Uppsala, July 19, 2013

Dear Orexo Shareholders,

Last July I provided, in my first letter to the Shareholders in Orexo, an update on what we had accomplished at that time and the future key objectives of the company. I am very pleased to be able to look back and conclude that we have now met the major milestones I envisioned for 2013. The most important achievements include the approval of Zubsolv and the establishment of Orexo in the US with our own commercial organization. We are now closing in on becoming a full-fledged specialty pharmaceutical company. All of our actions the last year have been focussed towards these objectives, and I am very pleased to see that the share price over the last 12 months has doubled. However, we have just start the exciting journey for Orexo and I hope that you will continue to support us in the period to come.

The prime objective for Orexo has been to become a profitable specialty pharmaceutical company. Together with our US financial advisors from Guggenheim Securities we have during several months assessed the different alternative paths to accomplish this objective. We are now confident that we have chosen the most attractive and value creating path forward through the partnership established with Publicis Touchpoint Solutions. I am are very satisfied with the agreement, as Orexo gains access to an established organization with solid experience from both launching pharmaceutical products in the US and from the specific disease area in which Zubsolv will compete. The field force will be dedicated to Zubsolv and Orexo and will be ready to launch the product in September. Equally important is the financial structure of the partnership, which will limit Orexo's financial exposure during launch. Furthermore, Orexo will book all revenues in the company P&L and Orexo maintains all rights to the products when the contract ends in 2016.

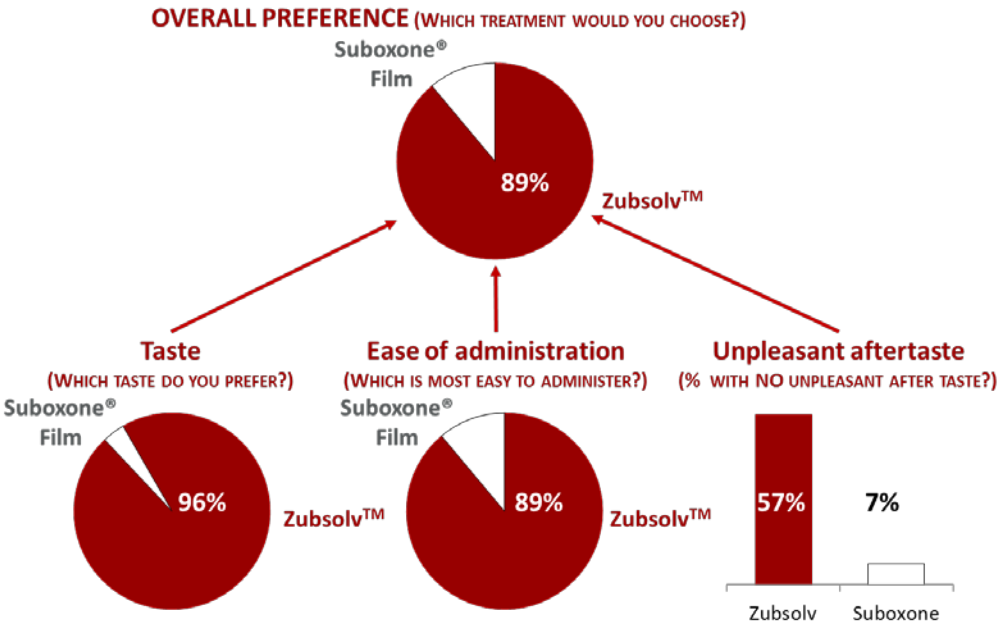
Initiating commercial operations carries risks, and the decision on how to undertake this needs to be taken diligently. I am convinced that Zubsolv is the right product for Orexo to launch with its own resources and with a partnership structure that we have established with Publicis Touchpoint Solutions. Zubsolv enters a disease area with significant unmet medical needs, the market is fast growing, the competition is manageable and the prescribers are concentrated to a well-defined universe of specialists, limiting the need of a sizable sales organization. Orexo will lead all strategic, medical, contracting, and regulatory processes, and our company will have the leadership role in the partnership, whereas Publicis Touchpoint Solutions will be responsible for all field-based activities.

We have established our own commercial organization in the US, and have successfully recruited a team of senior and experiences managers, led by Robert DeLuca who brings extensive experience from establishing commercial operations in the US, and from market access, having led this function at Sanofi in the US.

The single most important event so far in 2013 2013, was the **approval of Zubsolv** for maintenance treatment for people suffering from opioid dependence, by the United States Food and Drug Administration (FDA). Since the submission of the regulatory file September 6th last year, we have had a continuous constructive dialog with the FDA. The organization in Uppsala has responded to all inquiries diligently, with high quality and short response time. I am also proud to share with you, that the pre-approval inspection of the R&D and manufacturing site in Uppsala was completed without any observations or reservation from the FDA. This is a unique result for a first time inspection and a testimony to the commitment to quality in Orexo.
The Zubsolv approval carries the same label as Suboxone. The differences and advantages of Zubsolv reside in our world leading sublingual formulation technology. This technology enable us to reach the same plasma concentration profile as Suboxone with about 30% less active product ingredient, faster dissolve time, a new menthol taste and small convenient tablets. We are pleased to find several of these advantages mentioned in the label and approved medication guide which is shared with all prospective users of Zubsolv. Of particular importance is that FDA allowed Orexo to communicate that Zubsolv usually dissolves within 5 minutes, as this is faster than the dissolve time promoted for Suboxone Tablets and Film.

Orexo is committed to evolve our product offering within treatment of opioid dependence. As a first step, Orexo is in the final development stages of a broader dosage range and more taste alternatives of Zubsolv. We expect to submit the additional doses for regulatory approval in late 2013, and project to launch these during mid-2014. To broaden the market for Zubsolv, Orexo started an induction (first days of patient treatment) study in June. With an anticipated approved expansion of the label to include induction, Zubsolv will have clear differentiation versus Suboxone and the generics on the market. We expect the result of this study to be ready in the first half of 2014.

In my letter in December 2012, I referred to the recently completed Zubsolv and Suboxone Film comparison trial which yielded very convincing data. As you may recall, the data indicate that 9 out of 10 participants favoured Zubsolv as a daily treatment, as depicted in the illustration beneath. This outcome was driven by a strong preference in taste, an easy mode of administration, in combination with the absence of any unpleasant aftertaste for the vast majority of the participants.



Based on these impressive results, we are about to start a broader clinical program, to show that these positive preference data can lead to better treatment of the opioid dependence patients. We will start two additional studies. The first ISTART (ISTART; Induction, STabilization, Adherence, Retention Trial) is designed to determine early treatment-efficacy and treatment-adherence to Zubsolv. The second will document the long-term effects of Zubsolv on the retention and adherence to opioid replacement therapy. Other aspects that will be assessed and documented include opioid cravings, effects on withdrawal symptoms, tolerability and how treatment affects patients' quality of life. In combination, the three new studies will provide Orexo with important data to improve the treatment with Zubsolv, to show that the unique product features lead to better treatment outcome and will provide Zubsolv with a strong competitive differentiation.

Zubsolv is approved, and the focus in our organization is now fully on executing the best possible LAUNCH. Our supply chain, from manufacturing in the US to stocking of the individual 15.000 pharmacies, which will be having Zubsolv on the shelves in the first week of September, has been established. A main focus for Robert DeLuca and his US team is to ensure market access i.e. establishment of commercial contracts so that insurance companies and public payers will reimburse Zubsolv in a competitive manner. Our negotiations are progressing well and payers are welcoming an alternative in the market. Our entire team in the US are meeting customers on a daily basis and we anticipate that most of the important prescribers have been met by key people from Orexo prior to launch in September. A main element in our commercialization will be to ensure prescribers and patients have experienced the key benefits of the Zubsolv formulation, so all the introductory meetings include a demonstration of the Zubsolv placebo tablet with the health care practitioners.

Our approach to commercialization of Zubsolv is simple; we want the prescribers to offer their patients the opportunity to choose the product the patients prefer. Our market insight tells us that this is possible, if we make sure that patients are not economically disadvantaged by being prescribed Zubsolv compared to other product offerings. That is the reason why we are so focussed on getting the market access situation for Zubsolv as optimal as possible prior to launch. However, we know that it will take up to the end of this year before all contracts have been established due to the sheer number of contracts that Orexo has to negotiate. The review cycle varies for the different formularies, and certain health plans have strict time-windows during which they review formulary additions. I am confident that Zubsolv is positioned for success, and I am confident that our US colleagues will do a great job in creating market access so I am personally looking forward to an exciting reminder of 2013!

The best wishes for a great summer.

Martin Nicklasson
Chairman of Orexo