

**Medivir**  
Corporate Presentation  
December, 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

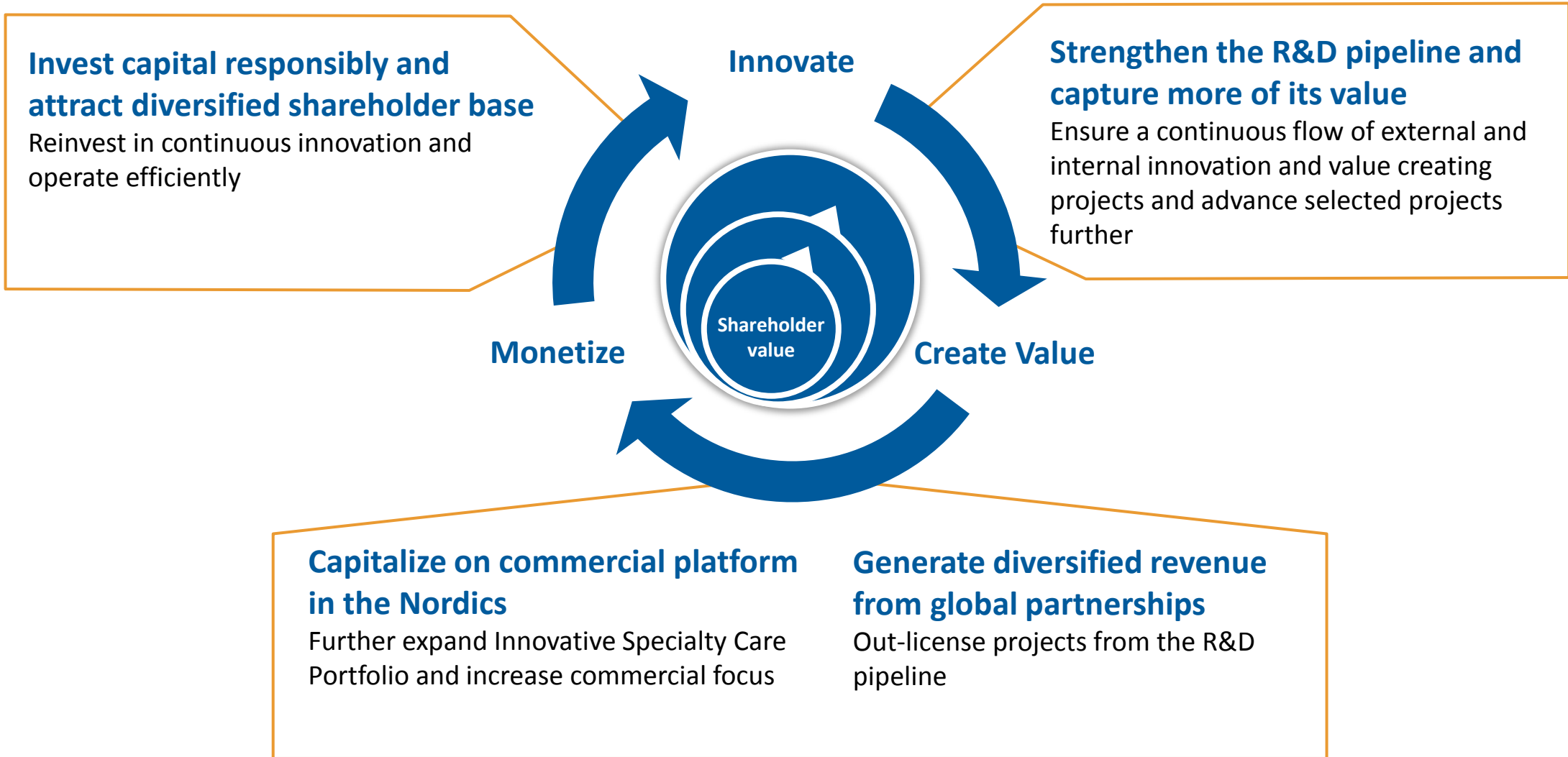
- **Innovative Specialty Care Portfolio**
  - Two innovative specialty care products, Olysio® and Adasuve®, launched in the Nordics
  - Experienced and specialized commercial organization
- **Nordic Brands**
  - 13 Rx pharmaceuticals with stable revenue and earnings generation through efficient organization

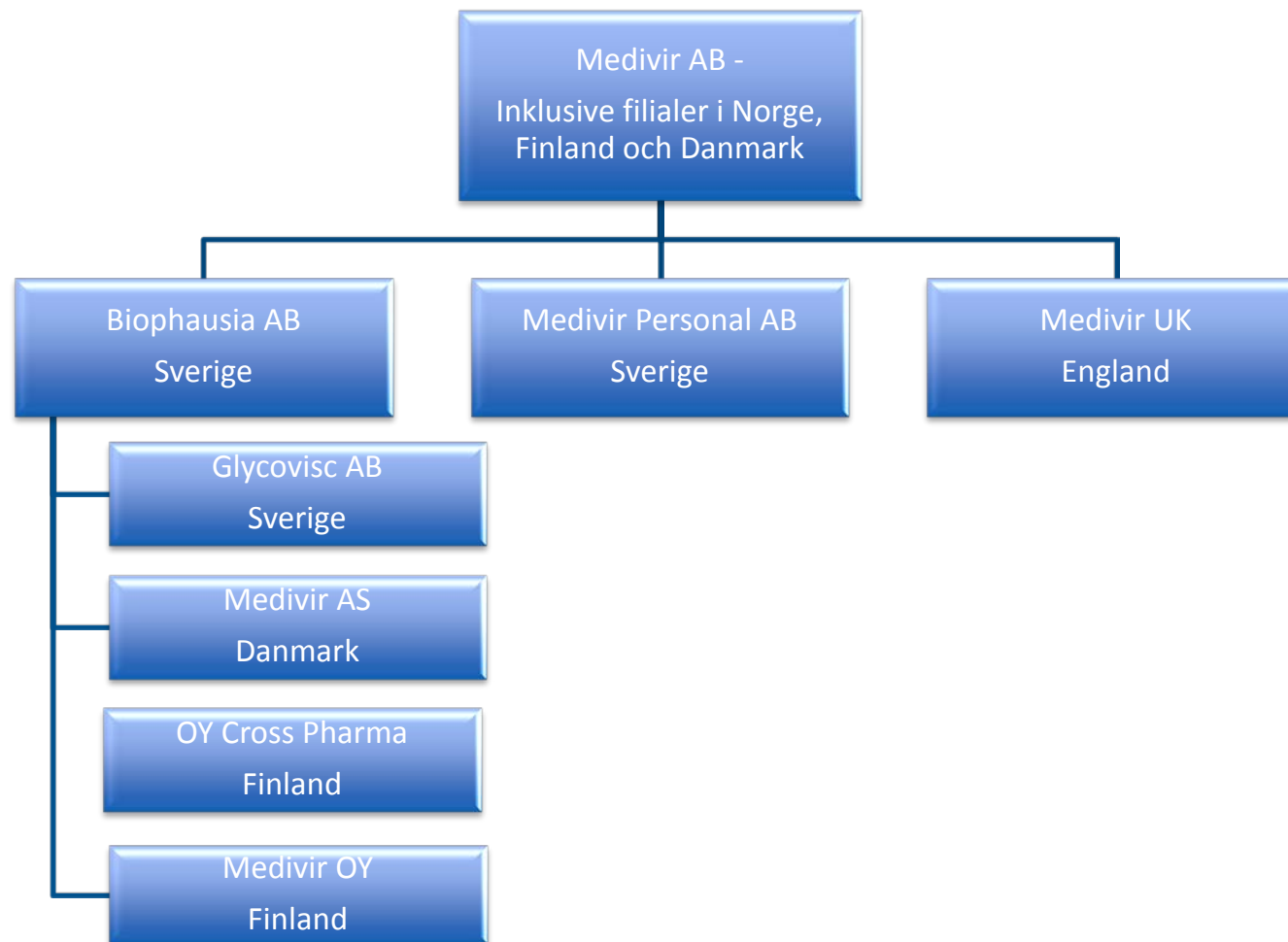
## Ability to invest in innovation for sustainable value creation

- 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

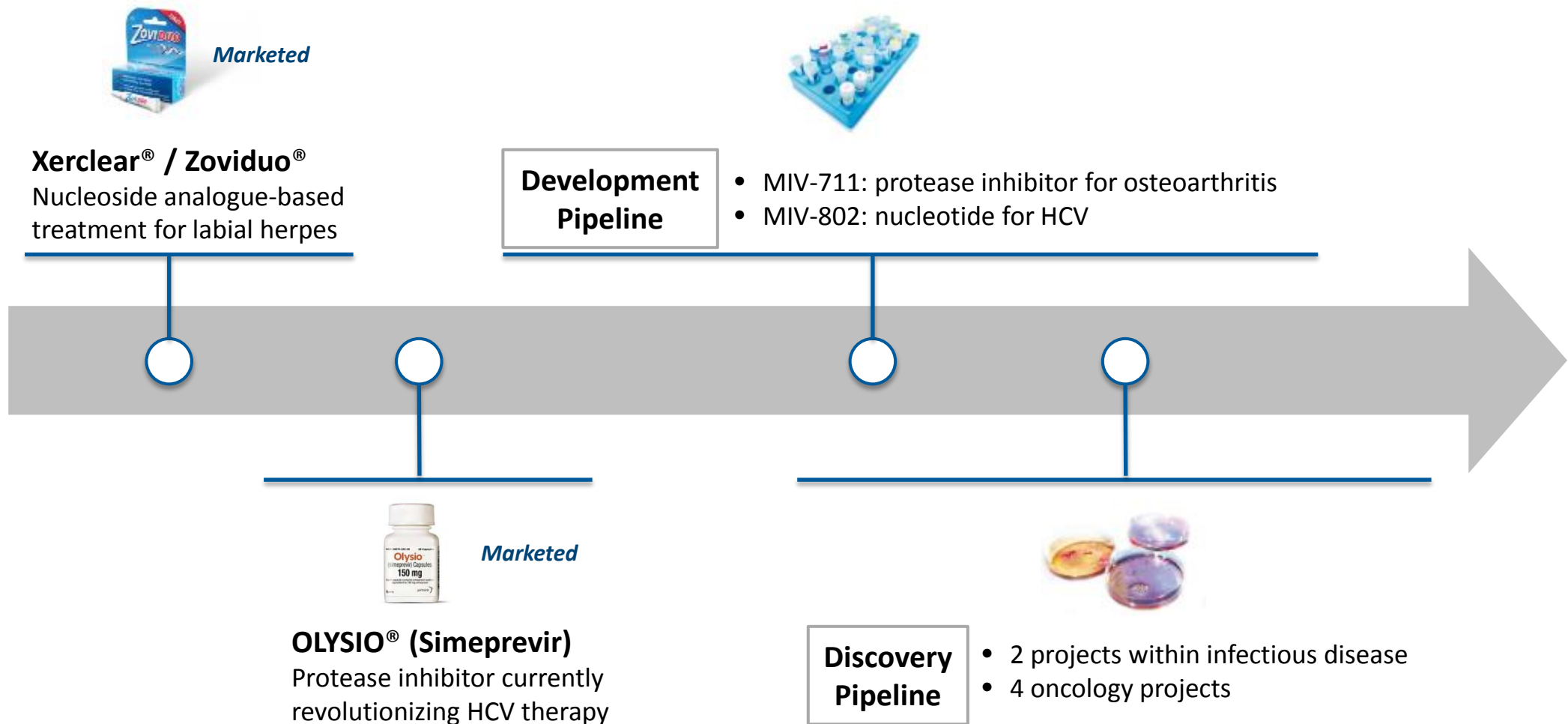




# Continuous innovation through proprietary technology platform



## 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

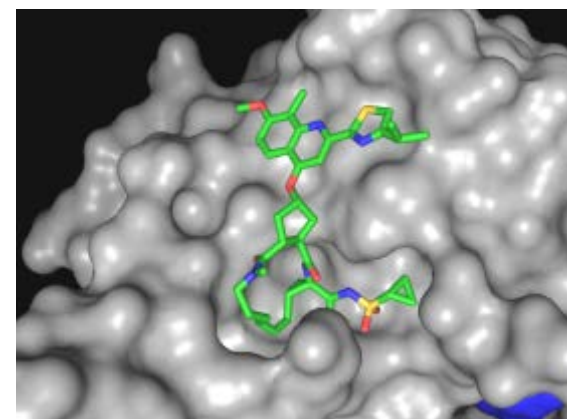
**Extensive expertise in the design, synthesis and biological characterization of novel nucleosides and nucleotides**

- 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)

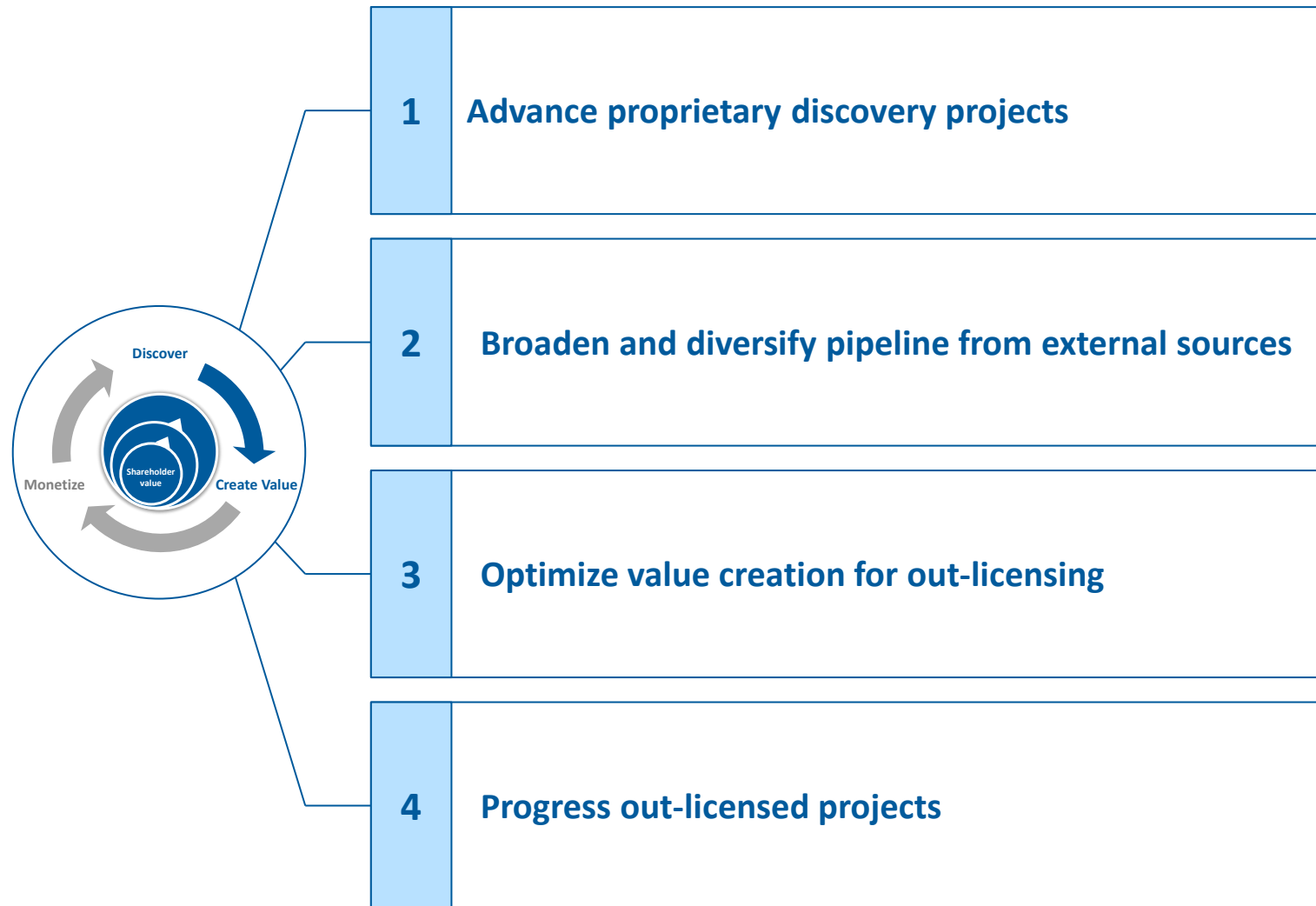
### Protease inhibitors

**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

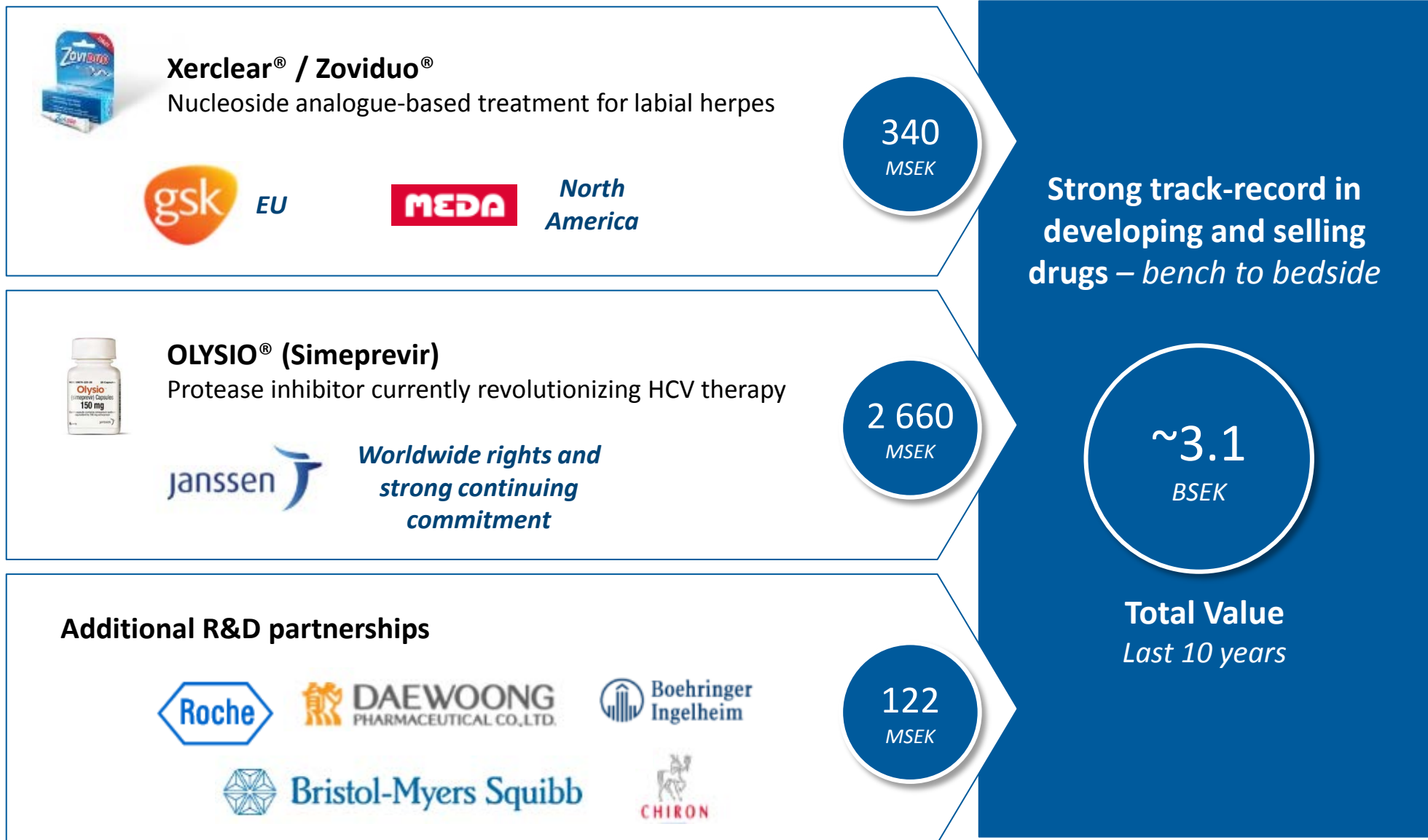


# Four part strategy to strengthen the R&D pipeline and capture more of its value





# 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\**

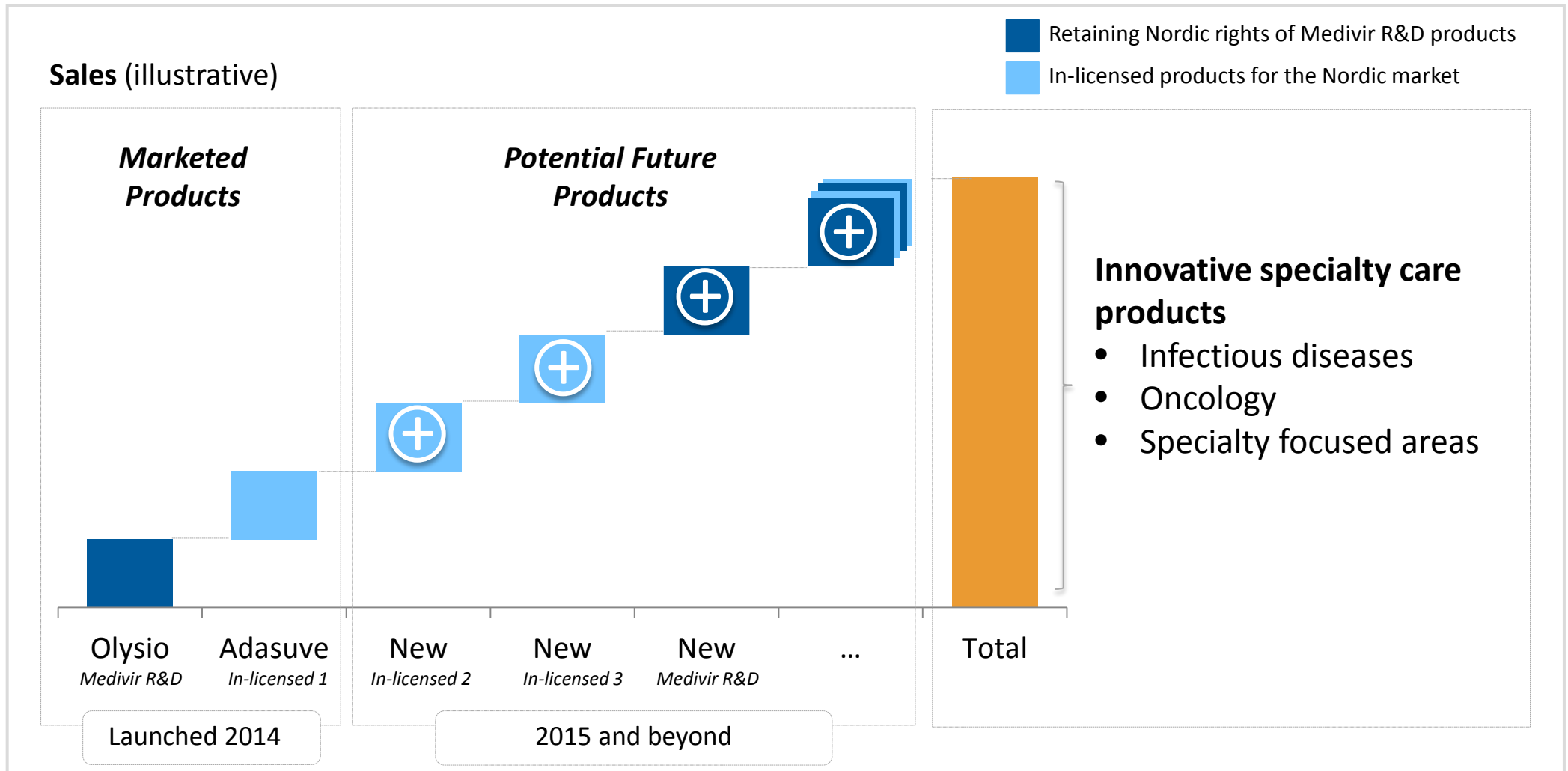
**Nordic Brands**  
Nordics, Year 2014



**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



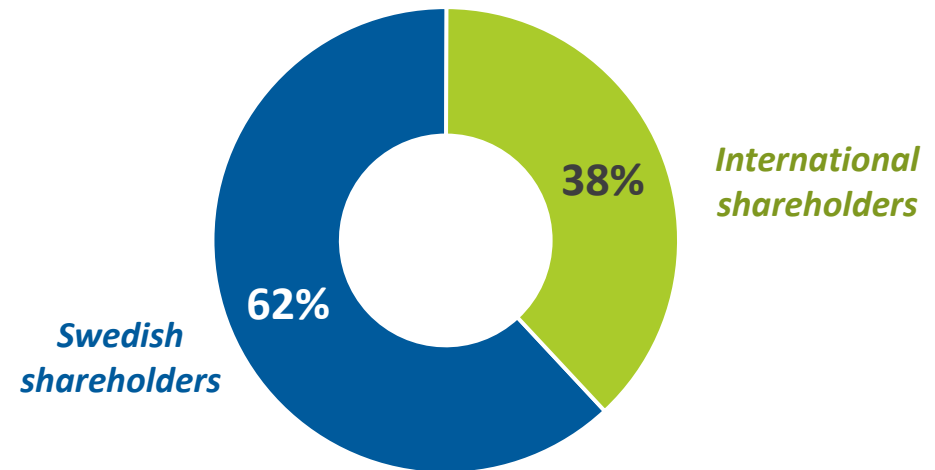
# Ability to invest in innovation for sustainable value creation

**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**



## 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).

**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



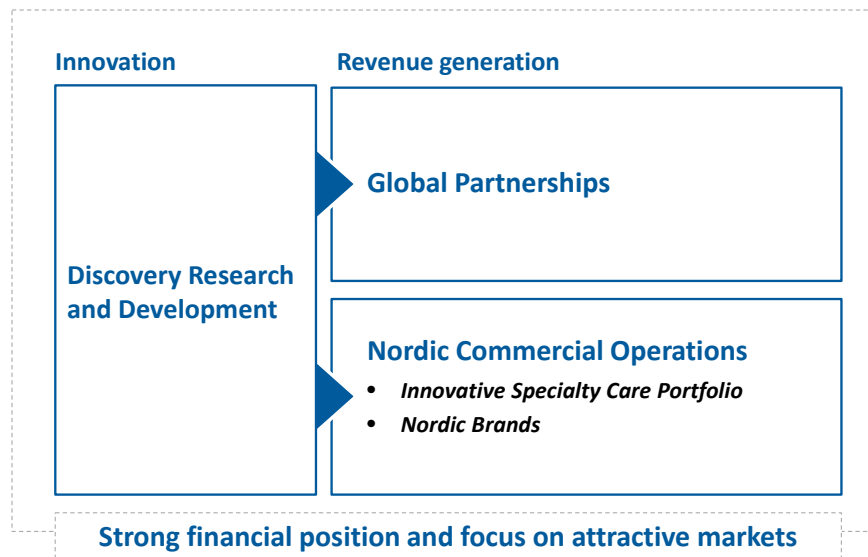
- Price increases on Nordic Brands implemented
- Increased cost flexibility through GVK collaboration
- International ownership increased from 28% to 39% YTD Oct 2015

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

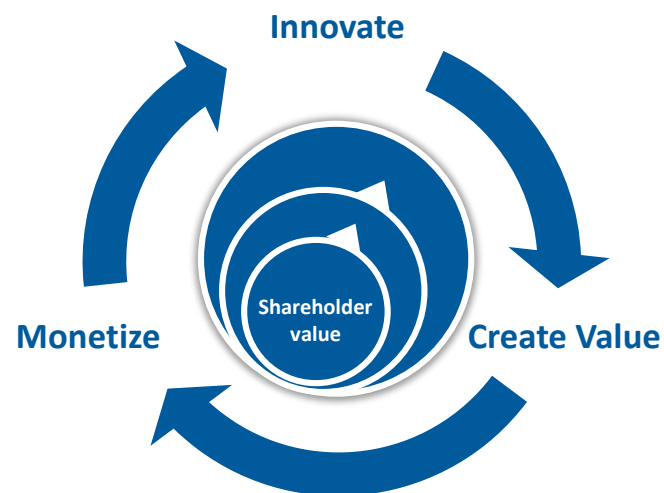
To summarize, Medivir is in a strong position to continue to discover, develop and capitalize on investments in innovation



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*