

Medivir focuses exclusively on oncology and reorganizes to significantly reduce the cost structure

Stockholm, Sweden — Medivir AB (Nasdaq Stockholm: MVIR) today announces a reorganization of the company and a significant cost reduction in both early research and administrative functions. The board has decided that the company onwards will have an exclusive focus on oncology, utilizing both of Medivir's technology platforms and competences in protease inhibition and nucleotide-/nucleoside science. Partnering discussions for all remaining infectious disease assets in the R&D pipeline will be initiated by year-end, as well as for MIV-711 once the phase IIa program has been completed.

The reorganization will result in a total cost reduction of approximately 110 MSEK per year compared to current levels in the affected functions. The exclusive focus on oncology, along with a reduced number of projects in the early stage research portfolio, will lead to a reduction of around 25 positions and cost savings of approximately 60 MSEK vs current spending in the early stages of development. The reduced early research organization creates flexibility to strengthen capabilities in clinical development and will enable broadening the pipeline with oncology projects in clinical phases. At the same time, efficiency improvements in administrative and commercial support functions will generate the additional cost savings of approximately 50 MSEK per year compared to the current levels, impacting around 20 positions.

As a consequence of these changes, a total of around 30 colleagues will unfortunately have to leave the company and affected vacancies will not be filled. A redundancy cost of approximately 20 MSEK related to these organizational changes will be charged in the fourth quarter.

"I believe this reduced cost in early research, and a streamlined therapeutic area focus with a smaller and more cost effective organization, will strengthen Medivir's position as an efficient oncology company with a growing development pipeline and research platforms for sustainable growth." says Niklas Prager, CEO & President of Medivir. He continues: "Medivir's ambition is to have a well balanced and broad pipeline from early to late stages of development. We will continue to build on our technology platforms and proven track record of translating projects into value creating partnerships."

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Medivir is required under the Securities Markets Act to make the information in this press release public. The information was submitted for publication at 13.00 CET on 10 October 2016.

About Medivir

Medivir is a research based pharmaceutical company with a research focus on oncology and infectious diseases. We have a leading competence within protease inhibitor design and nucleotide/nucleoside science and we are dedicated to develop innovative pharmaceuticals that meet great unmet medical need. Our commercial organization provides a portfolio of specialty care pharmaceuticals on the Nordic market. Medivir is listed on the Nasdaq Stockholm Mid Cap List.