Interim report January-June 2015

Unless otherwise stated in this report, all data refers to the Group. Figures in parentheses relate to the corresponding period in 2014.

Continued growth of Zubsolv® in high-value commercial segment – driven by expanded field force and improved market access position

Second quarter 2015

- Total net revenues amounted to MSEK 126.5 (117.3).
- Earnings after tax were MSEK -84.6 (-50.2).
- Earnings per share were SEK -2.46 (-1.58).
- Cash flow from operating activities amounted to MSEK -35.6 (-228.2).
- Orexo divested the subsidiary Kibion; short term negative net impact of MSEK -5.3 on EBIT.
- FDA approves the medium tablet strength, 2.9 mg/0.71 mg, of Zubsolv.
- Orexo settles patent infringement litigation against Mylan regarding Edluar®.

First half 2015

- Total net revenues amounted to MSEK 275.5 (219.1).
- Earnings after tax were MSEK -100.1 (-71.4).
- Earnings per share were SEK -2.91 (-2.24).
- Cash flow from operating activities amounted to MSEK -29.0 (-328.0).
- Cash and cash equivalents amounted to MSEK 282.1 (110.6).
- Orexo broadened Zubsolv product range by launching Zubsolv 8.6 mg/2.1 mg.
- Orexo announced newly listed granted US patent.
- Orexo commenced patent infringement litigation against Actavis concerning Abstral® in the US.
- New clinical data establish Zubsolv as effective, well tolerated for maintenance treatment of opioid dependence and increases patients' work productivity.

MSEK	**2015 Apr-Jun**	**2014 Apr-Jun**	**2015 Jan-Jun**	**2014 Jan-Jun**	**2014 Jan-Dec**
Net revenues	126.5	117.3	275.5	219.1	570.3
EBIT	-77.3	-38.4	-85.4	-54.7	-25.0
EBITDA	-74.2	-35.9	-79.3	-49.8	-12.5
Earnings after tax	-84.6	-50.2	-100.1	-71.4	-56.6
Earnings per share, SEK	-2.46	-1.58	-2.91	-2.24	-1,73
Cash flow from operating activities	-35.6	-228.2	-29.0	-328.0	-487.3
Cash and cash equivalents	282.1	110.6	282.1	110.6	284.5

Teleconference
CEO Nikolaj Sørensen and CFO Henrik Juuel will present the report at a teleconference today at 2:00pm CET. Presentation slides are available via the link and on the website.
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Telephone: +46 8 566 427 01 (SE), +44 20 342 814 00 (UK) or +1 855 831 5945 (US).

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CEO's comments

A core element of our commercial strategy in the US has been to leverage selected market access agreements to gain prescriber confidence in Zubsolv® and steadily realize an increase in number of prescribers and patients taking advantage of this treatment. The evidence that this strategy is working is exemplified by more than 1 100 new prescribers of Zubsolv in 2015, an increased market share in the commercial segment H1 with 1.3 percentage point to 8.6% and a 20 percent growth in prescriptions from December to June[1] in this segment. However, the rate at which Zubsolv is adopted by new prescribers into their clinical practice is not yet at a level we are satisfied with. We therefore continue to advance our negotiations with payers in the US and are confident that additional contracts in the public segment covering key geographies for Zubsolv will be secured. These contracts will enable Zubsolv to secure a preferential position and possibly an exclusive position in the category in selected geographies during the second half of 2015 and first half of 2016, and thereby facilitate use of Zubsolv for commercially insured patients at the same time.

Overall the market for Zubsolv has shown limited dynamics during the second quarter. Total market shares between the competing products have only moved marginally, although shifts have been realized across the different payer categories. Thus, while Zubsolv has gained around half a percent share in the commercial segment, the overall market share has remained on the same level around 6 percent[1] due to loss of share in the cash and public segment. The feedback we receive from physicians starting to prescribe Zubsolv is encouraging, with especially patients new to treatment appreciating the clinical effect and convenience of Zubsolv. However there is inertia from some existing patients and physicians to accept and switch to a new product with higher bioavailability and different dosages than their current treatment. To address the inertia of physicians not prescribing Zubsolv we have increased the size of our field force enabling increased frequency in our dialog with the physicians and reach to more physicians. In an effort to further catalyze the sales of Zubsolv, we have made changes in the commercial leadership structure during the second quarter and initiated a strategy to convert selected top performing representatives of the field force into Orexo employees. We believe these changes will improve performance this year based on enhanced agility, business focus and ability to retain the most talented commercial colleagues in the US.

While our main focus is on the commercialization of Zubsolv in the US, the dialog with potential partners for Zubsolv outside the US and our new product OX51 has progressed well. We will initiate negotiations with several potential partners for both products during the summer.

The second quarter has not met our ambitions of continuous growth in the overall market share of Zubsolv. However, with new agreements improving our market access positions with payers, an extended field force and the launch of two new dosages and anticipated approval of the induction label combined with our dedication to make Zubsolv available to more patients as the drug of choice; my colleagues and I are confident we will see good progress in the second half of 2015 and we will continue to invest to win market share and growing Zubsolv.

Nikolaj Sørensen
President and CEO

1 IMS weekly prescription data. WK data for same period shows 6.0% market share, the last 4 weeks of June.

Operations

Launched products

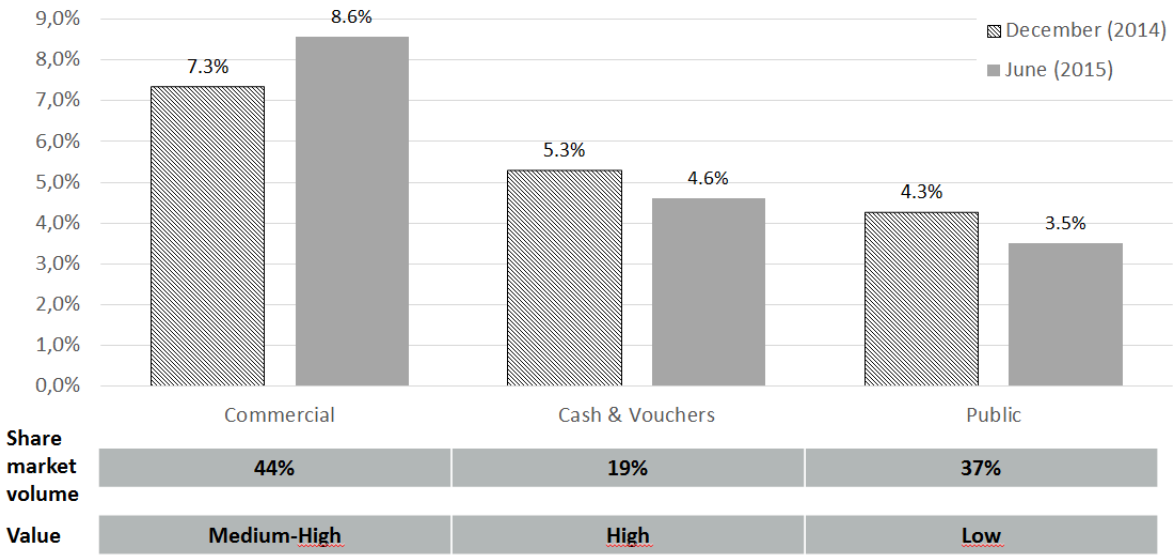
Zubsolv® – treatment of opioid dependence

(buprenorphine/naloxone CIII sublingual tablet) for maintenance treatment of opioid dependence.

The market for Zubsolv consists of three distinct payer segments, commercial (private insurance), cash (patient) and public (Managed Medicaid, FFS Medicaid and Medicare Part D). Overall the market has grown 8.2 percent during the first half of 2015 compared to first half of 2014, and with the investments and attention from the US healthcare systems to provide access to treatment, the market growth remains very attractive. The primary growth driver has been the public sector with more than 20 percent growth, but also the commercial segment continues to increase, while the cash segment is declining.

During the first half of 2015 Zubsolv grew with 22 percent in prescriptions compared to first half 2014 and the second quarter grew with 4 percent compared to the first quarter 2015. The main growth driver is increased market share in the commercial segment from 7.3 percent to 8.6 percent, which has been partly offset by loss of market share in the cash and public segments. The decline in the public sector is fully explained by loss in volume with WellCare, accounting for around 17 percent of our total sales. Initially in the first quarter the decline in WellCare prescriptions was driven by patients shifting to different Managed Medicaid providers that offered Suboxone Film. Additional demand loss continued albeit at a slower rate due to two factors. First, evaporation similar to the development observed in previous exclusive agreements, this is explained by Zubsolv's higher bio-availability making Zubsolv less attractive than the competition for diversion and misuse. Secondly, during Q2 the decline in WellCare is new legislation in Kentucky, which will impose changes on the practices of physicians who prescribe buprenorphine which includes restrictions on prescription size and the ability of physicians to take cash payment from Medicaid patients. These legislative changes have led to declines in prescription volume across all managed Medicaid programs associated with Kentucky.

Zubsolv Market Share per Type of Payer (rolling 4 weeks)



December data: R4W WE 12/26/2014 June data: R4W WE 6/19/2015 Source: IMS PA

In addition to our sales force changes, our US marketing team has taken the dialog with the opioid addiction stakeholders to a new level through the Out the Monster campaign (www.outthemonster.com). The campaign is very well received by all stakeholders and won the Gold Lion Health Award in Cannes in June recognizing the innovation and quality of the campaign.

Commercial (private insurance)
(44% of the total market, 65% of Zubsolv business in June)

In the commercial segment Zubsolv market share increased by 1.3 percentage points and prescriptions grew 20 percent during H1 comparing the four weeks ending June 19th with December. In the second quarter the market share grew approx. 0.5 percentage points. The growth in market share during Q2 can be attributed to growth across many commercial insurers where Zubsolv has a parity formulary position to the competition in addition to growth demonstrated at CVS-Caremark and at United Healthcare.

To improve the gross to net ratio (rebates) it is important for Orexo to gain market share with the commercial insurers above that of the heavily discounted public payer contracts. The overall growth in this segment YoY for the first half of 2015 was 5.4 percent and Zubsolv is accessible to more than 90 percent of the patients.

Cash (patient)
(19% of the total market, 13% of Zubsolv business in June)

Early in the first half of 2015 our main competitor improved their vouchers for cash patients from a maximum of $50 rebate to a potential of $200 rebate. Despite this large increase in rebate the changes in market share were marginal during the first half of 2015, with Zubsolv® experiencing a marginal loss of market share of 0.7 percentage points to 4.7 percent market share. The competition in this segment has increased significantly, with a new branded competitor offering a first month free trial, and one new generic product, resulting in improved voucher programs from the pharmacy chains. Orexo offers cash patients a rebate of up to 35% of our list price for the most prescribed dosage 5.7 mg/1.4 mg using our co-pay coupons. The overall decline of this segment YoY for the first half of 2015 was -8.2 percent and Zubsolv is accessible for 100 percent of the patients.

Public (Managed Medicaid, FFS Medicaid, Medicare)
(37% of the total market, 22% of Zubsolv business in June)

The public market is different than the commercial and cash markets, as access to the market is tightly controlled by the payers contracted to manage the public funds available to pay for prescriptions. Most payers have policies encouraging listing generic alternatives as a first choice if they exist in the product category. With four generics in the market we have seen increased hesitance on the part of the payers to give first line access to new branded competitors. Orexo is in advanced negotiations with several larger payers covering key geographies for Zubsolv. This improvement in market access will enable Zubsolv to secure a preferential position and possibly an exclusive position in the category during the second half of 2015 and first half of 2016. When completed this improvement in market access will increase access to Zubsolv for patients in this category significantly in selected geographies.

Although usually they are a smaller part of the overall market the public payers are often leaders in their local markets and drive selection of medicine in certain geographies. Thus, it is important for Zubsolv to gain access to the patients with public insurance to gain a position in specific geographies. The rebate levels in the public market are significantly higher than in the commercial market, as all companies are required by law to provide at least the same rebate (“best price”) as is

offered to the commercial insurance companies. The overall growth of this segment YoY for the first half of 2015 was 21.0 percent and Zubsolv is accessible for 43.0 percent of the patients.

Life cycle management

During the quarter Zubsolv 2.9 mg/0.8 mg buprenorphine/naloxone dosage was approved by the FDA, with an anticipated launch during H2 2015. The launch of the new dosage and the previously approved 11.4 mg/2.9 mg buprenorphine/naloxone dosage will be coordinated with the anticipated approval of the expansion of the label for Zubsolv to include induction, which is expected during Q3.

Orexo has initiated a new registry study and is pleased to announce commencement of the REZOLV (Retrospective Evaluation of Zubsolv Outcomes – A Longitudinal View) study. The study demonstrates Orexo's continued commitment to further improve clinical outcomes in the treatment of the opioid dependent patient. This retrospective look at the use of Zubsolv in a real world setting and aims to fill a significant gap in the knowledge base of how best to treat opioid dependency through examining and characterizing the impact of treatment and psychosocial factors on early treatment outcomes. Factors such as: patient and prescriber characteristics, care settings, patient agreements and behavioral therapies will be studied. Significant interest has already been shown by numerous sites and set up activities are advanced with data expected in the first half of 2016.

Abstral® and Edluar®

Due to the early timing of the Q2 report, Orexo has not yet received final data for second quarter sales of Abstral and is still waiting for the first six months sales data of Edluar. Data included in this report are based on Orexo's forecast and available Abstral sales reports for Q1 from our partners.

Abstral – breakthrough pain in cancer patients

Sales of Abstral in the EU continue to grow and amounted to MEUR 18, which is an increase of 16 percent in Q1 2015 compared to Q1 2014. Orexo receives royalties on sales exceeding MEUR 42.5, which is expected to happen in early or mid Q3.

The US market for Abstral, i.e. fentanyl-based products for breakthrough pain, continues to grow. Net sales grew to MUSD 2.7, which is equal to a 27 percent increase in Q1 2015 compared to Q1 2014. In February, Orexo filed a patent infringement action against Actavis Laboratories FL, Inc. and the process is ongoing.

Sales of Abstral in the region RoW (markets excluding EU and the US) have continued to grow and a milestone payment of USD 50,000 was received upon registration approval in Korea in February. Total sales for the RoW reached MUSD 0.7 in Q1 2015, which is an increase of 155 percent compared with Q1 2014.

The launch of Abstral in Japan was successful. Due to that the market for treatment of breakthrough cancer pain with rapid acting fentanyl is still in the early stages, our commercial partner Kyowa Hakko Kirin is focusing on growing the market.

Edluar – treatment of short-term insomnia

Orexo has not yet received the final data for first six months sales for Edluar from its commercial partner Meda AB, hence the royalties are based on Orexo's estimate.
During the quarter Orexo reached a settlement agreement with Mylan in the US and there is currently no ongoing patent litigation processes related to Edluar and Orexo will not incur any further expenses related to this litigation.

Kibion - test and analytical instruments for diagnosing the gastric ulcer bacterium *Helicobacter pylori*
On April 30 the subsidiary Kibion AB was divested to a team of Swedish investors with a very solid background within diagnostics and gastroenterological diseases. The primary objective of the divestment was to further strengthen the core focus on the continued development of the pharmaceutical business and on maximizing the commercial potential of Zubsolv®.

Development programs

OX51 – prevention of acute episodes of pain
OX51 is a new sublingual formulation containing alfentanil. The project has been developed to meet the rapidly growing demand for effective pain relief during short surgical and diagnostic procedures.

A placebo-controlled dose-finding study in patients undergoing prostate biopsy was completed in 2013. The results supported a continuation of the development of OX51 to the next phase in development towards a new product. Work is ongoing to scale-up the manufacturing process and prepare for initiation of a phase III clinical trial.

The commercial potential of OX51 is estimated to be substantial and Orexo is presently in the process of identifying an optimal partner for phase III and commercialization in various geographies. Discussions are ongoing with several companies.

Collaboration projects

OX-MPI – PGE2-inhibition (Prostaglandin E2)
In August 2014, Boehringer Ingelheim returned the OX-MPI project to Orexo. Boehringer Ingelheim had been responsible for all research and development of OX-MPI since 2005.

Orexo has evaluated all data on the selected development compound from Boehringer Ingelheim and still sees value in the project and is now actively seeking a new external partner. The OX-MPI project is associated with an intangible fixed asset of MSEK 62 and this asset may be impaired if a final decision is taken to discontinue the project.

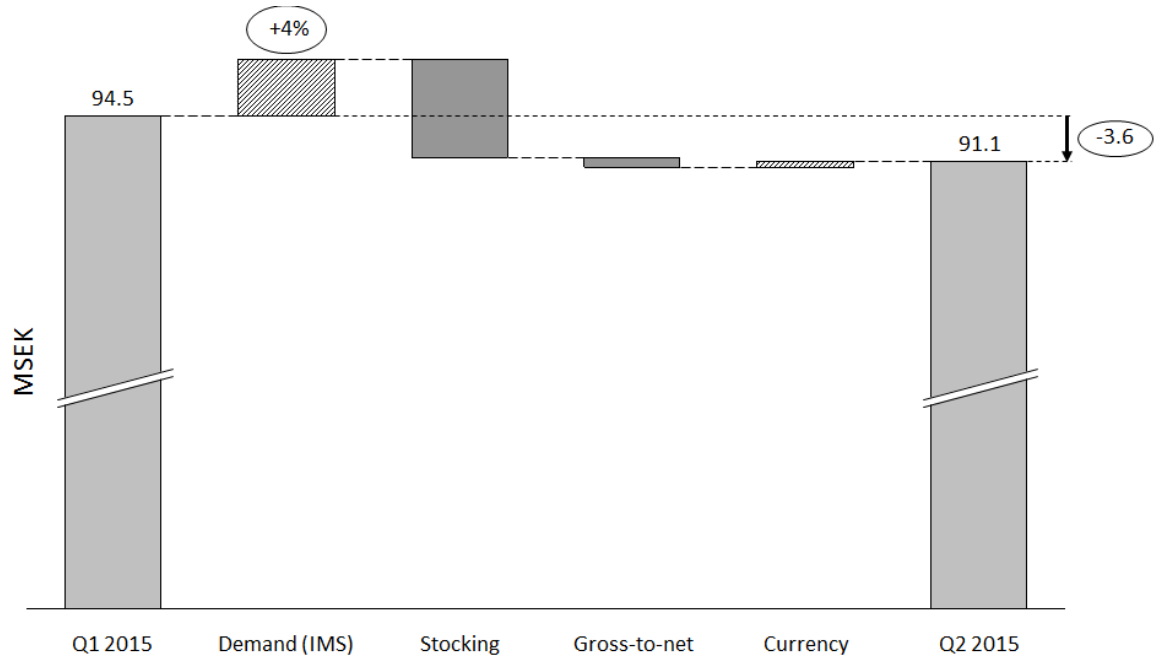
OX-CLI - respiratory tract diseases
In January 2013, Orexo entered into a collaboration agreement with AstraZeneca regarding OX-CLI, a preclinical program for potential new treatment of respiratory tract diseases. AstraZeneca is responsible for all development costs for the project.

The interim period January-June in figures

Revenues

The Zubsolv® Q2 revenue amounted to MSEK 91.1 (47.5) corresponding to a 92% growth over same period last year. Compared with Q1, 2015, Zubsolv revenue declined by 3.6% due to continued reduction of wholesaler inventory levels. The reduction of wholesaler inventory levels was primarily due to consumption of the 8.6mg/2.1 mg Zubsolv pipeline fill that was supplied to wholesalers during Q1, 2015, when the 8.6mg/2.1mg Zubsolv dosage was launched.
Despite a stable rolling four week volume market share of 5.9 percent the market demand (volume/IMS) contributed positively to Q2 Zubsolv revenue versus the Q1 level. The gross-to-net ratio in Q2 was marginally lower than in Q1 as a consequence of decline in the cash segment, which is the most profitable for Orexo. SEK/USD rate made a slightly positive contribution to Q2 revenue.

Q2 Zubsolv growth by key drivers [1)]



1) Analysis based on IMS demand volume growth. Stocking is calculated as a residual and sanity checked with wholesaler data. Gross-to-net and currency components are actuals.

Total Abstral® royalties and milestone payments amounted to MSEK 27.8 (52.4) for the period April-June 2015 and to MSEK 69.6 (110.3) for the period January-June 2015. The decrease is explained by the lower Abstral fixed royalty. This royalty represents an amortization of the final fixed and unconditional payment related to the 2012 agreement with ProStrakan. The fixed royalty was fully recognized in the P&L by May 2015.

Royalty revenues from Edluar® amounted to MSEK 3.3 (3.6) for the period April-June 2015 and to MSEK 7.5 (7.5) for the period January-June 2015.

Kibion's revenue for the quarter amounted to MSEK 4.3 (12.1) as only April was included due to the divestment of Kibion.

Total revenues

Total revenues during the period April-June 2015 amounted to MSEK 126.5 (117.3) MSEK, an increase of 8 percent compared with the same period the previous year, driven by Zubsolv®. For the period January-June 2015 total revenues amounted to MSEK 275.5 (219.1).

Total net revenues were distributed as follows:

MSEK	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014
Abstral® royalties	5.3	3.4	12.2	5.7	46.6
Fixed royalty Abstral	22.5	49.0	57.0	104.6	173.6
Milestone payment Abstral	-	-	0.4	-	58.5
Abstral – total	***27.8***	***52.4***	***69.6***	***110.3***	***278.7***
Edluar® royalties	3.3	3.6	7.5	7.5	10.7
Zubsolv	91.1	47.5	185.6	80.1	228.0
Kibion	4.3	12.1	12.8	19.5	51.2
Other	-	1.7	-	1.7	1.7
Total	***126.5***	***117.3***	***275.5***	***219.1***	***570.3***

Costs and earnings

In this section, all references to future cost and spend levels are subject to changes of plan, the occurrence of unforeseen events and changes in exchange rates versus Swedish Kronor.

Cost of goods sold

The cost of goods sold amounted to MSEK 36.4 (24.8) for the period April-June 2015 and to MSEK 69.1 (41.6) for the period January-June 2015.

Selling expenses

Selling expenses amounted to MSEK 81.7 (55.1) for the period April-June 2015. Q2 selling expenses grew by 12% over Q1 driven by expansion of the field force and the launch of new marketing campaigns for Zubsolv in the US. The Q2 expense level is expected to stay approximately the same in Q3 and Q4. Selling expenses for the period January-June 2015 amounted to MSEK 154.8 (84.6).

Administrative expenses

Administrative expenses for the period April-June 2015 amounted to MSEK 33.1 (27.7). Included are significant costs related to maintenance and protection of IP rights. For the period January-June 2015 the administrative expenses amounted to MSEK 64.8 (52.5). The expense level in H2, 2015, is expected to be approximately the same as in H1, but this is highly dependent on progress in and development of legal disputes.

Research and development costs

For the period April-June 2015, research and development costs amounted to MSEK 38.1 (50.5). This corresponds to 9% growth over Q1 2015 and is explained by the initiation of a new Zubsolv registry study in the US. For the period January-June 2015 R&D costs amounted to MSEK 73.2 (98.3). For the full year 2015, R&D costs are expected to end slightly above MSEK 200 and none of this will be capitalized.

Costs for long-term incentive program

The Group's total costs for employee stock option programs during the period April-June 2015 amounted to MSEK -8.4 (-1.3). The negative costs are due to reduced provisions for social security fees due to the development of the Orexo share price during the period. For the period January-June 2015 the costs amounted to MSEK -9.3 (-7.0).

Other income and expenses
Other income and expenses amounted to MSEK -14.5 (2.4) during the period April-June 2015 and include a loss on the sale of the subsidiary Kibion amounting to MSEK 5.3. In the calculation of the loss on the sale of Kibion only part of the total purchase price has been included. A potential three year earn-out payment will eventually more than compensate for the loss in Q2 when it is being recognized.
For the period January-June 2015 other income and expenses amounted to MSEK 1.0 (3.2). Except for the loss on divestment of Kibion other income and expenses primarily comprised exchange-rate gains/losses from revaluation of balance sheet items in foreign currency. The lower SEK/USD rate by the end of Q2 compared with Q1 explained the negative impact in Q2.

Depreciation and amortization
Depreciation and amortization amounted to MSEK 3.1 (2.5) for the period April-June 2015 and to MSEK 6.1 (4.9) for the period January-June.

Net financial items
Net financial items for the period April-June 2015 amounted to MSEK -5.7 (-9.8). All the net financial items are related to financing activities.
For the period January-June 2015 net financial items amounted to MSEK -11.3 (-13.7).

Earnings
Operating earnings amounted to MSEK -77.3 (-38.4) for the period April-June 2015 and to MSEK -85.4 (-54.7) for the period January-June 2015.

Cash-flow and financial position
At June 30, 2015, cash and cash equivalents amounted to MSEK 282.1 (110.6) and interest-bearing liabilities to MSEK 493.1 (496.0).

Cash flow from operating activities amounted to MSEK -35.6 (-228.2) for the period April-June 2015 driven by a negative contribution from operating earnings partly compensated by a reduction in working capital. Net working capital was primarily reduced by lower inventories and increased payables. Cash flow from operating activities for the period January-June amounted to MSEK -29.0 (-328.0).

The amount of MSEK 21.8 labelled Sale of subsidiary in the cash flow statement includes the cash portion of the upfront purchase price paid for Kibion, less Kibion's own cash position at closing. A deferred payment is included in the balance sheet and a potential 3 year earn-out is not included at all.

The financial position is considered adequate for Orexo to pursue the current strategy.

Shareholders' equity at June 30, 2015 was MSEK 369.0 (90.5). The equity/assets ratio was 31 (10) percent.

Investments in fixed assets
Gross investments in tangible and intangible fixed assets amounted to MSEK 1.2 (25.0) for the period April-June 2015. For the period January-June 2015 gross investments amounted to MSEK 2.2 (65.5).

Parent Company
Net revenues for the period January-June 2015 amounted to MSEK 208.8 (136.0). Earnings after financial items were MSEK -78.5 (-79.3). Investments amounted to MSEK 2.2 (65.2). As of June 30, 2015, cash and cash equivalents in the Parent Company amounted to MSEK 174.2 (80.3).

Risks and uncertainty factors

Significant risks and uncertainties are presented in the Annual Report for 2014. The overall risk has decreased since the approval of Zubsolv®. However, the launch of Zubsolv in the US will entail risk exposure of a more operational nature.

Future reporting dates

Interim report, January – September 2015	October 22, 2015
Year-end report for the 2015 financial year	January 28, 2016

Interim reports are covered in a conference call on the date of publication. Details on how to access the calls are provided in each report and on Orexo's website.

The company's auditors have not reviewed this interim report.

Assurance by the Board of Directors

The Board of Directors and the President give their assurance that the six-month report provides a fair and accurate view of the Company's and the Group's operations, financial position and earnings and describes the significant risks and uncertainties facing the company and the companies included in the Group.

Uppsala, July 10, 2015

Orexo AB (publ)

Martin Nicklasson Chairman of the Board	Raymond Hill Board member	Staffan Lindstrand Board member
Kristina Schauman Board member	Michael Shalmi Board member	David Colpman Board member

Nikolaj Sørensen
President and CEO

Consolidated statement of operations

MSEK	Notes	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net revenues		126.5	117.3	275.5	219.1	570.3
Cost of goods sold	2	-36.4	-24.8	-69.1	-41.6	-107.4
Gross profit		**90.1**	**92.5**	**206.4**	**177.6**	**462.9**
Selling expenses	2	-81.7	-55.1	-154.8	-84.6	-193.6
Administrative expenses	2	-33.1	-27.7	-64.8	-52.5	-113.0
Research and development costs	2	-38.1	-50.5	-73.2	-98.3	-197.8
Other operating income and expenses	2	-14.5	2.4	1.0	3.2	16.5
Operating earnings		**-77.3**	**-38.4**	**-85.4**	**-54.7**	**-25.0**
Net financial items		-5.7	-9.8	-11.3	-13.7	-27.6
Earnings before tax		**-83.0**	**-48.2**	**-96.7**	**-68.4**	**-52.6**
Tax		-1.6	-2.0	-3.4	-3.0	-4.0
Net earnings for the period[1)]		**-84.6**	**-50.2**	**-100.1**	**-71.4**	**-56.6**

Consolidated statement of comprehensive income

MSEK	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Earnings for the period	**-84.6**	**-50.2**	**-100.1**	**-71.4**	**-56.6**
Other comprehensive income					
Items that may subsequently be reversed to the statement of operations:					
Cash flow hedge	1.4	-5.7	2.8	-5.7	-2.8
Exchange-rate differences	7.3	-1.2	4.1	-1.1	-0.3
Other comprehensive earnings for the period, net after tax	**8.7**	**-6.9**	**6.9**	**-6.8**	**-3.1**
Total comprehensive earnings for the period [1)]	**-75.9**	**-57.1**	**-93.2**	**-78.2**	**-59.7**
Earnings per share, before dilution, SEK	-2.46	-1.58	-2.91	-2.24	-1.73
Earnings per share, after dilution, SEK	-2.46	-1.58	-2.91	-2.24	-1.73

[1)] *All equity and earnings for the respective period are attributable to the Parent Company's shareholders. There are no non-controlling interests.*

Consolidated balance sheet

MSEK	Notes	2015 June 30	2014 June 30	2014 Dec 31
ASSETS				
Fixed assets				
Tangible fixed assets		26.6	31.3	29.1
Goodwill		-	26.7	27.4
Acquired research and development		62.3	62.3	62.3
Other intangible fixed assets		168.1	167.8	169.5
Financial assets		1.3	1.2	1.2
Total fixed assets		**258.3**	**289.3**	**289.5**
Current assets				
Inventories		447.8	435.1	478.1
Accounts receivable and other receivables		194.5	80.1	173.8
Cash and cash equivalents		282.1	110.6	284.5
Total current assets		**924.4**	**625.8**	**936.4**
Total assets		**1 182.7**	**915.1**	**1 225.9**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Total shareholders' equity	3	**369.0**	**90.5**	**455.0**
Long-term liabilities				
Provisions		6.9	9.4	9.0
Long-term liabilities, non-interest bearing		-	-	-
Long-term liabilities, interest bearing		493.1	493.6	493.8
Deferred tax liability		-	0.5	-
Total long-term liabilities		**500.0**	**503.5**	**502.8**
Current liabilities				
Current liabilities, non-interest bearing		313.7	318.7	265.6
Current liabilities, interest bearing		-	2.4	2.5
Total current liabilities		**313.7**	**321.1**	**268.1**
Total liabilities		**813.7**	**824.6**	**770.9**
Total shareholders' equity and liabilities		**1 182.7**	**915.1**	**1 225.9**

Consolidated changes in shareholders' equity

MSEK	2015 June 30	2014 June 30	2014 Dec 31
Opening balance, shareholders' equity	**455.0**	**161.5**	**161.5**
Total comprehensive earnings for the period	-93.2	-78.2	-59.7
Employee stock options, vested amount	3.3	5.9	11.5
Buyback of shares	-	-	189.7
New share issues	3.9	1.3	152.0
Closing balance, shareholders' equity	**369.0**	**90.5**	**455.0**

Consolidated cash-flow statements

MSEK	Notes	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Operating earnings		-77.3	-38.4	-85.4	-54.7	-25.0
Financial income and expenses		-7.0	-12.5	-14.7	-16.6	-31.6
Adjustment for non-cash items	4	2.8	1.5	4.9	-1.7	21.0
Cash flow from operating activities before changes in working capital		**-81.5**	**-49.4**	**-95.2**	**-73.0**	**-35.6**
Changes in working capital		**45.9**	**-178.8**	**66.2**	**-255.0**	**-451.7**
Cash flow from operating activities		**-35.6**	**-228.2**	**-29.0**	**-328.0**	**-487.3**
Acquisition of tangible and intangible fixed assets		-1.2	-25.0	-2.2	-65.5	-71.7
Sale of subsidiary		21.8	-	21.8	-	-
Cash flow from investing activities		**20.6**	**-25.0**	**19.6**	**-65.5**	**-71.7**
New share issue		3.2	0.1	3.9	1.3	189.7
Sales of treasury shares		-	-	-	-	152.0
Change in loans		-0.6	334.4	-1.3	398.8	397.7
Cash flow from financing activities		**2.6**	**334.5**	**2.6**	**400.1**	**739.4**
Cash flow for the period		**-12.4**	**81.3**	**-6.8**	**6.6**	**180.4**
Cash and cash equivalents at the beginning of the period		**289.3**	**30.7**	**284.5**	**105.6**	**105.6**
Exchange-rate differences in cash and cash equivalents		5.2	-1.4	4.4	-1.6	-1.5
Changes in cash and cash equivalents		-12.4	81.3	-6.8	6.6	180.4
Cash and cash equivalents at the end of the period		**282.1**	**110.6**	**282.1**	**110.6**	**284.5**

Key figures

	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Operating margin, %	-61	-33	-31	-25	-4
Return on equity, %	-21	-42	-24	-55	-27
Net debt, MSEK	-211	-385	-211	-385	-212
Debt/equity ratio, %	134	548	134	548	109
Equity/assets ratio, %	31	10	31	10	37
Number of shares, before dilution	34,445,810	31,823,859	34,445,810	31,823,859	34,345,697
Number of shares, after dilution	34,820,507	32,671,750	34,820,507	32,671,750	35,306,976
Earnings per share, before dilution, SEK	-2.46	-1.58	-2.91	-2.24	-1.73
Earnings per share, after dilution, SEK	-2.46	-1.58	-2.91	-2.24	-1.73
Number of employees at the end of the period	101	112	101	112	90
Shareholders' equity, KSEK	369,064	90,543	369,064	90,543	455,023
Capital employed, KSEK	862,184	586,070	862,184	586,070	951,259

Definitions of key figures are presented on the final page of this report.

Parent Company statement of operations

MSEK	Notes	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net revenues		86.3	73.1	208.8	136.0	398.5
Cost of goods sold		-33.1	-15.5	-72.1	-19.8	-64.2
Gross profit		**53.2**	**57.6**	**136.7**	**116.2**	**334.3**
Selling expenses		-65.7	-43.9	-123.6	-67.4	-157.5
Administrative expenses		-24.9	-19.2	-46.3	-35.6	-74.6
Research and development costs		-29.9	-42.6	-55.5	-82.9	-160.7
Other operating income and expenses		3.0	2.3	21.1	3.4	19.0
Operating earnings		**-64.3**	**-45.8**	**-67.6**	**-66.3**	**-39.5**
Interest income and expenses		-4.9	-4.8	-9.7	-6.7	-17.9
Other financial expenses		-0.6	-4.4	-1.2	-6.3	-8.0
Net financial items		**-5.5**	**-9.2**	**-10.9**	**-13.0**	**-25.9**
Earnings before tax		**-69.8**	**-55.0**	**-78.5**	**-79.3**	**-65.4**
Tax		-0.4	-	-0.5	-	-0.5
Earnings for the period		**-70.2**	**-55.0**	**-79.0**	**-79.3**	**-65.9**

Parent Company balance sheet

MSEK	Notes	2015 Jun 30	2014 Jun 30	2014 Dec 31
ASSETS				
Fixed assets				
Tangible and intangible fixed assets		193.5	196.9	196.6
Shares in subsidiaries		210.1	202.2	208.8
Total fixed assets		**403.6**	**399.1**	**405.4**
Current assets				
Inventories		336.4	348.7	378.4
Accounts receivable and other receivables		221.0	179.9	232.7
Cash and bank balances		174.2	80.3	247.2
Total current assets		**731.6**	**260.2**	**858.3**
Total assets		**1 135.2**	**1 008.0**	**1 263.7**
SHAREHOLDERS' EQUITY. PROVISIONS AND LIABILITIES				
Shareholders' equity		**432.8**	**145.2**	**504.7**
Long-term liabilities		**500.0**	**500.1**	**500.9**
Current liabilities		**202.4**	**362.7**	**258.1**
Total liabilities		**702.4**	**862.8**	**759.0**
Total shareholders' equity and liabilities		**1 135.2**	**1 008.0**	**1 263.7**
Pledged assets		**100.0**	**100.0**	**100.0**
Contingent liabilities		**-**	**-**	**-**

Notes

1. Accounting policies

- This interim report was prepared pursuant to IAS 34. Orexo applies IFRS as approved by the EU.
- The accounting policies stated below are in line with those applied in the preparation of the 2014 Annual Report.
- The Parent Company's financial statements were prepared in accordance with RFR 2 (Swedish Financial Reporting Board's recommendation) and Chapter 9 of the Swedish Annual Accounts Act.

New and amended accounting policies as of 2015

- No new or amended International Financial Reporting Standards have come into effect that have any significant impact on the Group.

2. Costs distributed by type of cost

MSEK	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Raw materials and supplies	30.8	21.3	59.2	35.3	91.8
Other external costs	136.8	106.6	244.5	180.4	375.2
Personnel costs	33.0	33.3	71.4	63.4	154.4
Depreciation/amortization and impairment	3.1	2.5	6.1	4.9	12.5
Total	**203.7**	**163.7**	**381.2**	**284.0**	**633.9**

Research and development costs encompass costs for personnel, premises, external costs for clinical trials, pharmaceutical registration and laboratory services, and the depreciation/amortization of equipment, acquired patents and other intangible assets.

3. Shareholders' equity

Shares outstanding
The number of shares outstanding as of June 30, 2015 was 34,445,810, all of which were common shares. All shares carry entitlement to one vote each.

Number of shares outstanding at January 1, 2015	34,345,697
Subscription for shares through exercise of employee stock options	100,113
Shares outstanding at June 30, 2015	34,445,810

Options

As of June 30, 2015, a total of 1,986,645 options were outstanding that carry rights to new subscription of 1,949,483 shares in Orexo and the exchange of 37,162 options for shares in Orexo. 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 distributed by category.

Options to employees and Board members	**Opening, Jan 1, 2015**	**Change**	**Closing, June 30, 2015**
Of which:			
Approved and allotted employee stock options	1,851,105		1,851,105
Exercised		-100,113	-100,113
Allotted		127,404	127,404
Expired		-123,496	-123,496
Approved and allotted Board options	199,022		199,022
Expired		-3,750	-3,750
Employee stock options approved by AGM, unallotted	497,417	-497,417	-
Warrants held by subsidiaries as cash-flow hedging for social security fees	36,473		36,473
Total number of options outstanding	**2,584,017**	**-597,372**	**1,986,645**

During the period January-June 2015, a total of 100,113 employee stock options from Orexo's options program were exercised.

Number of shares after full dilution	
Shares outstanding at June 30, 2015	34,445,810
Employee stock options allotted	1,949,483
	36,395,293

4. Cash flow

Adjustment for non-cash items

MSEK	**2015 Apr-Jun**	**2014 Apr-Jun**	**2015 Jan-Jun**	**2014 Jan-Jun**	**2014 Jan-Dec**
Depreciation/amortization and impairment	3.1	2.9	6.1	5.3	12.5
Estimated costs for employee stock options program	-8.4	-1.4	-9.3	-7.0	5.7
Financial expenses, convertible bond	2.8	-	2.8	-	2.8
Sales of subsidiary	5.3	-	5.3	-	-
Total	**2.8**	**1.5**	**4.9**	**-1.7**	**21.0**

5. Pledged assets and contingent liabilities

Warrants were issued to Pyrinox AB as cash-flow hedging for social security fees pertaining to the employee stock options issued by Biolipox. Orexo has pledged to handle any deficits exceeding the cover provided by the warrants during their lifetime through December 31, 2016.

Definitions of key figures

Key figures and certain other operating information per share are defined as follows:

Number of shares after dilution	Shares at the end of the period adjusted for the dilutive effect of potential shares.
Return on shareholders' equity	Net earnings for the period as a percentage of average shareholders' equity.
Net debt	Current and long-term interest-bearing liabilities including pension liabilities, less cash and cash equivalents.
Earnings per share, before dilution	Net earnings for the period after tax divided by the average number of shares outstanding before dilution during the period.
Earnings per share, after dilution	Net earnings for the period after tax divided by the average number of shares outstanding after dilution during the period.
Operating margin	Operating earnings as a percentage of net revenues.
Debt/equity ratio	Interest-bearing liabilities divided by shareholders' equity.
Equity/assets ratio	Shareholders' equity as a percentage of total assets.
Capital employed	Interest-bearing liabilities and shareholders' equity.