

Q3 Results 2014

Geoffrey McDonough | CEO

Alan Raffensperger | COO

Mats-Olof Wallin | CFO



Stockholm | 30 October 2014

Highlights Q3 2014

Business

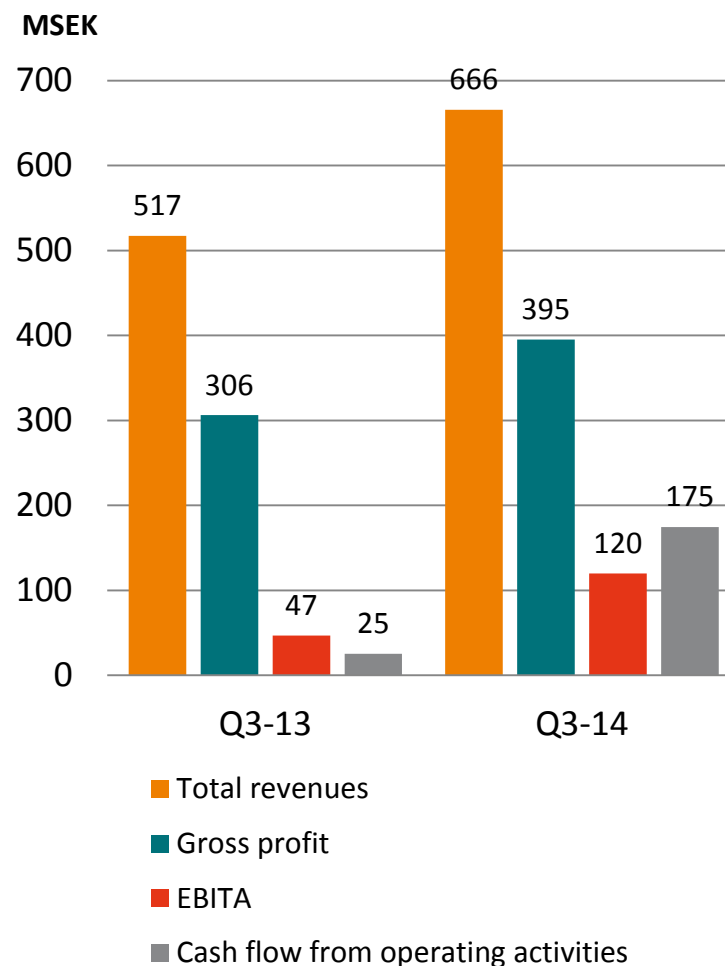
- Expanded the Haemophilia development portfolio by electing to include potentially longer-acting Haemophilia A candidate (rFVIIIIFc-XTEN) in collaboration agreement with Biogen Idec.
- Opened North American headquarters in Waltham, Massachusetts



Highlights Q3 2014

Financial Q3 2014 (Q3 2013)

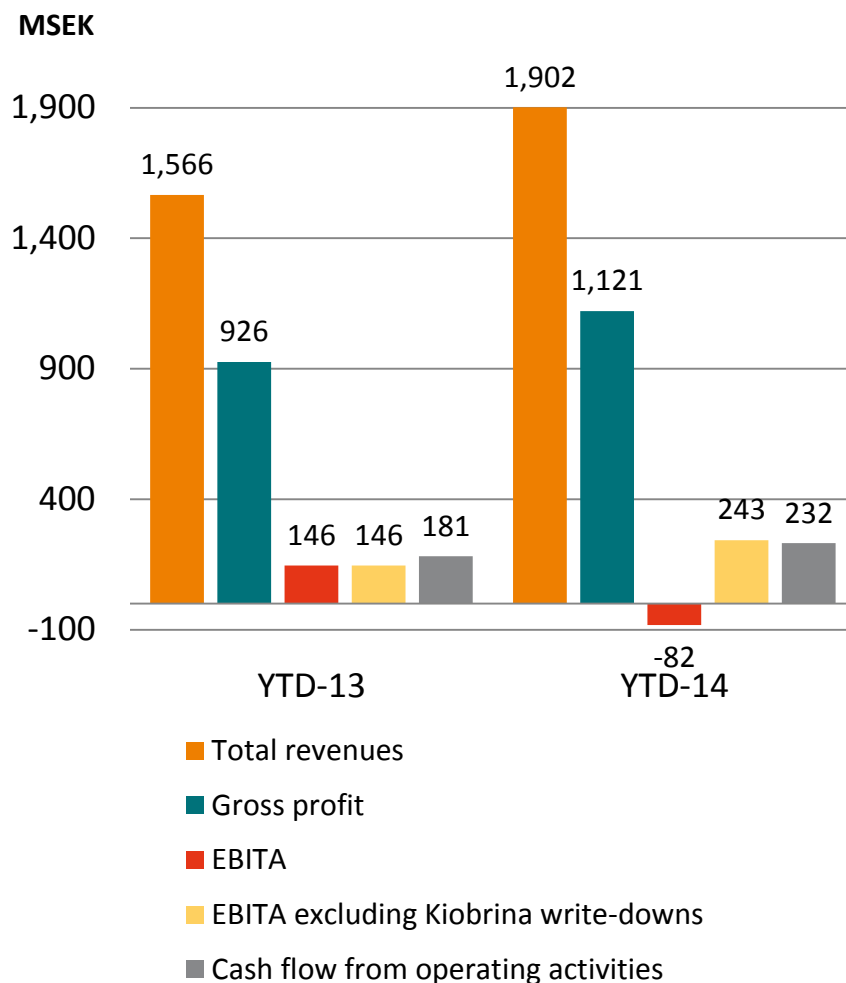
- Total revenues: SEK 666 M (517)
 - An increase of 29%
 - An increase of 23% at constant exchange rates
- Product revenues: SEK 532 M (394)
 - An increase of 35%
- Gross Margin: 59% (59)
- EBITA: SEK 120 M (47)
- Cash flow from operating activities: SEK 175 M (25)
- End of quarter cash position: SEK 611 M



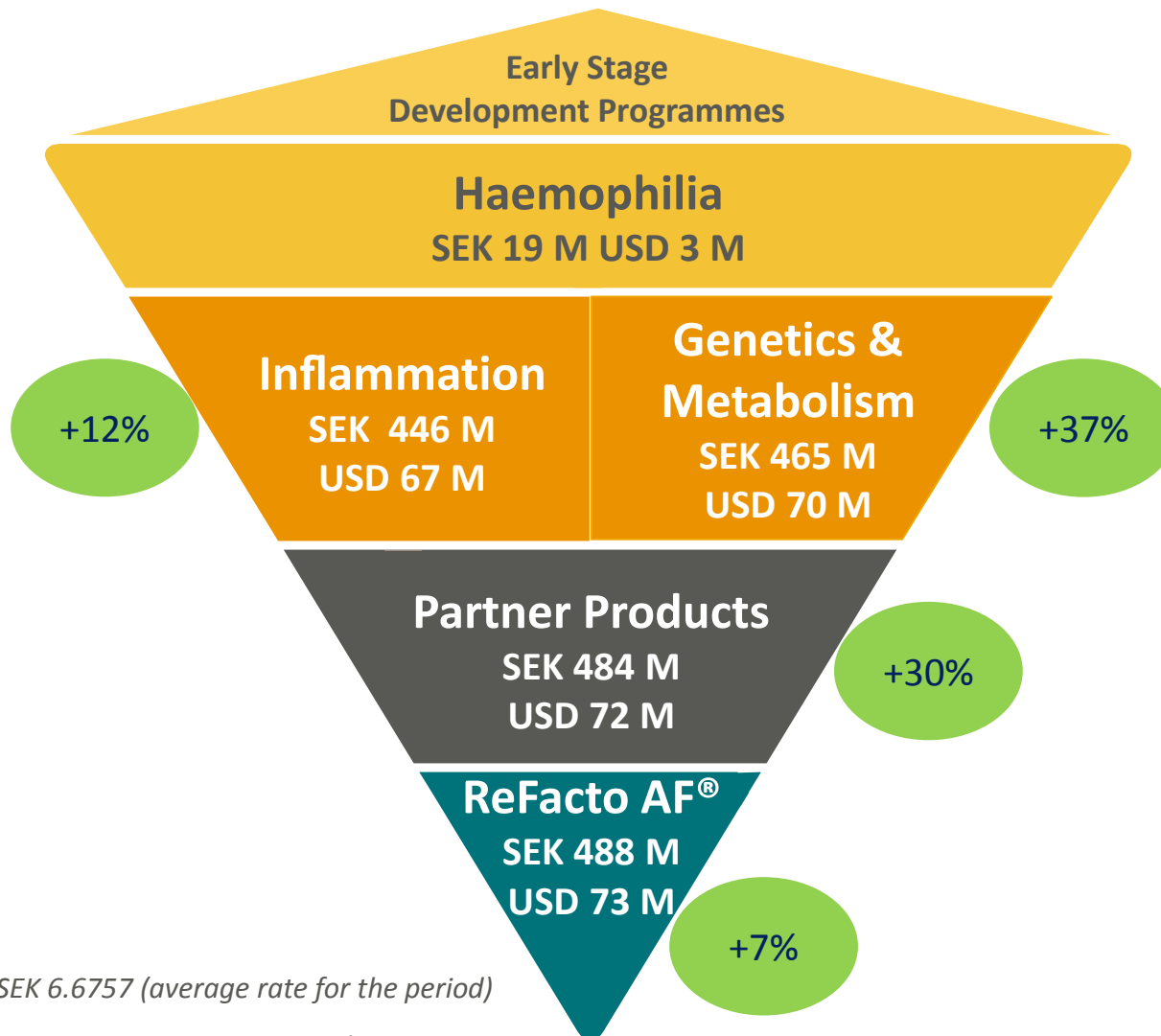
Highlights YTD 2014

Financial YTD 2014 (YTD 2013)

- Total revenues: SEK 1,902 M (1,566)
 - An increase of 21%
 - An increase of 18% at constant exchange rates
- Product revenues: SEK 1,414 M (1,110)
 - An increase of 27%
- Gross Margin: 59% (59)
- EBITA: SEK -82 M (146)
- EBITA excluding Kiobrina write-off SEK 243 M (146)
- Cash flow from operating activities: SEK 232 M (181)



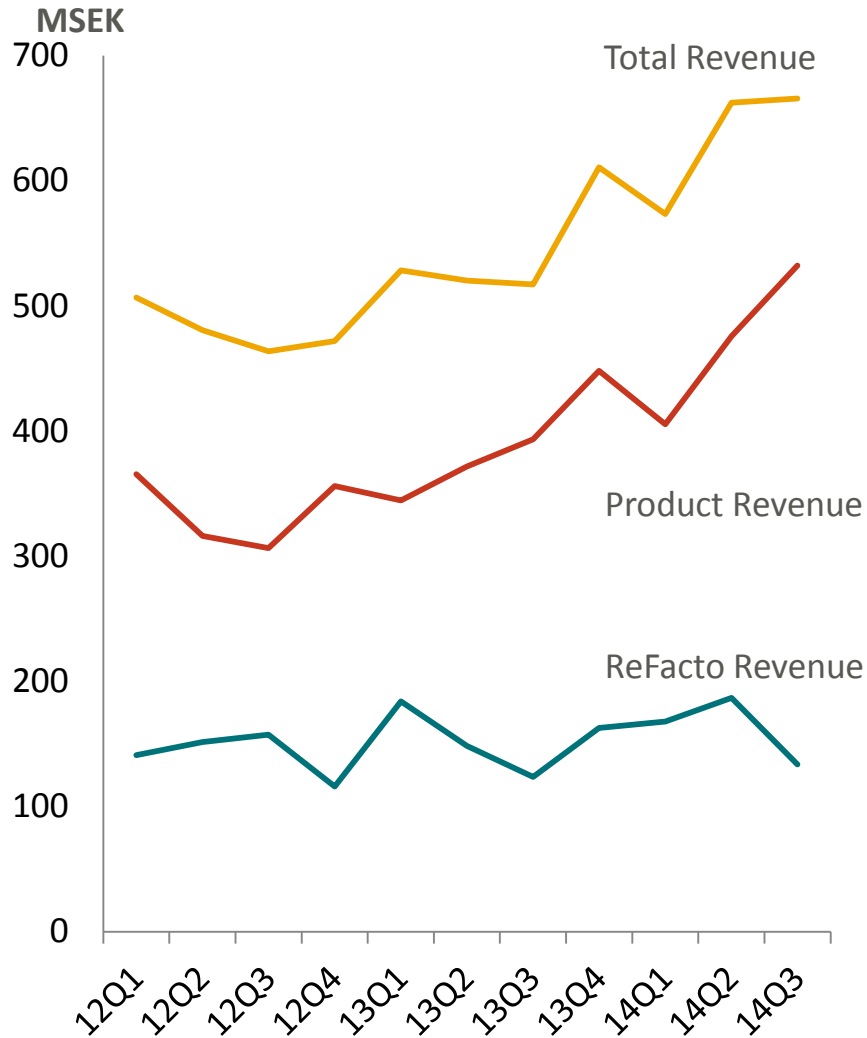
YTD Revenue by Business Line



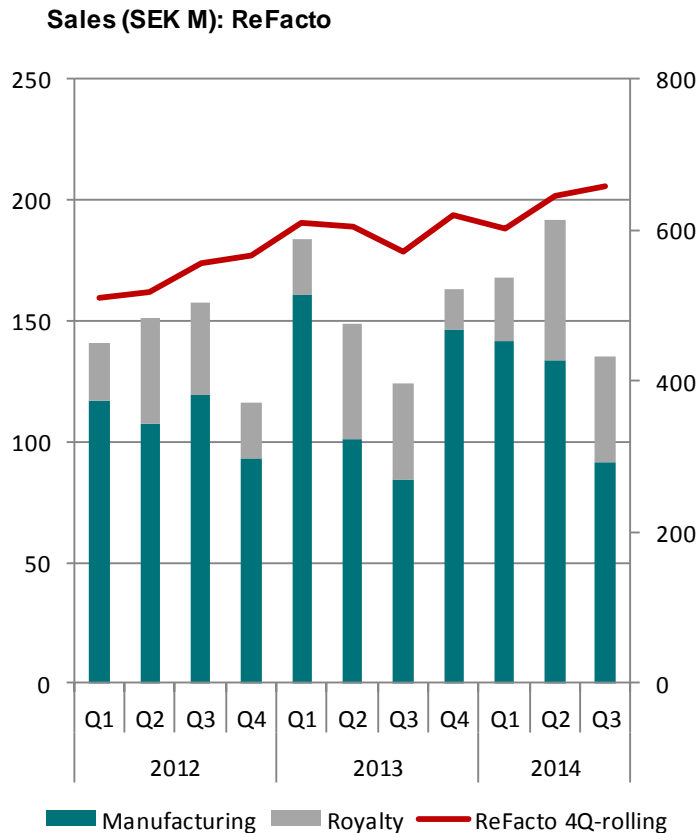
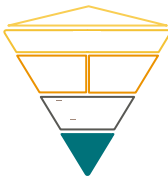
USD 1 = SEK 6.6757 (average rate for the period)

Percentage increases at constant exchange rates

Revenue Trajectory: Driven by Product Sales



- Total revenue driven by double digit growth in product sales
- ReFacto continues to meet our expectations for single digit growth



- Revenue for manufacturing and royalty SEK 134 M (124)
 - Increase of 8%
 - YTD was SEK 488 M (456)
- Manufacturing revenue SEK 92 M (84)
- Royalty revenue SEK 42 M (39)

Results Q3 2014

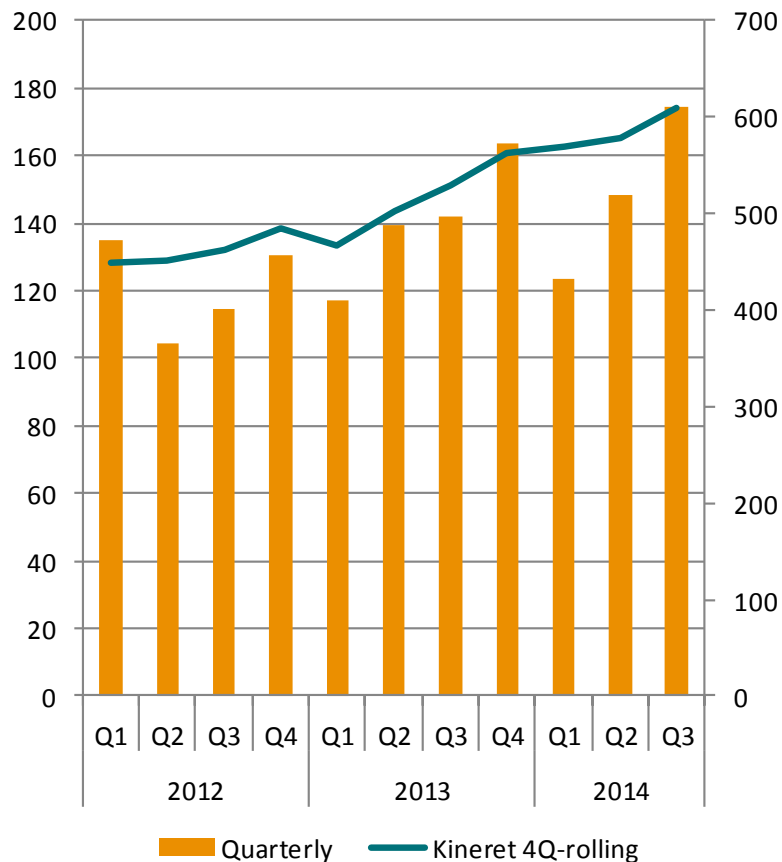
Alan Raffensperger | COO



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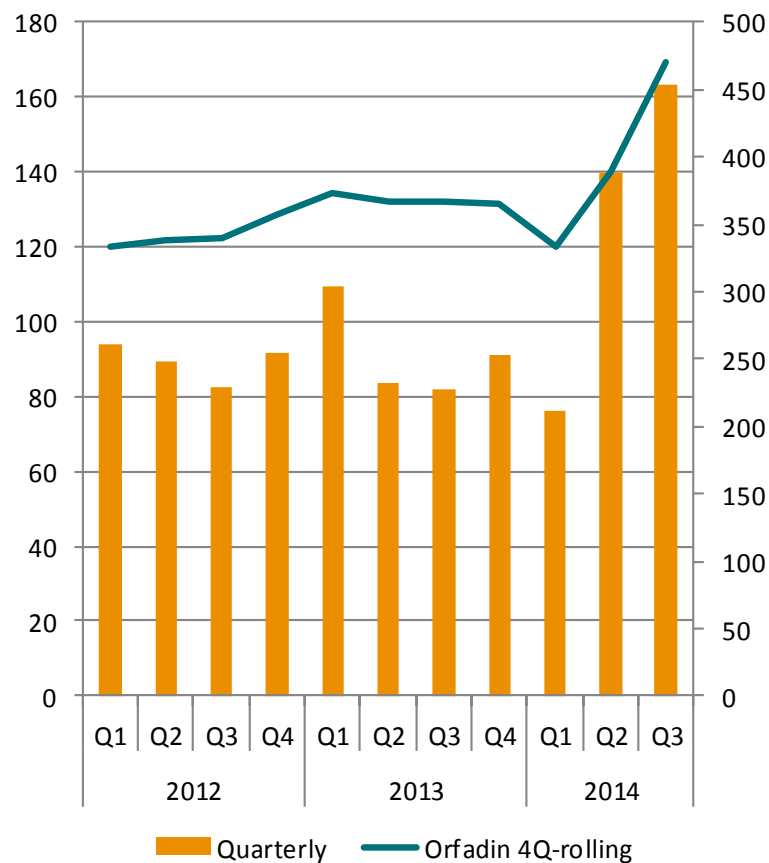
Sales (SEK M): Kineret



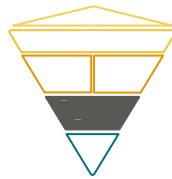
- Revenue SEK 174.1 M (141.8)
 - increase of 23%
 - YTD was SEK 446.0 M (398.2)
- US volumes have recovered after lower volumes in the first quarter
- Volumes continue to grow in Europe



Sales (SEK M): Orfadin

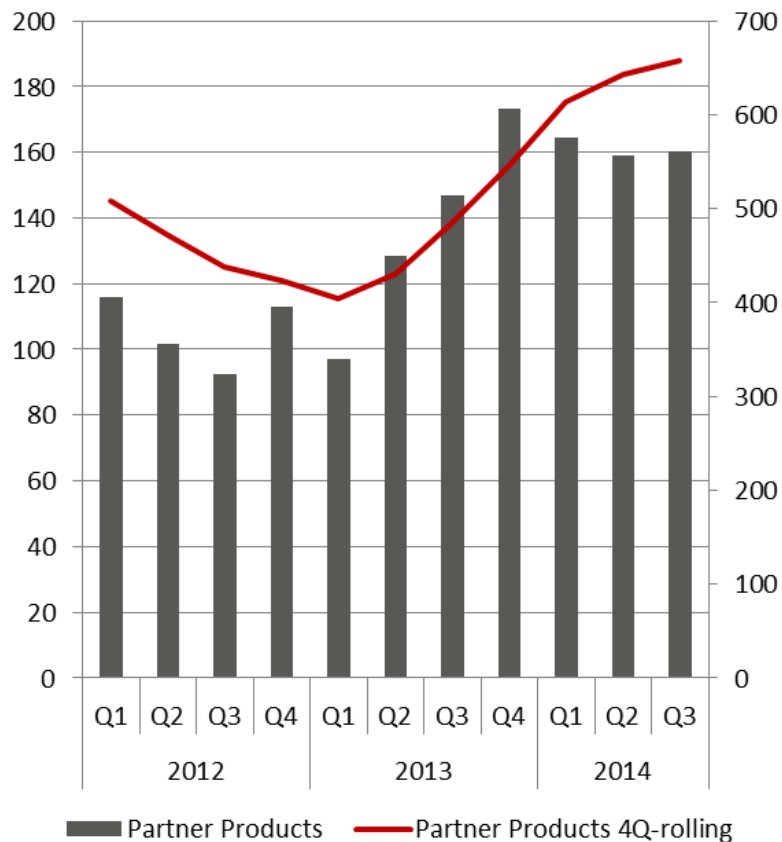


- Revenue SEK 163.5 M (81.9)
 - YTD was SEK 379.3 M (274.7)
- First full quarter impact from direct sales in North America
- Volume growth in the Middle East, North Africa and Russia



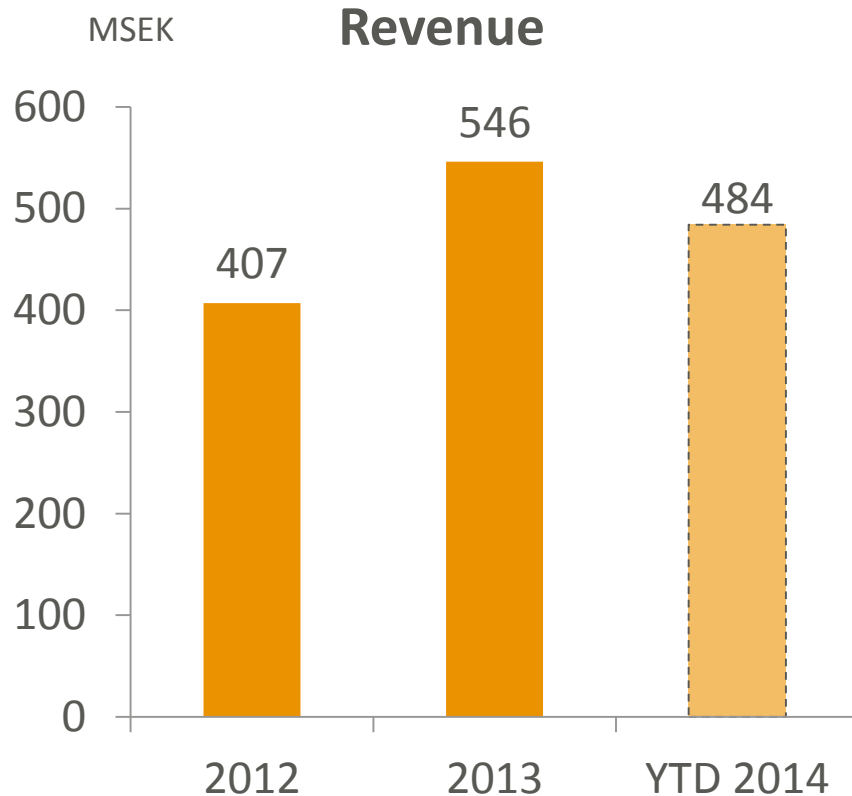
Partner Products

Sales (SEK M): Partner Products



- Revenue SEK 160 M (147)
 - increase of 9%
 - YTD was SEK 484 M (373)
- Good growth across the base portfolio
- First sales of ChondroCelect recorded in the quarter

Partner Products Annual Growth Trend

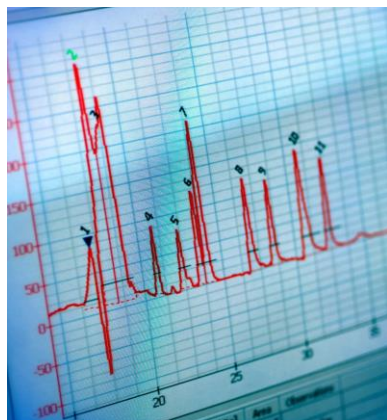


Excluding co-promotion revenues

- Significant turnaround over past three years
- Driven by a combination of portfolio growth and new deals
- We will continue to expect 2 – 3 transactions per year on this platform

Financials Q3 2014

Mats-Olof Wallin | CFO



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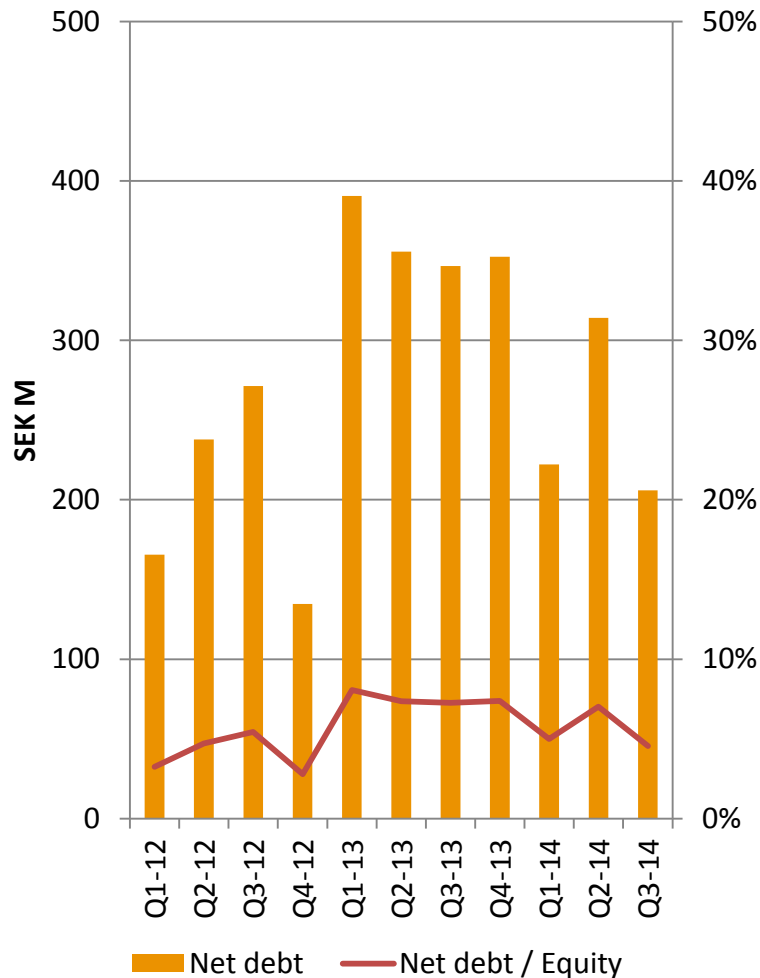
Profit and Loss Statement

<i>Amounts in SEK M</i>	Q3-14	Q3-13	Jan-Sep 2014	Jan-Sep 2013
Total revenues	666	517	1,902	1,566
Cogs	-271	-211	-781	-640
Gross profit	395	306	1,121	926
<i>Gross Margin</i>	<i>59%</i>	<i>59%</i>	<i>59%</i>	<i>59%</i>
Sales and Administration	-187	-150	-536	-429
Research and development	-91	-113	-351	-353
Other operating revenues/expenses	3	3	-315	2
EBITA	120	47	-82	146
Amortizations and write-downs	-70	-73	-211	-208
EBIT	50	-26	-292	-62
Financial income/expenses	7	-26	-4	-51
Income tax expense	-4	-4	46	33
Profit/loss for the period	53	-56	-250	-80

Balance Sheet

<i>Amounts in SEK M</i>	Sept 2014	Sept 2013	Dec 2013
ASSETS			
Intangible	4,231	4,701	4,637
Tangible and financial	183	148	152
Total non-current assets	4,414	4,849	4,789
Inventories	726	693	726
Accounts receivable	451	370	415
Other Receivable	169	144	145
Cash and equivalent	611	449	445
Total current assets	1,957	1,657	1,730
Total Asset	6,371	6,506	6,519
EQUITY AND LIABILITIES			
Equity	4,533	4,775	4,769
Long term debt	815	794	796
Long term liabilities	292	317	307
Short term liabilities	730	620	647
Total liabilities	1,838	1,731	1,750
Total equity and liabilities	6,371	6,506	6,519

Net Debt



- End of quarter cash position: SEK 611 M
- Net debt SEK 206 M
- Expected one-time cost in Q4 for Multiferon®
 - SEK 25 to 30 M, with limited cash impact
- Expected larger payments in Q4
 - XTEN payment Q4, USD 7M
 - Potential Elocta opt-in Q4, USD 10 M

Summary and Outlook

Geoffrey McDonough | CEO



Stockholm | 30 October 2014

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.

Significant events after the reporting period

- Biogen Idec filed a marketing authorisation application for Elocta™ in Europe
- Decided to discontinue the production of Multiferon
- Placed the phase 1 study of SOBI002 on clinical hold
- Decided not to pursue an additional indication for Kepivance®



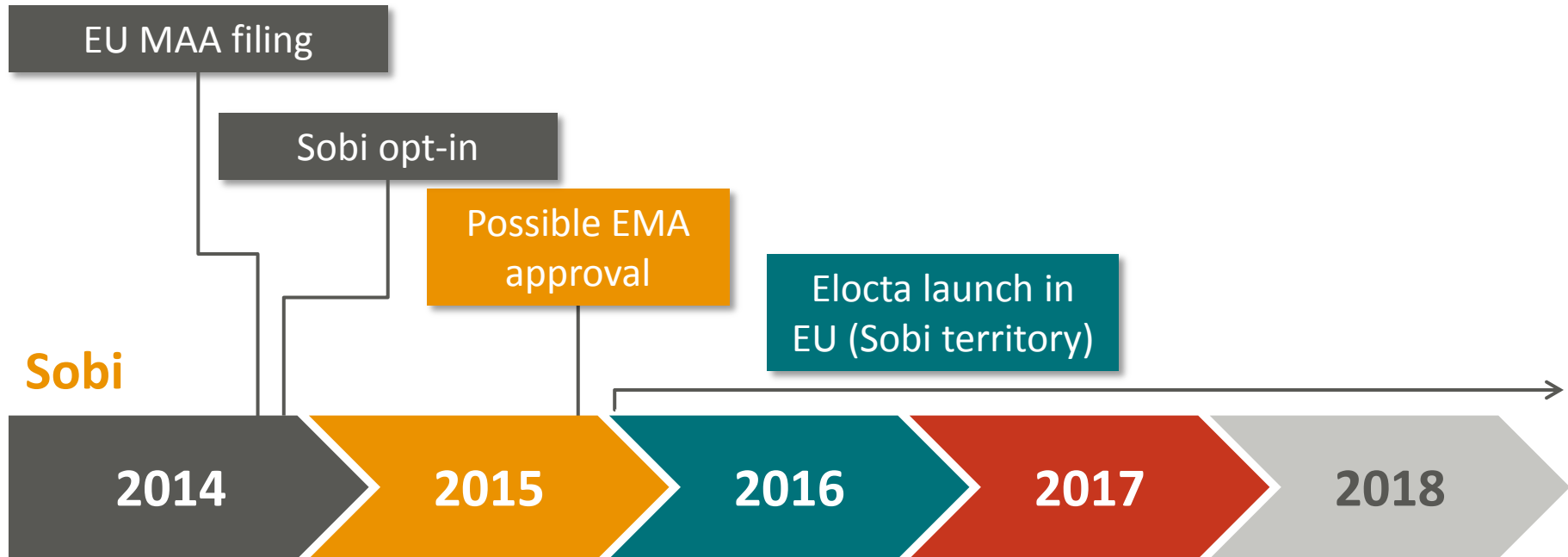
Building Our Future

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



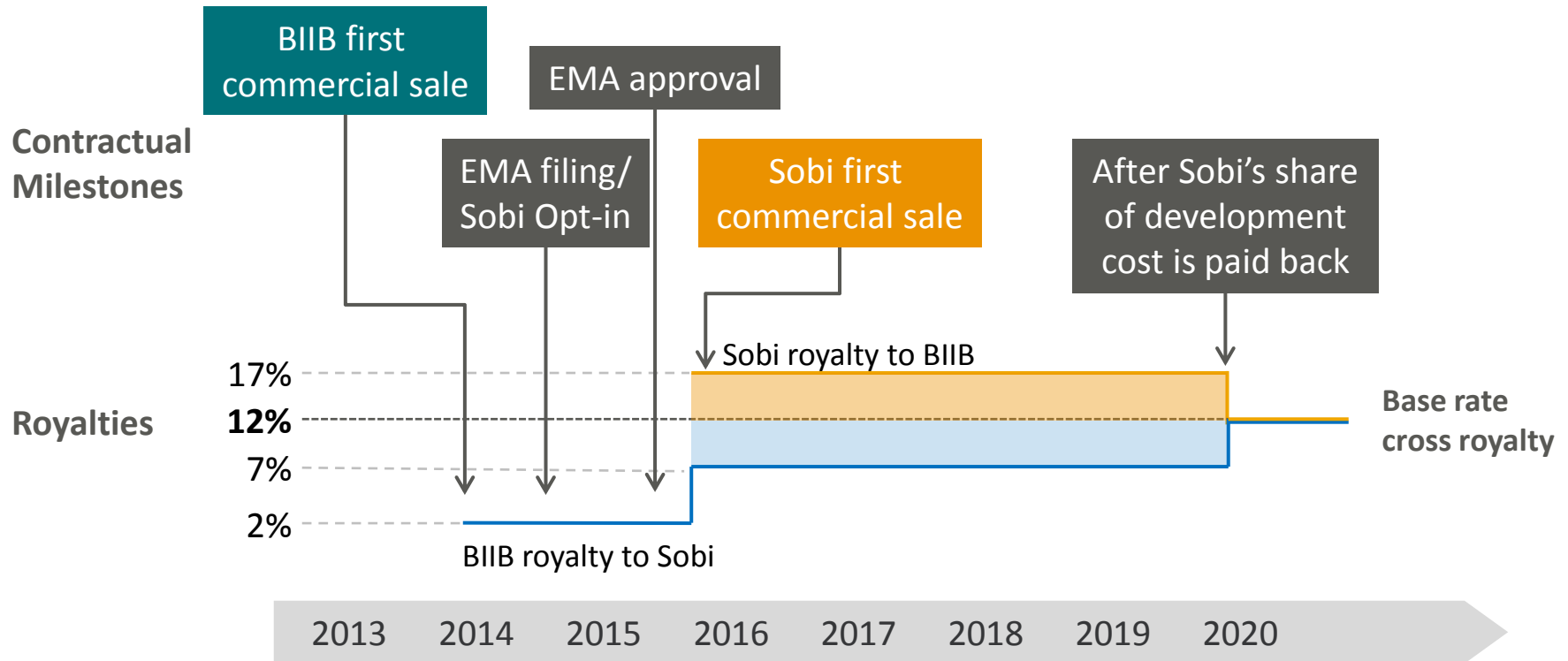


Expected Elocta EU timeline



Sobi/Biogen Collaboration

Financial Flows for Eloctate/Elocta Programme





Haemophilia A in Sobi Territory

Size of Market (M) in
Sobi Territories*

\$ 3,3

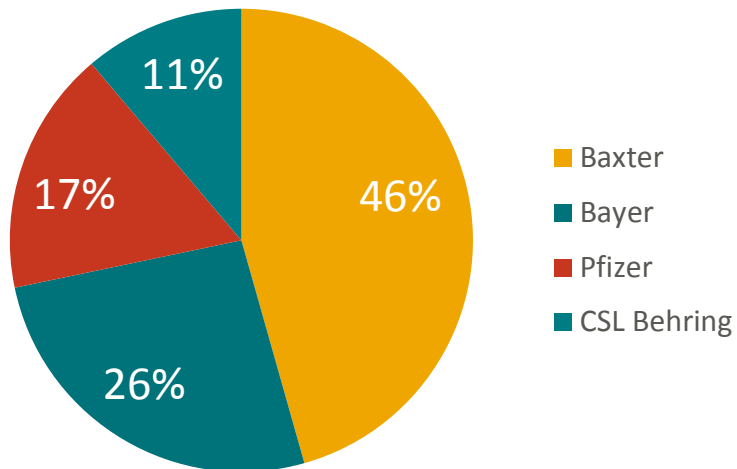


**Source: MRB, 2011, includes all patients (mild, moderate, severe)*

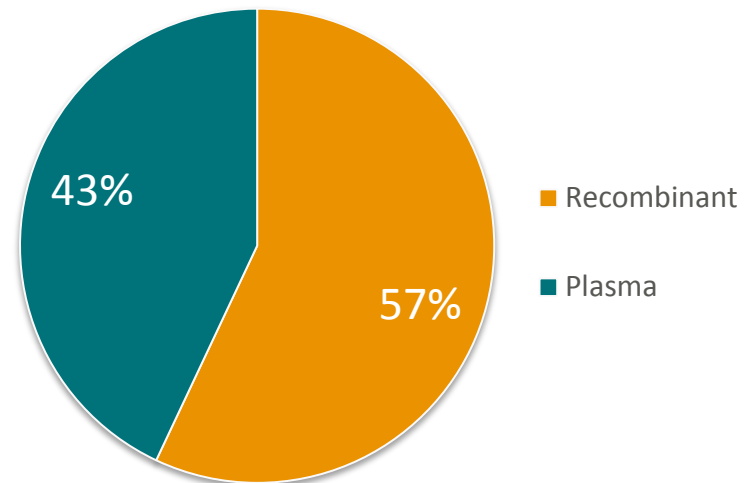


Haemophilia A in Sobi Territory

Recombinant Market in Europe



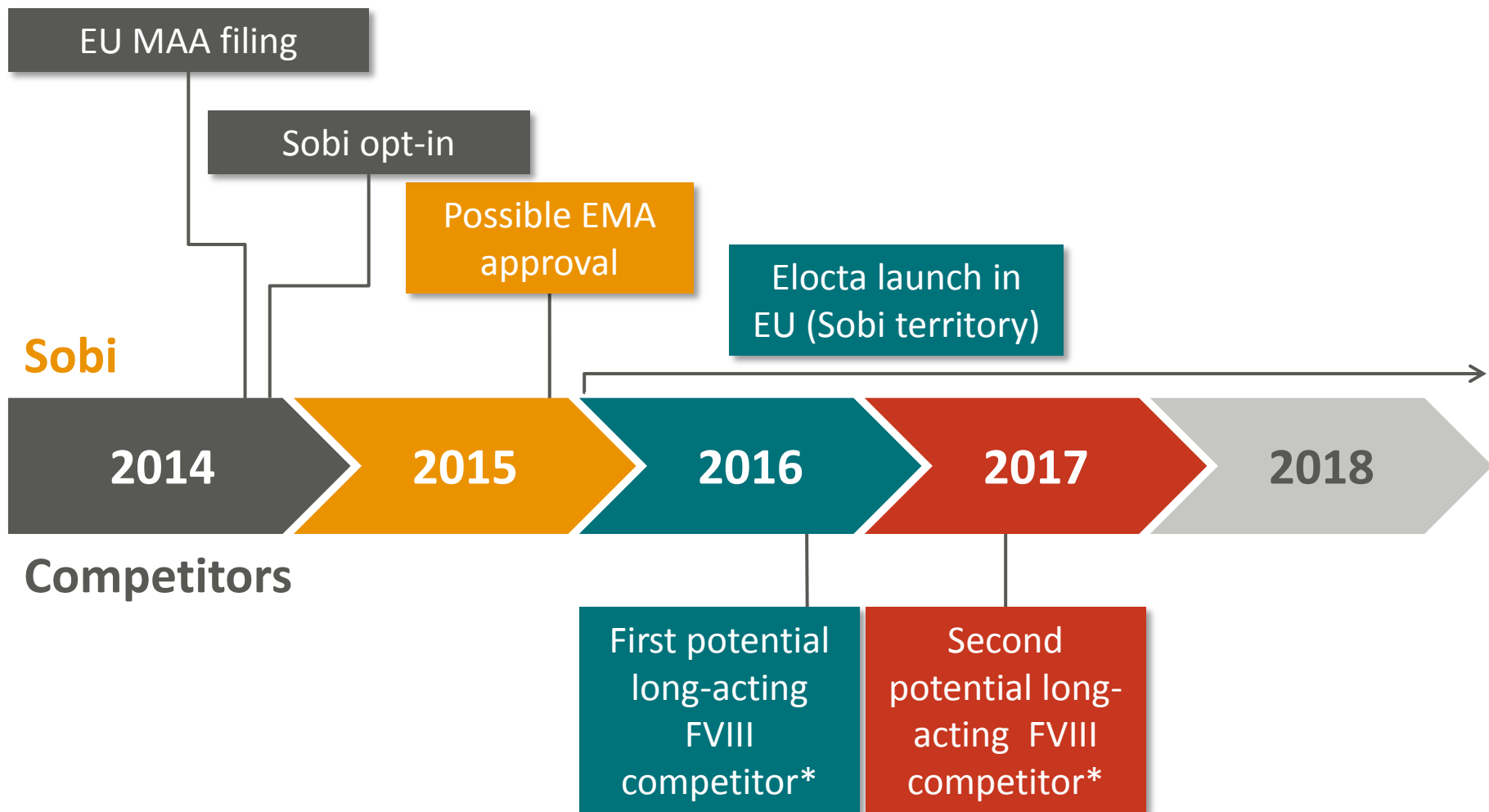
Plasma:Recombinant in European Market*



**Source: MRB, 2011, includes all patients (mild, moderate, severe)*



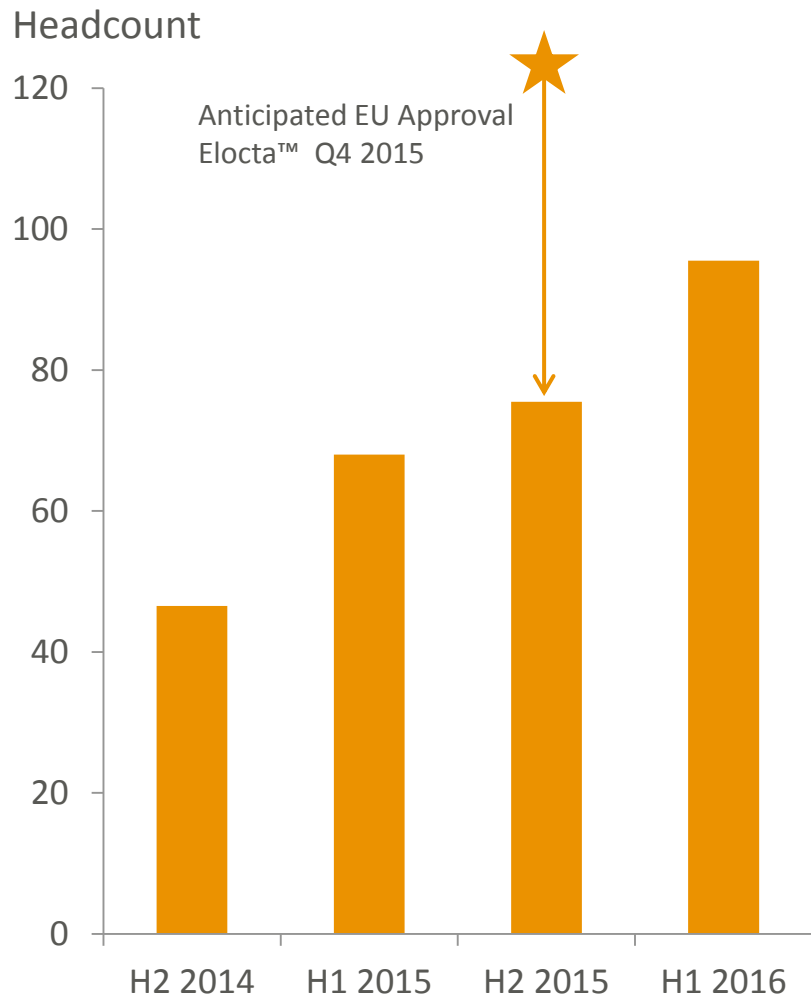
Expected Long Acting FVIII EU timeline



* Based on publically announced data

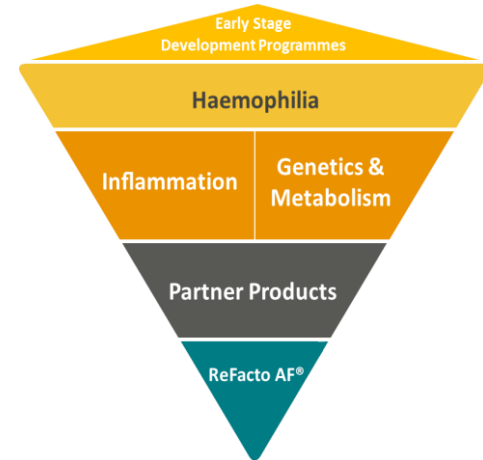
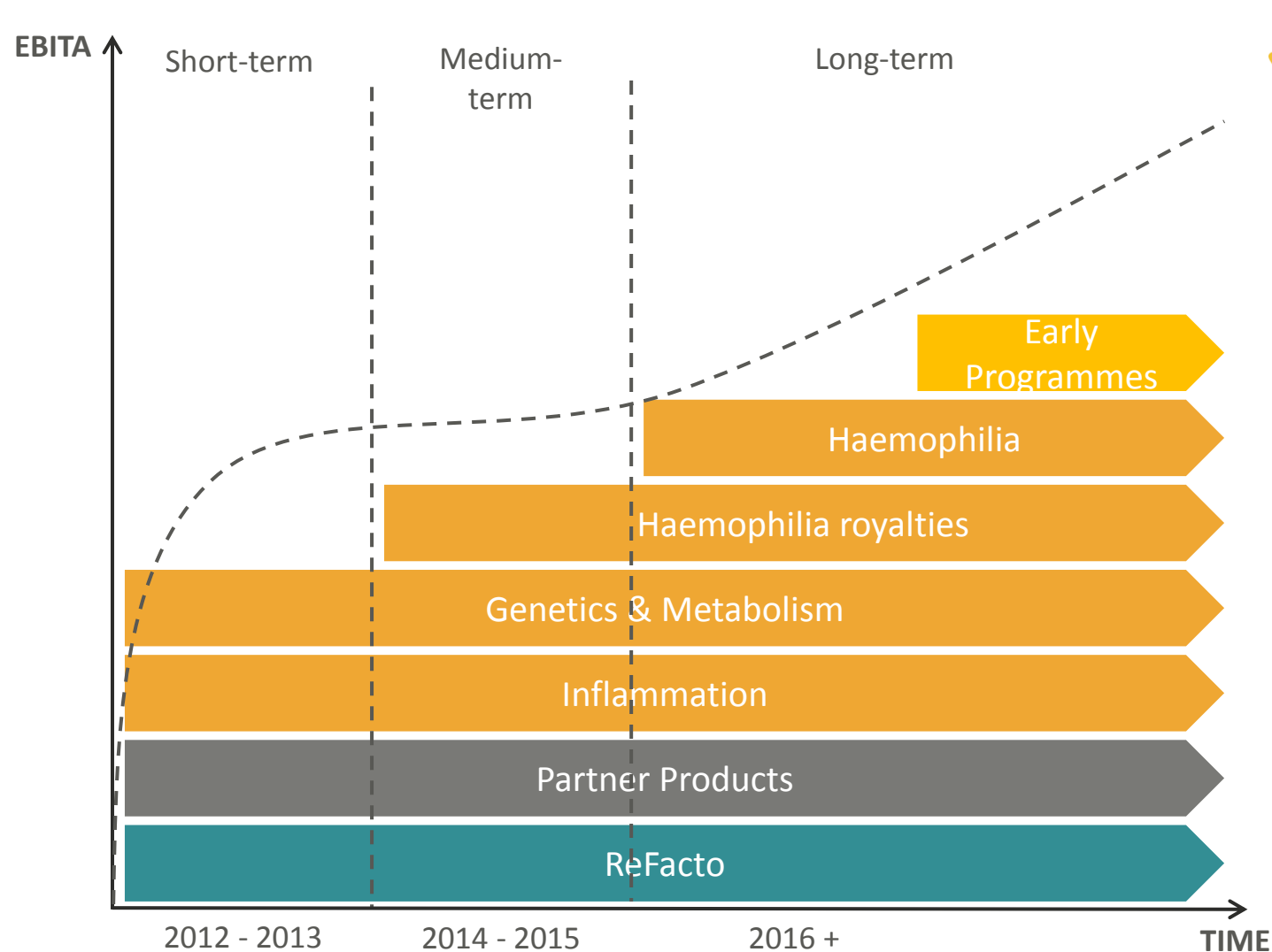


Sobi Launch Team on Track



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

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.

