

# orexo

A profitable specialty pharmaceutical company-  
with the aim of becoming a leader within addiction

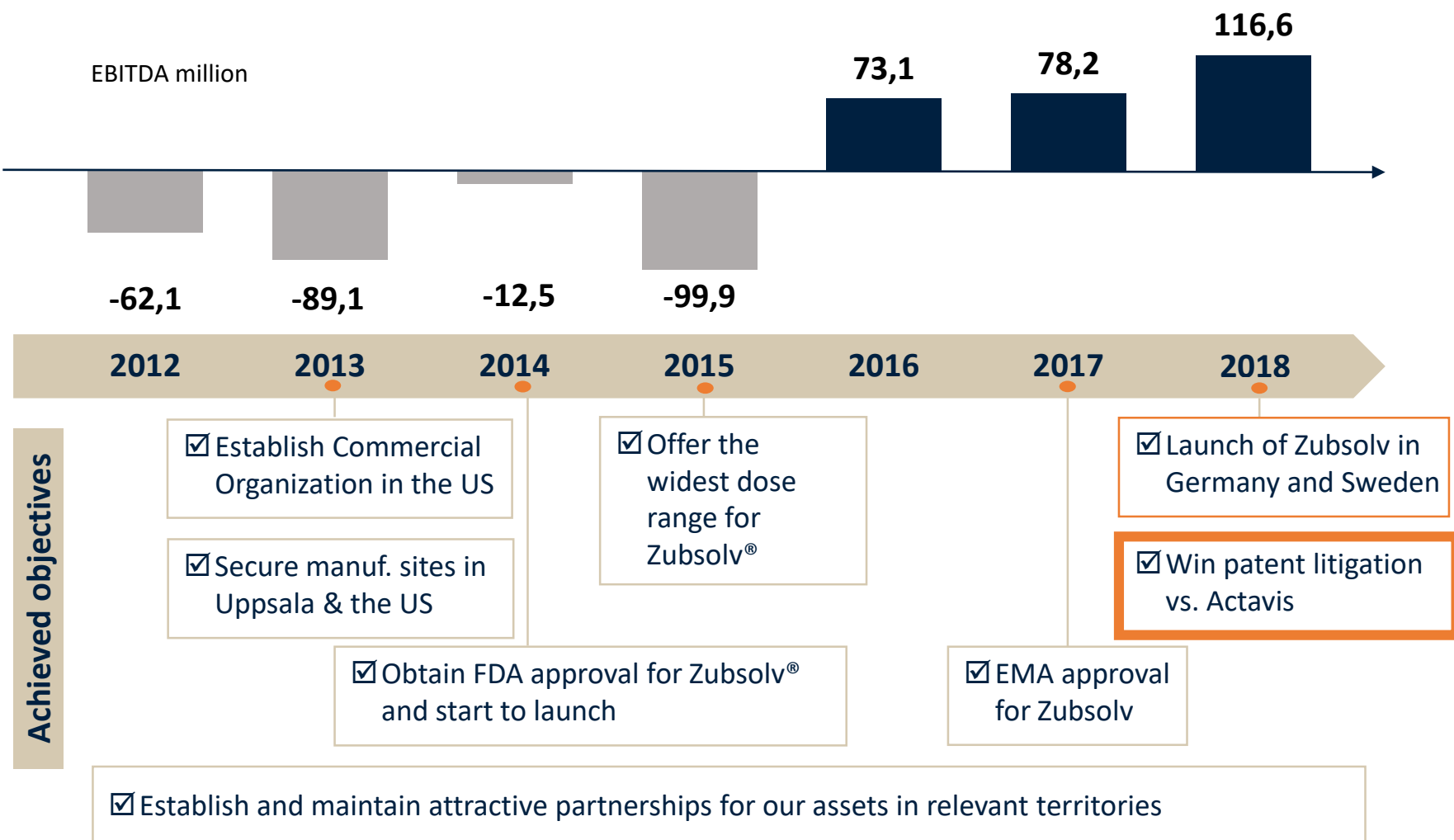
Annual General Meeting, April 11 2019

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

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# Successful journey from being an R&D stage company to becoming a profitable fully integrated Pharma Co.



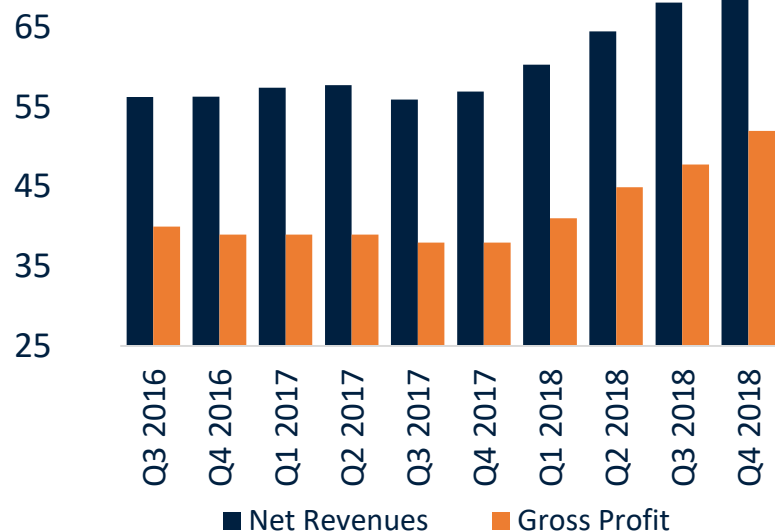
# Record-breaking performance in 2018

Group Net Revenues <b>SEK 783.1 m</b> <i>79.4% from Zubsolv®</i>	Growth <b>22%</b> <i>(Zubsolv 28%)</i>
Group EBITDA <b>SEK 116.6 m</b>	Growth <b>49%</b>
US EBIT <b>SEK 198.3 m</b>	Growth <b>169%</b>
Cash position <b>SEK 589.8 m</b>	Net Cash position <b>SEK 269.2 m</b>

# Our US business is an important profit contributor

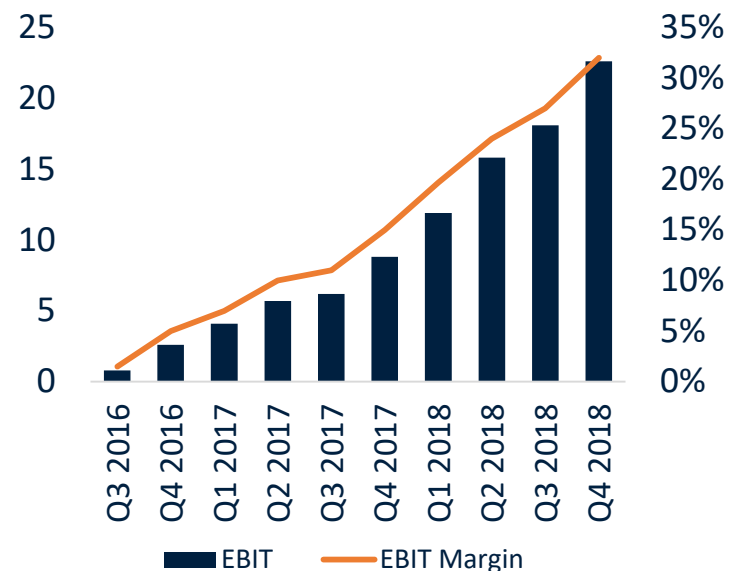
## Sales and gross profit

LTM  
MUSD



## Operating Profit

LTM  
MUSD

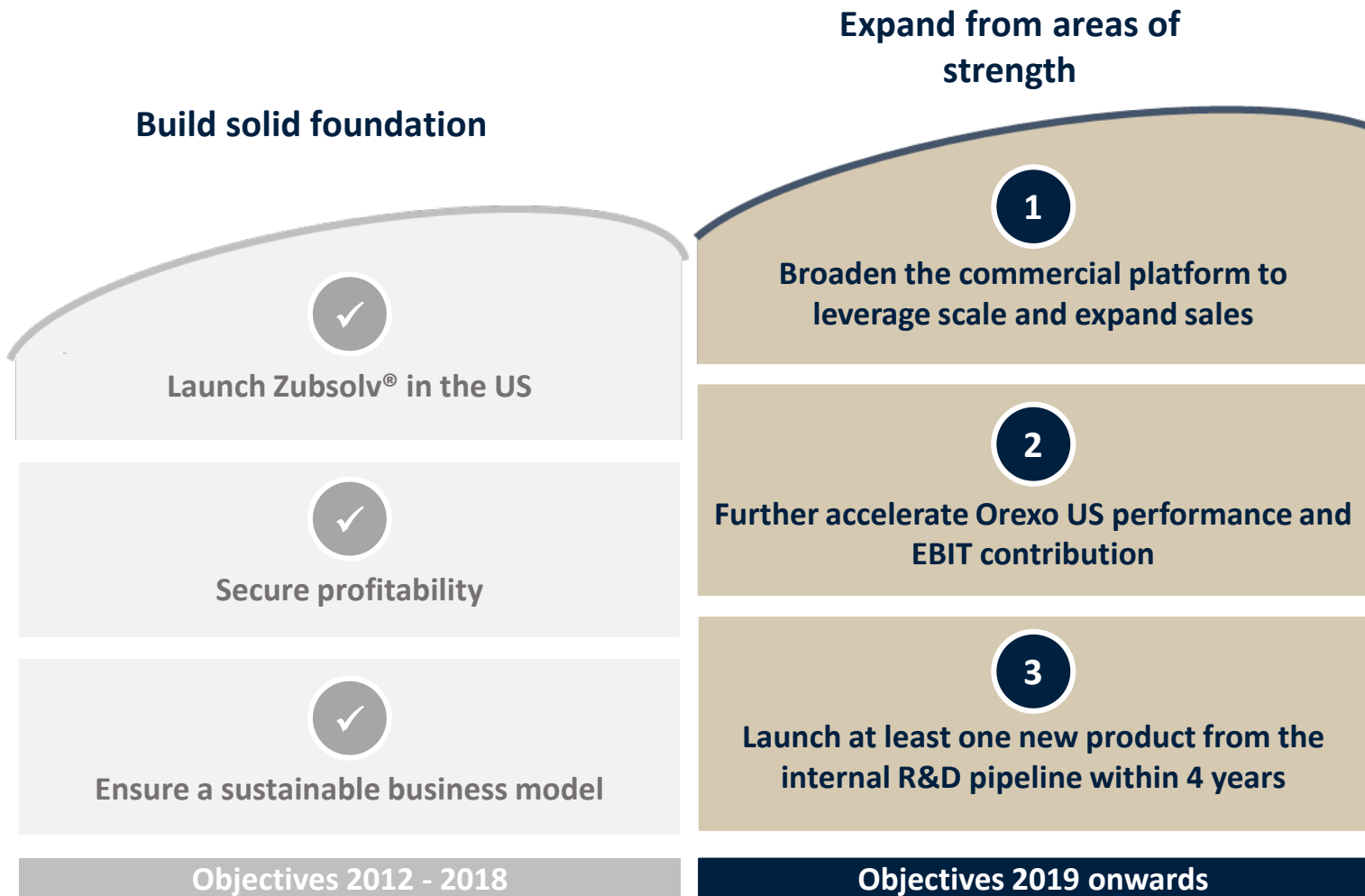


### Actively working to further improve our margins:

- Limited additional investments needed in OPEX as top line grows i.e. operational leverage together with decreased COGs will improve EBIT Margin

Note: COGS converted from SEK to USD using monthly average exchange rates for the period.

# Ambitious route for continued long-term growth

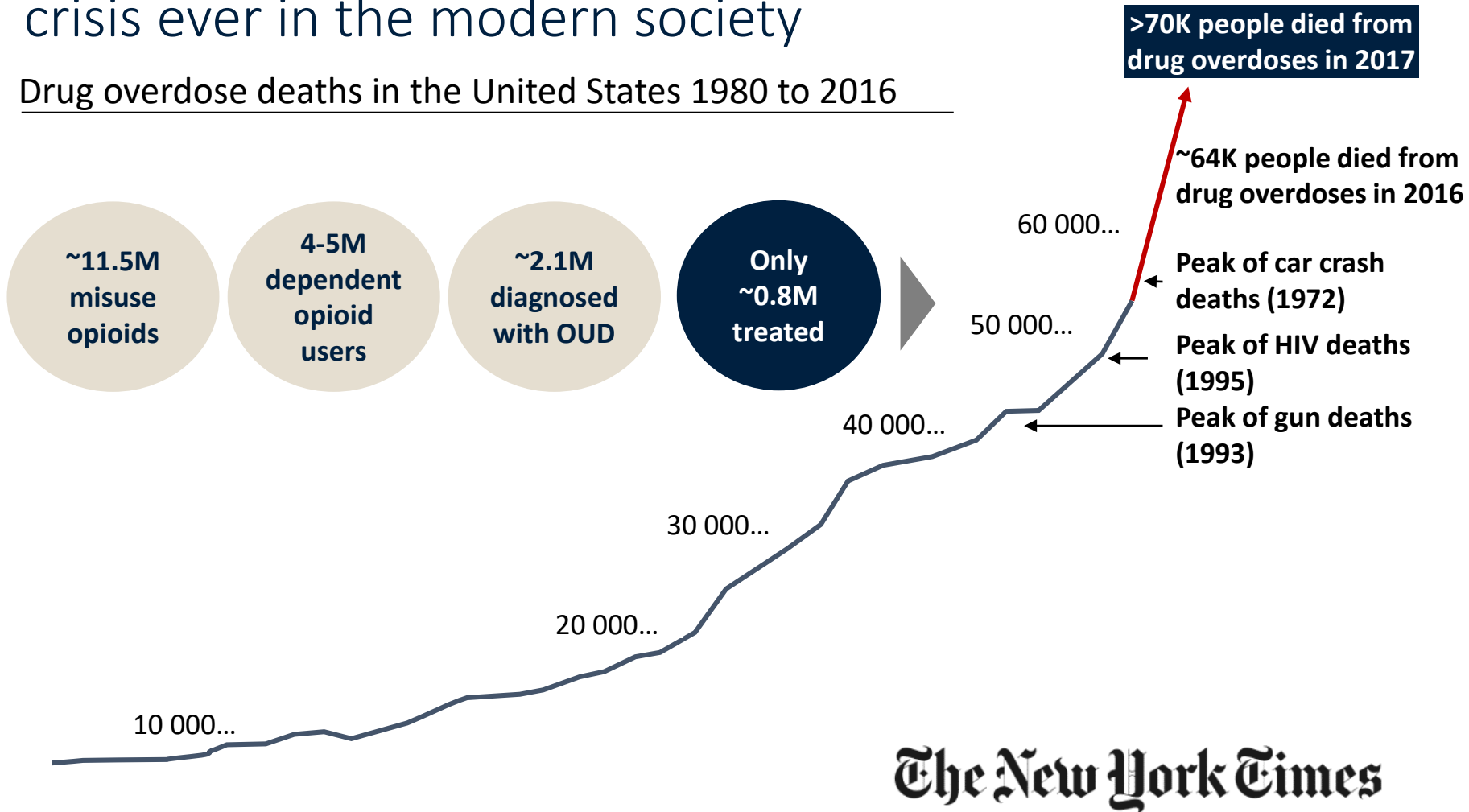


# The R&D pipeline increased from 3 to 5 projects in 2018

			Exploratory	Preclinical	Phase			Registration	Approved/Launched			
					1	2	3		US	EU	RoW	
<b>Commercial products</b>												
<b>Zubsolv®</b>	Opioid Dependence		▶									
<b>Abstral®</b>	Breakthrough Cancer Pain <i>Partner: Kyowa Kirin, Sentynt</i>		▶									
<b>Edluar®</b>	Insomnia <i>Partner: Mylan</i>		▶									
<b>Development projects</b>												
NEW FORMULATION TECHNOLOGIES	<b>OX124</b>	Opioid Overdose	▶									
	<b>OX125</b>	Opioid Overdose	▶									
	<b>OX338</b>	Acute moderate to severe pain	▶									
	<b>OX382</b>	Opioid Dependence	▶									
	<b>OX-MPI</b>	Microvascular disease <i>Partner: Gesynta Pharma</i>	▶									

# Opioid addiction in the US is the largest health crisis ever in the modern society

Drug overdose deaths in the United States 1980 to 2016

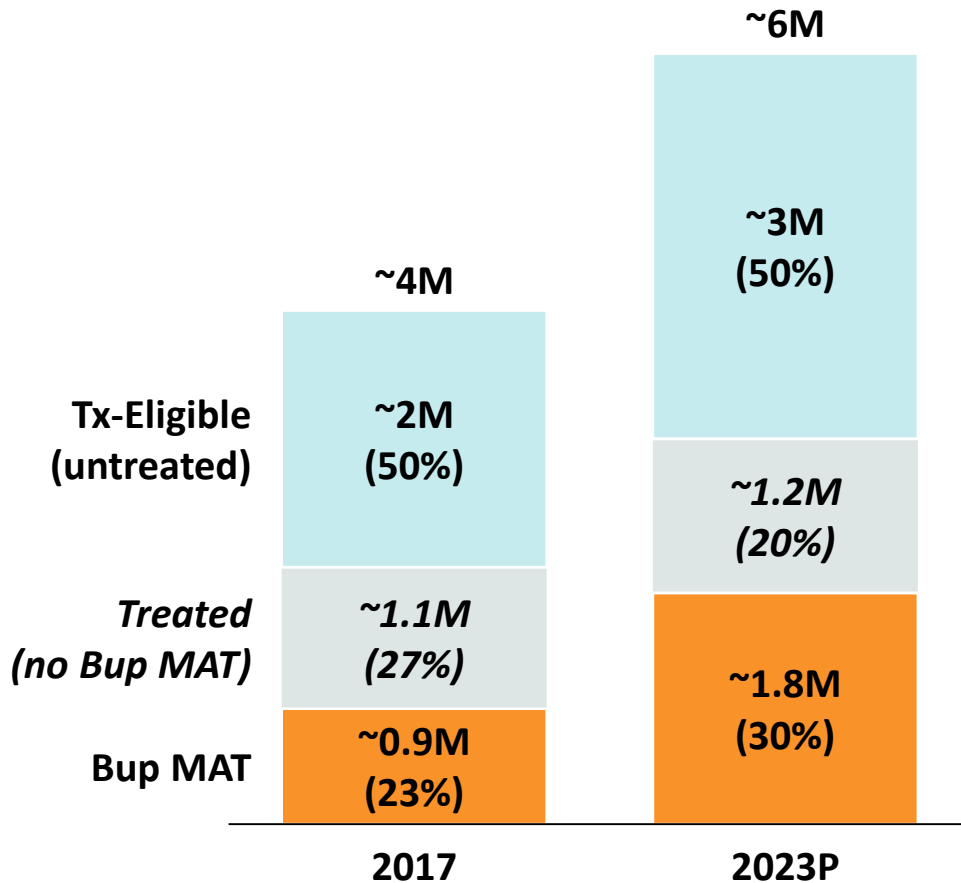


Sources: 1) <https://www.surgeongeneral.gov/priorities/opioids/>; NY Times; 2) NIDA "OD Death Rates" (Sep 2017); 3) CDC MMWR "OD Deaths Involving Opioids...2015 – 2016" (Mar 30, 2018)  
4) <https://www.nytimes.com/2018/08/15/upshot/opioids-overdose-deaths-rising-fentanyl.html>



# Projection show U.S. Buprenorphine MAT Population Likely Will Double by 2023

2017 & 2023 U.S. Treated Population



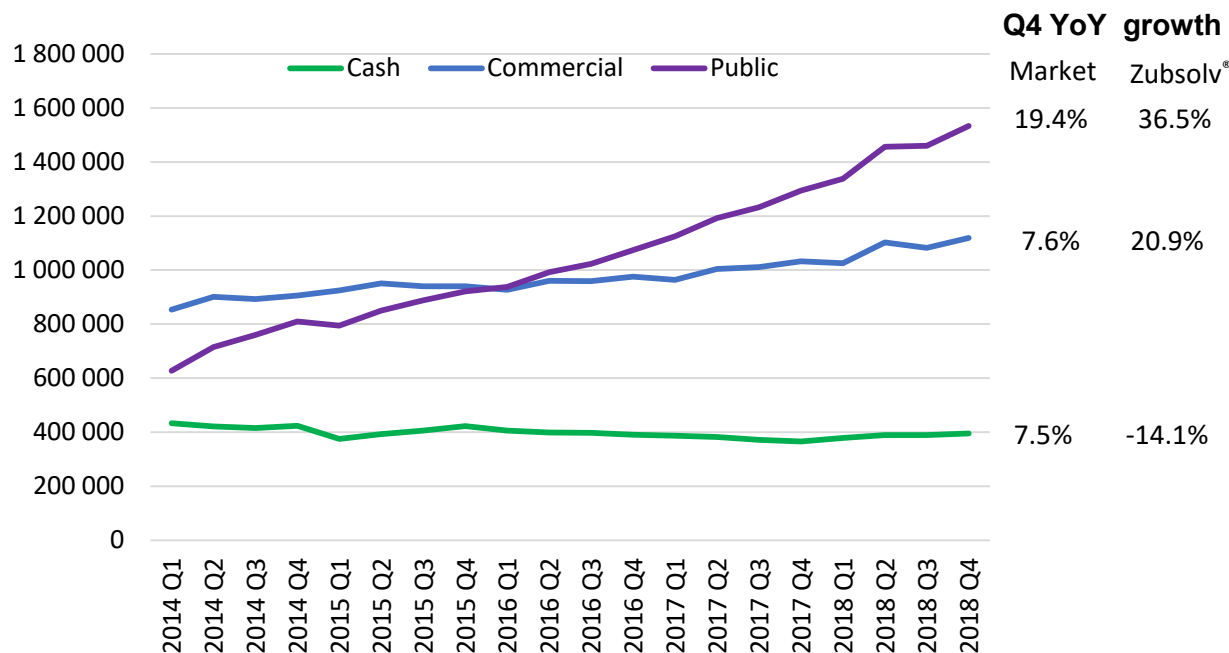
U.S. Growth Rates

<b>Treatment-Eligible Population</b>	~6% p.a.
<b>Treated Population</b>	~7% p.a. (~3M)
<b>Patients receiving buprenorphine MAT</b>	~12% p.a. (~1.8M)

Sources: 1) SAMHSA NSDUH reports (2013, 2014, 2015, 2016); Clarion analysis

# Accelerating market growth during Q4 2018

## Q4 with new highs in Commercial and Public NTRx



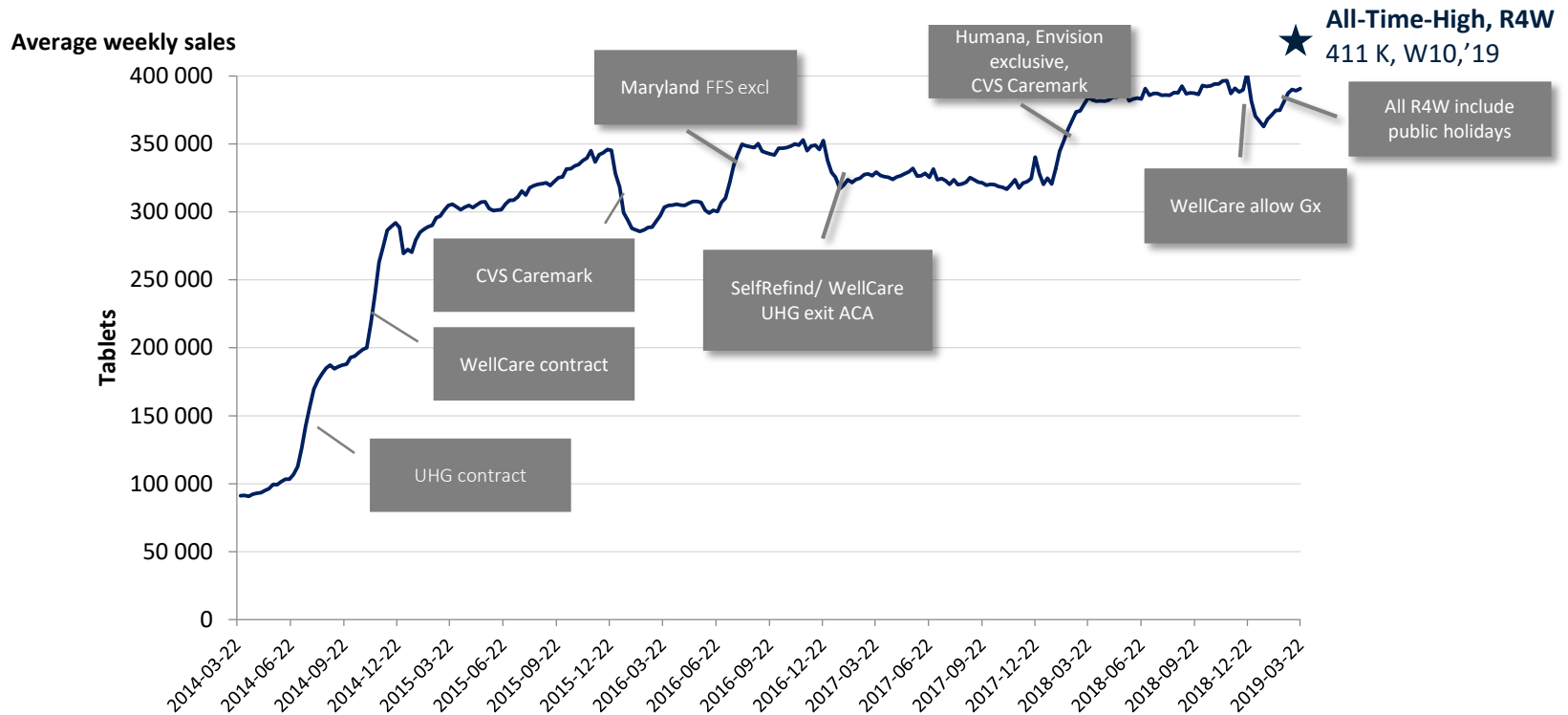
**Overall market grew 14.1% in Q4'18 year over year and 4.2 percent from Q3 2018**

Note: Quarterly NTRx levels = Total prescriptions adjusted to 30 tablet/film scripts  
 Note: Historical quarters restated due to IMS recategorization of Commercial Rx to Cash Rx  
 Source: Orexo analysis, IMS data

# Zubsolv<sup>®</sup> volumes reached All-Time-High in week 10, 2019

Despite Wellcare adding Gx to their formulary list in November

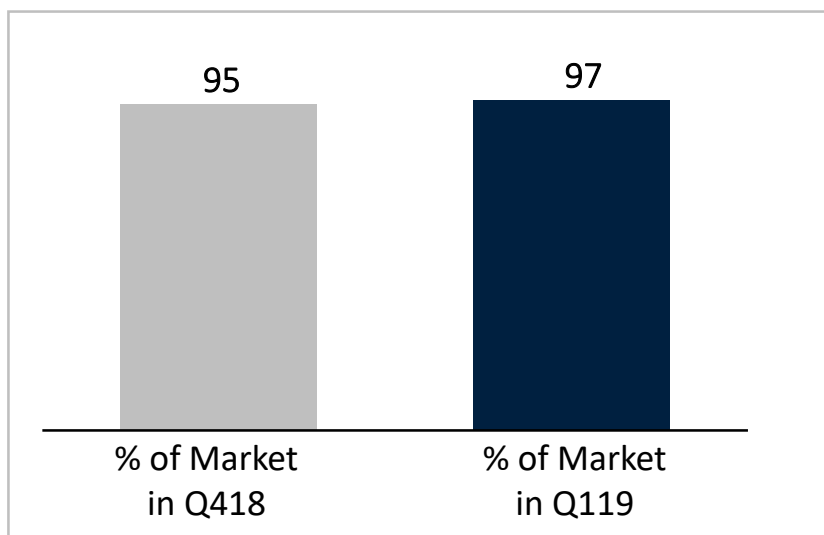
## Zubsolv Tablet Volume (rolling 4 week average)



Note: Weekly prescription data is based on extrapolation and is associated with uncertainties and may differ between sources  
Source: Orexo analysis, IMS weekly data

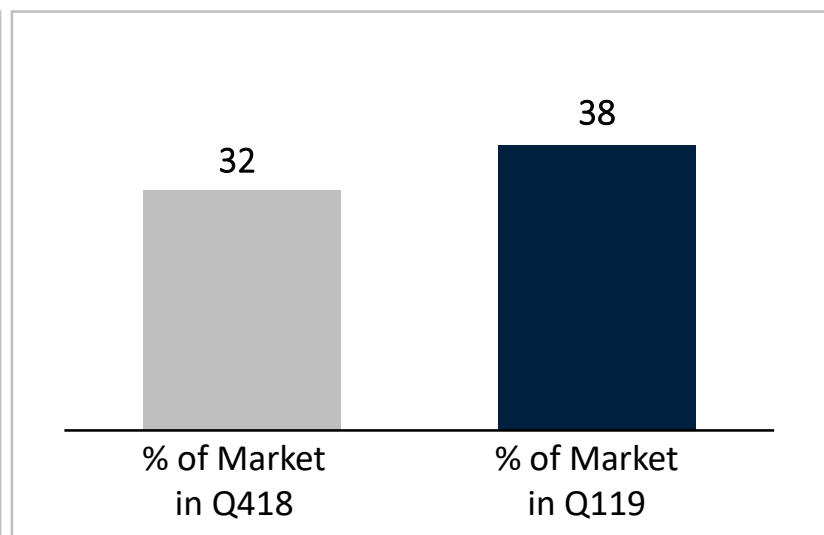
# Zubsolv<sup>®</sup> strengthen best in class commercial market access and good improvements in public segment

## Coverage in commercial plans



- All agreements from Q4 2018 confirmed
- New agreement with Blue Cross North Carolina

## Coverage in public plans



- New agreement with Ohio and Alabama FFS Medicaid from Jan 1, 2019
- New agreement with Texas, Florida and Washington DC FFS Medicaid to be implemented during Q1
- WellCare has included Gx in a preferred position, ending the exclusive coverage of Zubsolv

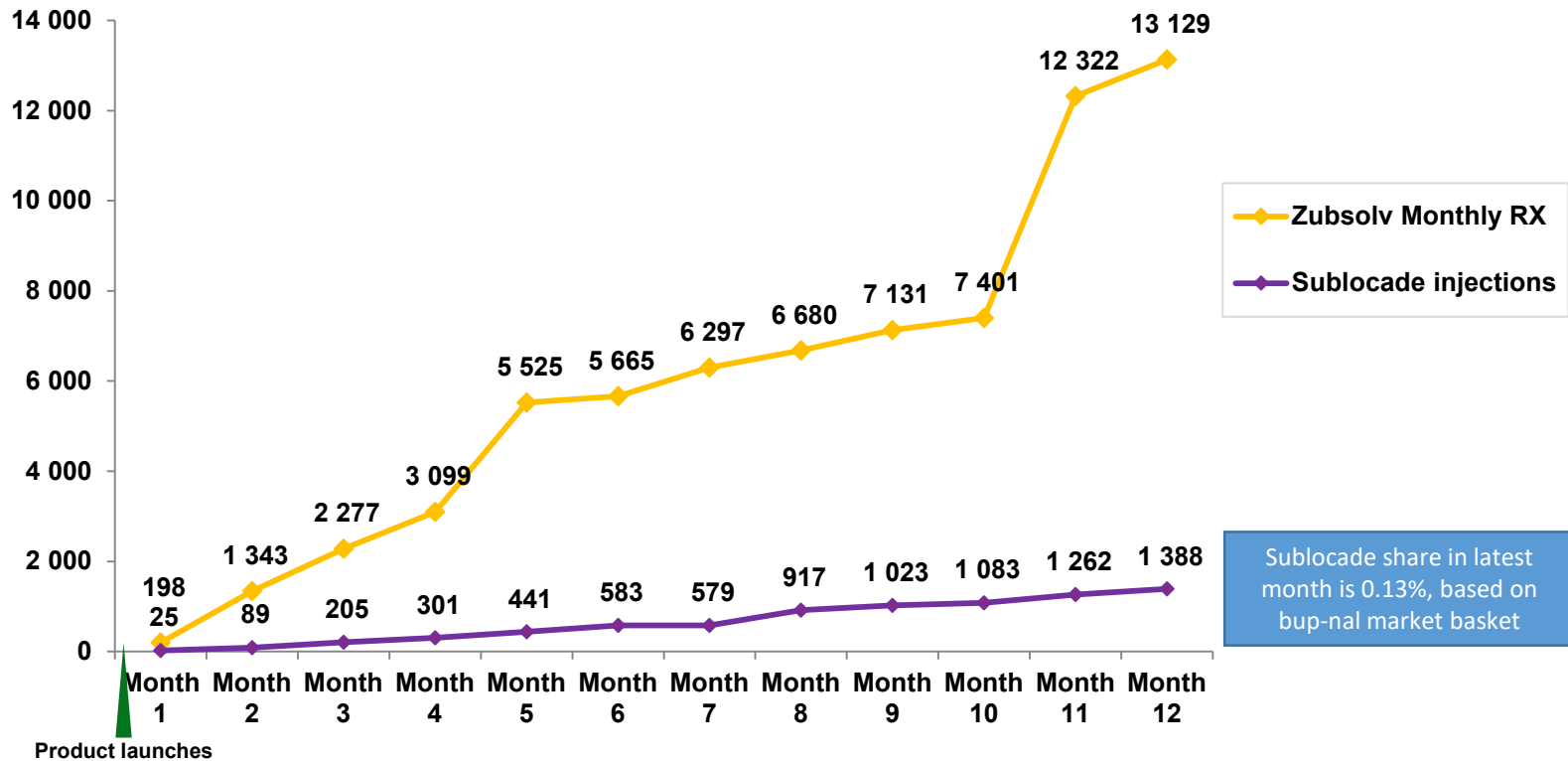
# Recent competitive news expected to create dynamic shift in otherwise stable market

Products	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
<b>Indivior's Sublocade (Depot)</b>	<b>January</b> <ul style="list-style-type: none"> <li>• Approval</li> </ul>	<b>March</b> <ul style="list-style-type: none"> <li>• Launch</li> </ul>	<i>Launch phase ongoing with limited uptake thus far</i>		
<b>Braeburn's CAM2038 (Depot)</b>	<b>January</b> <ul style="list-style-type: none"> <li>• Complete Response Letter (CRL)</li> </ul>			<b>December</b> <ul style="list-style-type: none"> <li>• FDA approval, but cannot launch before end of 2020</li> </ul>	<b>2019</b> <ul style="list-style-type: none"> <li>• Possible launch of weekly depot</li> </ul>
<b>Gx Suboxone Film</b>		<b>June</b> <ul style="list-style-type: none"> <li>• Approval of Dr. Reddy Gx</li> <li>• Launch and injunction by Indivior on the same day</li> </ul>		<b>November</b> <ul style="list-style-type: none"> <li>• Preliminary injunction overturned by the Federal Court in favor of Dr. Reddy</li> </ul>	<b>Q1</b> <ul style="list-style-type: none"> <li>• Launch of Gx, by Dr. Reddy, Alvogen, Mylan and Indivior, as the Federal Court decision regarding Dr. Reddy was sustained</li> </ul>

# Sublocade's launch trajectory far behind Zubsolv's launch in 2013

## Sublocade vs. Zubsolv prescribing based on months from respective launches

Axis: Zubsolv monthly doses (60-tablets)  
& individual Sublocade injections



Indications from Braeburn/Camurus is they wont launch weekly depot before they have passed the 3 year exclusivity for the monthly depot on Sublocade

Source: IMS XPO for Zubsolv, IMS NPA for Sublocade

# Our sustainability agenda

Since 2017, Orexo supports the 10 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 value drivers for long-term growth

## Future value drivers

### 1. Growing key market

A business foremost addressing opioid addiction in the US which is one of the largest health crises ever in America and also a growing global concern.

### 2. Strong financial position and profitability

Fueled by the US commercial organization which is an important cash and profitability contributor on a Group level.

### 3. Strong track record of developing products

Orexo has developed four Products with worldwide approval.

### 4. M&A and business development

Add commercial stage products in the US to leverage the commercial infrastructure and expand sales.

### 5. Expanding pipeline

Growing pipeline including several interesting projects to embrace all aspects of opioid addiction.



# Q&A

# Thanks

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