PRESS RELEASE

DATE 14 March 2019
CONTACT Media Relations: Heide Hauer, Head of Corporate Communications
Investor Relations: Julien Vignot, Head of Investor Relations

VIFOR PHARMA GROUP REPORTS STRONG 2018 RESULTS, EXCEEDING RAISED GUIDANCE

THE VIFOR PHARMA GROUP REPORTED A STRONG SALES AND PROFIT PERFORMANCE IN 2018 WITH CONTINUED SOLID GROWTH FROM ITS THREE STRATEGIC GROWTH DRIVERS. POSITIVE MOMENTUM IS EXPECTED TO CONTINUE DURING 2019 WITH THE GROUP ON TRACK TO MEET ITS MILESTONE 2020 OBJECTIVES. SUE MAHONY AND KIM STRATTON NOMINATED TO THE BOARD OF DIRECTORS.

STRONG FINANCIAL PERFORMANCE FOR FULL-YEAR 2018

- Net sales of CHF 1,584.6 million, up 22.7%; EBITDA of CHF 391.5 million, up 39.7%
- Strong balance sheet with equity ratio of 74.8%
- Core earnings per share of CHF 4.16, an increase of 95.9% versus prior year
- Significant increase in cash flow from operations
- Strong growth momentum continued in H2 for our three key strategic growth drivers, Ferinject®, Vifor Fresenius Medical Care Renal Pharma (VFMCRP) and Veltassa®
- Net sales and EBITDA guidance, raised on 8 August 2018, were exceeded

FERINJECT®/INJECTAFER® IN-MARKET SALES POTENTIALLY A BLOCKBUSTER IN 2019

- Reported net sales of CHF 485.1 million, up 23.8%
- Increase in overall i.v. iron market share by value to 72.6% in 2018 compared to 70.3% in prior year
- In-market sales of CHF 897.9 million, up 28.6%, potential to achieve blockbuster status already in 2019

VIFOR FRESENIUS MEDICAL CARE RENAL PHARMA GROWTH LED BY MIRCERA®

- Mircera® net sales of CHF 451.3 million, up 32.8%
- Agreement with Cara Therapeutics to develop and commercialise CR845 (difelikefalin) for chronic kidney disease-associated pruritus (CKD-aP) in haemodialysis patients worldwide outside US, Japan and South Korea
- Venofer®'s unique safety and efficacy profile confirmed by PIVOTAL trial results

VELTASSA® CONTINUING TO TRANSFORM HYPERKALAEMIA TREATMENT

- Net sales of CHF 90.5 million, up 75.1%
- European launches in Germany, Sweden, Denmark, Norway; first successful ex-US reimbursement approvals in Sweden, Denmark, and Norway at prices demonstrating product value
- Exclusive development and marketing licence signed with Zeria in Japan

SIGNIFICANT PROGRESS ON PARTNERING AND CLINICAL TRIALS

- Increased stake in ChemoCentryx to 21.1% confirming rare diseases commitment
- Two pivotal phase-III trials of CR485 ongoing, with completion and data read-out anticipated by end of 2019

Vifor Pharma Group Flughofstrasse 61 Phone +41 58 851 80 00 Mail media@viforpharma.com
Vifor Pharma Management Ltd. CH-8152 Glattbrugg Fax +41 58 851 80 01 Web www.viforpharma.com

- Phase-II proof-of-concept trial for ferroportin inhibitor VIT-2763 to start in H2, following positive phase-I trial results

STRONG GROWTH EXPECTED TO CONTINUE IN 2019 AND BEYOND

- Net sales expected to grow between 11% and 13% at constant exchange rates
- Reported EBITDA expected to increase by 25%
- Confirmation that 2020 net sales expected to exceed CHF 2 billion and EBITDA to be in the range of CHF 700 million
- Implementation of Milestone 2020 according to plan

NOMINATIONS TO BOARD AND CHANGE IN MANAGEMENT

- Sue Mahony and Kim Stratton will be proposed for election to the Board of Directors at the Annual Shareholder Meeting on 8 May 2019.
- David Bevan, CEO of Vifor Fresenius Medical Care Renal Pharma (VFMCRP), has decided to leave the Vifor Pharma Group at the end of April 2019.

Etienne Jornod, Executive Chairman of the Vifor Pharma Group, commented on the 2018 results: "This was another outstanding performance by Vifor Pharma, our first full year as a pure play pharmaceutical company. The headline numbers highlight our strong growth story, with 2018 net sales up 22.7% to CHF 1,584.6 million, and EBITDA up 39.7% to CHF 391.5 million. Our three growth drivers - Ferinject®/Injectafer®, the joint company Vifor Fresenius Medical Care Renal Pharma, and Veltassa® all continued to perform strongly. We are well on course to achieve the promises we made when we set out our plan to deliver sales of more than CHF 2 billion and EBITDA in the high triple-digit million range in 2020, and our focus is already moving ahead with an ambitious growth strategy to take us up to 2025 and beyond. We have set out guidance for continued strong growth in 2019 and look forward to making further progress towards achieving our vision of being a global leader in iron deficiency, nephrology and cardio-renal therapies."

1. FINANCIAL PERFORMANCE

In million CHF / in %	2018	2017	Change
Net sales	1,584.6	1,291.7	+22.7%
EBITDA	391.5	280.4	+39.7%
Net profit from continuing operations	244.4	124.0	+97.1%
Core earnings per share (in CHF)	4.16	2.12	+95.9%
Net debt	-179.7	191.1	-370.8

KEY PROFIT AND LOSS FIGURES

Vifor Pharma Group **net sales** for 2018 grew to CHF 1,584.6 million, a strong increase of 22.7%, or 21.7% on a constant currency basis. Application of the new revenue recognition standard (IFRS 15) required a reclassification of certain elements between net sales and costs, with no impact on EBITDA. The new standard resulted in lower reported sales in 2018 of CHF 60.7 million and in 2017 of CHF 50.4 million.

Other operating income decreased to CHF 64.6 million in 2018 from CHF 91.6 million in 2017, primarily due to the expected sunset clause of royalty payments from CellCept®.

EBITDA increased to CHF 391.5 million compared to CHF 280.4 million in the prior year, an increase of 39.7%, or 40.0% on a constant currency basis. This increase was due to strong sales growth combined with cost containment.

Cost of sales amounted to CHF 648.7 million in 2018 compared to CHF 517.9 million in the prior period, resulting in a **gross profit margin** of 60.7% compared to 62.6% in the prior year. The strong growth of higher margin products such as Ferinject®/Injectafer® was offset by decreasing CellCept® royalties and the significant increase in net sales of Mircera®.

Marketing and distribution expenses amounted to CHF 410.8 million, up 7.1%. The main driver was investments required in the European commercial organisations to further grow Ferinject® and to support the continued rollout of Veltassa®.

Investments in R&D amounted to CHF 206.4 million compared to CHF 185.1 million. The increase was driven by clinical studies on Ferinject®, the phase-I study for the ferroportin inhibitor VIT-2763 and the initiation of the DIAMOND study for Veltassa®.

General and administration expenses amounted to CHF 155.9 million compared to CHF 162.4 million in the prior year. The decrease is mainly attributable to lower personnel cost.

Core earnings per share grew to CHF 4.16 in 2018, an increase of 95.9% compared to CHF 2.12 in 2017, reflecting the strong growth of our operating business results. Core earnings are defined as reported earnings after minorities adjusted for proportionate amortisation of intangible assets of CHF 117.5 million in 2018 (2017: CHF 103.7 million).

CASH FLOWS AND FINANCIAL POSITION

Cash flow from operating activities for 2018 amounted to CHF +193.8 million compared to CHF +60.3 million in the prior year.

Cash flow from investing activities was CHF -376.1 million due to upfront and milestone payments for in-licensing agreements of CHF -213.3 million mainly in respect of the extension of commercialisation rights of Mircera® of CHF -61.0 million, CR845 (Cara Therapeutics) of CHF -55.4 million, territory expansions for avacopan and CCX140 of CHF -10.0 million as well as additional milestone payments for Mircera® of CHF -30.2 million and avacopan of CHF -49.1 million which were already capitalised in previous years. In addition, the Group performed strategic equity investments of CHF -106.2 million which mainly relate to ChemoCentryx of CHF -85.4 million and Cara Therapeutics of CHF -14.6 million.

Cash flow from financing activities of CHF +158.6 million was mainly impacted by the bond issuance in September 2018 with net proceeds of CHF +463.8 million. In addition, the private placement notes of CHF -114.5 million were repaid in Q1 2018. Dividend distributions in 2018 in respect of the financial year 2017 amounted to CHF -174.6 million, whereof CHF -45.0 million was paid to Fresenius Medical Care and CHF -129.6 million was distributed to shareholders in May 2018.

ROBUST BALANCE SHEET

Goodwill and intangible assets amounted to CHF 2,676.0 million at the end of 2018 compared to CHF 2,651.1 million in 2017, representing 59.5% of total assets (2017: 64.3%). The increase was related to the in-licensing agreements and extension of Mircera® commercialisation rights described under cash flow from investing activities adjusted by amortisations.

Net debt was CHF -179.7 million resulting in a net-debt-to-EBITDA ratio of 0.46 at the end of 2018. With CHF 3,364.6 million of shareholders' equity, the Vifor Pharma Group had a strong equity ratio of 74.8% at the end of 2018 compared to 80.8% in 2017. The slight decrease is due to the investments in intangibles assets.

2. THREE STRATEGIC DRIVERS MAINTAIN STRONG GROWTH

Ferinject®/Injectafer®
Reported net sales of Ferinject®/Injectafer® increased to CHF 485.1 million in 2018, up 23.8% from CHF 391.8 million the prior year, in line with Vifor Pharma's commitment to full-year growth in excess of 20% at constant exchange rates. Given the significant remaining market opportunity around the world, Ferinject®/Injectafer® reported net sales are expected to continue to grow in the range of 20% in 2019.

The latest available data showed global in-market sales of Ferinject®/Injectafer® of approximately CHF 897.9 million for 2018, up 28.6% from the prior year period. In addition, there was a further increase in overall i.v. iron market share by value to 72.6% from 70.3% the prior year.

In the US, Injectafer® continued to drive most of the i.v. iron market growth. Our US partner American Regent, a Daiichi Sankyo Group company, recorded net sales of USD 381.4 million in 2018, an increase of 39.4% compared to prior year. As a result, Vifor Pharma posted net sales of CHF 126.9 million. Growth was enhanced by an expanded promotion strategy and increased commercial resources, all despite greater competition. Injectafer® is experiencing significant growth in the haematology/oncology and gastroenterology fields, where the majority of administrations occur across patient groups. American Regent's initiatives have further raised awareness of the unmet medical need for optimal iron therapy in iron deficiency anaemia in gastroenterology, nephrology and women's health.

In order to increase our geographical footprint in major pharmaceutical markets, ongoing clinical trials required for registration in Japan and China are on track. Ferinject® is expected to be launched in Japan in the second half of 2019, focusing on women's health and gastroenterology. Launch in China is expected in 2021 pending approvals, with a particular focus on patient blood management (PBM).

Vifor Fresenius Medical Care Renal Pharma (VFMCRP)
Net sales of Mircera® increased by 32.8% to CHF 451.3 million in 2018 from CHF 339.9 million in 2017. Sales growth in 2018 was mainly due to mid-sized and independent dialysis organisations in the US and continued organic growth within Fresenius Kidney Care (FKC) clinics. Growth is expected to continue in 2019, primarily due to the annualised effect of sales to independent dialysis organisations and the expected increase in the number of patients receiving dialysis.

Venofer® continued to be the leading intravenous iron brand by volume worldwide in 2018. Reported net sales were CHF 118.2 million in 2018, up 7.9% from CHF 109.6 million a year before. Overall monitored usage of Venofer® now correlates to more than 25 million patient years of clinical experience.

The US continued to be the largest source of Venofer® in-market sales in 2018, thanks to the strong collaboration between Vifor Pharma and its partner. Results of the pioneering PIVOTAL trial (which followed 2,141 patients for up to 4.4 years at 50 sites in the UK), published in October 2018 and January 2019 confirmed the unique safety and efficacy profile of Venofer®, and will help to secure and consolidate its position in the highly competitive (i.v.) iron market.

Net sales of the phosphate binder Velphoro® increased by 18.7% in 2018 to CHF 95.7 million, from CHF 80.6 million in 2017. Worldwide in-market sales generated by Vifor Pharma affiliates and partner companies in 2018 totalled around CHF 229 million. Sales in the US grew by 14.0% to CHF 69.6 million. Kidney Disease Improving Global Outcomes (KDIGO), which develops evidence-based clinical practice in kidney disease, recently updated their guidelines to recommend the use of non-calcium based phosphate binders. FKC US launched a communications program to physicians during 2018 to encourage them to follow this guidance.

In May 2018, the US FDA approved Retacrit™ injection for all indications of the reference drug, epoetin alfa, including treatment of anaemia associated with CKD and renal failure. It is the first biosimilar ESA approved for marketing in the US. Vifor Pharma recorded the first sales of Retacrit™ in Q4 2018, amounting to CHF 10.0 million.

Veltassa®

In 2018, reported net sales of Veltassa® were CHF 90.5 million compared to CHF 51.7 million in 2017, an increase of 75.1%. In 2018, net sales of Veltassa® in the US were CHF 88.1 million (USD 89.9 million), a significant increase compared to CHF 51.6 million in 2017.

Since FDA approval in December 2015, Veltassa® has experienced steady and sustained growth while also driving global expansion of the potassium binder market from CHF 173 million in 2016 to CHF 254 million in 2018.

In 2018, reimbursement approval was obtained in Sweden, Denmark and Norway, followed by Belgium in early 2019. Veltassa® was launched in Germany, Sweden, Denmark and Norway. Reimbursement negotiations and further launches will continue in line with individual reimbursement process timelines across Europe throughout 2019 and 2020.

In March 2018, Vifor Pharma concluded a licensing agreement with Zeria Pharmaceutical Co., Ltd., granting Zeria exclusive rights to develop Veltassa® for the Japanese market and, once marketing authorisation has been granted, to commercialise it in Japan. The collaboration with Zeria represents an important step in Vifor Pharma's promise to make Veltassa® available to patients worldwide.

In November 2018, Vifor Pharma reached a Special Protocol Assessment (SPA) agreement with the US FDA to study the benefits of Veltassa® in patients with heart failure affected by or with history of hyperkalaemia. The DIAMOND study is designed to evaluate the potential of Veltassa® in combination with renin-angiotensin-aldosterone inhibitor (RAASi) medications to improve patient outcomes, including reducing cardiovascular mortality and hospitalisations, by removing hyperkalaemia as a barrier to achieving the demonstrated benefits of RAASi treatment. Initiation of the study is expected in H1 2019, with anticipated results to provide strong guideline recommendations in cardiology/ heart-failure and improved treatment of patients through potassium control.

Results from the phase-II AMBER study will be published in 2019, evaluating the concomitant use of Veltassa® and spironolactone in patients with CKD and resistant hypertension.

3. SIGNIFICANT PROGRESSION: IN-LICENSING DEALS, PARTNERING AND CLINICAL TRIALS

In May 2018, Vifor Fresenius Medical Care Renal Pharma announced a licensing agreement with US biopharmaceutical company Cara Therapeutics, Inc., to develop and commercialise CR845 (difelikefalin) injection for the treatment of CKD-associated pruritus (CKD-aP) in haemodialysis patients worldwide,

excluding the US, Japan and South Korea. In the US, VFMCRP with Cara Therapeutics will promote CR845 to Fresenius Medical Care North America (FMCNA) dialysis clinics under a profit-sharing arrangement.

In September 2018, Vifor Pharma purchased an additional 7,343,492 shares of the common stock of ChemoCentryx Inc., increasing its stake from 6.6% to 21.1%.

Post balance sheet on 7 January 2019, Vifor Pharma reported positive phase-I trial results for VIT-2763, the first oral ferroportin inhibitor. Top-line results indicate that VIT-2763 has a favourable safety/tolerability profile. Following these positive results, Vifor Pharma will start a phase-II proof-of-concept trial in the second half of 2019. This trial will be conducted in patients with non-transfusion-dependent beta-thalassemia and documented iron overload.

4. OUTLOOK 2019

Market Access
Veltassa® will continue to be launched in selected countries across Europe. Ferinject® is expected to be launched in Japan in H2 2019. Vifor Pharma will continue to work towards finding a partner for the Japanese rights for CCX140.

Clinical Trials
Results from the AMBER study will be published in H1 2019, evaluating the impact of Veltassa® in patients with chronic kidney disease (CKD) and resistant hypertension.

Initiation of the DIAMOND study looking at the benefits of Veltassa® in patients with CKD and heart failure affected by hyperkalaemia is expected in H1 2019.

A phase-II study of the ferroportin inhibitor VIT-2763, designed to prevent excessive iron release into the blood, is expected to start in H2 2019.

Enrolment of the global phase-III ADVOCATE study of avacopan for anti-neutrophil cytoplasmic auto-antibody- associated vasculitis (ANCA-associated vasculitis) was completed in Q3 2018, with results expected in Q4 2019.

Cara Therapeutics is currently conducting two pivotal phase-III trials of CR845, with completion and data read-out anticipated by the end of 2019.

Business Development
We aim to complete at least one additional in-licensing, product acquisition or corporate transaction during the course of 2019.

Financial Guidance
In 2019 at constant exchange rates, Vifor Pharma net sales are expected to grow between **11% and 13%**, and reported EBITDA is expected to increase by **25%**.

In 2020 net sales are expected to exceed CHF 2 billion and EBITDA to be **in the range of CHF 700 million.**

Going forward the dividend is **expected to remain at the current level of CHF 2 per share.**

5. NOMINATIONS TO BOARD AND CHANGE IN MANAGEMENT

Vifor Pharma also announces that two highly experienced pharmaceutical leaders, Sue Mahony and Kim Stratton will be proposed for election to the Board of Directors at the Annual Shareholder Meeting on 8 May 2019. They will replace Sylvie Grégoire, Daniela Bosshardt-Hengartner and Fritz Hirsbrunner, who will not stand for re-election. The Executive Chairman and the Board takes the opportunity to thank them for their outstanding support and service to the Company over many years.

Sue Mahony was formerly Senior Vice President of Lilly and President of Lilly Oncology with more than a decade of sales and marketing experience with Schering-Plough, Amgen and Bristol-Myers Squibb. Sue is a British and US Citizen and holds a BSc and PhD in pharmacy from Aston University and an MBA from London Business School. She is a Member of the Board of Assembly Biosciences.

Kim Stratton was formerly Head of International Commercial at Shire Plc, responsible for all business outside the US across Specialty and Rare Diseases. Kim is an Australian citizen. She is a member of the Board of the European Federation of Pharmaceutical Industries and Associations (EFPIA) and a member of the Board of Novozymes.

The company also informs that David Bevan, CEO of Vifor Fresenius Medical Care Renal Pharma, has decided to leave the group at the end of April 2019. The Executive Chairman, the President of the Executive Committee and COO, and the VFMCRP Board thank him for his excellent contribution and leadership and wish him every success in his future endeavours.

For further details, please see the Vifor Pharma Group 2018 Full-Year Report at viforpharma.com.

Live conference call and webcast

Vifor Pharma will host a live conference call (see phone numbers below) and webcast (http://swisscomstream.ch/vifor/20190314/analyst) on the 14 March 2019 at 13:00 (CET).
The pin code for the live conference call is 8175345.

Phone numbers for the live conference call

Country	Local	Free
Switzerland:	+41 31 580 0059	0800 740 377
France:	+33 17 670 0794	0805 103 028
Germany:	+49 692 443 7351	0800 723 4866
United Kingdom:	+44 207 192 8000	0800 376 7922
United States of America:	1 631-510-7495	1 866-966-1396
Other countries:	+44 207 192 8000	

Replay
A webcast replay (http://swisscomstream.ch/vifor/20190314/analyst) will be available shortly after the end of the live conference.

FURTHER INFORMATION

Media Relations
Heide Hauer
Head of Corporate Communications
Tel.: +41 58 851 80 87
E-mail: media@viforpharma.com

Investor Relations
Julien Vignot
Head of Investor Relations
Tel.: +41 58 851 66 90
E-mail: investors@viforpharma.com

The Vifor Pharma Group is a global 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 pharmaceuticals and innovative patient-focused solutions. The 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. The 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. The 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 viforpharma.com.