

REMUNERATION REPORT OF GEDEON RICHTER PLC.

FOR THE FINANCIAL YEAR 2023

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1. INTRODUCTION

Gedeon Richter Plc. (hereinafter the “Company”), pursuant to the provision under Section 21 of Act LXVII of 2019 on the encouragement of long-term shareholder engagement and the amendment of certain laws for the purpose of legal harmonisation, herewith publishes the Company’s Remuneration Report for the year 2023¹ (hereinafter the “**Report**” or the “**Remuneration Report**”).²

The purpose of the report is to provide a comprehensive overview, in accordance with the Remuneration Policy applicable from 2021 (hereinafter the “**Remuneration Policy**”), adopted by Resolution No. 13/2020.04.28 passed by the Company’s Board of Directors acting within the competence of the general meeting based on Section 5(1) and Section 9 of Government Decree 102/2020 (IV.10.), and modified by Resolutions 9/2022.04.12 and 9/2023.04.25. Adopted following advisory votes, to persons falling under the personal scope of the Remuneration Policy, regarding all remuneration awarded in the 2023 financial year or due on the basis of the results of that year, and paid by the Company.

The Company’s Remuneration Policy is available on the Company website.

The quantified data of the Company’s Remuneration Report are presented in Chapters 3-6. of the Report and the tables set out in those chapters. Values expressed in Hungarian forint (HUF) in the report are gross amounts, unless otherwise stated in the report.

For the Directors whose legal relationship (i.e. whose mandate or board membership) did not cover the entire year of 2023³, the report states the pro rata portion of the annual benefits and honoraria due in line with the period of their mandates.

The categorisation and list of remuneration components presented in this structure is based on the non-binding recommendations issued by the European Commission on the standardised presentation of the remuneration report (Cf. *COMMUNICATION FROM THE COMMISSION Guidelines on the*

¹ Pursuant to Section 3:268(3) of Act V of 2013 on the Civil Code of Hungary (the “Civil Code”): In public companies limited by shares the remuneration report for the previous business year shall be put on the agenda of the general meeting for advisory vote.

² Although Section 192(b) of Act LXVII of 2019 stipulates that the report must also include the following information: “*the annual change in remuneration over at least the five most recent business years, the development of the company’s performance and the average remuneration of the employees of the company other than directors during that period – on a full-time equivalent basis and presented in a manner that permits comparison,*” Section 29(4) of the same Act contains a transitional provision to the effect that “*the public limited company shall fulfil its obligation under Section 192(b) in the first five business years of the application of the remuneration policy adopted on the basis of this Act by applying the provision only in respect of remuneration policies already adopted on the basis of this Act.*” Accordingly, the Remuneration Report for the year 2023 contains comparative information compared to the information provided in the Remuneration Report for the 2021 financial year.

³ A regards changes in the person and numbers falling within the personal scope of the Remuneration Report, the following changes occurred in 2023: Ilona Dávid and Dr. László Szabó resigned from their position on the Board of Directors on 27 February 2023. On 25 April 2023, the Annual General Meeting of the Company approved the re-election of Erik Bogsch and Gábor Orbán as members of the Board of Directors for a five-year term of office until the Annual General Meeting of 2028; Dr. Ilona Pintérmé Dr. Hardy, Dr. Elek Szilveszter Vizi and Dr. Péter Cserháti as members of the Board of Directors for a term of four years until the Annual General Meeting of 2027, and approved the election of Gabriella Balogh, Balázs Szepesi and Lászlóné Németh as members of the Board of Directors for a term of three years until the Annual General Meeting of 2026.

The following changes occurred in 2023 with regard to the Supervisory Board of the Company: employee delegate Péter Müller resigned from the Supervisory Board with effect from 8 March 2023, and on 25 April 2023, the Annual General Meeting approved the election of employee delegate Ferenc Sallai as a member of the Supervisory Board for a one-year term until the Annual General Meeting of 2024.

standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828, as regards the encouragement of long-term shareholder engagement).

Following the adoption of the Remuneration Policy, the Company added a number of new elements already to the 2022 Remuneration Report based on written feedback from investors, but based on further feedback from investors received in 2023, the 2023 Remuneration Report was further improved to give a broader insight (*see in particular the detailed explanation of the short and long-term targets for Directors, the structured presentation of the targets for 2024 to facilitate understanding and other additions*). The Company's aim is to achieve a higher level of support (voting rate) from the General Meeting compared to the advisory votes on the previous years' reports, to strengthen investor understanding and confidence.

2. BUSINESS PERFORMANCE AND DIRECTORS' REMUNERATION

Richter Group's year 2023 was characterised by unbroken confidence in its products and above-expectations demand across all businesses, which is a very positive response from patients and prescribers. In 2023, the Company achieved sales of HUF 805 billion (EUR 2.11 billion), with adjusted EBIT reaching a new historic high of HUF 236 billion (EUR 619 million), an increase of 15% and exceeding our forecasts.

In terms of the Company's internal operations, the first half of the year saw a successful transition to a business area-based operating logic, with a decisive organisational transformation to better support the objectives, organised around the Company's four strategic focus areas: Biotechnology, Neuropsychiatry (CNS), Women's Healthcare, and General Medicines. This will ensure greater efficiency in managing the portfolio and creating value for customers and partners.



Despite the fact that the Company's operations have been affected by a number of negative external factors, with adverse exchange rate movements and sector-specific extraordinary taxes being the main factors negatively affecting the Company's performance, the Company continued to make significant financial and organisational efforts in 2023 to renew its portfolio through acquisitions and development program, to further improve its physical infrastructure and organisational capabilities, which will enable it to operate more efficiently, quickly and cost-effectively.

- The biggest contributors to the double-digit growth in the **Women's Healthcare portfolio** were oral contraceptives and the Evra patch. In a major breakthrough, Ryeqo was approved for registration in early November for the treatment of endometriosis, an indication with a patient population three times the size of fibroids. In the period ahead, the Company's priority is to make the product available to as many patients as possible.
- The excellent performance of the **Neuropsychiatry business area** is due to the continued dynamic growth of Vraylar sales in the US. A major driver of this was new prescriptions in a new indication approved at the end of last year, the adjunctive treatment of major depressive disorder. However, it should also be highlighted that cariprazine sales outside the US have also gained momentum: it is now available in 64 countries and has been used in more than 1.1 million patients.
- The **Biotechnology business area** is on track with two ongoing clinical trials for which there are strong expectations for the future. Terrosa sales continued to grow significantly, with registrations in Brazil and Malaysia. 2023 revenues grew 12% due to increasing teriparatide sales and revenues from contract manufacturing and contract development.
- With the creation of the **General Medicines business area**, the Company has set higher ambitions than ever before in this field. One of the outstanding achievements of this was that

Richter was the first in the region, and in many markets the only one, to launch the generic anticoagulant Dabigatran, thanks to the enormous technical feat of meeting the extremely stringent quality assurance requirements for this product. GenMed's 2023 sales performance reflects a nearly 10% a volume growth and a positive price impact, which was fully offset by a significant negative exchange rate effect.

The remuneration of the Directors, which encourages the effective delivery of the corporate strategy, is aligned with the long-term sustainable development of the Company and strongly supports the creation of value for the Company's shareholders for the long term. The Remuneration Report provides transparent, concrete information on Directors' compensation for 2023.

3. REMUNERATION OF DIRECTORS NOT EMPLOYED BY THE COMPANY (NON-EXECUTIVE DIRECTORS)

3.1. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

3.1.1. CHARACTERISTICS OF THE MAIN ELEMENTS OF REMUNERATION

Remuneration element	Description	Connection to strategy and the Company's long-term performance
Monthly honorarium	<p>Members of the Board of Directors receive fixed monthly honorarium set by the General Meeting for the calendar year in question.</p> <p>The fixed remuneration (honorarium) is paid to the members of the Board of Directors monthly in arrears, by the 15th day of the month following the month in question. Its amount in 2023:</p> <ul style="list-style-type: none"> • For the Chairman of Board of Directors: HUF 945,000 / month • For members of the Board of Directors: HUF 790,000 / month / person 	<p>The Board of Directors is the executive body of the Company; it represents the Company vis-à-vis third parties, establishes and manages the Company's work organisation, and exercises the rights of employment over the CEO.</p> <p>The monthly honorarium provides a regular fixed amount of remuneration that reflects the level, importance and responsibility of the decision-making function performed by the Board members.</p>
Meeting fee	<p>The members of the subcommittees established by the Board of Directors shall receive remuneration based on meetings⁴ attended, set at the same level for each meeting, but with an annually capped amount.</p> <p>The meeting fees payable to subcommittee members for the year in question shall be calculated on the basis of the subcommittee statistics (number of subcommittee meetings, names of subcommittee members present per meeting) prepared by the Secretary of the Board of Directors for the year in question and paid in one lump sum by 31 January of the calendar year following</p>	<p>The Board of Directors operates three subcommittees:</p> <ul style="list-style-type: none"> • Corporate Governance and Nomination Subcommittee • Remuneration Subcommittee • ESG Subcommittee <p>The work carried out in the subcommittees places an additional burden on the Board members serving on subcommittees. The meeting fee remuneration element is intended to reward the discharge of the duties and responsibilities involved by subcommittee membership and to</p>

⁴ A meeting shall be a meeting formally convened by the Chairperson of the body by means of a written invitation containing a predetermined agenda, held in the presence of the members simultaneously in person or by video conference or by any other appropriate means of electronic communication which permits the identification of, and the mutual, continuous and direct communication between, the members and the invitees, without any restrictions, and of which a certified record of proceedings has been drawn up, signed at least by the Chairperson of the body.

	<p>the calendar year in question. Its amount in 2023⁵:</p> <ul style="list-style-type: none"> • HUF 150,000 / subcommittee meeting • <u>maximum:</u> HUF 900,000 / subcommittee member / year 	<p>encourage active participation in subcommittee meetings.</p>
Share remuneration	<p>Non-executive members of the Board of Directors receive a variable number of Richter ordinary shares dependent on the financial performance of the Company.</p> <p>The share remuneration is paid subsequently, within 30 days of the annual general meeting closing the financial year in question, by crediting the shares to the securities account of the persons concerned.</p> <p>The annual share remuneration consists of two components and amounts to 1,500 shares per member.</p> <p>50% of the remuneration is dependent on the annual growth of the sales revenue of the Pharmaceuticals Segment in euros, and the other 50% is dependent on the annual growth of the operating profit before special items of the Pharmaceuticals Segment (Pharmaceuticals Segment OPBSI) in euros.</p> <p>For both remuneration components, the maximum remuneration of 750-750 shares is granted if the annual growth rate is equal to or above 5%.</p> <p>If the 5% growth target in the respective component is not satisfied, the number of shares to which members are entitled is reduced by 150 shares per each 1 percentage point of shortfall (thus, if the Company does not achieve at least 1% annual growth in either performance target, no share remuneration is granted).</p>	<p>The share remuneration is a long-term incentive for non-executive Directors as variable remuneration. It is intended to encourage, retain or maintain non-executive Directors' long-term incentive to achieve, maintain or increase the share price in line with shareholders' interests and to pay dividends. To this end, the shares granted are subject to a two-year holding obligation (prohibition of alienation). This also ensures the interest of non-executive Board members in the increase in the price of Richter shares within the two-year holding period.</p>

⁵ The meeting fee appears together with the monthly honorarium in the Honorarium column of the table in section 3.1.4.

	The shares granted are subject to a two-year holding obligation (prohibition of alienation) . The share remuneration is a net benefit granted by the Company.	
Cash benefit	A further element of the share remuneration is a cash benefit, which is the gross amount of taxes and contributions payable in connection with the shares awarded. The cash benefit related to the share remuneration is paid within 30 days of the Annual General Meeting closing the financial year in question.	It is intended to encourage, retain or maintain non-executive Directors' long-term incentive to achieve, maintain or increase the share price in line with shareholders' interests and to pay dividends.

3.1.2. PRESENTATION OF THE NEW ELEMENTS OF THE REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS INTRODUCED IN 2023

Meeting fee: The annual General Meeting of the Company held on 25 April 2023 adopted as a new element of the revised Remuneration Policy of the Company a meeting fee for members of subcommittees established by the Board of Directors, to reward the discharge of duties and responsibilities associated with subcommittee membership and to encourage active participation in sub-committee meetings.

Share remuneration: The annual General Meeting of the Company held on 25 April 2023 adopted as a new element of the revised Remuneration Policy of the Company share remuneration for non-executive members the Company's Board of Directors (i.e. Directors not employed by the Company), based on the Company's performance. By granting shares as a new form of remuneration, the Company believes that the remuneration of its Board members has caught up with its peer group of European mid-sized pharmaceutical companies.

The breakdown KPIs of the share remuneration is presented in the following table:

	Maximum available	KPI	KPI achievement
Component 1	50%: 750 shares	5% or higher annual increase in sales in euro of Pharmaceuticals Segment	100%
Component 2	50%: 750 shares	5% or higher annual increase in the operating profit before special items (OPBSI) in euro of the Pharmaceuticals Segment	100%
Total	100%: 1,500 shares	In case both of the above KPIs are met	100%

Cash benefit: The share remuneration is a net benefit granted by the Company. The Company will ensure that the tax(es), contribution(s) and any other public charges payable by the non-operative

members of the Board of Directors concerned in connection with the acquisition of the shares awarded are paid in accordance with the legislation effective at the time. The Company's coverage of the payment of taxes and contributions (in the form of a cash benefit) does not extend to the payment of any additional tax(es) or costs (e.g., dividend and profit tax) incurred by the non-operative members of the Board of Directors concerned arising upon exercising the rights attached to the shares granted or in connection with the disposal of the shares granted. Accordingly, the share remuneration as incentive includes an additional cash benefit to the non-operative members of the Board of Directors which equals the amount of the gross amount of the tax(es) and contribution(s) payable by the Board of Directors concerned in connection with the acquisition of the shares, based on the legislation effective at the time. The cash benefit related to the share remuneration is paid within 30 days of the annual general meeting closing the financial year in question.

The proposal for the amount of the honorarium and the meeting fee and as well as the rate of the share remuneration shall be made by the Board of Directors in consideration of the Company's financial performance in the previous year and the average wage increase of employees envisioned for the current year, as well the practice of domestic blue chip companies and European mid-sized pharmaceutical companies.

3.1.3. MINIMUM AND MAXIMUM OF THE REMUNERATION ELEMENTS FOR MEMBERS OF THE BOARD OF DIRECTORS

	Minimum		Maximum	
	HUF or number of shares	%	HUF or number of shares	%
Monthly honorarium	Chairman of the Board of Directors HUF 945,000 / month Member of the Board of Directors HUF 790,000 / month	100%	Chairman of the Board of Directors HUF 945,000 / month Member of the Board of Directors HUF 790,000 / month	100%
Meeting fee	HUF 0	0%	HUF 900,000 / year	100%
Share remuneration	0 share	0%	1500 shares	100%
Cash benefit	HUF 0	0%	HUF 15,000,000 / year	100%

3.1.4. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

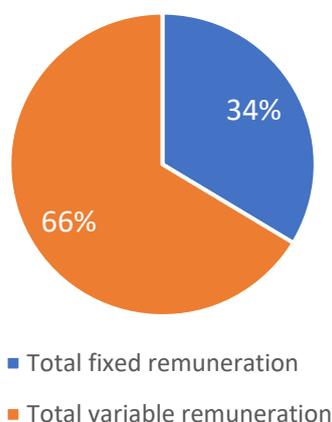
According to sections 3.1.1 to 3.3.3., in 2023 the following payments were made to members of the Board of Directors not employed by the Company⁶⁷:

Annual gross amount (HUF)	Year	1. Fixed remuneration							2. Variable remuneration				3. Extraordinary items	4. Total remuneration	5. Proportion of total variable remuneration to total remuneration
		Base salary	Honorarium (fee) + Meeting fee	Fringe benefits	Remuneration from a subsidiary	Voluntary pension fund contribution	Other	Total fixed remuneration	One year	Longterm (multiyear)	Other	Total variable remuneration			
Members of the Board of Directors															
Dr. Nándor Pál Ács Member of the Board of Directors	2023.	-	10 080 000	-	-	-	-	10 080 000	-	12 217 500	6 154 680	18 372 180	-	28 452 180	65%
	2022.	-	8 554 000	-	-	-	-	8 554 000	-	-	-	-	-	8 554 000	0%
	2021.	-	4 880 000	-	-	-	-	4 880 000	-	-	-	-	-	4 880 000	0%
Gabriella Balogh Member of the Board of Directors (from 25 April 2023)	2023.	-	6 320 000	-	-	-	-	6 320 000	-	12 217 500	6 154 680	18 372 180	-	24 692 180	74%
	2022.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Péter Cserháti Member of the Board of Directors	2023.	-	10 380 000	-	-	-	-	10 380 000	-	12 217 500	6 154 680	18 372 180	-	28 752 180	64%
	2022.	-	8 554 000	-	-	-	-	8 554 000	-	-	-	-	-	8 554 000	0%
	2021.	-	8 499 900	-	-	-	-	8 499 900	-	-	-	-	-	8 499 900	0%
Ilona Dávid Member of the Board of Directors (from 12 April 2022 until 27 February 2023)	2023.	-	1 986 000	-	-	-	-	1 986 000	-	-	-	-	-	1 986 000	0%
	2022.	-	5 296 000	-	-	-	-	5 296 000	-	-	-	-	-	5 296 000	0%
Lászlóné Németh Member of the Board of Directors (from 25 April 2023)	2023.	-	6 320 000	-	-	-	-	6 320 000	-	12 217 500	6 154 680	18 372 180	-	24 692 180	74%
	2022.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
dr. Ilona Hardy Dr. Pintérné Member of the Board of Directors	2023.	-	10 380 000	-	-	-	-	10 380 000	-	12 217 500	6 154 680	18 372 180	-	28 752 180	64%
	2022.	-	8 554 000	-	-	-	-	8 554 000	-	-	-	-	-	8 554 000	0%
	2021.	-	8 499 900	-	-	-	-	8 499 900	-	-	-	-	-	8 499 900	0%
Dr. Anett Pandurics Member of the Board of Directors	2023.	-	10 080 000	-	-	-	-	10 080 000	-	12 217 500	6 154 680	18 372 180	-	28 452 180	65%
	2022.	-	8 554 000	-	-	-	-	8 554 000	-	-	-	-	-	8 554 000	0%
	2021.	-	8 499 900	-	-	-	-	8 499 900	-	-	-	-	-	8 499 900	0%
Dr. László Szabó Member of the Board of Directors (from 15 April 2021 until 27 February 2023)	2023.	-	1 986 000	-	-	-	-	1 986 000	-	-	-	-	-	1 986 000	0%
	2022.	-	8 554 000	-	-	-	-	8 554 000	-	-	-	-	-	8 554 000	0%
	2021.	-	4 880 000	-	-	-	-	4 880 000	-	-	-	-	-	4 880 000	0%
Balázs Szepesi Member of the Board of Directors (from 25 April 2023)	2023.	-	6 320 000	-	-	-	-	6 320 000	-	12 217 500	6 154 680	18 372 180	-	24 692 180	74%
	2022.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bálint Szécsényi Member of the Board of Directors	2023.	-	9 630 000	-	-	-	-	9 630 000	-	12 217 500	6 154 680	18 372 180	-	28 002 180	66%
	2022.	-	8 554 000	-	-	-	-	8 554 000	-	-	-	-	-	8 554 000	0%
	2021.	-	8 499 900	-	-	-	-	8 499 900	-	-	-	-	-	8 499 900	0%
Prof. Dr. E. Szilveszter Vizi Member of the Board of Directors	2023.	-	10 380 000	-	-	-	-	10 380 000	-	12 217 500	6 154 680	18 372 180	-	28 752 180	64%
	2022.	-	8 554 000	-	-	-	-	8 554 000	-	-	-	-	-	8 554 000	0%
	2021.	-	8 499 900	-	-	-	-	8 499 900	-	-	-	-	-	8 499 900	0%

⁶ The remuneration components not included in the table below are presented in Chapter 4 of the Report.

⁷ The share remuneration and the related cash benefit is paid subsequently, within 30 days of the annual Annual General Meeting closing the business year in question, therefore the value of the long-term remuneration element in the table below is calculated at a share price of HUF 8,145. Given that the share remuneration and the related cash benefit is paid subsequently, within 30 days of the annual Annual General Meeting closing the business year in question, the amounts in the "Other" column of the table in section 3.1.4. are calculated values.

Remuneration of members of the Board of Directors



No other incentives were granted to Board members in connection with this position. Furthermore, there is no clawback provision in place, which means that in no case shall the Company seek reimbursement of share-based compensation after the payment or equivalent act (i.e. transfer or credit).

The remuneration of the members of Board of Directors who are also employed by the Company and have therefore a parallel relationship with the Company⁸ is contained in Chapter 4 of the Report.

⁸ CEO Gábor Orbán, Advisor Erik Bogsch, and CFO István Hamecz

3.2. REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD AND THE AUDIT BOARD

3.2.1. MAIN CHARACTERISTICS OF THE REMUNERATION ELEMENTS

Remuneration element	Description	Connection to strategy and the Company's long-term performance
Monthly honorarium	<p>The members of the Supervisory Board receive a fixed monthly honorarium set by the Annual General Meeting for a given calendar year.</p> <p>The honorarium is paid to the members of the Supervisory Board monthly in arrears, by the 15th day of the month following the month in question.</p> <p>Its amount in 2023:</p> <ul style="list-style-type: none"> • For the Chairman of the Supervisory Board: HUF 790,000 / month • For members of the Supervisory Board: HUF 570,000 / month / member 	<p>The main task of the Supervisory Board is to monitor the management activities of the Board of Directors in order to safeguard the interests of the Company.</p> <p>The monthly honorarium provides a regular fixed amount of remuneration reflecting the level, importance and responsibility of the supervisory function performed by the members of the Board.</p>
SB Chairman's meeting fee	<p>The Chairman of the Supervisory Board is entitled to additional remuneration based on Board of Directors' meetings⁹ attended by him.</p> <p>The meeting fee due to the chairman of the Supervisory Board in 2023:</p> <ul style="list-style-type: none"> • HUF 300,000 / Board of Directors' meeting 	<p>The participation of the Chairman of the Supervisory Board in the meetings of the Board of Directors represents an additional workload for the Chairman, which this remuneration element is intended to reward and encourage active participation in the meetings of the Board of Directors.</p>

⁹ A meeting shall be a meeting formally convened by the Chairperson of the body by means of a written invitation containing a predetermined agenda, held in the presence of the members simultaneously in person or by video conference or by any other appropriate means of electronic communication which permits the identification of, and the mutual, continuous and direct communication between, the members and the invitees, without any restrictions, and of which a certified record of proceedings has been drawn up, signed at least by the Chairperson of the body.

<p>Audit Board members' meeting fee</p>	<p>Those members of the Supervisory Board who also serve on the Audit Board receive additional remuneration (meeting fee) based on meetings¹⁰ attended, set at the same level for each Audit Board meeting but with an annually capped amount. The meeting fee due to members of the Audit Board in 2023¹¹:</p> <ul style="list-style-type: none"> • HUF 150,000 / Audit Board meeting • maximum: HUF 900,000 / Audit Board member / year <p>The meeting fees payable to the Chairman of the Supervisory Board and the members of the Audit Board for the year in question is calculated on the basis of the statistics (in respect of the Chairman of the Supervisory Board, the number of meetings of the Board of Directors attended by the Chairman of the Supervisory Board, and in respect of the members of the Audit Board, the number of Audit Board meetings, names and number of members of the Audit Board present per meetings) prepared by the Secretary of the Board of Directors for the year in question and paid in a lump sum by 31 January of the calendar year following the calendar year in question.</p>	<p>A three-member Audit Board operates at the Company, the members of which are chosen from among the independent members of the Supervisory Board by the General Meeting. The Audit Board is responsible for overseeing the Company's internal accounting practices. The work carried out in the Audit Board places an additional burden on the Audit Board members. The meeting fee remuneration element is intended to reward the discharge of the duties and responsibilities involved by Audit Board membership and to encourage active participation in Audit Board meetings.</p>
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¹⁰ A meeting shall be a meeting formally convened by the Chairperson of the body by means of a written invitation containing a predetermined agenda, held in the presence of the members simultaneously in person or by video conference or by any other appropriate means of electronic communication which permits the identification of, and the mutual, continuous and direct communication between, the members and the invitees, without any restrictions, and of which a certified record of proceedings has been drawn up, signed at least by the Chairperson of the body.

¹¹ The meeting fee appears together with the monthly honorarium in the Honorarium column of the table in section 3.1.3.

3.2.2. MINIMUM AND MAXIMUM OF THE REMUNERATION ELEMENTS FOR MEMBERS OF THE SUPERVISORY BOARD AND THE AUDIT BOARD

	Minimum		Maximum	
	HUF	%	HUF	%
Monthly honorarium	Chairman of the Supervisory Board: HUF 790,000 / month Member of the Supervisory Board: HUF 570,000 / month	100%	Chairman of the Supervisory Board: HUF 790,000 / month Member of the Supervisory Board: HUF 570,000 / month	100%
Meeting fee (SB Chairman)	HUF 0	0%	HUF 300,000 / Board of Directors meeting	100%
Meeting fee (Audit Board member)	HUF 0	0%	HUF 150,000 / Audit Board meeting maximum: HUF 900,000 / year	100%

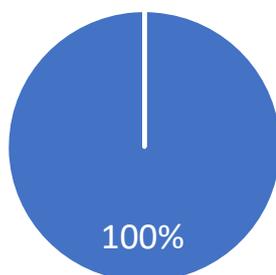
The proposal for the amount of the honorarium and the meeting fee of the Chairman of the Supervisory Board and the members of the Audit Board shall be made by the Board of Directors in consideration of the Company's financial performance in the previous year and the wage increase of employees envisioned for the current year, as well the practice of domestic blue chip companies and European mid-sized pharmaceutical companies.

3.2.3. REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD

According to sections 3.2.1 to 3.2.2., in 2023 the following payments were made to members of the Supervisory Board and members of the Audit Board:

Annual gross amount (HUF)	Year	1. Fixed remuneration						2. Variable remuneration				3. Extraordinary items	4. Total remuneration	5. Proportion of total variable remuneration to total remuneration	
		Base salary	Honorarium (fee)	Fringe benefits	Remuneration from a subsidiary	Voluntary pension fund contribution	Other	Total fixed remuneration	One year	Longterm (multiyear)	Other				Total variable remuneration
Members of the Supervisory Board															
Dr. Attila Chikán Chairman of the Supervisory Board	2023.	-	12 930 000	-	-	-	-	12 930 000	-	-	-	-	-	12 930 000	0%
	2022.	-	7 944 000	-	-	-	-	7 944 000	-	-	-	-	-	7 944 000	0%
	2021.	-	7 320 000	-	-	-	-	7 320 000	-	-	-	-	-	7 320 000	0%
Prof. Dr. Jonathán Róbert Bedros Member of the Supervisory Board	2023.	-	6 840 000	-	-	-	-	6 840 000	-	-	-	-	-	6 840 000	0%
	2022.	-	5 728 800	-	-	-	-	5 728 800	-	-	-	-	-	5 728 800	0%
	2021.	-	5 280 000	-	-	-	-	5 280 000	-	-	-	-	-	5 280 000	0%
Dr. Zoltán Matos Member of the Supervisory Board	2023.	-	7 290 000	-	-	-	-	7 290 000	-	-	-	-	-	7 290 000	0%
	2022.	-	5 728 800	-	-	-	-	5 728 800	-	-	-	-	-	5 728 800	0%
	2021.	-	3 520 000	-	-	-	-	3 520 000	-	-	-	-	-	3 520 000	0%
Dr. Lívía Pavlík Member of the Supervisory Board	2023.	-	7 290 000	-	-	-	-	7 290 000	-	-	-	-	-	7 290 000	0%
	2022.	-	5 728 800	-	-	-	-	5 728 800	-	-	-	-	-	5 728 800	0%
	2021.	-	3 520 000	-	-	-	-	3 520 000	-	-	-	-	-	3 520 000	0%
dr.Krisztina Gál Member of the Supervisory Board / employee representative (from 15 April 2021)	2023.	-	6 840 000	-	-	-	-	6 840 000	-	-	-	-	-	6 840 000	0%
	2022.	-	5 728 800	-	-	-	-	5 728 800	-	-	-	-	-	5 728 800	0%
	2021.	-	3 520 000	-	-	-	-	3 520 000	-	-	-	-	-	3 520 000	0%
Péter Müller Member of the Supervisory Board / employee representative (from 15 April 2021 until 8 March 2023)	2023.	-	1 710 000	-	-	-	-	1 710 000	-	-	-	-	-	1 710 000	0%
	2022.	-	5 728 800	-	-	-	-	5 728 800	-	-	-	-	-	5 728 800	0%
	2021.	-	3 520 000	-	-	-	-	3 520 000	-	-	-	-	-	3 520 000	0%
Ferenc Sallai Member of the Supervisory Board / employee representative (from 25 April 2023)	2023.	-	4 560 000	-	-	-	-	4 560 000	-	-	-	-	4 560 000	0%	

Remuneration of Supervisory Board (Audit Board) members



■ Total fixed remuneration
■ Total variable remuneration

In the case of employee delegates Dr. Krisztina Gál, Péter Müller and Ferenc Sallai, the remuneration related to the employee status is not included in the above table, given that pursuant to the provisions of Act LXVII of 2019 on the Encouragement of Long-term Shareholder Engagement and the Amendment of Certain Laws for the Purpose of Legal Harmonisation, their Supervisory Board membership qualifies them as Directors.

Members of the Supervisory Board did not receive any variable component, i.e. performance-based remuneration or share awards in connection with this position (thus the future long-term performance of the Company had no impact on their remuneration, and reclaiming variable remuneration was not meaningful in their case).

4. REMUNERATION OF (EXECUTIVE) DIRECTORS EMPLOYED BY THE COMPANY

Directors who are employed by the Company discharge their duties based on a work contract.

The decision on the **remuneration of the CEO** (including, in addition to the determination of the base salary, the other benefits to which the CEO is entitled in case of the fulfilment of the annual bonus and EPP terms) is taken by the Board of Directors, taking into account the proposal of the Remuneration Subcommittee of the Board of Directors.

The Remuneration Subcommittee is composed exclusively of independent, non-executive members of the Board of Directors, and comprises three members including the Chairperson. The members and the Chairperson of the Subcommittee are appointed by the Board of Directors.

The members of the Remuneration Subcommittee have extensive management and consultancy expertise, resulting in insight into the appropriate high level of executive pay, and have access to remuneration benchmarks from other large Hungarian companies and international pharmaceutical companies.

Before submitting its proposals on the CEO's remuneration to the Board of Directors, the Remuneration Subcommittee reviews available benchmark data to determine what guidelines and best practices are applied in peer companies; and takes into account the Company's economic/financial performance, the economic environment and key economic indicators (e.g. Inflation).

A significant portion of the CEO's remuneration should be linked to corporate and individual performance and should support the short and long-term interests and sustainability of the Company. A short-term incentive (bonus) is a one-year, and a long-term (share-based) incentive is a multi-year remuneration. The duration of the incentive (short or long-term) is reflected in the measurement of targets and KPIs.

The Remuneration Policy reflects the long-term interests of the Company by aligning with and promoting the Company's business strategy, long-term interests and sustainability.

The Board of Directors of the Company ensures that the CEO's corporate and individual performance objectives promote the long-term interests and sustainability of the Company, i.e. that the objectives are linked to business performance, R&D objectives, and strategic pillars. The performance-based components of remuneration should not encourage risk-taking beyond the Company's exposure limits and may be reduced where necessary.

The decision on the **remuneration of other Directors employed by the Company** (including the determination of the fixed and variable components of the remuneration) falls within the sphere of competence of the CEO.

The Company has an internal classification system based on Korn Ferry categories. These internal levels form the basis of the remuneration system. Job evaluation is based on the international Korn Ferry methodology. Korn Ferry job categories and classifications are determined by qualified HR specialists. Three dimensions are assessed in the course of job evaluation: knowledge, problem solving and accountability. Each classification category has a guiding total remuneration band. The pay scales are

determined and regularly reviewed for each job, on the basis of which the base salary as well as the short and long-term incentives are determined.

4.1. PRESENTATION OF THE MAIN ELEMENTS OF REMUNERATION OF (EXECUTIVE) DIRECTORS EMPLOYED BY THE COMPANY

Remuneration based on employment may include the following fixed, variable and other elements:

4.1.1. FIXED COMPONENTS OF REMUNERATION (I.E. ELEMENTS NOT DEPENDENT ON PERFORMANCE)

Remuneration element	Description	Connection to strategy and the Company's long-term performance
Base salary	The base salary is fixed remuneration reflecting mainly the job, position, responsibility and experience within the organisation ensuring that the Company attracts and retains the best professionals taking into consideration the remuneration offered by potential competitors in the labour market. The annual adjustment of the base salary of the CEO is decided by the Board of Directors of the Company ¹² , and the annual pay rise in 2023 of the other Directors employed by the Company was effected in accordance with the rules set out in the agreement with the representative Trade Union Committee. The base salary was paid monthly.	It provides a fixed level of remuneration that reflects the complexity of the job, the level of responsibility, and ensures that remuneration is competitive in order to retain Executive Directors.
Honorarium	Fixed remuneration, which is paid to the members of the Board of Directors on a monthly basis in the amount described in sections 3.1. and 3.2.	The monthly honorarium provides a regular fixed amount of remuneration, reflecting the level, importance and responsibility of the decision-making function performed by the members of the Board of Directors.

¹² Given that employer's rights over the CEO are exercised by the Company's Board of Directors.

<p>Fringe benefits</p>	<ul style="list-style-type: none"> ○ Employee Cafeteria benefits: Pursuant to the Cafeteria regulations of the Company valid for 2023, Executive Directors may enjoy Cafeteria benefits in accordance with the same principles and rules as apply to all employees, the annual value of which in 2023 was HUF 425,790 per person. Payments were made in accordance with this, based on the Directors' declarations regarding their Cafeteria plan selections. ○ Company car and fuel card benefits: The company vehicle and fuel card were provided for Executive Directors in accordance with the Company's Vehicle Use Regulations. ○ Life and accident insurance: The Executive Directors were able to benefit from comprehensive life and accident insurance cover during 2023 in accordance with the same principles and rules as applied to all employees, whereby the Company's employees are insured and are beneficiaries together as a group. The sums allocated to each person were calculated by the Company as the per-capita amount of the total cost to the Company (based on the annual average headcount). ○ Corporate health insurance including complex health screening: In accordance with the same principles and rules as apply to all employees, the Executive Directors were able to use the private healthcare services offered by the healthcare provider having a contractual relationship with the Company, and were able to participate in comprehensive health screenings provided by the Company in the interests of preserving the health of its employees, strengthening their awareness of health issues, and detecting diseases early on. The Company pays the healthcare provider a flat rate that covers all employees – the contract is not for the benefit of the individual Directors alone. The sums allocated to each person were calculated by the Company as the per-capita amount of the total cost to the Company (based on the annual average headcount). ○ Other fringe benefits The Executive Directors were also able to benefit from the Company's extensive range of fringe benefits (e.g. Christmas package, start-of-school support) in accordance with the applicable internal regulations. The aggregate amount of these components may not exceed 5% of the annual base salary. 	<p>The purpose of fringe benefits is to ensure the health, safety and comfort of Executive Directors so that they can be as effective as possible in their work. The benefits applied are in line with the Hungarian market practice, ensuring that remuneration is competitive in order to retain Executive Directors.</p>
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Remuneration from subsidiaries	Fixed remuneration; honoraria paid for membership of the board of directors and/or supervisory board of one or more of the Company's subsidiaries. If the Executive Director performs managerial or board membership duties at a subsidiary of the Company, he or she is entitled to a fixed honorarium for a maximum of three subsidiary board ¹³ memberships. Payments were made accordingly in 2023.	The honorarium provides a regular fixed amount of remuneration, reflecting the level, importance and responsibility of the position in highest decision-making, management or supervisory body of the subsidiary.
Voluntary pension fund contribution	The Executive Directors were entitled to the Voluntary Pension Fund Contribution (membership fee supplement) in accordance with the same principles and rules as apply to all employees. This benefit was specified in the annual Agreement on Wage Increase concluded with the representative Trade Union Committee in 2023 and its rate was set at 6% of the gross base salary stated in the employment contract. The monthly amount of the employer's contribution for any one person may not exceed 50% of the prevailing national statutory minimum wage (from 1 January 2023, HUF 116,000 per person per month, and from 1 December 2023, HUF 133,400 per person per month). Payments were made accordingly in 2023.	The purpose of the benefit is to build savings, create financial security in retirement and raise living standards, thereby contributing to the retention of Executive Directors through the competitiveness of total remuneration.
Other fixed remuneration	Fixed components of remuneration not listed among the items above (e.g. Service Longevity Award), the combined amount of which may not exceed 10% of the annual base salary.	Executive Directors can receive these benefits according to the same principles and rules as all employees, with the aim of ensuring equal treatment.

¹³ Membership of the board of directors, management board, supervisory board, etc.

4.1.2. VARIABLE COMPONENTS OF REMUNERATION (I.E. ELEMENTS DEPENDENT ON PERFORMANCE):

Remuneration element	Description	Connection to strategy and the Company's long-term performance
	Short-term incentives:	
Bonus	<p>Executive Directors may receive an annual short-term incentive of a fixed percentage of their basic salary. The incentive is dependent on key financial and non-financial performance indicators to achieve the Company's objectives. The size of the bonus, determined as a percentage of the base salary (i.e. of fixed remuneration), is determined on the basis of the latest salary benchmarking data, and partly on the Company's own employee rating system.</p> <p>The detailed terms and conditions applicable to the bonuses are set out in the latest Bonus Policy of the Company. In 2023, 70-100% of the bonus (depending on the job) was tied to the achievement of individual goals, and 0-30% (depending on the job) was linked to the achievement of company-level goals. In 2023, company-level goals were linked to the Company's profitability and to responsible cost management. These goals were met to 100%. The target for clean EBIT growth does not include the results from cariprazine sales in order to incentivise the performance that the Company can actually influence. The bonus will be paid annually to the CEO and semi-annually (in two instalments) to the additional Executive Directors, in cash.</p> <p>The CEO's bonus, both as a percentage of base salary and in terms of bonus targets, was determined by the Company's Board of Directors¹⁴.</p>	<p>Executive Directors are individuals who have a material impact on the Company's performance and who are incentivized by the bonus to increase the Company's performance through the achievement of annual operational, business and individual targets and to maintain their employment in the longer term.</p>
Other reward	<p>Reward not specified above, paid in line with the terms set out in the Company's effective remuneration regulations. No other payments were made to Executive Directors in 2023.</p>	<p>This remuneration motivates Executive Directors to increase the Company's performance through the achievement of annual operational, business and individual targets and to maintain their employment in the longer term.</p>

¹⁴ Given that employer's rights over the CEO are exercised by the Company's Board of Directors.

	Long-term incentive:	
EPP	<p>Long-term - multi-year - share-based remuneration through an Employee Participation Program (hereinafter: EPP).</p> <p>Every year, the Company launches a new EPP Remuneration Policy and a consequent new Program with a vesting period of two years.</p> <p>For 2023, the relevant policies were the 5th Remuneration Policy applicable to the years 2022-2023 (to be paid in Q1 of 2024) and the 6th Remuneration Policy applicable to the years 2023-2024 (to be paid in Q1 of 2025) (with 50% each of their annual values).</p> <p>The rate of the EPP as a long-term incentive is based on the job's internal Korn Ferry level for directors employed by the Company. The final level of payment will be determined on the basis of the performance evaluation of the directors employed by the Company.</p>	<p>It provides long-term incentives for the Company's senior management to promote long-term retention, enhance performance motivation and improve the Company's financial performance and efficiency, in line with the Company's long-term strategic objectives.</p>
Other	<p>Share-based remuneration through the Employee Stock Ownership Plan is made possible under Section 77/C of Act CXVII of 1995 on Personal Income Tax.</p> <p>Under the Program, the Company provides Richter ordinary shares free of charge to employees, in a number determined based on the amount of Hungarian forints assigned to the years of service spent in employment at the Company as of 1 October 2023.</p> <p>In 2023, the Board of Directors of the Company, concurrently with the adoption and implementation of the Employee Stock Ownership Plan, approved a separate regulation detailing the specific rules of the Plan, determining the conditions for participation in this benefit.</p> <p>Under the rules of the Employee Stock Ownership Plan, senior executives responsible for the preparation of the Company's Annual Report were not eligible to participate. Therefore, only Mr Erik Bogesch was eligible for this benefit in 2023 among the Company's Executive Directors.</p>	<p>The purpose of the Employee Stock Ownership Plan is to promote employee ownership of the Company, to retain its workforce, and to recognize the contributions of employees, particularly those with longer tenure.</p>

4.1.2.1. DETAILED PRESENTATION OF THE BONUS AND THE BONUS TARGETS OF EXECUTIVE DIRECTORS

The amount of the bonus as a short-term incentive is based on a fixed percentage of the annual base salary for Directors employed by the Company, determined by the internal Korn Ferry level of the job:

Position	Annual bonus percentage in relation to the annual base salary
CEO	100%
Deputy Managing Director CFO	50%
Other levels of management	10-40%
Advisory levels	10-17%

The final payout amount is determined based on the performance evaluation of the Executive Directors. The minimum, target, achieved, and maximum bonus values for 2023 are illustrated in the following table:

Bonus	Minimum		Target		Achieved		Maximum	
	HUF	%	HUF	%	HUF	%	HUF	%
Gábor Orbán CEO	HUF 0	0%	HUF 64,465,000	100%	HUF 64,465,000	100%	HUF 64,465,000	100%
István Hamecz CFO	HUF 0	0%	HUF 24,700,000	100%	HUF 24,700,000	100%	HUF 24,700,000	100%
Erik Bogsch Advisor	HUF 0	0%	HUF 4,330,410	100%	HUF 4,330,410	100%	HUF 4,330,410	100%

The maximum bonus payout is 100%.

In the table in section 4.2, the variable remuneration for one year represents the bonus amount, backed by the following percentage of bonus performance: the annual bonus targets for the Executive Directors have been met at 100%.

CEO Gábor Orbán's short-term bonus targets for 2023, their KPIs and their achievement are presented in the following table:

KPI	KPI weight	KPI achievement
Corporate profit target Grade I: if the operating profit before special items (OPBSI ¹⁵) of the Pharmaceuticals segment excluding the cariprazine pillar and excluding the effects of exchange rate changes, reaches threshold I.	25%	100%
Corporate profit target Grade II: if the operating profit before special items (OPBSI ¹⁶) of the Pharmaceuticals segment excluding the cariprazine pillar and excluding the effects of exchange rate changes, reaches threshold II. ¹⁷	25%	100%
Sales revenue diversification target: to increase the international sales of the Pharmaceuticals segment outside x regions by x EUR ¹⁸ , excluding the effects of exchange rate change	20%	100%
Product development target setting: 80% of milestones should be met for all product development milestones of all pillars foreseen for 2023 ¹⁹	20%	100%
ESG targets: <ul style="list-style-type: none"> - Carbon footprint assessment at Group level in 2023 and at least 1% reduction of the 2022 parent company CO2 emissions in 2023 (7%) - Conduct a risk assessment for climate change risks (3%) 	10%	100%

Correlation between the EPS – Earnings per share – and OPBSI indicators: The EPS (earnings per share) indicator expresses the portion of the consolidated Group's after-tax profit (the profit attributable to shareholders for a given year) per share. Operating profit is a narrower category of earnings: compared to EPS, it does not include financial profit (financial profit account for paid and received interest, as well as significant exchange rate effects exposed to external influences) and taxes payable.

Our performance is primarily determined by operating profit, so its success strongly correlates with earnings per share (EPS).

¹⁵ OPBSI = Revenues - Cost of Sales - Sales & Marketing costs - Research & Development costs - General & Administration costs - Clawback expenses.

¹⁶ OPBSI = Revenues - Cost of Sales - Sales & Marketing costs - Research & Development costs - General & Administration costs - Clawback expenses.

¹⁷ If the OPBSI calculated in this way does not reach the second threshold, each x mEUR shortfall realised will reduce the bonus payable in this component by 2 percentage points, up to a maximum of 25 percentage points in total.

¹⁸ If the international sales increase of the Pharmaceuticals segment outside x regions does not reach x M EUR, each x mEUR shortfall realised will reduce the bonus payable in this component by 2 percentage points, up to a maximum of 20 percentage points in total.

¹⁹ If the aggregate achievement of the milestones is less than 80%, each 2% shortfall realised will reduce the bonus payable in this component by 2 percentage points (achievement below 60% will result in no bonus payment in this component).

4.1.2.2. DETAILED PRESENTATION OF THE LONG-TERM INCENTIVE AND THE LONG-TERM TARGETS OF EXECUTIVE DIRECTORS

The Company has operated an Employee Participation Program (hereinafter: EPP) since 2018 as a form of remuneration of certain officers and key employees.

If approved by the Board of Directors, every year, the Company launches a new EPP Remuneration Policy and a consequent new Program with a vesting period of two years. For 2023, the relevant policies were the 5th Remuneration Policy applicable to the years 2022-2023 (to be paid in Q1 of 2024) and the 6th Remuneration Policy applicable to the years 2023-2024 (to be paid in Q1 of 2025) (with 50% each of their annual values).

The rate of the EPP as a long-term incentive is based on the job's internal Korn Ferry level for Executive Directors employed by the Company. The final level of payment will be determined on the basis of the performance evaluation of the directors employed by the Company.

In the interest of managing the financial assets acquirable under the EPP Remuneration Policies adopted by the Board of Directors and of disbursing these benefits, the Company established the Gedeon Richter Plc. Employee Participation Program Entity (hereinafter: EPP Organisation). As the supreme powers of the EPP Organisation as a body are not exercised by the Company, it shall be considered independent of the Company pursuant to the provisions of the ESOP Act²⁰; furthermore, pursuant to the provisions of Act C of 2000 on Accounting, the EPP Organisation shall not be considered as a subsidiary of the Company.

In all cases, the Remuneration Policy of the EPP programs includes a corporate performance indicator relating to the Company's profitability as a condition for the remuneration.

At the end of the program, if the remuneration condition is fulfilled, the EPP Organisation's management will convert the shares into cash in the manner specified in the EPP By-laws, withdraw the shareholdings to which the participants are entitled, and settle accounts with the participants in the program in accordance with the provisions of the EPP By-laws. The Company will transfer the Richter shares to the EPP Organisation but the Directors may receive the payments due to them as individuals not in stock but in cash (by bank transfer). This ensures that the Directors will have an interest in increasing the price of Richter shares during the two-year holding period, just as other participants in the EPP programmes (not classified as Directors) will. So **EPP is a share-based benefit, but paid in cash at the end of the vesting period.**

If the company-level performance criteria are met, 50% of the individual benefit values are paid out, while the other 50% are contingent on individual performance evaluations. Corporate and individual performance conditions are listed in the table below.

Under this Remuneration Report, the item specified as ESOP remuneration is the sum total of the remunerations that were fully earned in 2023 under the 5th EPP Remuneration Policy and those earned only in part in 2023 under the 6th EPP Remuneration Policy. The EPP Remuneration Policies make the

²⁰ Act XLIV of 1992 on Employee Stock Ownership Plans

remuneration of participants conditional, besides the fulfilment of the individual performance goals, upon the achievement of a company performance objective valid in respect of all participants. However, under the 6th EPP Remuneration Policy, only the individual performance targets were fully achieved in 2023 as the company-level performance requirement under that policy considers not only the sales for 2023 but also the sales for 2024, and it will only be possible to issue a statement on this in 2025, after the publication of the Q1-4 stock market reports for 2024. Consequently, 50% of the EPP remuneration total (payable for the company-level performance targets) has not yet been fully vested and is still a contingent item.

The final payout amount is determined based on the performance evaluation of the Executive Directors. The following table presents the EPP's minimum, target, achieved and maximum values for 2023:

EPP	Minimum		Target		Achieved		Maximum	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
Gábor Orbán CEO	0	0%	15,000 shares	100%	15,900 shares	106%	18,000 shares	120%
István Hamecz CFO	0	0%	3,946 shares	100%	3,946 shares	100%	3,946 shares	100%
Erik Bogsch Advisor	0	0%	3,478 shares	100%	3,478 shares	100%	3,478 shares	100%

The maximum payout under the EPP plan is 120% for the CEO and 100% for the other Executive Directors.

CEO Gábor Orbán's long-term performance targets, their KPIs and their achievement are presented in the following table:

KPI	Payable portion (target)	Payable portion (achieved)
The average of the consolidated HUF turnover for the years 2023-2024 (translated at unchanged average exchange rate for 2022 and excluding the effect of changes in the scope of consolidation) must exceed the consolidated turnover of the Company for 2022 <ul style="list-style-type: none"> o If this KPI is not met, there is NO EPP remuneration at all 	50%	50%
Corporate profit target Grade I: if the operating profit before special items (OPBSI ²¹) of the Pharmaceuticals segment excluding the cariprazine pillar and excluding the effects of exchange rate changes, reaches threshold I.	10%	10%
Corporate profit target Grade II: if the operating profit before special items (OPBSI ²²) of the Pharmaceuticals segment excluding the cariprazine pillar and excluding the effects of exchange rate changes, reaches threshold II. ²³	10%	16%
Revenue from sales diversification target: to increase the international sales of the Pharmaceuticals segment outside x regions by x EUR ²⁴ , excluding the effects of exchange rate change	10%	15%
Product development target setting: 80% of milestones should be met for all product development milestones of all pillars foreseen for 2023 ²⁵	10%	10%
ESG targets: <ul style="list-style-type: none"> - Carbon footprint assessment at Group level in 2023 and at least 2% reduction of the 2022 parent company CO2 emissions in 2023 (7%) - Conduct a risk assessment for climate change risks (3%) 	10%	10%

²¹ OPBSI = Revenues - Cost of Sales - Sales & Marketing costs - Research & Development costs - General & Administration costs - Clawback expenses.

²² OPBSI = Revenues - Cost of Sales - Sales & Marketing costs - Research & Development costs - General & Administration costs - Clawback expenses.

²³ If the OPBSI calculated in this way exceeds the 2nd threshold, each overperformance of x mEUR will increase the share package that can be paid out by 1 percentage point, but only by a maximum of 10 percentage points. On the other hand, each realized shortfall worth x mEUR will reduce the share package payable in this component by 2 percentage points, up to a maximum of 10 percentage points in total.

²⁴ If the international sales increase of the Pharmaceuticals segment outside x regions exceeds x M EUR, each x mEUR overachievement realised will increase the payable share package in this component by 1 percentage points, up to a maximum of 10 percentage points in total. Conversely, each x mEUR shortfall realised will reduce the share package payable in this component by 2 percentage points, up to a maximum of 10 percentage points in total.

²⁵ If the aggregate achievement of the milestones is less than 80%, each 2% shortfall realised will reduce the share package payable in this component by 1 percentage point (achievement below 60% will result in no share package payment in this component).

The EPP payability for 2023 is 111% based on the achievement of the corporate target for 2022-2023 and 2023-2024, and the overachievement of the individual targets for 2023.

This result was reduced by a 5% payability adjustment (minus 5 percentage points) due to the partial achievement of individual targets in 2022, to be applied to the 2024 payout, thus reducing the **payability of CEO Gábor Orbán's EPP: 106%**.

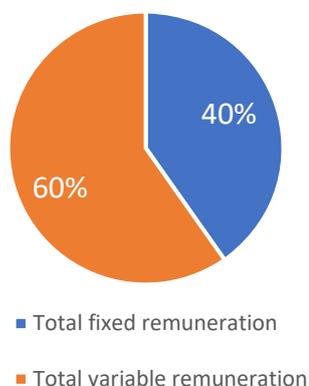
In the table in section 4.2. Long-term variable remuneration represents the EPP amount, which is based on the following percentage of bonus performance: the annual EPP targets were cumulatively met to 106% for Gábor Orbán and 100% for the other Directors employed by the Company.

4.2. REMUNERATION OF (EXECUTIVE) DIRECTORS EMPLOYED BY THE COMPANY

Payments for 2023 based on the above^{26,27} :

Annual gross amount (HUF)	Year	1. Fixed remuneration						2. Variable remuneration				3. Extraordinary items	4. Total remuneration	5. Proportion of total variable remuneration to total remuneration	
		Base salary	Honorarium (fee)	Fringe benefits	Remuneration from a subsidiary	Voluntary pension fund contribution	Other	Total fixed remuneration	One year	Longterm (multiyear)	Other				Total variable remuneration
Directors employed by the Company															
Gábor Orbán CEO Member of the Board of Directors	2023	64 464 992	9 630 000	6 379 542	3 424 770	1 392 000	121 060	85 412 364	64 465 000	137 160 129	-	201 625 129	-	287 037 493	70%
	2022.	57 825 006	8 554 000	6 542 961	3 537 090	1 200 000	350 000	78 009 057	52 042 500	132 700 322	-	184 742 822	-	262 751 878	70%
	2021.	53 280 000	8 499 900	7 286 672	3 229 650	1 004 400	-	73 300 622	53 280 000	130 705 937	-	183 985 937	-	257 286 559	72%
István Hamecz CFO from 1 May 2022 Member of the Board of Directors from 12 April 2022	2023	49 400 001	9 480 000	7 057 667	3 044 240	1 392 000	121 060	70 494 968	24 700 000	34 000 000	-	58 700 000	-	129 194 968	45%
	2022.	31 244 313	5 296 000	2 317 203	2 277 601	938 358	253 543	42 327 018	12 897 531	14 307 087	-	27 204 617	-	69 531 636	39%
Erik Bogsch Chairman of the Board of Directors Advisor from 15 November 2022	2023	25 472 996	11 340 000	3 798 815	3 501 920	1 392 000	121 060	45 626 791	4 330 410	30 000 000	4 148 056	38 478 466	-	84 105 257	46%
	2022.	44 738 561	10 234 000	7 388 188	3 679 280	1 200 000	350 000	67 590 029	21 709 288	30 000 000	-	51 709 288	-	119 299 316	43%
	2021.	45 649 024	10 177 950	6 226 911	3 343 280	1 004 400	-	66 401 565	22 814 513	30 000 000	-	52 814 513	854 488	120 070 566	44%

Remuneration of Directors employed by the Company



²⁶ Remuneration from subsidiaries is stated in HUF at the annual average exchange rate.

²⁷ The long-term remuneration vested in 2023 (hence the Total remuneration) also includes a conditional component (contingent on the average sales for 2023-2024). The HUF value of the conditionally vested 2023 share remuneration was calculated at the closing exchange rate of December 30, 2023.

4.3. SUMMARY OF THE VARIABLE COMPONENTS OF REMUNERATION:

No other payout was made to Executive Directors in 2023.

One of the principles set out in the Remuneration Policy is that the total amount of the variable (i.e. performance-dependent) components of the remuneration of the Directors should not exceed 0-80% of the total amount of their remuneration. The rate of variable pay per individual recorded in the 2023 annual Report ranged from 0-70%, and was therefore in line with the Remuneration Policy.

A condition for payment of the benefits specified above is that the person be an employee of the Company at the time his or her fulfilment of the criteria is assessed.

Any reward (variable remuneration) paid lawfully, based on criteria that has been fulfilled, may not be reclaimed. During 2023, no such claim arose, either from the employer or the employee side.

The Company applied the criteria for the payment of variable, i.e. performance-related, components of remuneration consistently, taking into consideration the Company's best interests. When determining whether measurable criteria have been fulfilled, the Company considered the percentage of fulfilment. The Company considered non-measurable criteria fulfilled if the given criteria had been fully met.

4.4. PENSION BENEFIT OF EXECUTIVE DIRECTORS

Executive Directors are entitled to old-age pension, supplementary pension benefit or disability benefit in accordance with the relevant effective statutory provisions.

In addition, the Executive Directors were entitled to voluntary pension fund contribution (membership-fee supplement) in accordance with the same principles and rules as apply to all employees. This benefit was specified in the annual Agreement on Wage Increases concluded with the representative Trade Union Committee in 2023 and its rate was set at 6% of the gross base salary stated in the employment contract. The monthly amount of the employer's contribution for any one person may not exceed 50% of the prevailing national statutory minimum wage (from 1 January 2023, HUF 116,000 per person per month, and from 1 December 2023, HUF 133,400 per person per month). Payments were made accordingly in 2023.

The purpose of this benefit is to build savings, create financial security in retirement and raise living standards, thus contributing to the retention of Executive Directors through the competitiveness of total remuneration.

5. SHARES AND SHARE OPTIONS AWARDED OR OFFERED

Benefits under the **Employee Participation Program (EPP)** are share-based, but the benefit is paid in cash, so there is no share transfer through the EPP. Due to the two-year vesting period of each EPP Remuneration Policy, each business year is subject to two half-phases of EPP Remuneration Policy overlapping each other. For the 2023 business year, the second phase of the 5th Remuneration Policy and the first phase of the 6th Remuneration Policy were applicable.

Share-based remuneration through the **Employee Stock Ownership Plan** (see section 4.1.1.) is made possible under Section 77/C of Act CXVII of 1995 on Personal Income Tax. Under the Program, the Company provides Richter ordinary shares free of charge to employees, in a number determined based on the amount of Hungarian forints assigned to the years of service spent in employment at the Company as of 1 October 2023.

In 2023, the Board of Directors of the Company, concurrently with the adoption and implementation of the Employee Stock Ownership Plan, approved a separate regulation detailing the specific rules of the Plan, determining the conditions for participation in this benefit. Under the rules of the Employee Stock Ownership Plan, senior executives responsible for the preparation of the Company's Annual Report were not eligible to participate. Therefore, only Mr Erik Bogsch was eligible for this benefit in 2023 among the Company's Executive Directors.

In 2023, the Company did not offer other share options to the Directors.

6. COMPARATIVE INFORMATION ON CHANGES IN REMUNERATION AND COMPANY PERFORMANCE

Richter Group's year 2023 was characterised by unbroken confidence in its products and above-expectations demand across all businesses, which is a very positive response from patients and prescribers. In 2023, the Company achieved sales of HUF 805 billion (EUR 2.11 billion), with adjusted EBIT reaching a new historic high of HUF 236 billion (EUR 619 million), an increase of 15% and exceeding our forecasts.

Comparison of changes in remuneration and the Company's / Richter Group's performance

	2023	2022	Change
Annual per capita (FTE) remuneration of the Directors not employed by the Company			
Board of Directors members	HUF 26,875,763	HUF 8,559,701	314% ²⁸
Annual remuneration of members of the Supervisory Board			
Chairman of the Supervisory Board	HUF 12,930,000	HUF 7,944,000	162% ²⁹
Annual per capita (FTE) remuneration of the members of the Supervisory Board	HUF 6,906,000	HUF 5,728,800	120% ³⁰
Annual per capita (FTE) remuneration of the Directors employed by the Company			
Gábor Orbán	HUF 287,037,493	HUF 262,751,878	109%
István Hamecz	HUF 129,194,968	HUF 69,531,636	185% ³¹
Erik Bogsch	HUF 84,105,257	HUF 119,294,678	70% ³²
Key annual performance indicators of the Company			
Pharmaceuticals segment sales	HUF 747,446 million	HUF 656,343 million	114%
Consolidated operating profit	HUF 190,238 million	HUF 153,555 million	124%
Average annual remuneration (personnel costs) of employees			
Gedeon Richter Plc. employees	HUF 16,373,250	HUF 14,165,834	116%
Richter Group employees	HUF 15,129,013	HUF 14,002,280	108%

In the opinion of the Board of Directors, Richter Group's remuneration system served well the achievement of outstanding performance.

²⁸ The reason for the increase is the introduction of new remuneration elements as detailed in section 3.1.2. For 2023, only an average can be given for the full Board, as the remuneration paid to each non-executive Board member after 2023 differs due to the different meeting fees paid to Subcommittee members for Subcommittee meetings.

²⁹ The reason for the increase is the introduction of new remuneration elements as detailed in section 3.2.1.

³⁰ The reason for the increase is the introduction of new remuneration elements as detailed in section 3.2.1. For 2023, only an average can be given for the full Supervisory Board, as the remuneration paid to each SB member differs due to the different meeting fees paid to Audit Board members for Audit Board meetings.

³¹ The reason for the increase is that the director's employment with the company started on 1 May 2022 but the figure for 2023 is the full year's remuneration.

³² The decrease is due to a mid-year change in the post of the Director: Executive Director Responsible for Commercial, International and Governmental Affairs until 14 November 2022, Advisor from 15 November 2022 to 31 December 2022 (and for the entire year 2023).

The CEO's base salary increase for 2023 was 12%, significantly below the average corporate base salary increase of 21% at Richter Gedeon Plc. His total compensation increased by 9% compared to 2022 (because his target long-term compensation was set at an unchanged number of shares but was overachieved), which is also significantly lower than the average annual compensation increase for employees at Richter Gedeon Plc. or Richter Group.

In order to meet the information needs of shareholders in the United States the Company discloses the CEO pay ratio below.

2023	2022
Group-level calculated median personnel costs (HUF)	
HUF 13,068,375	HUF 12,129,289
CEO pay ratio:³³	
21.96	21.66

³³ Annual remuneration of the CEO / Median annual remuneration of all employees of Richter Group without the CEO. Calculation:

	2023.	2022.
Gedeon Richter Plc. total wage average (HUF)	11 259 441	9 630 714
Gedeon Richter Plc. total wage median (HUF)	9 725 856	8 342 478
Gedeon Richter Plc. median to average (%)	86,4%	86,6%
Group personnel expenses excluding CEO (HUF '000)	179 763 342	165 664 270
Group average headcount	11 901	11 850
Group average personnel expenses (HUF)	15 129 013	14 002 280
Group calculated median personnel expenses (HUF)	13 068 375	12 129 289
CEO's remuneration (HUF)	287 037 493	262 751 878
CEO pay ratio	21,96	21,66

7. OUTLOOK FOR 2024: CEO'S BONUS AND EPP TARGETS

The following table presents **CEO Gábor Orbán's** short-term, 2024 bonus targets:

KPI	Payable portion (target)
50% payable as follows: Corporate profit target Grade I: if the operating profit of the Pharmaceuticals segment excluding special items and the effects of exchange rate changes (cEBIT) less Vraylar royalty reaches the first threshold 75% payable as follows: Corporate profit target Grade II: if the operating profit of the Pharmaceuticals segment excluding special items and the effects of exchange rate changes (cEBIT) less Vraylar royalty reaches the second threshold 100% payable as follows: Corporate profit target Grade III: if the operating profit of the Pharmaceuticals segment excluding special items and the effects of exchange rate changes (cEBIT) less Vraylar royalty reaches the third threshold Payout between 100% and 110% with each 1% cEBIT increase, up to 110%. There is no more payout above that. ³⁴	20%
Successful submission and acceptance for registration of x products.	20%
WHC: global sales of the innovative endometriosis product (Ryeqo) reach x M EUR.	15%
GenMed: sales revenue from new product ³⁵ portfolio contributes x% to total GenMed sales in 2024.	15%
Development of 932 Phase II concepts	15%
ESG targets: <ul style="list-style-type: none"> - Quality target (weight: 7.5%) Develop action plans to reduce the carbon footprint of all production sites. - Quantity target (weight: 7.5%) Reduce parent company GHG emissions by at least 2% in 2024 compared to 2023 	15%

In case of 100% payability, the bonus is 100% of the base salary and cannot exceed 110%.

³⁴ cEBIT - Sales - Cost of Sales - Sales & Marketing costs - Research & Development costs - General & Administration costs - Clawback expenses + Milestone income. If the cEBIT calculated in this way does not reach the first threshold, each x mEUR shortfall realised will reduce the bonus payable in this component by 2 percentage points, up to a maximum of 20 percentage points in total.

³⁵ Products launched in the last five years are considered new products.

The following table presents **CEO Gábor Orbán's** long-term EPP targets set in 2024:

KPI	Payable portion (target)
Corporate KPI: The average of the consolidated HUF turnover for the years 2024-2025 (converted at unchanged average exchange rate for 2023 and excluding the effect of changes in the scope of consolidation) must exceed the consolidated turnover for 2023. <ul style="list-style-type: none"> o There is NO EPP payout if the corporate KPI is not met. 	50%
50% payable as follows: Corporate profit target Grade I: if the operating profit of the Pharmaceuticals segment excluding special items and the effects of exchange rate changes (cEBIT) less Vraylar royalty reaches the first threshold 75% payable as follows: Corporate profit target Grade II: if the operating profit of the Pharmaceuticals segment excluding special items and the effects of exchange rate changes (cEBIT) less Vraylar royalty reaches the second threshold 100% payable as follows: Corporate profit target Grade III: if the operating profit of the Pharmaceuticals segment excluding special items and the effects of exchange rate changes (cEBIT) less Vraylar royalty reaches the third threshold. ³⁶	20%
Successful submission and acceptance for registration of x products.	5%
Development of 932 Phase II concepts	5%
WHC: global sales of the innovative endometriosis product (Ryeqo) reach x M EUR.	5%
GenMed: sales revenue from new product ³⁷ portfolio contributes x% to total GenMed sales in 2024.	5%
ESG targets: <ul style="list-style-type: none"> - Quality target (weight: 5%) Develop action plans to reduce the carbon footprint of all production sites. - Quantity target (weight: 5%) Reduce parent company GHG emissions by at least 2% in 2024 compared to 2023 	10%

In case of 100% payability, the EPP award is 15,000 shares, with a maximum payout of 120% (18,000 shares) in case of over-achievement.

³⁶ cEBIT - Sales - Cost of Sales - Sales & Marketing costs - Research & Development costs - General & Administration costs - Clawback expenses + Milestone income

³⁷ Products launched in the last five years are considered new products.

8. SUMMARY

In the financial year 2023, the Company implemented the Remuneration Policy in full compliance with the provisions of the adopted Remuneration Policy. The Company has not deviated from the Remuneration Policy and the possibility of clawback of variable remuneration has not arisen.

The objective of the Remuneration Policy to the effect that it should encourage the Company's top executives to achieve the goals set by the Company and should thus promote the profitable operation of the Company was, in the Company's assessment, achieved in 2023.

Dated: Budapest, 8 March 2024

CLAUSE

The Report was discussed at the meeting of Gedeon Richter Plc.'s Board of Directors held on 8 March 2024 and the Board approved the submission of the Report to the General Meeting of Shareholders by Resolution No. 38/2024 for advisory vote, in accordance with the provisions of Section 3:268 (3) of the Hungarian Civil Code.

Resolution of the AGM No. 11/2024. 04. 25.

The AGM **has - in its advisory competence - approved** the Company's **remuneration report** on the year 2023 prepared by the Board of Directors pursuant to Act LXVII of 2019 on the Encouragement of Long-term Shareholder Engagement and Modification of Certain Acts with the Purpose of Legal Harmonization as included in the proposals for the AGM.

Voted in favour of the draft of the resolution: 72,846,115

The proportion of the "yes" votes compared with all the valid votes cast:

64.54%
