

Q4 and FY Results 2013

Geoffrey McDonough | CEO

Alan Raffensperger | COO

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Stockholm | 20 February 2014

Highlights Q4 2013

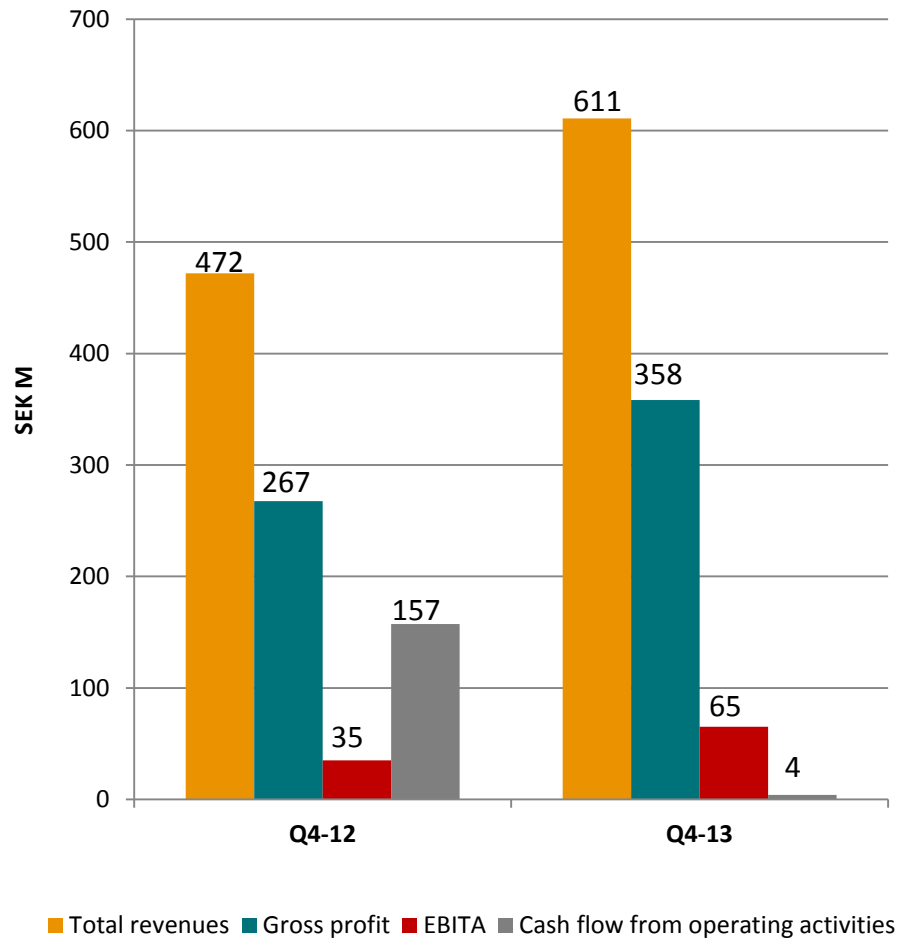
Business

- Received approval for Kineret® for treatment of rare disease CAPS in the EU
- Sobi to take direct responsibility for Orfadin® in the Americas
- Announced novel complement C5 inhibitor program to enter phase 1 (SOBI002)
- Gained rights to distribute Ravicti® in Middle East from Hyperion Therapeutics, Inc.
- Awarded Best Biotech Pipeline at World Orphan Drug Congress

Financial Q4 2013 (Q4 2012)

- Total revenues: SEK 611 M (472)
 - An increase of 29%
- Product revenues: SEK 448 M (356)
 - An increase of 26%
- Gross Margin: 59% (57)
- End of quarter cash position: SEK 445 M
- Earnings per share: SEK -0.05 (-0.54)
- EBITA: SEK 65 M (35)

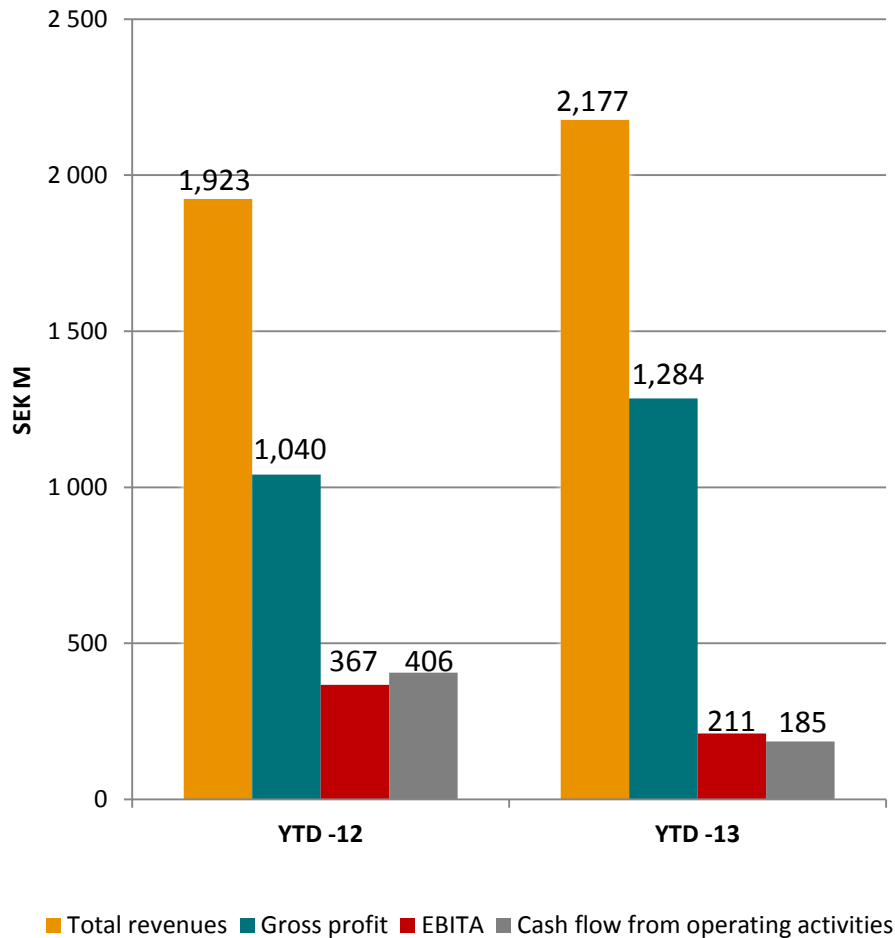
Consolidated Results Q4



Financial Highlights

- Total Revenues: SEK 611 M (472)
 - an increase of 29%
- Gross Margin: 59% (57)
- EBITA: SEK 65 M (35)
- Cash Flow from operating activities: SEK 4 M (157)

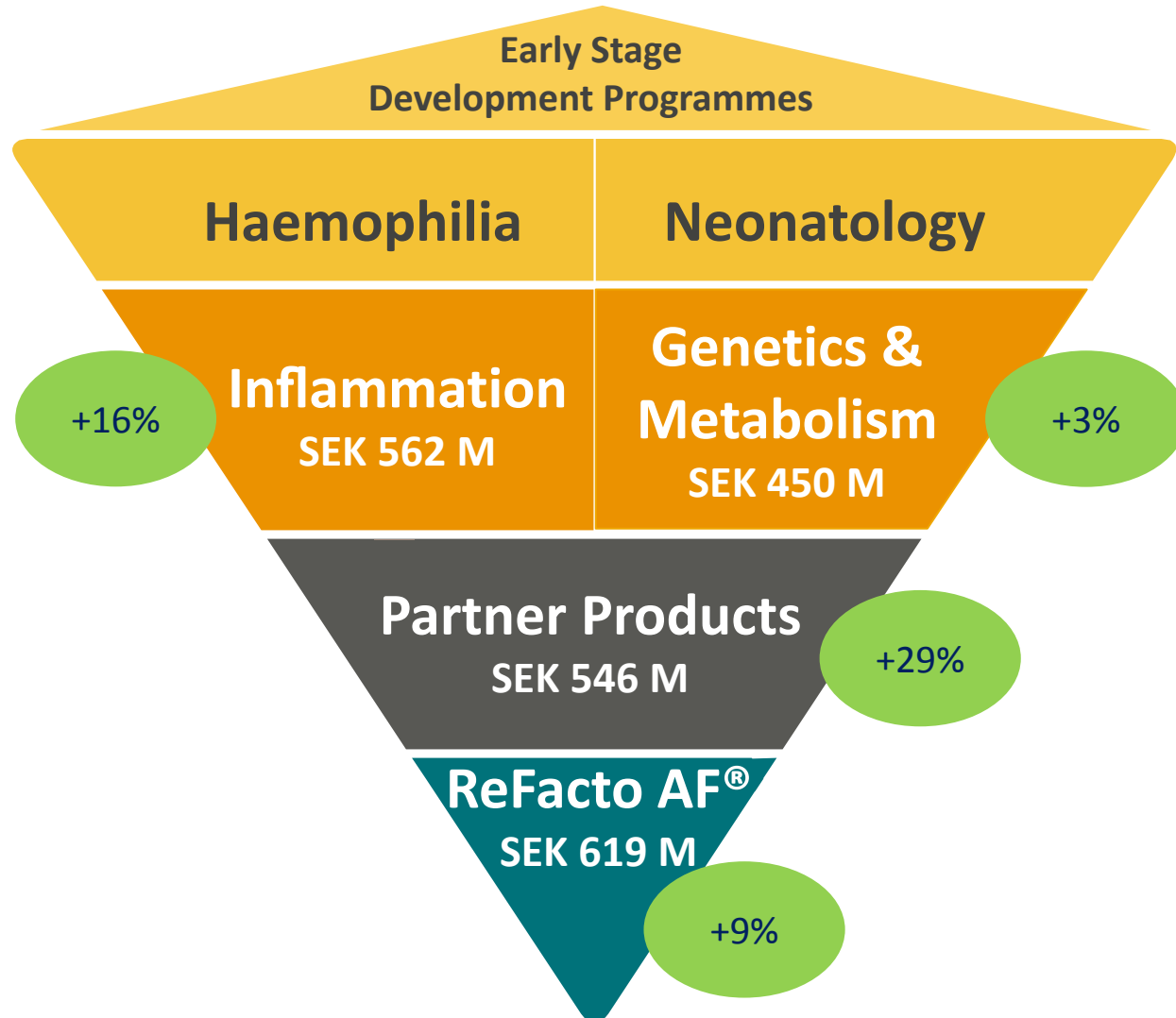
Consolidated Results Full Year

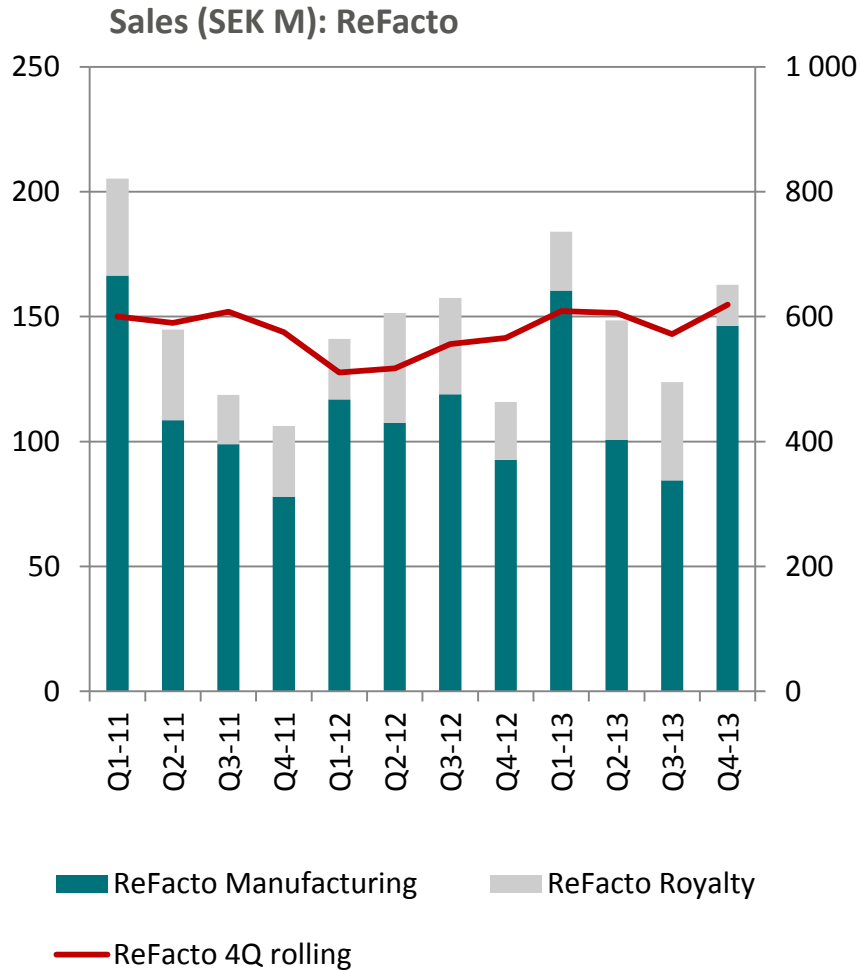
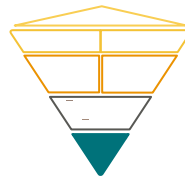


Financial Highlights

- Total revenues: SEK 2,177 M (1,923)
 - an increase of 13%
- Product revenues: SEK 1,558 M (1,344)
 - an increase of 16%
- Gross Margin: 59% (54)
- EBITA: SEK 211 M (367)
- Cash Flow from operations: SEK 185 M (406)
- Year-end cash position: SEK 445 M

FY Revenue by Business Line





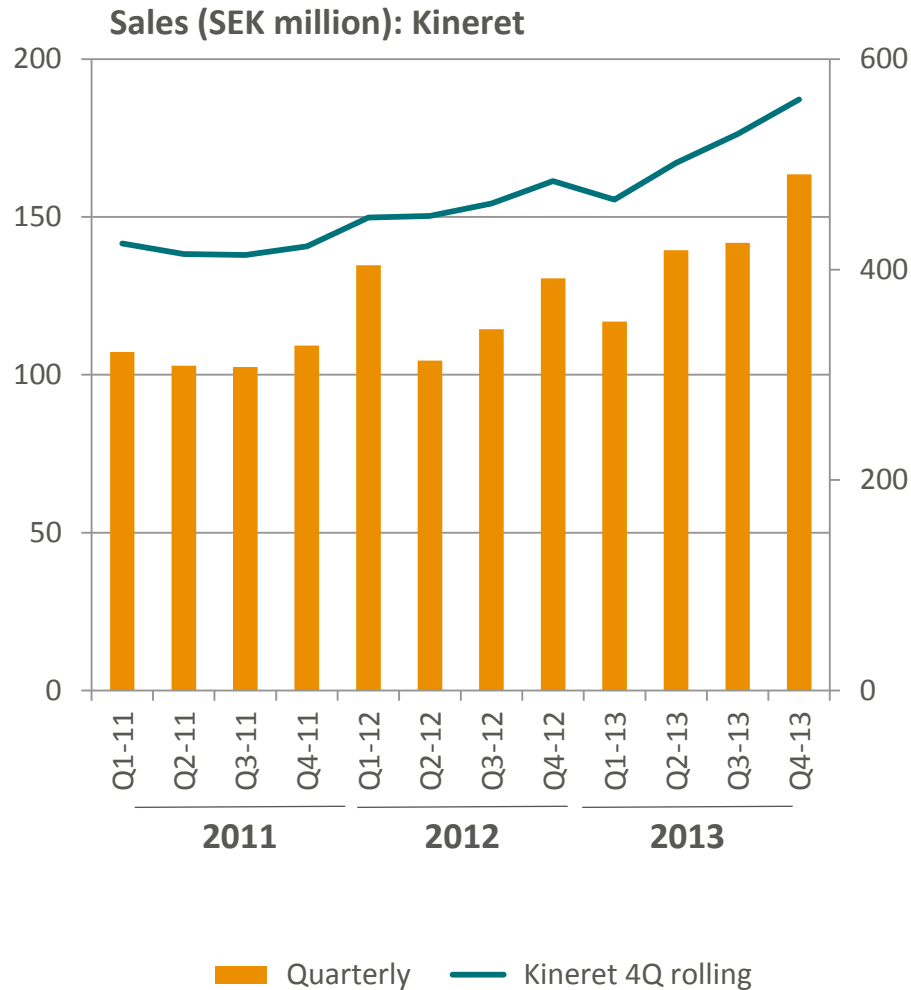
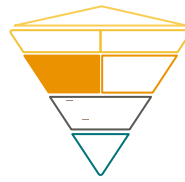
- Q4 revenue for manufacturing and royalty was SEK 163 M (116)
 - an increase of 40%
- FY revenue: SEK 619 M (566)
 - an increase of 9%
- Q4 manufacturing revenue was SEK 146 M (93)
 - Q4 includes validation batches of SEK 43 M
 - FY includes validation batches of SEK 66 M
- Q4 royalty revenue was SEK 16 M (23)

Results Q4 2013

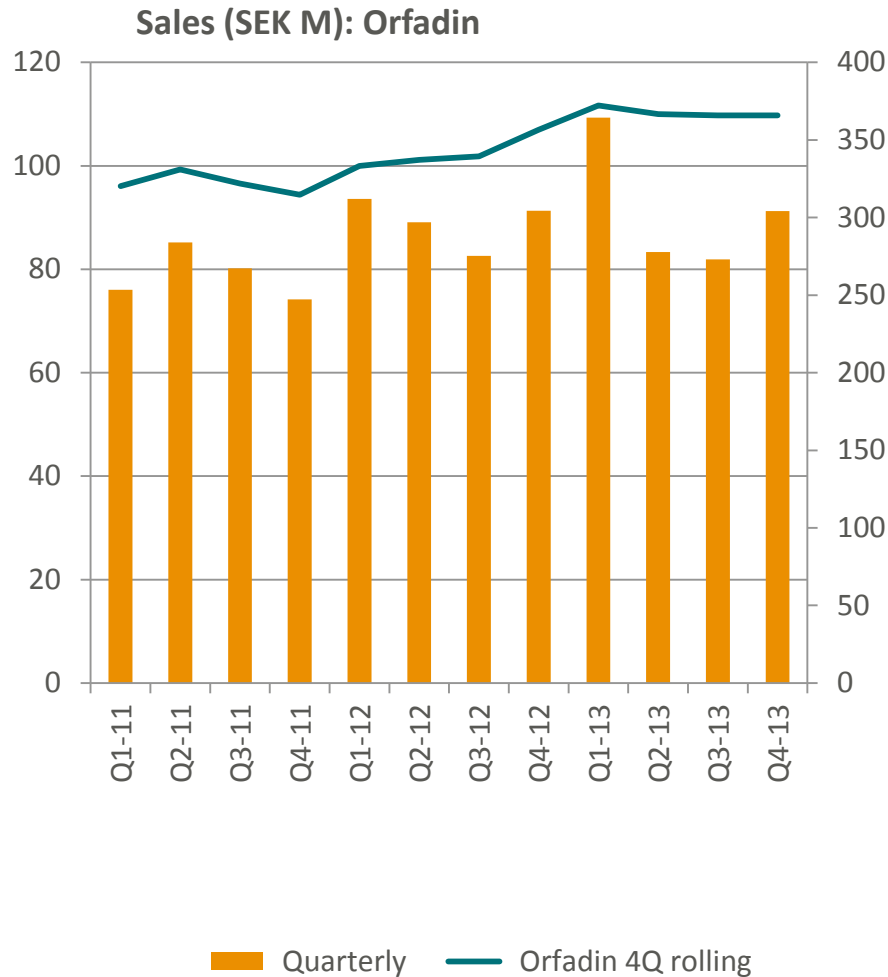
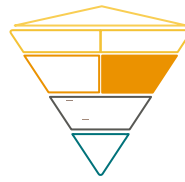
Alan Raffensperger | COO



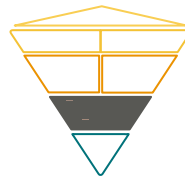
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- Q4 revenue was SEK 164 M (131)
 - an increase of 25%
- FY revenue: SEK 562 M (485)
 - an increase of 16% (CER 19%)
- Strong US performance
- Received EU approval for Kineret for treatment of rare disease CAPS

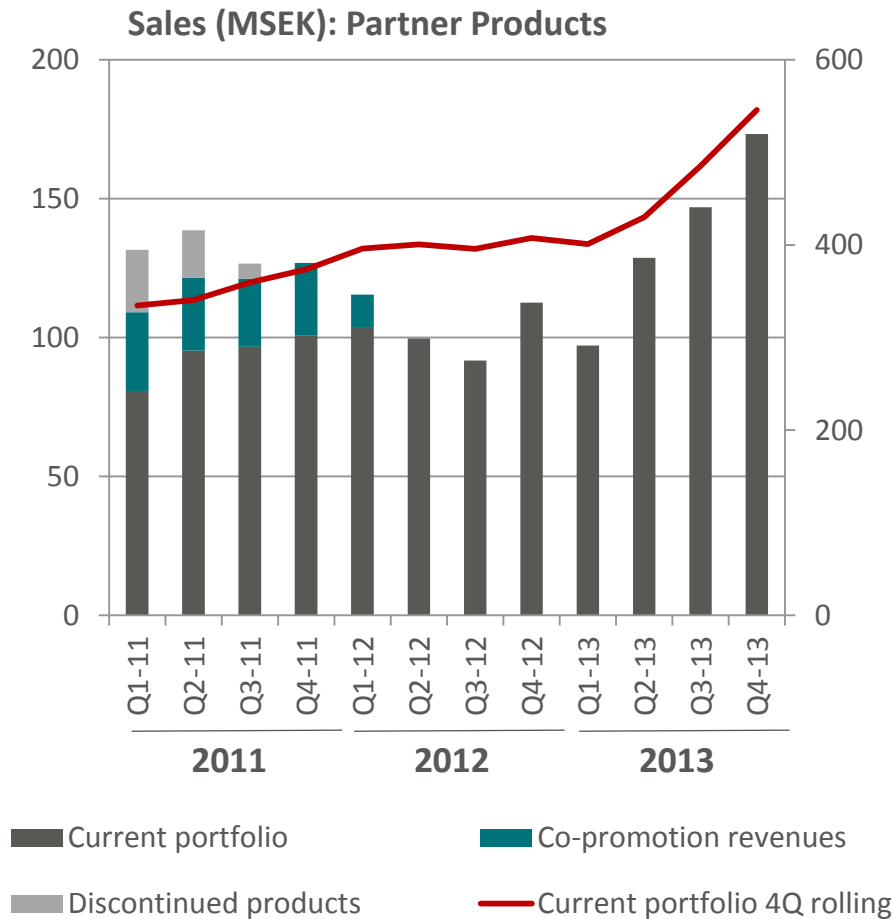


- Q4 revenue was SEK 91 M (91)
- FY revenue: SEK 366 M (357)
 - an increase of 3% (CER 5%)
- Volume continues to grow in all markets
- Higher rebates in the US under the Affordable Care Act
- Sobi to take direct responsibility for Orfadin in North America effective 1 April 2014



Partner Products

- Q4 revenue was SEK 173 M (113)
 - an increase of 53%
- FY revenue: SEK 546 M (423)
 - an increase of 29% (CER 31%)
- Growth from new products (e.g. Xiapex[®], Cometriq[™], Megace[®]) and base portfolio (e.g. Yondelis[®], Ruconest[®] and Defibrotide)



Financials Q4 and FY 2013

Mats-Olof Wallin | CFO



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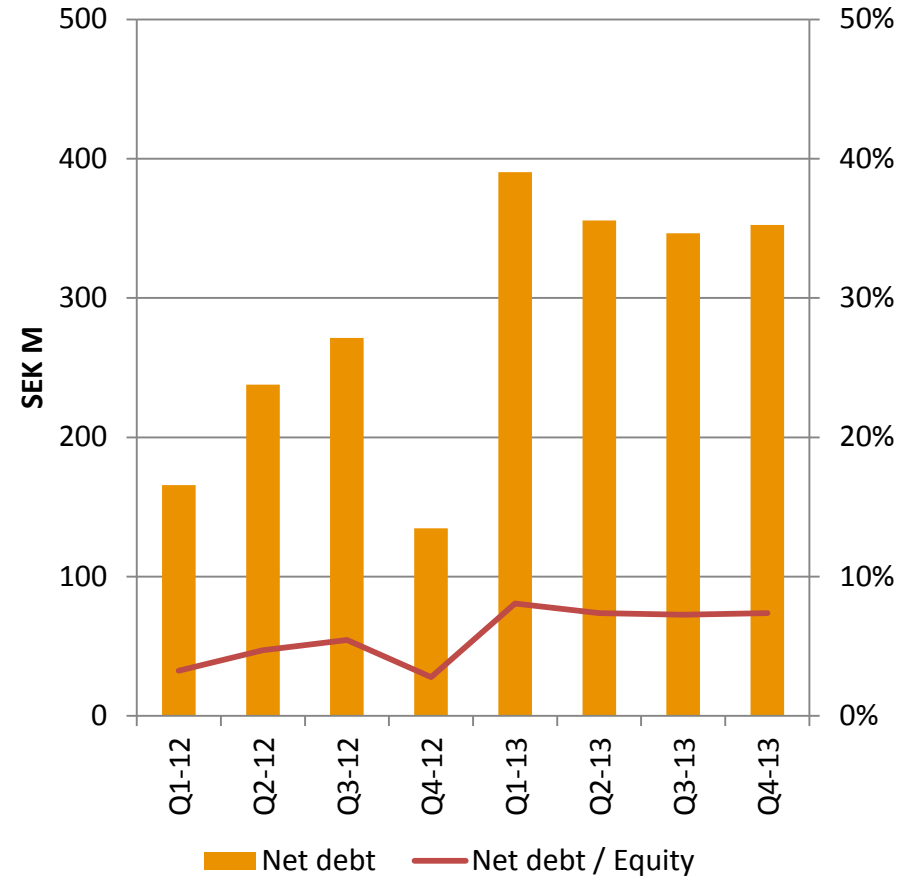
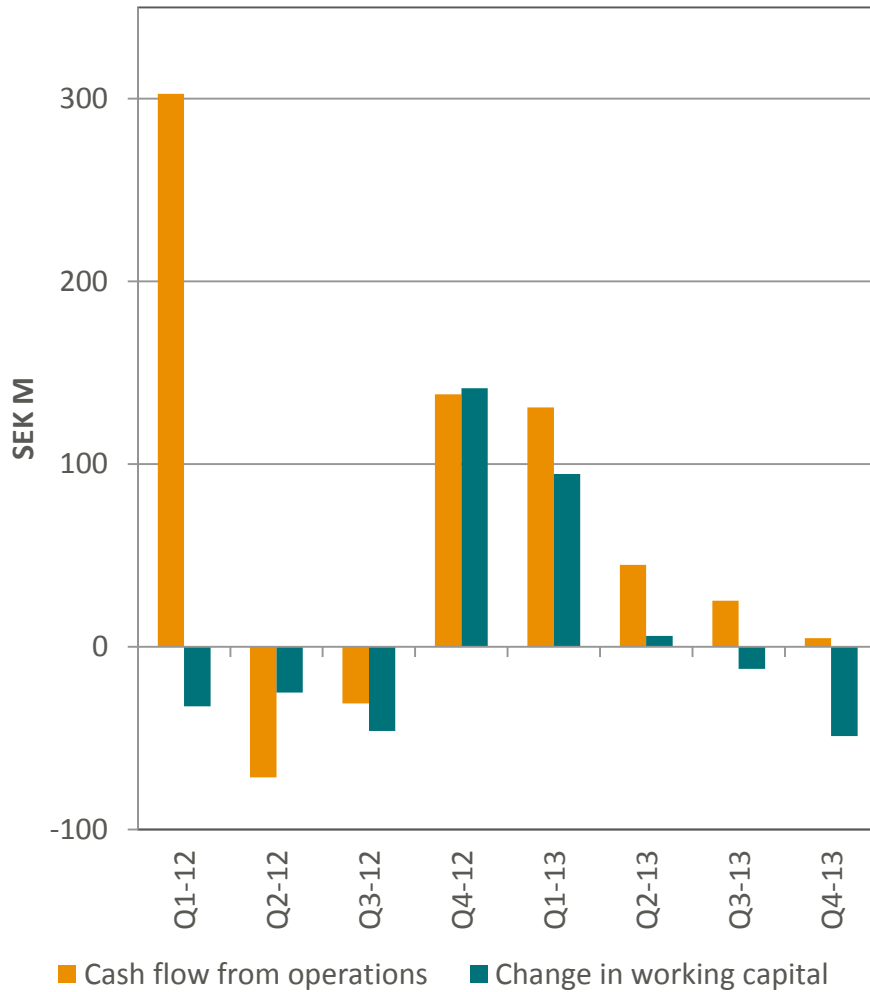
Income Statement

<i>Amounts in SEK M</i>	Q4-13	Q4-12	Full year 2013	Full year 2012
Total revenues	611	472	2,177	1,923
Gross profit	358	267	1,284	1,040
<i>Gross Margin</i>	<i>59%</i>	<i>57%</i>	<i>59%</i>	<i>54%</i>
Sales and Administration	-192	-130	-621	-540
Research and development	-102	-99	-456	-402
Other operating revenues/expenses	2	-1	3	305
Adjusted EBITA	65	38	211	404
Non-recurring items	-	-3	-	-37
EBITA	65	34	211	367
Amortizations and write-downs	-70	-227	-278	-422
EBIT	-5	-193	-67	-55
Financial income/expenses	-6	-17	-57	-51
Income tax expense	-3	67	31	4
Profit/loss for the period	-13	-143	-93	-101

Balance Sheet

	Dec	Dec
<i>Amounts in SEK M</i>	2013	2012
ASSETS		
Intangible	4 637	4 533
Tangible and financial	152	130
Total non-current assets	4 789	4 663
Inventories	726	700
Accounts receivable	415	343
Other Receivable	145	143
Cash and equivalent	445	457
Total current assets	1 730	1 643
Total Asset	6 519	6 307
EQUITY AND LIABILITIES		
Equity	4 769	4 838
Long term debt	796	588
Long term liabilities	307	372
Short term liabilities	647	509
Total liabilities	1 750	1 469
Total equity and liabilities	6 519	6 307

Cash Flow and Net Debt



Summary and Outlook

Geoffrey McDonough | CEO



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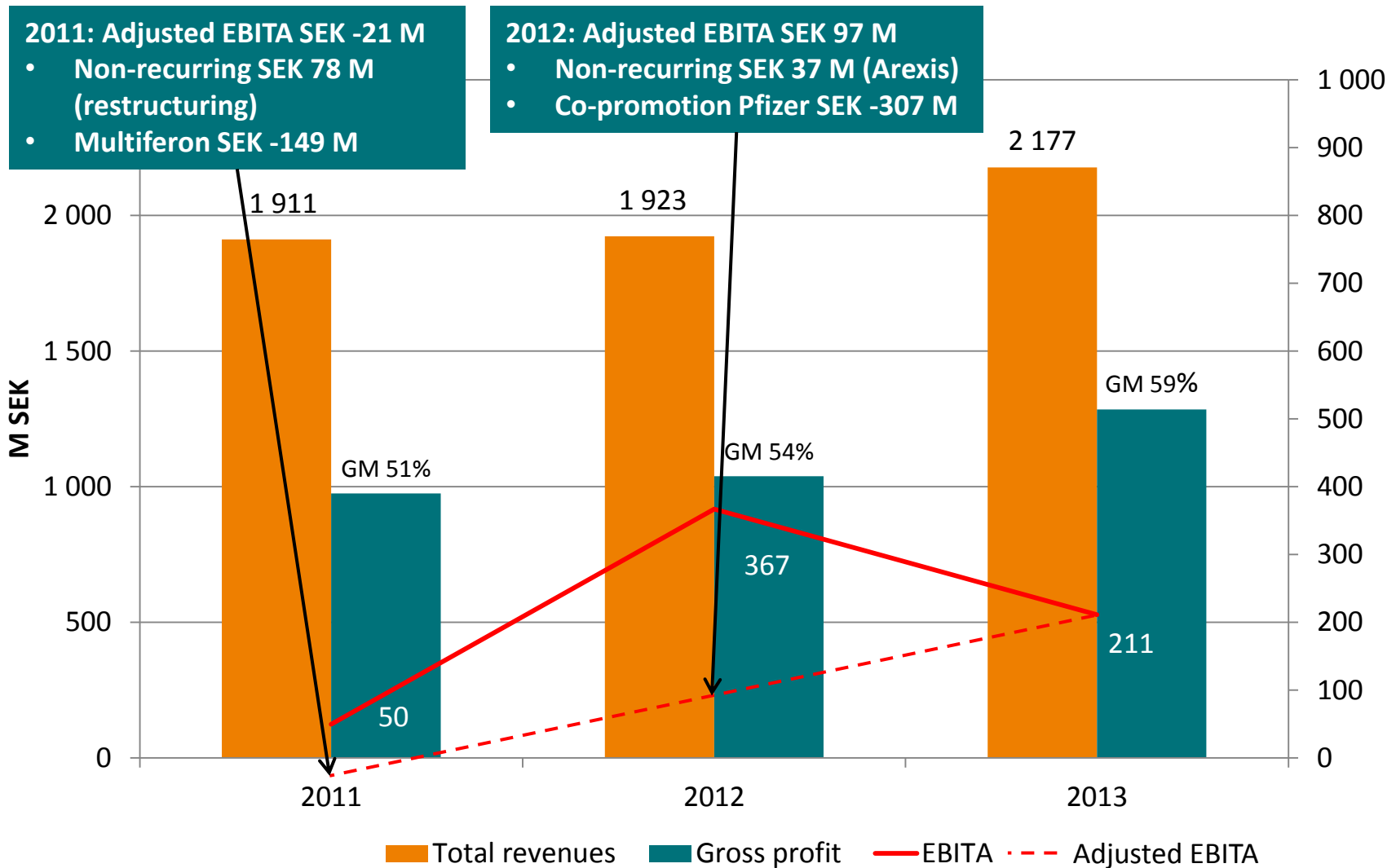
Two Years Ago

Actions to Reach Our Goals

We intend to earn our way into our future based on **operational performance.**

1. Revenue growth through focus on key products
 2. Ongoing cost discipline
 3. Gross Margin improvement
- ➔ Improving cash flow from operations and working capital

Today



Planned Key Events* 2014 -- 2016

Sobi's Key Milestones

Kineret	Orfadin	Kepivance	Factor VIII	Factor IX	Kiobrina	SOBI002
<ul style="list-style-type: none"> ✓ NOMID approval US ✓ NOMID launch US ✓ CAPS approval EU 1 European launch CAPS 	<ul style="list-style-type: none"> ✓ Filling of liquid formulation in US and EU 1 Assume direct Orfadin sales in NA 2 Decision on approval of liquid formulation in EU 3 Decision on approval of liquid formulation in US 	<ul style="list-style-type: none"> ✓ Phase I ✓ Phase II ✓ Phase III 1 Discussion with FDA on possible label expansion for Head/Neck CA 	<ul style="list-style-type: none"> ✓ Phase I ✓ Phase II ✓ Phase III 1 US launch 2 EMA filing + opt-in 3 European approval 	<ul style="list-style-type: none"> ✓ Phase I ✓ Phase II ✓ Phase III 1 US launch 2 EMA filing + opt-in 3 European approval 	<ul style="list-style-type: none"> ✓ Phase I ✓ Phase II 1 Results of European phase III trial 2 Beginning US Phase III trial 3 File for EU approval 4 European launch 	<ul style="list-style-type: none"> 1 Phase I begins 2 Phase I data

Sobi's Milestones by Timeline

Completed	2014										2015						2016
✓	1	1	1	1	1	2	1	1	2	3	2	3	3	2	4	2	3

*Timing within years is illustrative – no event sequence is implied.

Strategic Priorities

1. **Near-term** focus on growth in key therapeutic areas, with sustainable positive cash flow from operations.
2. **Medium-term** investments to ensure successful commercialization of our late-stage pipeline.
3. **Long-term** growth will come organically and through acquisitions in key therapeutic areas.

We are here



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 three phase 3 pipeline projects.

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

Summary

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

