

Minutes kept at the annual general meeting of **Orexo AB (publ)**, reg. no. 556500-0600, on 26 April, 2024 in Uppsala.

## § 1

The annual general meeting was declared open by Rikard Lindahl from Advokatfirman Vinge as instructed by the board of directors.

## § 2

Rikard Lindahl from Advokatfirman Vinge was elected chairman of the meeting. It was noted that Rikard Lindahl had been instructed to keep the minutes at the meeting.

## § 3

The attached list, Appendix 1, was approved to serve as the voting list at the meeting.

## § 4

The agenda presented in the notice convening the meeting was approved to serve as the agenda for the meeting.

## § 5

It was resolved that the minutes of the meeting should be approved, together with the chairman, by Eric Svenningson, representing Arbejdsmarkedets Tillaegspension, Acadian Non-US Microcap Equity Fund, LLC, Ensign Peak Advisors Inc., and Handelsbanken Sverige Index Criteria.

## § 6

It was established that the meeting had been duly convened.

## § 7

The managing director, Nikolaj Sørensen, held a speech including an account of the company's business during the business year 2023.

## § 8

The annual report and the auditor's report as well as the consolidated financial statements and the consolidated auditor's report for the financial year 2023 were presented. Oskar Wall from Ernst & Young Aktiebolag reported on the audit for the past financial year.

## § 9

It was referred to the corporate governance report for the work of the board of directors during the business year 2023 and the work of the remuneration and audit committees.

## § 10

The income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet in the annual report were adopted.

## § 11

It was resolved, in accordance with the proposal of the board of directors, that there shall be no dividend for 2023 and that the company's result shall be carried forward.

## § 12

The members of the board of directors and the managing director were discharged from liability in respect of their management of the company's business during the financial year 2023.

It was noted that each person concerned, if registered in the voting list, did not participate in the resolution regarding themselves.

## § 13

It was resolved, in accordance with the nomination committee's proposal that the board of directors, until the end of the next annual general meeting, shall consist of five board members with no deputy members and that the company shall appoint one auditor without deputy auditor.

## § 14

It was resolved, in accordance with the nomination committee's proposal, that remuneration to the board of directors shall, until the end of the next annual general meeting, amount to in total SEK 2,650,000 to be allocated as follows: SEK 900,000 to the chairman and SEK 300,000 to each of the other board members, and in total SEK 400,000 to be allocated to the members of the audit committee so that the chairman of the committee receives SEK 200,000 and SEK 200,000 are allocated in equal parts between the other members of the committee, and in total SEK 150,000 to be allocated to the members of the remuneration committee in equal parts between the members of the committee.

It was resolved, in accordance with the nomination committee's proposal, that the independent board members James Noble, Staffan Lindstrand, Fred Wilkinson, Christine Rankin and Robin Evers shall receive an additional fee of SEK 850,000, subject to (i) the board member's acquisition of shares in Orexo for the entire part (after taxes) of such additional board fee as soon as possible following the annual general meeting's resolution and the pay-out of the additional board fee, and (ii) the board member's commitment not to sell the shares during the board member's entire tenure on the Orexo board. The additional board fee is to be allocated as follows: SEK 450,000 to the chairman, corresponding to 50 percent of the ordinary board fee to the chairman, and SEK 100,000 to each of Staffan Lindstrand, Fred Wilkinson, Christine Rankin and Robin Evers, corresponding to 33 percent of the ordinary board fee to such board members. In the event that the board member, before the succeeding annual general meeting, is dismissed due to breach of his/her obligations as a board member or leaves the board at his/her own request, the board member must repay the entire additional board fee (after taxes). James Noble has not participated in the nomination committee's handling of the proposal insofar as it concerns himself.

It was resolved, in accordance with the nomination committee's proposal, that fees to the auditor shall be paid against approved accounts.

### **§ 15**

It was resolved, in accordance with the nomination committee's proposal, to re-elect James Noble, Staffan Lindstrand, Fred Wilkinson, Christine Rankin and Robin Evers as members of the board of directors, until the end of the next annual general meeting. James Noble was elected chairman of the board.

It was resolved, in accordance with the nomination committee's proposal, to re-elect Ernst & Young Aktiebolag as auditor for the period up until the end of the next annual general meeting.

### **§ 16**

The board of directors' remuneration report for the financial year 2023 was presented, [Appendix 2](#).

It was resolved to approve the board of directors' remuneration report.

### **§ 17**

The nomination committee's proposal for resolution regarding the nomination committee was presented, [Appendix 3](#).

It was resolved in accordance with the nomination committee's proposal.

### **§ 18**

The board of directors' proposal regarding authorization for the board of directors to resolve to issue new shares was presented, [Appendix 4](#).

It was resolved in accordance with the board of directors' proposal. It was noted that the proposal was passed with the support of shareholders holding not less than two-thirds of both the shares voted for and of the shares represented at the general meeting.

It was noted that Skandia Fonder voted against the proposal regarding authorization for the board of directors to resolve to issue new shares.

### **§ 19**

The board of directors' proposal regarding authorization for the board of directors to resolve to repurchase and transfer the company's own shares was presented, [Appendix 5](#).

It was resolved in accordance with the board of directors' proposal. It was noted that the proposal was passed unanimously.

### **§ 20**

The board of directors' proposal regarding adoption of a new performance-based long-term incentive program LTIP 2024 was presented, [Appendix 6](#).

It was resolved in accordance with the board of directors' proposal. It was noted that the proposal was passed with the support of shareholders holding not less than nine-tenths of both the shares voted for and of the shares represented at the general meeting.

It was noted that Skandia Fonder voted against the proposal regarding adoption of a new performance-based long-term incentive program LTIP 2024.

## § 21

The board of directors' proposal regarding adoption of a new performance-based long-term incentive program LTIP Stay-on 2024 was presented, Appendix 7.

It was resolved in accordance with the board of directors' proposal. It was noted that the proposal was passed with the support of shareholders holding not less than nine-tenths of both the shares voted for and of the shares represented at the general meeting.

It was noted that Skandia Fonder voted against the proposal regarding adoption of a new performance-based long-term incentive program LTIP Stay-on 2024.

## § 22

The annual general meeting in Orexo was declared closed.

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*[Separate signature page follows]*

N.B. This is an in-house translation of the Swedish language version. In the event of any discrepancies between the language versions, the Swedish version shall prevail.

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Signature page to minutes kept at the annual general meeting of Orexo AB on 26 April, 2024

In fidem:

Approved:

Rikard Lindahl

Eric Svenningson

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## Appendix 1

### **Voting list**

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## **Remuneration report 2023**

### Introduction

This report describes how the guidelines for executive remuneration of Orexo AB, adopted by the Annual General Meeting 2023, were implemented in 2023. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Stock Market Self-Regulation Committee.

Further information on executive remuneration is available in Note 10 (Remuneration to employees) in the Annual report 2023. Information on the work of the remuneration committee in 2023 is set out in the Corporate governance report in the Annual report 2023.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved Annually by the Annual General Meeting and disclosed in Note 10 in the Annual report 2023.

### Key developments 2023

The CEO summarizes the company's overall performance in the CEO comments in the Annual report 2023.

### The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed salary, variable remuneration, long-term incentive programs, pensions and other customary benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The guidelines are found in Note 10 in the Annual report 2023. During 2023, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on [www.orexo.com](http://www.orexo.com). No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the general meetings of the company have resolved to implement long-term share-related incentive plans.

### Share-based remuneration

#### ***Outstanding share-related and share price-related incentive plans***

The company has implemented eight combined share award and employee stock option programs (LTIP 2020/2023, LTIP Stay-On 2020/2023, LTIP 2021/2024, LTIP Stay-on 2021/2024, LTIP 2022/2025, LTIP Stay-On 2022/2025, LTIP 2023/2026 and LTIP Stay-On 2023/2026) for senior executives and

employees within the group, and for certain Global Management Team and US Leadership Team employees, respectively.

#### **LTIP 2020/2023**

The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the Board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2020 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, approximately 33% (one third) will pertain to Performance Target 1 and up to approximately 67% (two thirds) will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no Employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The program started on 8 June 2020. The CEO has been granted 18,800 share awards and 43,800 employee stock options. In total, 199,364 share awards and 447,448 employee stock options have been granted, which corresponds to 1.86% of the shares in the company on a diluted basis.

#### **LTIP Stay-on 2020/2023**

Qualification for participation in the program is conditional upon the participant (i) keeping shares from allocations in any of Orexo's implemented LTIPs between 1 May 2020 and 31 July 2020 ("Opt-in 1"), or (ii) investing in new Orexo shares with part of or the entire Annual cash bonus of the participant between 1 February 2021 and 30 April 2021 ("Opt-in 2"). The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the Board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2020 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, 50% will pertain to Performance Target 1 and 50% will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The part of the program relating to Opt-in 1 may not start later than 31 August 2020 and consequently end no later than on 31 August 2023. The part of the program relating to Opt-in 2 may not start later than 31 May 2021 and consequently end no later than on 31 May 2024. The CEO has been granted 4,230 share awards and 4,230 employee stock options. In total, 13,409 share awards and 13,409 employee stock options have been granted, which corresponds to 0.08% of the shares in the company on a diluted basis.

#### **LTIP 2021/2024**

The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the Board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2021 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, approximately 33% (one third) will pertain to Performance Target 1 and up to approximately 67% (two thirds) will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no employee stock options will vest unless the performance target is met. The



allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The program started on 15 June 2021. The CEO has been granted 28,800 share awards and 67,300 employee stock options. In total, 284,770 share awards and 664,180 employee stock options have been granted, which corresponds to 2.7% of the shares in the company on a diluted basis.

#### **LTIP Stay-on 2021/2024**

Qualification for participation in the program is conditional upon the participant (i) keeping shares from allocations in any of Orexo's implemented LTIPs between 1 May 2021 and 31 July 2021 ("Opt-in 1"), or (ii) investing in new Orexo shares with part of or the entire Annual cash bonus of the participant between 1 February 2022 and 30 April 2022 ("Opt-in 2"). The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the Board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2021 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, 50% will pertain to Performance Target 1 and 50% will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The part of the program relating to Opt-in 1 may not start later than 31 August 2021 and consequently end no later than on 31 August 2024. The part of the program relating to Opt-in 2 may not start later than 31 May 2022 and consequently end no later than on 31 May 2025. The CEO has been granted 0 share awards and 0 employee stock options. In total, 7,297 share awards and 7,297 employee stock options have been granted, which corresponds to 0.02% of the shares in the company on a diluted basis.

#### **LTIP 2022/2025**

The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the Board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2022 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, approximately 33% (one third) will pertain to Performance Target 1 and up to approximately 67% (two thirds) will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no Employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The program started on 12 May 2022. The CEO has been granted 57,900 share awards and 135,300 employee stock options. In total, 490,030 share awards and 1,142,665 employee stock options have been granted, which corresponds to 4.7% of the shares in the company on a diluted basis.

#### **LTIP Stay-on 2022/2025**

Qualification for participation in the program is conditional upon the participant (i) keeping shares from allocations in any of Orexo's implemented LTIPs between 1 May 2022 and 31 July 2022 ("Opt-in 1"), or (ii) investing in new Orexo shares with part of or the entire Annual cash bonus of the participant between 1 February 2023 and 30 April 2023 ("Opt-in 2"). The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the Board. The performance conditions focus on the holder still being employed by

the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2022 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, 50% will pertain to Performance Target 1 and 50% will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The part of the program relating to Opt-in 1 may not start later than 31 August 2022 and consequently end no later than on 31 August 2025. The part of the program relating to Opt-in 2 may not start later than 31 May 2023 and consequently end no later than on 31 May 2026. The CEO has been granted 3,848 share awards and 3,848 employee stock options. In total, 8,337 share awards and 8,337 employee stock options have been granted, which corresponds to 0.05% of the shares in the company on a diluted basis.

#### **LTIP 2023/2026**

The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the Board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2023 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, approximately 33% (one third) will pertain to Performance Target 1 and up to approximately 67% (two thirds) will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no Employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The program started on 30 June 2023. The CEO has been granted 66,700 share awards and 155,300 employee stock options. In total, 570,940 share awards and 1,330,252 employee stock options have been granted, which corresponds to 5.48% of the shares in the company on a diluted basis.

#### **LTIP Stay-on 2023/2026**

Qualification for participation in the program is conditional upon the participant (i) keeping shares from allocations in any of Orexo's implemented LTIPs between 1 May 2023 and 31 July 2023 ("Opt-in 1"), or (ii) investing in new Orexo shares with part of or the entire Annual cash bonus of the participant between 1 February 2024 and 30 April 2024 ("Opt-in 2"). The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the Board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2023 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, 50% will pertain to Performance Target 1 and 50% will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The part of the program relating to Opt-in 1 may not start later than 31 August 2023 and consequently end no later than on 31 August 2026. The part of the program relating to Opt-in 2 may not start later than 31 May 2024 and consequently end no later than on 31 May 2027. The CEO has been granted 3,760 share awards and 3,760 employee stock options. In total, 11,304 share awards and 11,304 employee stock options have been granted, which corresponds to 0.07% of the shares in the company on a diluted basis.

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**Table 1 – Total CEO remuneration in 2023 (kSEK)\***

Name of director (position)	1		2		3	4	5	6
	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration*****
Base salary**	Other benefits***	One-year variable	Multi-year variable****					
Nikolaj Sørensen (CEO)	3,642	119	1,209	265	N/A	749	5,984	75/25*****

\* Except for One-year and Multi-year variable remuneration, the table reports remuneration earned in 2023. One-year variable relates to the bonus for the financial year 2022 that was paid in 2023. Multi-year variable remuneration is reported if vested in 2023, as set out in column 10 of Table 2 and column 10 of Table 3 below (as applicable). Disbursement of any payments may or may not have been made the same year.

\*\* Including holiday pay.

\*\*\* Mainly company car and health insurance.

\*\*\*\* Vested share options and share awards as set out in in column 10 of Table 2 and in column 10 of Table 3 below.

\*\*\*\*\* Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration

\*\*\*\*\* Pursuant to the company's remuneration guidelines adopted on the Annual general meeting on April 18, 2023, the variable remuneration shall amount to a maximum of 40 percent of the Annual fixed cash salary for the CEO.

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**Table 2 – Share option plans (CEO)**

Name of director (position)	The main conditions of share option plans							Information regarding the reported financial year*					
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Exercise period	7 Exercise price (SEK)	Opening balance	During the year		Closing balance		
								8 Share options held at beginning of year	9 Share options awarded	10 Share options vested	11 Share options subject to performance condition	12 Share options awarded and unvested	13 Share options subject to retention period
Nikolaj Sørensen (CEO)	LTIP 2021/2024	2021-2024	2021-06-15	2024-06-15	2024-06-15	2024-06-15	45.3	67,300	0	0	67,300	67,300	67,300
	LTIP Stay-on 2021/2024 Opt in 2	2022-2025	2022-03-29	2025-03-29	2025-03-29	2025-03-29	37.19	3,000	0	0	3,000	3,000	3,000
	LTIP 2022/2025	2022-2025	2022-05-12	2025-05-12	2025-05-12	2025-05-12	20.23	135,300	0	0	135,300	135,300	135,300
	LTIP Stay-on 2022/2025 Opt in 1	2022-2025	2022-07-01	2025-07-01	2025-07-01	2025-07-01	20.23	1,548	0	0	1,548	1,548	1,548
	LTIP Stay-on 2022/2025 Opt in 2	2023-2026	2023-05-05	2026-05-05	2026-05-05	2026-05-05	20.23	0	2,300**	0	2,300	2,300	2,300
	LTIP 2023/2026	2023-2026	2023-06-30	2026-06-30	2026-06-30	2026-06-30	14.67	0	155,300***	0	155,300	155,300	155,300
	LTIP Stay-on 2023/2026 Opt in 1	2023-2026	2023-10-26	2026-10-26	2026-10-26	2026-10-26	14.67	0	3,760****	0	3,760	3,760	3,760
<b>Totalt</b>							<b>207,148</b>	<b>161,360</b>	<b>0</b>	<b>368,508</b>	<b>368,508</b>	<b>368,508</b>	

\* In LTIP 2023/2026, the CEO was awarded 155,300 options in 2023. LTIP 2020 and LTIP Stay-on 2020 were vested but lapsed as the options were not in the money. No other options vested in 2023.

\*\* The aggregate market value of the underlying shares at the time of the award is SEK 24 840 and the aggregate exercise price is SEK 46 529 for LTIP Stay-on 2022/2025 Opt in 2.

\*\*\* The aggregate market value of the underlying shares at the time of the award is SEK 1 615 120 and the aggregate exercise price is SEK 2 278 251 for LTIP 2023/2026.

\*\*\*\* The aggregate market value of the underlying shares at the time of the award is SEK 51 211 and the aggregate exercise price is SEK 55 159 for LTIP Stay-on 2023/2026 Opt in 1.

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**Table 3 – Share award plans (CEO)**

Name of director (position)	The main conditions of share award plans					Information regarding the reported financial year*					
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	Opening balance			During the year		13 Closing balance
						8 Share awards held at beginning of year	9 Awarded	10 Vested	11 Subject to performance condition	12 Awarded and unvested at year end	
Nikolaj Sørensen (CEO)	LTIP 2020/2023	2020-2023	2020-06-08	2023-06-08	2023-06-29	18,800	0	18,800**	0	0	0
	LTIP Stay-on 2020/2023	2020-2023	2020-08-03	2023-08-03	2023-08-03	4,230	0	4,230**	0	0	0
	LTIP 2021/2024	2021-2024	2021-06-15	2024-06-15	2024-06-15	21,888	0	0	21,888	21,888	21,888
	LTIP Stay-on 2021/2024 Opt in 2	2022-2025	2022-03-29	2025-03-29	2025-03-29	3,000	0	0	2,700	2,700	2,700
	LTIP 2022/2025	2022-2025	2022-05-12	2025-05-12	2025-05-12	57,900	0	0	50,180	50,180	50,180
	LTIP Stay-on 2022/2025 Opt in 1	2022-2025	2022-07-01	2025-07-01	2025-07-01	1,548	0	0	1,393	1,393	1,393
	LTIP Stay-on 2022/2025 Opt in 2	2023-2026	2023-05-05	2026-05-05	2026-05-05	0	2,300**	0	2,300	2,300	2,300
	LTIP 2023/2026	2023-2026	2023-06-30	2026-06-30	2026-06-30	0	66,700***	0	66,700	66,700	66,700
	LTIP Stay-on 2023/2026 Opt in 1	2023-2026	2023-10-26	2026-10-26	2026-10-26	0	3,760****	0	3,760	3,760	3,760
<b>Totalt</b>						<b>107,366</b>	<b>72,760</b>	<b>23,030</b>	<b>148,921</b>	<b>148,921</b>	<b>148,921</b>

\* In 2023, LTIP 2020/2023 and LTIP Stay-on 2020/2023 vested, whereupon a total of 23,030 shares were transferred to the CEO. No changes regarding LTIP 2021/2024, where the CEO holds 21,888 share awards. In LTIP 2022/2025, 7,720 share rights were forfeited subject to performance condition, and the CEO holds 50,180 share awards per year end. In LTIP Stay-on 2021/2024 Opt in 2, 300 share rights were forfeited with respect to the performance targets, where the CEO held 2,700 share rights at the end of the year. In LTIP Stay-on 2022/2025 Opt in 1, 155 share rights were forfeited with respect to the performance targets, where the CEO held 1,393 share rights at the end of the year. In LTIP 2023/2026, the CEO was granted 66,700 share rights in 2023. Not all share awards vested due to the outcome of the performance targets.

\*\* Value: SEK 24,840, calculated as the market price per share at vesting (SEK 10.80) multiplied by the number of rights (2,300) for LTIP Stay-on 2022/2025 Opt in 2.

\*\*\* Value: SEK 693,680, calculated as the market price per share at the time of award (SEK 10.40) multiplied by the number of awards (66,700) for LTIP 2023/2026.

\*\*\*\* Value: 51,211 SEK, calculated as the market price per share at the time of award (SEK 13.62) multiplied by the number of awards (3,760) for LTIP Stay-on 2023/2026.

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Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities defined and measured in the Business Scorecard for 2022 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

**Table 4(a) – Performance of the CEO in the reported financial year: variable cash remuneration\***

Name of director (position)	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) Measured performance and b) actual award/ remuneration outcome
Nikolaj Sørensen (CEO)	Finance Goals	40 %	a) 85 % b) kSEK 484
	Business Processes – Initiatives with defined targets	30 %	a) 98 % b) kSEK 363
	Customers & Society – Defined targets regarding Zubsolv and DMHP (earlier DTx)	20 %	a) 60 % b) kSEK 241
	People & Organization – Number and severity of compliance issues and staff engagement score in Annual employee survey	10 %	a) 102 % b) kSEK 121

\* Based on the company's Balanced Scorecard for 2022.

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**Table 4(b) – Performance of the CEO in the reported financial year: share-based incentives**

Name of director (position)	Name of plan	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) Measured performance and b) actual award/remuneration outcome
Nikolaj Sørensen (CEO)	LTIP 2020/2023 – Employee stock options	Performance target 1, Being employed upon vesting	100 %	a) Achieved b) N/A*
	LTIP 2020/2023 – Share awards	Performance target 1, Being employed upon vesting	33 %	a) Achieved b) kSEK 63,1 **
		Performance target 2, Fulfilment of the financial and operational targets for the financial year 2020 as established by the Board of directors and relates to the company's key KPIs as per Balanced Scorecard	67 %	a) 100 % b) kSEK 128,0 **
	LTIP Stay on 2020/2023 – Employee stock options	Performance target 1, Being employed upon vesting	100 %	a) Achieved b) N/A*
	LTIP Stay on 2020/2023 – Share awards	Performance target 1, Being employed upon vesting	50 %	a) Achieved b) kSEK 37,1 ***
		Performance target 2, Fulfilment of the financial and operational targets for the financial year 2020 as established by the Board of directors and relates to the company's key KPIs as per Balanced Scorecard	50 %	a) 100 % b) kSEK 37,1 ***

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LTIP Stay On 2021/2024 Opt in 2 – Employee stock options**	Performance target 1, Being employed upon vesting	100 %	a) Achieved b) N/A****
LTIP Stay On 2021/2024 Opt in 2 – Share awards**	Performance target 1, Being employed upon vesting	50%	a) Achieved b) N/A****
	Performance target 2, Fulfilment of the financial and operational targets for the financial year 2021 as established by the Board of directors and relates to the company's key KPIs as per Balanced Scorecard	50%	a) 64 % b) N/A****
LTIP Stay On 2022/2025 Opt in 1+2 – Employee stock options**	Performance target 1, Being employed upon vesting	100 %	a) Achieved b) N/A****
LTIP Stay On 2022/2025 Opt in 1+2 – Share awards**	Performance target 1, Being employed upon vesting	50%	a) Achieved b) N/A****
	Performance target 2, Fulfilment of the financial and operational targets for the financial year 2022 as established by the Board of directors and relates to the company's key KPIs as per Balanced Scorecard	50%	a) 80 % b) N/A****
LTIP 2023/2026 - Employee stock options	Performance target 1, Being employed upon vesting	100 %	a) Achieved b) N/A****
LTIP 2023/2026 – Share awards**	Performance target 1, Being employed upon vesting	33 %	a) Achieved b) N/A****
	Performance target 2, Fulfilment of the financial and operational targets for the financial year 2023 as established by the Board of directors and relates to the company's key KPIs as per Balanced Scorecard	67 %	a) 90 % b) N/A****



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	LTIP Stay on 2023/2026 Opt in 1 – Employee stock options**	Performance target 1, Being employed upon vesting	100 %	a) Achieved b) N/A****
	LTIP Stay on 2023/2026 Opt in 1 – Share awards**	Performance target 1, Being employed upon vesting	50 %	a) Achieved b) N/A****
		Performance target 2, Fulfilment of the financial and operational targets for the financial year 2023 as established by the Board of directors and relates to the company's key KPIs as per Balanced Scorecard	50 %	a) 90 % b) N/A****

\* Exercise price exceeded market price, hence the employee stock options were not exercised.

\*\* The total value is kSEK 191.1 for exercised 18.800 shares with an exercise price of SEK 10.165. The program includes both share awards and employee stock options, see the description of the program under the section "Outstanding share-related and share price-related incentive programs" above.

\*\*\* The total value is kSEK 74.1 for 4,230 exercised shares with an exercise price of SEK 17.519.

\*\*\*\* Performance period still running.

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Comparative information on the change of remuneration and company performance

**Table 5 – Change of remuneration and company performance over the last four reported financial years (RFY) (kSEK)**

	RFY 2023	RFY 2022	RFY 2021	RFY 2020
CEO remuneration	5,984	5,972	9,887	10,678
Group operating profit	-109,515	-183,895	-214,084	-19,900
Average remuneration on a full time equivalent basis of employees* of the parent company	705	660	698	681

\* Excluding members of the executive management.

## Appendix 3

### **The nomination committee's proposal for resolution regarding the nomination committee**

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The nomination committee proposes that the meeting resolves that the company shall have a nomination committee consisting of a representative of each of the three largest shareholders, based on the number of votes held, together with the chairman of the board. If any of the three largest shareholders declines to appoint a member to the nomination committee, additional shareholders are, by order of size, to be offered appointment until three members are appointed. The names of the members of the nomination committee and the names of the shareholders they represent shall be made public not later than six months before the annual general meeting and be based on shareholding statistics provided by Euroclear Sweden AB per the last banking day in August 2024 as well as other reliable shareholder information which has been provided to the Company at such time. Unless the members of the nomination committee agree otherwise, the member representing the largest shareholder, based on the number of votes held, shall be appointed chairman of the nomination committee. If a shareholder representative no longer represents the owner or leaves the nomination committee before its work is completed, the shareholder shall be entitled to appoint a new member of the nomination committee. A shareholder who has appointed a member of the nomination committee has the right to remove such member and appoint a new member of the nomination committee. In the event a shareholder that has appointed a member is no longer one of the three largest shareholders, based on the number of votes held, the appointed member shall resign and be replaced by a new member in accordance with the above procedure. Unless special circumstances apply, no changes should be made in the composition of the nomination committee as a result of minor changes in voting rights or changes in voting rights which occur later than two months before the annual general meeting. Changes in the composition of the nomination committee shall be made public as soon as possible.

The nomination committee shall prepare and submit proposals to the general meeting on chairman of the meeting, board members, chairman of the board, board fees to each of the board members and the chairman as well as remuneration for committee work, if any, fees to the company's auditor, and, when applicable, proposal regarding election of new auditor. Further, the nomination committee shall prepare and propose principles for the composition of the nomination committee to the annual general meeting 2025. The nomination committee shall be entitled to charge the company with costs for consultants and other expenses necessary for the nomination committee to carry out its duties.

## Appendix 4

### **The board of directors' proposal regarding authorization for the board of directors to resolve to issue new shares**

The board of directors proposes that the annual general meeting authorizes the board of directors to resolve to issue new shares on one or several occasions until the next annual general meeting, with or without preferential rights for the shareholders, against cash payment or against payment through set-off or in kind, or otherwise on special conditions. However, such issue of shares must never result in the company's issued share capital or the number of shares in the company at any time, being increased by more than a total of 20 per cent. The purpose of the authorization is to enable the board to make corporate acquisitions, product acquisitions or to enter into collaboration agreements, or to raise working capital or broaden the shareholder base.

The CEO shall be authorized to make such minor adjustments to this resolution that may be necessary in connection with the registration thereof.

## Appendix 5

### **The board of directors' proposal regarding authorization for the board of directors to resolve to repurchase and transfer the company's own shares**

The board of directors proposes that the annual general meeting authorizes the board of directors to resolve to repurchase, on one or several occasions until the next annual general meeting, as many own shares as may be purchased without the company's holding at any time exceeding 10 per cent of the total number of shares in the company. The shares shall be purchased on Nasdaq Stockholm and only at a price per share within the price range applicable, i.e. the range between the highest purchase price and the lowest selling price.

The board of directors also proposes that the annual general meeting authorizes the board of directors to resolve, on one or several occasions until the next annual general meeting, to transfer (sell) own shares. Transfers may be carried out on Nasdaq Stockholm at a price within the price range applicable, i.e. the range between the highest purchase price and the lowest selling price. Transfers may also be made in other ways, with or without preferential rights for the shareholders, against cash payment or against payment through set-off or in kind, or otherwise on special conditions. Upon such transfers, the price shall be established so that it is not below market terms. However, a discount to the stock market price may apply, in line with market practice. Transfers of own shares may be made of up to such number of shares as is held by the company at the time of the board of director's resolution regarding the transfer.

The purpose of the authorization to repurchase own shares is to promote efficient capital usage in the company, to provide flexibility as regards the company's possibilities to distribute capital to its shareholders and for use in the context of the company's incentive plans. The purpose of the authorization to transfer own shares is to enable the board to make corporate acquisitions, product acquisitions or enter into collaboration agreements, or to raise working capital or broaden the shareholder base or for use in the context of the company's incentive plans.

The board of director's statement in accordance with chapter 19 section 22 of the Swedish Companies Act is made available together with the proposal.

The CEO shall be authorized to make such minor adjustments to this resolution that may be necessary in connection with the registration thereof.

## **The board of directors' proposal regarding adoption of a new performance-based long-term incentive program LTIP 2024**

The board of directors proposes that the annual general meeting resolves to implement a new performance-based long-term incentive program for not more than 130 selected employees within the Orexo group (“**LTIP 2024**”).

LTIP 2024 is a three-year performance-based program. Under LTIP 2024, the participants will be granted, free of charge, (i) performance-based share awards (“**Share Awards**”), and (ii) performance-based employee stock options (“**Employee Stock Options**”), entitling to a maximum of 2,360,884 shares in Orexo, in accordance with the terms stipulated below. The Share Awards entitle to a maximum of 708,265 shares in Orexo and the Employee Stock Options entitle to a maximum of 1,652,619 shares in Orexo.

### **The rationale for the proposal**

LTIP 2024 substantially corresponds with the performance based long-term incentive program adopted at the annual general meeting 2023 (LTIP 2023). LTIP 2024 is intended for certain senior executives and employees within the Orexo group. The board of directors of Orexo believes that an equity incentive program is an important part of a competitive remuneration package to be able to attract, retain and motivate qualified employees to the Orexo group. With reference thereto, the board of directors has decided to propose the adoption of a program corresponding to the program adopted at the annual general meeting 2023 (LTIP 2023). LTIP 2024 is based on performance-based Share Awards and Employee Stock Options and adapted to the current needs of the Orexo group.

The purpose of LTIP 2024 is to attract, retain and motivate employees of the Orexo group, provide a competitive remuneration package and to align the interests of the senior executives and employees with the interests of the shareholders. The board of directors is of the opinion that this strengthens the interest for Orexo’s business and also stimulates company loyalty in the future. In light of the above, the board of directors believes that the implementation of LTIP 2024 will have a positive effect on the development of the Orexo group and consequently that LTIP 2024 is beneficial to both the shareholders and the company.

### **Conditions for Share Awards and Employee Stock Options**

The following conditions shall apply for the Share Awards and the Employee Stock Options.

- The Share Awards and the Employee Stock Options shall be granted free of charge to the participants as soon as possible following the annual general meeting 2024 and no later than on 30 June 2024. Out of the granted Share Awards and Employee Stock Options, 30 percent shall constitute Share Awards and 70 percent shall constitute Employee Stock Options.
- Each Share Award entitles the holder to receive one share in the company free of charge, except for the appropriate taxes, three years after the granting of the Share Award (the vesting period), provided that the holder, with some exceptions, still is employed by the Orexo group.

- Each Employee Stock Option entitles the holder to receive one share in the company upon payment of the strike price, three years after granting of the Employee Stock Option (the vesting period), provided that the holder, with some exceptions, still is employed by the Orexo group. The strike price shall be fixed to 100 percent of the volume-weighted average price for the Orexo share during the ten trading days preceding the date of the annual general meeting 2024.
- A prerequisite for entitlement to receive shares on the basis of Share Awards is that Performance Targets 1 and/or 2 have been satisfied pursuant to the terms and conditions specified below.
- A prerequisite for entitlement to receive shares on the basis of Employee Stock Options is that Performance Target 1 has been satisfied pursuant to the terms and conditions specified below.
- The number of Share Awards and Employee Stock Options encompassed by LTIP 2024 is to be re-calculated in the event that changes occur in Orexo's equity capital structure, such as a bonus issue, merger or consolidation of shares, new issue, reduction of the share capital or similar measures.
- To make the participants' interest equal with the shareholders', Orexo will compensate the participants for distributed dividends, if any, during the vesting period by increasing the number of shares that each Share Award and each Employee Stock Option, respectively, entitles to after the vesting period.
- The Share Awards and the Employee Stock Options are non-transferable and may not be pledged.
- The Share Awards and the Employee Stock Options can be granted by the parent company and any other company within the Orexo group.

## **Performance Conditions**

The Share Awards are to be divided according to two different performance conditions encompassed by LTIP 2024. The performance conditions focus on the holder still being employed by the Orexo group ("**Performance Target 1**") and Orexo's financial and operational targets for 2024 ("**Performance Target 2**"). Of each participant's granted Share Awards, approximately 33 percent (one third) will pertain to Performance Target 1 and up to approximately 67 percent (two thirds) will pertain to Performance Target 2.

The Employee Stock Options are to be divided according to one performance condition encompassed by LTIP 2024, which is Performance Target 1. Of each participant's granted Employee Stock Options, 100 percent will pertain to Performance Target 1, meaning that no Employee Stock Options will vest unless the performance target is met.

The allotment of shares that each participant later may receive depends on achievement of the established performance targets as described below.

**Performance Target 1 (for Share Awards and Employee Stock Options):** This target pertains to the holder still being employed by the Orexo group upon vesting.

**Performance Target 2 (for Share Awards):** This target pertains to the fulfilment of the financial and operational targets for the financial year 2024 as established by the board of directors and relates to Orexo's key KPIs as for example revenue, profitability and achieved milestones, etc. Performance achievement of individual targets is weighted into an overall

average performance achievement. The outcome will be measured linearly; meaning that from zero to 100 percent of the Share Awards will vest depending on the overall average rate of performance of the financial and operational targets. All Share Awards will vest and entitle to one share each if 100 percent of the overall average performance is achieved. When calculating the overall performance achievement, individual targets may account for a maximum of 120 percent achievement, but the overall average performance is capped at 100 percent. If performance achievement falls below 80 percent for an individual target, this individual target accounts for zero in the calculation of the overall average achieved.

The board of directors will present the rate of achievement of Performance Target 2 in the annual report for 2024.

### **Allocation**

The participants are divided into two allocation categories: (i) CEO and other members of group management; (ii) other personnel. The maximum number of Share Awards and Employee Stock Options that a participant may be granted in LTIP 2024 depends on the category to which the participant belongs.

To ensure that the value of the share-based remuneration does not reach an unintended level in relation to other remuneration, the value of the Share Awards and Employee Stock Options granted to the CEO and group management must not, at the time of the grant, exceed a value equal to the person's current annual base salary. For other personnel the value must not exceed 33 percent of the annual base salary.

The board of directors shall resolve upon the final allocation of the Share Awards and Employee Stock Options as soon as possible after the annual general meeting. Several factors will be considered in order to secure recruitment, retention and motivation when deciding upon individual allocations including position within Orexo, individual performance and total value of current remuneration package. Individual allocation cannot exceed the above-mentioned limit for the category that the individual belongs to. Out of the allocated Share Awards and Employee Stock Options, 30 percent will constitute Share Awards and 70 percent will constitute Employee Stock Options.

The share price that is to form the basis for calculating the number of Share Awards and Employee Stock Options is to correspond to the average last price paid during a given period of trading. This period comprises the first ten days of trading immediately following the date of the 2024 annual general meeting. The share price is then divided by the individual granting value in order to arrive at the total number of Share Awards and Employee Stock Options granted per participant.

### **Preparation and administration**

The board of directors shall be responsible for preparing the detailed terms and conditions of LTIP 2024, in accordance with the mentioned terms and guidelines. To this end, the board of directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The board of directors may also make other adjustments if significant changes in the Orexo group, or its operating environment, would result in a situation where the decided terms and conditions for LTIP 2024 no longer are appropriate. Prior to finally determining allotment of



shares on the basis of Share Awards and Employee Stock Options, the board of directors will assess whether the outcome of LTIP 2024 is reasonable. This assessment will be conducted in relation to the company's financial earnings and position, conditions in the stock market and other circumstances. Should the board of directors not consider the outcome to be reasonable, the number of shares to be allotted will be reduced.

### **Preparation of the proposal**

LTIP 2024 has been initiated by the board of directors of Orexo and has been structured in consultation with external advisers based on an evaluation of prior incentive programs and best market practices. LTIP 2024 has been prepared by the remuneration committee and reviewed at meetings of the board of directors.

### **Scope and costs of the program**

LTIP 2024 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Share Awards and Employee Stock Options should be expensed as personnel costs over the vesting period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs will be expensed in the income statement during the vesting period.

Assuming a share price at the time of implementation of SEK 15.60, that Performance Target 1 is achieved and that Performance Target 2 is achieved at 50 percent, including a share price increase of 30 percent during the vesting period, the total cost for LTIP 2024 including social security costs is estimated to approximately SEK 27.0 million before tax. The corresponding total cost with full achievement of Performance Target 1 and Performance Target 2, including a share price increase of 60 percent during the vesting period, is estimated to approximately SEK 39.2 million before tax.

LTIP 2024 will have marginal effects on Orexo's key ratios since delivery of shares shall be made by way of transfer of Orexo's repurchased shares as is described under section "Delivery under LTIP 2024" below.

Since delivery of shares under LTIP 2024 shall be made by way of transfer of Orexo's repurchased shares, LTIP 2024 entails no dilution of the shareholding of the company. The maximum level of dilution for all other outstanding long-term incentive programs in the company amounts to 0 percent, since delivery of shares shall be made by way of transfer of Orexo's repurchased shares.

Information on Orexo's existing incentive programs can be found in the 2023 annual report, note 10 and 24, as well as on the company's website [www.orexo.com](http://www.orexo.com).

### **Delivery under LTIP 2024**

The board of directors proposes that delivery of shares under LTIP 2024 shall be made by way of transfer of Orexo's repurchased shares. In addition, the board of directors proposes that delivery may also be satisfied through payment of a cash amount that is equal to the value of the Orexo share on the date of vesting less the applicable strike price for any Employee Stock Options.

## Appendix 7

### **The board of directors' proposal regarding adoption of a new performance-based long-term incentive program LTIP Stay-on 2024**

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The board of directors proposes that the annual general meeting resolves to implement a new performance-based long-term incentive program for certain Global Management Team (“GMT”) employees and US Leadership Team (“USLT”) employees within the Orexo group (“**LTIP Stay-on 2024**”). LTIP Stay-on 2024 is proposed to include up to approximately 13 GMT and USLT employees within the Orexo group.

LTIP Stay-on 2024 is a three-year performance-based program. Under LTIP Stay-on 2024, the participants will be granted, free of charge, (i) performance-based share awards (“**Share Awards**”), and (ii) performance-based employee stock options (“**Employee Stock Options**”), entitling to a maximum of 70,000 shares in Orexo, in accordance with the terms stipulated below. The Share Awards entitle to a maximum of 35,000 shares in Orexo and the Employee Stock Options entitle to a maximum of 35,000 shares in Orexo.

#### **The rationale for the proposal**

LTIP Stay-on 2024 substantially corresponds with the performance based long-term incentive program adopted at the annual general meeting 2023 (LTIP Stay-on 2023). LTIP Stay-on 2024 is intended for certain GMT and USLT employees within the Orexo group and qualification for participation in LTIP Stay-on 2024 is conditional upon the participant either keeping shares from allocations in Orexo’s other on-going long-term incentive programs (the “**implemented LTIPs**”) or investing in new Orexo shares with part of or the entire annual cash bonus of the participant. The board of directors of Orexo believes that an equity incentive program is an important part of a competitive remuneration package to be able to attract, retain and motivate qualified employees to the Orexo group. The board of directors further believes that LTIP Stay-on 2024 constitutes an important incentive for GMT and USLT employees to keep shares in the company. With reference thereto, the board of directors has decided to propose the adoption of a program corresponding to the program adopted at the annual general meeting 2023 (LTIP Stay-on 2023). LTIP Stay-on 2024 is based on performance-based Share Awards and Employee Stock Options and adapted to the current needs of the Orexo group.

The purpose of LTIP Stay-on 2024 is to attract, retain and motivate employees of the Orexo group, provide a competitive remuneration package and to align the interests of GMT and USLT employees with the interests of the shareholders. The board of directors is of the opinion that this strengthens the interest for Orexo’s business and also stimulates company loyalty in the future. In light of the above, the board of directors believes that the implementation of LTIP Stay-on 2024 will have a positive effect on the development of the Orexo group and consequently that LTIP Stay-on 2024 is beneficial to both the shareholders and the company.

#### **Conditions for Share Awards and Employee Stock Options**

The following conditions shall apply for the Share Awards and the Employee Stock Options.

- Qualification for participation in LTIP Stay-on 2024 is conditional upon the participant (i) keeping shares from allocations in any of Orexo’s implemented LTIPs between 1 May 2024 and 31 July 2024 (“**Opt-in 1**”), or (ii) investing in new Orexo shares with

part of or the entire annual cash bonus of the participant between 1 February 2025 and 30 April 2025 (“**Opt-in 2**”).

- Under Opt-in 1, the Share Awards and the Employee Stock Options shall be granted free of charge to the participants as soon as possible after 31 July 2024 and no later than on 31 August 2024.
- Under Opt-in 2, the Share Awards and the Employee Stock Options shall be granted free of charge to the participants as soon as possible after 30 April 2025 and no later than on 31 May 2025.
- Out of the granted Share Awards and Employee Stock Options, 50 percent shall constitute Share Awards and 50 percent shall constitute Employee Stock Options. Every five (5) shares kept in accordance with Opt-in 1 and every five (5) shares acquired in accordance with Opt-in 2, respectively, entitle the participant to one (1) Share Award and one (1) Employee Stock Option.
- Each Share Award entitles the holder to receive one share in the company, free of charge, except for the appropriate taxes, three years after the granting of the Share Award (the vesting period), provided that the holder, with some exceptions, still is employed by the Orexo group.
- Each Employee Stock Option entitles the holder to receive one share in the company upon payment of the strike price, three years after the granting of the Employee Stock Option (the vesting period), provided that the holder, with some exceptions, still is employed by the Orexo group. The strike price shall be fixed to 100 percent of the volume-weighted average price for the Orexo share during the ten trading days preceding the date of the annual general meeting 2024.
- A prerequisite for entitlement to receive shares on the basis of Share Awards is that Performance Targets 1 and/or 2 have been satisfied pursuant to the terms and conditions specified below.
- A prerequisite for entitlement to receive shares on the basis of Employee Stock Options is that Performance Target 1 has been satisfied pursuant to the terms and conditions specified below.
- The number of Share Awards and Employee Stock Options encompassed by LTIP Stay-on 2024 is to be re-calculated in the event that changes occur in Orexo’s equity capital structure, such as a bonus issue, merger or consolidation of shares, new issue, reduction of the share capital or similar measures.
- To make the participants’ interest equal with the shareholders’, Orexo will compensate the participants for distributed dividends, if any, during the vesting period by increasing the number of shares that each Share Award and each Employee Stock Option, respectively, entitles to after the vesting period.
- The Share Awards and the Employee Stock Options are non-transferable and may not be pledged.
- The Share Awards and the Employee Stock Options can be granted by the parent company and any other company within the Orexo group.

## **Performance Conditions**

The Share Awards are to be divided according to two different performance conditions encompassed by LTIP Stay-on 2024. The performance conditions focus on the holder still being employed by the Orexo group (“**Performance Target 1**”) and Orexo’s financial and operational targets for 2024 (“**Performance Target 2**”). Of each participant’s granted Share

Awards, 50 percent will pertain to Performance Target 1 and up to 50 percent will pertain to Performance Target 2.

The Employee Stock Options are to be divided according to one performance condition encompassed by LTIP Stay-on 2024, which is Performance Target 1. Of each participant's granted Employee Stock Options, 100 percent will pertain to Performance Target 1, meaning that no Employee Stock Options will vest unless the performance target is met.

The allotment of shares that each participant later may receive depends on achievement of the established performance targets as described below.

**Performance Target 1 (for Share Awards and Employee Stock Options):** This target pertains to the holder still being employed by the Orexo group upon vesting.

**Performance Target 2 (for Share Awards):** This target pertains to the fulfilment of the financial and operational targets for the financial year 2024 as established by the board of directors and relates to Orexo's key KPIs as for example revenue, profitability and achieved milestones, etc. Performance achievement of individual targets is weighted into an overall average performance achievement. The outcome will be measured lineally; meaning that from zero to 100 percent of the Share Awards will vest depending on the overall average rate of performance of the financial and operational targets. All Share Awards will vest and entitle to one share each if 100 percent of the overall average performance is achieved. When calculating the overall performance achievement, individual targets may account for a maximum of 120 percent achievement, but the overall average performance is capped at 100 percent. If performance achievement falls below 80 percent for an individual target, this individual target accounts for zero in the calculation of the overall average achieved.

The board of directors will present the rate of achievement of Performance Target 2 in the Annual Report for 2024.

### **Allocation**

Every five (5) shares kept in accordance with Opt-in 1 and every five (5) shares acquired in accordance with Opt-in 2, respectively, entitle the participants of LTIP Stay-on 2024 to one (1) Share Award and one (1) Employee Stock Option. Out of the allocated Share Awards and Employee Stock Options, 50 percent will constitute Share Awards and 50 percent will constitute Employee Stock Options.

In relation to allocation under Opt-in 1, the board of directors shall resolve upon the final allocation of the Share Awards and Employee Stock Options as soon as possible after 31 July 2024. In relation to allocation under Opt-in 2, the board of directors shall resolve upon the final allocation of the Share Awards and Employee Stock Options as soon as possible after 30 April 2025.

### **Preparation and administration**

The board of directors shall be responsible for preparing the detailed terms and conditions of LTIP Stay-on 2024, in accordance with the mentioned terms and guidelines. To this end, the board of directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The board of directors may also make other adjustments if significant changes in the Orexo group, or its operating environment, would result in a situation where the decided

terms and conditions for LTIP Stay-on 2024 no longer are appropriate. Prior to finally determining allotment of shares on the basis of Share Awards and Employee Stock Options, the board of directors will assess whether the outcome of LTIP Stay-on 2024 is reasonable. This assessment will be conducted in relation to the company's financial earnings and position, conditions in the stock market and other circumstances. Should the board of directors not consider the outcome to be reasonable, the number of shares to be allotted will be reduced.

### **Preparation of the proposal**

LTIP Stay-on 2024 has been initiated by the board of directors of Orexo and has been structured in consultation with external advisers based on an evaluation of prior incentive programs and best market practices. LTIP Stay-on 2024 has been prepared by the Remuneration Committee and reviewed at meetings of the board of directors.

### **Scope and costs of the program**

LTIP Stay-on 2024 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Share Awards and Employee Stock Options should be expensed as personnel costs over the vesting period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs will be expensed in the income statement during the vesting period.

Assuming a share price at the time of implementation of SEK 15.60, that Performance Target 1 is achieved and that Performance Target 2 is achieved at 50 percent, including a share price increase of 30 percent during the vesting period, the total cost for LTIP Stay-on 2024 including social security costs is estimated to approximately SEK 0.9 million before tax. The corresponding total cost with full achievement of Performance Target 1 and Performance Target 2, including a share price increase of 60 percent during the vesting period, is estimated to approximately SEK 1.2 million before tax.

LTIP Stay-on 2024 will have marginal effects on Orexo's key ratios since delivery of shares shall be made by way of transfer of Orexo's repurchased shares as is described under section "Delivery under LTIP Stay-on 2024" below.

Since delivery of shares under LTIP Stay-on 2024 shall be made by way of transfer of Orexo's repurchased shares, LTIP Stay-on 2024 entails no dilution of the shareholding of the company. The maximum level of dilution for all other outstanding long-term incentive programs in the company amounts to 0 percent, since delivery of shares shall be made by way of transfer of Orexo's repurchased shares.

Information on Orexo's existing incentive programs can be found in the 2023 annual report, note 10 and 24, as well as on the company's website [www.orexo.com](http://www.orexo.com).

### **Delivery under LTIP Stay-on 2024**

The board of directors proposes that delivery of shares under LTIP Stay-on 2024 shall be made by way of transfer of Orexo's repurchased shares. In addition, the board of directors proposes that delivery may also be satisfied through payment of a cash amount that is equal to the value

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of the Orexo share on the date of vesting less the applicable strike price for any Employee Stock Options.