

Notice of Annual General Meeting of Orexo

The shareholders of Orexo AB (publ), reg. no. 556500-0600, registered office Uppsala, are summoned to the annual general meeting, to be held on Tuesday 13 April 2021.

In order to mitigate the spread of Covid-19, the board of directors has decided that the annual general meeting will be conducted by advance voting only, without physical presence of shareholders, proxies and third parties.

Orexo welcomes all shareholders to exercise their voting rights at this annual general meeting through advance voting on the basis of temporary statutory rules, according to the procedure set out below. Information on the resolutions passed at the annual general meeting will be published on 13 April 2021, as soon as the result of the voting has been finally confirmed.

In the advance voting form, the shareholders may request that a resolution on one or several of the matters on the proposed agenda below should be deferred to a so-called continued general meeting, which cannot be conducted solely by way of advance voting. Such continued general meeting shall take place if the annual general meeting so resolves or if shareholders with at least one tenth of all shares in the company so request. The shareholders are reminded of their right to request information according to chapter 7, section 32 of the Swedish Companies Act.

Participation, etc.

Shareholders who wish to participate, through advance voting, in the meeting must (a) be recorded in the share register maintained by Euroclear Sweden AB on Thursday 1 April 2021, and (b) notify Orexo of their intention to participate in the annual general meeting by casting their advance votes in accordance with the instructions under the heading “Advance voting” below, so that the advance voting form is received by Orexo no later than on Monday 12 April 2021.

Shareholders whose shares are registered in the name of a nominee through a bank or a securities institution must temporarily re-register their shares in their own names to be entitled to participate in the meeting. Such registration, which may be temporary, must be duly effected in the share register maintained by Euroclear Sweden AB on Wednesday 7 April 2021, and the shareholders must therefore advise their nominees well in advance of this date.

Advance voting

The shareholders may only exercise their voting rights at the annual general meeting by voting in advance, so-called postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on Orexo’s website, www.orexo.com. The advance voting form is considered as the notification of participation.

The completed voting form must be received by Orexo no later than Monday 12 April 2021. The form may be submitted via e-mail to lena.wange@orexo.com or by post to Orexo AB, “Annual general meeting”, P.O. Box 303, SE-751 05 Uppsala, Sweden. If the shareholder votes in advance by proxy, a power of attorney shall be enclosed to the form. If the shareholder is a

legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

For questions regarding the annual general meeting or to have the advance voting form sent by post, please contact Orexo, by telephone +46 (0) 18 780 88 00, by telefax +46 (0) 18 780 88 88, or by e-mail to lena.wange@orexo.com.

When this notice to attend the annual general meeting is issued, the total number of shares in the company is 34,710,639 with 34,710,639 votes, of which all are ordinary shares entitling to one vote per share. In total, the company holds 415,766 own ordinary shares.

Proposed agenda

1. Election of chairman of the meeting.
2. Election of one or two persons who shall approve the minutes of the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Determination of whether the meeting has been duly convened.
6. Presentation of the annual report and the auditor's report as well as the consolidated financial statements and the auditor's report on the consolidated financial statements.
7. Resolution regarding adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
8. Resolution regarding allocation of the company's result pursuant to the adopted balance sheet.
9. Resolution regarding discharge from liability of the board members and the chief executive officer.
10. Determination of the number of board members and auditors.
11. Determination of fees for the board members and the auditor.
12. Election of board members.

The nomination committee's proposal for board members:

- 12.1 James Noble (re-election)
- 12.2 Staffan Lindstrand (re-election)
- 12.3 David Colpman (re-election)
- 12.4 Henrik Kjær Hansen (re-election)
- 12.5 Kirsten Detrick (re-election)
- 12.6 Fred Wilkinson (re-election)
- 12.7 Mary Pat Christie (re-election)
- 12.8 Charlotte Hansson (re-election)

13. Election of chairman of the board.

The nomination committee proposes that James Noble is re-elected as chairman of the board.

14. Election of auditor.
15. Presentation of the board of directors' remuneration report for approval.

16. Resolution regarding nomination committee.
17. Resolution regarding authorization for the board of directors to resolve to issue new shares.
18. Resolution regarding authorization for the board of directors to resolve to repurchase and transfer own shares.
19. Resolution regarding adoption of new articles of association.
20. Resolution regarding adoption of new performance-based long-term incentive program LTIP 2021.
21. Resolution regarding adoption of new performance-based long-term incentive program LTIP Stay-on 2021.

Election of chairman of the meeting (item 1)

The nomination committee of Orexo, which consists of James Noble (chairman of the board), Christian Salling (Novo Holdings A/S and chairman of the nomination committee), Björn Odlander (HealthCap) and Claus Berner Møller (Arbejdsmarkedets Tillaegspension), proposes that Rikard Lindahl, member of the Swedish Bar Association, from Advokatfirman Vinge is elected chairman of the meeting.

Election of one or two persons who shall approve the minutes of the meeting (item 2)

Mats Espander, or the person appointed by the board of directors if he has an impediment to attend, is proposed to be elected to approve the minutes together with the chairman. The task of approving the minutes also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the meeting.

Preparation and approval of the voting list (item 3)

The voting list proposed for approval under item 3 of the agenda is the voting list drawn up by the company, based on the Orexo's share register and advance votes received, as verified and recommended by the person approving the minutes.

Resolution regarding allocation of the company's result pursuant to the adopted balance sheet (item 8)

The board of directors proposes that there shall be no dividend for 2020 and that the results of the company shall be carried forward.

Determination of the number of board members and auditors (item 10)

The nomination committee proposes that the board of directors shall consist of eight board members with no deputy members and that the number of auditors shall be one with no deputy auditors.

Determination of fees for the board members and the auditor (item 11)

The nomination committee proposes that the ordinary fees to the board of directors shall amount to SEK 3,550,000 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, and that fees to the auditor shall be paid against approved accounts.

The nomination committee further proposes that the board members James Noble, David Colpman, Kirsten Detrick, Fred Wilkinson, Mary Pat Christie and Charlotte Hansson shall receive an additional fee of SEK 950,000, 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 David Colpman, Kirsten Detrick, Fred Wilkinson, Mary Pat Christie and Charlotte Hansson, 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.

Election of board members and election of chairman of the board (items 12 and 13)

The nomination committee's proposals are set out in the proposed agenda. A presentation of the candidates proposed by the nomination committee is available on Orexo's website, www.orexo.com.

Election of auditor (item 14)

The nomination committee proposes that Ernst & Young Aktiebolag is re-elected as auditor for the period up until the end of the next annual general meeting. The proposal is in accordance with the recommendation by the audit committee.

Resolution regarding nomination committee (item 16)

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 2021. 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 2022. 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.

Resolution regarding authorization for the board of directors to resolve to issue new shares (item 17)

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 10 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.

Resolution regarding authorization for the board of directors to resolve to repurchase and transfer own shares (item 18)

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.

Resolution regarding adoption of new articles of association (item 19)

The board of directors proposes that the annual general meeting, as a result of statutory amendments and the annual general meeting’s resolution to cancel all of the company’s outstanding class C shares on 16 April 2020, resolves to amend the articles of association as follows.

Current wording	Proposed wording
<p style="text-align: center;">§ 4</p> <p>The share capital shall be not less than SEK five million (5,000,000) and not more than SEK twenty million (20,000,000). The number of shares shall be not less than twelve million and five hundred thousand (12,500,000) and not more than fifty million (50,000,000).</p> <p>Shares may be issued in two classes, ordinary shares and Class C shares. The ordinary shares share shall carry one vote and the class C shares 1/10 of one vote each. Ordinary shares may be issued up to a maximum number of shares that represents the full share capital of the company. Class C shares may be issued up to a maximum number of shares that represents the full share capital of the company.</p> <p>Class C shares do not entitle to dividends. Upon the company’s liquidation, Class C shares carry equivalent right to the company’s assets as other shares, however not to an amount exceeding up to the quota value of the share.</p> <p>Should the company resolve on an issue of new ordinary and Class C shares, against other payment than contribution in kind,</p>	<p style="text-align: center;">§ 4</p> <p>The share capital shall be not less than SEK five million (5,000,000) and not more than SEK twenty million (20,000,000). The number of shares shall be not less than twelve million and five hundred thousand (12,500,000) and not more than fifty million (50,000,000).</p> <p>Shares may be issued in two classes, ordinary shares and Class C shares. The ordinary shares share shall carry one vote and the class C shares 1/10 of one vote each. Ordinary shares may be issued up to a maximum number of shares that represents the full share capital of the company. Class C shares may be issued up to a maximum number of shares that represents the full share capital of the company.</p> <p>Class C shares do not entitle to dividends. Upon the company’s liquidation, Class C shares carry equivalent right to the company’s assets as other shares, however not to an amount exceeding up to the quota value of the share.</p> <p>Should the company resolve on an issue of new ordinary and Class C shares, against</p>

each holder of ordinary and Class C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of already shares held, or, to the extent that this is not possible, by lot.

Should the company resolve on an issue of new shares solely of ordinary shares or Class C shares, against other payment than contribution in kind, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares previously held.

The stipulations above regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived.

If the share capital is increased by a bonus issue, where new shares are issued, new shares shall be issued in relation to the number of shares of the same classes already held. In such cases, old shares of a specific class shall entitle to new shares of the same class. Following a requisite amendment in the articles of association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue.

Reduction of the share capital, however not below the minimum share capital, may as resolved by the company's board of directors or general meeting, be made by redemption of Class C shares. When a

~~other payment than contribution in kind, each holder of ordinary and Class C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of already shares held, or, to the extent that this is not possible, by lot.~~

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~~Reduction of the share capital, however not below the minimum share capital, may as resolved by the company's board of~~

<p>resolution on reduction has been passed, an amount corresponding to the reduction shall be transferred to the company's equity reserves, if the required funds are available. The redemption payment per Class C share shall correspond to the quota value of the share.</p> <p>Following notice of the redemption resolution, holders of shares shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been registered.</p> <p>Class C shares held by the company, may upon decision by the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.</p>	<p>directors or general meeting, be made by redemption of Class C shares. When a resolution on reduction has been passed, an amount corresponding to the reduction shall be transferred to the company's equity reserves, if the required funds are available. The redemption payment per Class C share shall correspond to the quota value of the share.</p> <p>Following notice of the redemption resolution, holders of shares shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been registered.</p> <p>Class C shares held by the company, may upon decision by the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.</p>
<p style="text-align: center;">§ 5</p> <p>The company's shares shall be registered in a securities register pursuant to the Swedish Financial Instruments Accounts Act (SFS 1998:1479).</p>	<p style="text-align: center;">§ 5</p> <p>The company's shares shall be registered in a securities register pursuant to the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (SFS 1998:1479).</p>
<p style="text-align: center;">§ 10</p> <p>Shareholders who wish to participate in the shareholders' meeting, must be listed in printouts or other representation of the entire share register concerning the circumstances five weekdays before the meeting, and must notify the company not later than 4 pm the day set forth in the notice of the meeting. The last-mentioned day must not be a Sunday, other public holiday, a Saturday, Midsummer Eve,</p>	<p style="text-align: center;">§ 10</p> <p>Shareholders who wish to participate in the shareholders' meeting, must be listed in printouts or other representation of the entire share register concerning the circumstances five weekdays before the meeting, and must notify the company not later than 4 pm the day set forth in the notice of the meeting. The last-mentioned day must not be a Sunday, other public holiday, a Saturday, Midsummer Eve,</p>

Christmas Eve or New Year’s Eve and not fall earlier than the fifth weekday before the meeting.	Christmas Eve or New Year’s Eve and not fall earlier than the fifth weekday before the meeting.
A shareholder may have one or two counsels at the general meeting provided that the shareholder have notified about this in accordance with previous section.	A shareholder may have one or two counsels at the general meeting provided that the shareholder have notified about this in accordance with previous section.

Resolution regarding adoption of new performance-based long-term incentive program LTIP 2021 (item 20)

The board of directors proposes that the annual general meeting resolves to implement a new performance-based long-term incentive program for senior executives and key employees within the Orexo group (“**LTIP 2021**”). LTIP 2021 is proposed to include up to approximately 120 senior executives and key employees within the Orexo group.

LTIP 2021 is a three-year performance-based program. Under LTIP 2021, 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 1,021,016 shares in Orexo, in accordance with the terms stipulated below. The Share Awards entitle to a maximum of 306,234 shares in Orexo and the Employee Stock Options entitle to a maximum of 714,782 shares in Orexo.

The rationale for the proposal

LTIP 2021 substantially corresponds with the performance based long-term incentive program adopted at the annual general meeting 2020 (LTIP 2020). LTIP 2021 is intended for certain senior executives and key 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 2020 (LTIP 2020). LTIP 2021 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 2021 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 key 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 2021 will have a positive effect on the development of the Orexo group and consequently that LTIP 2021 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 2021 and no later than on 30 June 2021. 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 2021.
- 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 2021 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 2021. 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 2021 ("**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 2021, 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 2021 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 2021.

Allocation

The participants are divided into two allocation categories: (i) CEO and other members of group management; (ii) other key personnel. The maximum number of Share Awards and Employee Stock Options that a participant may be granted in LTIP 2021 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 key 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 2021 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 2021, 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 2021 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 2021 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 2021 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 2021 has been prepared by the remuneration committee and reviewed at meetings of the board of directors.

Scope and costs of the program

LTIP 2021 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 50, 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 annual cost for LTIP 2021 including social security costs is estimated to approximately SEK 10.3 million before tax. The corresponding annual 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 14.3 million before tax.

LTIP 2021 will have marginal effects on Orexo's key ratios since delivery of shares shall be made by way of transfer of Orexo's repurchased ordinary shares as is described under section "Delivery under LTIP 2021" below.

Since delivery of shares under LTIP 2021 shall be made by way of transfer of Orexo's repurchased ordinary shares, LTIP 2021 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 ordinary shares.

Information on Orexo's existing incentive programs can be found in the 2020 annual report, note 10 and 24, as well as on the company's website www.orexo.com.

Delivery under LTIP 2021

The board of directors proposes that delivery of shares under LTIP 2021 shall be made by way of transfer of Orexo's repurchased ordinary 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.

Resolution regarding adoption of new performance-based long-term incentive program LTIP Stay-on 2021 (item 21)

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 2021**”). LTIP Stay-on 2021 is proposed to include up to approximately 12 GMT and USLT employees within the Orexo group.

LTIP Stay-on 2021 is a three-year performance-based program. Under LTIP Stay-on 2021, 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 56,000 shares in Orexo, in accordance with the terms stipulated below. The Share Awards entitle to a maximum of 28,000 shares in Orexo and the Employee Stock Options entitle to a maximum of 28,000 shares in Orexo.

The rationale for the proposal

LTIP Stay-on 2021 substantially corresponds with the performance based long-term incentive program adopted at the annual general meeting 2020 (LTIP Stay-on 2020). LTIP Stay-on 2021 is intended for certain GMT and USLT employees within the Orexo group and qualification for participation in LTIP Stay-on 2021 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 2021 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 2020 (LTIP Stay-on 2020). LTIP Stay-on 2021 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 2021 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 2021 will have a positive effect on the development of the Orexo group and consequently that LTIP Stay-on 2021 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 2021 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**”).

- 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 2021 and no later than on 31 August 2021.
- 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 2022 and no later than on 31 May 2022.
- 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 2021.
- 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 2021 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 2021. 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 2021 ("**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 2021, 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 2021 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 2021.

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 2021 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 2021. 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 2022.

Preparation and administration

The board of directors shall be responsible for preparing the detailed terms and conditions of LTIP Stay-on 2021, 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 2021 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 2021 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 2021 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 2021 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 2021 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 50, 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 annual cost for LTIP Stay-on 2021 including social security costs is estimated to approximately SEK 0.7 million before tax. The corresponding annual 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 0.96 million before tax.

LTIP Stay-on 2021 will have marginal effects on Orexo’s key ratios since delivery of shares shall be made by way of transfer of Orexo’s repurchased ordinary shares as is described under section “Delivery under LTIP Stay-on 2021” below.

Since delivery of shares under LTIP Stay-on 2021 shall be made by way of transfer of Orexo’s repurchased ordinary shares, LTIP Stay-on 2021 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 ordinary shares.

Information on Orexo’s existing incentive programs can be found in the 2020 annual report, note 10 and 24, as well as on the company’s website www.orexo.com.

Delivery under LTIP Stay-on 2021

The board of directors proposes that delivery of shares under LTIP Stay-on 2021 shall be made by way of transfer of Orexo’s repurchased ordinary 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.

Majority requirements

A resolution in accordance with the board of directors' proposal in items 17 and 19 shall only be valid where supported by not less than two-thirds of both the votes cast and the shares represented at the meeting and resolutions in accordance with the board of directors' proposal in item 18, 20 and 21 shall only be valid where supported by not less than nine-tenths of both the votes cast and the shares represented at the meeting.

Shareholders' right to request information

The board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda and the company's relation to other companies within the group. A request for such information shall be made in writing to Orexo AB, Rapskatan 7E, SE-751 05 Uppsala, Sweden, or via e-mail to lena.wange@orexo.com, no later than on 3 April 2021. The information will be made available at Orexo AB, P.O. Box 303, SE-751 05 Uppsala, Sweden and on www.orexo.com, on 8 April 2021 at the latest. The information will also be sent, within the same period of time, to the shareholder who has requested it and stated its address.

Documentation

The annual report, the remuneration report and all other documents, including the nomination committees' motivated statement, the auditor's report pursuant to Chapter 8 Section 54 of the Companies Act and documents pursuant to Chapter 19 Section 22 of the Companies Act, are available at the company's office at Rapskatan 7 E, in Uppsala and at www.orexo.com no later than three weeks before the meeting and will be sent to shareholders who so request and who inform the company of their postal address.

This notice is a translation of a Swedish notice and in case of any deviations between the both language versions, the Swedish version shall prevail.

Processing of personal data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Uppsala, March 2021
Orexo AB (publ)
The board of directors