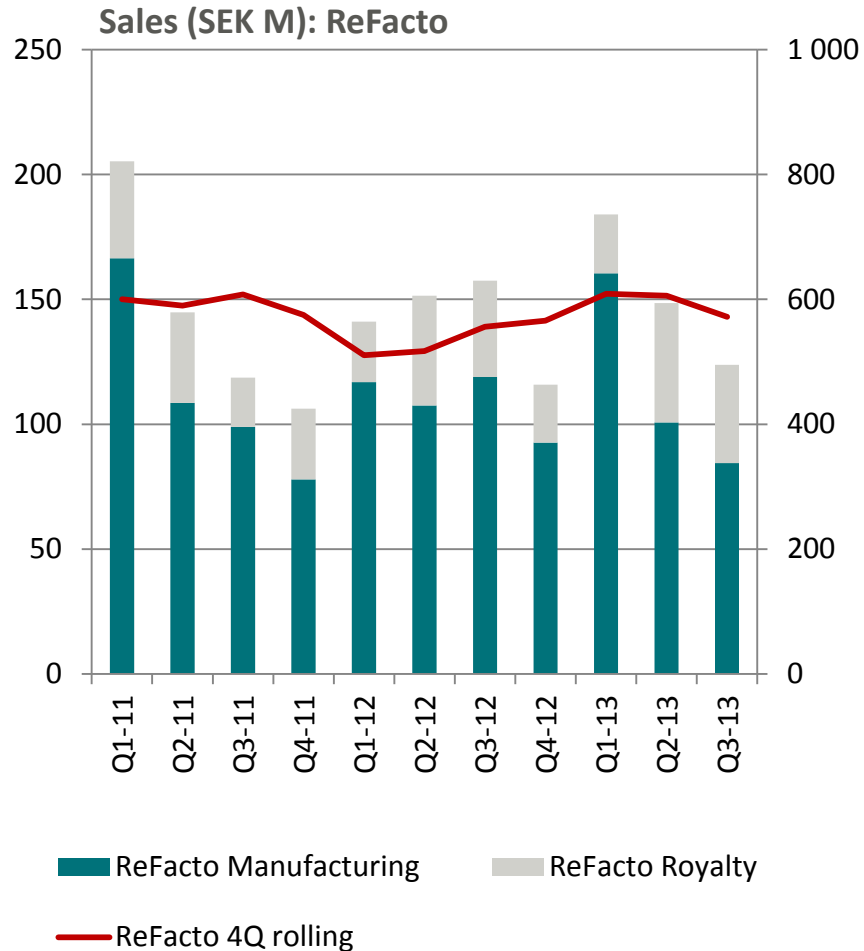


Financial Highlights

- Total Revenues: SEK 517 M (464), an increase of 12%
 - YTD revenues: SEK 1,566 M (1,451), an increase of 8%
- Gross Margin: 59% (57)
 - YTD Gross Margin: 59% (53)
- EBITA before non-recurring items: SEK 47 M (30)
- Cash Flow from operating activities: SEK 25 M (-26)

YTD Revenue by Business Line





- Revenue for manufacturing and royalty was SEK 124 M (157)
 - Normal variation in quarterly deliveries
 - YTD revenue: SEK 456 M (450), an increase of 1%

- Manufacturing revenue was SEK 84 M (119)
 - Q3 2013 includes validation batches of SEK 5.7 M

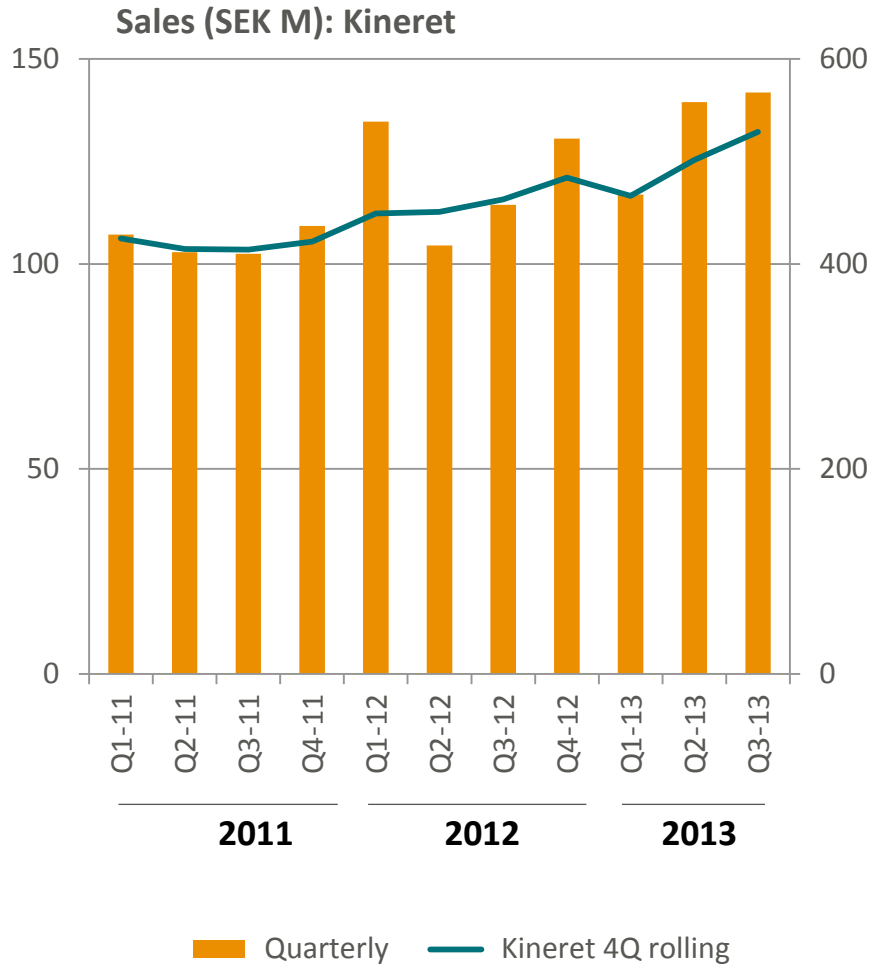
- Royalty revenue was SEK 39 M (39)

Results Q3 2013

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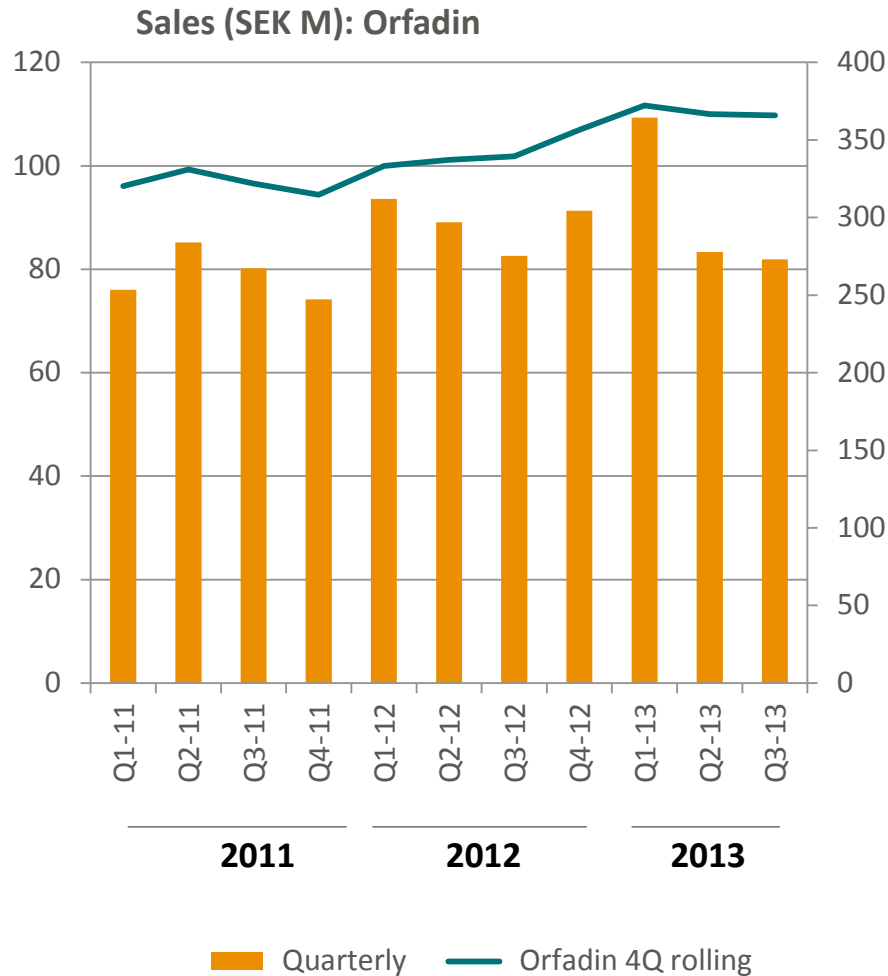


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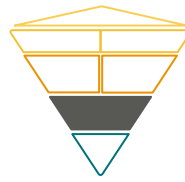


- Revenue for Kineret was SEK 142 M (114), an increase of 24%
 - YTD revenue: SEK 398 M (354), an increase of 13% (at CER 17%)
- Received positive CHMP opinion for Kineret for treatment of CAPS in EU
- Acquired full rights for Kineret from Amgen

Orfadin

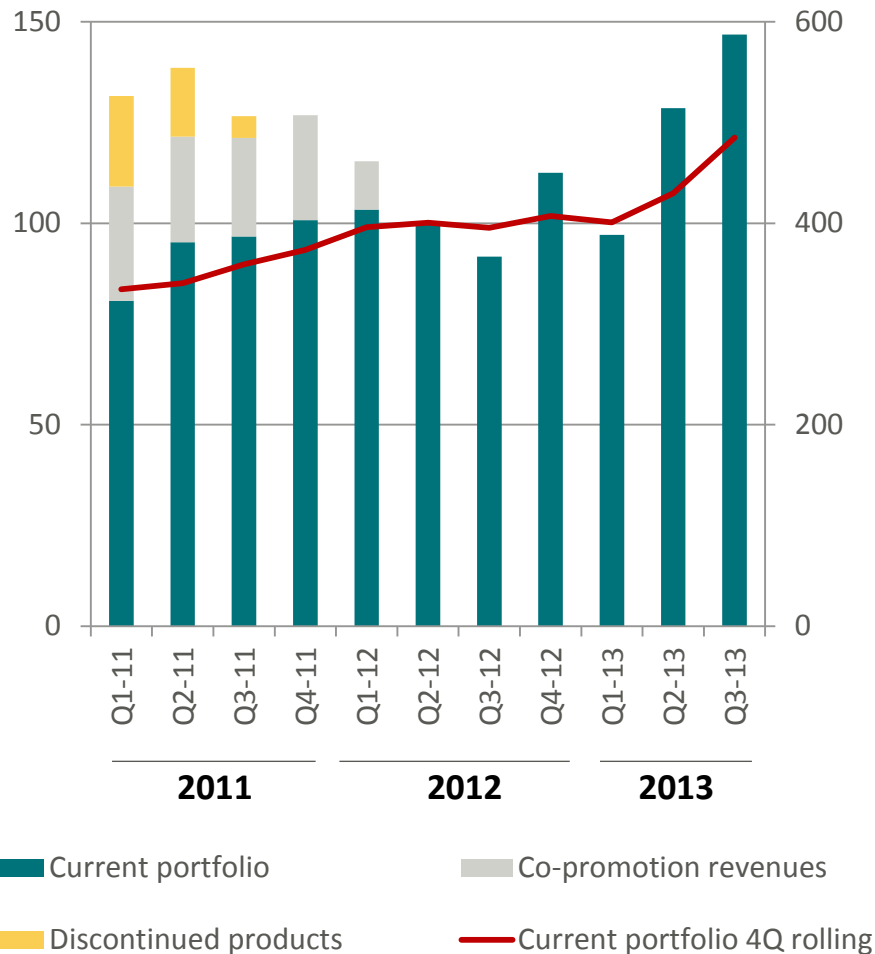


- Revenue for Orfadin was SEK 82 M (83), a decrease of 1%
 - YTD revenue: SEK 275 M (265), an increase of 3% (at CER 6%)
 - Volume continues to grow in all markets
- Higher rebates in the US under the Affordable Care Act
- Submitted application of Orfadin oral suspension to EMA and FDA



Partner Products

Sales (SEK M): Partner Products



- Revenue for Partner Products was SEK 147 M (93), an increase of 59%
 - YTD revenue: SEK 373 M (310), an increase of 20% (at CER 23%)
- Revenue growth driven by base portfolio and new partnerships with
 - PharmaSwiss
 - Exelixis
 - Auxilium
- Expanded the COMETRIQ[®] territories for which Sobi is responsible

Results Q3 2013

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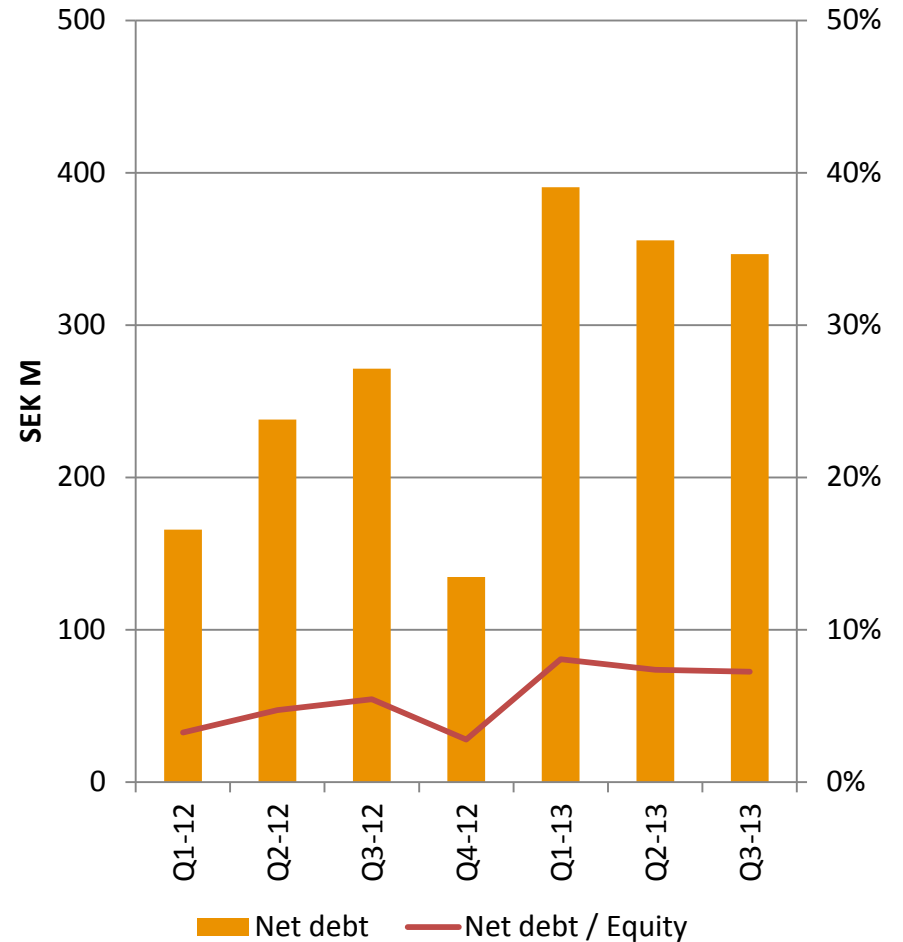
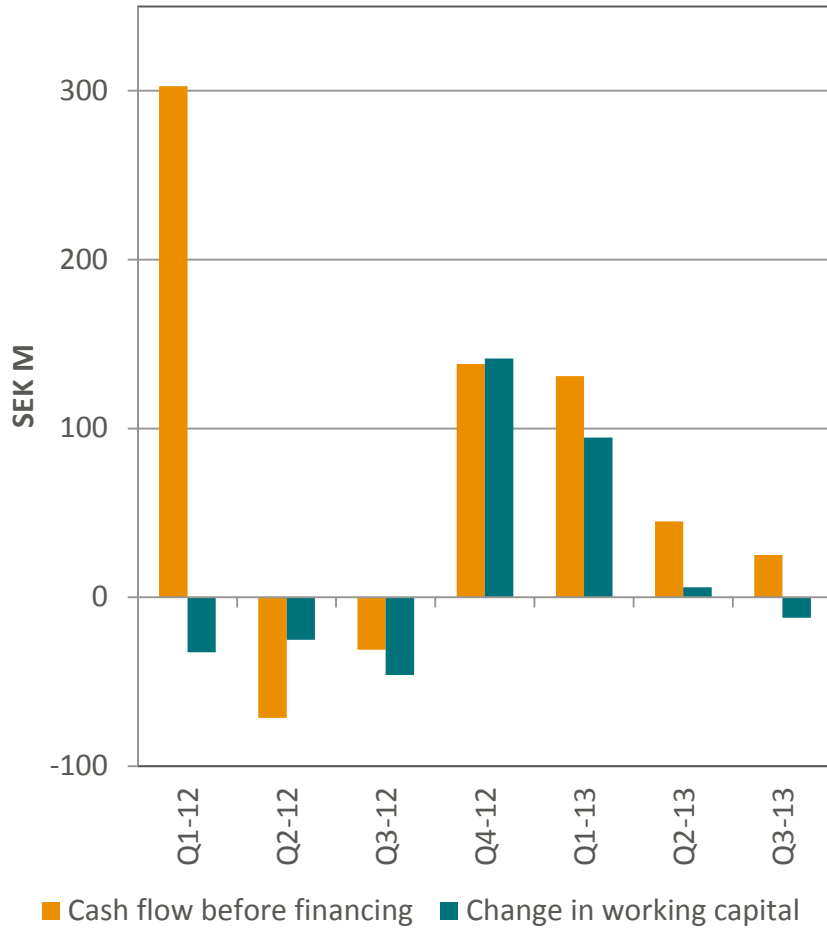
Income Statement

<i>Amounts in SEK M</i>	Q3-13	Q3-12	YTD-13	YTD-12
Total revenues	517	464	1 566	1 451
Gross profit	306	267	926	773
<i>Gross Margin</i>	<i>59%</i>	<i>57%</i>	<i>59%</i>	<i>53%</i>
Sales and Administration	-150	-130	-429	-409
Research and development	-113	-97	-353	-303
Other operating revenues/expenses	3	-10	2	306
Adjusted EBITA	47	30	146	367
Non-recurring items	0	0	0	-34
EBITA	47	30	146	333
Amortizations and write-downs	-73	-65	-208	-194
EBIT	-26	-35	-62	139
Financial income/expenses	-26	-15	-51	-34
Income tax expense	-4	4	33	-63
Profit/loss for the period	-56	-46	-80	42

Balance Sheet

	Sep	Sep	Dec
<i>Amounts in SEK M</i>	2013	2012	2012
ASSETS			
Intangible	4 701	4 742	4 533
Tangible and financial	148	143	130
Total non-current assets	4 849	4 885	4 663
Inventories	693	742	700
Accounts receivable	370	367	343
Other Receivable	144	231	143
Cash and equivalent	449	319	457
Total current assets	1 657	1 659	1 643
Total Asset	6 506	6 544	6 306
EQUITY AND LIABILITIES			
Equity	4 775	4 986	4 838
Long term debt	794	587	588
Long term liabilities	317	452	371
Short term liabilities	620	518	509
Total liabilities	1 731	1 558	1 468
Total equity and liabilities	6 506	6 544	6 306

Cash Flow and Net Debt



Outlook 2013 Unchanged

Revenues

Total revenues are expected to be in the range of MSEK 2,000 to 2,200

- Key Therapeutic Areas – high single-digit growth
- Partner Products – growth by 30%
- ReFacto manufacturing and royalty – single-digit growth

Gross Margin

In the range of 57-59%

The outlook was first published in the 2012 Q4 report on 21 February 2013.

Investor Update Planned November 2013



We will host capital market days on 5 November in Stockholm and on 7 November in New York City to give some perspectives on our on-going and early stage pipeline programs

Summary

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