Good tailwind in the financial development

July 14, 2022

Orexo supports the UN's Agenda 2030 with a focus on:

Agenda & presenters Q2 2022 Interim Report

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Q2 Key achievements

Making progress

HQ & Pipeline

- ✓ OX124 proceed as planned towards a NDA filing with FDA expected Q4
- ✓ OX640 –1st human trial starting Q3 and continued improving stability
- ✓ First sale of ZUBSOLV® in EU by Accord Healthcare

US Pharma

- ✓ ZUBSOLV® stabilized with slight growth in demand
- ✓ NY and Kentucky Medicaid with strong growth QoQ
- ✓ Strong financial performance, due to continued cost containment and strong USD

Digital Therapeutics

- ✓ deprexis® granted reimbursement by the VA FFS
- ✓ Trinity Health (ND) initiated process to start first patients on deprexis® and vorvida®
- ✓ More than 650 modiaONE patients since start in late February and total DTx patients now exceed 2400

Improving financial development

- ✓ Total revenues grew due to ZUBSOLV® revenue growth explained by FX tailwinds & favorable price development
- ✓ Stable OPEX despite unfavorable FX development due to cost control and increased synergies between US Pharma & DTx
- ✓ Improved profitability led by US Pharma EBIT margin of 55%
- ✓ Improving cash and cash equivalent position with SEK 30 m with positive cash flow from operations with support from positive changes in working capital and FX

ZUBSOLV® revenues ▲

11 %

US Pharma EBIT

77 SEK M

Cash and invested funds

468 SEK M

Business update
US Pharma

ZUBSOLV® volume stabilizing

Operational update

- ✓ ZUBSOLV® access maintained in all published formularies for H2 2022 and 2023
- ✓ Increased investment in field force during Q2 in NY and vacancies from Covid-19 filled
- ✓ Field force continues with MODIA® awareness campaign and continuing modiaONE trial campaign to ZUBSOLV® customers
- ✓ Continued limitations in access to physicians compared with pre-covid levels

Development NTRx QoQ

Overall 0%

Open segment[1] +1%

UHG & Humana -2%

Non-reimbursed +1%

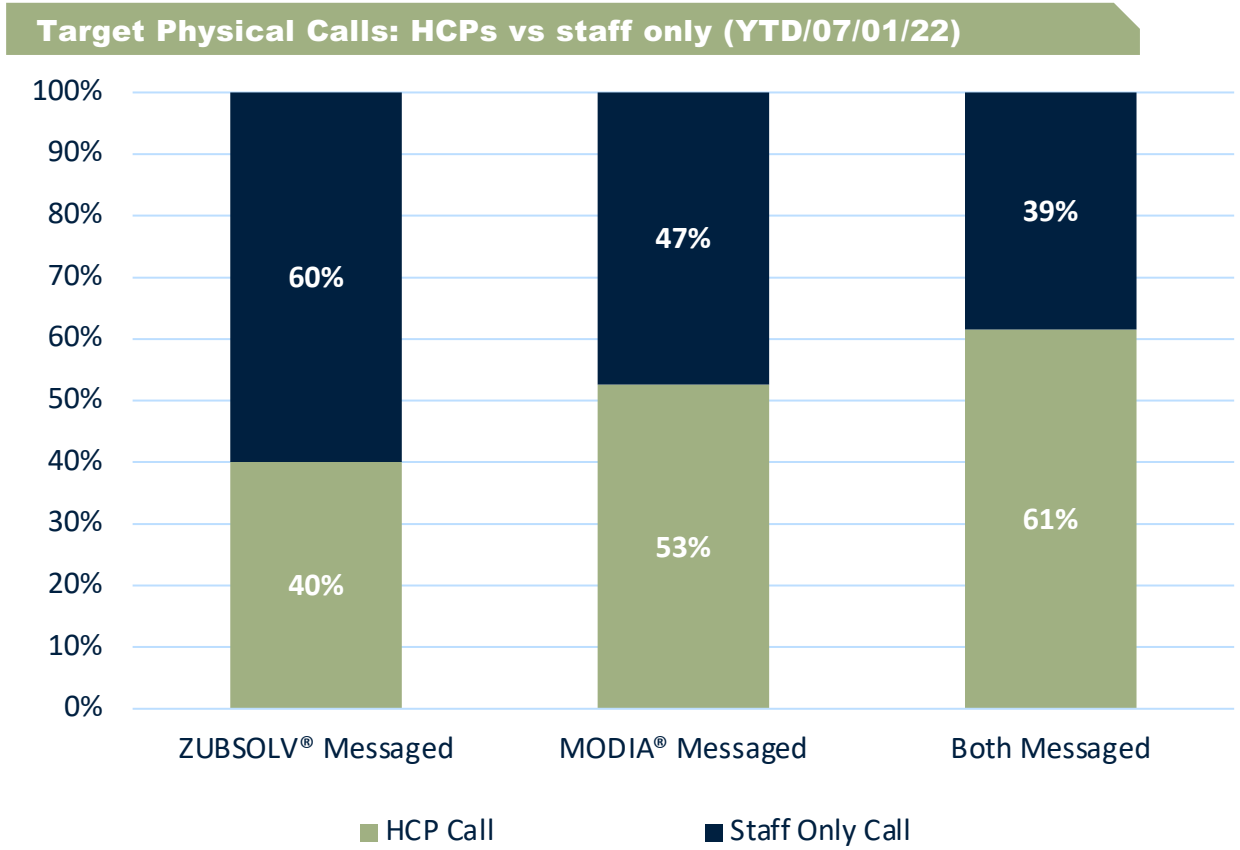
High level comments +/–

- + 1% growth QoQ in ZUBSOLV's two largest Open Commercial and Medicaid Payers
- + 18% growth QoQ in Kentucky Medicaid
- + 22% growth QoQ in NY Medicaid
- – UHG & Humana slight negative although flattening
- – Continued low market growth

[1] Where ZUBSOLV® is reimbursed and competes on equal terms with both branded products and/or generics

Addition of MODIA® improves access to HCPs

- Nearly all pre-Covid sales calls included both meetings with office staff (managing reimbursement, access to medication etc) and healthcare professionals (HCPs)
- Covid-19 has significantly reduced access to the HCPs who are much more selective in who they meet and often requires scheduled meetings
- When including MODIA® in the sales call, access to HCPs improves significantly



Source: Orexo internal records and analysis

Orexo is building a unique portfolio of innovative treatment solutions for patients suffering from opioid dependence

zubsolv® sublingual tablets (buprenorphine and naloxone) ©

modia

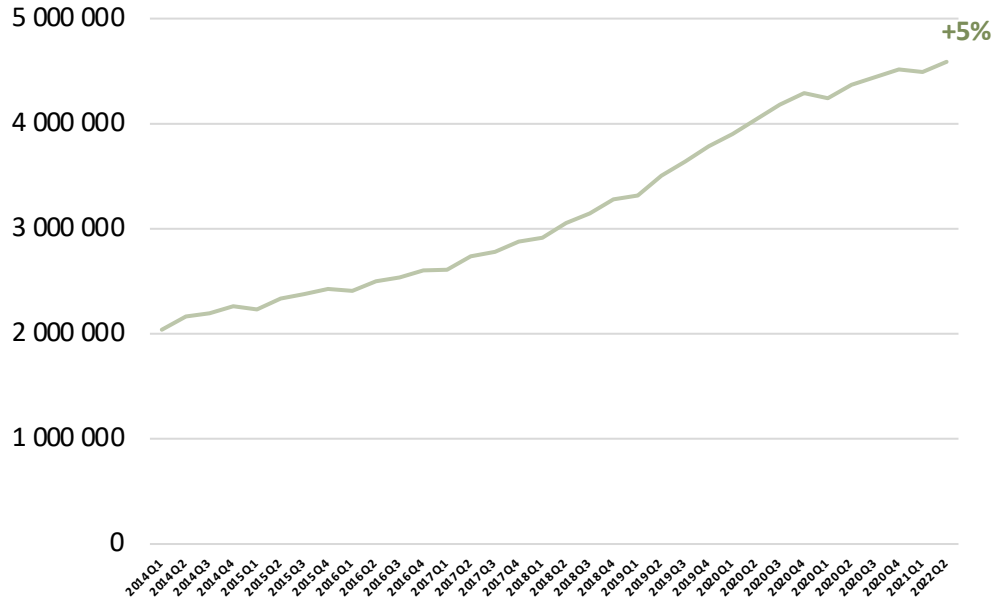
Bup/nal medication
- Higher bioavailability
- Fast dissolve time
- Preferred menthol flavor
- Broadest range of dose strengths

Digital therapy to support patients' long-term recovery enabling
- Improved treatment outcome
- Adherence to treatment
- Outcomes data

A rescue medication
- Stronger and longer-acting
- Potential to be effective in reversing overdoses caused by synthetic opioids

Multiple drivers for future growth

5% total market growth Q222 vs Q221[1]



1

Covid-19 expected to diminish, improving patient access to care and Orexo access to customers

2

Multiple comprehensive activities on-going on federal and state levels to enable more patients access to treatment

3

Overall market access for ZUBSOLV® stable with Public payer access at 48% and Commercial at 98%

4

The launch of MODIA® will open up new market segments and is highly complementary to ZUBSOLV®

[1] Volume sales, quarterly NTRx

Business update

HQ & Pipeline

Good progress in pipeline

OX124 – overdose rescue medication based on amorphOX®

- OX124 on track to be filed with FDA Q4 2022
- Main risk to timeline associated with Human Factor studies scheduled in Q3

OX640 – adrenaline rescue medication based on amorphOX®

- First patients dosed in exploratory clinical trial, with results expected Q4 2022
- Orexo are exploring product development and commercialization partnerships

Note: product images are prototypes

[1] Based on publicly available data

Business update

Digital Therapeutics (DTx)

DTx in brief

- ✓ Subsection of digital health
- ✓ Evidence-based therapeutic intervention
- ✓ Prevent, manage, or treat a medical disorder or disease
- ✓ Particularly applicable in the mental illness & addiction space
- ✓ Standalone or along with pharma treatment
- ✓ Available 24/7

We are continuing to build awareness of our DTx with physicians, clinic staff and patients

>2400 users of one of the DTx in Orexo sponsored early access programs

- Healthcare staff at large healthcare providers e.g. Trinity Health and Benefis
- Nurses through nurse associations
- Medical students through collaboration with universities
- Consumers buying access to vorvida® or deprexis®
- modiaONE and clinical trial

[1] Opioid use disorder

Nearly 1000 users of MODIA® through modiaONE and clinical trial

- >650 users of MODIA® from OUD[1] clinics in the modiaONE program since launch in late February
- 321 enrolled patients in MODIA® clinical trial
- First clinics preparing to test reimbursement pathways for MODIA®

Good progress to obtain reimbursement

TRINITY HEALTH

All administrative processes in place to manage reimbursement process through the collaborative care model

Review of eligible patients initiated end of Q2 and first patients will start in July

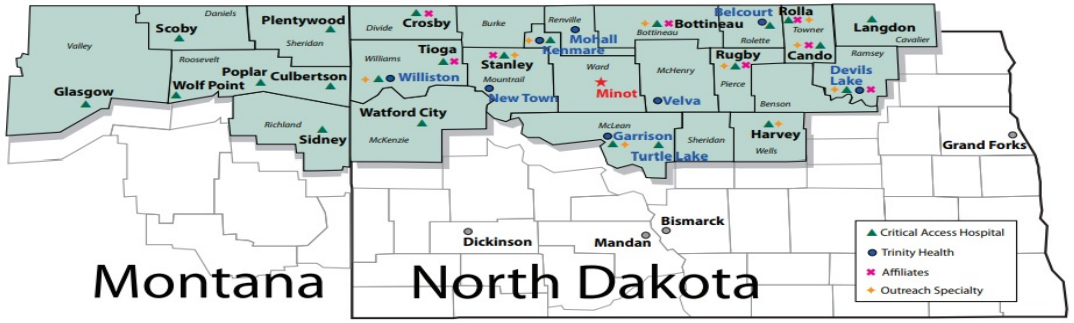
Full commitment from Trinity Health to expand program to all relevant care units when reimbursement process has been confirmed

U.S. Department of Veterans Affairs

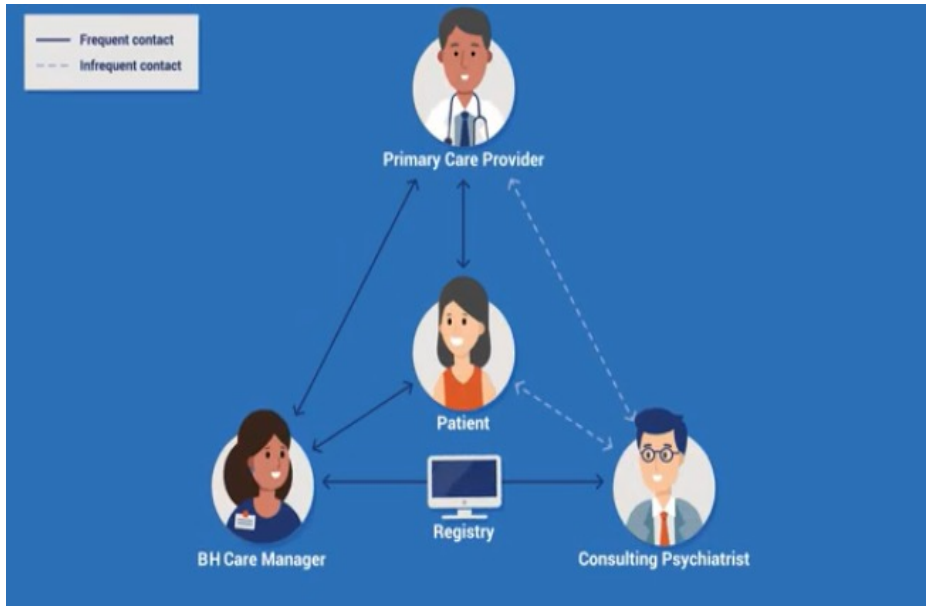
Orexo granted a 10 year contract July 13th securing reimbursement for deprexis® reaching 15 million citizens

Main potential patient population within Veterans Affairs with 9 million, but also IHS and Department of Defence is covered with close to 6 million members

Our Trinity Health North Dakota collaboration is a key model to inform our approach to hospital system expansion for our entire DTx portfolio



Trinity Health reimbursement based on the collaborative care model



https://www.psychiatry.org/psychiatrists/practice/professional-interests/integrated-care/learn

The VA FSS listing provides reimbursement of deprexis® to 3 Core Groups

VA | U.S. Department of Veterans Affairs

- 18 Veterans Integrated Service networks (VISN)
- 1,290 health care facilities
  - 170 VA Medical Centers
  - 1,110 Outpatient sites of care
- **Over 9 million Veterans enrolled**

Initial focus area

Indian Health Service
The Federal Health Program for American Indians and Alaska Natives

- **2.7 million American Indians and Alaskan Natives** (AI/AN) in 37 states
- IHS consists of;
  - 26 Hospitals
  - 59 Health Clinics
  - 32 Health Stations
- Many tribes also operate their own health systems independent of IHS
- Employ:
  - 2,650 Nurses
  - 700 Physicians
  - 700 Pharmacists
  - 100 Physician Assistants
  - 300 Dentist

U.S. Department *of* Defense

- Executive Branch Dept. of the Federal Government
  - **Largest employer in the world 2.8 million employees**
  - 1.4 million active-duty service members
  - 826K National Guards & Reservist from the Armed Forces
  - Over 732K civilians

We will execute a targeted, phased plan focused on VISN influence and expansion

- Deprexis® will be listed under the VA FFS during July as covered by VA FFS
- Orexo will need to complete certain administrative steps to ensure availability to the VISNs during July and August
- During August/September Orexo can initiate direct contact with selected VISNs to establish logistics for distribution of deprexis®
- In Q4 we plan direct promotion to healthcare providers within the VISNs where logistics have been established
- First patients expect on deprexis® late Q4

Phase 1	Phase 2	Phase 3	Phase 4
(~30 days from contract execution)	(Months 1-3, VISN's 2 and 15)	(Months 4-5, VISN's 2 and 15)	(Months 6+, VISN expansion)
Overall Admin/Set Up	Establish logistics in selected VISNs	Implement solution in VISN	Expansion to additional VISNs

Financial & legal

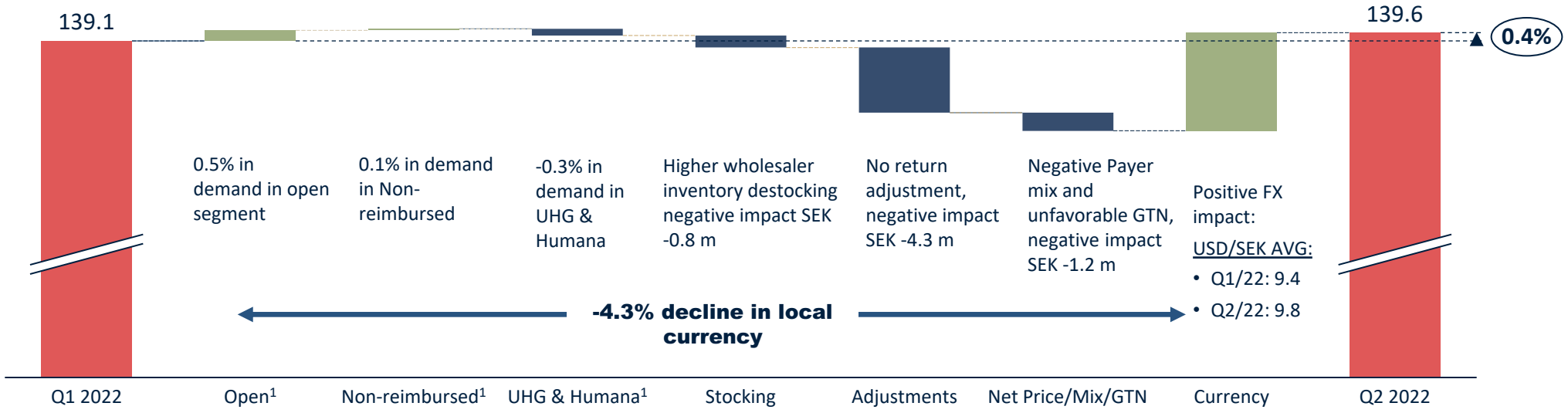
ZUBSOLV® sales grew 0.4% QoQ

Net revenue per segment SEK m	Q2 2022	Q2 2021	H1 2022	H1 2021	Jan - Dec 2021
ZUBSOLV® US	139.6	126.0	278.7	252.8	522.7
US Pharma – Total	**139.6**	**126.0**	**278.7**	**252.8**	**522.7**
DTx	0.1	0.3	0.3	0.4	1.1
DTx – Total	**0.1**	**0.3**	**0.3**	**0.4**	**1.1**
Abstral® royalties	5.0	14.3	17.4	17.0	32.1
Edluar® royalties	1.6	2.3	4.8	4.9	9.1
ZUBSOLV® – ex US	1.5	—	6.1	—	—
HQ & Pipeline – Total	**8.1**	**16.5**	**28.3**	**21.9**	**41.2**
TOTAL	**147.8**	**142.8**	**307.3**	**275.1**	**565.0**

Comments

✓ ZUBSOLV® Net sales grew YoY with 11 % primarily due to positive payer mix and stronger USD vs SEK

US Pharma net revenue Q222 vs Q122



[1]Estimated change in demand by segment, based on Net Sales development during the quarter , IQVIA demand data, institutional sales and claims data from insurance companies

Investing in future growth drivers

Income statement SEK m	Q2 2022	Q2 2021	H1 2022	H1 2021	Jan - Dec 2021
Net revenues	147.8	142.8	307.3	275.1	565.0
Cost of goods sold (COGS)	-21.2	-18.1	-48.7	-37.4	-78.9
Gross Profit	**126.6**	**124.8**	**258.5**	**237.7**	**486.1**
Selling expenses	-50.5	-61.8	-92.1	-130.4	-280.4
Administrative expenses	-51.2	-41.4	-84.3	-70.0	-151.5
Research & development expenses	-81.3	-73.2	-153.3	-128.8	-272.3
Other operating income & expenses	6.7	-2.4	8.2	0.6	4.0
Operating Costs	**-176.4**	**-178.7**	**-321.5**	**-328.7**	**-700.2**
EBIT	**-49.7**	**-54.0**	**-62.9**	**-90.9**	**-214.1**
Net financial items	12.3	-10.8	10.4	-6.2	-8.4
EBT	**-37.4**	**-64.8**	**-52.5**	**-97.1**	**-222.5**
Tax	1.7	-8.9	-6.8	-8.3	-1.0
Net profit/loss	**-35.8**	**-73.7**	**-59.4**	**-105.4**	**-223.5**
EBITDA	**-32.5**	**-41.1**	**-29.7**	**-65.2**	**-161.0**

Comments Q2

ZUBSOLV® COGS higher due to a negative FX impact

OPEX higher due to

- Higher expenses for IP litigation and ERP project
- Higher MODIA® study and OX640 development expenses
- Negative impact from stronger USD
- Partly offset by lower selling expenses in DTx and synergies between US Pharma and DTx

ZUBSOLV® US EBIT contribution of SEK 77 m (62)

- EBIT Margin of 55.% (49%)

Sufficient cash position to continue investments in DTX and OX124

Cash Flow SEK m	Q2 2022	Q2 2021	H1 2022	H1 2021	Jan - Dec 2021
Cash flow from operating activities	14.5	-20.9	-47.1	-68.7	-229.0
Investment activities	-226.3	-13.1	-231.9	-29.3	-52.9
Financing activities	-5.3	-3.5	-10.6	258.2	250.6
Cash flow (excl. exchange rate differences)	-217.0	197.7	-289.6	160.1	-31.2
Add back short-term investments	223.5	—	223.5	—	
Liquid funds	**467.7**	**679.7**	**467.7**	**679.7**	**504.1**
Net cash position	-25.9	188.6	-25.9	188.6	11.7

Comments

- ✓ Liquid funds increased with SEK 30 m from Q1 (SEK 438 m)
- ✓ SEK 14 m positive contribution from operating activities mainly due to increased current liabilities, supported by stronger USD vs Q1 2021
- ✓ Investment activities had a negative impact of SEK 226 m on cash flow primarily due to **invested surplus cash of SEK 224 m in certificates of deposits and in US treasuries**

Legal update

ZUBSOLV® patent dispute vs Sun Pharmaceuticals

Status in Q2

- ✓ 9 patents listed in the Orange Book
- ✓ Expiring dates Dec 2027 – Sep 2032
- ✓ Previously successfully managed to defend ZUBSOLV® IP rights in the US appeal court
- ✓ **In Q2 2022 the date for rehearsal was scheduled and will take place during the period of Nov. 4 - 11, 2022. The outcome of the trial is expected in late Q1 or in Q2, 2023.**

Subpoena with regards to ZUBSOLV®

No changes in Q2

- ✓ No additional information received since issuance of subpoena July 2020

Financial outlook

Based on USD/SEK exchange rate as of March 2022

Metric	Outlook 2022	Reaffirmed/revised
Key market development	Due to the continuing pandemic the buprenorphine/naloxone market will show a growth pace in line with 2021, and reach a level of 5-8 percent	Reaffirmed
Lead product net sales	In H2 ZUBSOLV® net sales in USD will increase comparing to H1.	Reaffirmed
Group OPEX	OPEX will decline from 2021 to 650-700 MSEK with the current business plans and activity level in legal processes	Reaffirmed
US Pharma EBIT	US Pharma EBIT will exceed 50 percent on a full year basis	Reaffirmed

Future value drivers

Why Orexo?

Profitable US Pharma

- ✓ SEK 161 m in EBIT contribution H1 and 41 quarters left to patent expires for ZUBSOLV®
- ✓ Significantly strengthened market access last 12 month despite Gx competition
- ✓ Outstanding performance in securing market access in low priced Gx market, which is key to all future product launches

Unique pharmaceutical pipeline and technology

- ✓ Developed an entirely new and unique drug delivery technology, amorphOX™ attracting interest from leading biotech companies
- ✓ OX124, with a clearly differentiated profile to market leader in >450 MUSD market
- ✓ OX640 with a superior stability to any other epinephrine product[1] and soon clinical data
- ✓ Patent protection of amorphOX™ covering multiple other APIs

Pioneer in digital therapies

- ✓ Digital health market is in it's early stages, but significant progress in establishing reimbursement
- ✓ Established a proprietary technical infrastructure to manage reimbursement processes in the US for DTx
- ✓ Excellent customer feedback from the >2400 initial users of our DTx
- ✓ Good progress in obtaining reimbursement with VA contract and TH ready to start first patients

[1] Based on publicly available data

Thanks

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