

## **Resolution regarding adoption of new performance-based long-term incentive program LTIP 2026 (item 21(a)-(b))**

---

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 70 selected employees within the Orexo group (“**LTIP 2026**”), in accordance with items 21(a)-(b) below.

The resolutions under item 21(b) are proposed to be conditional upon the annual general meeting resolving in accordance with the board of directors’ proposals to adopt LTIP 2026 in item 21(a).

### **Adoption of LTIP 2026 (item 21(a))**

LTIP 2026 is a three-year performance-based program. Under LTIP 2026, 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 880,000 ordinary shares in Orexo, in accordance with the terms stipulated below. The Share Awards entitle to a maximum of 264,000 ordinary shares in Orexo and the Employee Stock Options entitle to a maximum of 616,000 ordinary shares in Orexo.

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

LTIP 2026 substantially corresponds with the performance based long-term incentive program adopted at the annual general meeting 2025 (LTIP 2025). LTIP 2026 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 similar to the program adopted at the annual general meeting 2025 (LTIP 2025). LTIP 2026 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 2026 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 2026 will have a positive effect on the development of the Orexo group and consequently that LTIP 2026 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 2026 and no later than on 30 June 2026. 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 ordinary 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 ordinary 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 ordinary share during the ten trading days preceding the date of the annual general meeting 2026.
- 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 2026 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 2026. 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 2026 ("**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 2026, 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 ordinary 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 2026 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 ordinary 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 2026.

### **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 2026 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 2026 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 2026, 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 2026 no longer are appropriate. Prior to finally determining allotment of ordinary shares on the basis of Share Awards and Employee Stock Options, the board of directors will assess whether the outcome of LTIP 2026 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 ordinary shares to be allotted will be reduced.

### **Preparation of the proposal**

LTIP 2026 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 2026 has been prepared by the remuneration committee and reviewed at meetings of the board of directors.

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

LTIP 2026 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, if delivery to the participants is expected to be in shares and not cash, will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow when delivery to the participants is in shares and not cash. Social security costs will be expensed in the income statement during the vesting period and accounted for as a liability, and will eventually affect the company's cash flow in connection with the payment to tax authorities.

Assuming a share price at the time of implementation of SEK 22.45, that Performance Target 1 is achieved and that Performance Target 2 is achieved at 100 percent, including an annual share price increase of 5 percent during the vesting period, the total cost for LTIP 2026 including social security costs is estimated to approximately SEK 12 million before tax. The corresponding total cost with full achievement of Performance Target 1 and Performance Target 2, including an annual share price increase of 10 percent during the vesting period, is estimated to approximately SEK 12.9 million before tax.

LTIP 2026 will have marginal effects on Orexo's key ratios.

At maximum allotment of Share Awards and Employee Stock Options by application of the net share settlement method, and provided that the hedging measure as set out in item 21(b) below is approved by the annual general meeting, it is estimated that no more than 880,000 ordinary shares will be delivered under LTIP 2026, entailing a dilution effect of approximately 2.31 percent of the total number of ordinary shares in the company, without taking into account the net settlement method. For the purpose of calculating the maximum number of shares to be issued as part of the hedging measure for LTIP 2026, Orexo has assumed a rate of achievement of Performance Target 2 of 100 percent and an annual share price increase of 5 percent during the vesting period. The maximum level of dilution for all other outstanding long-term incentive programs in the company amounts to approximately 10.73 percent of the total number of ordinary shares in the company, without taking into account the net settlement method.

Information on Orexo's existing incentive programs can be found in the 2025 annual report, note 10 and 24, as well as on the company's website [www.orexo.com](http://www.orexo.com).

### **Delivery under LTIP 2026**

In order to ensure the delivery of ordinary shares under LTIP 2026, the board of directors proposes that the annual general meeting resolves to authorize the board of directors to resolve on issuance of new class C shares, to authorize the board of directors to resolve on repurchase of issued class C shares and to resolve on transfer of own ordinary shares in accordance with item 21(b) below. The Class C shares are not listed, they are redeemable and may, upon the decision by the board of directors, be reclassified into ordinary listed shares. The Class C shares do not entitle to dividend payment. The board of directors proposes that the general meeting authorizes the board of directors to resolve on a directed issue of Class C shares, and authorizes the board of directors to subsequently resolve to repurchase the Class C shares. The Class C shares will then be held by Orexo as treasury shares during the vesting period, whereafter the appropriate number of Class C shares will be reclassified into ordinary shares and subsequently delivered to participants in LTIP 2026.

Delivery of shares by exercise of Employee Stock Options under LTIP 2026 shall be made by application of a net share settlement method. The net share settlement entails that Employee Stock Options are settled by way of a transfer free of charge of such number of ordinary shares which equals the Option Value (as defined below) to the participant, without payment of the applicable strike price. The number of shares to be transferred is to be calculated by subtracting the applicable strike price for any Employee Stock Option from the prevailing share price of the Orexo ordinary share on the applicable date of vesting (the "Market Value") (the "Option Value") and dividing the Option Value with the Market Value. In addition, the board of directors proposes that delivery of ordinary shares under LTIP 2026 may also be made by way of transfer of Orexo's repurchased ordinary shares or be satisfied through payment of a cash amount that is equal to the value of the Orexo ordinary share on the date of vesting less the applicable strike price for any Employee Stock Options.

### **Resolution on authorization for the board of directors to resolve to issue new class C shares and repurchase class C shares as well transfer own ordinary shares to participants in LTIP 2026 (item 21(b))**

#### **Authorization for the board of directors to resolve to issue new class C shares**

The board of directors proposes that the annual general meeting resolves to authorize the board of directors, during the period until the next annual general meeting, to increase the company's share capital by the issue of not more than 880,000 Class C shares. With disapplication of the shareholders' preferential rights, a participating bank shall be entitled to subscribe for the new Class C shares at a subscription price corresponding to the quota value of the shares. Such issues must not lead to the company's share capital exceeding the maximum share capital pursuant to the company's at any given time adopted articles of association. The purpose of the authorization is to ensure delivery of ordinary shares to participants under LTIP 2026.

#### **Authorization for the board of directors to resolve on repurchase of class C shares**

The board of directors proposes that the annual general meeting authorizes the board of directors to resolve on the repurchase of up to 880,000 Class C shares in accordance with the following terms and conditions:

1. The board of directors shall have the right to repurchase all issued Class C shares through an offer directed to all holders of Class C shares.
2. The repurchase may be exercised on one or several occasions until the next annual general meeting.
3. The number of repurchased shares may not exceed ten (10) per cent of all issued shares in the company at any given time.
4. The repurchase shall be made in cash at a purchase price corresponding to the quota value of the share.

The reason for the proposed possibility to repurchase own shares is that the company shall be able to fulfill its obligations under LTIP 2026.

### **Transfer of own ordinary shares to participants**

The board of directors proposes that the annual general meeting resolves that 880,000 Class C shares, having been purchased by the company by virtue of the authorization to repurchase its own shares in accordance with this item 21(b), following conversion into ordinary shares, may be transferred to participants in accordance with the terms of LTIP 2026.

The board of directors' statements pursuant to Chapter 19, Section 22 of the Swedish Companies Act have been made available together with the proposal.