

Q4 and FY Results 2014

Geoffrey McDonough | CEO

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Stockholm | 19 February 2015

Highlights Q4 2014

Business

- Received positive CHMP opinion for Xiapex® for the treatment of Peyronie's disease
- Exercised opt-in right for Elocta™
- Marketing Authorisation Application for Elocta filed and validated for review by EMA
- Orfadin® approved in Japan

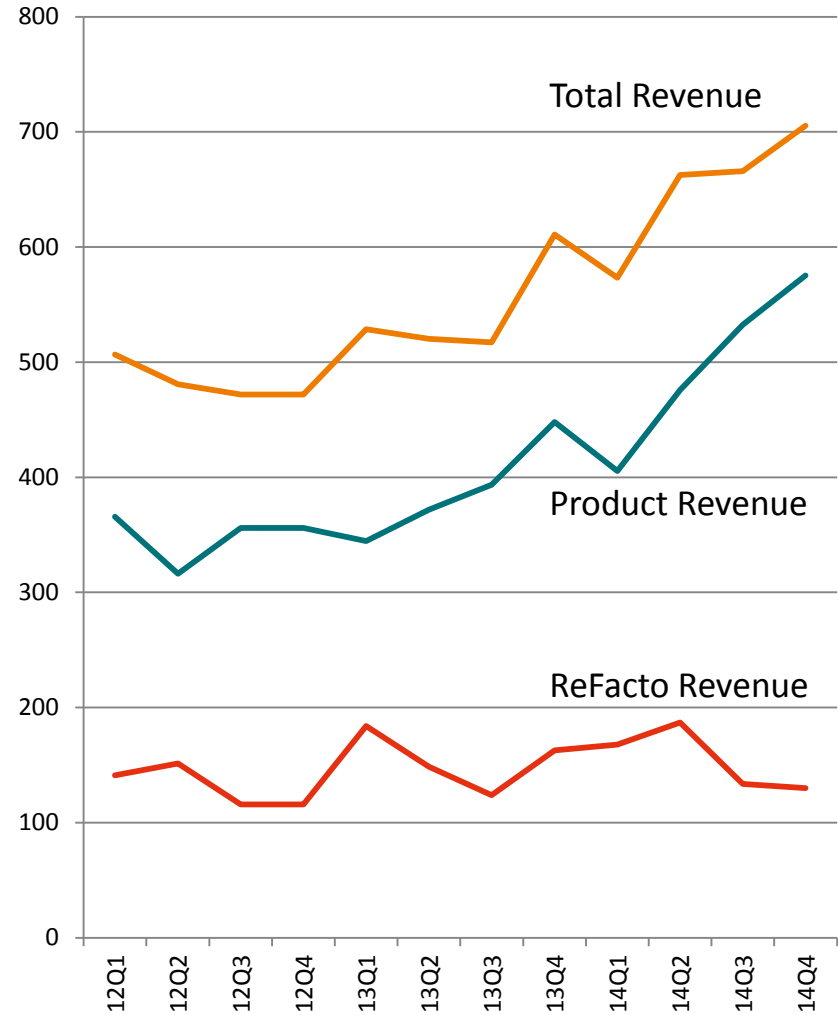
Significant events after the reporting period

- Xiapex approved by EMA for the treatment of Peyronie's disease
- Agreement with Exilixis regarding Cometriq® has been extended to 2019



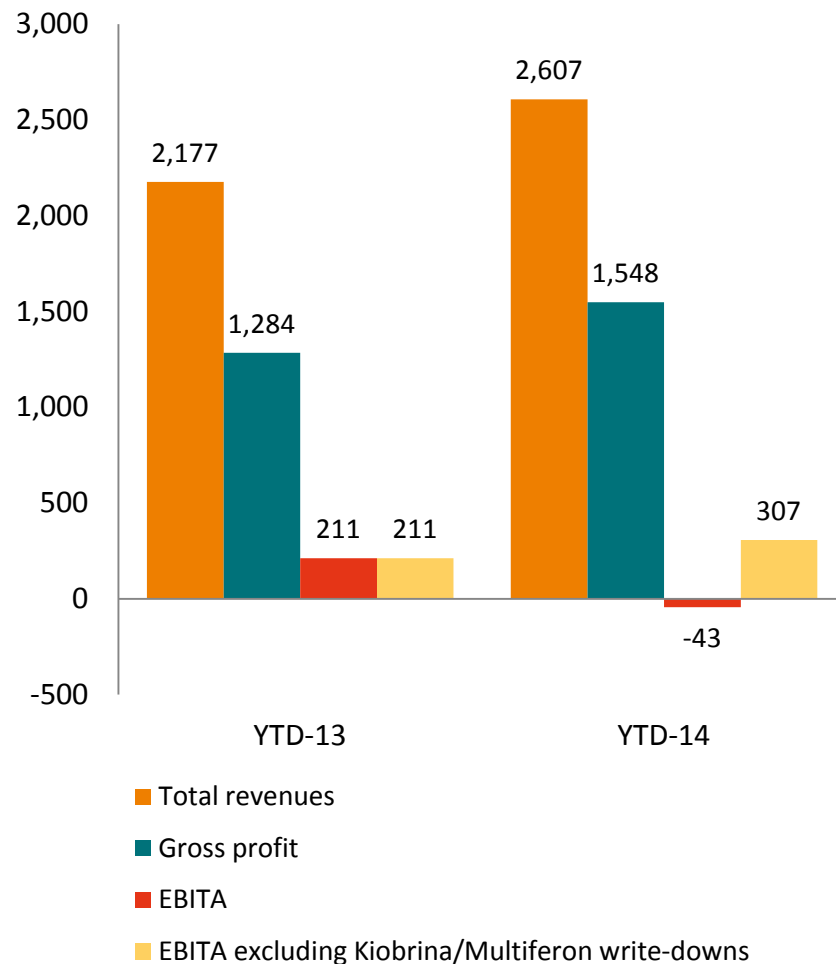
Highlights Q4 2014

- Total revenues: SEK 705 M (611)
 - An increase of 15%
 - In constant exchange rates revenues increased 9 %
- Product revenues: SEK 575 M (448)
 - An increase of 28%
- ReFacto revenues: SEK 130 (163)
 - A decrease of 20%

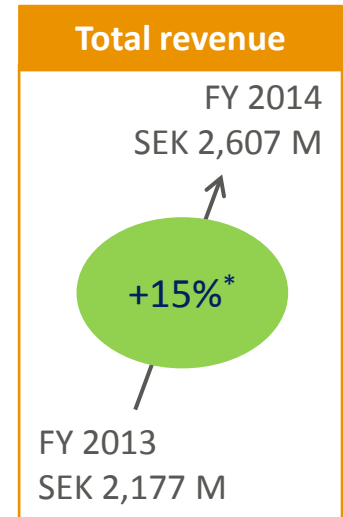
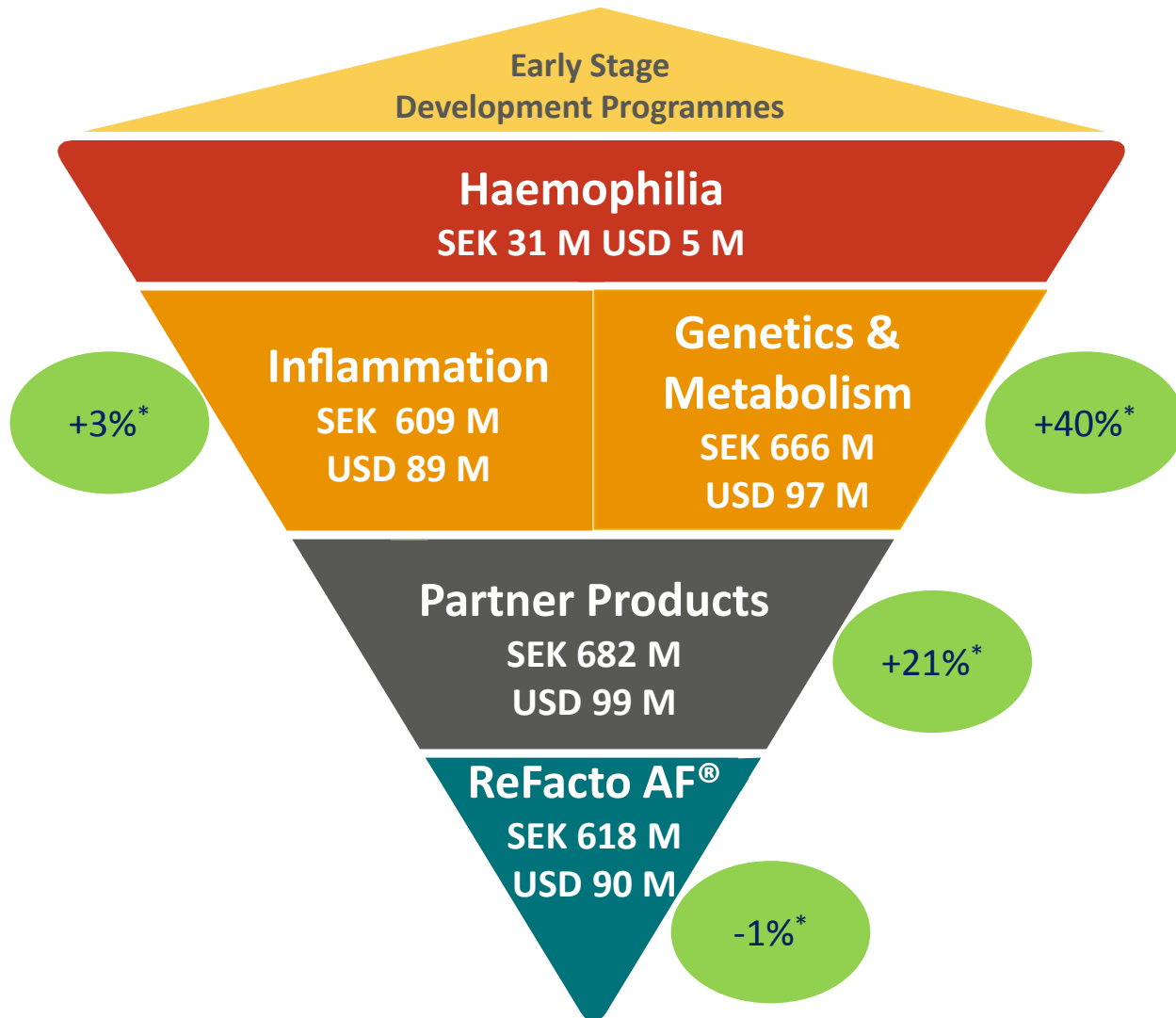


Highlights Full Year 2014

- Total revenues: SEK 2,607 M (2,177)
 - An increase of 20%
 - At constant exchange rates 15%
- Product revenues: SEK 1,989 M (1,558)
 - An increase of 28%
- Gross margin 59 (59)
- EBITA: SEK -43 M (211)
 - EBITA excluding Kiobrina/Multiferon write-off SEK 307 M (211)
- Cash flow operations: SEK 234 M (185)
- End of quarter cash: SEK 519 M



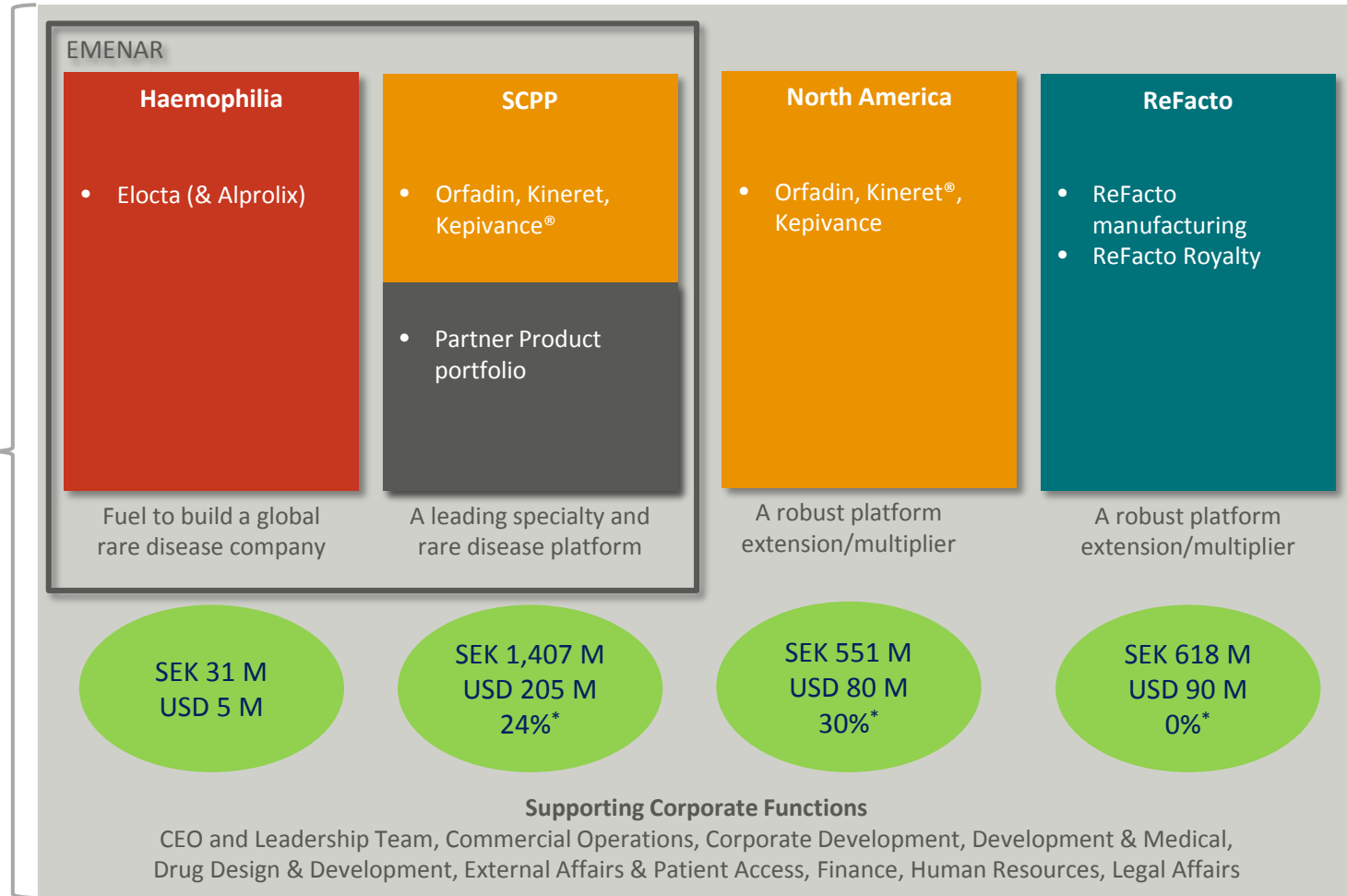
Full Year Revenue by Business Line



*Growth at Constant Exchange Rates

USD 1 = SEK 6.8577

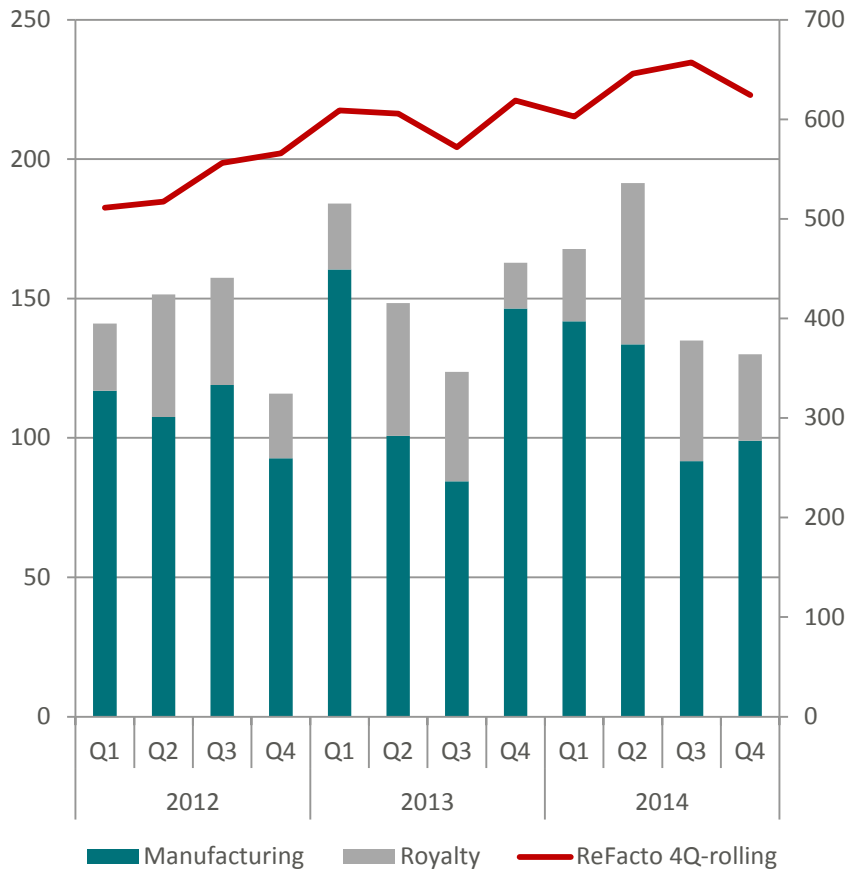
Divided into Four Regional Platforms



*Year-on-year growth

ReFacto AF

Sales (SEK M): ReFacto



- Q4 revenue for manufacturing and royalty SEK 130 M (163)
 - FY revenue SEK 618 M (619)
 - 2013 included validation batches of SEK 66 M
- Q4 manufacturing revenue SEK 99 M (146)
- Q4 royalty revenue SEK 31 M (16)

Commercial Results Q4 & FY 2014

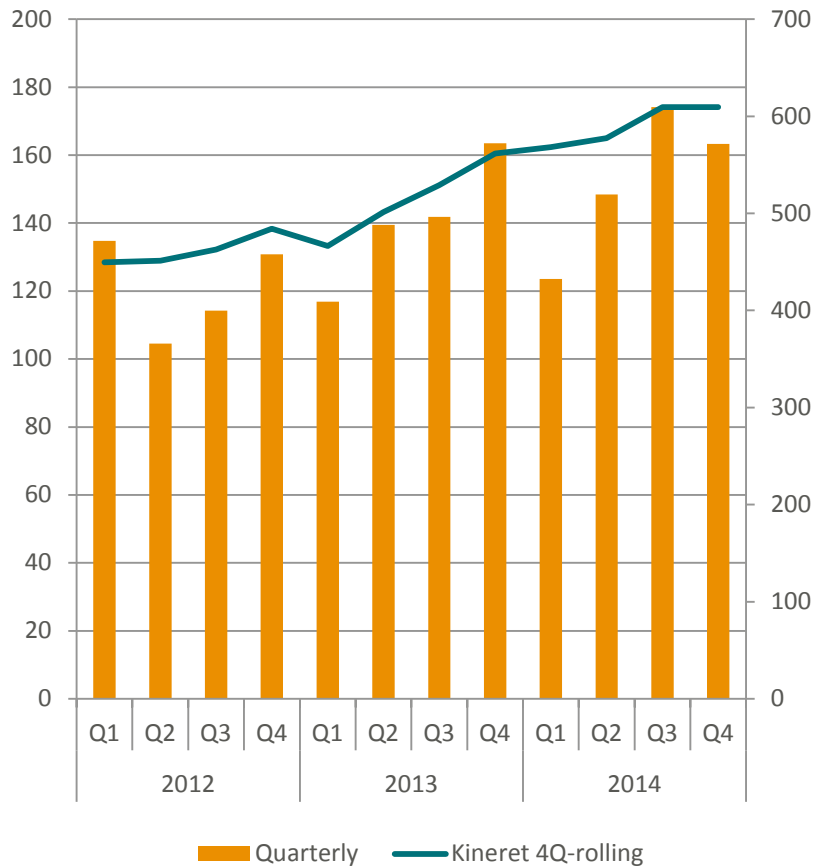
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Kineret

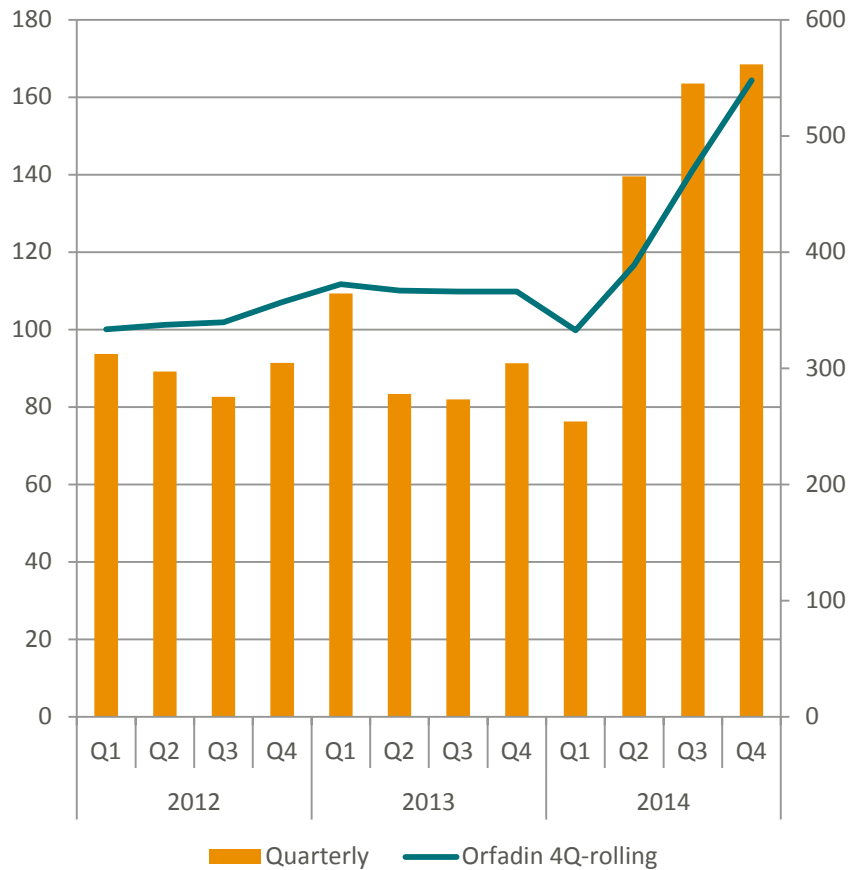
Sales (SEK M): Kineret



- Revenue SEK 163 M (164)
 - FY revenue 609 (562), an increase of 8%
- US sales in Q4 2013 were positively impacted by a change of wholesaler.
- Growth driven primarily by price in the US and volume in Europe

Orfadin

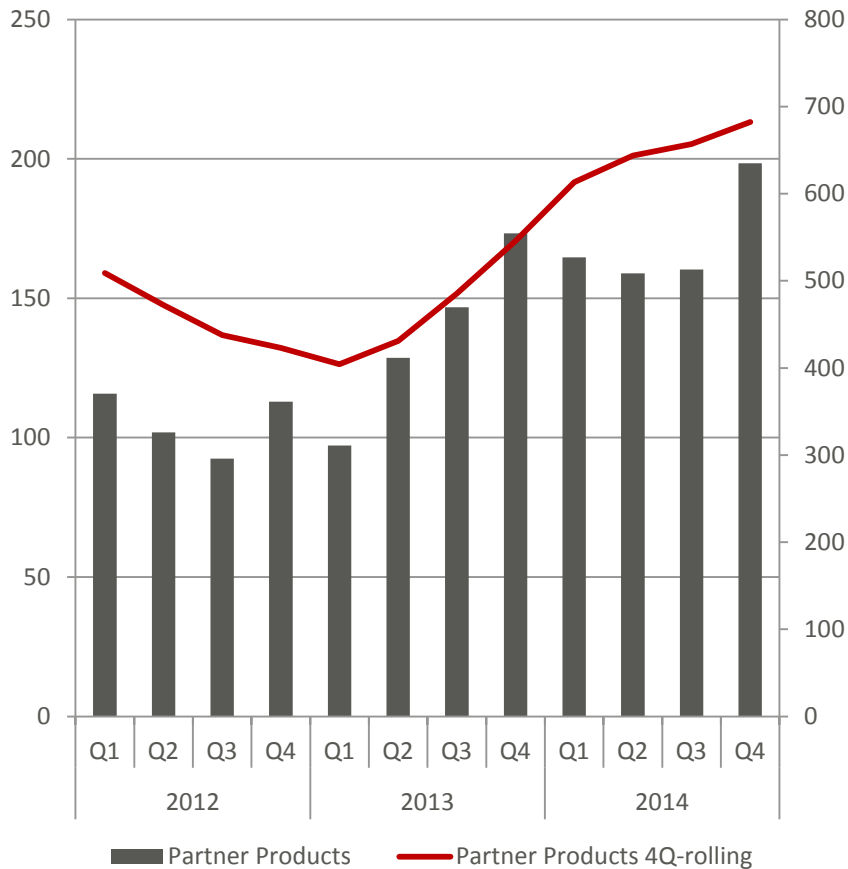
Sales (SEK M): Orfadin



- Revenue SEK 169 M (91)
 - FY revenue SEK 548 M (366), an increase of 50%
 - Includes SEK 4.8 M milestone payment from Astellas
- Continued impact of direct sales model in North America
- Volume growth particularly in Middle East, North Africa and Russia

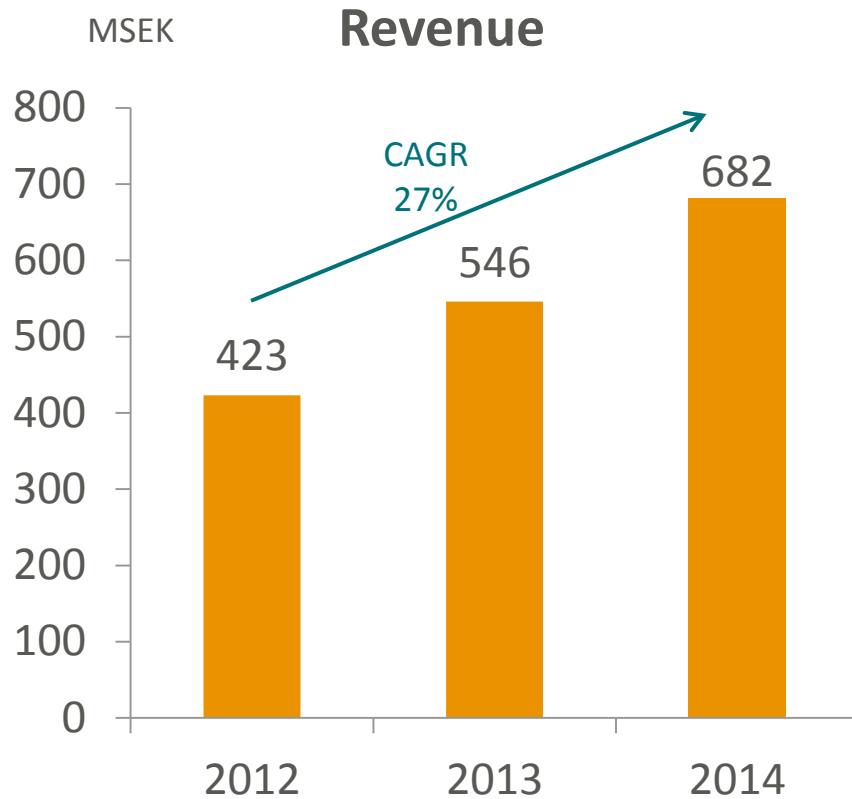
Partner Products

Sales (SEK M): Partner Products



- Revenue SEK 198 M (173)
 - FY revenue SEK 682 M (546), an increase of 25%
- Increase was driven by new partnerships and by growth of the base portfolio
- 7 product launches in 21 countries
- Xiapex approval in February 2015 for use in Peyronie's Disease enables launch later this year

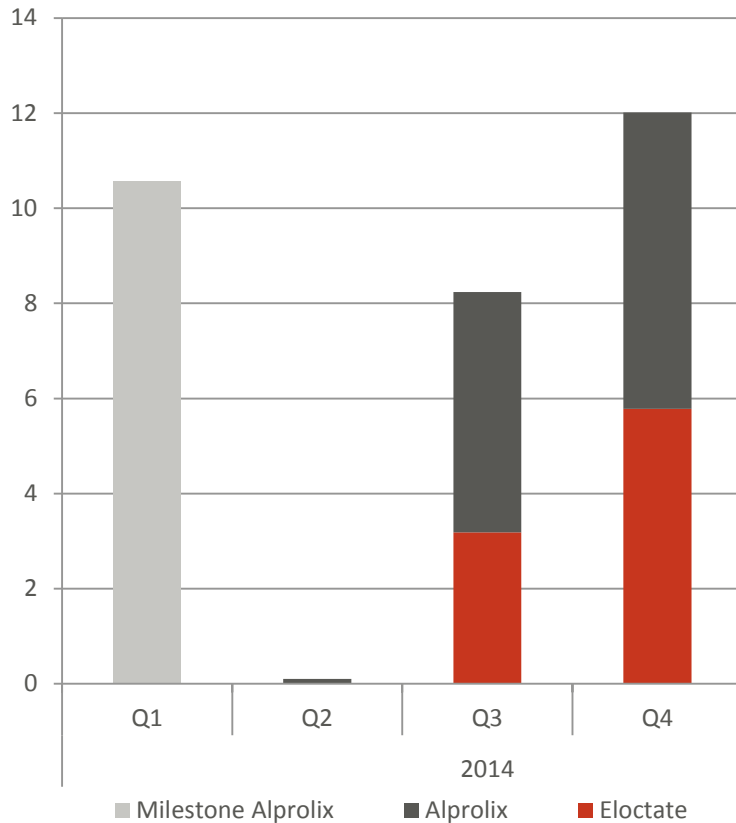
Partner Products Annual Growth Trend



- Significant turnaround over past three years
- Driven by a combination of portfolio growth and new deals

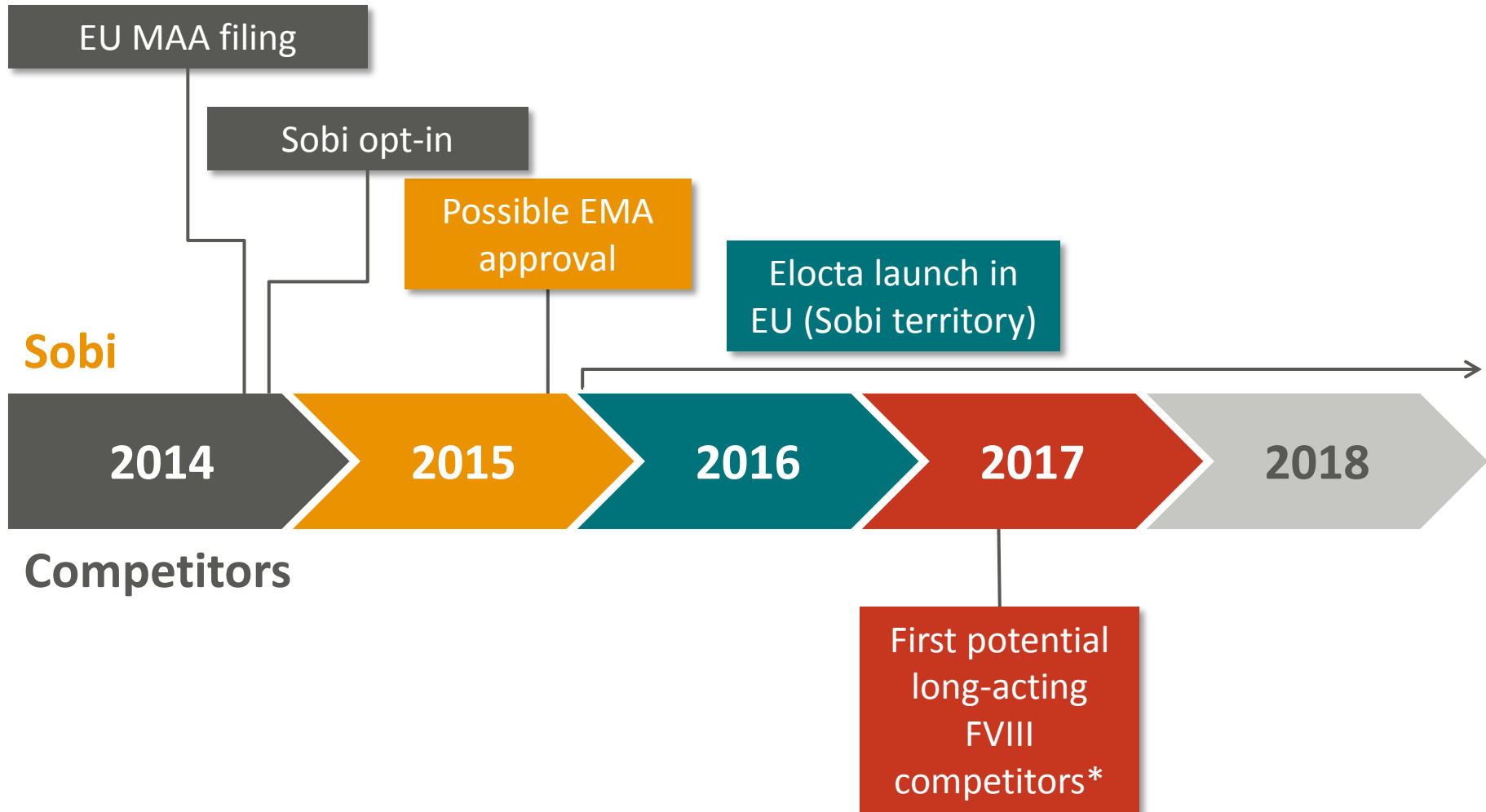
Haemophilia

Sales (SEK M): Haemophilia



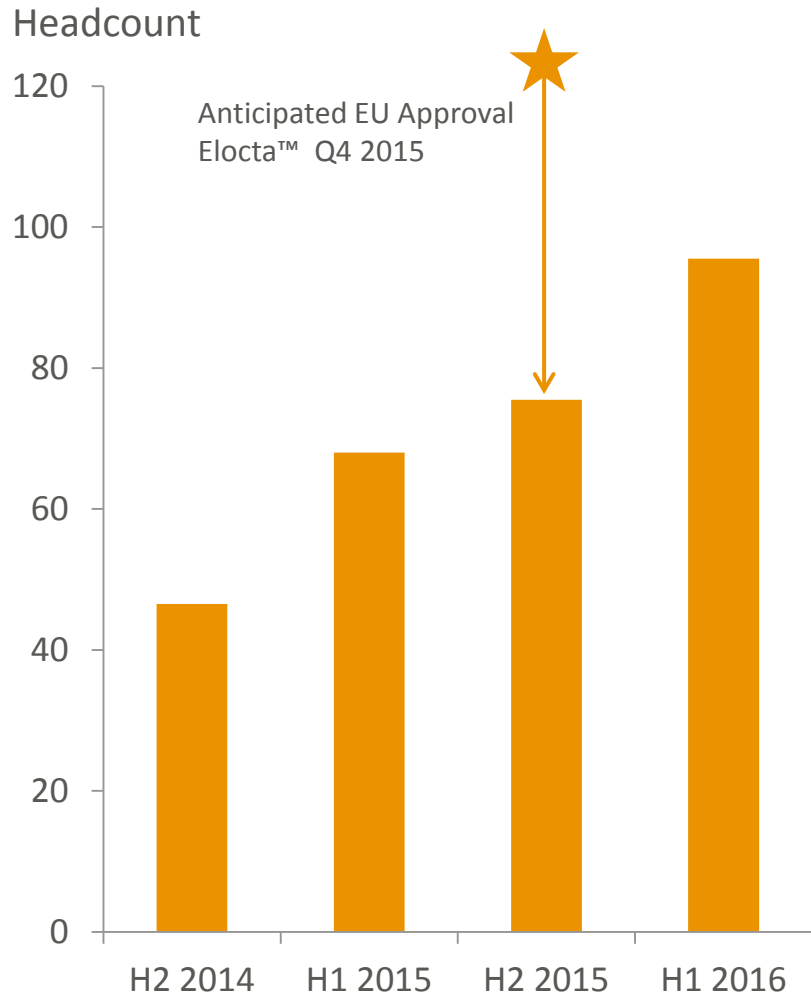
- Q4 2014 revenue of SEK 12 M (0)
- FY was SEK 31 M (0)
- SEK 11 M relates to a milestone revenue for the BLA approval of Alprolix® in Q1 2014

Expected Long Acting FVIII EU timeline



* Based on publically announced data

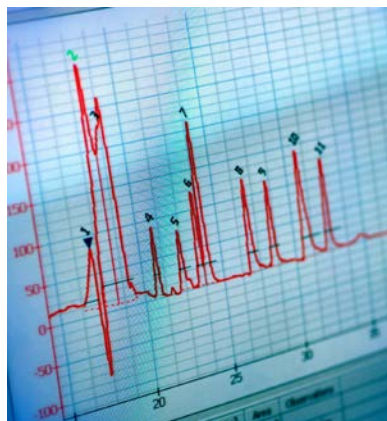
Sobi Launch Team on Track



- Preparation has been ongoing for two years
- On track to reach launch readiness in 2015 with fully dedicated organisation
- Sequential build of Market Access, Medical Affairs, and Commercial teams

Financial Results Q4 & FY 2014

Mats-Olof Wallin | CFO



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Profit and Loss Statement

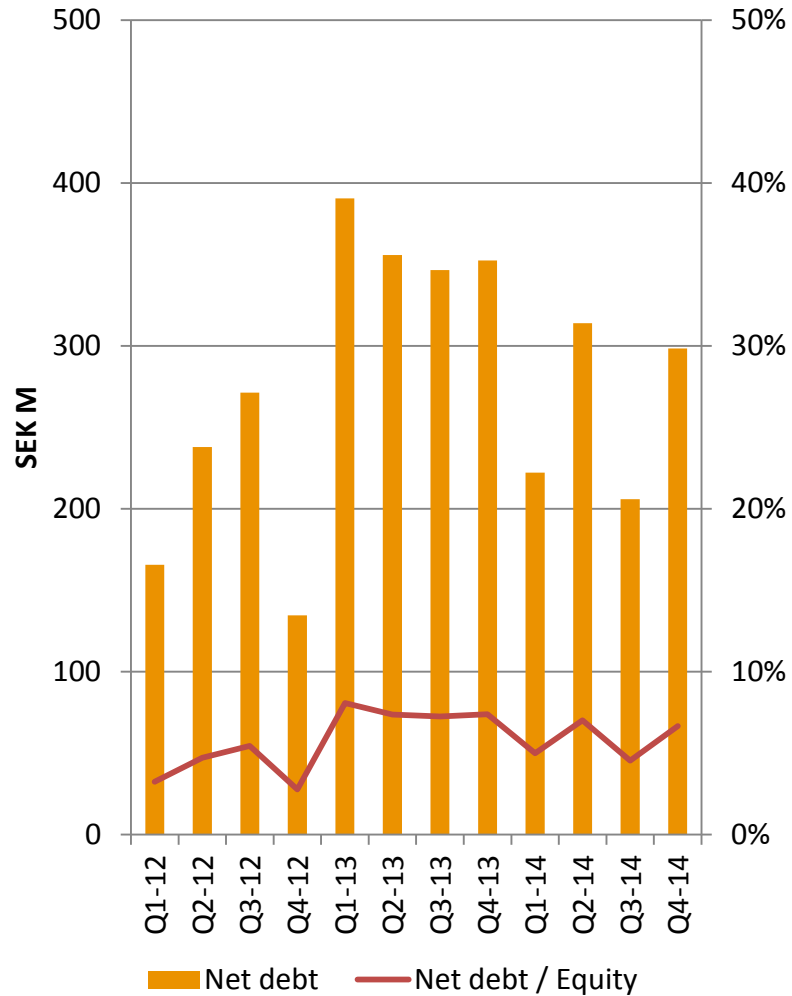
<i>Amounts in SEK M</i>	Q4-14	Q4-13	FY 2014	FY 2013
Total revenues	705	611	2,607	2,177
Gross profit	427	358	1,548	1,284
<i>Gross Margin</i>	<i>60%</i>	<i>59%</i>	<i>59%</i>	<i>59%</i>
Sales and Administration	-214	-192	-750	-621
Research and development	-149	-102	-501	-456
Other operating revenues/expenses	-25	2	-341	3
EBITA	38	65	-43	211
Amortisations and write-downs	-71	-70	-282	-278
EBIT	-33	-5	-325	-67
Financial income/expenses	10	-6	6	-57
Income tax expense	5	-3	51	31
Profit/loss for the period	-17	-13	-268	-93

- One-time write-down in Q1 for Kiobrina®, SEK 325 M, with limited cash impact
- One-time write-down in Q4 for Multiferon®, SEK 25 M, with limited cash impact

Balance Sheet

<i>Amounts in SEK M</i>	Dec 2014	Dec 2013
ASSETS		
Intangible	4,248	4,637
Tangible and financial	188	152
Total non-current assets	4,436	4,789
Inventories	764	726
Accounts receivable	480	415
Other Receivable	172	145
Cash and equivalent	519	445
Total current assets	1,935	1,730
Total Asset	6,371	6,519
EQUITY AND LIABILITIES		
Equity	4,523	4,769
Long term debt	816	796
Long term liabilities	285	307
Short term liabilities	747	647
Total liabilities	1,848	1,750
Total equity and liabilities	6,371	6,519

Net Debt



- End of quarter cash: SEK 519 M
- Net debt SEK 298 M
- Significant payments to partner in Q4
 - XTEN payment Q4, USD 7 M
 - Elocta opt-in Q4, USD 10 M

Royalty Mechanism Revenues

Eloctate/Elocta Programme

Base cross royalty rates between Sobi and Biogen Idec are set to 12%

- Sobi earns 12% royalty on Biogen Idec sales
- Biogen Idec earns 12% royalty on Sobi sales

Presently

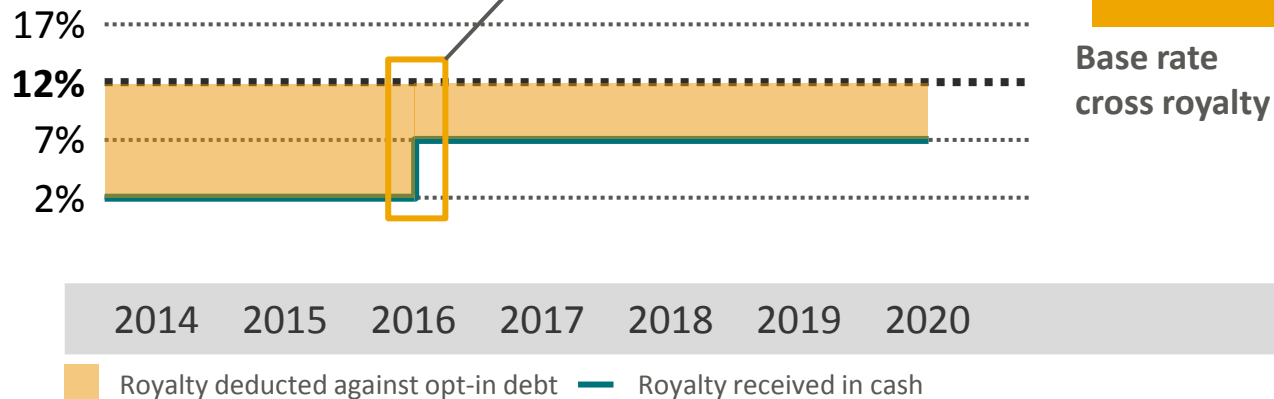
- Starting from Biogen Idec's first commercial sale, Sobi earns 2% royalty on Biogen Idec sales

Starting from Sobi first commercial sales

- Sobi earns 12% royalty on Biogen Idec sales post-Sobi launch. 7% received as cash and 5% deducted against Opt-in debt.
- Sobi receives a one-time credit corresponding to 10% royalty on Biogen Idec sales pre-Sobi launch (12%-2%). Deducted against opt-in debt (non-cash item)

PnL impact at Sobi first commercial sales:

- One-time credit and royalty booked as revenue
- 7% of royalty revenue will impact cash-flow
- 5% of royalty revenue and one-time credit will be deducted against opt-in debt



Summary and Outlook

Geoffrey McDonough | CEO



Stockholm | 19 February 2015

Outlook 2014

The company exceeded its revenue outlook for 2014, which estimated the total revenues for the full year to be in the range of SEK 2,300 to 2,500 M.

The gross margin met the range of 58-60 per cent at 59 per cent.

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

Outlook 2015

Revenues

Sobi expects total revenues for the full year to be in the range of SEK 2,800 to 3,000 M

Gross Margin

Gross margin is expected be in the range of 58-60 percent.

Operating Costs

Operating costs are projected to increase as the company continues to prepare for the planned launch of Elocta

EBITA

EBITA is expected to be in line with the adjusted 2014 level

The outlook for 2015 is based on current exchange rates, and excludes revenue from the European launch of Elocta.

The outlook was first published in the 2014 Q4 and FY report on 19 February 2015.

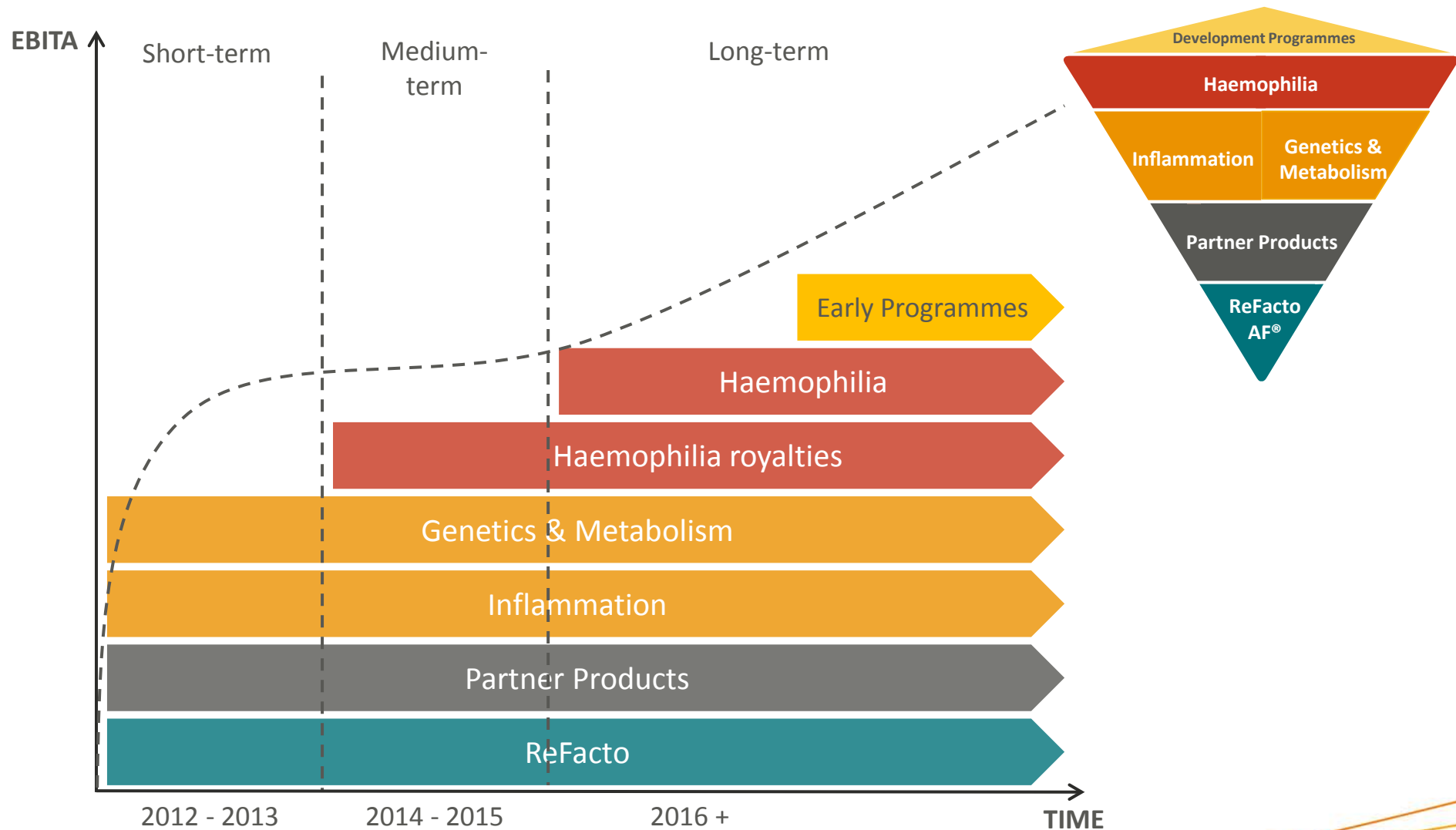
Building Our Future

Continued focus on our business and capabilities within rare diseases

1. Diverse, growing, and profitable base business in Europe and North America focused on rare diseases
2. Launching first-to-market long-acting haemophilia factors in Sobi territories – providing forward cash flow to continue to build company
3. Growing the business organically with new partner products, and with a 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.

