

Medivir

Q3-2015 Conference call

20 November, 2015

Niklas Prager CEO
Ola Burmark CFO

The logo features the word "MEDIVIR" in a bold, blue, sans-serif font. It is enclosed within a blue rectangular frame that has a slight 3D effect, with a horizontal line extending to the right from the top-left corner and another horizontal line extending to the right from the bottom-left corner.

MEDIVIR

A research-based
pharmaceutical company
with focus on infectious
diseases and oncology

Q3 Highlights

Progress of partnered projects

- Janssen's commitment to the HCV market drives future development
- Phase I clinical trial of AL-704, also known as '099
- Phase I clinical trial with simeprevir in combination with odalasvir and AL-335

Continued focus on operational efficiencies

- Resizing the Nordic commercial organization in order to adapt to lower level of OLYSO® sales
- Research & Development operations merged into a single unit, headed by EVP Richard Bethell
- Non Recurring costs of 9.1m in the quarter, expected savings approx 14m on annual basis.

Global Net Sales of OLYSIO® of USD 79m generating a royalty of SEK 57m

- Additional SEK 11.5m in Royalty payments to adjust for earlier periods.



Recent changes in our portfolio

Phase IIa clinical trial of a triple combo including simeprevir

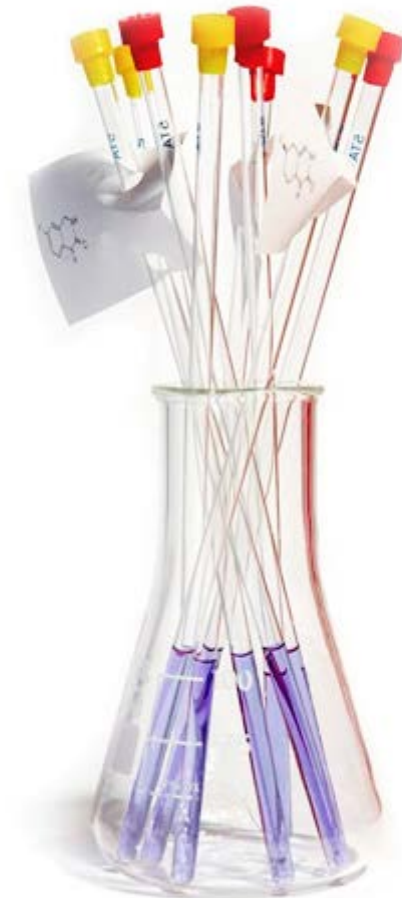
- Evaluate the combination of simeprevir, odalasvir (ACH-3102), and AL-335 in treatment-naïve patients with genotype 1 chronic hepatitis C virus infection.
- Open label tree-armed study, once daily treatment of a duration of four, six or eight weeks. Enrolling approx 60 patients in total.
- Primary objective is to evaluate the safety of the treatment regimen with secondary endpoints consisting of Pharmacokinetics, the proportion of subjects achieving sustained viral response (SVR), and the effect on the viral resistance profile after treatment.

MIV-711 completed pre clinical safety testing

- Enabling a longer term phase IIa study in osteoarthritis patients to be initiated
- Regulatory review of documentation to support this study is underway

ADAM 8 inhibitor project closed down

- Closure of the project following an internal review. The decision was based data generated during the past six months.

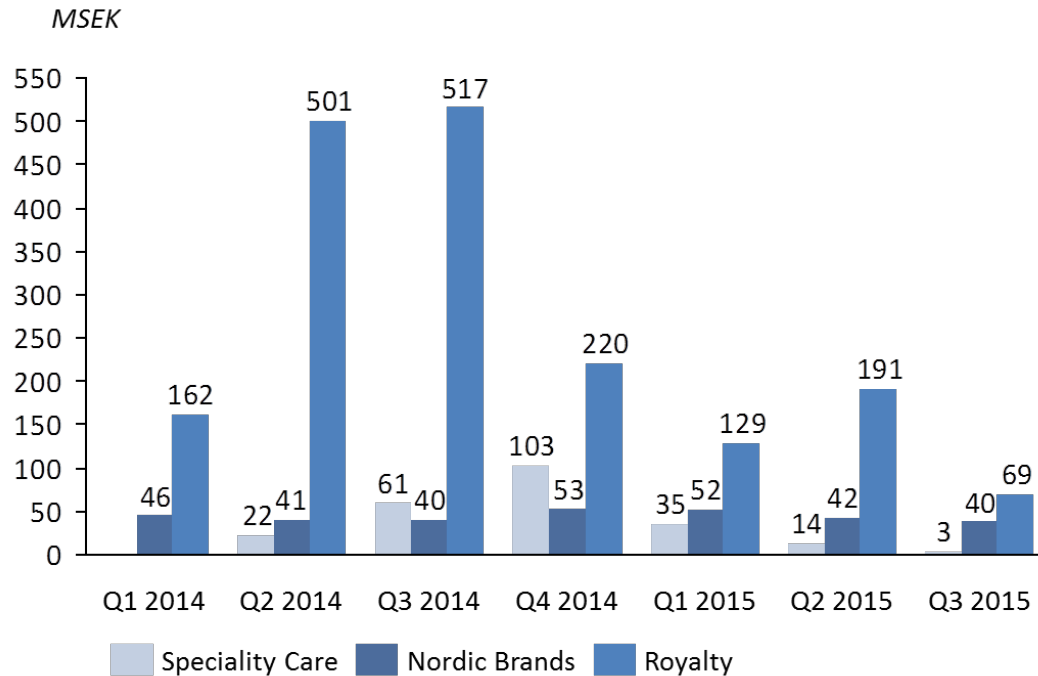


Q3 Financial summary

Summary of Group's figures (SEK m)	Q3	
	2015	2014
Net turnover	115.5	617.8
Gross profit	90.2	567.6
EBITDA	1.3	485.7
Profit/loss before tax	-13.3	479.6
Profit/loss after tax	-10.5	373.7
Operating margin, %	-11.8%	77.3%
Basic earnings per share	-0.36	11.95
Diluted earnings per share	-0.36	11.83
Net worth per share	55.4	58.8
Return on Equity	-0.9%	29.0%
Cash flow from operating activities	75.4	473.0
Liquid assets and ST investments	1 118.1	896.4
R&D spending/total opex, %	68.1%	58.6%

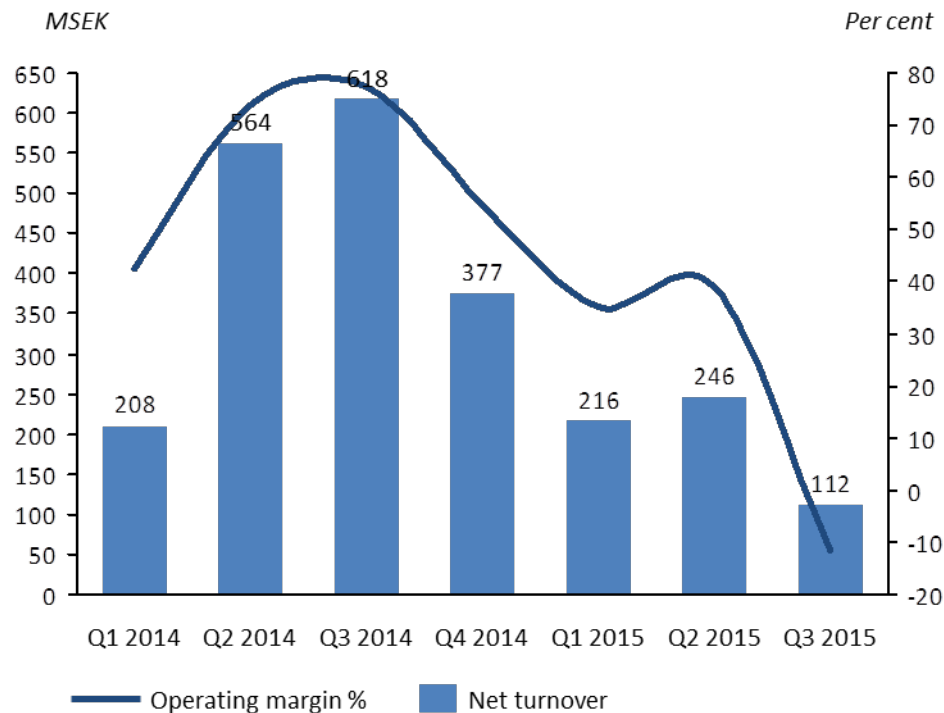
- Net turnover totalled SEK 115.5m (617.8 m), of which SEK 57.5m (517.0 m) comprised third quarter royalties for simeprevir. In addition Medivir received SEK 11.5m in royalty adjustment related to the previous periods.
- Revenue from Medivir's own pharmaceutical sales totalled SEK 42.5m (100.8 m), of which SEK 2.8m (61.6 m) derived from sales of OLYSIO® and SEK 39.7m (39.2 m) from sales of other pharmaceuticals.
- The loss after tax was SEK -10.5m (373.7 m).
- Basic and diluted earnings per share totalled SEK -0.36 (11.95) and SEK -0.36 (11.83), respectively.
- The cash flow from operating activities amounted to SEK 75.4m (473.0 m).

Sales Break Down



- Royalty income totalled SEK 69m, of which 12m referred previous quarters. In total it represent a decline by SEK 448m
- Janssen’s global net sales of simeprevir amounted to USD 79m, whereof US net sales was USD 26m and RoW USD 53m
- Nordic net sales totalled SEK 42.5 million, where SEK 2.8 million derived from sales of OLYSIO®
- Nordic Brands sales of SEK 39.5 million represents an increase of 1.3%, driven by the brands Mollipect, Suscard, Paraflex and Lithionit

Operating income and margin



Gross Profit

- The gross profit amounted to SEK 90.2m, corresponding to a decrease of SEK 477.4m and equating a gross margin of 81% (92%), explained by a relative shift in revenue from royalty to pharmaceutical sales

Operating expenses

- Selling expenses increased by SEK 2.3m. The increase relates to the re-sizing of the commercial organization as a result of the decline in OLYSIO® Nordic sales, and non-recurring personnel costs of 3.7m are taken in the third quarter.
- Administrative expenses increased by SEK 2.7m with underlying decreased spending being offset by non-recurring personnel costs of SEK 5.4m.
- Research and development costs increased by SEK 17.5m, explained by the MIV-802 and MIV-711 projects, which have progressed into pre clinical and clinical development respectively.
- Other operating income/expenses are positive and increased by SEK 9.4m, largely due to exchange rate effects
- Overall, operating expenses totalled SEK -103.3m (-90.2 m), corresponding to an increase of SEK 13.0m, where of 9.1m are non-recurring personnel costs.

Operating loss

- Operating loss totalled SEK -13.1m (477.3m), corresponding to a decrease of SEK 490.4m



Research & Development



Pipeline changes

MIV -711

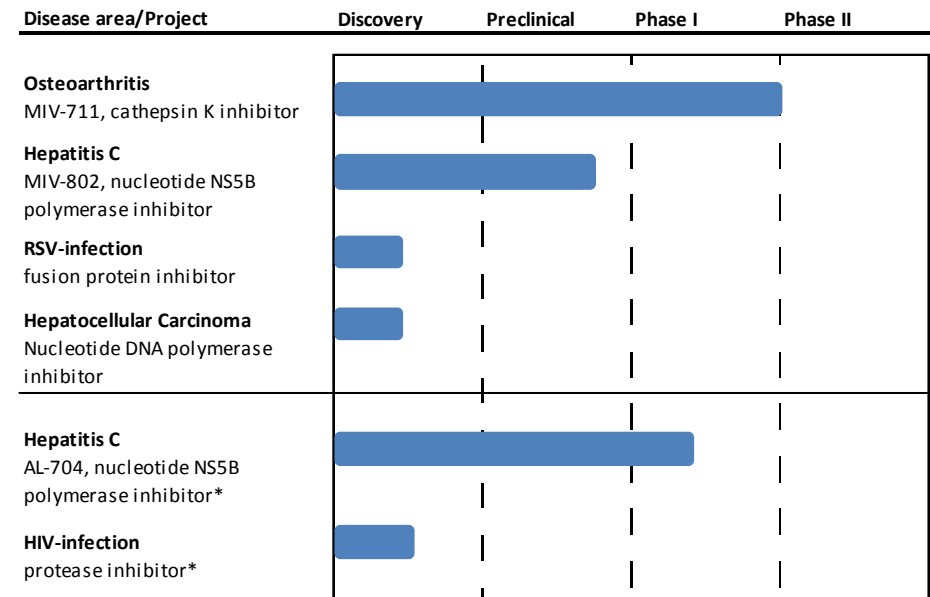
Has completed preclinical safety testing, enabling a longer term phase IIa study in osteoarthritis patients to be initiated. Regulatory review of documentation to support this study in underway.

MIV -802

Non clinical safety studies soon completed in order to prepare decision to enter into phase I trials.

ADAM8 inhibitor project closed down *

The project has been terminated, following an internal review. The decision was based on data generated during the past six months.



* Partner Janssen

* Event after third quarter



Nordic commercial




Q3 Nordic sales update

Q3 sales revenue:

- SEK 42.5m
- -58% vs. Q3 '14

Innovative Specialty Care Portfolio

- Currently selling Adasuve® and OLYSIO®
- Retaining Nordic rights for out-licensed products
- In-license patent protected growth products




Q3 sales revenue:

- SEK 3.0m
- -95% vs. Q3 '14

Nordic Brands

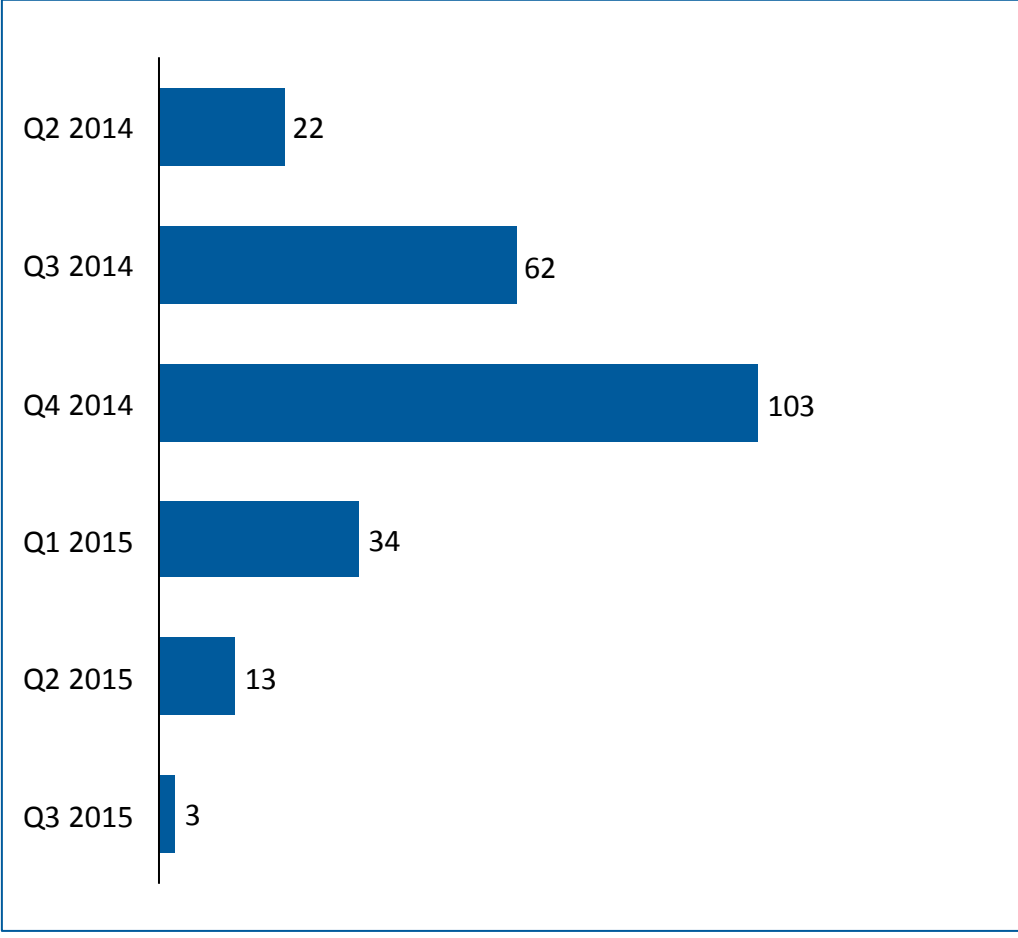
- 13 well established pharmaceuticals
- Continuous activities to improve gross margins further



Q3 sales revenue:

- SEK 39.5m
- +1.3% vs. Q3 '14

Continued drop in OLYSIO® sales

Nordic OLYSIO® Sales, (SEKm)	Nordic OLYSIO® Update														
 <table border="1"> <caption>Nordic OLYSIO® Sales (SEKm)</caption> <thead> <tr> <th>Quarter</th> <th>Sales (SEKm)</th> </tr> </thead> <tbody> <tr> <td>Q2 2014</td> <td>22</td> </tr> <tr> <td>Q3 2014</td> <td>62</td> </tr> <tr> <td>Q4 2014</td> <td>103</td> </tr> <tr> <td>Q1 2015</td> <td>34</td> </tr> <tr> <td>Q2 2015</td> <td>13</td> </tr> <tr> <td>Q3 2015</td> <td>3</td> </tr> </tbody> </table>	Quarter	Sales (SEKm)	Q2 2014	22	Q3 2014	62	Q4 2014	103	Q1 2015	34	Q2 2015	13	Q3 2015	3	<ul style="list-style-type: none"> • Q3 sales: SEK 2.8m, -92% vs. Q1 2015 and -79% vs Q2 2015 • The Nordic OLYSIO® parallel trade situation is roughly net neutral • Going forward OLYSIO® will generate limited sales in the Nordics and will only be used for patients failing on standard of care
Quarter	Sales (SEKm)														
Q2 2014	22														
Q3 2014	62														
Q4 2014	103														
Q1 2015	34														
Q2 2015	13														
Q3 2015	3														



Q&A



A blue L-shaped graphic consisting of a vertical line on the left and a horizontal line on the top, both of equal length, meeting at a right angle in the top-left corner.

www.medivir.com

Ticker: MVIR

Exchange: OMX / NASDAQ

For more information please contact

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