



Minutes of the Annual General Meeting of ALK-Abelló A/S  
16 March 2022



At 4.00 p.m. on 16 March 2022 the Annual General Meeting of

**ALK-Abelló A/S**

(company registration (CVR) no. 63 71 79 16)  
(the “Company” or “ALK”)

was held at the company’s registered office, Bøge Allé 1, DK-2970 Hørsholm.

The Chairman of the Board of Directors, Anders Hedegaard, opened the Meeting by welcoming the shareholders, and announced that the Board had appointed Emil Dencker Steenberg, lawyer, to chair the meeting in accordance with the Company’s Articles of Association.

Anders Hedegaard then gave the floor to Emil Dencker Steenberg.

The chairman thanked the Board for his appointment and declared, with the assent of the shareholders, that the Meeting was duly convened and quorate with respect to the items on the agenda.

There were 20 shareholders present at the Annual General Meeting. After deducting own shares, 16,805,381 out of a possible 20,126,016 votes were represented at the Meeting, amounting to 83.5% of the votes, while out of share capital with a nominal value of DKK 110,104,920 (after deducting own shares), a total of DKK 76,902,530, or 69.8%, was represented.

The chairman then ran through the rules on a full statement of votes cast under Section 101(5) of the Danish Companies Act. The chairman stated that the requirement for a full statement of votes cast could be waived by unanimous assent of the Meeting. The chairman proposed that this option should be exercised. The Meeting supported this proposal.

**Agenda**

1. Report on the activities of the Company
2. Approval of the annual report and resolution to discharge the Board of Directors and the Board of Management from their obligations
3. Resolution on the allocation of profits
4. Adoption of the remuneration report for 2021
5. Adoption of the remuneration to the Board of Directors for the present year
6. Election of the Chairman of the Board of Directors
7. Election of the Vice Chairman of the Board of Directors
8. Election of other members of the Board of Directors
9. Appointment of auditor



10. Proposals from the Board of Directors

- 10(a) Renewal of the Board's powers to increase the share capital (article 4a of the Articles of Association)
- 10(b) Amendment of the denomination of shares
- 10(c) Amendment of article 6.4 of the Articles of Association
- 10(d) Authorisation to the chairman of the meeting

11. Any other business

**Re: 1 - 4: Report from the Board on the activities of the Company, approval of the annual report and resolution to discharge the Board of Directors and the Board of Management from their obligations, resolution on the allocation of profits and adoption of the remuneration report for 2021**

The chairman announced that agenda items 1, 2, 3 and 4 would be dealt with together. The chairman then gave the floor to Anders Hedegaard, who gave the oral report and presented the annual report for 2021.

Anders Hedegaard gave the following oral report:

“It is a great pleasure for me to share with you how well ALK has done this year. There have been a number of highlights, and I will not go through all of them but pick out just a few. Sales rose by 12% in 2021, and turnover reached its highest level in ALK's history, at DKK 3.9 billion. All regions had double-digit growth rates. Tablets cemented their position as ALK's growth driver and the fastest-growing category in ALK's markets, with sales growing by 29% in 2021. Earnings from operations rose by 35% in reported currency to DKK 534 million. This is the second-best result in ALK's history, even though we spent over DKK 630 million on research and development and increased investments in growth – both short-term and long-term. This was in spite of the challenges that COVID posed to the Company and to all of us, particularly price rises and disruption to our operations. COVID presented many challenges to all of us. ALK's first priority was to assure the safety and well-being of its employees, and of course to ensure that doctors and patients could obtain our products. Despite these challenges, ALK was able to stay on top of things and deliver fantastic results. Some clinical trials did suffer, but all in all, ALK came through the pandemic in good shape.

This says a lot about the transformation that has taken place in ALK over the last three to four years. It has grown into a robust company, and the business platform has shown its worth through the crisis brought about by COVID. This testifies to the flexibility and adaptability of our management and staff, and our determination to succeed with the goals we have set. All of us on the Board of Directors, and I am sure I can speak for all of the shareholders, are very grateful for this.

One of ALK's goals is to provide allergy treatment for all. Let me first elaborate a little on this goal. ALK's goal of providing allergy treatment to everyone in the world falls under the plan we call 'Access to allergy care for all', and it contains a number of ambitious goals. In 2021, we helped 2.1 million people with our allergy products. That number rose by 100,000 last year, and we are working to achieve similar growth again this year and next.

This is much needed. It is estimated that over 500 million people worldwide suffer from allergic rhinitis. Our focus is on those patients who have such severe symptoms that they will benefit from immunotherapy. We estimate that this is about one in 10 patients, i.e. approximately 50 million people. These are people for whom allergies mean a reduced quality of life: impaired learning at school for children, lower productivity at work for adults, insomnia, restrictions in social life – and all that these imply. This a problem for the individual, but also a real problem for society.



Although 50 million people might benefit from our treatment, fewer than five million people are receiving treatment today. So our work to develop immunotherapy and make the treatment more widely available is an important goal for us. I will try to mention some of the things we have done:

- We made clinical and commercial progress with all five tablets in 2021. Here, I would just like to mention that ALK's major Phase III clinical trials of ACARIZAX® and ITULAZAX® in children with allergies are going according to plan and are expected to be completed in 2023.
- We had excellent news in China concerning ACARIZAX®, in that we have been granted exemption from the latest clinical trials, which were delayed because of COVID, and can apply for registration this year.
- Another area where we are doing a lot to raise awareness of immunotherapy is in our digital activities. In reality, this is a matter of mobilising the many people with allergies, getting them to take an allergy test or contact an allergy specialist, and ultimately to use our treatment. We are very proud to have mobilised over 375,000 people with allergies this year. We have got them to respond to our online activity, and now our job is to get them to take up our tablet treatment. Here we are still struggling to make a direct link between our online activities and our tablet sales. However, we have a mass of activities, and just this afternoon we have seen a demonstration from Management of many of the great initiatives that are going on, and we can see that Management and staff are working in many areas to find the right solution to this challenge. There is no doubt that this is an area close to our employees' hearts, which is really just a matter of getting more people to address their issues with the allergies that they have.

Let me return to the financial results for the year. I mentioned earlier that we have seen double-digit growth rates in all regions.

The results are excellent in Europe especially. Europe is a key market for ALK, and here we excelled once more with high growth in an otherwise flat pharmaceutical market, and this part of the business showed once again how well-managed it is in being able to grow by 10% to over DKK 2.8 billion despite the continuing COVID restrictions in many markets. The ITULAZAX® and GRAZAX® tablets in particular drove growth in Germany and the Nordic countries. Sales of SCIT and SLIT-drops fell slightly, owing to the planned discontinuation of products. Despite this decrease, we were in a position to complete a planned phasing out and maintain excellent development. We were also affected by the fact that the COVID situation brought fewer renewed prescriptions for the Jext® adrenaline pen. But overall, it was a simply impressive performance to produce double-digit growth in Europe.

Turnover in North America rose by 23% to DKK 683 million. Growth returned following a period when COVID changed a lot of patients' behaviour and reduced capacity at many allergy clinics. Tablet sales in North America increased by 42%, and sales of allergen extracts, diagnostics and other products all grew too. I am delighted to see that the growth runs into double digits and is broadly based, but we must also be honest and say that we have still to see a genuine breakthrough for the tablets in the USA. As I mentioned earlier, Management is working to implement a number of different initiatives to free up some of the many patients who are only being offered allergy extracts today, because there is actually a financial incentive to prescribe legacy treatments. ALK will continue to strive for this breakthrough, and there are many activities that could help to tackle this challenge.

In International markets, turnover grew by 15% to DKK 424 million as a result of solid double-digit growth in the large markets of Japan and China. Both markets are booming, especially China, where we hope our registration application will allow us to launch in 2024 and generate further growth.

Turning to product categories, as I mentioned, tablet sales exhibited outstanding growth rates – rising by 29% to DKK 1.8 billion. Tablets thus represented 45% of ALK's total sales.

Sales of SCIT and SLIT-drops were essentially unchanged, while sales of other products rose by 10%.



There was excellent organic growth of 12%. There are not many pharmaceutical companies around today that can boast of sales growth like this. As I mentioned earlier, this is based on a robust transformation of the Company. Now we have financial strength and strong growth.

The gross margin improved by 3 percentage points to 61%, owing in part to increased tablet sales, but also as a result of the efficiency programme initiated four years ago to improve quality and lower costs. This is a positive development that underpins our long-term goal to improve our earnings capacity.

Earnings before interest, tax, depreciation and amortisation (EBITDA) grew from DKK 395 million to DKK 534 million. This result was significantly better than expected at the start of the year.

So much for 2021 and the key figures. Let's turn our attention to the future.

Last year, we updated our strategy to extend it to 2025. Our ambition up to 2025 and the years beyond will be to maintain growth rates of 10% or more, while steadily raising earnings to an EBIT margin of about 25% in 2025. With the development that we have started, ALK can reach the profit levels that might be expected of a company of our type.

We believe that these goals are realistic. When we look at the potential in the market, which is just huge with the many activities that we have initiated, we believe that we are on the right road and that we are doing what needs to be done.

The good thing about the strategic plan was that we actually decided to continue the line from the previous years. The strategic focus continues to be on these four areas:

We must succeed in North America. We will complete the clinical trials and commercialise the tablet portfolio. We will mobilise allergy sufferers digitally to do something about their condition, establish contact between patients and doctors, and get the right people started on treatment with immunotherapy, ideally with ALK's clinically validated tablets. And finally, we will optimise our operations and the whole way in which we work. With these four points, we delivered in the first three years of the transformation period, and we believe we can continue to deliver through to 2025.

But that's not the end of it - there is also life after 2025. Life after 2025 will be filled with activities that we are starting now. There are four main areas that will feed our growth going forward.

The first of these initiatives is **children**. ALK expects to complete its clinical trials on children with house dust mite allergy and tree pollen allergy in 2023. This will open the door to full paediatric coverage in Europe and North America. To illustrate how important this is, by far the largest group of tablet patients in the rapidly growing Japanese market is children under the age of 18. Fewer than 75% of the patients taking our tablets are under 18. Potentially, therefore, we will gain access to many more patients in Europe and North America after 2023.

The second initiative is on-going in **China**, which is one of the world's largest markets for immunotherapy treatments for house dust mite allergy, with total sales of just under DKK 1 billion, annual growth in excess of 25%, and the potential for much more. We are well on the way to expanding our sales force and strengthening market access activities – both to increase sales of our existing products and also to ensure that we have the right people to cover the Chinese market, so we are ready to launch our tablet treatment in 2024. With the latest exemption from the Chinese authorities, which was announced a little while ago, we are really well placed to move forward. In 2021, we also entered into a partnership for our adrenaline pen with Grandpharma, which will widen ALK's footprint in China.

The third initiative is the launch of an **adrenaline** pen on the American market. The aim is to submit a registration application to the FDA by 2024 at the latest, and we are working in parallel on two



projects, an internal development project and a partnership with the American biotech company Windgap. We hope that this will open the door to the adrenaline market in the USA in 2024.

Our final focus area is the development of a new treatment for **food allergies**. We are making use of our 20 years' experience in developing and commercialising tablets against respiratory allergies to combat food allergies. This is much needed: 2.5% of the world population suffers from a food allergy, and for many, fear of a severe allergic reaction is highly detrimental to quality of life, while there are only a very few, not particularly effective, treatment options available today.

We progressed well with preparations in 2021, receiving confirmation that our tablet technology can be used in the development of a vaccine against peanut allergy, which is the biggest of the food allergies. This paves the way for us to start clinical Phase I development of the peanut tablet within a few months.

These are the four focus areas in which we are engaged in development activities and investments to secure growth in the long term. Our goal between now and 2025 is to maintain growth and strong earnings.

We also have some long-term goals for sustainability. The aim is to make allergy treatment more accessible than it is today. We are convinced that the shortest path to that goal is to be a company which is responsible and has a sensible relationship between what we do and the business goals that we pursue. For this reason, we have established goals for ESG efforts in the areas of greatest importance to ALK and our stakeholders.

We have integrated sustainability into the remuneration paid to the Board of Management. This means that ESG targets, just like commercial and earnings targets, will determine a portion of the remuneration paid to the Board of Management. The Board of Directors and I are very happy with this.

ALK will grow and help many more patients, but we will do it in a responsible way. We will optimise our use of water, reduce energy consumption, increase recycling, and limit waste. We will of course switch to renewable energy wherever we can. In other words, we will reduce ALK's climate and environmental footprint as we grow.

The target is a 60% reduction in CO<sub>2</sub> emissions by 2025 compared with a 2019 baseline. The target applies to Scope 1 and Scope 2 emissions, and we are in the process of making Scope 3 part of the future targets. A lot of work still lies ahead of us, but we are on the right path in this area, and this is something we regularly discuss at the Board meetings.

Let me say a bit about the returns to shareholders, which are an important part of ALK's goals. This year, we will continue the temporary suspension of dividends which we introduced in 2018 to support our growth strategy. Although things are going well for ALK, now is the time to stand firm and invest the profits while there is growth and we are doing well.

The Board of Directors will revisit the dividend policy on a regular basis, to see when we can resume distributing dividends. The sooner the better. We therefore have to ask our shareholders to remain patient a little longer. While dividends have been suspended, it is the share price that needs to create value for ALK's shareholders. From the end of 2017 to the end of 2021, share price increases gave shareholders an average annual return of 47%, and the share price rose by 37% last year. This year, unfortunately, the share price has languished along with the rest of the equity market, largely because of general trends in the market. There is nothing in ALK's situation to explain this development, but the market is the market.

Our desire is to have an attractive, liquid share that appeals to many investors. The Board of Directors is therefore proposing today that we reduce the denomination of shares from DKK 10 to DKK 0.50. This will bring many more ALK shares into circulation at a considerably lower price.



On the subject of corporate governance there are few words that should be included in the report.

Last year, the Board of Directors held seven meetings, compared to 11 in 2020, when COVID and strategic updates led to unusually intense meeting activity. The meeting in June was a two-day strategy seminar with the Board of Management, at which we discussed the next steps in ALK's strategic development in the short and long term.

Apart from the meetings of the Board of Directors, the Audit Committee met five times, the Remuneration & Nomination Committee met four times, while the Scientific Committee met three times. Numerous meetings were also held between the Chairman and Vice Chairman and the Board of Management.

As usual, the Board of Directors conducted a self-evaluation of its work at the end of the year, assisted by an external facilitator. The evaluation showed that the key areas identified in the previous self-evaluation have been satisfactorily followed up. The Board of Directors is judged to have the necessary competencies, and meetings are characterised by open, constructive and solution-focused dialogue. The Board of Directors and Management have worked really well together.

The Board of Directors has also discussed and drawn inspiration from the new Corporate Governance guidelines from the Committee on Corporate Governance. One focus area for the Board has been to ensure that there is a majority of independent members on the Board of Directors, and of course on its various committees – we will address this point with the elections to the Board of Directors. We have also adjusted a number of policies, so that ALK is now adhering to all 40 new guidelines from the Committee. A review of the recommendations is available on the website, where you can also see the remuneration report, with a detailed description of the remuneration to the Board of Directors and the Board of Management. The remuneration to the Board of Directors is determined at the Annual General Meeting, and consists of a fixed fee, while fees for the Board of Management are determined by the Board of Directors based on ALK's remuneration policy. Fees for the Board of Management consist of several elements: a fixed basic salary, short-term and long-term incentives and the usual benefits.

Last year, the total remuneration to the Board of Management increased by 8% to a total of DKK 37 million. There was a small rise in the fixed salaries of the four directors, but by far the biggest share of the increase came as a result of ALK's good results. The Board of Directors had established a number of very ambitious targets that the Board of Management had to deliver on in order to earn their bonus. Essentially, all of these were delivered. Therefore, the short-term cash bonus to the Board of Management increased by DKK 2 million to DKK 12 million – a further indication of what a good year 2021 was for ALK.

2022 promises to be even better. We expect strong growth in all sales regions this year, as well as higher earnings in line with our long-term ambitions.

Turnover is expected to increase by 8-12% in local currencies. Tablet sales will continue to be the primary growth driver, with expected sales growth of approximately 20%. We expect over 1 million patients to be receiving treatment with the tablets at the end of the year, which means that the full year's tablet sales will probably exceed DKK 2 billion. As for the rest of ALK's product portfolio, we anticipate low, single-digit growth.

EBITDA is expected to increase to DKK 625-725 million, even if we spend DKK 50 million more on research and development, and even if we also spend more money on sales and marketing, including a larger sales force in China. We still expect earnings to grow, driven by higher sales, better margins and higher efficiencies.

COVID remains a factor, and the pandemic may cause fluctuations in sales. The overall geopolitical situation has of course also deteriorated following the Russian invasion of Ukraine, which has



triggered far-reaching sanctions, energy price rises and higher inflation. Nevertheless, we anticipate delivering on the announced forecasts and achieving solid top-line growth and better earnings in ALK.

Let me conclude this report by affirming that ALK is in a good position. The transformation that was launched in 2017 has been a great success. We are now well underway with the next phase, in which we will deliver consistent double-digit growth and better earnings, while also laying the foundations for long-term growth, with children, China, adrenaline and food allergies as our growth accelerators. All of these things should provide for long-term growth.

There are still challenges to overcome, such as getting tablet sales up in the USA, and a lot of hard work ahead. But the big picture is that we are well on the way to attaining the targets we have set. We do what we say we will do. We execute steadily and calmly, thereby laying the building blocks for a bigger, stronger and not least robust ALK.

I would like to thank the Board of Management, all managers and all employees for your dedicated and strong effort – and your enormous contribution to our progress. With these words I ask the shareholders to approve the annual report, the remuneration report and the allocation of profits, and to discharge the Board of Directors and Board of Management from their obligations.

Thank you for your attention.”

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The chairman stated that the annual report had been signed by the Board of Directors and the Board of Management, that the auditor had stated that the financial statements give a true and fair view, and that the Board of Directors proposed not to distribute any dividend for the financial year 2021.

The chairman then opened up the Meeting for debate and gave the floor to Claus Berner Møller of ATP.

Claus Berner Møller thanked the Chairman for his report and emphasised the positive financial results for ALK while also stressing the importance of continued product development and future growth opportunities. ALK had still to break through in the USA, but it was clear to ATP that the Board of ALK had a goal to make this breakthrough. Claus Berner Møller then asked the following questions:

1. What can ALK do to push tablet sales up in North America, and are there fresh actions planned in 2022?
2. When does ALK expect to launch its tablets for house dust mite allergy in China, if the tablets are approved?
3. Will ALK handle the launch alone?

Claus Berner Møller commented on the positive developments in the ESG area, and noted that ALK had improved in recent years. The election of Alan Main as a new independent member of the Board was welcomed, and it was remarked that Main's experience in consumer healthcare was a useful addition to the Board. On behalf of ATP, Claus Berner Møller ended by thanking the employees and management of ALK for the excellent results for the year.

The chairman then gave the floor to the CEO, Carsten Hellmann.

Carsten Hellmann first thanked ATP for the comments and answered the questions as follows:

1. The USA held great potential for ALK's future sales. Growth in the USA called for long-term solutions, as local incentives were such that injections were more profitable than prescribing tablets. However, the need for ALK's products was underlined by the fact that 30 million patients ought to be receiving immunotherapy but only three million actually were. Carsten Hellmann said that ALK was working on digital solutions and had kicked off a number of activities to generate long-term growth in the USA, which he was convinced ALK could achieve.



2 and 3. Carsten Hellmann said that ALK expected to launch its products in China in 2024, and that ALK would manage the launch itself. ALK was already investing in China and building a business infrastructure with compliance and finance functions. Carsten Hellmann emphasised that ALK had gone from 50 employees in China a year ago to 130 today, and expected to employ 230 people in three years from now. ALK was aware that the development of the Chinese market for house dust mite immunotherapy called for patience, but Carsten Hellmann stressed that ALK possessed this patience and was determined to develop this market.

Carsten Hellmann finished by expressing thanks for the comments on sustainability, which was an area ALK was continuing to invest in and would prioritise in the future.

As no-one else wished to take the floor, the chairman declared, with the consent of the shareholders:

- that the Meeting had taken note of the report from the Board,
- that the Meeting had approved the annual report for 2021 and released the Board of Directors and the board of Management from their obligations,
- that the Meeting had approved the proposed allocation of profits, and
- that the Meeting had approved the remuneration report for 2021.

#### **Re 5: Adoption of the remuneration to the Board of Directors for the present year**

The Board of Directors proposed that the remuneration to the Board for the present year be set as follows:

- that the remuneration to members of the Board of Directors be DKK 350,000
- that the remuneration to the Vice Chairman be twice this amount, DKK 700,000, and
- that the remuneration to the Chairman be three times this amount, DKK 1,050,000.

The Board of Directors further proposed:

- that the additional fee to the chairmen of the Remuneration & Nomination Committee and the Scientific Committee should remain unchanged at DKK 150,000, and
- that the additional fee to the other members of the Remuneration & Nomination Committee and the Scientific Committee should remain unchanged at DKK 100,000.

The Board of Directors proposed that the remuneration to the members of the Audit Committee be set as follows

- that the additional fee to members of the Audit Committee should be DKK 125,000, and
- that the additional fee to the chairman of the Audit Committee should be DKK 187,500.

As no shareholders wished to take the floor, the chairman declared, with the consent of the shareholders, that the proposal had been adopted.



#### **Re 6: Election of the Chairman of the Board of Directors**

The Board of Directors proposed that the present Chairman, Anders Hedegaard, be re-elected. The chairman stated that Anders Hedegaard's management positions and competencies were described in the notice convening the meeting. As there were no other candidates for the post of Chairman, Anders Hedegaard was elected for a one-year period.

#### **Re 7: Election of the Vice Chairman**

The Board of Directors proposed that Lene Skole be re-elected as Vice Chairman. The chairman stated that Lene Skole's management positions and competencies were described in the notice convening the meeting. As there were no other candidates for the post of Vice Chairman, Lene Skole was elected for a one-year period.

#### **Re 8: Election of other members of the Board of Directors**

The Board of Directors proposed that Gitte Aabo, Lars Holmqvist, Bertil Lindmark and Jakob Riis be re-elected and that Alan Main be elected to the Board.

The chairman stated that the candidates' management positions and competencies were described in the notice convening the meeting.

The chairman declared that there were no other proposals for Board members, and that Gitte Aabo, Lars Holmqvist, Bertil Lindmark and Jakob Riis were re-elected for a one-year period while Alan Main was newly elected for a one-year period.

The Board of Directors then comprised:

- Anders Hedegaard (Chairman)
- Lene Skole (Vice Chairman)
- Gitte Aabo
- Lars Holmqvist
- Bertil Lindmark
- Alan Main
- Jakob Riis
- Katja Barnkob (employee-elected Member of the Board)
- Johan Smedsrud (employee-elected Member of the Board)
- Nanna Rassov Carlson (employee-elected Member of the Board)

#### **Re 9: Appointment of auditor**

The Board of Directors proposed that PwC Statsautoriseret Revisionspartnerselskab be re-appointed.

The chairman stated, with reference to the EU Audit Regulation, that the proposal was in line with a recommendation from the audit committee, which was not influenced by third parties and had not been subject to any agreement with third parties that might limit the Meeting in its choice of auditors.

The chairman stated there were no other proposals for new auditors, after which the Meeting re-elected PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab as the Company's auditor.



## Re 10: Proposals from the Board of Directors

The chairman stated that the next item on the agenda was a proposal from the Board.

### 10(a) Renewal of the Board's powers to increase the share capital (article 4a in the Articles of Association)

The Board of Directors proposed that its existing powers to increase the AA and B share capital be extended. The proposal meant that articles 4a.1-4a.5 of the Articles of Association would be worded as follows:

*"4a.1 The share capital may by resolution of the Board of Directors up to and including 15 March 2027 be increased by one or more issues of new shares with a nominal value of up to DKK 11,141,196, equivalent to AA shares with a nominal value of up to DKK 1,012,836, and B shares with a nominal value of up to DKK 10,128,360. On any increase of the share capital, the ratio between the two share classes shall remain unchanged, as A shares and AA shares are considered as a whole in this article 4a, and AA shares and B shares shall be offered at the same price. The share capital may be increased for cash or other consideration. Increases of the capital pursuant to this authorisation may take place at a price below the market price and shall be with pre-emption rights to all shareholders within the respective share classes.*

*4a.2 The share capital may by resolution of the Board of Directors up to and including 15 March 2027 be increased by one or more issues of new shares with a nominal value of up to DKK 11,141,196, equivalent to AA shares with a nominal value of up to DKK 1,012,836, and B shares with a nominal value of up to DKK 10,128,360. On any increase of the share capital, the ratio between the two share classes shall remain unchanged, as A shares and AA shares are considered as a whole in this article 4a, and AA shares and B shares shall be offered at the same price. Increases of the capital pursuant to this authorisation must be at market price and subscription must take place without pre-emption rights to the B shareholders.*

*The Board of Directors may decide that the new B shares may only be subscribed by one or more specific investors, by way of a specific creditor's swap of debt, or as full or partial consideration for the acquisition of an operation or specific assets. However, the Board of Directors shall not have the power to direct that the B share capital increase can only be subscribed by one or more specific investors for cash consideration. If the shares are offered at market price, the price of both the AA shares and the B shares shall be the market price of the Company's B shares.*

*4a.3 Increases of the share capital pursuant to articles 4a.1 and 4a.2 may not in total exceed a nominal value of DKK 11,141,196, equivalent to AA shares having a nominal value of up to DKK 1,012,836, and B shares having a nominal value of up to DKK 10,128,360.*

*4a.4 AA shares subscribed and issued pursuant to articles 4a.1 and 4a.2 above must be paid in full and shall be non-negotiable instruments, which shall be issued to bearer and be registered in the name of the holder in the Company's register of shareholders. The B shares subscribed and issued pursuant to articles 4a.1 and 4a.2 above must be paid in full and shall be negotiable instruments issued as registered shares. No restrictions apply to the transferability of the new shares, see article 4.4 above.*

*With the exception of the provision set out in article 4a.6, the AA shares shall have the same rights and obligations as A shares. If the authorisations under articles 4a.1 and/or 4a.2 are utilised, the A shareholders and the AA shareholders shall have joint pre-emption rights to the AA*



*shares offered, and the pre-emption rights shall be exercised in proportion to each shareholder's nominal holding of A shares and AA shares.*

*4a.5 The Board of Directors is authorised to amend the Articles of Association as a result of any capital increases made in pursuance of articles 4a.1 and/or 4a.2 above."*

As no shareholders wished to take the floor, the chairman declared that the proposal had been adopted.

#### **10(b) Amendment of the denomination of shares**

The Board of Directors proposed to change the denomination of A, AA and B shares in the Company from DKK 10.00 to DKK 0.50 and multiples thereof, thus enabling the Board to effect a share split, which was expected to take effect by the end of March 2022. The proposal arose out of a wish to enhance the liquidity of the share and provide a wide range of shareholders with an affordable share price in light of the rapid increase in the share price in recent years, and the company's future prospects. The proposal involved the following changes to the Articles of Association:

Article 4.1 of the Articles of Association was then worded as follows:

*"The nominal value of each share is DKK 0.50 or multiples thereof."*

Article 6.2 of the Articles of Association was then worded as follows:

*"At general meetings, each A share amount and AA share amount of DKK 0.50 shall have ten votes."*

Article 6.3 of the Articles of Association was then worded as follows:

*"At general meetings, each B share amount of DKK 0.50 shall have one vote."*

As no shareholders wished to take the floor, the chairman declared that the proposal had been adopted.

#### **10(c) Amendment of article 6.4 of the Articles of Association**

The Board of Directors proposed to change the deadline for casting postal votes as stated in the Articles of Association so that the postal voting deadline was aligned with the practice in ALK-Abelló A/S, where shareholders must cast their postal vote by a specified time on the day before the general meeting. The proposal meant that the last sentence of Article 6.4 of the Articles of Association would be worded as follows:

*"The voting right may furthermore be exercised by postal vote, which must be received by the Company by no later than a specified time, to be determined by the Board of Directors, on the day before the general meeting is held."*

As no shareholders wished to take the floor, the chairman declared that the proposal had been adopted.

#### **10(d) Authorisation to the chairman**

The Board of Directors proposed that the General Meeting authorise the chairman, with power of delegation, to make such changes in and additions to the resolutions adopted at the General Meeting and to the notification hereof as may be required by the Danish Business Authority or other authorities in connection with the registration of the amendments adopted, and to continuously make and notify linguistic and other amendments with no impact on content in the Company's Articles of Association.



As no shareholders wished to take the floor, the chairman declared that the proposal had been adopted.

**Re 11: Any other business**

The chairman then opened the meeting for discussion.

No shareholder wished to take the floor.

\*\*\*\*\*

The chairman then noted that there were no agenda items outstanding, thanked those present for a good and orderly Annual General Meeting, and relinquished his position as chairman.

The chairman then gave the floor to Anders Hedegaard.

Anders Hedegaard finished by thanking the chairman for his capable handling of the Meeting and thanked the shareholders for their continued interest in ALK.

Annual General Meeting adjourned.

Chairman of the meeting

Chairman of the Board of Directors

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Emil Dencker Steenberg

Anders Hedegaard



# Welcome to ALK's Annual General Meeting

16 March 2022



# Agenda

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- 8. Election of other members of the Board of Directors**
- 9. Appointment of auditor**
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  - a) **Renewal of the Board's powers to increase the share capital**
  - b) **Amendment of the denomination of shares**
  - c) **Amendment of article 6.4 of the Articles of Association**
  - d) **Authorisation to the chairman of the meeting**
- 11. Any other business**

# Agenda

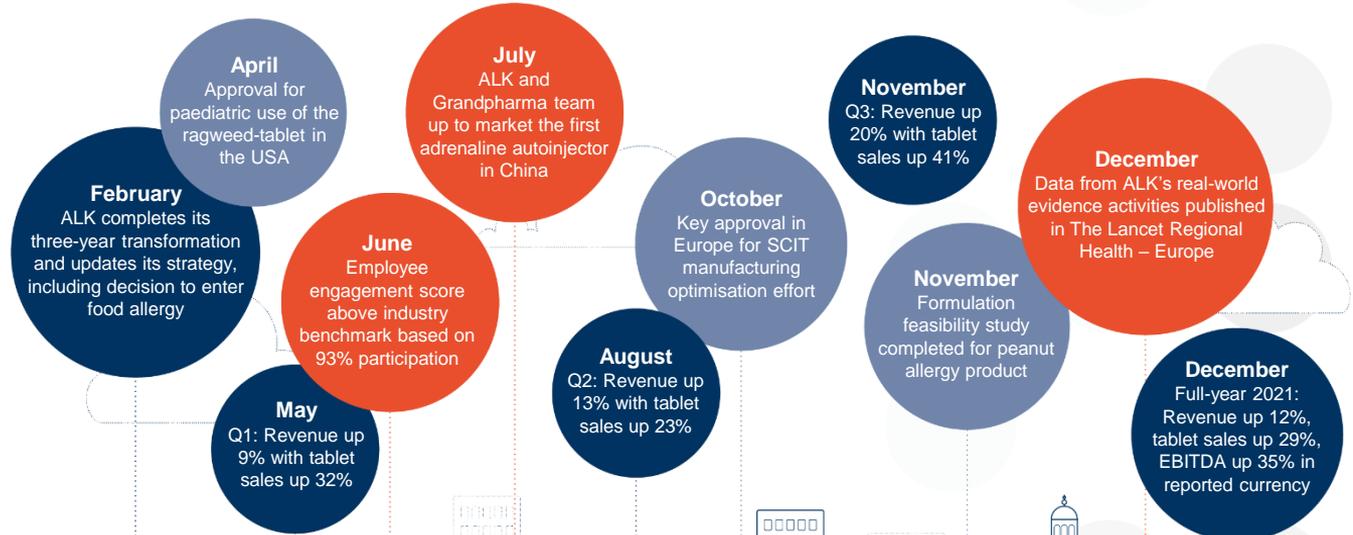
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# Board of Directors' report

by Chairman  
Anders Hedegaard



# 2021: Highlights of the year



## Key figures



Revenue increased

# 12%



Tablet sales increased

# 29%



EBITDA increased

# 35%

2.1 million



# Globalising AIT



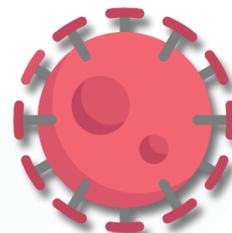
## Tablets

Clinical advances in the tablet portfolio



## China

ACARIZAX<sup>®</sup> on its way in China



## COVID

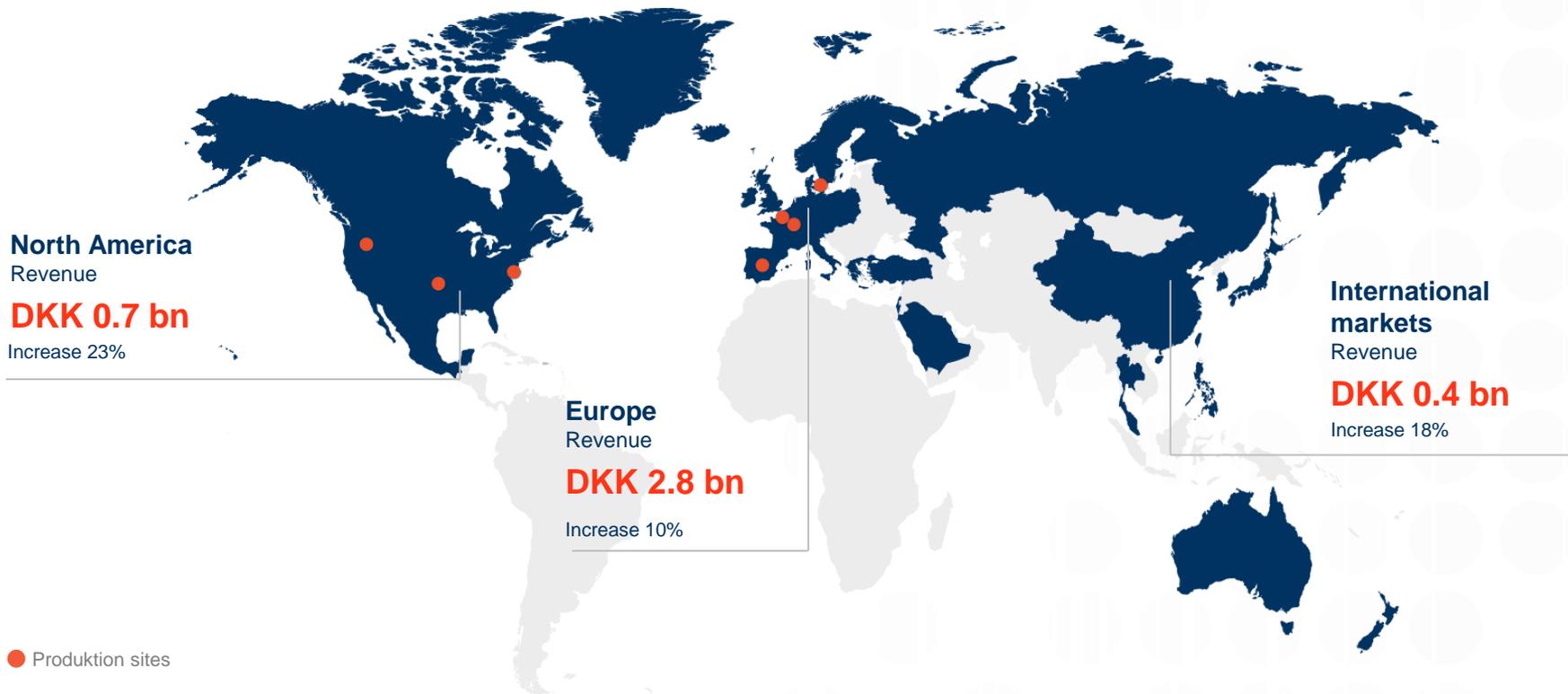
Asthma trial affected by the pandemic



## Digital

375,000 people with allergy mobilised

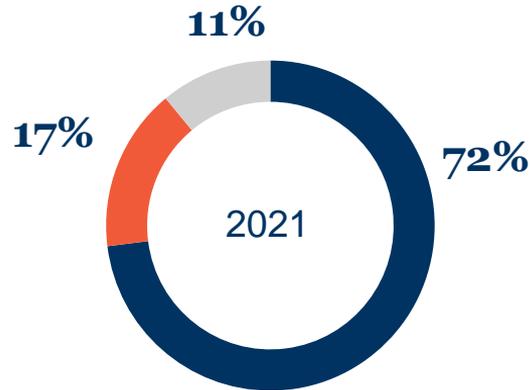
# Growth in all regions



# Revenue by geography and product line

## Geography:

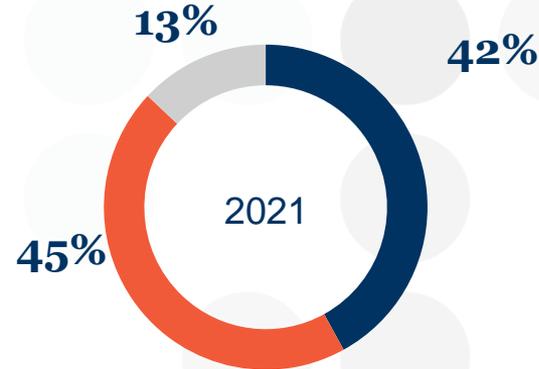
Double-digit growth in all regions



- Europe
- North America
- International markets

## Products:

Tablets the largest product category for the first time



- SCIT/SLIT-drops
- Tablets
- Other



# 2021 key figures

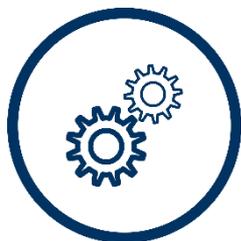
DKK million	2019	2020	2021
<b>Revenue</b>	<b>3,274</b>	<b>3,491</b>	<b>3,916</b>
Gross margin	58%	58%	61%
R&D expenses	466	515	613
<i>(% of revenue)</i>	<i>14%</i>	<i>15%</i>	<i>16%</i>
Sales, marketing & administrative expenses	1,456	1,362	1,474
<b>EBITDA</b>	<b>241</b>	<b>395</b>	<b>534</b>
Free cash flow	(25)	56	202

**12%**  
revenue  
growth

EBITDA  
**534 million**  
DKK

Gross margin  
improved by  
**3 p.p.**

# Towards '25 in 25'



**2018-20**

Addressed issues and established strong growth foundations



**Present**

≥10% organic growth p.a. driven by tablets



**2025**

Achieve an EBIT margin of ~25% based on continued growth, improved gross margin and cost efficiencies

# Long-term growth: 2025 and beyond



## Children

Paediatric trials MT-12 and TT-06 to be completed in 2023



## China

ACARIZAX<sup>®</sup> expected to be approved in 2024



## Adrenaline

Registration of adrenaline pen in the USA to be initiated in 2024 at the latest



## Food allergy

Phase 1 trial with peanut tablet to be initiated this year

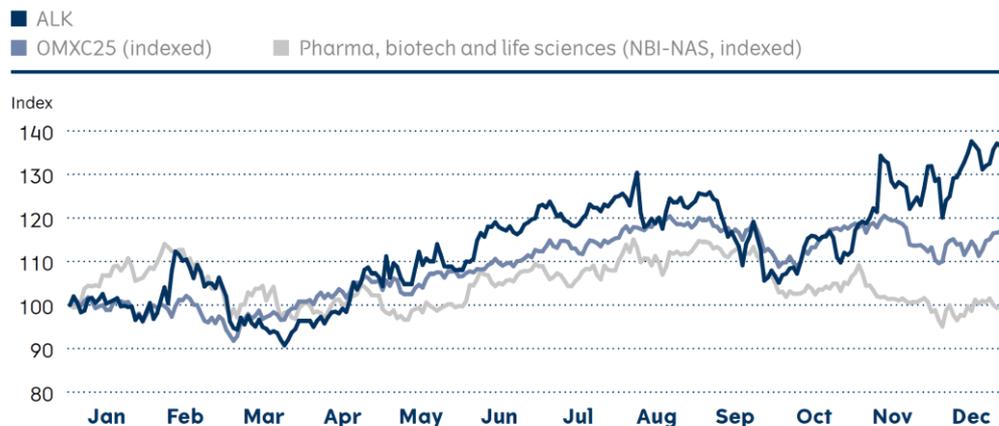
# Long-term goals for sustainability

- Expanding access to allergy treatment: +100,000 patients in treatment with ALK products in 2021
- Aim to reduce CO<sub>2</sub> emissions by 60% in 2025 (compared to 2019)
- Reduction of climate and environmental footprint: Recyclable cardboard packaging solution developed for the French market



# Shareholder return

- The ALK share increased by 37% in 2021
- Temporary dividend suspension will be continued this year to support the financing of growth initiatives
- Share split to support the share's trading liquidity: denomination of the share changed from DKK 10 to DKK 0.50



# Corporate governance and remuneration

- 7 board meetings, including strategy seminar in June
- Regular meetings of the Board’s committees and meetings between the Chairmanship and the Board of Management
- Self-evaluation in Board of Directors
- Adoption of the remuneration report for 2021

	Board meetings	Audit Committee	Remuneration & Nomination Committee	Scientific Committee
Anders Hedegaard	●●●●●●●●	●●●●●	●●●●	●●●
Lene Skole	●●●●●●●●	●●	●●●●	●●●
Gitte Aabo*	●●●●●●	●●●		
Lars Holmqvist	●●●●●●●●		●	
Bertil Lindmark*	●●●●●●			●●●
Jakob Riis	●●●●●●●●	●●●●●		
Vincent Warnery**	●●●●●		●	
Katja Barnkob***	●●●●●●●●			
Nanna Rassov Carlson***	●●●●●●●●			
Johan Smedsrud***	●●●●●●●●			

● Attended   ● Absent   \* Elected at the AGM on 18 March 2021   \*\*Stepped down on 5 August 2021   \*\*\* Employee-elected

# 2022 outlook

	2021	2022	Comments
Revenue	DKK 3.9 bn	8-12% growth	Growth across all sales regions. Tablet growth of ~20%
EBITDA	DKK 534 million	DKK 625-725 million	Driven by higher sales, margin improvements, and efficiencies

The background image shows a close-up of a hand wearing a purple nitrile glove. The hand is holding a glass pipette and is in the process of transferring a blue liquid into a white multi-well plate. The plate has several wells, some of which already contain the blue liquid. The lighting is bright, creating a clean, clinical atmosphere. The text 'Thanks to the Board of Management and the employees' is overlaid on the left side of the image in a dark blue, serif font.

Thanks to the Board  
of Management  
and the employees

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# Re 5. Remuneration to BoD for the present year

## **The Board of Directors proposes:**

- DKK 350,000 base fee
- The Vice Chairman shall receive twice the base fee = DKK 700,000
- The Chairman shall receive three times the base fee = DKK 1,050,000

## **The Board of Directors proposes that fees for members and chairmen of the Scientific and the Remuneration & Nomination Committees shall remain unchanged at:**

- DKK 100,000 base fee
- DKK 150,000 for the chairman of each

## **The Board of Directors proposes that fees for the members of the Audit Committee shall be:**

- DKK 125,000 base fee
- DKK 187,500 for the chairman

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# Re 6. Election of the Chairman of the Board

## Anders Hedegaard

The Board of Directors proposes the re-election of Anders Hedegaard.

Anders Hedegaard is nominated as an independent member of the Board of Directors.



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# Re 7. Election of the Vice Chairman of the Board

## Lene Skole

The Board of Directors proposes the re-election of Lene Skole.

Lene Skole is CEO of the Lundbeck Foundation.



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## Re 8. Election of other members of the Board of Directors

All members elected at the Annual General Meeting are subject to re-election each year.

The Board proposes the re-election of:

- Gitte Aabo (independent)
- Lars Holmqvist (non-independent)
- Bertil Lindmark (independent)
- Jakob Riis (non-independent)

The Board proposes the election of new member:

- Alan Main (independent)



**Gitte Aabo**



**Lars Holmqvist**



**Bertil Lindmark**



**Jakob Riis**

# Re 8. Election of other members of the Board

## Alan Main

The Board of Directors proposes the election of Alan Main due to his more than 30 years of experience from the consumer healthcare industry in roles at amongst others Sanofi, Bayer and Roche.

Alan Main is nominated as an independent member of the Board of Directors.



# Employee-elected members of the Board of Directors

**Katja Barnkob, Nanna Rassov Carlson and Johan Smedsrud**



**Katja Barnkob**  
Project Director



**Nanna Rassov Carlson**  
Manager



**Johan Smedsrud**  
Maintenance Supporter

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## Re 9. Appointment of auditor

- The Board of Directors proposes that PwC Statsautoriseret Revisionspartnerselskab be re-appointed.

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# Re 10. Proposals from the Board of Directors

## a) Renewal of the Board's powers to increase the share capital

The Board of Directors proposes that the Board's powers to increase the AA and B share capital should be prolonged, as the present authorisation under articles 4a.1-4a.5 of the Articles of Association, expires on 11 March 2023, and thus possibly before the date of the next Annual General Meeting.

# Re 10b. Proposals from the Board of Directors

## b) Amendment of the denomination of shares

The Board of Directors proposes that the denomination of A-, AA- and B-shares in the company be amended from DKK 10 each to DKK 0.50 each, or multiples thereof, entailing that the Board of Directors may undertake a share split expected to be completed with effect from end March 2022. Given the strong share price development over recent years and the company's strategic growth outlook, the proposal aims to support the share's ongoing trading liquidity and a diverse shareholder base by establishing a more accessible share price.

# Re 10c. Proposals from the Board of Directors

## c) Amendment of article 6.4 of the Articles of Association

The Board of Directors proposes to change the deadline for casting postal votes as stated in the Articles of Association so that the postal voting deadline is aligned with the practice in ALK-Abelló A/S, where shareholders must cast their postal vote by a specified time on the day before the general meeting.

# Re 10d. Proposals from the Board of Directors

## d) Authorisation to the chairman of the meeting

The Board of Directors proposes that the General Meeting authorises the chairman of the meeting, with power of delegation, to make such changes in and supplements to the resolutions adopted at the General Meeting and to the notification hereof as may be required by the Danish Business Authority or other authorities in connection with the registration of the amendments adopted, and to continuously make and notify linguistic and other amendments with no impact on content in the Company's Articles of Association.

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A woman with blonde hair, wearing glasses, a white lab coat, and purple gloves, is leaning over a laboratory bench. She is holding a pipette and appears to be working with a sample. The background is a laboratory setting with various equipment and a grid of grey circles on the right side of the image.

Thank you for your  
attendance

ALK's annual general meeting

