

orexo

Fighting opioid dependence from a strong platform

Annual General Meeting
April 12, 2018

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

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 with a range of compelling value drivers and solid foundation to take Orexo to the next level

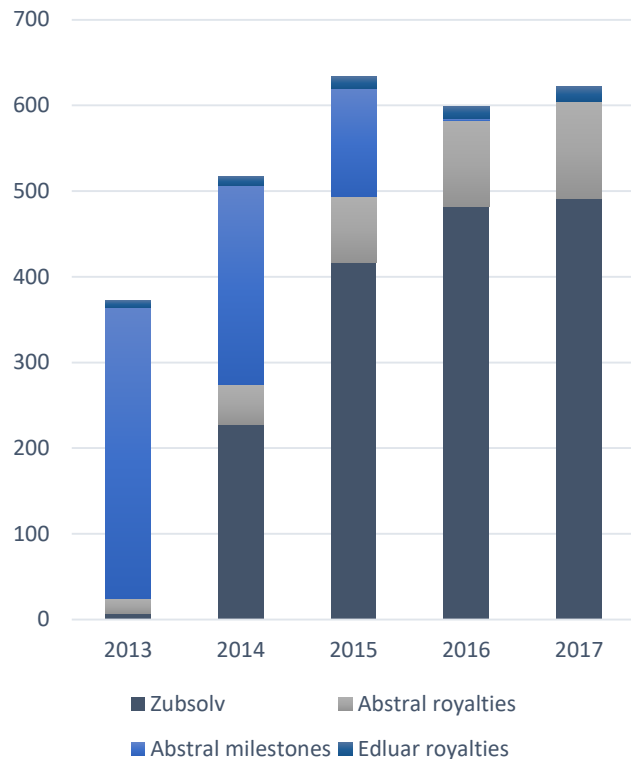


Orexo leaving 2017 with strengthened financials and positive results

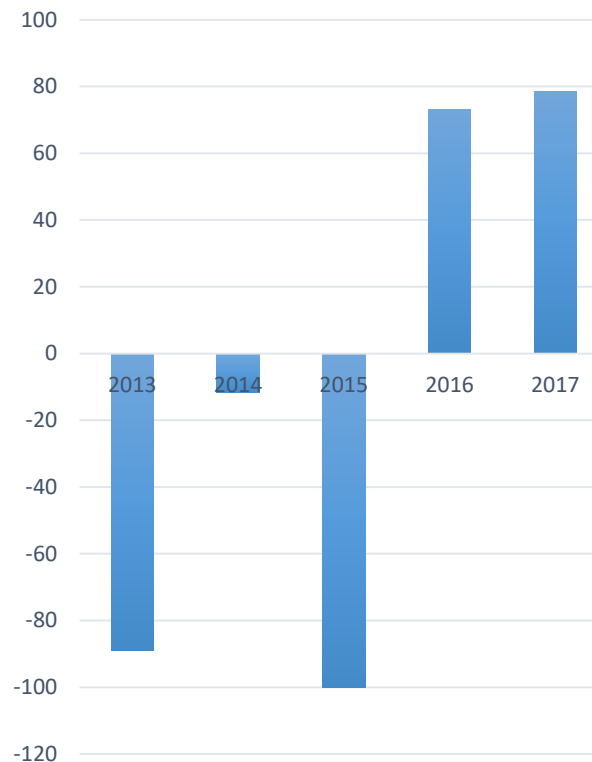
<i>"Attractive net revenue stream from launched products and partner projects"</i>	2017 Net Revenue: SEKM 644
<i>"Profitable company since 2016"</i>	2017 EBITDA: SEKM 78
<i>">300 M in positive cash flow 2016-2017"</i>	2017 Cash flow from operations: SEKM 147
<i>"Net cash positive and Strong financial position"</i>	Dec. 31 2017, cash-position after refinancing of bond: SEKM 328

2016 marked a turning point when Orexo became profitable

Revenue SEKM



EBITDA SEKM



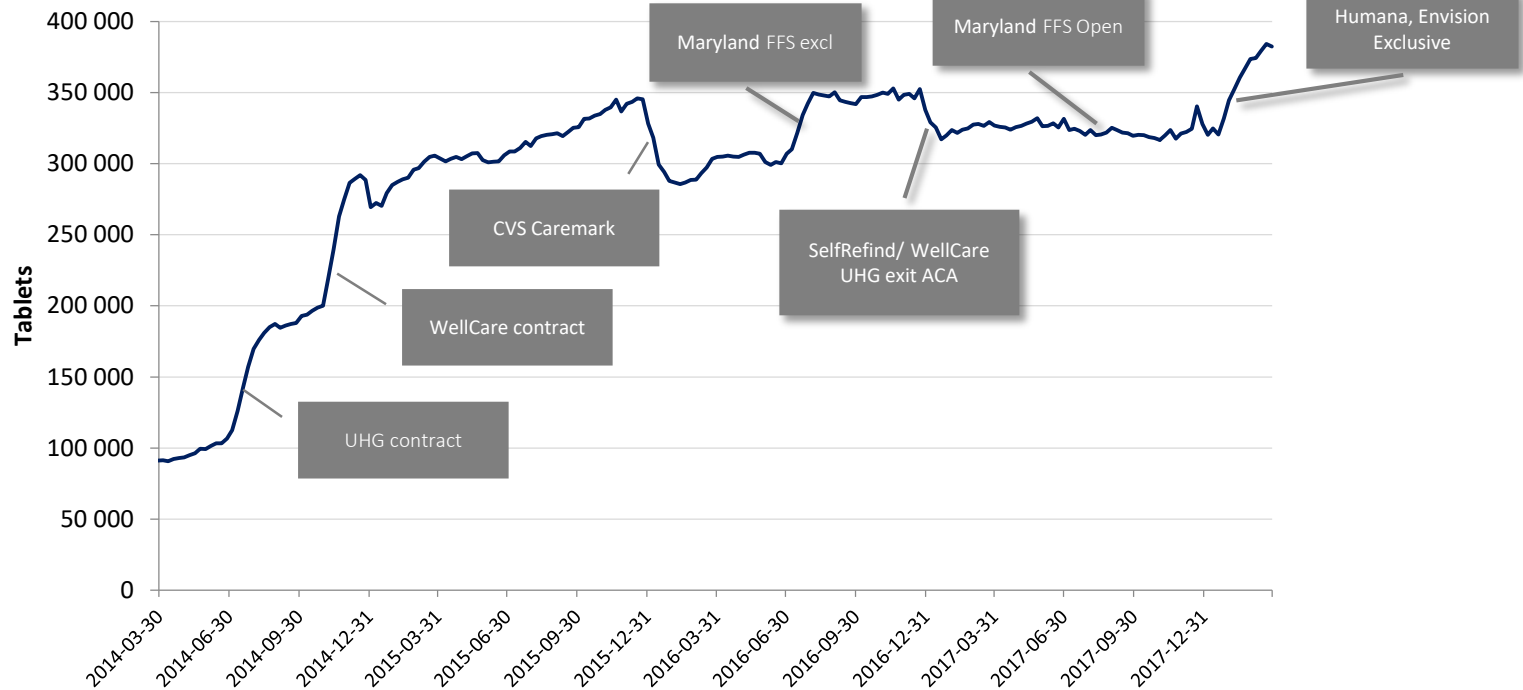
Future profitability growth will be driven by revenue growth from Zubsolv® and reduced COGS

- New Market Access agreements in place from Jan. 1 2018 driving growth in Q1
- New supply chain in place leading to significant reduction in COGS expected to start in H2 2018 with increasing effect in 2019-2020

Strong re-bound in Zubsolv[®] tablet volume in 2018

Zubsolv Tablet Volume (rolling 4 weeks)

Average weekly sales



Market share reached 5.7% in Q118 jumping from ~5.0% in Q4¹

¹ Market share in terms of Orexo share of the total market quantity of tablets, film and patch of Bup/Nal

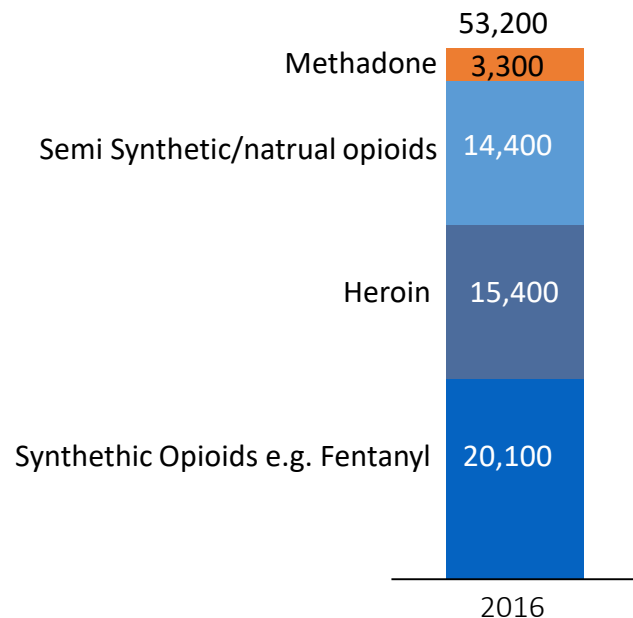
Note: Weekly prescription data is based on extrapolation and is associated with uncertainties and may differ between sources

Source: Orexo analysis, IMS weekly data

No indication the market will shrink with the opioid crisis continuing to escalate in the US

Large and growing need for opioid rescue medication

Alarming number of opioid related overdoses leading to >50,000 deaths in US



Negative trend continues according to CDC surveillance data (Increases in opioid overdoses July 2016 – September 2017)

Overall: **+30 %** in 52 areas in 45 states



The Midwestern region: **+70 %**

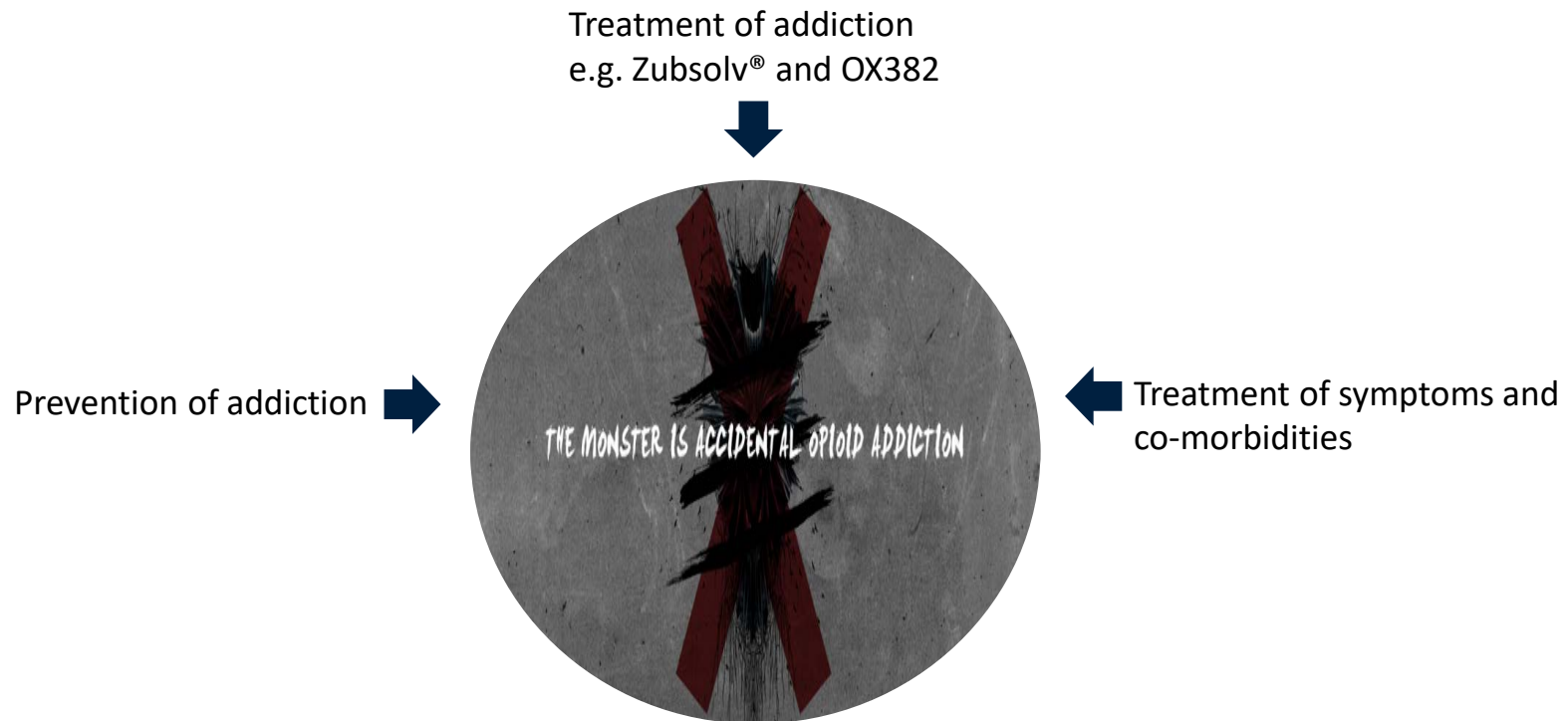
Large cities: **+54 %** in 16 states



Source: Centers for disease control and prevention

R&D and business development focused on helping patients suffering from addiction

From prevention to treatment



Orexo internal development focused on optimizing drug delivery of known APIs

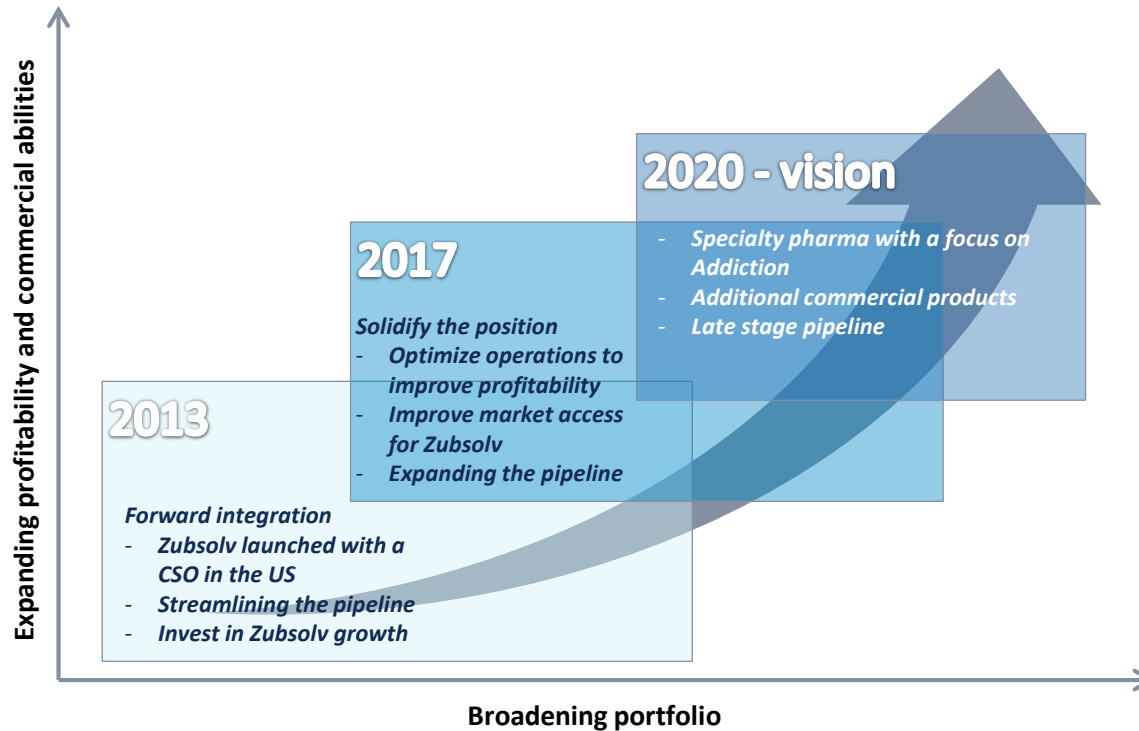
The development strategy follows a 3 pronged approach

Asset classes	Description	Products & Projects	Strategy
<p>Products inside our commercial core area</p>	<ul style="list-style-type: none"> • Development projects aimed at broadening our commercial platform • Providing a comprehensive range of treatment options to opioid dependent patients • Highly synergistic with Zubsolv® and existing commercial footprint 	<ul style="list-style-type: none"> • Zubsolv® US • OX382 • Two non-disclosed projects 	<p>Internal development (complemented by development partners where suitable)</p>
<p>Products outside our commercial core area</p>	<ul style="list-style-type: none"> • Development projects that do not have direct fit with our current commercial platform in the US • Opportunities outside the US 	<ul style="list-style-type: none"> • Zubsolv® Ex US • Abstral® • Edluar® • OX51 • OX-CLI, OX-MPI 	<p>Work with partners for development and commercialization</p>
<p>Platform opportunities</p>	<ul style="list-style-type: none"> • Opportunities that emerge from application of our technology platforms to other pharmaceutical compounds (Orexo is continuously scanning APIs for possible use in our technologies) 	<ul style="list-style-type: none"> • Undisclosed • <i>E.g., Edluar would have fallen in this category</i> 	<p>Perform early development internally and then find a partner</p>

Looking ahead, the focus is to use the positive cash flow from Zubsolv® to grow the business from a broader portfolio

Orexo's evolution from a loss making R&D company to a profitable specialty pharma company

Key drivers of growth



1

Maximise Zubsolv's potential in a globally fast growing market

2

Drive profitability and cash flow growth with operational leverage achieved in manufacturing

3

Add commercial stage products with synergies to the US to improve operational leverage in commercial infrastructure

4

Progress the pipeline of internal development projects

Zubsolv[®] with patent protection until 2032 in the US

Two ongoing patent litigations against Actavis

Comprehensive patent protection in Orange book until September 2032

Ongoing patent litigations against Actavis

1.

Patent No.	Expiration
8454996	2019
8658198	2027
8470361	2030
8940330	2032
9259421	2032
9439900	2032

- US district court have affirmed validity and infringement of '996 patent
- US district court found '330 patent invalid and decision is appealed to the federal circuit
 - Decision expected H1, 2018
- Orexo has filed litigation cases against Actavis for infringement of '421 and '900 patents
 - On hold until final decision in the '330 process
- Ex US patents not affected by the US litigation

2.

Patent No.	Expiration
8454996	2019

- Orexo has filed a litigation case against Actavis for infringement of '996 patent with their Suboxone[®] and Subutex[®] generics

A focus in 2017 has been to ensure we follow and support the principles of the **UN Global Compact**



Human Rights



Labor



Environment



Anti-Corruption

3 GOOD HEALTH AND WELL-BEING



Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol

SDG#3, target 3.5.



Strong platform and exciting opportunities for 2018

- **Core business at the heart of the biggest health problem in the US - ever**
- **Strong financial performance and position** with full year positive EBIT and secured long term financing
- **A pipeline of interesting internal projects** that will progress further during 2018
- **Market access for Zubsolv® significantly improved** in 2018 and will have impact on market share and volume from January 1 . Early signs of positive impact already visible after week 1.
- **Launching of Zubsolv in Europe** following approval and first supply of products to Mundipharma
- **Business development** efforts to add commercial products to the US operations continues
- A **decision on the Zubsolv US patent litigation** against Actavis **expected during first half of 2018**



THANKS

For more information please visit www.orexo.com. You can also follow Orexo at Twitter @orexoabpubl, LinkedIn and YouTube

IR Contact: Lena Wange, IR & Communications Manager
ir@orexo.com