Carnegie Healthcare Seminar

Presentation

March 12, 2015

Niklas Prager, President and CEO

MEDIVIR

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

Agenda

Company overview & strategy

Performance year 2014

Summary & outlook

Questions & Answers

Medivir is a research-based pharma company with focus on infectious diseases and oncology

We have **leading competence within protease inhibitor design and nucleotide/nucleoside science** and we are dedicated to develop innovative pharmaceuticals that meet great unmet medical needs

Highlights

- **Successfully developed 2 pharmaceuticals that have been approved and launched in key markets**
  - ***Xerclear®* / *Zoviduo®*** (Nucleoside analogue-based treatment for labial herpes (GSK EU; Meda North America))
  - ***OLYSIO® (Simeprevir)*** (Protease inhibitor currently revolutionizing HCV therapy (Janssen; Global Sales of USD 2.3 Billion in 2014)
- **Strong and diverse discovery and early development pipeline**

Our commercial organization provides a **growing portfolio of specialty care pharmaceuticals on the Nordic market**

- **Commercial organization established in 2014 to support launch of OLYSIO® and Adasuve® in the Nordics**
- **Commercial team also managing our Nordic Brands** (14 Rx pharmaceuticals including Citodon and Mollipect)

We are in a **strong financial position** and **have the capabilities to ensure future success**

- **Market cap of ~2.2 BSEK following voluntary share redemption program distributing ~0.6 BSEK to shareholders**
- **140 highly qualified and diverse employees**
  - 90 in R&D; 47% doctorates
  - New strong management team in place Q1 2015

Medivir is in a much stronger position today than ever before

Global recognition

Our innovative R&D capabilities: Successful track-record in developing block-buster products

Our technology platform: protease inhibitor design and nucleotide/nucleoside science

Strong cash-position

~1 BSEK following voluntary share redemption program

Strengthened R&D infrastructure

New capabilities to allow projects to progress faster and further in the value chain (e.g. strong infrastructure including collaboration with CROs)

Management team

Successful track-record in closing value creating deals and ability to drive Nordic sales

- **Medivir is an attractive partner for in- and out-licensing**
- **We have the financial resources and R&D capabilities to fuel the pipeline with new value creating assets and to progress projects faster and further in development**
- **We have end-to-end ability to drive multiple projects in parallel from discovery through early development**
- **Increased interest from international shareholders (30% of outstanding shares)**

Business model is based on a balanced platform of innovation and revenue generation

World class high risk/high reward R&D capabilities with strong current and future cash generation from pharmaceutical sales in Nordic commercial operations and milestones/royalties from global partnerships

Innovation

R&D

Proven track record and will continue to be main source of long-term value creation with focus on Infectious Diseases and Oncology

Revenue generation

Global Partnerships

Balance risk/reward through out-licensing at costly stages of drug development and global commercialization

Nordic Commercial Operations

Innovative Specialty Care Portfolio

Significant upside and economies of scale in retaining Nordic rights for out-licensed products and in-licensing patented products with strong growth potential

adasuve

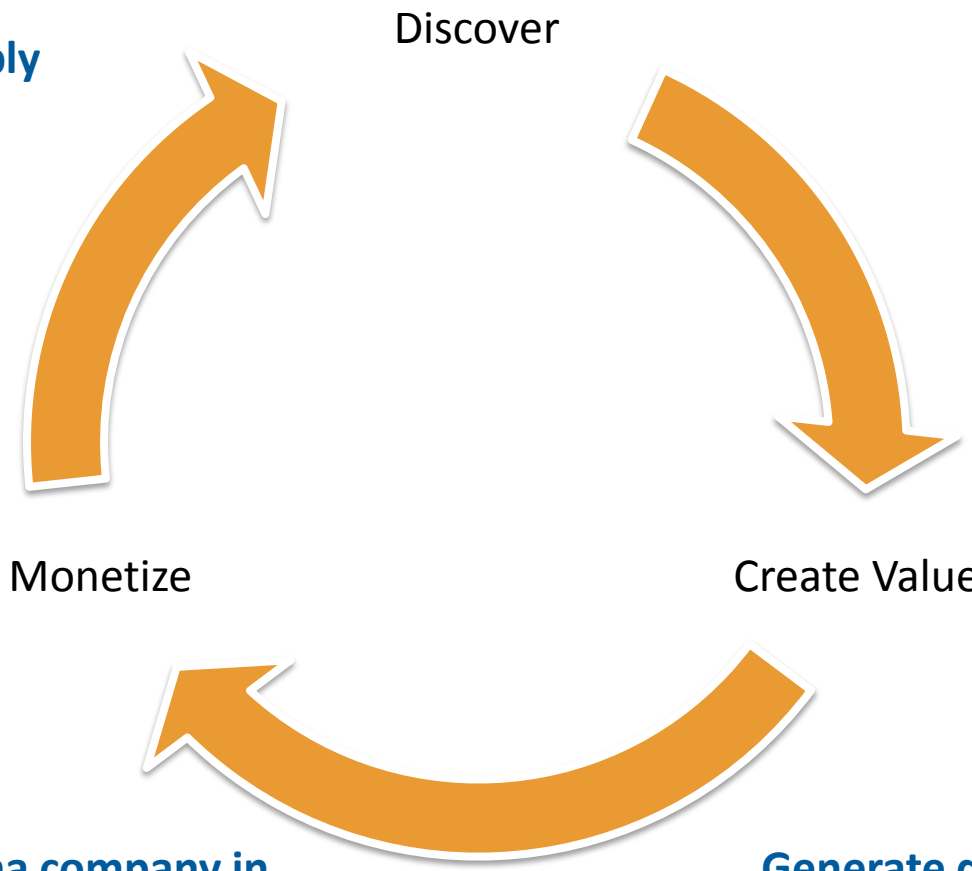
Nordic Brands

Broad range of well-known brands with stable revenue stream

We aim to deliver sustainable value creation by focusing on R&D while simultaneously expanding our portfolio of innovative specialty products

Invest capital responsibly

Operate efficiently and reinvest in continuous innovation for consistent visualization of revenue generation potential



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

Expand the pipeline of projects within our areas of expertise (infectious disease, oncology) through internal discovery and external sourcing, and advance selected projects further (e.g. Phase II)

Become top-tier pharma company in Nordic region, by sales

Further expand Innovative Specialty Care Portfolio, increase commercial focus and drive operational excellence

Generate diversified revenue from global partnerships

Successfully out-license projects from the R&D pipeline on a consistent basis

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

1. Accelerate development of proprietary projects

Extend value creating potential of our leading scientific platform to new projects within infectious disease and oncology.

- **Infectious Disease – 3 projects**
- **Oncology – 4 projects**

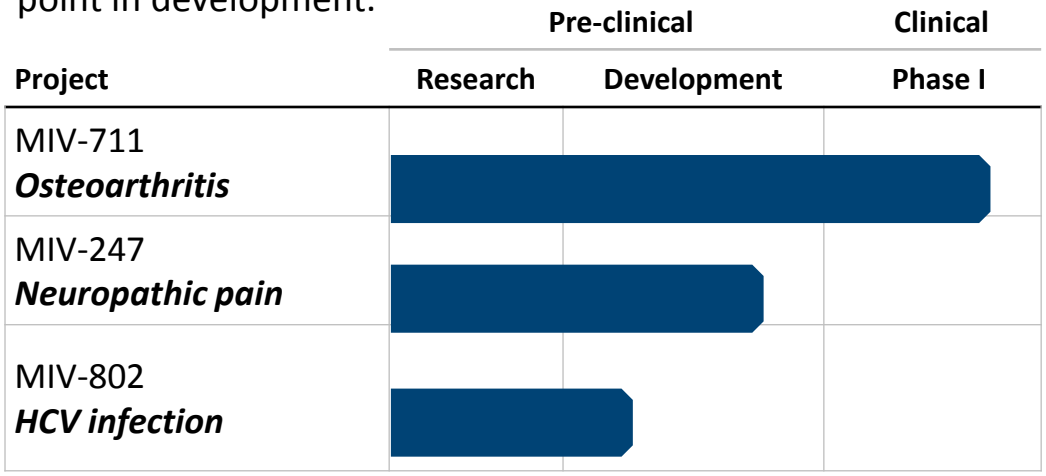
2. Broaden and diversify pipeline from external sources

In-licensing, acquisitions, partnerships, collaborations

- Novel targets in oncology and infectious disease where Medivir brings expertise
- Complementary innovative companies and technology platforms
- Flexible structures and high organizational attention
- Creative but disciplined investments

3. Optimize value creation for out-licensing

Continue development and out-license at most value creating point in development.



4. Progress out-licensed projects

Close engagement with partners in all development phases. Successful development will lead to additional milestones and royalties.

HIV protease inhibitor	HCV nucleotide
(Janssen)	(Janssen)

Continued progress in R&D with all projects on track and candidate drug selected in our HCV nucleotide program in December

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R&D Pipeline (wholly-owned assets)*

Project	Pre-clinical: Research	Pre-clinical: Development	Clinical: Phase I	Status
Osteoarthritis MIV-711 Cathepsin K inhibitor				• 6 months toxicology studies ongoing to enable start of phase IIa study in osteoarthritis patients in late 2015 • Innovative biomarker driven development path designed in collaboration with KOLs
Neuropathic pain MIV-247 Cathepsin S inhibitor				• Preclinical IND-enabling safety package initiated 3Q 2014 and ongoing • Start of clinical Phase I program: 3Q 2015
HCV infection MIV-802 HCV nucleotide NS5B polymerase inhibitor				• Candidate drug selected in December
RSV RSV fusion protein inhibitor				• Continues to advance in lead optimization

Future Strategy

- More detail regarding pipeline strategy at upcoming CMD 26 March in Stockholm

* In addition, HCV nucleotide (pre-clinical development) and HIV protease inhibitor (pre-clinical research) projects have been partnered with Janssen

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Record year with strong sales and earnings

Summary of the Group's figures, continuing operations (SEK m)	Q4		Q1-Q4	
	2014	2013	2014	2013
Net turnover	377,0	147,1	1 767,0	446,1
Gross profit	324,5	126,5	1 593,0	374,3
Operating profit before depreciation and amortisation (EBITDA)	214,9	32,0	1 221,9	76,4
Operating profit (EBIT)	206,5	20,6	1 188,7	25,2
Profit/loss before tax	204,3	22,8	1 192,7	27,7
Profit/loss after tax	147,3	19,3	1 132,7	16,0

- Full-year net turnover totalled 1 767,0 MSEK, a dramatic increase over last year, primarily due to the successful global launch of simeprevir
- Full-year profit after tax was 1 132,7 MSEK (vs 16,0 MSEK last year)

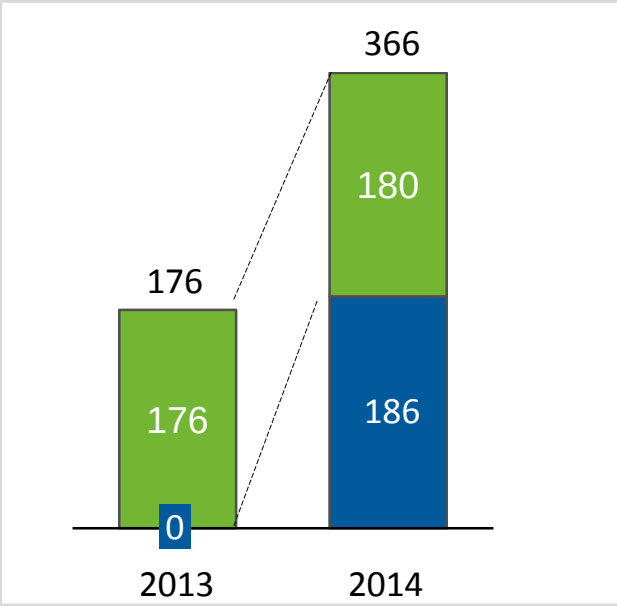
Royalties dominate but strong contribution from Nordic sales

Breakdown of net turnover (SEK m)	Q4		Q1-Q4	
	2014	2013	2014	2013
Non-recurrent payments	-	88,0	-	258,5
Pharmaceutical sales	156,6	47,6	366,8	176,1
Royalties	220,4	11,5	1 400,2	11,5
Total	**377,0**	**147,1**	**1 767,0**	**446,1**

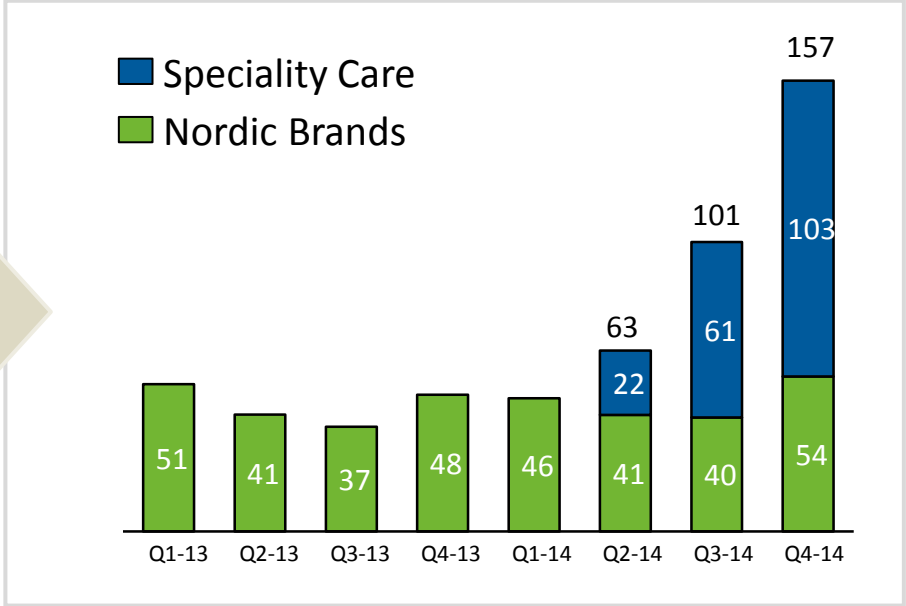
- Revenues from Medivir's own pharmaceutical sales totalled 366,8 MSEK (vs 176,1 MSEK)
  - 186,4 MSEK (0 SEK) were derived from sales of OLYSIO®
  - 180,4 MSEK (176,1 MSEK) from the Nordic Brands portfolio
- Total royalties amounted to 1 400,2 MSEK (vs 11,5 MSEK) of which 1 399,0 MSEK (vs 10,5 MSEK) were derived from simeprevir global sales

A year of growth driven by Olysio and strong Specialty Care sales in the Nordics

Annual Sales (MSEK)



Quarterly sales development (MSEK)

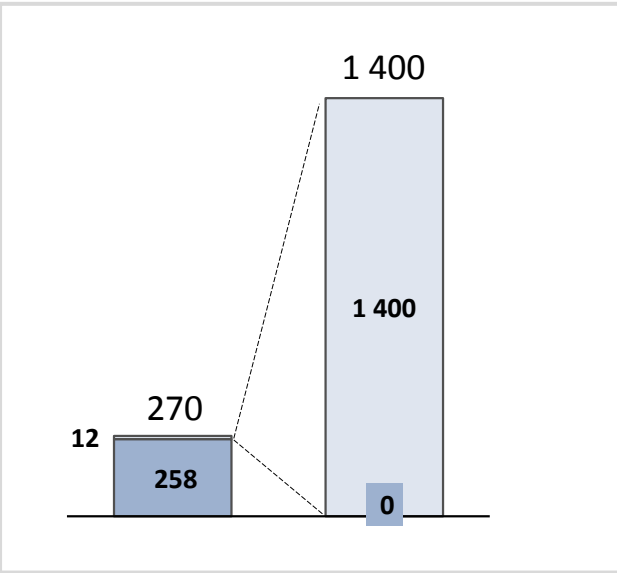


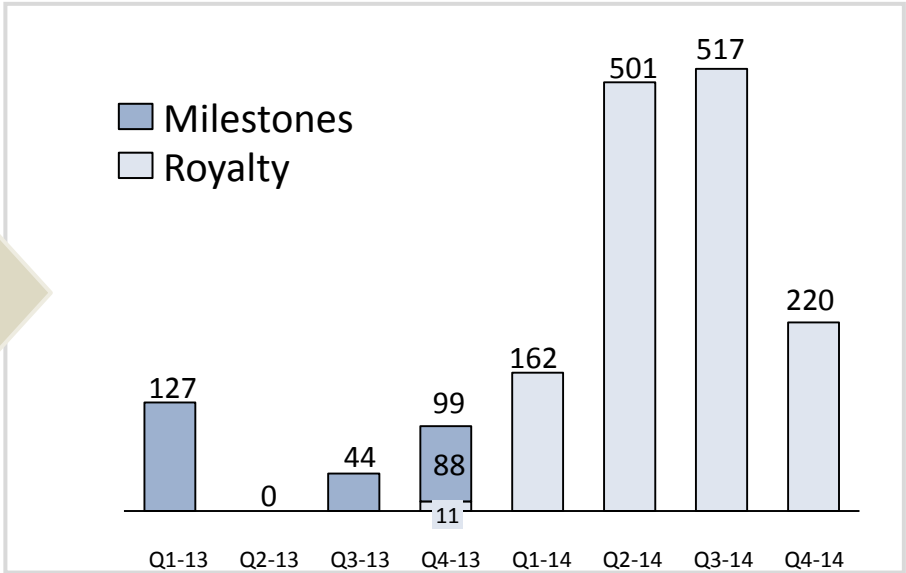
Specialty Care

- Successful Nordic OLYSIO® launch
- Agreements on OLYSIO®-based treatment with Swedish County Councils
- First-line position for OLYSIO® in treatment guidelines
- Positive launch of Adasuve in niche indication

Nordic Brands

- Growth of +2% vs. ’13 primarily driven by Mollipect

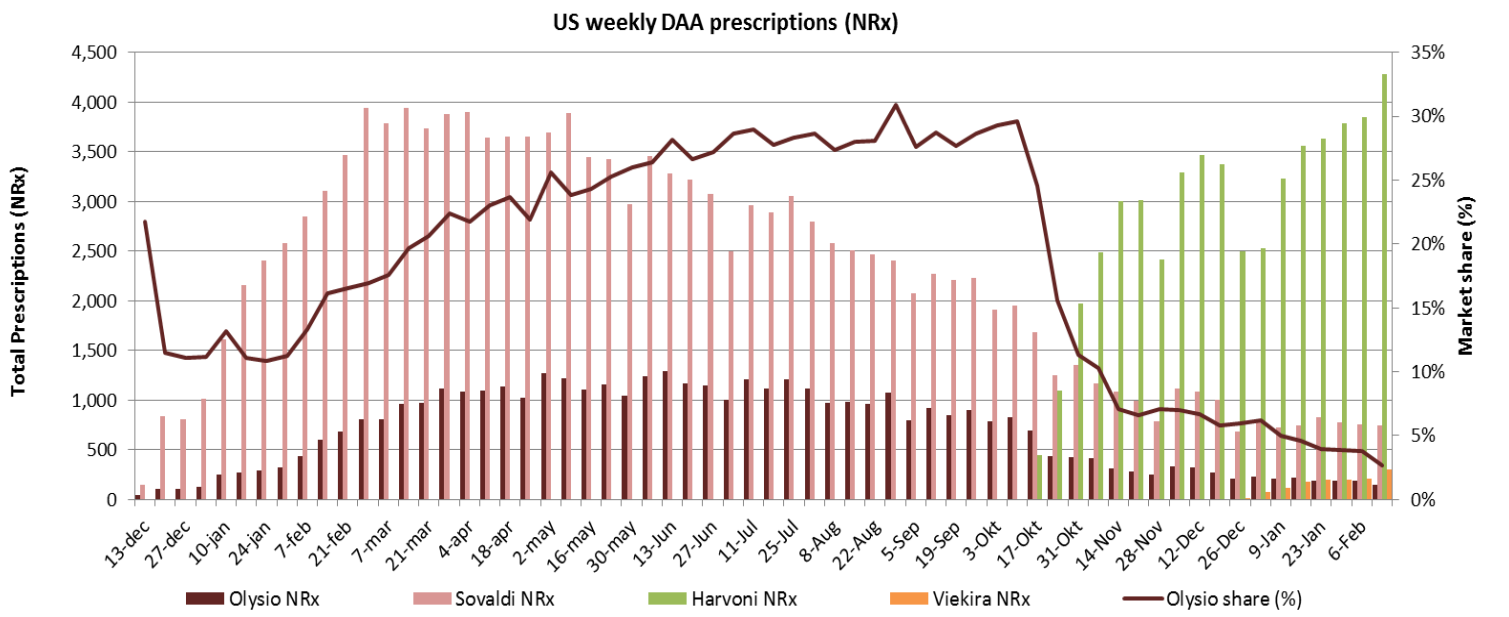




- Milestones converted into an attractive royalty stream post launch
- New level of market share in the light of new competition since October

Simeprevir: New level of market share in the light of new competition since October

Market Performance



The HCV landscape is evolving quickly with new IFN-free combinations coming to the market

Continued dedication to the disease area by J&J

Simeprevir has an ongoing role in different hepatitis C patient groups, combinations and treatment durations

- Global sales of OLYSIO® (excl. Nordics) in 2014 was 2,302 MUSD; continued roll-out with approvals and market introductions in major European markets on track
- Real-world efficacy rates with SMV + SOF ± RBV, primarily with 12w treatment, are comparable with those from the phase II COSMOS study
- Two phase III studies, **OPTIMIST-1 & 2** (SMV + SOF) for 8-12 weeks of treatment, to report results spring 2015
- Recently initiated studies:
  - **IMPACT**, a phase II study with SMV, SOF and daclatasvir (DCV) in HCV GT1 and GT4 infected patients with decompensated liver disease
  - **ACCORDION-1,** a phase II study with SMV, SOF and DCV in treatment-naive GT1 patients for 6 weeks (early stage liver fibrosis) or 8 weeks (cirrhosis)
  - **COMMIT**, a phase II study with SMV and DCV for 12 weeks in HCV GT1b-infected patients with advanced liver disease

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2014 was a historic year for Medivir and we have a positive outlook for 2015 and beyond

- **Medivir is an R&D company that is in a much stronger position today to continue to discover, develop and capitalize on its investments in innovation**
  - Global recognition for innovation within infectious disease and its scientific platform focusing on protease inhibitor design and nucleotide/nucleoside science
  - Strong cash position (~ 1BSEK following voluntary share redemption program)
  - Strengthened R&D infrastructure
  - New management team with proven track record and commitment to implement the refined strategy
- **Launch of OLYSIO®, a new pharmaceutical for the treatment of hepatitis C** (collaboration with Janssen)
  - Royalty income for the year as a whole totaled 1,399.0 MSEK
  - Medivir's own Nordic market sales since the launch in Q2 2014 amount to 186.4 MSEK
- **Pharmaceutical sales incl. Nordic Brands and Innovative Specialty Care products performed well during the year**
  - Total sales of 366 MSEK during 2014 (Nordic Brands 180 MSEK; Innovative Specialty Care 186 MSEK)
  - Successful Nordic OLYSIO® launch generates significant revenue & provides positive track record for in-licensing opportunities

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www.medivir

Ticker: MVIR
Exchange: OMX / NASDAQ

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MIV-802: Wholly-owned uridine protide with potent pangenotypic activity

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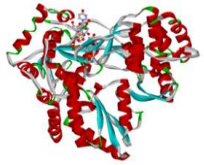
Hepatitis C Overview

- **HCV therapy being revolutionized by all-oral interferon free regimens**
- **Future therapy expected to be 3-drug combinations** with cross-genotype activity to achieve shortened durations of therapy
- **Nucleotides will be the cornerstone of such combinations** because of their high level of antiviral activity, cross-genotype activity and high barrier to resistance
  - HCV Nucleotide polymerase inhibitors are prodrugs (protides) that selectively deliver high levels of the active drug to the liver and iridine-based compounds appear to have better safety/efficacy profiles

MIV-802

A liver-targeted uridine protide

- **The active metabolite is a potent and selective inhibitor of the HCV NS5B polymerase**
- **Potent cross-genotype antiviral activity**
- **It generates high nucleoside triphosphate levels in the liver with a long half-life, supporting a low efficacious dose and once daily dosing**



- **Excellent safety profile in both in vitro toxicity assays and 7-day tox study in mice**
- **Favorable in vitro and in vivo ADME profile, combined with its antiviral profile, support combination with other classes of DAA**

Market Opportunity

- MIV-802 will be competition for Sovaldi™ and Idenix-21437
- Large potential for nucleotides overall but actual potential for MIV-802 is dependent on the competitive landscape at launch

Next Steps

- Scale up of MIV-802 is ongoing
- IND-enabling safety studies will commence in 2H 2015