

**Medivir**  
Corporate Presentation  
November, 2015

**MEDIVIR**

A research-based  
pharmaceutical company  
focused on infectious  
diseases and oncology

# Balanced platform of innovation and revenue generation

## Locations and personnel

- Headquarters in Stockholm, Sweden
- Around 130 employees, 75% of which are in R&D

## Innovation

### Discovery Research and Development

- Leading competence in protease inhibitor design and nucleot(s)ide science
- Focus on infectious diseases and oncology
- Pipeline breadth from discovery to early development
- Strong R&D infrastructure and competence

## Revenue generation

### Global Partnerships

- Successfully developed 2 pharmaceuticals that have been approved and launched in key markets
  - Xerclear® / Zovido® (GSK EU; Meda North America)
  - OLYSIO® (Simeprevir) (Janssen; Global Sales of USD 2.3 Billion in 2014)



### Nordic Commercial Operations

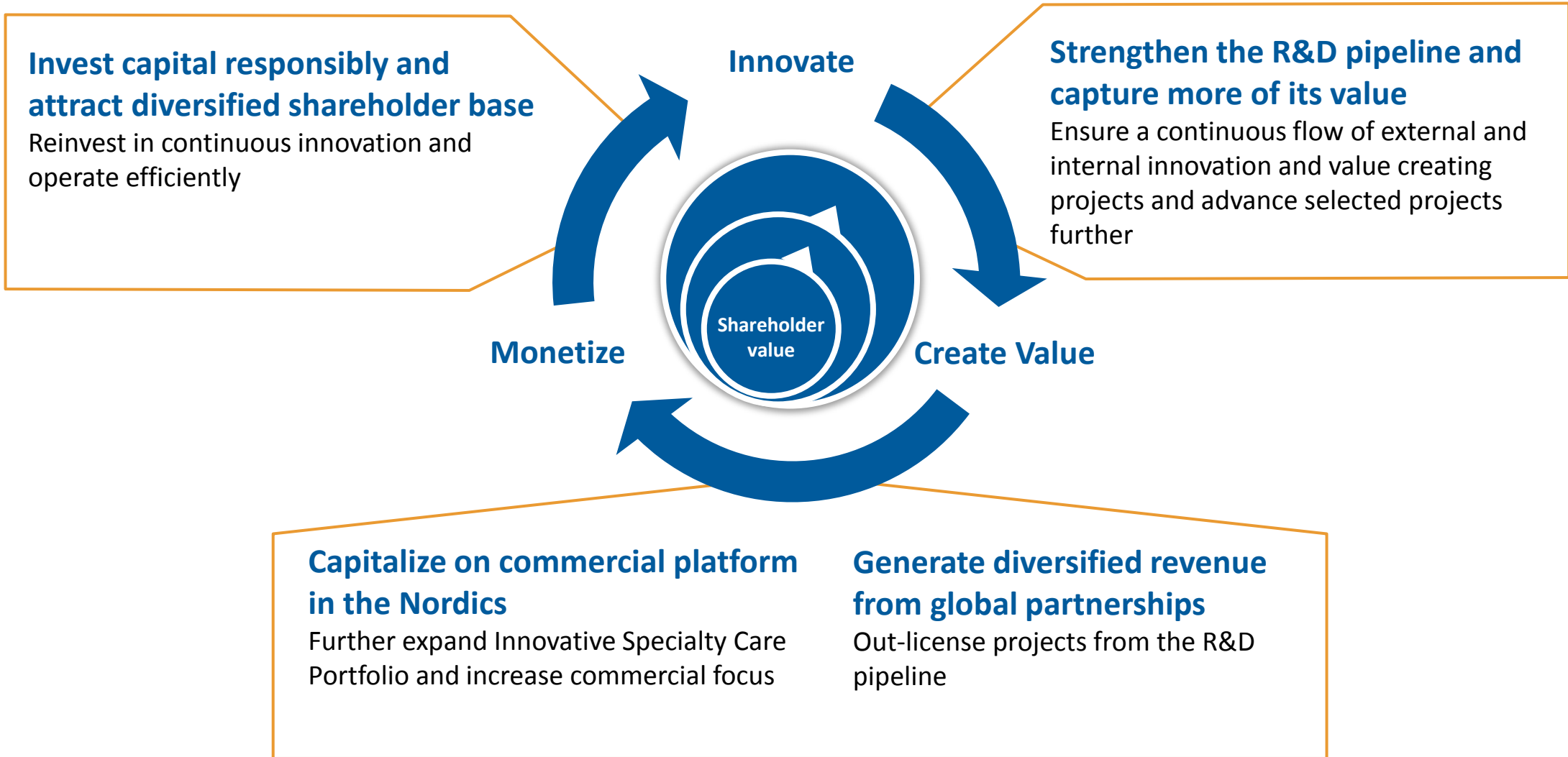
- **Innovative Specialty Care Portfolio**
  - Two innovative specialty care products, Olysio® and Adasuve®, launched in the Nordics
  - Experienced and specialized commercial organization
- **Nordic Brands**
  - 13 Rx pharmaceuticals with stable revenue and earnings generation through efficient organization

## Ability to invest in innovation for sustainable value creation

- Strong financial position: Market cap of ~2.0 BSEK, ~1 BSEK in cash by end of Q2'2015
- More diversified shareholder base



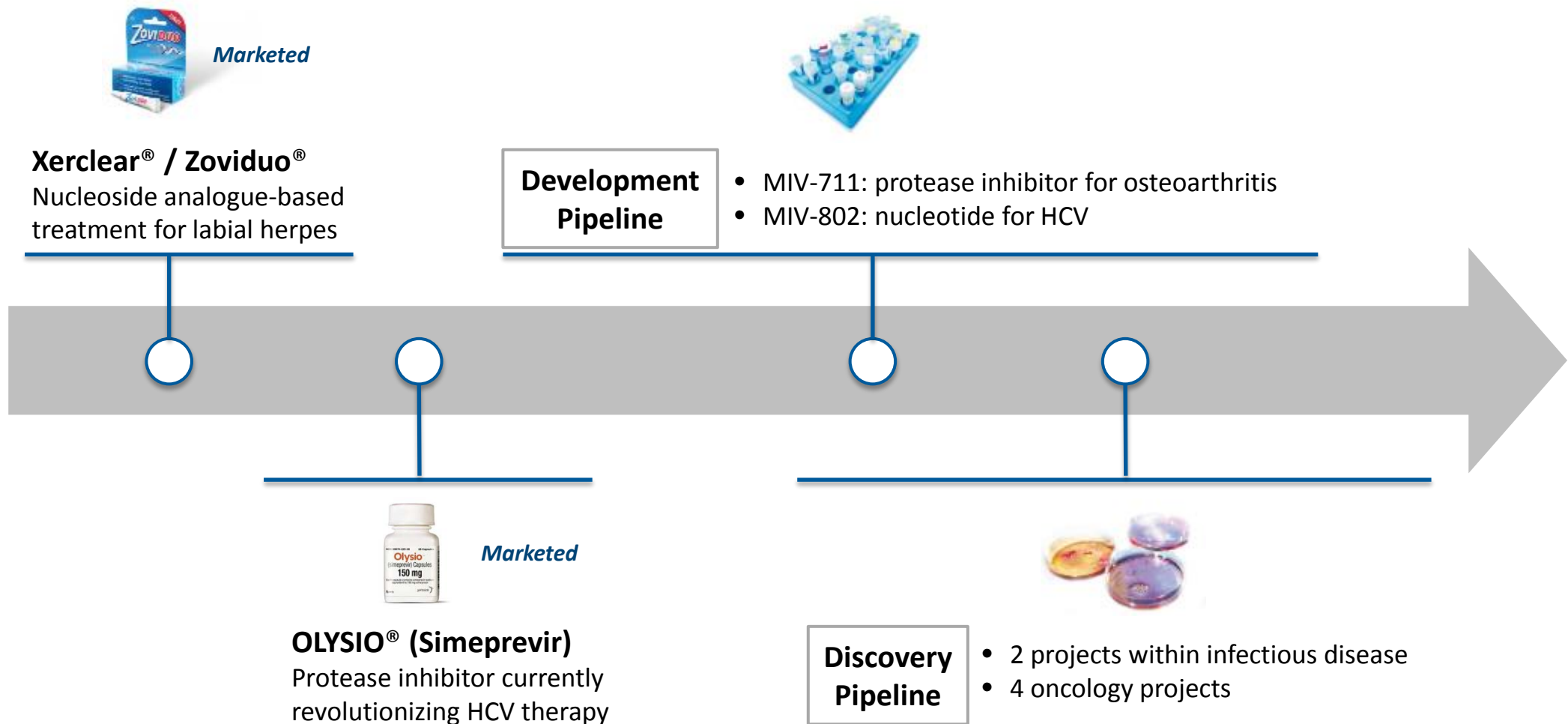
# Sustainable value creation



# Continuous innovation through proprietary technology platform



## Proven capabilities in protease inhibitor design and nucleotide/nucleoside science



# Innovative projects with potential for significant value creation



Project	Pre-clinical		Clinical	
	Res.	Dev.	Ph. I	Ph. II
<b>Osteoarthritis</b> MIV-711 Cathepsin K inhibitor				
<b>HCV infection</b> MIV-802 HCV nucleotide NS5B polymerase inhibitor				
<b>RSV</b> RSV fusion protein inhibitor				
<b>Hepatocellular Carcinoma</b> Nucleotide Polymerase inhibitor				

## Market potential overview

- 250 million people worldwide estimated to suffer from knee OA in 2012
- Unmet needs in suspending disease progression & relieving pain
  - › **Every 10% of the target population on the US market alone represents a potential of 600 MUSD\* in annual sales**
- Nucleotides are the cornerstone of most effective drug combinations
- **Large potential for nucleotides overall but actual potential for Medivir's nucleotide is dependent on future competitive landscape**
- Major cause of lower respiratory tract infections and hospital visits
  - › **Market potential is estimated to be 500 MUSD in annual sales (based on health-care utilization by young children and elderly patients infected by RSV)**
- Liver cancer is the second leading cause of cancer-related death world-wide, and one of the fastest growing cancers in US based on incidence and mortality.
  - › **Substantial opportunities for an effective liver-targeted agent in all patient segments**

\* 10% market share represents 200,000 patients multiplied by an annual treatment cost of 3,000 USD/Year



## Description

### Nucleosides and nucleotides

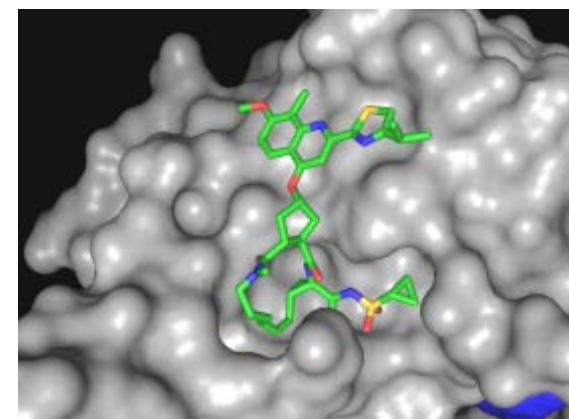
**Extensive expertise in the design, synthesis and biological characterization of novel nucleosides and nucleotides**

- Most recent example: MIV-802, a novel nucleotide inhibitor of HCV replication
- Idea to CD in 18 months
- Preclinical profile of this molecule presented at the annual meeting of the European Association for the Study of the Liver (EASL, Vienna, April 2015)

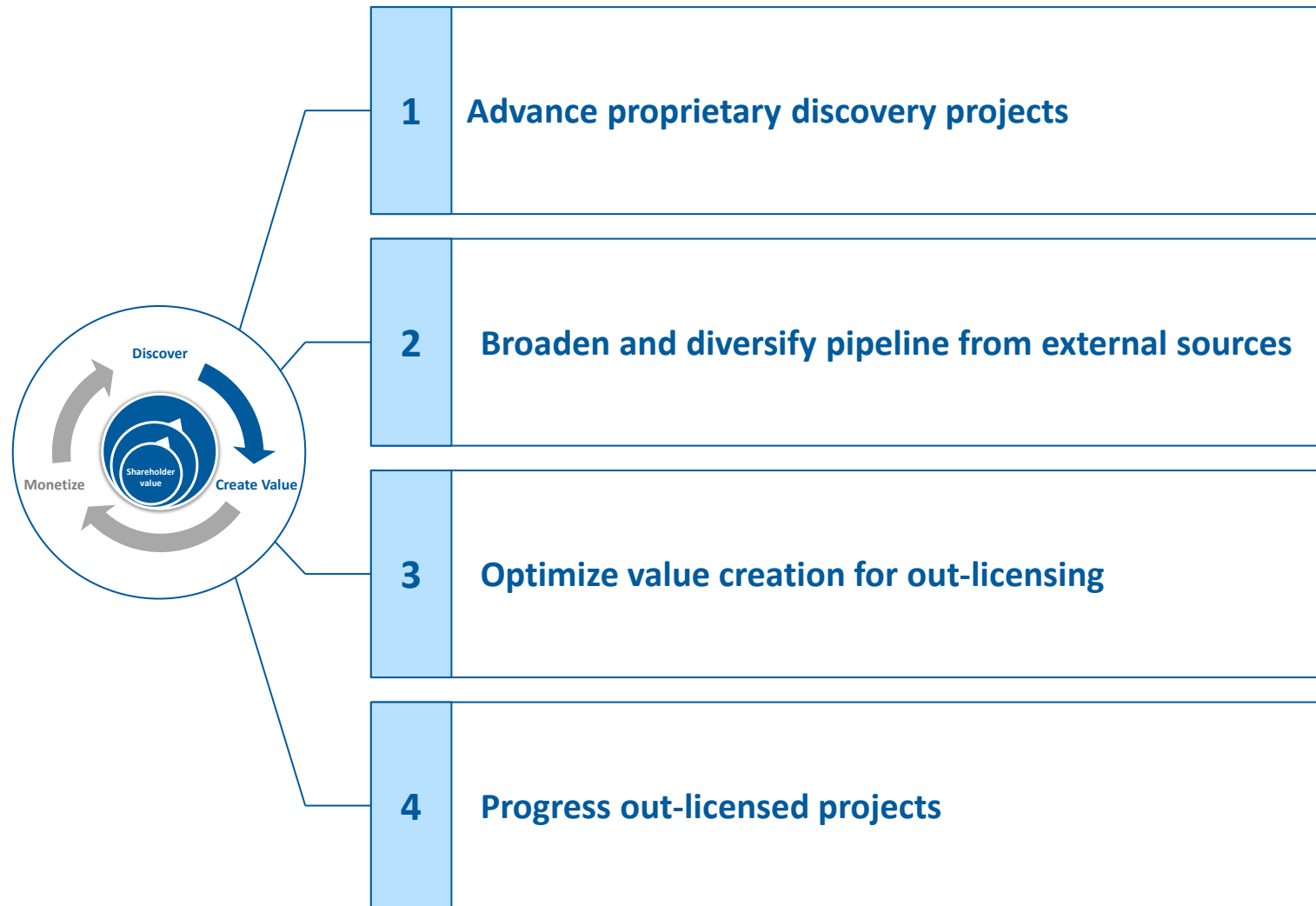
### Protease inhibitors

**Discovery and development of novel protease inhibitors**

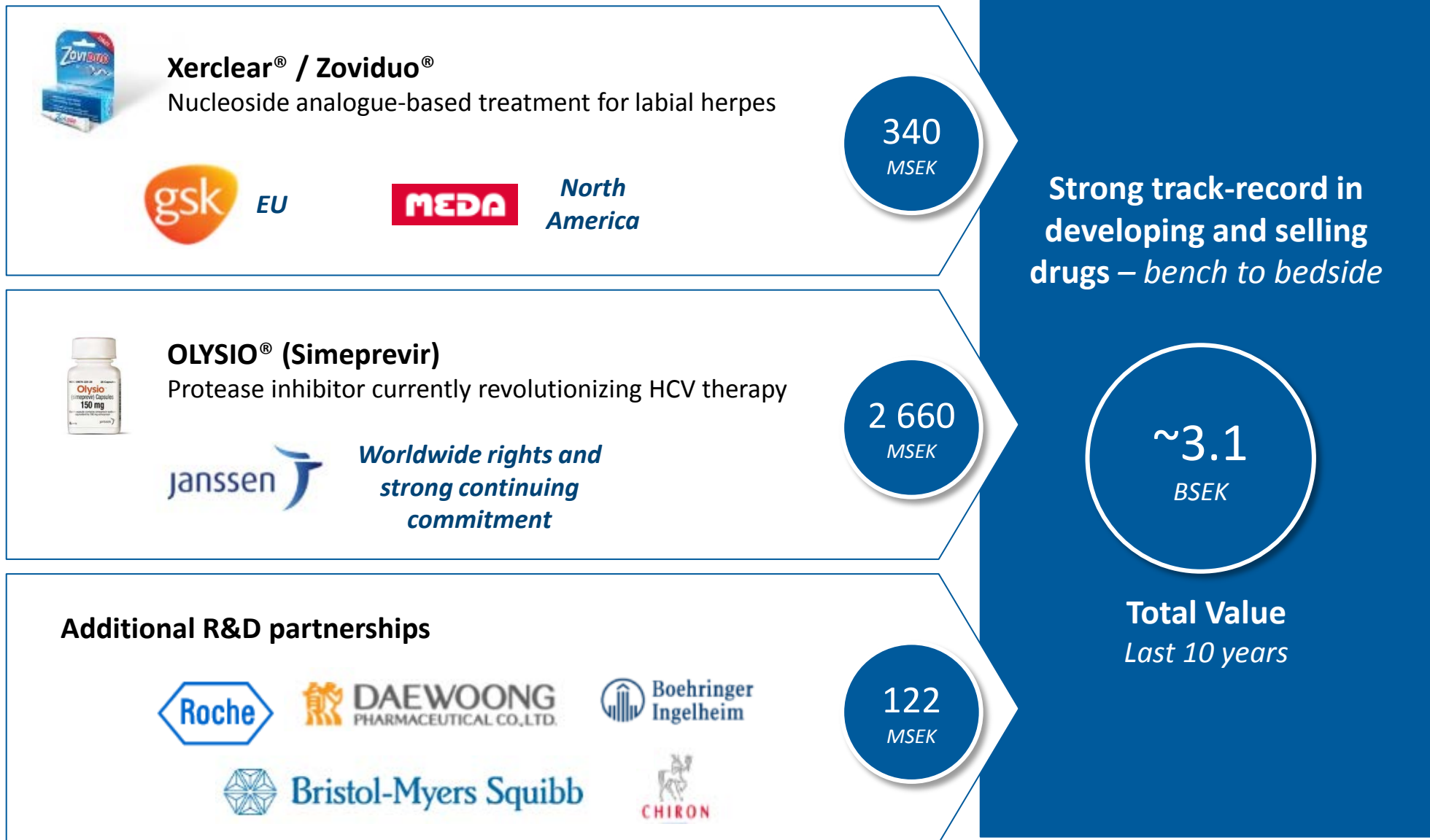
- Combining structural biology, medicinal chemistry and biology to generate potent and selective inhibitors with drug-like properties
- Olysio the most conspicuous example of our past success in this area
- MIV-711 (Cathepsin K) represents a further recent example of a high quality protease inhibitor discovered by Medivir scientists



# Four part strategy to strengthen the R&D pipeline and capture more of its value



# Proven ability to monetize





# An attractive partner for in- and out-licensing



Successfully entered into over 20 global partnerships since inception

## Description



- 6 different deals with J&J – in-licensing and out-licensing (Research to Phase II)
- 3 different indications (HCV, HIV and Dengue)



- 3 separate deals completed with GSK
- Covering Xerclear® / Zovido® and HIV (Phase I)



- 3 separate deals completed with Roche
- Focus on HCV research



- Divestment of Xerclear® / Zovido® US rights to Meda



- In-licensing of Adasuve®

## Additional



# Consistent revenue generation and direct market access



**Strong commercial presence in the Nordics with proven ability to launch and market specialty care products**

**186**  
MSEK

*OLYSIO® and Adasuve® launched in 2014*

**Specialty Care**  
Nordics, Year 2014



**180**  
MSEK

*13 mature brands providing economies of scale for specialty care portfolio\**

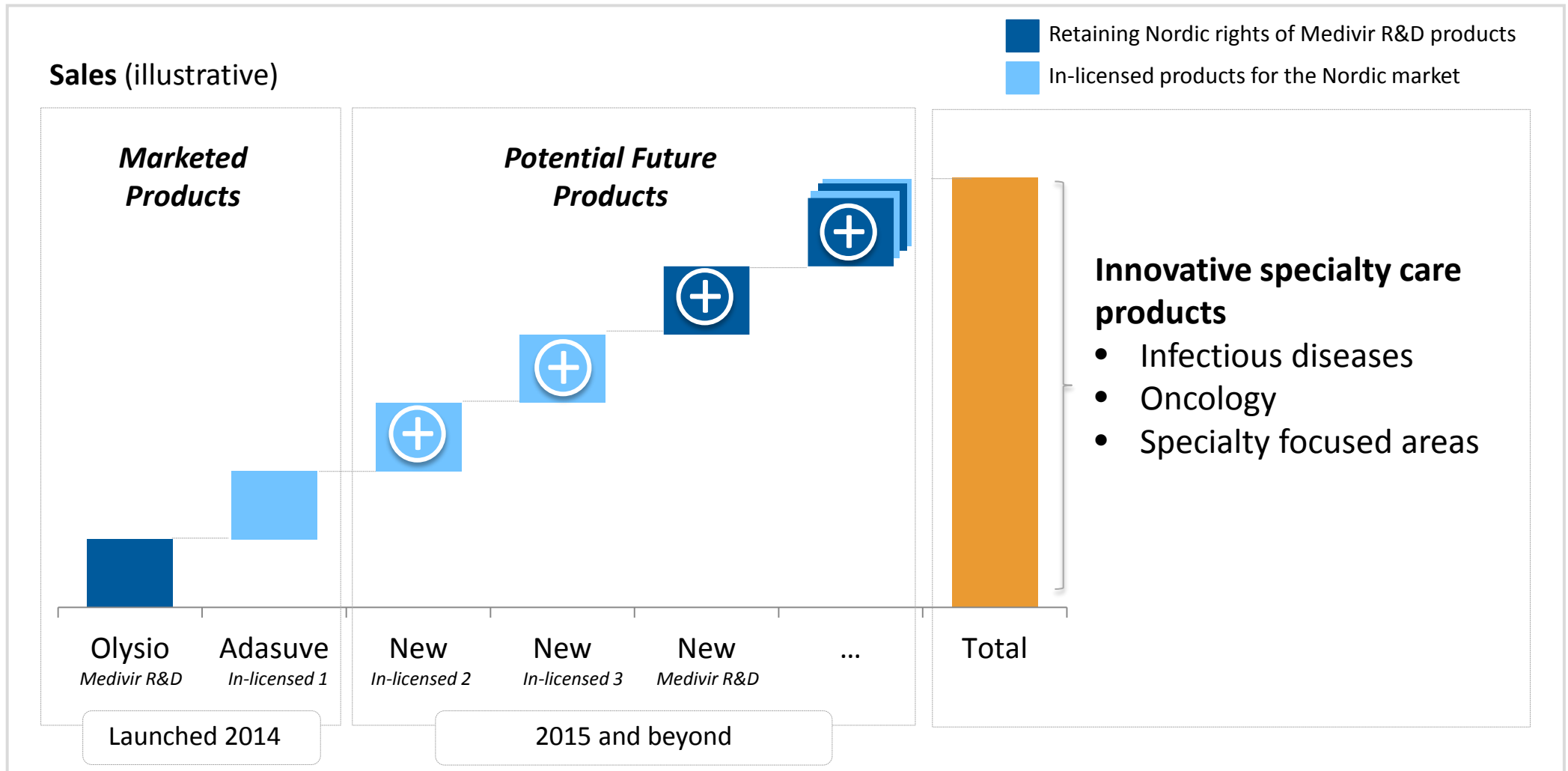
**Nordic Brands**  
Nordics, Year 2014



**Close operational synergies especially in the areas of Regulatory Affairs, Pharmacovigilance, Supply & Logistics, and Quality**

# Addition of new innovative specialty care pharmaceuticals

## Innovative Specialty Care Portfolio

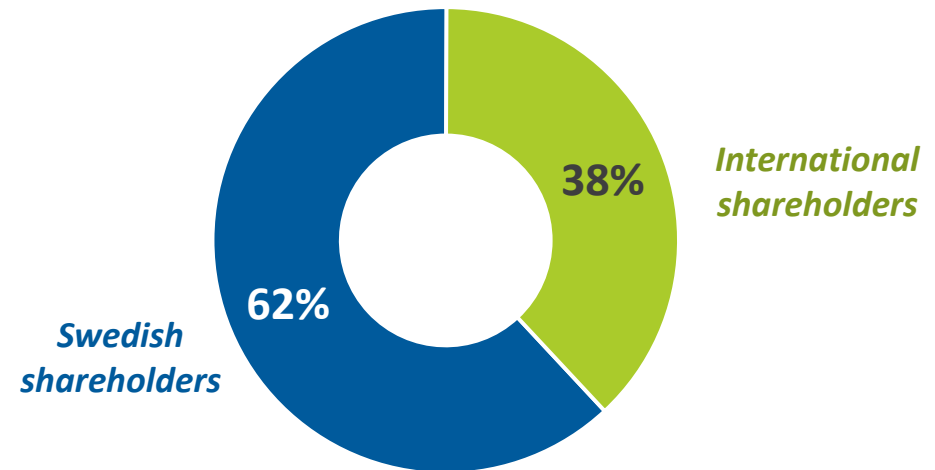


**Strong financial position to invest in innovative projects and develop them faster and further** - *Turn projects into products*

*Strong position with  
~1 BSEK in cash available*



**More diversified shareholder base enabling strategy implementation**



## Quarterly financial summary

Summary of Group's figures (SEK m)	Q2	
	2015	2014
Net turnover	245.8	564.0
Gross profit	214.9	518.8
EBITDA	104.9	424.4
Profit/loss before tax	85.4	418.4
Profit/loss after tax	64.1	327.8
Operating margin, %	39.1%	73.7%
Basic earnings per share	2.21	10.49
Diluted earnings per share	2.19	10.28
Net worth per share	55.7	46.9
Return on Equity	5.8%	32.2%
Cash flow from operating activities	64.3	88.7
Liquid assets and ST investments	1 043.4	430.4
R&D spending/total opex, %	60.2%	62.8%

- Net turnover totalled SEK 245.8m (564.0 m), of which SEK 165.6m (500.7 m) comprised second quarter royalties for simeprevir
- Revenue from Medivir's own pharmaceutical sales totalled SEK 55.1m (62.9 m)
  - SEK 13.2m (21.7 m) from sales of OLYSIO®
  - SEK 41.9m (41.2 m) from sales of other pharmaceuticals
- The profit after tax was SEK 64.1m (327.8 m)
- Basic and diluted earnings per share totalled SEK 2.21 (10.49) and SEK 2.19 (10.28), respectively
- The cash flow from operating activities amounted to SEK 64.3m (88.7 m).

- Third quarter royalty income for simeprevir was SEK 69m, of which SEK 57m related to Q3 2015 sales and SEK 12m related to previous period adjustment

**R&D**  
*Focus on infectious disease and oncology*

## Strategic transactions

*creating longer-term independent growth opportunities*

- Bolster pipeline by adding novel assets and complementary technology platform(s)



## Operational efficiency

*ensuring prudent use of our cash*

- Harness in-house development expertise and ensure access to external expertise
- Out-source when relevant to secure flexibility, speed and quality
- Run multiple projects and development steps in parallel

**Nordic Commercial Operations**

- In-licensing / acquiring products to our specialty care portfolio



- Leverage market insights in development and in discussions with partners
- Capture synergies between Nordic Brands and Innovative Specialty Care portfolio



## Medivir has the platform for sustainable value creation



- **R&D capabilities and financial resources to continue to innovate** within our focus areas infectious disease and oncology
- **End-to-end ability to drive multiple projects in parallel** from discovery through clinical proof of concept
- **Attractive partner** for in- and out-licensing
- Proven **ability to monetize** (projects into partnerships)
- **Commercial strength in the Nordics** to launch and market specialty care products
- **More diversified shareholder base** as success has increased interest from international investors



# Path to Long-term Value Creation

## Strengthen the R&D pipeline and capture more of its value

Ensure a continuous flow of external and internal innovation and value creating projects and advance selected projects further. Four part approach:

1. Advance proprietary discovery projects
2. Broaden and diversify pipeline from external sources
3. Optimize value creation for out-licensing
4. Progress out-licensed projects



### Accomplished

- First in vivo efficacy studies with advanced leads from HCC nuc project in progress
- MIV-711 Phase II-enabling toxicology study completed
- Commenced MIV-802 IND-enabling safety studies
- Janssen started Phase I trial with AL-704 (previously JNJ-54257099)

### Upcoming Milestones

- MIV-711 Phase IIa study initiation (YE15)
- MIV-802 IND-enabling toxicology study completion (4Q15)
- HCC nuc IND-enabling tox studies initiation (4Q16)
- External transaction(s) (including potential acquisitions)

## Generate diversified revenue from global partnerships

Out-license projects from the R&D



- Janssen started simeprevir-based 3DAA combination Phase I study

- Janssen simeprevir-based 3DAA Phase II study completion (3Q16)
- Partnering discussions for MIV-802

## Capitalize on commercial platform in the Nordics

Expand Innovative Specialty Care Portfolio through in-licensing



- Olysio launched
- Adasuve in-licensed and launched

- In-license products for Nordic commercialization

## Invest capital responsibly and attract diversified shareholder base

Reinvest in continuous innovation and operate efficiently



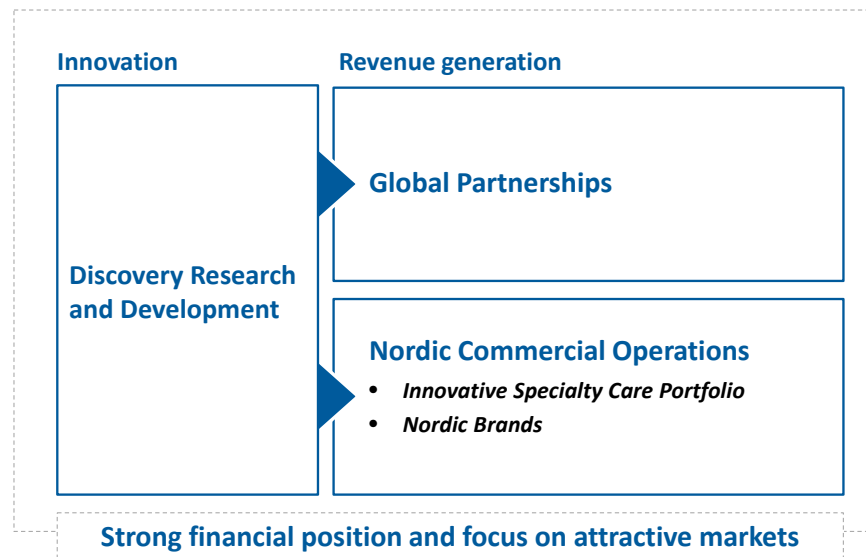
- Price increases on Nordic Brands implemented
- Increased cost flexibility through GVK collaboration
- International ownership increased from 28% to 39% YTD Oct 2015

- Continued gross margin improvements in Nordic Brands
- G&A cost efficiency from full year effect of organizational changes

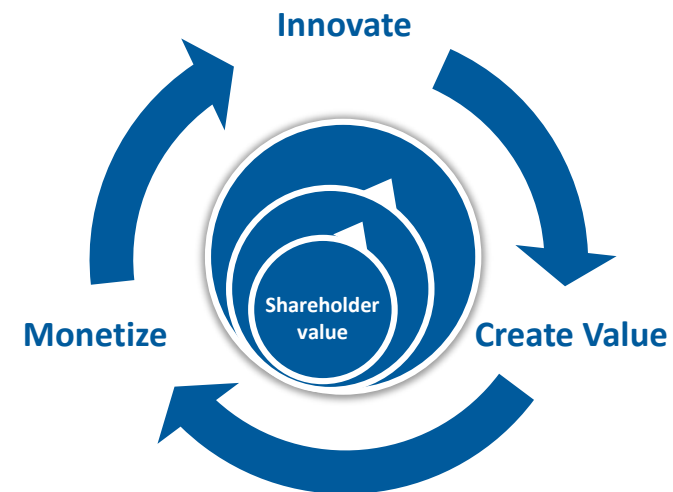
To summarize, Medivir is in a strong position to continue to discover, develop and capitalize on investments in innovation



Medivir has the platform for sustainable value creation...



...and will utilize proven track-record to further build shareholder value



*Take advantage of Medivir's history of bringing valuable drugs from bench to bedside*