

Remuneration Report

H. Lundbeck A/S
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Denmark
CVR no. 56759913

2023

Samantha
Living with migraine

Contents

REMUNERATION REPORT 2023

Introduction	3
Remuneration of the Board	4
Remuneration of Management	5
LTI overview	11
Comparable overviews	12
The Board of Directors' statement on the Remuneration Report	14
Independent Auditor's report on remuneration report	15

Introduction

Remuneration & Nomination committee

Members

Lars Rasmussen,
Chair and member since 2013
Lene Skole, member since 2015
Jeffrey Berkowitz, member since 2019

Responsibilities

- Recommending and assisting with relevant remuneration policies and remuneration reports, including (i) such policies and reports as required by the Danish Companies Act and other applicable rules, regulations and recommendations; and (ii) a remuneration policy applicable for the Lundbeck Group in general.
- Making proposals to the Board on remuneration for members of the Board and the Management.
- Ensuring that the remuneration complies with Lundbeck's remuneration policy and the assessment of the performance of the persons concerned.

REMUNERATION REPORT

This Remuneration Report (the "Report") provides a detailed overview of the total remuneration of the Board of Directors (the "Board") and the Registered Executive Management (the "Management") of H. Lundbeck A/S. Management means all members registered at the Danish Business Authority (Erhvervsstyrelsen). The Report has been prepared in accordance with Article 139(b) of the Danish Companies Act and the principles set out in the updated Lundbeck Remuneration Policy (the "Policy") which was approved at AGM on 21 March 2023. The Policy can be found on Lundbeck's website.

Link: [Remuneration Policy](#)

This Report has a clear link to the Policy and describes how the Policy has been applied to ensure that Lundbeck's remuneration;

- is clear and understandable and contributes to Lundbeck's business strategy, long-term interests and sustainability;
- attracts, motivates and retains qualified members of the Board and of the Management;
- ensures alignment of the Board's and the Management's interests with the interests of Lundbeck, its shareholders and other stakeholders; and
- provides transparency to Lundbeck's shareholders and incorporates shareholder influence.

The Remuneration Report for 2022 was approved at the Annual General Meeting held on 21 March 2023 without any remarks.

Lundbeck's remuneration of the Board and Management is proposed by the Remuneration & Nomination Committee and subsequently approved by the Board. The Management remuneration, including the nature and level of incentive pay, is assessed on an ongoing basis in the light of the remuneration levels of other Danish large-cap companies with international activities and in special circumstances we take into consideration levels in international companies. Benchmarks support setting a market aligned remuneration package when attracting or retaining qualified members.

LUNDBECK COMPANY PERFORMANCE

In 2023, Lundbeck had another year with significant growth of our strategic brands and accelerated revenue growth across our three regions in constant exchange rates.

Revenue reached DKK 19,912 million in 2023, the highest ever in Lundbeck's history, compared to DKK 18,246 million in 2022. EBIT grew 12% compared to 2022 and reached DKK 3,195 million. Net profit for the year ended at DKK 2,290 million (DKK 1,916 million in 2022), corresponding to a growth of 20%.

We continue to see strong growth in our strategic brands which include Abilify Maintena® (schizophrenia), Brintellix®/Trintellix® (depression), Rexulti®/Rxulti® (depression/schizophrenia/AADAD) and our newest product, Vyepti® (prevention of migraine).

Lundbeck experienced significant R&D milestones in 2023, securing two FDA approvals, eight key headline results, a phase II proof of concept with a novel mechanism of action, and five new entries into the research pipeline. In parallel, Lundbeck R&D has been conducting impactful life cycle management activities that expand current brands. Through this, Lundbeck is growing its business and is well-positioned for future commercial success.

In 2023, Lundbeck has continued to strengthen our Environmental, Social & Governance (ESG) performance.

The performance against a balanced set of objectives in 2023 is directly reflected in the cash bonus for the financial year. Bonuses for fiscal year 2023 are paid out to Management in February 2024.

FINANCIAL GUIDANCE 2023⁽¹⁾

DKK Billion	FY 2023 actual	FY 2023 guidance
Net Revenue	19.9 bn	19.4 – 20.0 bn
EBIT ⁽²⁾	3.2 bn	NA

1) Guidance from Annual report 2022.

2) In 2023, Lundbeck did not guide externally on EBIT, however internally Lundbeck guided an EBIT range of DKK 2.8bn–3.2bn for STI measurement.

Remuneration of the Board

The Board

Members

Lars Søren Rasmussen (*Chair*)
 Lene Skole-Sørensen (*Deputy Chair*)
 Lars Erik Holmqvist
 Jeremy Max Levin
 Jeffrey Berkowitz
 Santiago Arroyo
 Dorothea Wenzel
 Jakob Riis
 Camilla Gram Andersson
 (*employee representative*)
 Dorte Clausen
 (*employee representative*)
 Hossein Armandi
 (*employee representative*)
 Lasse Skibsbye
 (*employee representative*)

Responsibilities

The Board is responsible for approving the corporate strategy, setting goals for Management and for ensuring that members of Management and other senior managers have the right qualifications. The Board also evaluates Management performance and remuneration.

BOARD REMUNERATION – KEY POINTS

At the Annual General Meeting on 21 March 2023, remuneration for the Board was approved. The composition of The Board changed in 2023 with the election of Jakob Riis as as new member of the board increasing the total number of Board members from 11 to 12.

Remuneration is set at a level to attract and retain competent expertise from the international business community, to ensure members are motivated and accountable for the implementation of Lundbeck's business strategy and to safeguard the long-term interests and sustainability of Lundbeck and its business. The remuneration is

primarily fixed by taking market median for comparable companies and the required competencies and workload into consideration. Shareholding details of the Board is stated in the annual report for 2023.

BOARD AND COMMITTEE FEE LEVELS

The Board receive a fixed annual base fee of 400,000 DKK while the Chair receives three times the fixed annual base fee and the Deputy Chair receives double the fixed annual base fee. See illustration:

	Role	Multiplier	Annual fee DKK'000
Ordinary board member fee	Member	1	400
	Deputy	2	800
	Chair	3	1,200
Committee fee	Member		200
	Deputy		200
	Chair		300
Additional fixed fee	Board members with permanent residence outside EU receive compensation for time and travel		400

OVERVIEW OF BOARD REMUNERATION

Board members	Ordinary board member fee DKK'000	Audit Committee DKK'000	Remuneration & Nomination Committee DKK'000	Scientific Committee DKK'000	Additional fixed fee DKK'000	Total 2023 DKK'000	Total 2022 DKK'000
Lars Søren Rasmussen, Chair	1,200	200	300			1,700	1,700
Lene Skole-Sørensen, Deputy	800		200	200		1,200	1,200
Lars Erik Holmqvist	400	200				600	600
Jeremy Max Levin	400			300	400	1,100	1,100
Jeffrey Berkowitz	400		200	200	400	1,200	1,200
Dorothea Wenzel	400	300				700	700
Santiago Arroyo	400			200	400	1,000	1,000
Jakob Riis (1)	300			150		450	
Camilla Gram Andersson, Employee representative	400					400	300
Dorte Clausen, Employee representative	400					400	300
Hossein Armandi, Employee representative	400					400	300
Lasse Skibsbye, Employee representative	400					400	300
Rikke Kruse Andreassen, Employee representative							100
Ludovic Tranholm Otterbein, Employee representative							100
Henrik Sindal Jensen, Employee representative							100
Total	5,900	700	700	1,050	1,200	9,550	9,000

1) Jakob Riis joined the Board 21 March 2023

Remuneration of Management

MANAGEMENT REMUNERATION - KEY POINTS

All Management remuneration in 2023 was in line with the approved Policy. There has been one change to Management composition during 2023 as former CEO of Lundbeck, Deborah Dunsire, left Lundbeck by the end of August 2023 and was replaced by Charl Van Zyl who joined Lundbeck in September 2023. The time of service is reflected in the 2023 remuneration accordingly.

In addition to Deborah Dunsire's regular remuneration, she received a severance package, totaling DKK 18.2 million, which has been fully expensed and paid-out in 2023. The severance package consists of salary, pension, bonuses and benefits during the notice period (12 months) as well as a severance pay of 12 months in form of base salary and compensation following the negotiated terms following Deborah Dunsire's exit from Lundbeck.

In addition to Charl Van Zyl's regular remuneration, he may over the period 2024-2026 receive up to a total of DKK 22.2 million before taxes in extraordinary sign-on compensation for lost incentives from his previous employer. The compensation is subject to certain conditions such as continued employment and the amount has been fully disclosed as one off compensation in the 2023 remuneration report.

The total remuneration of Management in 2023 including tax indemnification to the CEO in the

amount of DKK 15.0 million amounted to DKK 90.0 million (DKK 69.7 million in 2022) and the total remuneration of Management in 2023 excluding tax indemnification to the CEO amounted to DKK 75.0 million (DKK 67.8 million in 2022). The change primarily relates to various elements driven by the change in CEO role as well as salary adjustments for other Management. The total remuneration split for the Management was 48% fixed and 52% variable remuneration excluding the tax indemnification amount for the CEO.

In 2023, Management was granted Long-Term Incentives (LTI) in accordance with the share-based incentive program. The value of LTI programs granted in 2023 is in accordance with the guidelines from the Danish Business Authority for each Management member reported as the full grant cash value for the 2023 programme based on the specific Management member's individual fixed base salary and grant target. Lundbeck believes that this provides a fair and more transparent overview for its stakeholders. The value of LTI to Management stated in the Annual Report 2023 is reported according to the accounting value based on the IFRS 2 standard, i.e. the annual accounting costs of the program. This is also the reason why the remuneration to Management stated in the Annual Report 2023 differs from the amount stated in this Report.

Lundbeck is entitled to reclaim variable remuneration (STI and LTI) paid in 2023 in full or in

part if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.

In 2023, there was no legal or factual basis on which to exercise claw-back of incentives for current or former executives.

The Management remuneration consist of a base salary, pension and other benefits that can be considered fixed pay Remuneration. The fixed remuneration enables Management to take decisions with a long-term perspective, without undue considerations for short-term priorities. The variable remuneration mainly consists of short-term and long-term incentives programs which are designed to promote performance in line with Lundbeck's growth strategy and to further align the interests of Management and shareholders. Employment agreements with members of the Management are ongoing (i.e. without a fixed term). If a member of Management is terminated by Lundbeck, the person is entitled to salary during the notice period of 12 months. In addition to salary during the notice period, the CEO is entitled to 12 months' severance pay.

Tax indemnification up to DKK 25 million in average

According to the service agreement with the former CEO, Deborah Dunsire, Lundbeck will indemnify Deborah Dunsire from the increase in income

taxation on US wages and on realized as well as unrealized investment return from personal assets that will accrue as from the time Deborah Dunsire moved to Denmark and became subject to Danish taxation on worldwide income in accordance with Danish tax legislation and the Denmark/US double taxation agreement.

The tax indemnification is estimated subsequent to the end of the calendar year and paid to Deborah Dunsire, and subject to an end-of-year reconciliation. From 2020 and onwards the indemnification is capped at an average of DKK 25 million per year over Deborah Dunsire's period of service for Lundbeck. Since the cap is calculated as an average, the payment in a given year may exceed DKK 25 million, for example if payments in previous years were lower than DKK 25 million. On an accumulated basis the payment can't exceed DKK 25 million. In 2023, the tax indemnification is currently estimated at DKK 15.0 million.

Unless specifically stated, the numbers mentioned in the Report are without the tax indemnification.

Remuneration of Management

Overview and description of remuneration components

REMUNERATION PACKAGE DETAILS AND COMPONENTS

The remuneration package to each of the Management members is established on the basis of, and is in compliance with the Policy. The purpose and maximum of each remuneration component, how the components were used in 2023 and the components' compliance with the Policy are outlined in the table.

	FIXED	POLICY DESCRIPTION	2023 REMUNERATION	PURPOSE
	Base salary	The fixed annual base salary is annually assessed for each Management member. It is competitive and no maximum salary levels apply.	The new CEO started in Lundbeck with a fixed annual base salary of 8.2 million. For other Management members salary was adjusted in average 4% on 1 January 2023.	Attract and retain the talent, competencies and skillsets required to meet Lundbeck's business strategy and long-term interests as well as secure economic, financial, innovational and R&D sustainability.
	Pension	Individually negotiated up to 26.1% of the fixed annual base salary. At the Annual General Meeting on 21 March 2023, an updated pension contribution was approved of maximum 10% for all new Management members.	Company pension contribution to the CEO is 10.0% of the fixed annual base salary and for other Management members the company pension contribution is 26.1% of the fixed annual base salary.	Planning for retirement and long-term savings.
	Other benefits	Company car in accordance with company car policy (including running expenses), supplemental training, mobile phone, private home phone, tablet, membership fees, newspapers and health insurance. Typically, not above 10% of the fixed annual base salary. Furthermore, tax indemnification to the former CEO.	CEO actual benefits adds up to 5% of the fixed annual base salary. Other Management members benefits add up to approximately 5% of the fixed annual base salary (equal around 2% of their total remuneration for 2023).	Attract and retain the talent, competencies and skillsets required to meet Lundbeck's business strategy and long-term interests as well as secure economic, financial, innovational and R&D sustainability.
	VARIABLE	POLICY DESCRIPTION	2023 REMUNERATION	PURPOSE
	STI	STI payment levels for CEO in percentage of the fixed annual base salary: Min: 0 % - Target: 100 % - Max: 117%. STI payment levels for other Management in percentage of fixed annual base salary: Min: 0 % - Target: 33.33 % - Max: 50 % See STI program design details on the next page.	The total STI payout for the Deborah Dunsire was settled at 101% of base salary and it was paid out in 2023. The total STI payout for the Charl van Zyl was 112% of base salary. For other Management members the payout was 46% of fixed annual base salary. Financial goals/KPIs (65%) as well as management team goals (35%) ended up above target which resulted in an overall performance payout of 112% of target bonus for Charl van Zyl and 137% of target bonus for other Management members. The assessments of KPIs are further described on page 9 and 10.	Ensure focus on important primarily short-term KPIs and reward results that are necessary to successfully implement and execute Lundbeck's business strategy and short-term goals. Ensure that Lundbeck is in a financial position to invest in future long-term growth by meeting short-term financial goals.
	LTI	LTI grant levels for CEO in percentage of the fixed annual base salary: Minimum: 0 % - Maximum: 100%. LTI grant levels for other Management in percentage of the fixed annual base salary: Minimum: 0 % - Maximum: 50 % See LTI program design details on the next page.	The new CEO, Charl Van Zyl, received a catch-up grant in October 2023 equal to a value of DKK 2.7m which correspond to 33% of his fixed annual base salary, which correspond to 4 months of employment during 2023. Former CEO, Deborah Dunsire, received a grant in February 2023, which is mentioned in the remuneration overview of Management on page 8. The grant was cancelled at termination. See details in LTI overview on page 11. Grant to other Management members was equal to 50% of the fixed annual base salary.	Incentivises and reward long-term value creation. Align with shareholders' interests by providing a link to the performance of Lundbeck's shares, for Management to have an incentive to drive innovation to Lundbeck grow on a long-term sustainable basis. Further, the LTI serves the purpose of ensuring loyalty towards Lundbeck and its long-term value creation and ensuring retention of Management members.
	Termination/Severance	The service contracts with Management are as a main rule on-going. Contractual termination notice for Lundbeck will be twelve (12) months and contractual termination notice for each Management member is (6) months. In addition to salary during the notice period, the CEO is entitled to 12 months severance pay.	In 2023, Deborah Dunsire received a severance package, totaling DKK 18.2 million, which has been fully expensed and paid-out in 2023.	N/A

Remuneration of Management

Description of variable pay programmes

THE CASH-BASED SHORT-TERM INCENTIVE SCHEME

In 2023, the Management participated in a STI program. On an annual basis, the Board assess the performance of the Management in relation to pre-determined company performance financial goals (EBIT and revenue) and Management team goals (pipeline and sustainability).

In 2023, the Management received a company performance payout (accounting for 65% of total cash bonus) based on financial KPI performance, with Revenue and EBIT results at a level above target. KPIs and pay-out levels are described in more details for the Management on pages 9 and 10.

STI DESIGN

Component		CEO	Other Management Members
Instrument		Cash	Cash
Time frame		1 year	1 year
Min cash (of base salary)		0%	0%
Target cash (of base salary)		100%	33% ¹⁾
Max cash (of base salary)		117%	50% ¹⁾
KPIs		Financial goals	Financial goals
		Individual goals	Individual goals
KPI – financial goals		65%	65%
Measure	EBIT	40%	40%
	Revenue	25%	25%
KPI – Management team goals		35%	35%
Measure	• Pipeline goals (25%) • Sustainability goals (10%)	Goals subject to Board assessment	Goals subject to CEO assessment

THE SHARE-BASED LONG-TERM INCENTIVE SCHEME

In 2023, Lundbeck continued its revolving LTI program. The grant is based on a discretionary assessment made by the Board.

The value of the 2023 LTI program at time of vesting in February 2026 depends on the number of LTI vesting and on the development in Lundbeck's share price.

The numbers of LTI vesting may be reduced or lapse entirely if the vesting conditions are only achieved partially or not achieved at all.

Since the LTI contribute to loyalty and retention of the Management and the value of the LTI is directly linked to the market performance of

Lundbeck, i.e. the development of the share price itself, and an EBIT KPI, the LTI program contributes to the long-term interests, sustainability and the results of Lundbeck. Provided that the LTI vest, they will be exercised free of charge for the Management members (no exercise price applies) due to the nature of the instrument. There is no possibility to get an additional grant based on any overperformance.

A list of unvested instruments held by Management and LTI programme that vested in 2023 can be found on page 11.

LTI DESIGN

Component	CEO	Other Management members
Instrument	Restricted Cash Units	Restricted Shares Units
Max grant (of base salary)	100%	50%
Grant criteria	BoD discretionary assessment	BoD discretionary assessment
Time of vesting	After 3 years	After 3 years
Vesting criteria	Continued employment	Continued employment
	EBIT KPI Board approval	EBIT KPI Board approval

¹⁾ At the Annual General Meeting on 21 March 2023, an updated Target (50%) and Maximum (75%) were approved for new other Management members. At the same time pension contribution was updated from 26,1% to 10.0% for new management members. Both updates align to market practice.

Remuneration of Management

This table comprises an overview of the structure and remuneration to the members of Management in 2023 and includes a comparison to 2022 remuneration:

Overview of Management remuneration 2022/2023

	Charl van Zyl		Deborah Dunsire		Joerg Hornstein		Jacob Tolstrup		Lars Bang		Per Johan Luthman		Total Management	
	President & CEO ⁴⁾		Former President & CEO ⁴⁾		EVP & CFO		EVP, Commercial Operations ex US		EVP, Product Devlopment & Supply		EVP, R&D		DKKkm	%
2023 remuneration	DKKkm	%	DKKkm	%	DKKkm	%	DKKkm	%	DKKkm	%	DKKkm	%	DKKkm	%
Base Salary	2.7	29%	³⁾ 7.1	19%	³⁾ 6.0	55%	4.8	44%	4.5	44%	5.0	44%	30.1	33%
Pension	0.3	3%	0.0	0%	0.0	0%	1.3	12%	1.2	12%	1.3	12%	4.1	4%
Other benefits	0.5	5%	0.1	0%	0.3	3%	0.2	2%	0.2	2%	0.2	2%	1.5	2%
Total fixed	3.5	37%	7.2	19%	6.3	58%	6.3	58%	5.9	58%	6.5	58%	35.7	39%
STI	3.1	33%	6.2	16%	2.2	20%	2.2	20%	2.0	20%	2.3	20%	18.0	20%
LTI ¹⁾	2.7	29%	9.1	24%	2.4	22%	2.4	22%	2.2	22%	2.5	22%	²⁾ 21.3	24%
Total variable	5.8	63%	15.3	41%	4.6	42%	4.6	42%	4.2	42%	4.8	42%	39.3	44%
Total without tax indemnification	9.3	100%	22.5	60%	10.9	100%	10.9	100%	10.1	100%	11.3	100%	75.0	83%
Tax indemnification ⁵⁾	0.0	0%	15.0	40%	0.0	0%	0.0	0%	0.0	0%	0.0	0%	15.0	17%
Total included tax indemnification	9.3	100%	37.5	100%	10.9	100%	10.9	100%	10.1	100%	11.3	100%	90.0	100%
Compensation for loss of incentives	22.2 ⁶⁾	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	22.2	-
Termination/ Serverance pay	0.0	-	18.2	-	0.0	-	0.0	-	0.0	-	0.0	-	18.2	-
Total including one-offs	31.5	-	55.7	-	10.9	-	10.9	-	10.1	-	11.3	-	130,3	-
2022 Remuneration	DKKkm	%	DKKkm	%	DKKkm	%	DKKkm	%	DKKkm	%	DKKkm	%	DKKkm	%
Total without tax indemnification	N/A	0%	29.3	94%	4.9	N/A	10.6	100%	9.9	100%	11.0	100%	67.8	97%
Total with tax indemnification	N/A	0%	31.2	100%	4.9	N/A	10.6	100%	9.9	100%	11.0	100%	69.7	100%

1) The value of the LTI representing the actual full grant value for the 2023 programme based on the individual Management member's fixed base salary and grant target. The amount of shares vesting may be reduced if vesting criteria are not met.

2) The difference in the total remuneration to the Management in the above table compared to Registered Executive Management remuneration in the Annual Report relates to long-term incentives and tax indemnification to the CEO. The value of the long-term incentive program in the Annual Report is calculated using the IFRS 2 accounting principle, where the grant value of the LTI in the year of the grant is distributed and expensed over the three-year vesting period.

3) This includes a 17.0% pension payment amounting to DKK 1.0 million for Deborah Dunsire and 26,1% pension payment amounting to DKK 1.2 million for Joerg Hornstein.

4) In 2023, Deborah Dunsire held the position as CEO from January to the end August, where she was replaced by Charl van Zyl.

5) Tax indemnification is considered as a variable pay component. Total variable remuneration for Deborah Dunsire (including tax indemnification) is DKK 21.2 million corresponding to 75% of total remuneration.

6) Due to reporting standards, the buy-out amount for Charl van Zyl has been disclosed differently in the Annual Report.

Remuneration of Management

President & Chief Executive Officer (CEO)

BREAKDOWN OF CEO REMUNERATION

Deborah Dunsire – Former President & CEO

According to the service agreement with Deborah Dunsire, Lundbeck shall pay the difference in taxation on investment returns from personal assets between the US and Denmark. This tax compensation totaled DKK 15.0 million in 2023 (DKK 1.9 million in 2022). The terms and conditions of the tax indemnification are described on page 5. The remuneration paid to Deborah Dunsire totaled DKK 22.5 million in 2023 without tax indemnification (DKK 29.3 million in 2022). The STI totaled DKK 6.2 million, corresponding to 87% of the maximum bonus for the period of employment in 2023. The bonus payout of DKK 6.2 million is based on an estimated full year EBIT result at the time of termination. The total remuneration with tax indemnification totaled 37.5 million in 2023 (DKK 31.2 million in 2022). The remuneration reflects a service period from January to August. In addition to 37.5 million Deborah Dunsire received a severance package of 18.2 million in connection with her termination with Lundbeck. The 18.2 million was fully paid out in 2023.

Charl van Zyl – President & CEO

According to the service agreement, Charl van Zyl is eligible for a buy-out amounting to 22.2 million before taxes, which relates to loss of incentives at his former employer. The 22.2 million will be paid out in installments from 2024-2026, if certain criteria are met. The remuneration paid to Charl van Zyl totaled DKK 9.3 million in 2023. The

remuneration reflects a service period from September to December. The fixed annual base salary amounted to DKK 2.7 million being 29% of the total remuneration without buy-out.

Other benefits amounted to DKK 0.5 million being 19% of the total fixed salary and 5% of total remuneration without one-offs. Other benefits mainly consist of company car allowance, schooling fee and health insurance coverage.

The STI totaled DKK 3.1 million, corresponding to 96% of the maximum bonus prorated based on time of employment in 2023. The bonus payout reflects a Lundbeck performance above target for all KPIs, EBIT (40%), revenue (25%), Pipeline (25%) and Sustainability (10%).

Revenue reached DKK 19,912 million in 2023, the highest ever in Lundbeck’s history, compared to DKK 18,246 million in 2022. The strategic brands grew 13% and reached DKK 13,733 million or 69% of total revenue. Our newest brand Vyeptri[®] presented significant performance in 2023 and revenue reached DKK 1,697 million following a growth of 69% driven by demand uptake and price increase in the U.S and continued launches across the world.

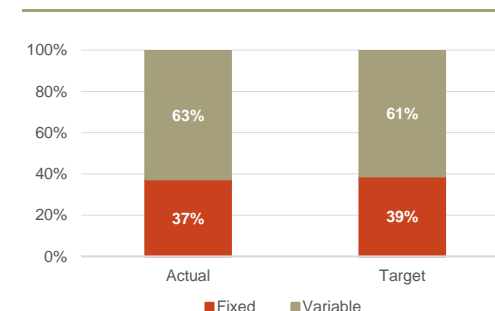
EBIT grew by 12% thereby reaching DKK 3,195 million in 2023, exceeding the top-end of our internal guidance range of DKK 2.8bn-3.2bn which has been used for measure of STI pay-out.

Lundbeck has presented a sustainable growth and is already showing results of a successful R&D transformation, having launched Rexulti in a potential blockbuster indication in agitation associated with dementia due to Alzheimer’s disease (AADAD), the on-time FDA approval for Abilify Asimtofii and the positive proof of concept for our novel PACAP-inhibitor.

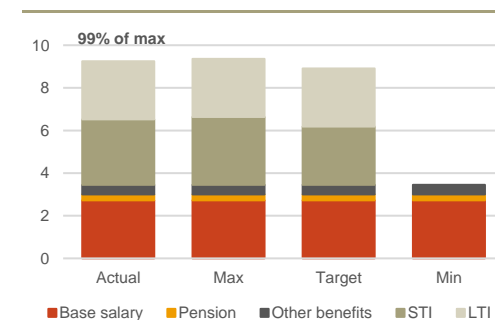
The Management defines and owns the Sustainability Strategy and prioritizes. A share of their short-term incentive program is linked to performance on targets related to the sustainability strategy. Lundbeck continuously set ambitious targets, report progress on the targets and disclose a set of externally reviewed ESG indicators across all areas of corporate sustainability. The pay-out level reflects an overall dedicated effort with sustainability. As examples, Lundbeck made further progress in diversity and inclusion with increasing representation of women in senior leadership positions. In 2023, we expanded our product donation program and initiated new initiatives to improve Access to Health. You can read more in Lundbeck’s pipeline and Sustainability achievement in the Annual report for 2023.

Charl van Zyl was granted Performance Share Units under Lundbeck’s LTI program with a value of 33% of the fixed annual base salary which correspond to his time of service with Lundbeck. The grant will vest in February 2026 if the vesting conditions are met. The terms and conditions of the program are described on page 6.

PAYMIX ILLUSTRATION (DKKM) FOR CHARL VAN ZYL WITHOUT BUY-OUT



PAYMIX ILLUSTRATION (DKKM) FOR CHARL VAN ZYL WITHOUT BUY-OUT



Remuneration of Management

Other Management Members

BREAKDOWN OF OTHER MANAGEMENT MEMBER REMUNERATION

Joerg Hornstein - EVP & CFO

Remuneration in 2023 totaled DKK 10.9 million (DKK 4.9 million in 2022, covering an employment period from August to December 2022)

The annual fixed salary was DKK 4.8 million contributing with 44% of the total remuneration in 2023.

The STI totaled DKK 2.2 million, corresponding to 91% of the maximum bonus. The bonus payout reflects a Lundbeck performance above target for all KPIs, EBIT (40%), revenue (25%), Pipeline (25%) and Sustainability (10%). For details about achievements see CEO performance description on page 9.

Joerg Hornstein has been granted LTI in the form of Performance Share Units corresponding to a value of 50% of his fixed annual base salary.

Jacob Tolstrup - EVP, Commercial Operations

Remuneration in 2023 totaled DKK 10.9 million (DKK 10.6 million in 2022).

The annual fixed salary was DKK 4.8 million corresponding to 44% of the total remuneration in 2023.

The STI totaled DKK 2.2 million, corresponding to 91% of the maximum bonus. The bonus payout reflects a Lundbeck performance above target for all KPIs, EBIT (40%), revenue (25%), Pipeline (25%) and Sustainability (10%). For details about achievements see CEO performance description on page 9.

Jacob Tolstrup have been granted LTI in the form of Performance Share Units corresponding to a value of 50% of his fixed annual base salary.

Lars Bang - EVP, Product Development & Supply

Remuneration in 2023 totaled DKK 10.1 million (DKK 9.9 million in 2022).

The annual fixed salary was DKK 4.5 million corresponding to 44% of the total remuneration in 2023.

The STI totaled DKK 2.0 million, corresponding to 91% of the maximum bonus. The bonus payout reflects a Lundbeck performance above target for all KPIs, EBIT (40%), revenue (25%), Pipeline (25%) and Sustainability (10%). For details about achievements see CEO performance description on page 9.

Lars Bang has been granted LTI in the form of Performance Share Units corresponding to a value of 50% of his fixed annual base salary.

Per Johan Luthman - EVP, R&D

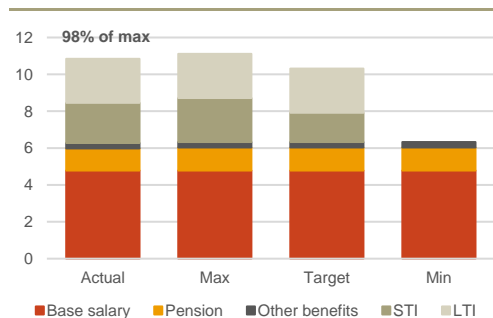
Remuneration in 2023 totaled DKK 11.3 million (DKK 11.0 million in 2022).

The annual fixed salary was DKK 5.0 million corresponding to 44% of the total remuneration in 2023.

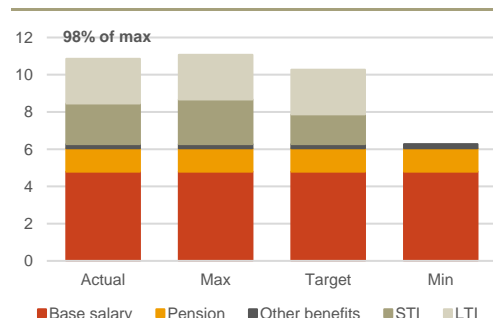
The STI totaled DKK 2.3 million, corresponding to 91% of the maximum bonus. The bonus payout reflects a Lundbeck performance above target for all KPIs, EBIT (40%), revenue (25%), Pipeline (25%) and Sustainability (10%). For details about achievements see CEO performance description on page 9.

Per Johan Luthman has been granted LTI in the form of Performance Share Units corresponding to a value of 50% of his fixed annual base salary.

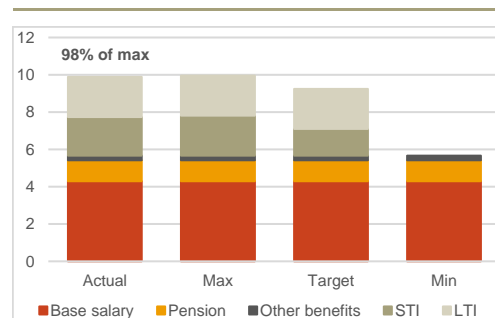
PAYMIX ILLUSTRATION (DKKM)



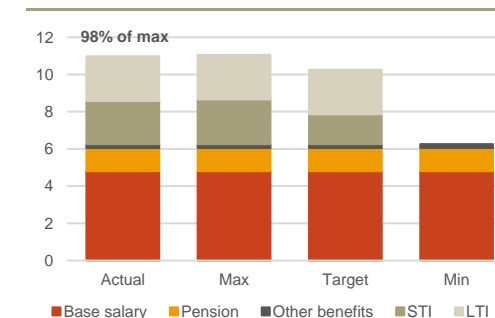
PAYMIX ILLUSTRATION (DKKM)



PAYMIX ILLUSTRATION (DKKM)



PAYMIX ILLUSTRATION (DKKM)



LTI overview

LTI OVERVIEW – VESTED AND UNVESTED PROGRAMS

The Management is – subject to Board decision - eligible to participate in LTI programs when they join Lundbeck. The table below includes an overview of all active LTI programs as of 31 December 2023 and all LTI programs vested in 2023. Provided that the LTI are vested, they will be exercised free of charge for the Management member due to the nature of the instrument.

Name and position	Program ¹⁾	Grant date	Vesting date	No of instruments primo 2023	No of instruments Granted 2023	No of instruments Cancelled 2023	No of instruments vested 2023	No of instruments ultimo 2023	Share price at grant date (DKK) ²⁾	Value at grant (mDKK) ³⁾	Value at vesting (mDKK) ⁴⁾	Value at YE 2023 (mDKK) ⁵⁾
Deborah Dunsire Former President & CEO ⁶⁾	RCU 2020	Feb 2020	Feb 2023	150,060	-	-	150,060	-	55	8.2	3.8	-
	RCU 2021	Feb 2021	Feb 2024	168,105	-	168,105	-	-	50	8.4	-	-
	RCU 2022	Feb 2022	Feb 2025	290,515	-	290,515	-	-	30	8.8	-	-
	PCU 2023	Feb 2023	Feb 2026	-	303,664	303,664	-	-	30	9.1	-	-
Charl Van Zyl President & CEO ⁷⁾	PSU 2023	Oct 2023	Feb 2026	-	90,726	-	-	90,726	30	2.7	-	3.0
	Joerg Hornstein	RSU 2022	Oct 2022	Feb 2025	49,659	-	-	-	49,659	30	1.5	-
EVP & CFO	PSU 2023	Feb 2023	Feb 2026	-	79,591	-	-	79,591	30	2.4	-	2.5
Jacob Tolstrup EVP, Commercial Operations	RSU 2020	Feb 2020	Feb 2023	34,835	-	-	34,835	-	55	1.9	1.0	-
	RSU 2021	Feb 2021	Feb 2024	39,725	-	-	-	39,725	50	2.0	-	1.3
	RSU 2022	Feb 2022	Feb 2025	76,350	-	-	-	76,350	30	2.3	-	2.4
	PSU 2023	Feb 2023	Feb 2026	-	79,807	-	-	79,807	30	2.4	-	2.5
Lars Bang EVP, Product Development & Supply	RSU 2020	Feb 2020	Feb 2023	36,290	-	-	36,290	-	55	2.0	1.1	-
	RSU 2021	Feb 2021	Feb 2024	41,155	-	-	-	41,155	50	2.1	-	1.3
	RSU 2022	Feb 2022	Feb 2025	71,120	-	-	-	71,120	30	2.1	-	2.3
	PSU 2023	Feb 2023	Feb 2026	-	74,339	-	-	74,339	30	2.2	-	2.4
Per Johan Luthman EVP, R&D	RSU 2020	Feb 2020	Feb 2023	33,690	-	-	33,690	-	55	1.9	1.0	-
	RSU 2021	Feb 2021	Feb 2024	41,840	-	-	-	41,840	50	2.1	-	1.3
	RSU 2022	Feb 2022	Feb 2025	79,455	-	-	-	79,455	30	2.4	-	2.5
	PSU 2023	Feb 2023	Feb 2026	-	83,051	-	-	83,051	30	2.5	-	2.7

1) PSU (Performance Share Units), PCU (Performance Cash Units), RSU (Restricted Share Units) and RCU (Restricted Cash Units).

2) Average share price for the first 10 days following FY announcement. Not adjusted for dividend.

3) Value based on grant date share price (10 days average price after FY announcement).

4) Based on shareprice on 8 February 2023 (the full FY announcement date) – 29.51 per share. Deborah's 2020 RCUs were converted to cash based on the share price 2 February 2023 - 25.09 per instrument.

5) Value based on share price as of 29 December 2023 (YE). Value at YE is based on year end shareprice of A share (shareprice 28.70 per instrument) and/or B shares (shareprice 32.76 per instrument).

6) All Deborah Dunsire's RCUs and PCUs lapsed with her termination from Lundbeck.

7) Charl van Zyl joined Lundbeck in September 2023 and he was enrolled in the 2023 LTI programme in October 2023 where he received instruments corresponding to a value of DKK 2.7m which correspond to 33% of his annual fixed base salary. He will be enrolled in the ordinary LTI grant schedule from 2024.

Comparable overviews

Tables illustrating the development in Board, Management, Employee Remuneration and Financial Performance

DEVELOPMENT IN BOARD REMUNERATION 2019-2023

DKK'000 Name of Board member	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Annualized Change in % 2020 vs 2019	Annualized Change in % 2021 vs 2020	Annualized Change in % 2022 vs 2021	Annualized Change in % 2023 vs 2022
Lars Søren Rasmussen, Chair	1,550	1,663	1,700	1,700	1,700	7%	2%	0%	0%
Lene Skole-Sørensen, Deputy Chair	1,100	1,175	1,200	1,200	1,200	7%	2%	0%	0%
Lars Erik Holmqvist	550	588	600	600	600	7%	2%	0%	0%
Jeremy Max Levin	913	1,075	1,100	1,100	1,100	18%	2%	0%	0%
Jeffrey Berkowitz	963	1,175	1,200	1,200	1,200	16%	2%	0%	0%
Dorothea Wenzel	-	-	525	700	700	N/A	N/A	0%	0%
Santiago Arroyo	-	-	750	1,000	1,000	N/A	N/A	0%	0%
Jakob Riis ¹⁾	-	-	-	-	450	N/A	N/A	0%	0%
Camilla Gram Anderson, Employee representative ²⁾	-	-	-	300	400	N/A	N/A	N/A	0%
Hossein Armandi, Employee representative ²⁾	-	-	-	300	400	N/A	N/A	N/A	0%
Dorte Clausen, Employee representative ²⁾	-	-	-	300	400	N/A	N/A	N/A	0%
Lasse Skibsbye, Employee representative ²⁾	-	-	-	300	400	N/A	N/A	N/A	0%
Rikke Kruse Andreasen, Employee representative ³⁾	350	388	400	100	0	11%	3%	0%	N/A
Ludovic Tranholm Otterbein, Employee representative ³⁾	350	388	400	100	0	11%	3%	0%	N/A
Henrik Sindal Jensen, Employee representative ³⁾	350	388	400	100	0	11%	3%	0%	N/A

DEVELOPMENT IN MANAGEMENT REMUNERATION 2019-2023

DKKk Name of Management member	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Annualized Change in % 2020 vs 2019	Annualized Change in % 2021 vs 2020	Annualized Change in % 2022 vs 2021	Annualized Change in % 2023 vs 2022
Charl Van Zyl - President & CEO ⁴⁾	-	-	-	-	9.3 ⁴⁾	N/A	N/A	N/A	N/A
Deborah Dunsire – Former President & CEO – <i>without tax indemnification</i> ⁴⁾	26.5	27.4	26.5	29.3	22.5 ⁴⁾	3%	-3%	11%	0%
Deborah Dunsire – Former President & CEO – <i>with tax indemnification</i> ⁴⁾	62.5	30.1	60.8	31.2	37.5 ⁴⁾	-52%	62%	-36%	42%
Joerg Hornstein – EVP & CFO ⁵⁾	-	-	-	4.9	10.9	N/A	N/A	N/A	-8%
Jacob Tolstrup – EVP, Commercial Operations	8.7	8.7	8.5	10.6	10.9	0%	-2%	25%	3%
Lars Bang – EVP, Product Development & Supply	8.9	9.1	8.8	9.9	10.1	2%	-3%	13%	2%
Per Johan Luthman – EVP, R&D	7.6	8.6	8.7	11.0	11.3	3%	1%	26%	3%

1) Joined the Board 21 March 2023

2) Joined the Board 24 March 2022

3) Left the Board 24 March 2022

4) In 2023, Deborah Dunsire held the position as CEO from January to the end of August and Charl van Zyl joined from September 2023. The proration of figures has been taken into account when calculating Annualized change in % from 2022 to 2023

5) Joined Lundbeck in August 2022

Comparable overviews

DEVELOPMENT IN EMPLOYEE REMUNERATION 2019–2023

DKKm	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Annualized Change in % 2020 vs 2019	Annualized Change in % 2021 vs 2020	Annualized Change in % 2022 vs 2021	Annualized Change in % 2023 vs 2022
Average employee remuneration excl. Management (H. Lundbeck A/S) ¹⁾	0.80	0.87	0.86	0.85	0.88	9%	-1%	-1%	4%
New CEO/Employee ratio (H. Lundbeck A/S)	-	-	-	-	31.7 ²⁾	-	-	-	-
Former CEO/Employee ratio (H. Lundbeck A/S) - <i>without tax indemnification</i>	33.1	31.5	30.8	34.5	38.4 ³⁾	-5%	-2%	12%	11%
Former CEO/Employee ratio (H. Lundbeck A/S) - <i>with tax indemnification</i>	78.1	34.6	70.7	36.7	55.4 ⁴⁾	-56%	64% ⁵⁾	-35% ⁵⁾	51%

FINANCIAL PERFORMANCE 2019-2023

DKKm	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Annualized Change in % 2020 vs 2019	Annualized Change in % 2021 vs 2020	Annualized Change in % 2022 vs 2021	Annualized Change in % 2023 vs 2022
Group results									
Net Revenue	17,036	17,762	16,299	18,246	19,912	4%	-8%	12%	9%
EBIT	3,608	1,990	2,010	2,852	3,195	-45%	1%	42%	12%
Shareprice A (End of year) ⁵⁾	50.9	41.8	33.8	23.9	28.7	-18%	-19%	-29%	20%
Shareprice B (End of year) ⁵⁾	50.9	41.8	33.8	26.0	32.8	-18%	-19%	-23%	26%

DKKm	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Annualized Change in % 2020 vs 2019	Annualized Change in % 2021 vs 2020	Annualized Change in % 2022 vs 2021	Annualized Change in % 2023 vs 2022
Parent Company results									
Net Revenue	9,464	10,733	11,298	12,722	14,117	13%	5%	13%	11%
EBIT	1,092	-592	1,085	1,902	2,164	-154%	283%	75%	14%

1) Total H. Lundbeck A/S remuneration excl. Management divided by total number of FTEs in H. Lundbeck A/S.

2) Charl van Zyl's annualized total remuneration divided by H. Lundbeck A/S average employee remuneration excl. Management

3) Deborah Dunsire's annualized remuneration without tax indemnification divided by H. Lundbeck A/S average employee remuneration excl. Management

4) Deborah Dunsire's annualized remuneration with tax indemnification divided by H. Lundbeck A/S average employee remuneration excl. Management

5) Historical end of year shareprices from 2019, 2020, 2021 has been split 5 times to align with the share split done in 2022 (one A share and four B shares)

The Board of Directors' statement on the Remuneration Report

To the shareholders of H. Lundbeck A/S

THE BOARD OF DIRECTORS' STATEMENT

Today the Board of Directors has considered and approved the Remuneration Report of H. Lundbeck A/S for the financial year 1 January - 31 December 2023.

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act.

In our opinion, the Remuneration Report is in accordance with the Remuneration Policy adopted at the Annual General Meeting, and is free from material misstatement and omissions, whether due to fraud or error.

The Remuneration Report will be presented for an advisory vote at the Annual General Meeting.

Copenhagen, 7 February 2024

BOARD OF DIRECTORS


Lars Søren Rasmussen
 Chair


Lene Skole-Sørensen
 Deputy Chair


Santiago Arroyo


Jeffrey Berkowitz


Lars Erik Holmqvist


Jakob Riis


Jeremy Max Levin


Ilse Dorothea Wenzel


Camilla Gram Andersson
 Employee representative


Hossein Armandi
 Employee representative


Dorte Clausen
 Employee representative


Lasse Skibsbye
 Employee representative

Independent Auditor's report on remuneration report

To the Shareholders of H. Lundbeck A/S

We have examined whether the remuneration report for H. Lundbeck A/S for the financial year 1 January - 31 December 2023 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Board of Directors' responsibility for the Remuneration Report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

Our firm applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, number 1 - 6, on the remuneration of each individual member of the Registered Executive Management and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

Conclusion

In our opinion the remuneration report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Hellerup, 7 February 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Baungaard
State Authorised Public Accountant
mne23331

Torben Jensen
State Authorised Public Accountant
Mne18651



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