Orexo AB (publ.)
– Interim report, January-September 2009

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Uppsala, November 10, 2009

Orexo AB (publ) –
Interim report January-September 2009

Key events during the period

- Net revenues amounted to MSEK 208.2 (141.2).
- The loss after tax was MSEK 40.1 (loss: 88,6).
- The loss per share was SEK 1.78 (loss: 4.10).
- Cash and cash equivalents at the end of the quarter totaled MSEK 107.1 (195.7).
- In March, the US Food and Drug Administration (FDA) approved Orexo's Edluar product for the treatment of short-term insomnia. The approval meant that Orexo received a milestone payment of MUSD 5 from Meda.
- In February, Orexo signed an exclusive development agreement with Novartis. The agreement covers the joint development of Orexo's OX17 program for the treatment of gastroesophageal reflux disease (GERD).
- In February, Orexo acquired the British drug delivery company PharmaKodex Ltd. The acquisition strengthens Orexo's strategy of developing unique drugs based on well-established, effective substances.

Third quarter

- Net revenues amounted to MSEK 63.7 (61.0).
- The loss after tax was MSEK 9.5 (profit: 1.9).
- The loss per share was SEK 0.41 (profit: 0.09).
- Orexo announced that its partner Meda, launched Edluar in the US.
- Orexo signed an exclusive global license agreement with a Novartis affiliate covering the development and commercialization of a new product based on Orexo's OX17-program. Orexo will receive milestone payments upon major development achievements, and will be eligible for further milestone payments upon the attainment of certain sales targets. In addition, Orexo will receive royalties on future sales of the product.
- Orexo announced that its partner, ProStrakan, has submitted a registration application for Abstral to the US Food and Drug Administration (FDA).

CEO's comments:

Improved operating result and higher royalty revenues

During the period, we reached key goals in Orexo's progress towards becoming a profitable pharmaceutical company. The operating result improved, due largely to higher license revenues. Royalty revenues from our Abstral and Edluar products totaled MSEK 5.5 during the third quarter, representing a threefold increase compared with the preceding quarter. Sales of Abstral recorded a robust trend in Europe. Edluar was launched in the US during the third quarter by our partner Meda.

High growth in royalty revenues will be the key component in attaining sustainable profitability and we have every confidence in our products. Abstral has recently been launched in Spain and additional European launches are expected. In the US, the product will be launched during the second half of 2010, provided that the approval process progresses as planned.

Licensing agreement with Novartis

In August we signed a global licensing agreement for OX17 with Novartis. The licensing agreement will start to generate milestone payments in connection with the commencement of Phase III studies. Thereafter, Orexo will receive milestone payments upon major development achievements, and will be eligible for further milestone payments upon the attainment of certain sales targets. In addition, Orexo will receive considerable royalties on Novartis' future sales of the product. We continue to have a great focus on business development in order to close additional revenue-generating partnerships with pharma partners.

Lower operating expenses in 2010

Since Abstral and Edluar have been registered and launched, the costs related to those products will decrease significantly next year. During the quarter, we also completed the previously announced cost-cutting program. Overall, this leads us to forecast operating expenses for 2010 in the range of MSEK 200 to 220.

Solid growth in revenues –combined with lower costs – indicate that we are increasingly approaching the stage at which we will become a pharmaceutical company with sustainable profitability.

Torbjörn Bjerke
President and CEO

KEY EVENTS DURING THE THIRD QUARTER OF 2009

Orexo's Edluar product launched by Meda in US market

Meda has initiated the launch of Edluar in the US market. The launch follows the approval by the FDA in March 2009 of Edluar 5 mg and 10 mg sublingual tablets for short-term treatment of insomnia.

Orexo signed an exclusive global license agreement for a novel formulation

An agreement was signed with a Novartis affiliate to develop and commercialise a novel product based on Orexo's OX17 program.

Under the terms of the agreement, Novartis will fund all future development of the new product and will receive an exclusive license to all related intellectual property. Orexo will receive

milestone payments upon major development achievements, and will be eligible for further milestone payments upon the attainment of certain sales targets. In addition, Orexo will receive royalties on Novartis' future sales of the product.

Orexo announced positive Phase III results for KW-2246 (Abstral) in Japan

Orexo's partner in Japan, Kyowa Hakko Kirin, obtained positive Phase III results in Japan for KW-2246, which is approved for the treatment of breakthrough pain in cancer patients and marketed under the brand Abstral in Europe. Kyowa Hakko Kirin will now proceed with preparations for the submission of a registration application for KW-2246 in Japan for use in continuous pain management of acute cancer pain (breakthrough pain). Orexo received a milestone payment of MUSD 2 in connection with the completed phase III study.

Registration application submitted for Abstral in the US

ProStrakan Group plc, an international specialty pharma company, submitted the New Drug Application (NDA) for Abstral (for the treatment of breakthrough cancer pain in opioid-tolerant patients) to the US Food and Drug Administration (FDA).

The registration application for Abstral meant that Orexo received a milestone payment of MUSD 2.

Second installment in acquisition of PharmaKodex

Orexo acquired the UK drug delivery company PharmaKodex in February 2009 in return for payment in two installments. The first installment was paid on February 23, 2009 in the form of newly issued Orexo shares, and a decision regarding the second installment was made by Orexo on August 21, 2009. As payment for the first installment, 843,992 new Orexo shares were issued to PharmaKodex's former shareholders. An additional 933,781 new Orexo shares were issued as a supplementary consideration in accordance with the Board decision on August 21, 2009. Through the two installments, PharmaKodex is valued at approximately MGBP 6.5, based on the share price on each issue occasion.

Cost forecast for 2009 and 2010

As the product portfolio becomes increasingly mature, costs will decrease. The company's management believes that the Group's overall operating expenses in the 2009 fiscal year will amount to MSEK 300- 320, which will then fall by approximately MSEK 100 in the 2010 fiscal year, assuming no changes in operations.

KEY EVENTS AFTER THE CLOSE OF THE PERIOD

Orexo's partner ProStrakan Group plc announced that the New Drug Application (NDA) for Abstral had been accepted for review by the US Food and Drug Administration (FDA).

Operations

Orexo's product portfolio

Commercialized products

Abstral – for the treatment of breakthrough cancer pain
Abstral is a drug that provides fast and effective treatment of breakthrough pain in cancer patients who already are receiving opioids for pain treatment. Abstral is based on Orexo's sublingual tablet technology and the analgesic, fentanyl.

Abstral is a fast-dissolving tablet that is placed under the tongue. The benefit is that its active ingredient is absorbed by the body through the mucous membrane. The effect is thereby faster and more predictable than that of drugs that reach the bloodstream through the intestines. The tablet is also easy to use, store and handle.

Edluar – for the short-term treatment of insomnia
Edluar is a drug for short-term treatment of insomnia. It is based on Orexo's sublingual tablet technology and the active substance zolpidem. Zolpidem is a well-documented substance that has long been used in drugs to treat insomnia. The Edluar tablet is placed under the tongue, where it rapidly dissolves and the active substance is absorbed through the mucous membrane. Meda – the international specialty pharmaceutical company – has acquired the global rights to Edluar.

Diabact UBT – diagnosis of helicobacter pylori
Diabact UBT is used to diagnose the presence of helicobacter pylori, the bacterium that causes gastric ulcers. The product is a breath test based on Orexo's patented tablet technology for rapidly dissolving tablets. The breath test has high reliability, painless administration, and takes only ten minutes to carry out. The analysis is conducted at an external laboratory. Orexo's subsidiary, Kibion, markets the product.

Heliprobe System – diagnosis of helicobacter pylori
Heliprobe System is a "doctor's office test" for the presence of the gastric ulcer bacterium, helicobacter pylori. The product has a number of advantages, including high reliability, painless administration, a short test time and on-site results. Orexo's subsidiary, Kibion, markets the product.

Projects covered by licensing agreements

OX17 – for the treatment of gastroesophageal reflux disease (GERD)
OX17 is being developed for the treatment of gastroesophageal reflux disease (GERD). Patients suffering from GERD experience recurring heartburn, involving acidic regurgitation linked to stomach ache, discomfort and pains. Current treatments either provide fast, short-term effects or slow, but lasting relief. By combining two well-known substances that inhibit acid secretion in the stomach but take different lengths of time to have an effect – an H2-receptor blocker and a proton-pump inhibitor (PPI) – OX17 provides both a rapid and sustained effect.

Project status
In 2008, a Phase II study was conducted which showed that OX17 quickly and effectively reduces the secretion of acid in the stomach and that this acid-inhibiting effect continues to last as long as the symptoms require treatment. This is an attractive and unique profile for a drug to treat GERD.

In August 2009, Orexo signed an exclusive worldwide license agreement with a Novartis affiliate covering the OX17 program. Orexo will receive milestone payments upon major development achievements, and will be eligible for further milestone payments upon the attainment of certain

sales targets. In addition, Orexo will receive royalties on future sales of the product.

OX-NLA – for the treatment of rhinitis (hay fever)
The purpose of OX-NLA is to develop a fast-acting nasal spray based on the antihistamine cetirizine for the treatment of allergic rhinitis (hay fever) and non-allergic rhinitis. Orexo has developed a new formulation of cetirizine that can be administered directly to the nose by means of a spray. This was difficult in the past, since the substance itself causes irritation and stinging in the nasal mucous membrane. Administering the medication locally in the nose provides a faster effect on the allergic symptoms than if it is given in tablet form. The rapid effect also means that OX-NLA can be used safely and effectively for on-demand treatment.

Project status
Clinical Phase II studies of OX-NLA have shown satisfactory and fast-acting effects, confirming that OX-NLA is suitable for on-demand treatment. OX-NLA has favorable tolerance without causing local side-effects in the form of stinging and irritation. The international specialty pharmaceutical company Meda has acquired the global rights to OX-NLA and combination products based on it. Meda is responsible for the project's further development.

OX-MPI – to combat pain and inflammation
OX-MPI is aimed at developing an effective new drug for the treatment of inflammatory pain, such as from rheumatoid arthritis. Common drugs currently used to treat inflammatory pain are part of the group referred to as Non-Steroidal Anti-Inflammatory Drugs (NSAIDs), such as Naproxen and Voltaren. Long-term use of NSAIDs can result in side effects such as stomach bleeding and high blood pressure. COX-2 inhibitors, which have a more specific mechanism, were developed to avoid NSAIDs' side effects and their use grew rapidly. The discovery of a risk of cardiovascular side-effects led to several COX-2 inhibitors being withdrawn in 2004. The remaining COX-2 inhibitors and prescription-only NSAIDs also carry warnings.

OX-MPI has an entirely new mechanism based on the identification of a specific enzyme – membrane-bound prostaglandin (PG) E synthase (mPGES). This enzyme is necessary for the production of PGE2, a substance produced by the body, which plays a pivotal role in many inflammatory processes. The goal for the OX-MPI project is to develop a drug that blocks the mPGES enzyme to curtail the formation of PGE2, leading in turn to reduced inflammation and a reduction in pain. Since the action mechanism is more selective than for NSAIDs and COX-2 inhibitors, OX-MPI offers the potential to be equally effective, but with fewer side-effects.

Project status
An exclusive cooperation and licensing agreement for the development and commercialization of OX-MPI was signed in November 2005 with Boehringer Ingelheim GmbH. Since then, cooperation has proceeded around the development of selected PGE_2 inhibitors. Activities are in progress to optimize both the biological effect and other characteristics that are important for effective and safe drugs.

Projects in which cooperation and licensing discussions have been initiated

OX914 – to treat COPD and asthma
OX914 is being developed for the treatment of inflammatory respiratory diseases such as COPD (also known as smoker's disease) and asthma. The anti-inflammatory effect is gained by blocking the PDE4 enzyme. Clinical studies with substances that block PDE4 have shown positive treatment effects but also some side-effects, mainly nausea. To date, OX914 has not shown a higher frequency of nausea among patients treated with active substances compared with a placebo.

Project status
OX914 has shown favorable effects in preclinical models of COPD and asthma. Phase I studies have shown highly satisfactory safety and tolerance. An experimental Phase IIa study has confirmed that oral treatment with OX914 shows no statistically significant reduction in patient symptoms of nasal irritation with allergens (such as pollen) compared with a placebo. However, no conclusions can be drawn about the effectiveness in treating COPD.

OX-AAF – for the treatment of inflammatory respiratory diseases
OX-AAF (Arachidonic Acid Franchise) is the general term for the Orexo research projects aimed at developing a new generation of drugs for the treatment of asthma and COPD that are more effective than current treatments. The project is based on Orexo's leading expertise in arachidonic acid cascade research, providing great potential for development of new treatments for these diseases.

OX-CLI
The objective of the OX-CLI project is to develop an oral, non-steroid-based, anti-inflammatory and bronchodilatory drug for the treatment of all stages of asthma and COPD. The target protein in the OX-CLI project has a central role in the inflammatory process. Studies in animals that lack the target protein have shown significantly reduced inflammatory responses in various disease models for asthma and COPD. The action mechanisms indicate that a better effect could be attained with OX-CLI than with current oral-based treatments using leukotriene inhibitors such as montelukast (Singulair®).

Project status
Orexo has identified several series of molecules and established a patent portfolio with potential drug candidates. A number of these have shown favorable effects in various pharmacological models. Work is continuing to optimize biological effects and other characteristics that are important for an effective and safe drug.

OX2477
OX2477 is aimed at developing a drug that inhibits the 15-lipoxygenase enzyme (15-LO). This enzyme appears to have a key role in the inflammatory process and is present in larger quantities in lung tissue among smokers and patients with bronchitis or asthma than among healthy non-smokers. Orexo has identified a new group of pro-inflammatory mediators – eoxins – that are formed via 15-LO, which further strengthens interest in this enzyme as a target protein for the development of new anti-inflammatory drugs.

The objective of the OX2477 project is to develop an oral, non-steroid-based, anti-inflammatory drug that has the potential to replace or reduce the use of inhaled steroids to deal with asthma or COPD.

Project status
Orexo has developed several series of molecules and established a patent portfolio of potential drug candidates. These are being evaluated in terms of their biological effect and other properties that are important for an effective and safe drug.

OX19 – treatment of incontinence
OX19 is focused on developing more effective pharmaceutical forms of desmopressin for the treatment of incontinence. In addition to the treatment of nocturia, the product is also being developed for the short-term, on-demand treatment of daytime urinary incontinence in women suffering from an overactive bladder.

Project status
Orexo has developed a nasal powder formulation for administering desmopressin. Data from a Phase I study confirm that this offers significantly better uptake than nasal sprays currently on the market. The next step is to seek partnership for further development of the product.

OX641
OX641 was obtained through the acquisition of PharmaKodex in February 2009. The project aims to develop a product that provides fast, lasting pain relief for migraine headaches. Orexo intends to out-license this project to a major pharmaceutical company

Project status
Formulation phase.

OX-PKX
OX-PKX is a designation for the development and out-licensing of the drug delivery technologies that were included in the acquisition of PharmaKodex. The purpose is to develop proprietary products and also to offer major pharmaceutical companies innovative drug delivery technologies to improve and upgrade their products. The technologies are: I) Xerosol II) Taste Transformation and III) Pandermal.

Project status
Formulation phase.

Other projects

OX219
OX219 is being developed to create a drug to combat opioid dependency – such as heroin addiction – and which is fast acting and effective. Buprenorphine and naloxone – the active substances in OX219 – have favorable effects on opioid addiction that have been documented within the framework of medical, social and psychological treatment. Buprenorphine, a partial opioid agonist, offers a limited “high” and dampens the withdrawal symptoms and desire for narcotics. Naloxone counteracts the “high” that arises in connection with intravenous injection of buprenorphine. This means that the risk of abuse is reduced and thus also illegal dealing. By using the Xerosol technique, Orexo expects to create a drug that tastes better, acts faster and is easier to take than the market-leading Suboxone™.

Project status
Ready for clinical studies.

OX30 – treatment of chronic pain
OX30 is being developed to create long-acting pain relief medication with little risk of abuse. The active substance is an opioid with a slow release controlled from an oral pharmaceutical. The active substance is incorporated in a ceramic material, thus making it difficult to extract the opioid, as well as rendering the drug less prone to abuse.

Project status
Pre-project phase

The period in figures: January 1 – September 30, 2009

Condensed consolidated income statement

	3 months 2009 July-Sept	3 months 2008 July-Sept	9 months 2009 Jan-Sept	9 months 2008 Jan-Sept	12 months 2008 Jan-Dec
MSEK					
Net revenues	**63.7**	**61.0**	**208.2**	**141.2**	**233.3**
Cost of goods sold	-5.2	-4.3	-17.3	-13.2	-17.4
Gross profit	**58.5**	**56.7**	**190.9**	**128.0**	**215.9**
Selling expenses	-6.5	-6.7	-25.3	-25.3	-38.8
Administrative expenses	-10.1	-10.8	-32.3	-38.4	-55.3
Research and development expenses	-47.3	-41.4	-172.3	-162.6	-238.1
Other operating income and expenses	-0.4	1.5	-2.1	2.1	3.8
Operating loss *	**-5.8**	**-0.7**	**-41.1**	**-96.2**	**-112.5**
Net financial items	-2.4	2.5	2.2	7.3	9.0
Profit/loss after financial items	**-8.2**	**1.8**	**-38.9**	**-88.9**	**-103.5**
Tax	-1.4	0.1	-1.1	0.3	0.4
Net profit/loss for the period	**-9.5**	**1.9**	**-40.1**	**-88.6**	**-103.1**

** Includes costs of employee stock options in the amount of MSEK 5.5 for the period January-September 2009 (MSEK 3.2 January-September 2008).*

Revenues

Net revenues

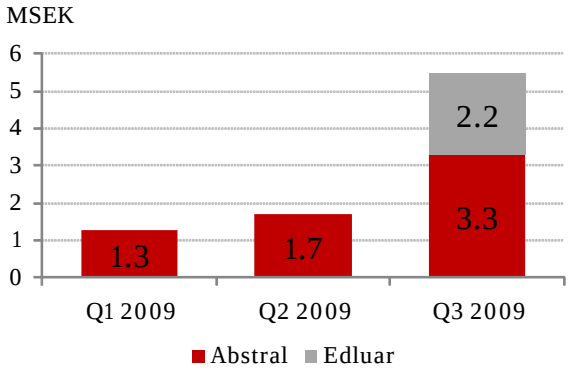
Net revenues for January-September 2009 totaled MSEK 208.2 (141.2). The increase in revenues is primarily related to higher license revenues and rising royalties.

Sales of Abstral in Europe have developed strongly and better than expected. Royalty revenues amounted to MSEK 3.3 during the third quarter, compared with MSEK 3.0 during the first six months.

In August, Meda commenced the launch of Edluar in the US. Royalty revenues from Edluar totaled MSEK 2.2 during the third quarter, most of which was attributable to the build up of inventories.

Net revenues during the period July-September 2009 amounted to MSEK 63.7 (61.0).

Royalty revenues during 2009



Net revenues were distributed as follows:

MSEK	3 months, 2009 July-Sept	3 months, 2008 July-Sept	9 months, 2009 Jan-Sept	9 months, 2008 Jan-Sept	12 months, 2008 Jan-Dec
Diabact® UBT	1.2	1.5	4.3	4.1	6.6
Heliprobe® System	7.7	5.5	26.1	17.2	22.0
ProStrakan AB J/V 50%	2.6	2.6	8.1	7.0	9.7
License revenues	30.1	35.8	119.3	65.3	123.1
Royalty	5.5	-	8.5	-	0.1
Re-invoicing, R&D expenses	16.6	15.6	41.8	47.7	71.8
Total	**63.7**	**61.0**	**208.2**	**141.2**	**233.3**

Expenses and earnings

Selling expenses

Selling expenses for the period January-September 2009 totaled MSEK 25.3 (25.3), and amounted to MSEK 6.5 (6.7) for the period July-September 2009. Selling expenses include the costs associated with business development relating to the out-licensing of Orexo's projects, Kibion AB and the joint venture company ProStrakan AB.

Administrative expenses

Administrative expenses for the period January-September 2009 totaled MSEK 32.3 (38.4), a decrease of 16 percent. The decline was due mainly to efficiency-enhancement programs. Administrative expenses for the period July-September 2009 were MSEK 10.1 (10.8).

Expenses for the company's employee stock options program

The company's expenses for the employee stock options program for the period January-September 2009 totaled MSEK 5.5, compared with an expense of MSEK 3.2 for the corresponding period a year earlier. MSEK 2.4 (2.3) of these expenses is attributable to administrative personnel; MSEK 2.7 (1.1) to research and development personnel; and MSEK 0.5 (-0.2) to sales-related personnel. For the period July-September, the company's expenses for its employee stock options program were 2.1 (-2.6).

Research and development expenses

Research and development expenses for the period January-September 2009 totaled MSEK 172.3 (162.6), of which MSEK 41.8 (15.7) was re-invoiced during the period. Research and development expenses for the period July-September amounted to MSEK 47.3 (41.3).

The increase in research and development expenses from the same period a year earlier was due to PharmaKodex in the amount of MSEK 11.2 (0), while expenses associated with the registration application for Abstral™ in the US were some MSEK 21 (0), with expenses incurred in the impairment of assets amounting to MSEK 2 (0).

Other operating income and expenses

Other operating income and expenses for the period January-September 2009 amounted to MSEK -2.1 (2.1), and MSEK -0.4 (1.5) for the period July-September 2009.

Depreciation/amortization

Depreciation/amortization amounted to MSEK 8.6 (8.1) for the period January-September 2009 and to MSEK 1.9 (2.6) for the period July-September 2009.

Net financial items
Net financial items amounted to MSEK 2.2 (7.3) for the period January-September 2009 and to MSEK -2.4 (2.5) for the period July-September. Net financial items for the nine-month period also include income of MSEK 4.1 because of the fact that the second payment installment in conjunction with the acquisition of PharmaKodex is such that it is classified as an embedded derivative that is valued at its fair value via the income statement, which resulted in a positive earnings effect from a declining share price as well as an estimated interest expense of MSEK 2.3 as a result of the present value calculation of this second installment.

Tax
The tax expense for the period January-September 2009 totaled MSEK 1.1 (income: 0.3). Of this expense, MSEK 1.4 pertained to non-Swedish tax-at-source for installment payments received in line with the licensing agreements covering Abstral in Japan. Otherwise, tax pertained to deferred tax.

Profit/loss
The operating loss for the period January-September 2009 was MSEK 41.1 (loss: 96.2). The net loss for the period after financial items totaled MSEK 38.9 (loss: 89.0), while the loss after tax was MSEK 40.1 (loss: 88.6). Earnings were charged with restructuring costs in connection with the acquisition of PharmaKodex Ltd in the amount of MSEK 6.6.

The operating loss for the period July-September was MSEK 5.8 (loss: 0.7). The loss for the period after financial items was MSEK 8.2 (profit: 1.8), with the net loss after tax totaling MSEK 9.5 (profit: 1.9).

Financial position
At September 30, 2009, cash and cash equivalents totaled MSEK 107.1 (195.7).

Cash flow from operating activities for the period January-September 2009 was a negative MSEK 120.0 (neg: 94.2). Cash flow after financing amounted to a negative MSEK 81.7 (neg: 95.9).

Cash flow from operating activities for the period July-September 2009 was a negative MSEK 45.6 (neg: 51.3). Cash flow after financing was a negative MSEK 31.0 (neg: 51.5).

Shareholders' equity at September 30, 2009 totaled MSEK 601.4 (585.6). The equity/assets ratio was 88 percent (83).

Investments
Gross investments in tangible fixed assets amounted to MSEK 1.7 (1.5) for the period January-September 2009 and to MSEK 0.6 (0.2) for the period July-September 2009. Refer to Note 6 as regards the investment in PharmaKodex Ltd.

Parent Company
Most the Group's business is carried out in the Parent Company, Orexo AB. Net revenues for the period January-September 2009 totaled MSEK 159.2 (90.4) and the loss after financial items was MSEK 25.1 (loss: 77.7). Investments totaled MSEK 1.7 (1.5). Cash and cash equivalents in the Parent Company on September 30, 2009 amounted to MSEK 13.5 (36.7), with short-term investments totaling MSEK 0.0 (0.0).

Pledged assets and continent liabilities
In the acquisition of Inflazyme in November 2007, a supplemental payment was agreed contingent on certain goals being met. Part of the supplemental payment was reported as long-term liabilities and MSEK 36.0 has been reported as contingent liabilities since the latter is not assessed as a probable payment based on pharmaceutical development statistics. The supplemental payment has been adjusted for changes in exchange rates during the year. As cash-flow hedging for payroll overhead pertaining to the employee stock

options issued to Biolipox, warrants were issued to Pyrinox AB. Orexo is committed to covering any deficit exceeding the cover provided by the warrants during the duration through December 31, 2016.

Orexo's acquisition of Noster System AB 2006 involved an agreement concerning a supplemental purchase price of not more than MSEK 7.2, which would become payable if the growth of Heliprobe™ System achieves pre-determined sales targets by year-end 2009. The amount is reported under contingent liabilities, since Orexo does not deem such achievement likely. The previous pledged assets related to currency futures and chattel mortgages were terminated and reversed.

Orexo acquired the UK drug delivery company PharmaKodex in February 2009. The acquisition also encompassed conditional payments based on revenues from licenses for PharmaKodex's current programs and technologies, as well as being based on payments for certain milestones and which are not reported as a liability.

Orexo has borrowings of MSEK 16 from the Swedish bank Nordea, with collateral provided in the form of chattel mortgages in a corresponding amount.

Significant risks and uncertainties

Significant risks and uncertainties are essentially the same for the Parent Company and Group. More detailed information about the financial risks are found in Orexo's annual report for 2008.

Uncertainty regarding success of development programs

Orexo is a Group in the development stage with four products on the market and a number of other product candidates in various development stages, with some in the late clinical development phase. Although the research and development of pharmaceuticals are characterized by significant operating risks, the pharmaceutical industry is only to a limited extent affected by cyclical fluctuations. Several factors affect the probability that a drug project will result in an approved drug. For example, a potential drug candidate that demonstrated favorable effects in animal models may lack any significant effect on humans. Risks of side effects can also complicate drug projects. However, the risk of not reaching the market diminishes as the project passes through the various phases in the development process. If the Group's clinical trials are not successful, Orexo may lack the potential to license out or commercialize new products.

Competing operations

Orexo's competitors are large pharmaceutical and biotech companies with substantial financial resources and which conduct research in the same areas as Orexo. There is a risk that these competitors could develop a pharmaceutical that is superior to those developed by Orexo, or that they reach the market faster, whereby the future value of the Group's products will be less than originally expected.

Partners and the authorities

Orexo is dependent on partners – and is expected to remain so in the future – for development, implementation of clinical trials, approval from regulatory authorities regarding manufacturing, marketing and sales of the Group's product candidates. Orexo's and its partners' facilities and processes require the approval of the regulatory authorities and the manufacture and storage of drugs and biological products involve environmental risks and are subject to environmental legislation, which could delay or disrupt operations. Changes to the healthcare system could also impact on Orexo's operations and profitability.

Key personnel

Orexo is dependent on its personnel and certain key individuals. In the event that these individuals terminate their employment, this could disrupt and delay development processes. To motivate and retain personnel and key individuals, the company offers such incentives as an options program.

Financial risks

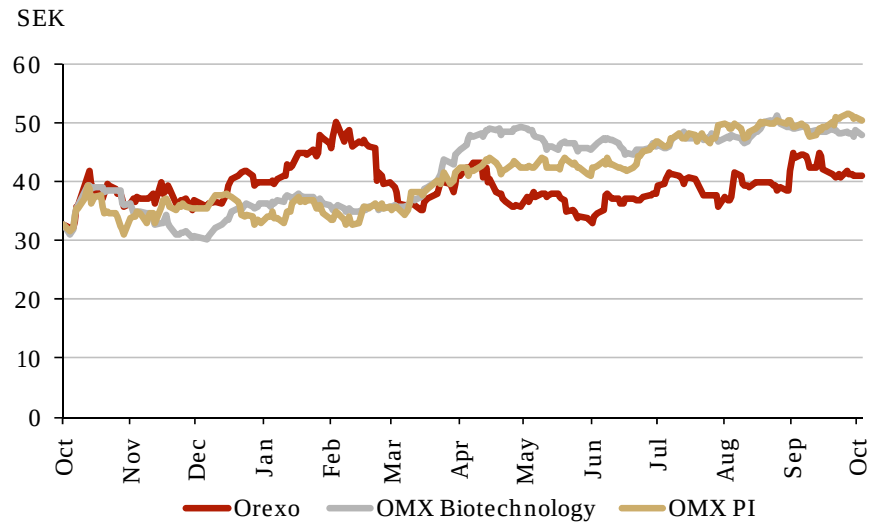
Orexo's operations entail exposure to risks due to changes in interest rates, exchange rates, and credit and counterparty risks, as well as liquidity and financing risks. Orexo has developed guidelines and policies to effectively manage and limit these risks.

With Orexo's program to reduce its operating costs, it is the Board's assessment that current financing is sufficient to pursue operations, even without income from additional out-licensing agreements.

Orexo share and market capitalization

The Orexo share price was quoted at SEK 44.20 on September 30, 2009. The company's market capitalization based on the number of shares outstanding on September 30, 2009 totaled MSEK 1,034.3.

Share price trend during past twelve months, October 2008 – October 2009



Analysts monitoring Orexo:

ABG Sundal Collier	Alexander Lindström
Carnegie	Camilla Oxhamre
Handelsbanken Markets	Erik Hultgård
Nordea	Patrik Ling
Pharmium Securities	Frédéric Gomez
Redeye	Björn Fahlén and Klas Palin
SEB Enskilda	Gustaf Vahlne

Future reporting dates:

Year-end report, 2009	February 17, 2010
Annual General Meeting 2010	April 21, 2010
Interim report, January — March 2010	May 5, 2010
Interim report, January — June 2010	August 20, 2010
Interim report, January — September 2010	November 10, 2010

Uppsala, November 10, 2009

Orexo AB (publ)

Torbjörn Bjerke
President and CEO

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Review report

We have reviewed the appended report for the period January 1 to September 30, 2009 for Orexo AB (publ). Company management is responsible for the preparation and fair presentation of this interim report in accordance with the Annual Accounts Act and IAS 34. Our responsibility is to express an opinion on this interim report based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review takes a different direction and is substantially more restricted in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the appended interim report has not in all significant respects been compiled in accordance with the Annual Accounts Act and IAS 34 for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Uppsala, Uppsala November 10, 2009
PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

	Notes	3 months 2009 July-Sept	3 months 2008 July-Sept	9 months 2009 Jan-Sept	9 months 2008 Jan-Sept	12 months 2008 Jan-Dec
Net revenues		63 676	60 970	208 247	141 211	233 346
Cost of goods sold	2	-5 149	-4 339	-17 351	-13 242	-17 446
Gross profit		**58 527**	**56 631**	**190 896**	**127 969**	**215 900**
Selling expenses	2	-6 458	-6 685	-25 277	-25 269	-38 818
Administrative expenses	2	-10 131	-10 751	-32 261	-38 429	-55 294
Research and development expenses	2	-47 310	-41 325	-172 303	-162 573	-238 125
Other operating income		1 456	1 627	6 501	4 246	7 451
Other operating expenses	2	-1 893	-181	-8 681	-2 169	-3 611
Operating result		**-5 809**	**-684**	**-41 125**	**-96 225**	**-112 497**
Financial income		195	2 468	4 823	7 449	9 268
Financial expenses		-2 564	-15	-2 606	-190	-266
Financial items – net		**-2 369**	**2 453**	**2 217**	**7 259**	**9 002**
Profit/loss before tax		**-8 178**	**1 769**	**-38 908**	**-88 966**	**-103 495**
Tax		-1 358	115	-1 143	345	441
Net profit/loss for the period		**-9 536**	**1 884**	**-40 051**	**-88 621**	**-103 054**
Net profit/loss for the period attributable to:						
Parent Company's shareholders		-9 536	1 884	-40 051	-88 621	-103 054
Minority interests		-	-	-	-	-
Earnings/loss per share, based on net profit attributable to the Parent Company's shareholders during the period (SEK/share):						
Earnings per share, before dilution, SEK		-0.41	0.09	-1.78	-4.10	-4.77
Earnings per share, after dilution, SEK		-0.41	0.09	-1.78	-4.10	-4.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months 2009 July-Sept	3 months 2008 July-Sept	9 months 2009 Jan-Sept	9 months 2008 Jan-Sept	12 months 2008 Jan-Dec
Net profit/ loss for the period	**-9 536**	**1 884**	**-40 051**	**-88 621**	**-103 054**
Other comprehensive income					
Hedging of net investments	2 111	-	2 329	-	-
Exchange-rate differences	-6 949	-	-7 210	-	-
Other comprehensive income for the period, net after tax	**-4 838**	**-**	**-4 890**	**-**	**-**
Total comprehensive income for period	**-14 374**	**1 884**	**-44 941**	**-88 621**	**-103 054**
Total comprehensive income attributable to:					
Parent Company's shareholders	-14 374	1 884	-44 941	-88 621	-103 054

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

Attributable to the Parent Company's shareholders

	Share capital	Other contributed capital	Accumulated loss	Translation differences	Total	Total shareholders' equity 1)
Opening balance, January 1, 2008	8 647	1 011 380	-348 775	-	671 252	671 252
Total comprehensive income for the period	-	-	-88 621	-	-88 621	-88 621
Employee stock options, vested value for employees	-	3 014	-	-	3 014	3 014
Closing balance, September 30, 2008	**8 647**	**1 014 394**	**-437 396**	**-**	**585 645**	**585 645**
Opening balance, January 1, 2009	8 647	1 012 964	-451 828	-	569 783	569 783
Total comprehensive income for the period	-	-	-40 051	-7 210	-47 261	-47 261
Employee stock options, vested value for employees	-	4 394	-	-	4 394	4 394
New share issues	713	73 733	-	-	74 446	74 446
Closing balance, June 30, 2009	**9 360**	**1 091 091**	**-491 879**	**-7 210**	**601 362**	**601 362**

1) *There are no minority interests*

CONSOLIDATED BALANCE SHEET

	Notes	2009 Sept 30	2008 Sept 30	2008 Dec 31
ASSETS				
Non-current assets				
Tangible non-current assets		46 219	52 435	50 317
Goodwill		16 030	16 032	16 030
Acquired research and development		424 836	373 908	373 908
Other intangible non-current assets		2 117	2 409	2 033
Total non-current assets		**489 202**	**444 784**	**442 288**
Current assets				
Inventories		9 172	12 772	13 982
Accounts receivable and other receivables		74 231	50 519	53 313
Tax receivables		3 487	3 944	4 222
Cash and cash equivalents		107 061	195 662	188 220
Total current assets		**193 951**	**262 897**	**259 737**
Total assets		**683 153**	**707 681**	**702 025**
SHAREHOLDERS' EQUITY AND LIABILITIES	3			
Share capital		9 360	8 647	8 647
Other contributed capital		1 091 091	1 014 394	1 012 964
Accumulated losses		-491 879	-437 396	-451 828
Translation differences		-7 210	-	-
Total shareholders' equity		**601 362**	**585 645**	**569 783**
Long-term liabilities				
Provisions		1 337	526	490
Long-term liabilities, non-interest bearing		9 805	9 100	9 510
Long-term liabilities, interest bearing		16 000	-	-
Deferred tax liability		9 449	531	415
Total long-term liabilities		**36 591**	**10 157**	**10 415**
Current liabilities				
Current liabilities, non-interest-bearing		45 200	111 879	121 827
Total liabilities		**81 791**	**122 036**	**132 242**
Total shareholders' equity and liabilities		**683 153**	**707 681**	**702 025**
Pledged assets		16 000	2 500	-
Contingent liabilities		43 203	43 550	42 120

CONSOLIDATED CASH-FLOW STATEMENT

	Notes	3 months 2009 July-Sept	3 months 2008 July-Sept	9 months 2009 Jan-Sept	9 months 2008 Jan-Sept	12 months 2008 Jan-Dec
Operations						
Loss before interest expense and interest income		-5 809	-684	-41 125	-96 225	-112 497
Interest income		11	2 468	714	7 449	9 268
Interest expenses		-235	-15	-277	-190	-266
Tax paid		-1 389	-15	-1 389	-	-
Adjustment for items not included in cash flow	4	3 672	31	14 108	11 386	12 265
Cash flow from operations before changes in working capital		**-3 750**	**1 800**	**-27 969**	**-77 580**	**-91 230**
Changes in working capital						
Accounts receivable		-22 813	-5 841	-16 966	-15 794	-19 172
Other current receivables		-6 209	2 558	3 095	7 157	7 463
Inventories		-988	1 680	4 810	522	-688
Current liabilities		-9 882	-50 969	-81 791	-8 343	1 894
Provisions		655	-548	847	364	328
Long-term liabilities		-248	-	295	-495	-85
Cash flow from operations		**-43 235**	**-51 320**	**-117 679**	**-94 169**	**-101 490**
Investing activities						
Acquisition of machinery and equipment		-636	-152	-1 688	-1 451	-1 671
Divestment of machinery and equipment		-	-	2	11	110
Acquisition of subsidiaries		-	-	24 695	-327	-327
Cash flow after investments		**-43 871**	**-51 472**	**-94 670**	**-95 936**	**-103 378**
Change in financing						
New share issue		-800	-	-710	-	-
Loans raised		16 000	-	16 000	-	-
Cash flow after financing		**-28 671**	**-51 472**	**-79 380**	**-95 936**	**-103 378**
Cash flow for the year						
Cash and cash equivalents, beginning of period		137 178	247 134	188 220	291 598	291 598
Exchange-rate differences in cash and cash equivalents		-1 446	-	-1 779	-	-
Changes in cash and cash equivalents		-28 671	-51 472	-79 380	-95 936	-103 378
Cash and cash equivalents, at close of period		**107 061**	**195 662**	**107 061**	**195 662**	**188 220**

KEY FIGURES

	3 months 2009 July-Sept	3 months 2008 Jul-Sept	9 months 2009 Jan-Sept	9 months 2008 Jan-Sept	12 months 2008 Jan-Dec
Operating margin, %	-9	-1	-20	-68	-48
Profit margin, %	-9	3	-18	-63	-44
Return on total capital, %	0	0	-5	-12	-14
Return on shareholders' equity, %	-1	0	-6	-14	-17
Return on capital employed, %	0	0	-7	-14	-17
Debt/equity ratio, multiple	0	0	0	0	0
Equity/assets ratio, %	88	83	88	83	82
Current ratio, %	429	235	429	235	213
Acid ratio, %	409	224	409	224	202
Average number of shares, before dilution	22 778 731	21 617 395	22 485 961	21 617 395	21 617 395
Average number of shares, after dilution	23 881 183	22 700 914	23 588 413	22 700 914	22 689 035
Number of shares, after full dilution	25 361 950	23 349 608	25 361 950	23 349 608	23 300 567
Number of shares, before dilution	23 401 252	21 617 395	23 401 252	21 617 395	21 617 395
Number of shares, after dilution	24 503 704	22 700 914	24 503 704	22 700 914	22 684 988
Profit/loss per share, before dilution, SEK	-0.41	0.09	-1.78	-4.10	-4.77
Profit/loss per share, after dilution, SEK	-0.41	0.09	-1.78	-4.10	-4.77
Shareholders' equity per share, before dilution, SEK	25.70	27.09	25.70	27.09	26.36
Shareholders' equity per share, after dilution, SEK	24.54	25.80	24.54	25.80	25.12
Number of employees at close of period	126	124	126	124	128
Average number of employees	126	121	126	121	123
Shareholders' equity	601 362	585 645	601 362	585 645	569 783
Capital employed	617 362	585 645	617 362	585 645	569 783

DEFINITIONS

Refer to the 2008 Annual Report

PARENT COMPANY INCOME STATEMENT

SEK 000s	Notes	3 months 2009 July-Sept	3 months 2008 July-Sept	9 months 2009 July-Sept	9 months 2008 Jan-Sept	12 months 2008 Jan-Dec
Net revenues		49 052	44 192	159 165	90 408	207 757
Cost of goods sold		-	-	-	-	-
Gross profit		**49 052**	**44 192**	**159 165**	**90 408**	**207 757**
Selling expenses		-2 985	-2 808	-10 486	-10 997	-19 041
Administrative expenses		-9 871	-10 172	-28 575	-35 286	-52 085
Research and development expenses		-40 039	-34 795	-146 230	-126 343	-197 689
Other operating income		298	1 139	2 567	2 613	4 514
Other operating expenses		-721	-37	-5 660	-1 175	-1 779
Operating loss		**-4 266**	**-2 481**	**-29 219**	**-80 780**	**-58 323**
Earnings from financial Investments						
Financial income		6 449	898	6 661	3 201	3 733
Financial expense		-2 435	-5	-2 589	-143	-215
Loss after financial items		**-252**	**-1 588**	**-25 147**	**-77 722**	**-54 805**
Tax		-1 389	-	-1 389	-	-
Net loss for the period		**-1 641**	**-1 588**	**-26 536**	**-77 722**	**-54 805**

PARENT COMPANY BALANCE SHEET

SEK 000s	Notes	2009 Sept 30	2008 Sept 30	2008 Dec 31
ASSETS				
Non-current assets				
Tangible non-current assets		45 877	51 712	49 985
Intangible non-current assets		400	468	509
Shares in subsidiaries/joint ventures		606 414	524 169	524 169
Total non-current assets		**652 691**	**576 349**	**574 663**
Current assets				
Inventories		1 519	4 253	5 233
Accounts receivable and other receivables		41 316	62 207	103 245
Tax receivables		2 679	2 182	2 536
Cash and bank balances		13 472	36 701	29 608
Total current assets		**58 986**	**105 343**	**140 622**
Total assets		**711 677**	**681 692**	**715 285**
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	5			
Restricted equity		300 111	299 398	299 397
Non-restricted equity		360 588	289 222	309 797
Total shareholders' equity		**660 699**	**588 620**	**609 194**
Long-term liabilities				
Provisions		1 337	526	490
Borrowings		16 000	-	-
Total long-term liabilities		**17 337**	**526**	**490**
Current liabilities, non-interest-bearing		33 641	92 546	105 601
Total liabilities		**50 978**	**93 072**	**106 091**
Total shareholders' equity and liabilities		**711 677**	**681 692**	**715 285**
Pledged assets		16 000	2 500	-
Contingent liabilities		11 050	11 050	11 050

Notes

1. Accounting principles

This interim report was prepared pursuant to IAS 34. Orexo applies IFRS as approved by the EU.

The Parent Company's accounting was prepared in line with RFR 2.2.

Apart from the exceptions stated below, the accounting principles applied in this interim report are described in greater detail in the notes to the 2008 annual report.

New accounting principles in 2009

Effective January 1, 2009, Orexo applies IFRS 8. The new standard requires that segment information be presented from the perspective of executive management, which means that it is presented in the manner used in internal reporting. Since this is done at Group level, Orexo's accounting will continue to be based on a single segment.

The amended IAS 1, Presentation of Financial Statements, is applied as of January 1, 2009. The amendment has affected Orexo's annual accounting retrospectively as of December 31, 2007. Among other implications, the amendment means that revenue and costs previously recognized directly against shareholders' equity are now recognized in a separate report directly after the income statement. Another change is that new designations may be used for the financial reports. However, this change is not mandatory and Orexo has elected to retain the current designations.

The amounts below are in SEK 000s, unless otherwise stated.

2. Costs distributed by type of cost

	2009 July-Sept	**2008 July-Sept**	**2009 Jan-Sept**	**2008 Jan-Sept**	**2008 Jan-Dec**
Raw materials and supplies	9 560	8 496	32 681	24 216	32 244
Other external costs	35 902	30 312	120 338	118 385	181 642
Personnel costs	23 621	21 837	94 278	90 947	128 475
Depreciation and impairment	1 857	2 637	8 574	8 134	10 734
TOTAL	**70 940**	**63 282**	**255 871**	**241 682**	**353 295**

3. Shareholders' equity

Shares outstanding

The number of shares outstanding on September 30, 2009 was 23,401,252, all of which were common shares. All shares carry entitlement to one vote each.

During the period January -September, the number of shares outstanding increased by a total of 1,783,857, of which 1,777,773 shares were issued through a non-cash issue, 843,992 were issued at a price of SEK 46:50, 933,781 were issued at a price of SEK 42 and 6,084 through exercise of employee stock options.

Options

At September 30, a total of 2,733,827 options were outstanding that carry rights corresponding to 2,430,698 shares in Orexo and the exercise of 303,129 options for shares i Orexo[1]. Each option issued by Biolipox AB provides entitlement to the exchange of one share in Orexo AB, and a corresponding number of shares are held by the independent company Pyrinox AB.

The list below shows the change in the number of options during the period January 1, 2009 to September 30, 2009 distributed among each category.

	Opening Jan. 1, 2009	Change	Closing September 30 2009
Employee stock options			
Of which:			
Decided and allotted employee stock options	651 075		651 075
Allotted in February 2009(i)		329 500	329 500
Exercised		-6 084	-6 084
Expired		-63 000	-63 000
Total			**911 491**
Decided and allotted Board member options	12 845		12 845
Allotted in May 2009 (ii)		22 362	22 362
Total			**35 207**
Decided and allotted warrants	15 250		15 250
Expired		-5 250	-5 250
Total			**10 000**
Decided but not allotted employee stock options			
Opening balance, approved by the 2008 AGM	429 500		429 500
Less allotment in February 2009(1)		-329 500	-329 500
Less options returned		-100 000	-100 000
Approved by the 2009 AGM		470 000	470 000
Total			**470 000**
Warrants held by subsidiary for cash-flow hedging of payroll overhead	78 000		78 000
Total			**78 000**
Total options to employees	**1 186 670**	**318 028**	**1 504 698**

[1] All information regarding options issued by Orexo AB has been restated to take into account the 1:250 share split conducted in November 2005. The 2005 Annual Report states that older option certificates provide entitlement to subscribe for 250 shares after the split. The reported data regarding options issued by Orexo AB refer to the number of shares to which each option provides entitlement to subscribe for shares following the share split. All data regarding options issued by Biolipox AB are restated using a factor of 0.45854, which corresponds to the computed value of the options related to the share price for the Orexo share on the acquisition date. The reported data regarding the options issued by Biolipox refer to the number of shares for which each option may be exchanged after recalculation.

Employee stock options utilized from Biolipox AB (no dilution effect, included in newly issued shares in conjunction with acquisition of Biolipox)	334 851	-115 786	219 065
Warrants utilized from Biolipox AB subsidiary for cash-flow hedging of social security fees (no dilution effect)	130 374	-46 310	84 064
Total options from Biolipox	**465 225**	**-162 096**	**303 129**
Total options to employees	**1 651 895**	**155 932**	**1 807 827**
Other options			
Warrants related to supplemental payment in conjunction with acquisition of Biolipox AB	926 000	-	926 000
Total options outstanding	**2 577 895**	**155 932**	**2 733 827**

During the period January-September 2009, 6,084 stock employee options from Orexo's employee stock options program were exercised. During the period January – September 2009, 115,786 of Biolipox' employee stock options were also exercised, entailing that holders exchanged their options for 115,786 shares held by the independent company Pyrinox AB. Exercise did not entail any new share issues by Orexo.

i) Allotment in February after return of 100,000 employee stock options in April 2009.
In February 2009, new options were allotted to personnel. The distribution among executives following the return of 100,000 options in April 2009 was as follows:

- CEO: 30,000 shares
- Other senior executives: 120,000 shares
- Other employees: 179,500 shares

The strike price is SEK 51 per share and the options may be exercised through December 31, 2018. Vesting takes the form of one third of the total number allotted options on each of the three anniversary dates immediately after February 25, 2009. The market value, calculated according to the Black & Scholes method, was SEK 11.99 per option on the allotment date.

ii) Allotment of Board member options in May 2009

In May 2009, a total of 22,362 Board member options were allotted that provide entitlement to subscribe for a total of 22,362 shares in Orexo. These Board member options have been allotted free of charge to the Board members elected at the 2009 AGM. Vesting of the Board member options takes the form of 25 percent after the date of publication of Orexo's interim report for the first quarter and 25 percent after the publication of the interim reports for quarters two to four during the mandate period for the 2009 fiscal year. The right of Board members to request exercise arises two years after the 2009 AGM. The final exercise date for Board member options is December 31, 2016 and the strike price is SEK 0.40 per share. The market value, calculated using the Black & Scholes method, was SEK 36.82 on the allotment date.

AGM-approved new program
Orexo's AGM held on April 23, 2009 approved a new employee stock options program comprising the issuance of warrants as well as the approval of the disposal of warrants within the framework of employee stock options. The employee stock option program comprises 470,000 employee stock options. Each employee stock option may be used to acquire one share in Orexo in return for payment of a strike price set

at 110 percent of the market value of the Orexo share on the allotment date. Full exercise of the new options would lead to a dilution of approximately 2 percent of the share capital and voting rights in Orexo.

The AGM also approved a Board member shareholder program comprising the issuance of 31,350 warrants and the approval of the disposal of the warrants within the framework of the Board-member shareholder program. Board members who participate in Orexo's Board member shareholder program receive 50 percent of their Board fees and any fees for committee work in cash and are allotted Board member shares in an amount that, on the allotment date, is equal in value to 50 percent of the Board fee and any fees for committee work. Entitlement to acquire shares pursuant to the Board member stock program is contingent on the Board member remaining on the Board for all or part of the mandate period. Each Board-program share may be used to acquire one share in Orexo in return for payment of a strike price set in relation to the par value of the Orexo share.

4. Cash flow

Adjustment for items not included in cash flow

	2009 July-Sept	2008 July-Sept	2009 Jan-Sept	2008 Jan-Sept	2008 Jan-Dec
Depreciation/amortization and impairment	1 857	2 637	8 574	8 134	10 734
Estimated costs for employee stock options	1 815	-2 596	5 534	3 249	1 531
Other	-	-10	-	3	-
Total	**3 672**	**31**	**14 108**	**11 386**	**12 265**

5. Shareholders' equity

Changes in the Parent Company's shareholders' equity

	2009 July-Sept	2008 July-Sept	2009 Jan-Sept	2008 Jan-Sept	2008 Jan-Dec
Opening shareholders' equity, according to balance sheet	**626 462**	**592 366**	**609 194**	**665 932**	**665 932**
Net loss for the period	-1 641	-1 588	-26 536	-77 722	-54 805
Subscription of shares through exercise of warrants	-	-	90	-	-
New share issues	35 110	-	74 356	-	-
New warrant issues	-	-	-	-	-
Employee stock options, vested value for employees	768	-2 158	3 595	410	933
Group contribution	-	-	-	-	1 000
Closing amount	**660 699**	**588 620**	**660 699**	**588 620**	**609 194**

6. Acquisition of PharmaKodex

On February 24, Orexo AB attained decisive influence and thus control of the UK company PharmaKodex. The company was consolidated in the Orexo Group as of the same date.

Orexo acquired the company in return for payment to be issued in two installments. The first installment was paid on February 23, 2009 in the form of newly issued Orexo shares and a decision regarding the

second installment was made by Orexo on August 21, 2009. As payment for the first installment, 843,992 new Orexo shares were issued to PharmaKodex's former shareholders. A total of 933,781 additional new Orexo shares were issued as a supplementary consideration in accordance with the Board decision on August 21, 2009. Through the two installments, PharmaKodex is valued at approximately MGBP 6.5, taking into consideration the share price on each issue occasion. The transaction also involves additional conditional payments based on revenues from licenses for PharmaKodex's current program and technologies, as well as being based on payments for certain milestones.

7. Events after the end of the period

- Information regarding events after the end of the period is presented on page 4.

Note
Orexo AB publ. discloses the information provided herein pursuant to the Securities Markets Act. The information was provided for public release on November 10, 2009, at 08:00 CET. This report has been prepared in both Swedish and English. In the event of any discrepancy in the content of the two versions, the Swedish version shall take precedence.