



Develops and commercializes improved pharmaceuticals and digital therapies – with the aim of becoming a leader within the treatment of addiction



Nasdaq Stockholm: ORX US OTC Market: ORXOY (ADR)

**Life Science Virtual Investor Conference,
Nikolaj Sørensen, President and CEO, March 26, 2020**

Legal Disclaimer

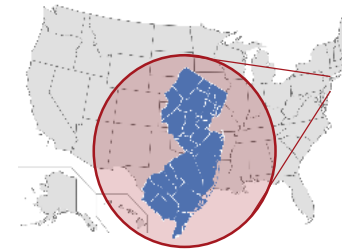
- This presentation, which is personal to the recipient, has been prepared and produced by Orexo AB (publ) ("Orexo") solely for the benefit of investment analysis and may not be used for any purpose other than assessment of investments concerning Orexo. Unless otherwise stated, Orexo is the source for all data contained in this presentation. Such data is provided as at the date of this presentation and is subject to change without notice.
- This presentation does not constitute or form part of, and should not be construed as, an offer or invitation for the sale of or the subscription of, or a solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any offer, contract, commitment or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of Orexo
- The shares of Orexo have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act or unless registered under the Securities Act.
- The information in this presentation has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or opinions contained herein. None of Orexo, any of its shareholders, or any of their respective subsidiary undertakings or affiliates or any of such person's directors, officers or employees, advisers or other representatives, accepts any liability whatsoever (whether in negligence or otherwise) arising, directly or indirectly, from the use of this presentation or otherwise arising in connection therewith.
- This presentation includes forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, achievements or industry results to be materially different from those expressed or implied by these forward-looking statements. Forward-looking statements speak only as of the date of this presentation and Orexo expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.
- This presentation is not a prospectus in accordance with the Swedish Financial Instruments Trading Act (Sw. lagen (1991:981) om handel med finansiella instrument) or any other Swedish laws or regulations. Neither the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) nor any other Swedish regulatory body has examined, approved or registered this presentation.

Orexo develops and commercializes pharmaceuticals and digital therapies

- Focuses on **treatment of addiction** in all phases, from prevention to treatment
- Broad pipeline with multiple assets based on innovative **drug delivery technologies** or **digital therapeutics (DTx)**
- Developed **four commercial products** with worldwide approval
- Direct presence in the **US opioid dependence market**, one of the largest health crises in US history, with lead asset **Zubsolv®**
- Strategic focus on **portfolio expansion** through development and licensing/M&A
- **Profitable** company with **strong financial position** to support future growth
- Top two largest shareholders¹: **Novo Holdings** (27.7%) and **HealthCap** (10.2%)



Corporate Headquarters
(Uppsala, Sweden)
Corporate functions and Development



US Headquarters
(Morristown, New Jersey)
Commercial subsidiary incl. fully owned field force

Net revenues
SEK, 2019

845 m

EBITDA
SEK, 2019

272 m

Cash position
SEK, Dec. 31, 2019

817 m

¹ As of January 31, 2020

2019 delivered the strongest financial results ever

Group net revenues SEK 845 m <i>85% from Zubsolv®</i>	Growth 8% <i>(Zubsolv® 16%)</i>
Group EBITDA SEK 272 m	Growth 133%
US EBIT SEK 351 m	Growth 77%
Cash position SEK 817 m	Positive net cash position SEK 527 m

The profit contributions from Zubsolv® enables investments in building a broader and stronger Orexo

Broaden...

..the portfolio of commercial products to be promoted by our existing US organization in 2020

Establish

..a new revenue generating business area within Digital Therapeutics (DTx) and launch first new product in 2020

Maintain

.. Zubsolv® profit contribution in 2020 and ensure it is sustainable and growing over time

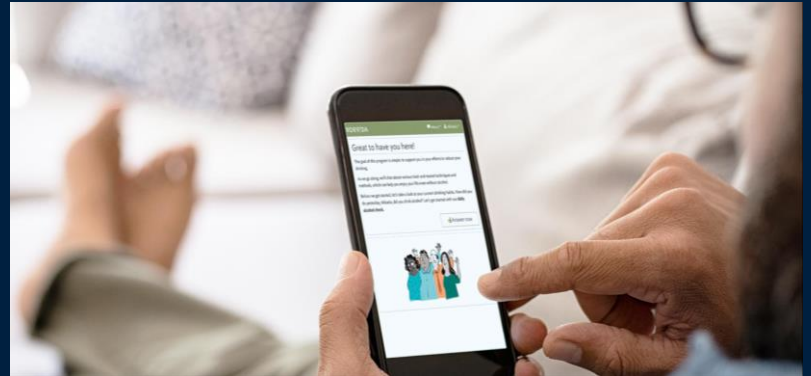
Launch

..a new pharmaceutical product from Orexo's development pipeline within the next two years



Growing the Zubsolv® franchise

orexo

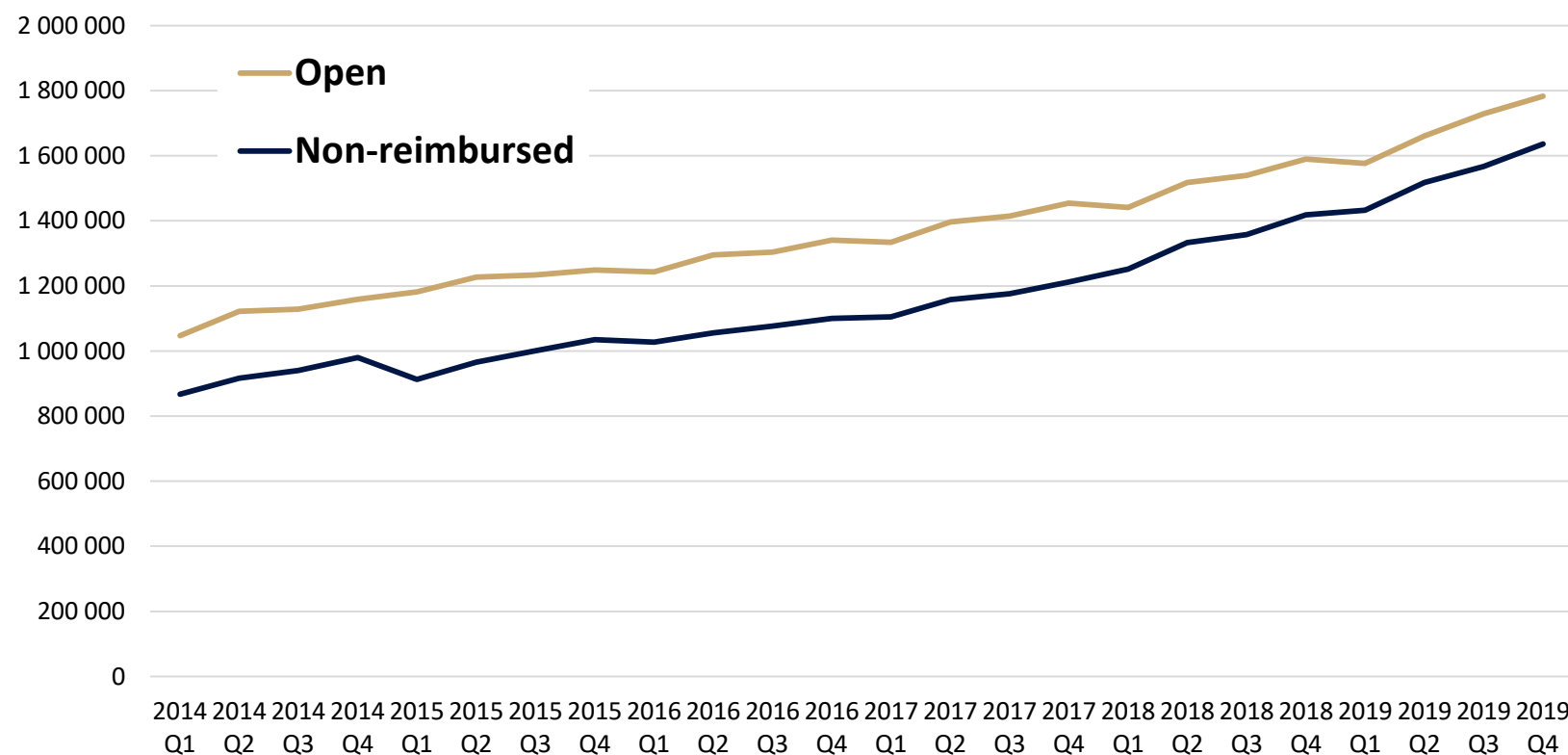


Full year market growth of 14% 2019 vs 2018 continues in Q1

New market definitions to be applied by Orexo

Market Volume Sales

Quarterly NTRx



Q1 YTD Growth

Total Market: +14%

By Segment

+14%

+13%

Definitions

Payers / Market Access

- **“Open”**
 - Market segments where Zubsolv® is reimbursed either exclusively or non-exclusively
- **“Non-Reimbursed”**
 - Market segments where Zubsolv® is not reimbursed

Note: NTRx = Total prescriptions adjusted to 30 tablet/film scripts
Source: IQVIA XPO

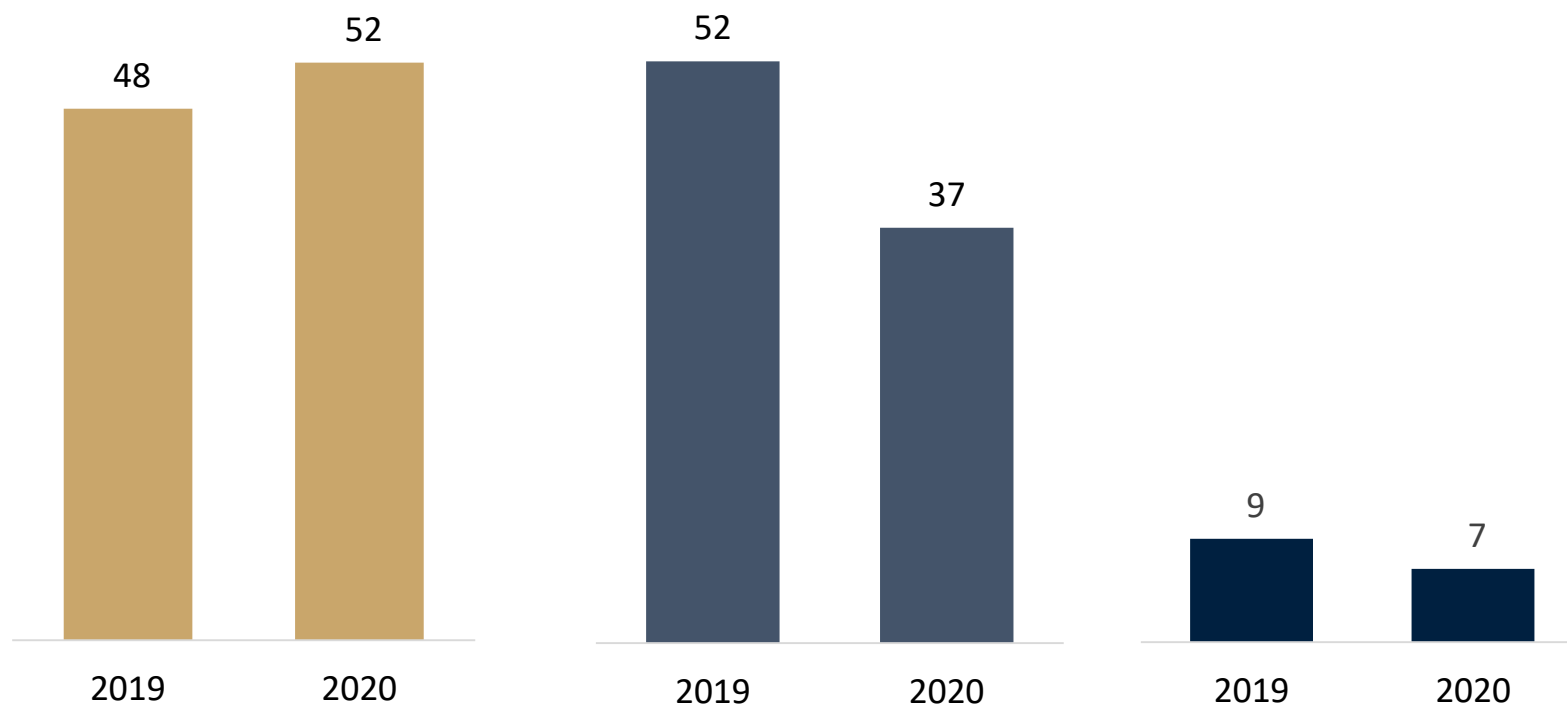
Zubsolv® growing in the open business, but overall volume declining from competition in former exclusive contracts

Open Market Access

UHC/Humana/Cash

Non-Reimbursed

Zubsolv® NTRx YoY Q1TD (thousands)



Market Changes

From year 2019 to 2020

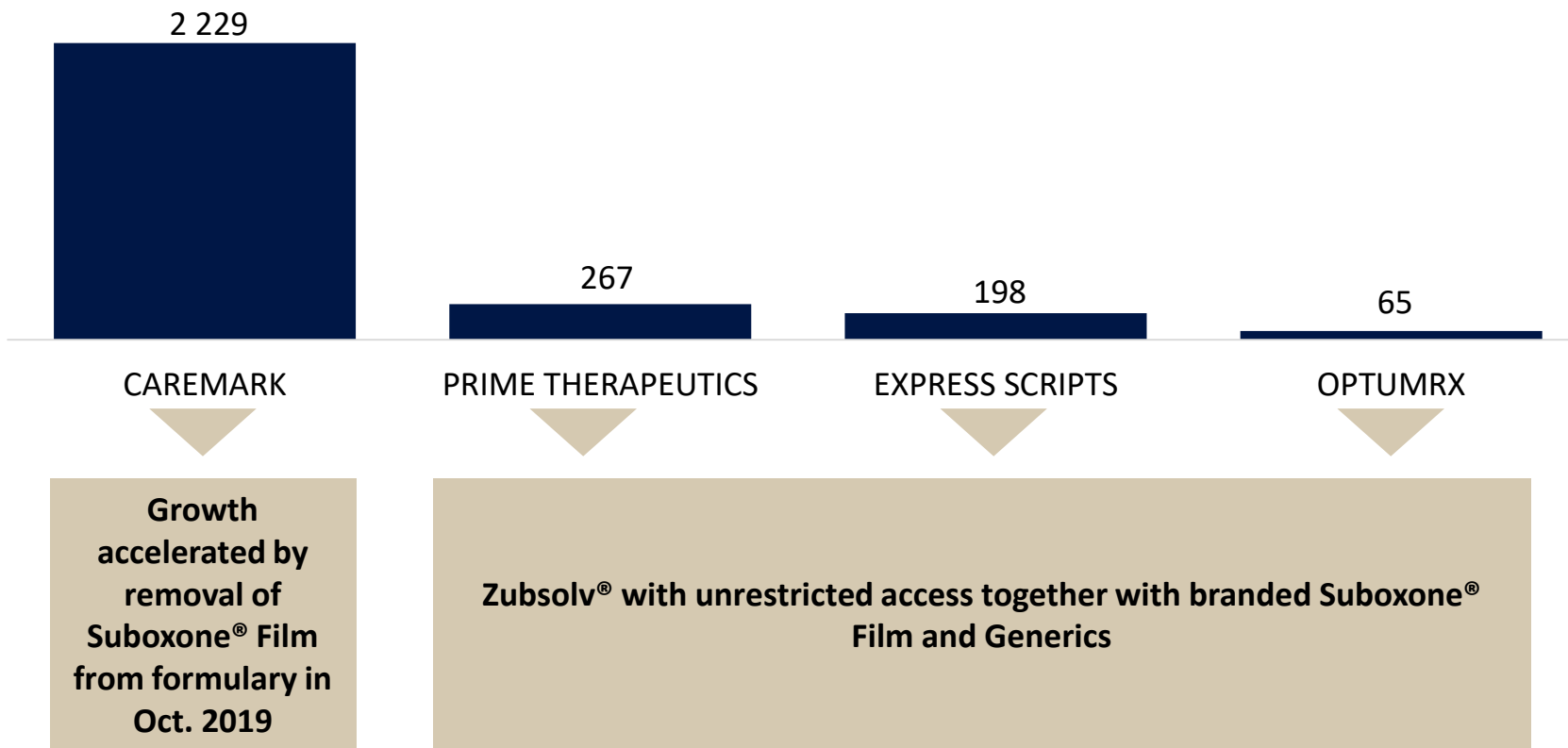
- **Generic film introduced late Feb 2019**
 - UHC/Humana add generics
- **2020 Public access lower by 3 %-point vs 2019**
- **2020 Commercial access increased 1 %-point vs 2019**

Note: NTRx = Total prescriptions adjusted to 30 tablet/film scripts
Source: IQVIA XPO

Zubsolv® growth in open business explained by unrestricted access to all large national commercial PBMs

Prescription incremental growth to major national PBMs

Zubsolv® NTRx YoY Q1TD (thousands)



Total increase of 2,759 NTRx year-to-date

Opportunity to continue to grow business and to translate successes to other payers as well

Additional removal of Suboxone® Film from formularies likely to drive additional growth

Growth in commercial formularies expected to increase after Q1 due to declining deductibles

Note: NTRx = Total prescriptions adjusted to 30 tablet/film scripts
Source: IQVIA XPO

Several possible triggers for Zubsolv® growth in 2020 and beyond



Continued improved market access

- ...Orexo continues to aggressively pursue expanding market access in Medicare and Medicaid
- ...Largest branded competitor likely to lose reimbursement over time

Competition from “the preferred” authorized generic of Suboxone® Film will end

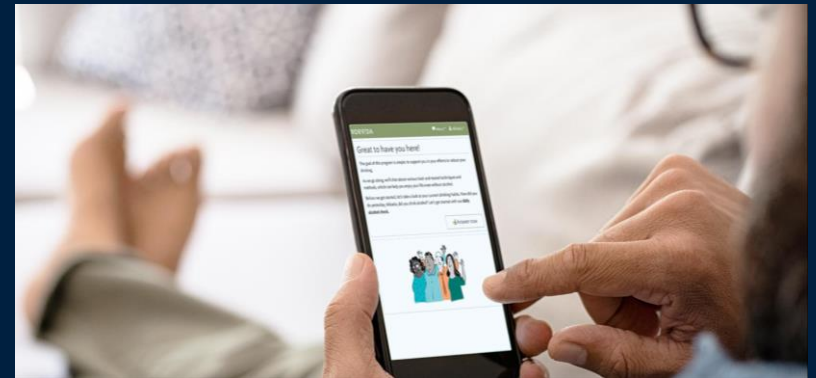
- ...Supply of authorized generic has ceased from the manufacturer (Indivior) and product will disappear when inventories are depleted
- ...Market share of authorized generic has dropped from >50% to 28% last week

Orexo will be the only pharmaceutical company promoting a Buprenorphine product to most prescribers

- ...Sublocade® and other depot formulations primarily promoted to larger institutions
- ...Orexo has an expanding pipeline addressing the most urgent concerns in the industry

A pipeline with significant
future potential

orexo



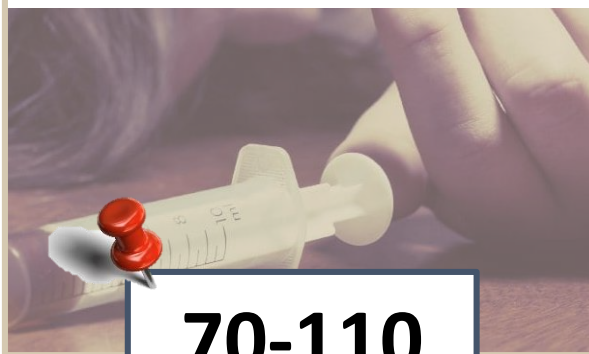
Pipeline addressing large markets with significant patient needs

			Exploratory	Preclinical	Phase			Registration	Approved/Launched		
					1	2	3		US	EU	RoW
Commercial products											
Zubsolv®		Opioid Use Disorder	<div><div></div></div> ▲								
Abstral®		Breakthrough Cancer Pain, <i>Kyowa Kirin</i>	<div><div></div></div>								
Edluar®		Insomnia <i>Mylan Worldwide</i>	<div><div></div></div>								
Development projects											
Pharmaceuticals	OX124	Naloxone - Opioid Overdose	<div><div></div></div>								
	OX125	Nalmefene - Opioid Overdose	<div><div></div></div>								
	OX338	Ketorolac – Moderate to moderately severe pain	<div><div></div></div>								
	OX382	Buprenorphine – Opioid Use Disorder	<div><div></div></div>								
	OX-MPI	BI1029539 – Microvascular Disease <i>Gesynta Pharma</i>	<div><div></div></div>								
Digital Therapies			Preclinical		Phase 3			Registration	Approved/Launched		
									US	EU	RoW
	OXD01	Opioid Use Disorder <i>GAIA AG</i>	<div><div></div></div>								
	OXD02/vorvida®	Heavy alcohol use, incl. Alcohol Use Disorder <i>GAIA AG</i>	<div><div></div></div> ●								

3 convincing development assets addressing critical unmet needs

OX124 – opioid overdose

A powerful rescue medication, designed to reverse opioid overdoses, including those from synthetic opioids like fentanyl



70-110

MUSD net sales potential (US)

OX125 – opioid overdose

A rescue medication to reverse opioid overdoses, developed for situations where very long-lasting effect is required

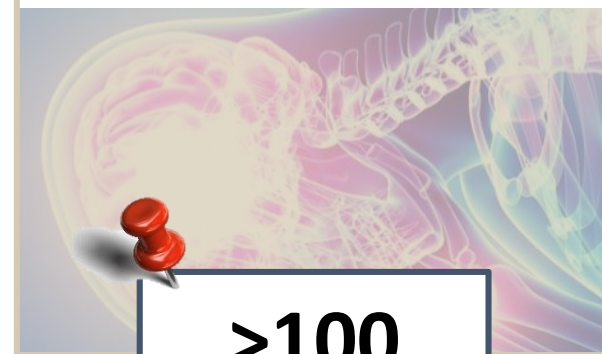


40-60

MUSD net sales potential (US)

OX338 – non-opioid pain

A non-opioid pain killer with opioid-level efficacy for short-term pain (up to 5 days), but without the risk of addiction

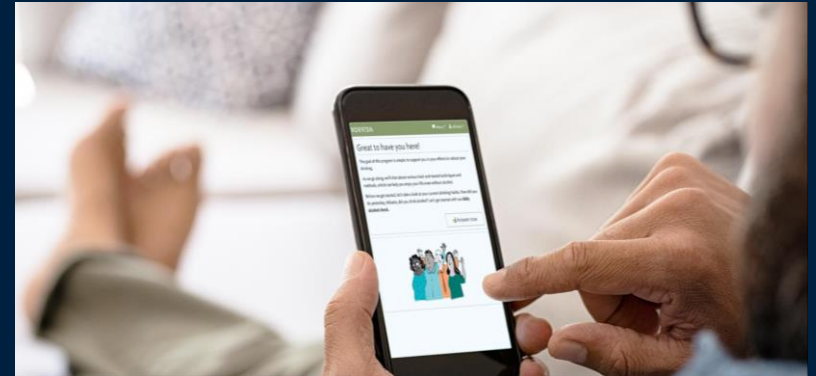


>100

MUSD net sales potential (US)

DTx – new frontiers in patient care

orexo



In a few months....

Patients

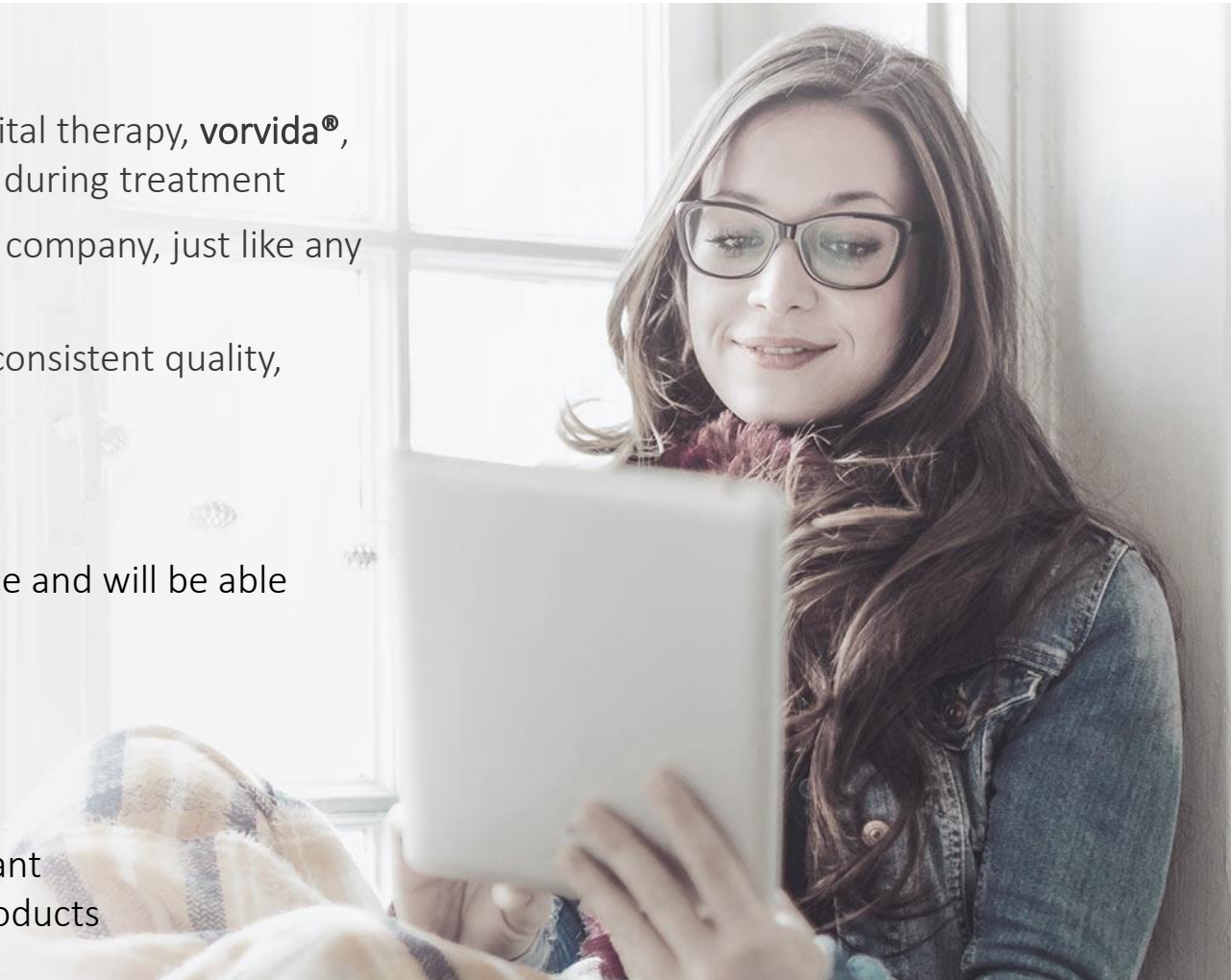
- ...suffering from alcohol misuse will have access to a new digital therapy, **vorvida**®, which replaces the need for frequent visits to a counsellor during treatment
- ...will get their digital therapy reimbursed by their insurance company, just like any other medical intervention
- ...will have access to gold standard behavioral therapy with consistent quality, when they have time and in their own privacy

Healthcare Professionals

- ...will have access to a treatment with strong clinical evidence and will be able to prescribe **vorvida**® like any other treatment available
- ...will be able to treat more patients with less efforts

Orexo

- ... will expand into a new adjacent disease area with significant unmet patient need and with a completely new type of products



The regulatory and payer landscape is starting to adopt digital therapy ...

Significant movement in both US and Europe



The Digital Health Software Pre-certification (Pre-Cert) Program is part of an effort by the FDA to develop a future regulatory model that will provide more streamlined and efficient regulatory oversight of software-based medical devices.²



The Bundestag recently passed the German Digital Care Act (DVG), which requires public health insurance companies to cover the costs of certain health technology applications.¹

The two largest PBMs are reducing barriers for DTx



Express Scripts is placing companies, offering cutting-edge treatments, into a "formulary" of recommendations for insurance plans and doctors in order to ease commercial traction.³



CVS Caremark has launched a platform for digital therapies, enabling payers to formalize the reimbursement and distribution and allowing CVS to capitalize on booming interest in digital health treatments.⁴

Source: 1. Frontiers <https://www.frontiers.health/german-digital-healthcare-act/> 2. <https://www.fda.gov/medical-devices/digital-health/digital-health-software-precertification-pre-cert-program> 3. CNBC <https://www-cnbc-com.cdn.ampproject.org/c/s/www.cnn.com/amp/2019/12/12/express-scripts-to-add-digital-health-treatments-like-livongo-omada.html> 4. Business Insider <https://www.businessinsider.com/cvs-caremark-launches-digital-therapeutics-platform-2019-6?r=US&IR=T>

... but digital therapy is in its infancy

Commercialization

- Optimal pathways to commercialize and scale DTx are still uncharted

Pricing

- Entry barriers are low for offerings without clinical evidence, and thus payers need to establish appropriate assessment criteria to enable price differentiation

Reimbursement

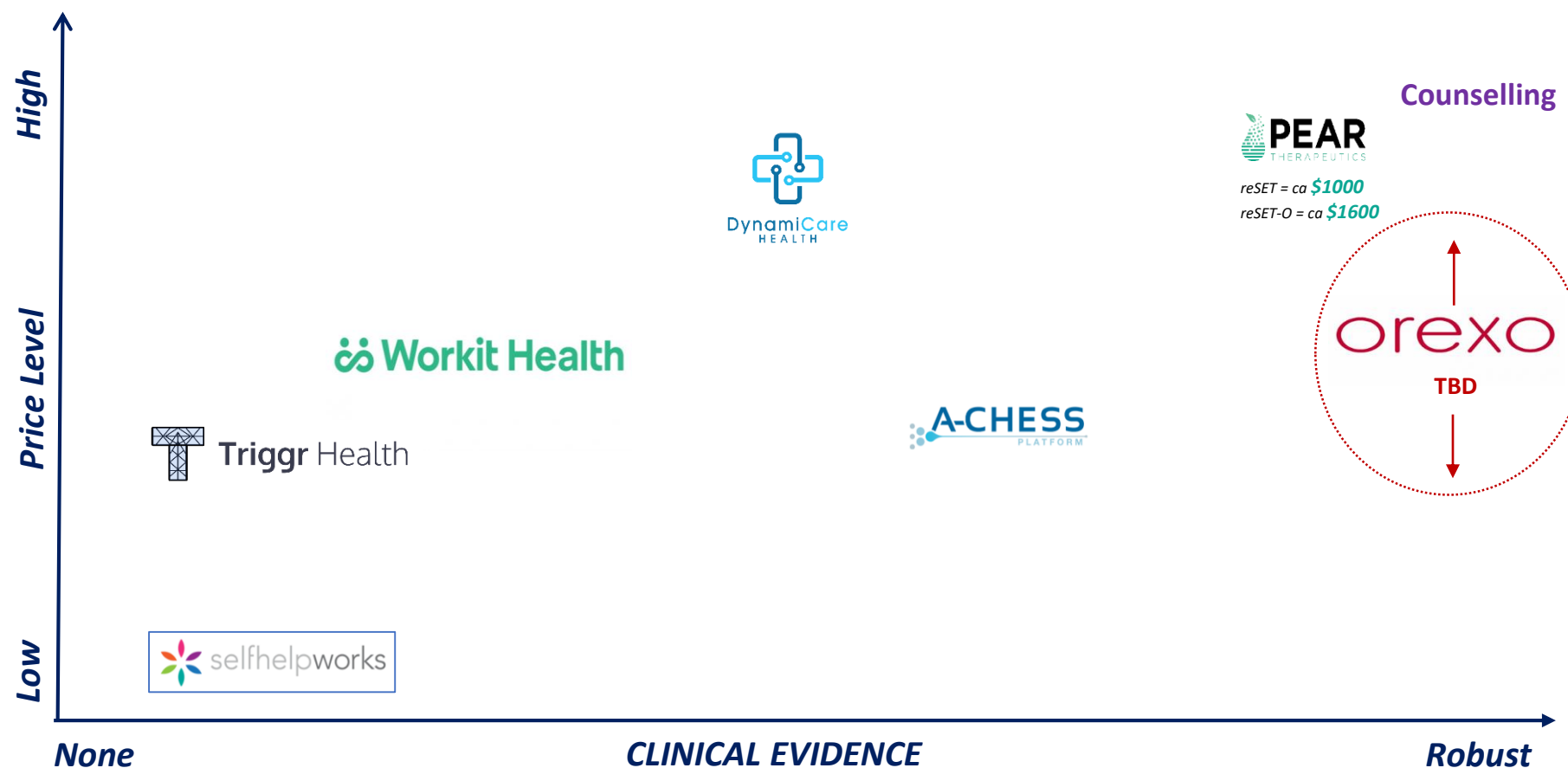
- Many payers still to establish payment and reimbursement processes

Disruptive technology

- While digital therapies have been proven clinically, speed of adoption is still unknown as for any new therapeutic approach



The pricing of digital therapy is scattered, with significant differences driven by sophistication and clinical evidence

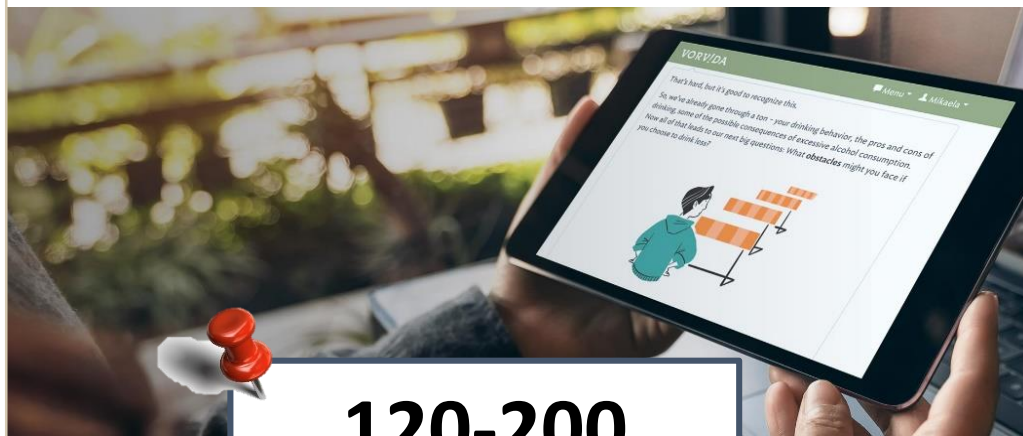


Pricing of Orexo DTx expected in the range of USD 600-1,000 per treatment

Two digital therapies with the potential to disrupt the current treatment of substance use disorder in the US

vorvida®

A fully automated digital therapy scientifically proven to reduce trouble-some drinking patterns in adults with AUD

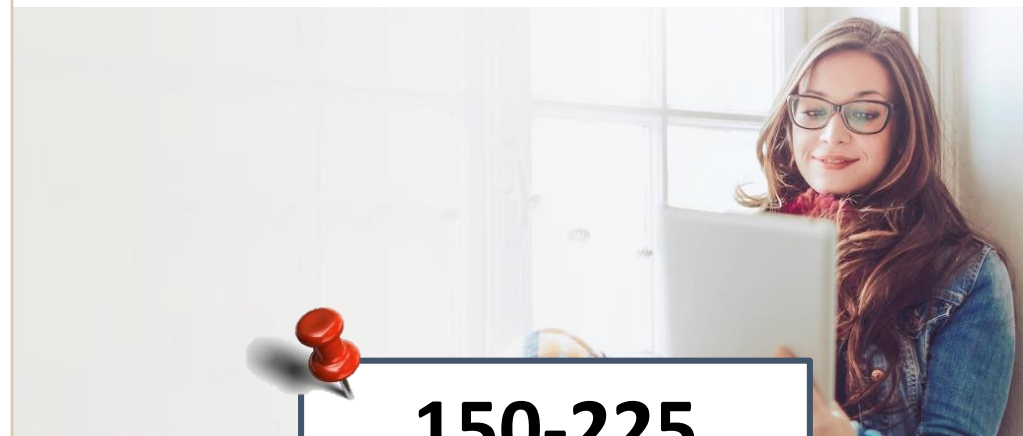


120-200

MUSD net sales potential in the US

OXD01

"Digitizing" counselling at scale to offer with Zubsolv®, a full medication assisted therapy (MAT) solution for so many opioid use disorder (OUD) patients in need.

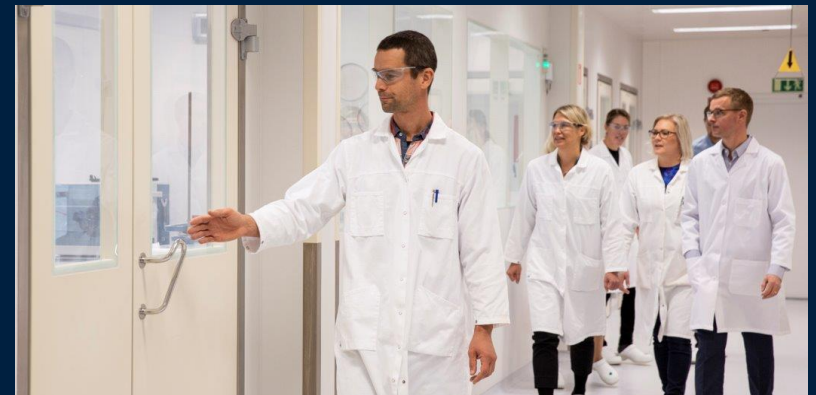
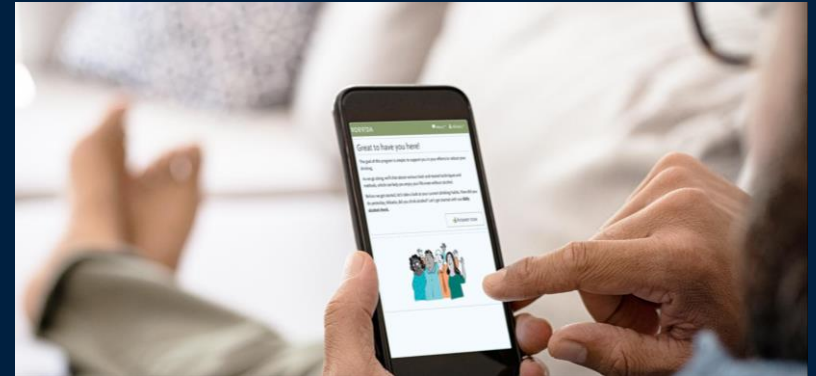


150-225

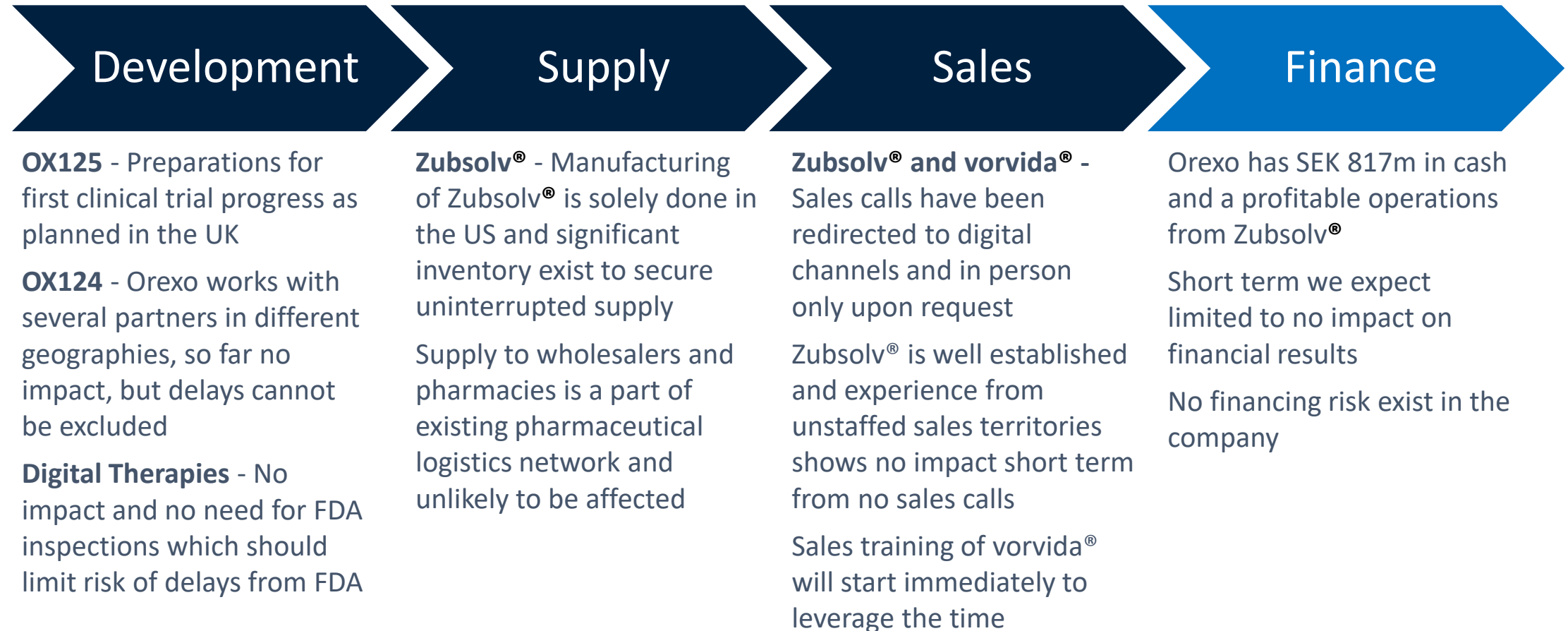
MUSD net sales potential in the US

Outlook

orexo

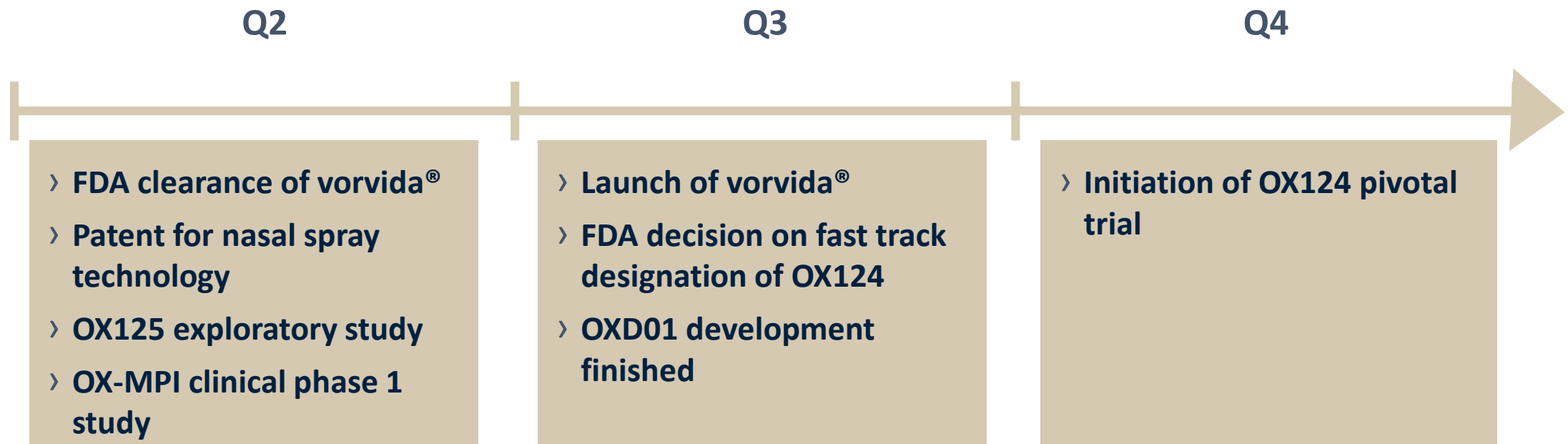


Limited impact from the COVID-19 virus currently¹



¹ This analysis assumes impact from COVID-19 is limited to H1 2020

2020 a year with a steady news flow expected



Strong value drivers for long-term growth

Investment thesis

1. Addressing large markets with significant patient needs

Focusing on becoming a leader within the large and growing space of addiction, alongside addressing the opioid epidemic, one of the largest health crises ever in America and a growing global concern

2. Strong financial position and profitability

Fueled by the sales of the lead product Zubsolv® which will continue to be an important cash and profitability contributor

3. Leverage the US commercial platform

Strategic focus on product portfolio expansion, through M&A and business development, to leverage the US commercial infrastructure

4. Expanding pipeline

Continues to build on the strong track record of developing products with worldwide approval by expanding the pipeline with multiple assets based on innovative drug delivery technologies and digital therapeutics addressing unmet medical need in addiction

5. Entering DTx, the new megatrend in life science

Digital therapeutics (DTx) will become an integral part of the healthcare landscape and addiction is one of the therapeutic areas where it is most needed

Thank You!

IR Contact: Lena Wange, IR & Communications Manager, ir@orexo.com. For more information please visit www.orexo.com.

You can also follow Orexo at Twitter [@orexoabpubl](https://twitter.com/orexoabpubl), LinkedIn and YouTube   