Q1 2020 report

A strong first quarter during a challenging period

January—March

- Total revenue of SEK 4,639 M (3,265), 42 per cent revenue growth in the quarter compared with Q1 2019 (37 per cent at constant exchange rates (CER))
- EBITA[1] was SEK 2,173 M (1,509), an increase of 44 per cent
- Earnings per share (EPS) of SEK 4.02 (3.14)
- Net debt[1] of SEK 14,198 M at 31 Mar 2020 (SEK 15,404 M at 31 Dec 2019)
- Elocta® sales were SEK 1,359 M (991) and Alprolix® sales were SEK 488 M (337)
- Sales for Gamifant® amounted to SEK 104 M (89), Synagis® sales were SEK 1,196 M (SEK 665 M in Q1 2019, 23 January—31 March) and Kineret® sales amounted to SEK 501 M (346)
- Sobi initiated a short-term clinical study with anakinra and emapalumab as potential treatments for hyperinflammatory and cytokine storm syndrome related to severe COVID-19

Outlook 2020[2] – unchanged

Outlook for full-year 2020 of revenue in the range of SEK 15,000—16,000 M and EBITA in the range of SEK 5,500—6,300 M communicated in the Q4 2019 report remains unchanged in spite of the uncertainty concerning the full-year impact on the market due to the COVID-19 pandemic.

Revenue Q1, SEK M

4,639

+42%

EBITA[1] Q1, SEK M

2,173

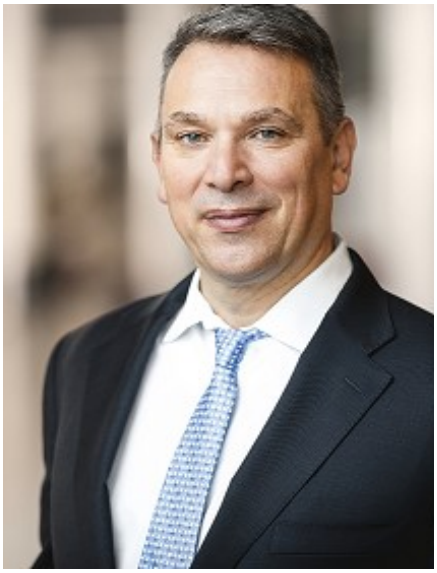
+44%

Financial summary

Amounts in SEK M	Q1 2020	Q1 2019	Change	Full-year 2019
Total revenue	4,639	3,265	42%	14,248
Gross profit	3,598	2,494	44%	10,913
Gross margin[1]	78%	76%		77%
EBITA[1]	2,173	1,509	44%	5,933
EBITA adjusted[1,3]	2,173	1,471	48%	6,145
EBITA margin[1]	47%	46%		42%
EBITA margin adjusted[1,3]	47%	45%		43%
Profit for the period	1,182	903	31%	3,304
Earnings per share, SEK	4.02	3.14	28%	11.29
Earnings per share, SEK adjusted[1,3,4]	4.02	3.03	32%	11.89

[1]Alternative Performance Measures (APMs), see page 11 for further information.
[2]At current exchange rates as of 13 February 2020.
[3]EBITA Full-year 2019 excluding non-recurring items; transaction costs related to the acquisition of Dova in Q4 of SEK 92 M, restructuring costs of SEK 157 M in Q2 2019 and gain from divestment of SOBI005 in Q1 2019 of SEK 37 M.
[4]EPS Full-year 2019 excluding impairment of intangible assets of SEK 18 M related to restructuring in Q2 2019.

CEO statement



Total revenue for the first quarter 2020 was SEK 4,639 M, up 42 per cent year-on-year, while EBITA was SEK 2,173 M. The COVID-19 pandemic posed challenges for Sobi, as for the rest of the world, during the first quarter. Measures such as travel restrictions and working from home were put in place to protect our employees and their families and prevent spreading the coronavirus. Our global supply team has done a remarkable job in ensuring that patients do not go without their life-saving medicines. In response to a request from the National Institute for Infectious Diseases in Italy, Sobi initiated a phase 2/3 study with anakinra and emapalumab as potential treatments for hyperinflammatory and cytokine storm syndrome related to severe COVID-19, the illness caused by the coronavirus.

Haematology – strong haemophilia growth

Both Elocta and Alprolix had a strong first quarter, with sales of SEK 1,359 M (991) for Elocta and SEK 488 M (337) for Alprolix – growth of 33 per cent and 41 per cent respectively at constant exchange rates (CER). The strong performance reflects continued patient growth but also advance purchases to secure access to treatment for a longer period than normal.

Doptelet had sales of SEK 65 M. The product is still in early launch phase for the larger ITP indication, and the COVID-19 situation is also creating some challenges.

Total Haematology revenue grew 38 per cent (34 per cent at CER) to SEK 2,394 M including royalties and manufacturing revenue for ReFacto.

Immunology – strong Kineret performance driving growth

The Immunology business grew strongly during the first quarter reaching sales of SEK 1,800 M, an increase of 64 per cent (57 per cent at CER).

Synagis continued to grow with sales of SEK 1,196 M, up 72 per cent at CER compared with the same period last year. We continue to see good underlying demand with season-to-date sales reaching USD 312 M.

Gamifant sales reached SEK 104 M for the quarter. As in previous quarters, we expect volatility in sales to continue for this ultra-rare disease product in launch phase. It is worth noting that we see a continuous positive evolution of the number of patients on Gamifant. Given the potential role of interferon gamma in treatment of cytokine storm syndrome (CSS), we will seek to broaden the approved indication of Gamifant by initiating additional pivotal studies.

Kineret had a very strong quarter and grew 39 per cent at CER leading to sales of SEK 501 M. The strong performance reflects increased demand for Kineret as a result of the COVID-19 pandemic during the latter part of the quarter. In view of the role of IL-1 blockades in hyperinflammation, there is clinical interest in Kineret for the potential treatment of complications associated to COVID-19.

Pipeline – study initiated to support efforts against COVID-19

The start of 2020 has been challenging for most people around the world, and is creating much worry and uncertainty. We believe that everyone needs to support efforts to manage this difficult situation. In March, in response to a request from the National Institute for Infectious Diseases in Italy, we initiated a short-term clinical study to evaluate anakinra and emapalumab for the treatment of hyperinflammatory and cytokine storm syndrome, one of the most serious complications associated with severe COVID-19. Preliminary results are expected in Q3.

We have made progress in other areas of our pipeline. We received a positive opinion from Committee for Medicinal Products for Human Use (CHMP) Kineret in the treatment of Familial Mediterranean Fever (FMF). A file was also submitted to the EMA seeking regulatory approval of Doptelet for chronic immune thrombocytopenia (ITP) as well as for Orfadin in the treatment of alkaptonuria (AKU).

Despite a difficult environment for enrolment in clinical studies, we have been able to make progress with the pivotal programme for avatrombopag in chemotherapy-induced thrombocytopenia and increased recruitment to more than 100 patients in Q1. We hope that we can continue making progress despite the challenges presented by the COVID-19 pandemic.

In closing

This has begun as a challenging year, for Sobi and for the global society in which we operate. I am proud of the amazing efforts of my colleagues around the world who are doing their utmost to ensure that our medicines get to the people who need them. Despite the demanding conditions, we continue to stay focused on doing what we do best, on taking our innovative treatments to those living with rare diseases.

Solna, Sweden, 29 April 2020

Guido Oelkers, President & CEO

Business Review Q1

Haematology

During the quarter, preparations were initiated for the launch of Doptelet for chronic liver disease (CLD) in the EU. Reimbursement discussions have been initiated in certain markets and launch is expected in Q3 2020. Britain's National Institute for Health and Care Excellence (NICE) has recommended the use of Doptelet by the National Health Service (NHS) in England and Wales for the treatment of severe thrombocytopenia in adult patients with CLD undergoing planned invasive procedures.

We continue to gain market share for Elocta and Alprolix in several key markets supported by further acceptance of prophylactic treatment with extended half-life products. Sobi is now rolling out Florio, a digital platform and app, which will utilise data to improve patient outcomes and personalise care to meet individuals' treatment needs.

The Ministry of Defense and Aviation (MODA) hospitals in Saudi Arabia decided to switch all their haemophilia A patients to Elocta before the end of 2020.

Alprolix was approved for reimbursement in Spain.

The first patient was enrolled in the A-MOVE study. A-MOVE is a low-interventional study to investigate whether systematic joint examination has an impact on haemophilia management decisions in patients with haemophilia A receiving any factor VIII product. The study will be conducted in France; approximately 15 French hospitals will take part in the study which is planned to include 100 patients.

Immunology

The US Synagis team continues to focus on improved operational excellence and patient adherence.

For Gamifant, the focus remains on education and awareness activities related to HLH. This has led to more hospitals starting to treat primary HLH patients with Gamifant.

The Committee for Medicinal Products for Human Use of the European Medicines Agency (EMA) adopted a positive opinion on the use of Kineret for the treatment of Familial Mediterranean Fever (FMF). FMF, a rare autoinflammatory disorder, is also the world's most common hereditary periodic fever syndrome affecting children and adults.

Specialty Care

An application was submitted to the EMA for the approval of Orfadin for the treatment of alkaptonuria (AKU), a rare genetic disorder in which the body cannot process homogentisic acid.

R&D pipeline

There is increasing evidence that cytokine storm syndrome contributes to respiratory distress in patients severely affected by COVID-19. Accordingly, and in response to a request from the National Institute for Infectious Diseases, the organisation acting as the coordinating site for the SARS-CoV-2 epidemic in Italy, Sobi initiated a short-term clinical study to evaluate the efficacy and safety of anakinra and emapalumab in the treatment of hyperinflammatory and cytokine storm syndrome, one of the most serious complications associated with severe COVID-19. The study is initially being conducted in four Italian hospitals with a target of 54 patients. Preliminary results are expected in Q3.

Enrolment to the study investigating emapalumab for the potential treatment of macrophage activation syndrome (MAS) secondary to systemic juvenile idiopathic arthritis (sJIA) has been completed. The data will be analysed and the plan is to meet the FDA in the second half of 2020 to discuss a path forward for this indication.

An application was submitted to the EMA for regulatory approval of Doptelet for the treatment of chronic immune thrombocytopenia (ITP).

As healthcare systems work to combat the COVID-19 pandemic, the environment for conducting clinical studies has changed given difficulties with clinical site interactions and patient enrolment. Due to these circumstances, there may potentially be delays to our programmes.

No suitable partner was found for the SOBI003 programme and the programme has therefore been discontinued. Already enrolled patients will complete the two-year treatment period.

Sustainability

To ensure sustainable and responsible sourcing, Sobi launched a new Responsible Sourcing Programme, including the introduction of a Partner Code of Conduct and sustainability screening, in January 2020. Sustainability screening of partners involves ensuring compliance with standards in the areas of governance, labour rights, human rights and environmental responsibility. Our aim is to have all new partners acknowledge and support the Partner Code of Conduct, and to systematically introduce our current top 100 partners to the Code and screening over the coming year.

Sobi has responded to the COVID-19 crisis and aligned with the special appeal from the United Nations Global Compact. Read more about our initiatives on www.sobi.com.

Financial Review

Total revenue

Total revenue for the quarter amounted to SEK 4,639 M (3,265), up 42 per cent compared with the first quarter 2019 (37 per cent at CER). Organic growth amounted to 29 per cent compared to Q1 2019.

Revenue by business area

Haematology

Total Haematology revenue reached SEK 2,394 M (1,731) for the quarter, an increase of 38 per cent (34 per cent at CER).

Elocta sales rose 37 per cent (33 per cent at CER) for the quarter to SEK 1,359 M (991). Alprolix sales increased 45 per cent (41 per cent at CER) for the quarter to SEK 488 M (337). Most of the growth for both products derived from France, Germany and Italy. The strong performance reflects continued patient growth as well as stocking.

Royalty revenue amounted to SEK 335 M (334) for the quarter.

Doptelet sales were SEK 65 M for the quarter, the first full-quarter sales for this product since its acquisition in November 2019.

ReFacto manufacturing revenue was SEK 148 M (69) for the quarter, up 115 per cent due to phasing effects.

Immunology

Total Immunology revenue for the quarter was SEK 1,800 M (1,100), an increase of 64 per cent (57 per cent at CER).

Kineret sales for the quarter were SEK 501 M (346), an increase of 45 per cent (39 per cent at CER). Kineret continues to perform positively, with double-digit growth. Growth is mainly driven by increased underlying demand across all regions during the latter part of the quarter, as a result of the COVID-19 pandemic . There is clinical interest in Kineret for the potential treatment of hyper-inflammation and CSS related to COVID-19.

Synagis sales for the quarter were SEK 1,196 M (665), corresponding to growth of 80 per cent (72 per cent at CER) . This is attributed to increased underlying demand as well as recording of sales for a full quarter compared with Q1 2019, where sales were recorded from 23 January, the day the acquisition closed.

Gamifant sales for the quarter amounted to SEK 104 M (89), an increase of 17 per cent (11 per cent at CER). Sales continue to be volatile due to the product being in launch phase.

Specialty Care

Total Specialty Care revenue for the quarter was SEK 445 M (434), an increase of 3 per cent (-2 per cent at CER).

Orfadin sales for the quarter were SEK 196 M (189), an increase of 4 per cent (1 per cent at CER) despite emerging generic competition and associated price erosion.

Q1 sales for the other Specialty Care products amounted to SEK 248 M (245), an increase of 1 per cent (-4 per cent at CER).

Gross profit

Gross profit for the quarter was SEK 3,598 M (2,494), representing a gross margin of 78 per cent (76). The increase in gross margin for the quarter is mainly driven by the addition of high-margin products such as Synagis.

Operating expenses

Sales and administrative expenses excluding amortisation and write-downs amounted to SEK 1,061 M (703) for the quarter. The increase is mainly an effect of a larger cost base compared with the previous year, due to the acquisitions of Dova and Synagis in 2019. Current ongoing projects include the launch and geographical expansion of Doptelet, Dova's main asset, and Gamifant, as well as marketing activities related to Synagis.

Research and development expenses amounted to SEK 359 M (332) for the quarter. Increased spending is due to activities related

Revenue by business area

Amounts in SEK M	Q1 2020	Q1 2019	Change	Change at CER[1]	Full-year 2019
Haematology					
Elocta	1,359	991	37%	33%	4,508
Alprolix	488	337	45%	41%	1,463
Royalty	335	334	0%	-4%	1,373
Doptelet	65	–	N/A	N/A	34
Manufacturing revenue	148	69	115%	115%	376
Total	**2,394**	**1,731**	**38%**	**34%**	**7,755**
Immunology					
Kineret	501	346	45%	39%	1,571
Synagis	1,196	665	80%	72%	2,594
Gamifant	104	89	17%	11%	542
Total	**1,800**	**1,100**	**64%**	**57%**	**4,706**
Specialty Care					
Specialty Care	445	434	3%	-2%	1,787
Total	**445**	**434**	**3%**	**-2%**	**1,787**
Total revenue	**4,639**	**3,265**	**42%**	**37%**	**14,248**

[1]Constant exchange rates.

to acquired assets such as emapalumab and avatrombopag. This was partially offset by discontinuation of some early-stage projects.

Operating profit

EBITA for the quarter was SEK 2,173 M (1,509).

Amortisation and write-downs of intangible assets for the quarter amounted to SEK 475 M (282). The increase relates mainly to amortisation and a full-quarter effect for product rights relating to Synagis, Gamifant and Doptelet.

EBIT for the quarter amounted to SEK 1,698 M (1,227).

Net financial items and tax

Net financial items amounted to SEK -141 M (-73) for the quarter, including exchange rate gains of SEK 10 M (-27). The increased costs are attributable to the additional borrowings and liabilities from the acquisitions made in 2019.

Income tax amounted to SEK -375 M (-251) for the quarter, corresponding to an effective tax rate of 24.1 (21.8) per cent. Lowered tax rates for 2020 in foreign jurisdictions had a one-time unfavorable impact on deferred tax assets, being the main driver for the higher effective tax rate in 2020.

Profit

Profit for the quarter was SEK 1,182 M (903).

Cash flow and investments

Cash flow from operations before change in working capital amounted to SEK 2,017 M (1,307) for the quarter.

Working capital affected cash flow by SEK -16 M (-919) for the quarter. Working capital build-up in the first quarter 2019 was related to the expansion of Synagis.

Cash flow from investing activities was SEK -24 M (-8,872) for the quarter. Sobi completed the acquisition of Synagis in the first quarter 2019, explaining the large difference between the years.

Cash flow from financing activities amounted to SEK –1,888 M (5,943) for the quarter. Sobi mainly used its operating cash flow and excess cash to repay revolving credit facilities during the quarter.

Cash

At the end of the quarter, cash and cash equivalents amounted to SEK 842 M, compared with SEK 737 M at 31 December 2019.

Net debt

Sobi ended the quarter with net debt of SEK 14,198 M, compared with net debt of SEK 15,404 M at 31 December 2019. Net debt decreased less than the net loan repayments in the quarter due to unfavorable currency effects on underlying borrowings.

Equity

At 31 March 2020, consolidated shareholders' equity was SEK 18,654 M compared with SEK 16,930 M at 31 December 2019.

Personnel

At 31 March 2020, the number of full-time equivalents was 1,377 (1,335 at 31 December 2019).

Parent Company

In the first quarter of 2020, net sales for the Parent Company, Swedish Orphan Biovitrum AB (publ), amounted to SEK 4,201 M (3,101), of which Group companies accounted for SEK 1,657 M (1,481).

Profit after financial items amounted to SEK 1,473 M (1,480) for the quarter.

Investments in tangible and intangible assets affecting cash flows amounted to SEK 14 M (7) for the quarter.

Operating profit/loss

Amounts in SEK M	Q1 2020	Q1 2019	Full-year 2019
Total revenue	4,639	3,265	14,248
Total cost of goods sold	-1,042	-771	-3,335
Gross profit	3,598	2,494	10,913
Gross margin	*78%*	*76%*	*77%*
Sales and administrative expenses before amortisation and write-downs	-1,061	-703	-3,535
Research and development expenses	-359	-332	-1,495
Total opex less amortisation and write-downs	-1,419	-1,035	-5,029
Other operating income/expenses	-5	50	50
EBITA	2,173	1,509	5,933
Non-recurring items	–	-37	211
EBITA adjusted[1]	*2,173*	*1,471*	*6,145*
Amortisation and write-down related to Sales and administrative expenses	-475	-282	-1,401
EBIT	1,698	1,227	4,533

This is non-IFRS financial information. For an IFRS income statement, please refer to the Consolidated statement of comprehensive income.

[1]EBITA Full-year 2019 excluding non-recurring items; transaction costs related to the acquisition of Dova in Q4 of SEK 92 M, restructuring costs of SEK 157 M in Q2 2019 and gain from divestment of SOBI005 in Q1 2019 of SEK 37 M.

Other information

Significant events after the reporting period

Doptelet was approved for chronic liver disease (CLD) in China. The product is outlicensed in China to Fosun Pharmaceutical, which will be responsible for commercialisation.

Sobi announced the launch by its affiliate, Florio GmbH, of Florio®, a digital medical device designed with the aim to improve the quality of life for people with haemophilia.

Financial outlook 2020[1]—reiterated

Revenue for the full-year 2020 is expected to be in the range of SEK 15,000—16,000 M reflecting double-digit growth in each of the two core businesses, **Haematology** and **Immunology**.

EBITA is expected to be in the range of SEK 5,500—6,300 M, including the development and launch of Doptelet which will affect EBITA negatively by around SEK 500 M in 2020.

[1]At current exchange rates as of 13 February 2020.

On 13 April 2020, Sobi announced that revenue and EBITA in March were impacted by increased demand related to the ongoing COVID -19 pandemic. Revenue for the first quarter 2020 was expected to be approximately SEK 4,630 M. EBITA was positively impacted by the strong revenue development and was expected to be around SEK 2,170 M for the first quarter. Guidance for the full-year 2020 communicated in the Q4 2019 report was left unchanged in spite of the uncertainty concerning the full-year impact in the market due to the COVID-19 pandemic.

COVID-19

The novel coronavirus SARS-CoV-2, and the related disease COVID -19 which can lead to deadly respiratory tract infections, were designated as a pandemic in March 2020. The full impact of this virus is still unknown, but it has already had a global socioeconomic impact. At this time, the company cannot quantify the magnitude or duration of the business risk given the uncertainty regarding the current spread of the virus. A global management response team has been set up and the Sobi management team and the board of directors are continuously monitoring the situation. During the first quarter 2020, Sobi initiated a short-term clinical study with anakinra and emapalumab as potential treatments for hyperinflammatory and cytokine storm syndrome related to severe COVID-19. There is clinical interest in Kineret for the potential treatment of hyperinflammation and cytokine storm syndrome related to COVID-19. As a result of this, an increased demand for Kineret was seen during the latter part of the quarter. A stocking impact has affected sales positively during the quarter, however there is still high uncertainty concerning the full-year impact in the market due to the COVID-19 pandemic.

Annual General Meeting 2020

The Annual General Meeting (AGM) of Swedish Orphan Biovitrum AB (publ) will be held on Wednesday 13 May 2020 at 15:00 CET, at Stockholm City Conference Centre, Norra Latin, Drottninggatan 71B, Stockholm, Sweden. Sobi is also offering shareholders advance voting in order to minimise the number of participants who attend the general meeting in person to reduce risk of infection spreading of covid-19.

Financial calendar

AGM	13 May 2020
Q2 2020	16 July 2020
Q3 2020	22 October 2020
Q4 2020	18 February 2021

The Annual Report for 2019 is published on www.sobi.com. It will also be available at Sobi's head office in Solna.

This report has not been reviewed by the Company's auditors.

Solna, Sweden, 29 April 2020

Guido Oelkers, CEO and President

Forward-looking statements

This report includes forward-looking statements. Actual results may differ from those stated. Internal factors such as the successful management of research programmes and intellectual property rights may affect future results. There are also external conditions such as the economic climate, political changes and competing research programmes that may affect Sobi's results.

This information is information that Swedish Orphan Biovitrum AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of Linda Holmström, Corporate Communication and Investor Relations, at 08:00 CET on 29 April 2020.

Financial statements – Group

Statement of comprehensive income

Amounts in SEK M	Q1 2020	Q1 2019	Full-year 2019
Total revenue[1]	4,639	3,265	14,248
Total cost of goods sold	-1,042	-771	-3,335
Gross profit	**3,598**	**2,494**	**10,913**
Sales and administrative expenses[2]	-1,536	-985	-4,935
Research and development expenses	-359	-332	-1,495
Other operating income/expenses	-5	50	50
Operating profit	**1,698**	**1,227**	**4,533**
Financial income/expenses[3]	-141	-73	-286
Profit before tax	**1,557**	**1,154**	**4,247**
Income tax expenses	-375	-251	-942
Profit for the period	**1,182**	**903**	**3,304**
All earnings are attributable to Parent Company shareholders			
Other comprehensive income			
Items that will not be reclassified to profit/loss			
Remeasurements of post-employment benefit obligations	–	–	-4
Items that may be reclassified subsequently to profit/loss			
Translation difference	794	21	-97
Cash flow hedge (net of tax)	-281	-13	44
Comprehensive income for the period	**1,695**	**911**	**3,247**
Earnings per share, SEK	4.02	3.14	11.29
Earnings per share, SEK, adjusted[4]	4.02	3.03	11.89
Earnings per share after dilution, SEK	3.98	3.12	11.22
Earnings per share after dilution, SEK, adjusted[4]	3.98	3.02	11.81
[1]See page 4 for split by business area.			
[2]Amortisation and write-downs of intangible assets included in Sales and administrative expenses.	-475	-282	-1,401
[3]Including financing costs amounting to:	-7	-3	-18

[4]Alternative Performance Measures (APMs), see page 11 for further information.

Balance sheet

Amounts in SEK M	Mar 2020	Dec 2019	Mar 2019
ASSETS			
Non-current assets			
Intangible assets[1]	38,018	37,412	23,840
Tangible assets	514	518	539
Financial assets	419	404	242
Total non-current assets	38,952	38,335	24,621
Current assets			
Inventories	1,755	1,772	1,445
Accounts receivable	4,076	3,736	2,361
Other receivables, non-interest bearing	805	1,078	1,082
Cash and cash equivalents	842	737	463
Total current assets	7,479	7,323	5,351
Total assets	46,430	45,658	29,973
EQUITY AND LIABILITIES			
Shareholders´ equity	18,654	16,930	14,481
Non-current liabilities			
Borrowings	15,040	16,141	6,015
Lease liabilities	304	320	314
Other liabilities, non-interest bearing	6,668	6,526	1,560
Total non-current liabilities	22,012	22,987	7,889
Current liabilities			
Accounts payable	487	681	743
Lease liabilities	102	99	82
Other liabilities, non-interest bearing	5,175	4,961	6,778
Total current liabilities	5,764	5,741	7,603
Total equity and liabilities	46,430	45,658	29,973

[1]Including goodwill of SEK 6,779 M (SEK 6,678 M at 31 Dec 2019).

Changes in equity

Amounts in SEK M	Jan-Mar 2020	Full-year 2019	Jan-Mar 2019
Opening balance	16,930	9,040	9,040
Share-based compensation to employees	26	80	16
Share-based compensation to employees tax effect	4	50	–
Issue of shares	–	4,513	4,513
Comprehensive income for the period[1]	1,695	3,247	911
Equity at end of period	18,654	16,930	14,481

[1]Whereof changes in cash flow hedges amounted to SEK -281 M (SEK 44 M at 31 Dec 2019).

Cash flow statement

Amounts in SEK M	Q1 2020	Q1 2019	Full-year 2019
Profit for the period	1,182	903	3,304
Adjustment for non-cash items[1]	836	405	1,995
Cash flow from operations before change in working capital	**2,017**	**1,307**	**5,300**
Change in working capital	-16	-919	-1,666
Cash flow from operations	**2,001**	**388**	**3,634**
Acquisition of business, net of cash[2]	–	–	-12,880
Investment in intangible assets[3]	-14	-8,864	-9,709
Investment in tangible assets	-9	-8	-37
Divestment of intangible assets[4]	–	–	941
Cash flow from investing activities	**-24**	**-8,872**	**-21,686**
Loans - Raising/Amortisation	-1,862	5,965	15,875
Lease payments	-26	-22	-94
Cash flow from financing activities	**-1,888**	**5,943**	**15,780**
Change in cash and cash equivalents	**90**	**-2,541**	**-2,271**
Cash and cash equivalents at the beginning of the period	737	2,999	2,999
Translation differences in cash and cash equivalents	15	5	9
Cash and cash equivalents at the end of the period	**842**	**463**	**737**
[1] Adjustment for non-cash items:			
Depreciation of tangible assets	32	30	188
Amortisation and write-downs of intangible assets	475	282	1,401
Deferred tax	23	136	411
Other	305	-43	-4
Non-cash items	**836**	**405**	**1,995**

[2]Relates to the acquisitions of Dova and emapalumab in 2019.

[3]Relates mainly to the acquisitions of Synagis and BIV001 in 2019.

[4]2019 relates to the divestment of Priority Review Voucher (PRV).

Key ratios and other information

Amounts in SEK M	Q1 2020	Q1 2019	Full-year 2019
Profit measures			
Gross profit	3,598	2,494	10,913
EBITDA[1]	2,206	1,538	6,121
EBITA[1]	2,173	1,509	5,933
EBITA adjusted[1,2]	2,173	1,471	6,145
EBIT (operating profit)	1,698	1,227	4,533
Profit for the period	1,182	903	3,304
Per share data (SEK)			
Earnings per share	4.02	3.14	11.29
Earnings per share, adjusted[2,3]	4.02	3.03	11.89
Earnings per share after dilution	3.98	3.12	11.22
Earnings per share after dilution, adjusted[2,3]	3.98	3.02	11.81
Shareholders' equity per share[1]	62.2	48.7	56.4
Shareholders' equity per share after dilution[1]	61.6	48.5	56.1
Other information			
Gross margin[1]	78%	76%	77%
EBITA margin[1]	47%	46%	42%
EBITA margin adjusted[1,2]	47%	45%	43%
Equity ratio[1]	40%	48%	37%
Net cash (-)/debt (+)[1]	14,198	5,552	15,404
Number of ordinary shares	299,977,839	297,515,209	299,977,839
Number of ordinary shares (in treasury)	5,678,099	3,423,726	5,678,099
Number of ordinary shares (excluding shares in treasury)	294,299,740	294,091,483	294,299,740
Number of ordinary shares after dilution	302,811,887	298,872,610	301,857,247
Average number of ordinary shares (excluding shares in treasury)	294,299,740	287,908,804	292,649,020
Average number of ordinary shares after dilution (excluding shares in treasury)	297,133,788	289,266,205	294,528,428

[1]Alternative performance measures (APMs), see next page for further information.

[2]EBITA Full-year 2019 excluding non-recurring items; transaction costs related to the acquisition of Dova in Q4 of SEK 92 M, restructuring costs of SEK 157 M in Q2 2019 and gain from divestment of SOBI005 in Q1 2019 of SEK 37 M.
[3]EPS Full-year 2019 excluding impairment of intangible assets of SEK 18 M related to restructuring in Q2 2019.

Financial measures not defined according to IFRS

Sobi uses certain financial measures (alternative performance measures, APM) in the interim report that are not defined according to IFRS. The company considers these measures to provide valuable supplementary information for investors and company management, as they enable an assessment and benchmarking of the company's reporting. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not, therefore, be regarded as substitutes for measures defined according to IFRS. The following metrics are not defined according to IFRS:

All amounts in SEK M unless otherwise stated

	Q1 2020	Q1 2019	Full-year 2019
Total revenue	4,639	3,265	14,248
Total cost of goods sold	-1,042	-771	-3,335
Gross profit	**3,598**	**2,494**	**10,913**
Gross margin, %	**78%**	**76%**	**77%**

Gross profit - Total revenue less cost of goods sold
Gross margin - Gross profit as a percentage of total revenue

Total revenue	4,639	3,265	14,248
Total revenue adjusted for Synagis[1]	4,385	3,265	14,248
Organic growth, %	34%	32%	27%
Organic growth, % CER	**29%**	**24%**	**21%**

[1]Q1 2020 excluding sales of SEK 254 M for Synagis period 1-22 January 2020. Synagis was acquired on 23 January 2019.

Organic growth, % CER - Total revenue adjusted for Synagis measured at CER compared to previous period.

EBIT (operating profit)	1,698	1,227	4,533
Plus amortisation and write-downs of intangible assets	475	282	1,401
EBITA	**2,173**	**1,509**	**5,933**
Plus depreciations and write-downs of tangible assets	32	30	188
EBITDA	**2,206**	**1,538**	**6,121**
EBITA margin, %	**47%**	**46%**	**42%**
Non-recurring items	-	-37	211
EBITA adjusted	**2,173**	**1,471**	**6,145**
EBITA margin adjusted, %	**47%**	**45%**	**43%**

EBITA - Earnings before interest, tax and amortisation

EBITDA - Earnings before interest, tax, depreciation and amortisation

EBITA margin, % - EBITA as a percentage of total revenue

Non-recurring items Full-year 2019 - impact from divestment of SOBI005 in Q1 2019, restructuring costs in Q2 2019 and transaction costs related to the acquisition of Dova Pharmaceuticals in Q4 2019.

EBITA adjusted - EBITA less non-recurring items

EBITA margin adjusted, % - EBITA adjusted as a percentage of total revenue

Financial measures not defined according to IFRS, cont.

Profit for the period	1,182	903	3,304
Impact of divestment of SOBI005, restructuring costs and transaction costs related to the acquisition of Dova Pharmaceuticals in 2019, after tax	–	-29	174
Profit for the period, adjusted	1,182	873	3,479
Average number of ordinary shares (excluding shares in treasury)	294,299,740	287,908,804	292,649,020
Average number of ordinary shares after dilution (excluding shares in treasury)	297,133,788	289,266,205	294,528,428
EPS, SEK adjusted	4.02	3.03	11.89
EPS after dilution, SEK adjusted	3.98	3.02	11.81

EPS, SEK adjusted - Profit for the period, adjusted, divided by average number of ordinary shares
EPS after dilution, SEK adjusted - Profit for the period, adjusted, divided by average number of ordinary shares after dilution

Borrowings	15,040	6,015	16,141
Cash and cash equivalents	842	463	737
Net debt (+)/Net cash (-)	14,198	5,552	15,404

Net debt (+)/Net cash (-) - Borrowings less Cash and cash equivalents

Shareholders' equity	18,654	14,481	16,930
Total assets	46,430	29,973	45,658
Equity ratio, %	40%	48%	37%
Number of ordinary shares	299,977,839	297,515,209	299,977,839
Number of shares after dilution	302,811,887	298,872,610	301,857,247
Equity per share, SEK	62.2	48.7	56.4
Equity per share, SEK after dilution	61.6	48.5	56.1

Equity ratio - Shareholders' equity as a proportion of total assets
Equity per share - Equity divided by the number of ordinary shares
Equity per share after dilution - Equity divided by number of shares after dilution

Financial statements – Parent Company

Income statement

Amounts in SEK M	Q1 2020	Q1 2019	Full-year 2019
Total revenue	4,201	3,101	12,991
Total cost of goods sold	-1,005	-786	-3,177
Gross profit	**3,195**	**2,315**	**9,814**
Sales and administrative expenses[1]	-1,448	-558	-4,220
Research and development expenses	-210	-243	-1,110
Other operating income/expenses	-10	50	52
Operating profit	**1,528**	**1,564**	**4,536**
Financial income/expenses	-55	-84	61
Profit after financial items	**1,473**	**1,480**	**4,597**
Appropriations	–	–	-3,166
Profit/loss before tax	**1,473**	**1,480**	**1,431**
Income tax expenses	-309	-80	-313
Profit for the period	**1,164**	**1,400**	**1,118**
[1]Amortisation and write-downs of intangible assets included in Sales and administrative expenses.	-79	-75	-323

Statement of other comprehensive income

Amounts in SEK M	Q1 2020	Q1 2019	Full-year 2019
Profit for the period	1,164	1,400	1,118
Items that may be subsequently reclassified to profit/loss			
Cash flow hedge (net of tax)	-241	-13	44
Comprehensive income for the period	**923**	**1,387**	**1,161**

Balance sheet

Amounts in SEK M	Mar 2020	Dec 2019	Mar 2019
ASSETS			
Non-current assets			
Intangible assets	5,505	5,572	3,720
Tangible assets	63	65	413
Financial assets	26,588	26,135	3,539
Total non-current assets	32,155	31,772	7,672
Current assets			
Inventories	1,387	1,533	1,165
Accounts receivable	2,192	2,402	1,169
Receivables Group companies	1,660	1,286	13,728
Other receivables, non-interest bearing	722	949	2,442
Cash and cash equivalents	676	431	372
Total current assets	6,636	6,601	18,877
Total assets	38,791	38,373	26,548
EQUITY AND LIABILITIES			
Shareholders´ equity	14,483	13,534	13,647
Untaxed reserves	2,984	2,984	2,584
Non-current liabilities			
Borrowings	15,040	16,141	6,056
Other liabilities, non-interest bearing	1,661	1,357	699
Total non-current liabilities	16,702	17,499	6,755
Current liabilities			
Accounts payable	392	574	283
Other liabilities, non-interest bearing	4,230	3,782	3,280
Total current liabilities	4,623	4,356	3,563
Total equity and liabilities	38,791	38,373	26,548

Change in shareholders' equity

Amounts in SEK M	Jan-Mar 2020	Full-year 2019	Jan-Mar 2019
Opening balance	13,534	7,731	7,731
Share-based compensation to employees	22	80	16
Share-based compensation to employees tax effect	4	50	–
Issue of shares	–	4,513	4,513
Comprehensive income for the period[1]	923	1,161	1,387
Equity at end of period	14,483	13,534	13,647

[1]Whereof changes in cash flow hedges amounted to SEK -241 M (SEK 44 M at Dec 2019).

Financial notes

Note 1 – Accounting policies and measurement bases and other information

Accounting policies

This report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The consolidated financial statements for the period January-March 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU and the Swedish Annual Accounts Act.

The Parent Company applies the Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities.

The accounting policies apply with those described in the 2019 Annual Report. More detailed information about the Group's accounting policies and measurement bases can be found in the 2019 Annual Report, available at www.sobi.com. There are no amendments to IFRS during 2020 that have any material effect on the consolidated financial statements.

Operating risks

All business operations involve risk. Managed risk-taking is necessary to maintain good profitability. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be specific to a certain company.

Sobi is exposed to three main risk categories:

- Operational risks, e.g. due to the capital-intensive and risky nature of new drug development, dependence on external partners in various collaborations, product liability claims, and laws and rules on the treatment of hazardous materials.
- External risks, such as patent infringements, competition within product concepts and decisions by authorities regarding product use and prices.
- Financial risks, such as currency risk, interest-rate risk, credit risk and liquidity risk.

A more detailed description of the Group's risk exposure and risk management is included in Sobi's 2019 Annual Report (see the Directors' Report). The risks in 2020 remains the same.

Note 2 – Segment reporting

Segment information

Sobi´s operations are organised into three business areas - Haematology, Immunology and Specialty Care. As from 1 january 2020 these business areas form the basis for the Group´s segment reporting.

A new strategy together with integration of acquisitions and implementation of organisational changes in 2019 led to a clearer division and refinement of the business into the three business areas. Sobi has three independent business areas, which naturally entails the introduction of business reporting in the three segments. These operating segments are regularly reviewed by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted segment reporting results.

Segment Haematology: Revenues are generated from the sale of the products Elocta, Alprolix and Doptelet. Revenues are also derived from manufacturing of the drug substance for ReFacto AF®/ Xyntha® for Pfizer and royalty of Sanofi's sales of Eloctate® and Alprolix.

Segment Immunology: Revenues are generated from the sale of the products Kineret, Synagis and Gamifant.

Segment Specialty Care: Revenues are generated from the sale of Orfadin, Kepivance® and partner products in the Specialty Care portfolio.

The category Group-other mainly refers to costs for central functions such as finance, legal, communication, human resources and other items that can not be allocated by segment.

Revenue and EBITA by segment

Amounts in SEK M

Q1 2020	Haematology	Immunology	Specialty Care	Group - other	Total
Revenue	2,394	1,800	445	-	4,639
EBITA[1]	1,197	864	241	-129	2,173
Adjusted EBITA[1,]	1,197	864	241	-129	2,173

Q1 2019	Haematology	Immunology	Specialty Care	Group - other	Total
Revenue	1,731	1,100	434	-	3,265
EBITA[1]	1,038	386	137	-52	1,509
Adjusted EBITA[1,2]	1,038	386	137	-89	1,472

Full-year 2019	Haematology	Immunology	Specialty Care	Group - other	Total
Revenue	7,755	4,706	1,787	-	14,248
EBITA[1]	4,452	1,518	574	-610	5,933
Adjusted EBITA[1,2]	4,452	1,518	574	-398	6,145

[1]Alternative Performance Measures (APMs), see page 11 for further information.
[2]EBITA Full-year 2019 excluding non-recurring items; transaction costs related to the acquisition of Dova in Q4 of SEK 92 M, restructuring costs of SEK 157 M in Q2 2019 and gain from divestment of SOBI005 in Q1 2019 of SEK 37 M.

Comparative figures for 2019 is presented by segment. The same accounting principles are applied in the segment reporting as for the Group. Revenue, EBITA and adjusted EBITA for each segment represent their contribution to the groups revenue, EBITA and adjusted EBITA. There are no intersegment transactions.

Note 3 – Fair value of financial instruments

The group carries financial instruments that are measured at fair value. See the 2019 Annual Report for more information and a narrative description of the purposes of the holdings.

Currency derivatives forward contracts are categorized within Level 2 of the fair value hierarchy in the IFRS 13 standard. Fair value measurement is based on published forward prices. At 31 March 2020, the net reported value on the balance sheet was SEK 16 M (-4 at 31 Dec 2019).

Liabilities measured at fair value are categorized within Level 3. These consist of a contingent purchase price related to the Dova acquisition and a liability to Sanofi for BIVV001. At 31 March the reported value on the balance sheet was SEK 427 M (388 at Dec 2019) and SEK 1,391 (1,273 at Dec 31 2019) respectively.

At 31 March 2020, all other financial instruments on the balance sheet had reported values that are in all material aspects equivalent to fair value.

Note 4 – Restructuring reserve

Restructuring costs of SEK 175 M were charged in Q2 2019 relating to the reorganisation of R&D and redundancies corresponding to approximately 90 positions. In the Statement of comprehensive income this is mainly recognised as research and development expenses. In the Balance sheet a provision of SEK 48 M is recognised under Other liabilities non-interest bearing and the remaining part as impairment of assets.

Note 5 – Acquisition Dova

During the fourth quarter 2019 Sobi completed the acquisition of Dova. The PPA for Dova was adjusted in the first quarter 2020, where the main change was a recognition of a deferred tax asset (related to the liability to Eisai) with a corresponding effect on goodwill.

Amounts in SEK M	PPA Dec	Adjustments	PPA Mar
Goodwill	4 391	- 313	4 078
Deferred tax	- 1 946	320	- 1 626
Other liabilities and provisions	- 1 687	- 7	- 1 694

Definitions and Glossary

Alkaptonuria (AKU)	The first identified human genetic disease and is said to be the birth of human genetics. It is a serious, autosomal recessive, multisystem disorder affecting around one in every 250,000 to 1 million people.
Alprolix (eftrenonacog alfa)	A recombinant, extended half-life (EHL) clotting factor IX therapy approved in the EU, Iceland, Kuwait, Liechtenstein, Norway, Saudi Arabia and Switzerland, as well as in Australia, Brazil, Canada, Japan, New Zealand, the United States and other countries, for the treatment of haemophilia B.
BIVV001	A novel, investigational factor VIII therapy designed to extend protection from bleeds with prophylaxis dosing of once weekly or longer for people with haemophilia A. Builds on the Fc fusion technology by adding a region of von Willebrand factor and XTEN polypeptides to potentially extend its time in circulation.
CER	Constant exchange rates.
Chemotherapy-induced thrombocytopenia (CIT)	A common side effect of chemotherapy that results in a low number of platelets.
CHMP	Committee for Medicinal Products for Human Use .
Chronic immune thrombocytopenia (ITP)	A rare autoimmune bleeding disorder characterised by a low number of platelets, affecting approximately 60,000 adults in the United States.
Chronic liver disease (CLD)	Liver disease becomes chronic when it has been present for more than 6-12 months without signs of resolution. Chronic liver disease can be inherited (genetic) or caused by a variety of factors such as viruses, auto-immunity, obesity and alcohol use.
Cytokine storm syndrome (CCS)	A severe immune reaction that may occur as a result of an infection, autoimmune condition, or other disease. Sometimes, a cytokine storm may be severe or life threatening and lead to multiple organ failure.
COVID-19	The infectious disease caused by the most recently discovered coronavirus. This new virus and disease were unknown before the outbreak began in Wuhan, China, in December 2019.
Doptelet (avatrombopag)	A second-generation small-molecule thrombopoietin receptor (TPO) agonist used in the treatment of thrombocytopenia by increasing platelet count.
Earnings per share	The portion of a company's profit allocated to each outstanding share of common stock.
EHL	Extended half-life, which means that the circulation in the body is prolonged. Sobi's haemophilia treatments, Elocta and Alprolix, are EHL products.
Elocta (efmoroctocog alfa)	A recombinant, EHL clotting factor VIII therapy approved in the EU, Iceland, Kuwait, Liechtenstein, Norway, Saudi Arabia and Switzerland for the treatment of haemophilia A. It is also approved in Australia, Brazil, Canada, Japan, New Zealand, the United States and other countries, where it is known as ELOCTATE®.
EMA	European Medicines Agency.
EMENAR	Abbreviation for business region including Europe, Middle East, North Africa and Russia.
FDA	The US Food & Drug Administration.
Familial Mediterranean Fever (FMF)	An inherited disorder manifested by episodic fevers, often with pain in the abdomen, joints or chest, and rash in the lower extremities.
Full-time equivalents	Unit that indicates the workload of an employed person in a way that makes workloads comparable.
Gamifant (emapalumab)	An anti-interferon-gamma (IFN-γ) monoclonal antibody (mAb), approved by the FDA and currently under EMA review for the treatment of primary haemophagocytic lymphohistiocytosis (pHLH), a life-threatening syndrome of immune activation.
Haemophagocytic lymphohistiocytosis (HLH)	A rare and life-threatening syndrome of extreme immune activation. The primary form of the disease (pHLH, inherited) mainly occurs in infants and young children while the secondary form of the disease (sHLH, acquired) is acquired from or associated with infection, autoimmune diseases or malignancy.

Definitions and Glossary

Haemophilia	A rare, genetic disorder in which the ability of a person's blood to clot is impaired. Haemophilia A occurs in about one in 5,000 male births annually, and haemophilia B occurs in about one in 25,000 male births annually. Both occur more rarely in females. People with haemophilia can experience bleeding episodes that may cause pain, limited mobility,
IFRS	International Financial Reporting Standards
Kineret (anakinra)	A recombinant protein drug that blocks the biological activity of interleukin-1 α and β (IL-1α and IL -1β) by binding to IL-1 type 1 receptors (IL-R 1), expressed in a variety of tissues and organs, thereby blocking the IL-1 signalling. IL-1 is a key mediator of inflammation and a significant contributor to autoinflammatory diseases.
Orfadin (nitisinone)	A drug used to treat hereditary tyrosinaemia type 1 (HT-1). It blocks the breakdown of tyrosine, thereby reducing the amount of toxic tyrosine by-products in the body. Patients must maintain a special diet in combination with Orfadin treatment as tyrosine is not adequately broken down.
PPA	Purchase Price Allocation.
RSV	Respiratory syncytial virus. A common virus and the most common cause of lower respiratory tract infections (LRTI) in young children.
Synagis (palivizumab)	Indicated for the prevention of serious lower respiratory tract infection (LRTI) caused by RSV in infants and young children at high risk of RSV disease. RSV is the most prevalent cause of LRTI among infants and young children. Synagis is a RSV F protein inhibitor monoclonal antibody that acts as a prophylaxis against serious RSV disease.

Sobi is a specialised international biopharmaceutical company transforming the lives of people with rare diseases. Sobi is providing sustainable access to innovative therapies in the areas of haematology, immunology and specialty indications. Today, Sobi employs approximately 1,400 people across Europe, North America, the Middle East, Russia and North Africa. In 2019, Sobi's revenues amounted to SEK 14.2 billion.

Sobi's share (STO:SOBI) is listed on Nasdaq Stockholm.

You can find more information about Sobi at sobi.com

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