Increased focus within Medivir's R&D and optimizing resources through a partnership with GVK BIO

Stockholm, Sweden — Medivir AB (Nasdaq Stockholm: MVIR) today announces a reorganization within its Discovery Research department, increasing its focus within the core areas of oncology and infectious diseases, and a partnership with GVK Biosciences Private Ltd. (GVK BIO) of Hyderabad in India, designed to deliver enhanced efficiency and quality within its portfolio of research projects while over time reducing overall research costs and enhancing future cost flexibility.

To ensure that its operations are run as efficiently as possible, Medivir has conducted a review of its Discovery Research operations. While committed to maintaining the current size of its discovery portfolio to deliver a constant flow of candidate drugs into its development pipeline, it has identified the opportunity to improve quality and efficiency through partnership with GVK BIO. The partnership will consolidate and strengthen all current out-sourced synthetic chemistry in a single facility at GVK BIO's Integrated Discovery Research Campus, where an addition of approximately 20 scientific staff will further accelerate the synthesis and testing of compounds.

The company has also decided to exit the neuropathic pain area, following adverse findings in non-clinical safety studies of MIV-247, its cathepsin S inhibitor being developed for neuropathic pain. Development of this program has been terminated and future drug discovery efforts will be focused in the core areas of oncology and infectious diseases.

As a result of the changes described above, around ten scientific staff at Medivir facilities in the UK and Sweden will be made redundant.

"We continue to assess all aspects of the productivity and cost-effectiveness of our businesses in order to drive innovation and maximize share-holder value" said Niklas Prager, Medivir CEO. "This reorganization and resource optimization will improve efficiency and enhance our ability to deliver well-differentiated candidate drugs into our development pipeline while over time reducing overall research costs and improving cost flexibility, and we look forward to a productive partnership with our colleagues at GVK BIO".

"We are excited about GVK BIO's partnership with Medivir. Medivir chose GVK BIO over several other CROs on the basis of its scientific strength and its ability to perform Integrated Research with Chemistry and Biology. We look forward to delivering significant value to Medivir shareholders and to a productive partnership" said Manni Kantipudi, CEO, GVK BIO

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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 08.30 CET on 16 June 2015.

About Medivir

Medivir is a research based pharmaceutical company with a research focus on infectious diseases and oncology. 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 growing portfolio of specialty care pharmaceuticals on the Nordic market. Medivir is listed on the Nasdaq Stockholm Mid Cap List.

About GVK BIO

GVK Biosciences (GVK BIO) is Asia's leading Integrated Discovery Research and Development organization. GVK BIO provides a broad spectrum of services, stand-alone and integrated, across the R&D value chain. GVK BIO's discovery services consist of Chemistry, Biology and Informatics; the development services include Process R&D and Custom Manufacturing GVK BIO's diverse portfolio of more than 350 customers includes some of the world's largest pharmaceutical, biotechnology, agro, life science companies and leading academic institutions. Please visit us at www.gvkbio.com to learn more.