PRESS RELEASE

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VIFOR PHARMA GROUP REPORTS STRONG 2017 RESULTS, EXCEEDING RAISED GUIDANCE

IN 2017 VIFOR PHARMA RECORDED A STRONG FINANCIAL PERFORMANCE DRIVEN BY ITS THREE MEDIUM-TERM STRATEGIC GROWTH-DRIVERS AND THE SUCCESSFUL DIVESTITURE OF ITS NON-CORE WHOLESALE/RETAIL PHARMACY BUSINESS VIA AN IPO. THE COMPANY EXCEEDED ALL ELEMENTS OF ITS GUIDANCE, WHICH IT RAISED AT THE HALF-YEAR 2017 REPORTING. STRONG GROWTH IS EXPECTED TO CONTINUE IN 2018 AND BEYOND.

Financial performance – strong growth trend continues

- Significant revenue growth, with net sales of CHF 1,342.1 million, up 15.2% on a constant currency basis
- Reported EBITDA excluding launch and ramp-up costs of Veltassa® increased to CHF 511.8 million, up 17.7%
- Strong growth momentum continued in H2 for our three key medium-term strategic growth drivers, Ferinject®, Vifor Fresenius Medical Care Renal Pharma (VFMCRP) and Veltassa®
- Strong balance sheet and liquidity position with cash net of debt of CHF 191.1 million
- All three components of our guidance, which we raised on 8 August 2017, were exceeded

Three medium-term strategic growth-drivers on track

- Reported net sales of Ferinject®/Injectafer® up 24.6%
- Initiation of first Ferinject® study (AFFIRM-AHF) in acute heart failure
- Velphoro® net sales increase of 48.6%
- Post-period end avacopan conditional marketing authorization application accepted for regulatory review in Europe
- Reported net sales of Veltassa® in its second year post-launch of CHF 51.7 million
- Veltassa® approved in the 28 EU countries plus Norway, Liechtenstein, Iceland, Switzerland and Australia for the treatment of hyperkalaemia in adults

Significant partnering and licencing deals concluded

- Territory rights to avacopan (CCX168) expanded to everywhere outside the US and China
- Agreement with Akebia Therapeutics to sell vadadustat to Fresenius Medical Care North America dialysis clinics in the US
- Exclusive rights to develop and commercialise avacopan (CCX168) in Japan granted to Kissei Pharmaceutical Co., Ltd.
- Exclusive license agreement for commercialisation of Mircera® in the US expanded

Milestone 2020 strategic plan on track

- Galenica Santé successfully divested via an initial public offering on SIX Swiss Exchange
- Investments committed to launch and roll-out new products; impact of CHF 850 million on EBITDA from 2016 to 2019.

Strong growth expected to continue in 2018 and beyond

- Net sales expected to grow more than 10% at constant exchange rates
- Reported EBITDA expected to increase more than 20%
- Confirmation that 2020 net sales expected to exceed CHF 2 billion and EBITDA to reach a high triple-digit level
- Post-period end ferroportin inhibitor VIT-2763 entered phase-I studies

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1. FINANCIAL PERFORMANCE

In million CHF	**FY 2017**	FY 2016	Change in %
Net sales	1,342.1	1,167.0	15.0
EBITDA excluding launch and ramp-up of Veltassa®	511.8	434.7	17.7
Cash net of debt	191.1	-1,832.4	n/a
Net profit after minorities	1,147.1	237.0	384.0
Core earnings per share	2.12	3.00	-29.3

For further details, please see the Vifor Pharma Group 2017 Annual Report (PDF only) at www.viforpharma.com.

KEY PROFIT AND LOSS FIGURES

Vifor Pharma Group net sales for 2017 grew to CHF 1,342.1 million, a strong increase of 15.0% versus the prior year or of 15.2% on a constant currency basis. Reported EBITDA in 2017 decreased to CHF 280.4 million compared to CHF 322.2. million in the prior year. However, excluding the costs to support the launch and ramp-up of Veltassa® of CHF 231.5 million in 2017 and CHF 112.6 million in 2016, EBITDA increased by 17.7% versus the prior year to CHF 511.8 million. This increase was due to the strong growth in sales combined with cost containment.

Cost of sales amounted to CHF 517.9 million in 2017 compared to CHF 445.7 million in the prior period, resulting in a gross profit margin of 68.2% compared to 70.4% in the previous year. The strong growth of higher margin products such as Ferinject® was offset by the fact that in accordance with IFRS, the amortisation of the Veltassa® intangible asset is charged to cost of sales on a straight-line basis.

Marketing and distribution expenses amounted to CHF 434.0 million, up 29.8% from the prior period. This increase was mainly driven by the acquisition of Relypsa and some additional investments in the European commercial organisation in preparation for the Veltassa® launch in 2017.

Research and development expenses increased to CHF 185.1 million compared to CHF 121.8 million in the previous year. This was primarily driven by the full-year impact of the Relypsa organisation following the acquisition of the company on 1 September 2016 as well as investments in landmark Ferinject® cardiology studies.

General and administration expenses amounted to CHF 162.4 million compared to CHF 129.0 million in the previous year. The increase is attributable to the additional costs from the acquisition of Relypsa.

Other operating income declined to CHF 91.6 million in 2017 from CHF 100.4 million in 2016. This was primarily due to royalty payments from Cellcept decreasing to CHF 78.9 million in 2017 from CHF 86.4 million in 2016.

The financial result in 2017 of CHF -8.7 million consists mainly of interest payments on the bridge loan of CHF 1,450.0 million that was put in place to finance the acquisition of Relypsa on 1 September 2016. This loan was fully repaid on 11 April 2017.

Tax expense of CHF -1.6 million was reported in 2017. Current taxes of CHF -57.8 million were almost completely offset by deferred tax benefits of CHF +56.2 million predominantly related to the Relypsa acquisition.

Net profit after minorities for 2017 amounted to CHF 1,147.1 million compared to CHF 237.0 million in the previous year. The significant increase was due to the profit from discontinued operations following the divestiture of Galenica Santé.

Core earnings per share in 2017 were CHF 2.12. Core earnings are defined as reported earnings after minorities adjusted for amortisation of intangible assets and goodwill to normalise for the significant impact from the acquisition of Relypsa. In 2017, attributable amortisation of intangible assets and goodwill amounted to CHF 103.7 million.

CASH FLOWS AND FINANCIAL POSITION
Cash flow from operating activities for 2017 amounted to CHF 60.3 million compared to CHF 258.7 million in the previous year.

Cash flow from investing activities was CHF 2,065.0 million due to divestiture of Galenica Santé via an IPO generating proceeds of CHF 1,797.7 million and the repayment of a CHF 360.0 million loan from Galenica Santé being partially offset by investments of CHF 92.7 million.

Cash flow from financing activities of CHF -1,881.5 million was mainly due to the repayment of the Credit Suisse bridge loan of CHF 1,450.0 million and of the public bond of CHF 300.0 million in October. In addition, the 2016 dividend of CHF -129.9 million was distributed to shareholders in May 2017.

The overall cash flow for 2017 was therefore CHF 244.2 million, resulting in an increase in the cash position from CHF 180.9 million at the end of 2016 to CHF 425.1 million as of 31 December 2017.

SOLID BALANCE SHEET
Goodwill and intangible assets at the end of 2017 amounted to CHF 2.7 billion or 64.5% of total assets of CHF 4.1 billion, with the majority of these related to the acquisition of Relypsa. Cash and cash equivalents at the end of 2017 amounted to CHF 425.1 million or 10.3% of total balance sheet assets. Cash net of outstanding debt was CHF 191.1 million resulting in a net-cash-to-EBITDA ratio of 0.68x at the end of 2017. With CHF 3.3 billion of shareholders' equity Vifor Pharma had a strong equity ratio at the end of 2017 of 80.8%.

DISCONTINUED OPERATIONS
Cash flow from discontinued operations amounted to CHF 7.0 million and represents the Galenica Santé business that was separated via an IPO on 7 April 2017. This total consists of CHF 32.0 million that was invested into the operating activities primarily due to an increase in accounts receivables, being more than offset by divestments and financing activities of CHF 4.9 million and CHF 34.1 million, respectively. The CHF 1,797.7 million net proceeds from the Galenica Santé IPO were disclosed separately and were primarily used to repay the bridge loan including interest of CHF 1,457.0 million.

2. THREE MEDIUM-TERM STRATEGIC GROWTH DRIVERS ON TRACK

Ferinject®/Injectafer®
In 2017, reported net sales of Ferinject®/Injectafer® increased by CHF 86.1 million (24.6%) to 435.6 million compared to the previous year to CHF 349.5 million. This is absolutely in line with the commitment that was made in our half-year 2017 report for full year growth to be in the mid-twenties percentage range.

We closely monitor in-market sales to determine actual growth rates for the product. Among other things, we also use this data to quantify the effect of phasing and timing differences as described above.

The latest available IQVIA data from December 2017 indicates global market sales of Ferinject®/Injectafer® of approximately CHF 696 million, an increase of 29.4% versus the prior year period. In addition, we saw a robust increase in overall i.v. iron market share to 70% compared to the prior year.

Injectafer® (US name of Ferinject®) keeps driving the growth of the US intravenous iron market. US partner Luitpold Pharmaceuticals, Inc., recorded net sales of USD 273.6 million in 2016, an increase of 36.4%. As a result, Vifor Pharma posted net sales of CHF 91.2 million.

The absolute annual increase of Ferinject®/Injectafer® sales is expected to remain on trend, continuing to grow in the high double-digit millions. As overall sales value increases, the baseline level of usage continues to increase, the annual percentage growth rate will reflect a lower number, despite continued on trend growth.

In January 2017, Daiichi Sankyo designated Injectafer® as one of its most important growth drivers in the US and decided to further increase commercial resources toward building Injectafer® into a blockbuster. During the second half of the year, this increased focus started to generate additional sales momentum for Injectafer® in the US market for i.v. iron products and the proper treatment of patients suffering from iron deficiency anaemia.

In April 2017, American Regent, a member of the Daiichi Sankyo group, announced that the first patient had been enrolled into the HEART-FID study to assess the efficacy and safety of Injectafer® in the treatment of patients with heart failure, iron deficiency and a reduced ejection fraction.

Vifor Fresenius Medical Care Renal Pharma (VFMCRP)
Vifor Fresenius Medical Care Renal Pharma reported net sales in 2017 of CHF 406.9 million.

Net sales of Mircera® increased in 2017 by 3.4% compared to the prior year to CHF 339.9 million. This slight increase is due to the phasing of shipments at year end. It was always anticipated that from 2017 onwards growth in Mircera® net sales would be at a low single-digit rate due to the overwhelming success of the product in 2016 achieving a high penetration rate within the dialysis clinics of Fresenius Kidney Care.

Velphoro® net sales increased significantly to CHF 80.8 million, a growth of 48.6% versus the prior year period, with excellent momentum in the US, Japan and Europe's five largest markets.

Veltassa®
In 2017, net sales of Veltassa® in the US were CHF 51.6 million (USD 52.7 million), a significant increase compared to CHF 12.3 million in 2016 (including eight months of revenues prior to the acquisition of Relypsa on 1 September 2016).

By the end of December 2017, payer coverage for Veltassa® continued to improve and now comprises approximately 85% of all US covered lives. The addressable patient population and our experience with Veltassa® since launch confirm our view that the product has blockbuster potential.

Following the positive opinion from the Committee for Medicinal Products for Human Use (CHMP) on 18 May, the European Commission approved Veltassa® on 19 July 2017 for the control of hyperkalaemia in adults. This includes patients who develop hyperkalaemia while being treated with renin angiotensin aldosterone system (RAAS) inhibitor therapy. Almost one hundred percent of patients treated with Veltassa® in the phase II-III clinical programme were on RAAS inhibitors at baseline.

The approval enables Veltassa® to be made available to patients in the EU member states as well as Iceland, Liechtenstein and Norway. On 7 December 2017, the Therapeutic Goods Administration (TGA) approved Veltassa® for Australia. Swiss authority, Swissmedic, also approved Veltassa® for marketing in Switzerland in December 2017. Veltassa® was made available to patients in the UK, Norway and Denmark in Q4 2017; with a number of EU patients already benefiting. Veltassa® reimbursement negotiations and launches will continue across Europe through 2018 and 2019.

3. SIGNIFICANT PARTNERING AND LICENSING DEALS CONCLUDED

Consistent with the strategy of the company to conclude late-stage licensing deals to access innovation and strengthen our partner network, the following agreements were completed in 2017:

- In January 2017, VFMCRP's expanded its exclusive licensing agreement with ChemoCentryx to develop and commercialise avacopan (CCX168) to include Japan, the remainder of Asia (excluding China), Australia and the Middle East. As a result, VFMCRP now has the right to market avacopan (CCX168) everywhere outside the US and China, where commercial rights are retained by ChemoCentryx.
- In May 2017, Vifor Pharma Group and Akebia Therapeutics, Inc. entered into an license agreement granting Vifor Pharma Group the right to sell vadadustat exclusively to Fresenius Medical Care North America dialysis clinics in the United States upon approval by the US Food and Drug Administration (FDA) and to the inclusion of vadadustat in a bundled reimbursement model.
- In June 2017, VFMCRP granted Kissei Pharmaceutical Co., Ltd. exclusive rights to develop and commercialise avacopan (CCX168) in Japan.
- In September 2017, Vifor Pharma and Roche expanded their collaboration agreement, giving Vifor Pharma access to additional supplies of Mircera® for the US market. This increased volume will enable Vifor Pharma to meet the needs of new and existing partners. This agreement allowed us to initiate sales to third parties in the US outside Fresenius Medical Care North America in Q4 2017.

4. MILESTONE 2020 STRATEGIC PLAN ON TRACK

On 14 March 2017 the company announced the Board of Directors' decision to launch the Milestone 2020 strategic plan to promote the promising growth potential of Vifor Pharma in the best possible way. The plan consists of the following five strategically important decisions:

- The Galenica Group to be renamed Vifor Pharma Group.
- Investments commited to launch and roll-out new products; impact of CHF 850 million on EBITDA from 2016 to 2019.
- To finance these projects and to consolidate the company, Galenica to float the Galenica Santé business unit on the stock market by way of an IPO.
- The Board of Directors to propose a dividend of CHF 20 (CHF 2.00 after the 1:10 share split) for each of 2017, 2018 and 2019 to the Annual Shareholder Meeting.
- The Executive Chairman Etienne Jornod to continue to be remunerated exclusively in shares, confirming his personal belief in the strategy and commitment to implementing it. In addition, all past and future shares of Etienne Jornod to be blocked until 2020.

Galenica Santé IPO successfully completed

Galenica Santé was successfully divested via an IPO onto the SIX Swiss Exchange on 7 April 2017. The transaction valued Galenica Santé at CHF 1.95 billion. The IPO proceeds enabled Vifor Pharma Group to immediately repay debt of CHF 1.45 billion related to the acquisition of Relypsa, which was completed on 1 September 2016. As a result of the IPO, the company was put into a strong financial position being net of debt-cash positive.

Change of name to Vifor Pharma Group

On 11 May 2017 the Annual General Meeting approved the change in the company name from Galenica Group to Vifor Pharma Group. In addition, a 1:10 share split and the introduction of a one-share, one-vote policy were also approved.

Management team strengthened
On 11 May 2017 Etienne Jornod was re-elected as Executive Chairman with his remuneration to be exclusively in shares blocked until 2020.

The management team of Vifor Pharma was strengthened with the appointment of Stefan Schulze as President of the Executive Committee and COO effective 11 May 2017 and the following individuals appointed to the Executive Committee on the same day:

- **Colin Bond**, CFO
- **David Bevan**, CEO VFMCRP
- **Dario Eklund**, Chief Commercial Officer
- **Scott Garland**, President Relypsa
- **Michael Puri**, Chief Human Resources Officer
- **Chris Springer**, Chief Strategy Officer

Planned investments
In H1 2017 in accordance with its Milestone 2020 plan, the company initiated its investment program to develop and launch new products, with an impact on EBITDA of CHF 850 million from 2016 to 2019. The plan includes the ongoing US market launch of Veltassa® in the US and in Europe of Veltassa®, Rayaldee® and avacopan between 2016 and 2019. Additional investment is also planned to further expand the market for Ferinject®/Injectafer®, Velphoro® and Mircera®. The launch of Pfizer's proposed biosimilar epoetin alfa is also planned.

These investment costs will impact Vifor Pharma Group's results and profits from 2016 to 2019. The Board of Directors is confident that these investments will unlock the potential of the company and generate significant medium-term upside, with net sales expected to exceed CHF 2 billion in 2020 and EBITDA to reach a high triple-digit level.

5. STRONG GROWTH EXPECTED TO CONTINUE INTO 2018 AND BEYOND

Outlook: Clinical
In the post-reporting period, VIT-2763, our ferroportin inhibitor entered clinical development with a phase-I, first-in-human study in March 2018.

Recruitment will continue in the AFFIRM-AHF phase-IV trial of Ferinject® for acute heart failure. The trial is the first study to investigate the effects of i.v. iron therapy on mortality and morbidity of acute heart failure patients. The study will recruit about 1,100 patients with data readout expected at the end of 2019. A phase-III pivotal approval study of Ferinject® in China is progressing according to plan.

Recruitment for the AMBER study of Veltassa® for treatment of patients with resistant hypertension started in 2016 and is expected to conclude at the end of 2018, with top-line results at the beginning of 2019. The EMERALD study, initiated in 2017, to test the safety and efficacy of Veltassa® in paediatric patients is progressing as planned.

A study to test the safety and efficacy of Velphoro® for treating hyperphosphataemia in adults is expected to begin in China in 2018.

Trials underway with our partner, ChemoCentryx, for avacopan and CCX 140, are progressing according to expectation.

Outlook: Product launches
The EMA approved Veltassa® on 19 July 2017. The product was made available for patients in the UK, Norway and Denmark in Q4 2017. Full launches across Europe are expected in 2018 and 2019.

Outlook: Partnering
We expect to partner the Japanese rights of both Veltassa® and CCX140 during the course of 2018. We are targeting the completion of one in-licensing deal before the end of 2018.

Guidance
In 2018 at constant exchange rates Vifor Pharma net sales are expected to grow by more than 10% and reported EBITDA by more than 20%.

In 2020 net sales are expected to exceed CHF 2 billion and EBITDA to reach a high triple-digit level.

For 2018 and 2019 the dividend is expected to be at the same level as for 2017. From 2020 onwards the payout ratio is targeted at 35% of net income.

For further details, please see the Vifor Pharma Group 2017 Annual Report (PDF only) at www.viforpharma.com.

Live conference call and webcast
Vifor Pharma will host a live conference call (see phone numbers below) and webcast (https://edge.media-server.com/m6/p/2acgz56v) on the 15 March 2018 at 1:00 p.m. (CET). The pin code for the live conference call is 8815932.

Phone numbers for the live conference call	Local	Free
Switzerland:	+41 22 567 5750	0800 222 801
France:	+33 1 76 77 2257	0805 101 278
Germany:	+49 69 2222 2018	0800 101 1732
United Kingdom:	+44 330 336 9411	0800 279 7204
United States of America:	+1 646 828 8193	888-394-8218
Other countries:	+44 330 336 9411	

Replay
A webcast replay (https://edge.media-server.com/m6/p/2acgz56v) will be available from 15 March 2018 at approximately 4:00 p.m. (CET) to 14 March 2019.

FURTHER INFORMATION

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Vifor Pharma Group, formerly Galenica Group, is a global specialty pharmaceuticals company. It aims to become the global leader in iron deficiency, nephrology and cardio-renal therapies. The company is the partner of choice for specialty pharmaceuticals and innovative patient-focused solutions. Vifor Pharma Group strives to help patients around the world with severe and chronic diseases lead better, healthier lives. The company develops, manufactures and markets pharmaceutical products for precision patient care. Vifor Pharma Group holds a leading position in all its core business activities and consists of the following companies: Vifor Pharma; Vifor Fresenius Medical Care Renal Pharma, a joint company with Fresenius Medical Care; Relypsa; and OM Pharma. Vifor Pharma Group is headquartered in Switzerland, and listed on the Swiss Stock Exchange (SIX Swiss Exchange, VIFN, ISIN: CH0364749348). For more information, please visit www.viforpharma.com.