

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. 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.

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

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary**	Other benefits***	One-year variable	Multi-year variable****	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration*****
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.

Table 2 – Share option plans (CEO)

Name of director (position)	The main conditions of share option plans							Information regarding the reported financial year*					
								Opening balance	During the year		Closing balance		
	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)	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
Total								207,148	161,360	0	368,508	368,508	368,508

* 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 för 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 för LTIP Stay-on 2023/2026 Opt in 1.

Table 3 – Share award plans (CEO)

Name of director (position)	The main conditions of share award plans					Information regarding the reported financial year*					
						Opening balance			During the year		Closing balance
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	8 Share awards held at beginning of year	9 Awarded	10 Vested	11 Subject to performance condition	12 Awarded and unvested at year end	13 Shares subject to retention period
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	
Totalt						107,366	72,760	23,030	148,921	148,921	148,921

* 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.

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.

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 ***

<p>LTIP Stay On 2021/2024 Opt in 2 – Employee stock options**</p> <p>LTIP Stay On 2021/2024 Opt in 2 – Share awards**</p>	<p>Performance target 1, Being employed upon vesting</p> <p>Performance target 1, Being employed upon vesting</p> <p>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</p>	<p>100 %</p> <p>50%</p> <p>50%</p>	<p>a) Achieved b) N/A****</p> <p>a) Achieved b) N/A****</p> <p>a) 64 % b) N/A****</p>
<p>LTIP Stay On 2022/2025 Opt in 1+2 – Employee stock options**</p> <p>LTIP Stay On 2022/2025 Opt in 1+2 – Share awards**</p>	<p>Performance target 1, Being employed upon vesting</p> <p>Performance target 1, Being employed upon vesting</p> <p>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</p>	<p>100 %</p> <p>50%</p> <p>50%</p>	<p>a) Achieved b) N/A****</p> <p>a) Achieved b) N/A****</p> <p>a) 80 % b) N/A****</p>
<p>LTIP 2023/2026 - Employee stock options</p> <p>LTIP 2023/2026 – Share awards**</p>	<p>Performance target 1, Being employed upon vesting</p> <p>Performance target 1, Being employed upon vesting</p> <p>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</p>	<p>100 %</p> <p>33 %</p> <p>67 %</p>	<p>a) Achieved b) N/A****</p> <p>a) Achieved b) N/A****</p> <p>a) 90 % b) N/A****</p>

	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.

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.