



Remuneration report 2021

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Introduction

The purpose of the remuneration report is to provide an overview of the total remuneration for members of the Board of Directors and Board of Management in 2021 and to explain how the remuneration is linked to ALK's remuneration policy. The remuneration report is prepared in accordance with section 139b of the Danish Companies Act.

Read the full annual report

The full account of ALK's financial performance can be found in the company's annual report.

➤ Read more on <https://ir.alk.net/financial-reporting>

Find out more about our work with sustainability

The full account of ALK's work with sustainability can be found in the company's sustainability report.

➤ Read more on <https://www.alk.net/sustainability>

Read about our corporate governance progress

More information can be found on the company's website.

➤ Read more on <https://ir.alk.net/corporate-governance>

Remuneration policy

The overall purpose of the remuneration policy is to provide a framework covering all elements of the remuneration for the Board of Directors and the Board of Management, and to ensure that ALK's shareholders have an effective say on the remuneration, based on a clear, understandable, and comprehensive overview of the remuneration provided by ALK to the Board of Directors and the Board of Management.

➤ Find out more

The full remuneration policy can be found on ALK's website: <https://ir.alk.net/corporate-governance>

The objectives of the remuneration policy are to:

- Attract, motivate, and retain qualified members of the Board of Directors and Board of Management
- Align the remuneration components with the interests of the shareholders
- Contribute to the promotion of value creation in ALK and support the business strategy
- Ensure that the rewards for individual members of the executive management reflect company performance and individual results

The remuneration policy was approved at the Company's annual general meeting in March 2021.

Remuneration and Nomination Committee

In 2021, the Remuneration Committee and Nomination Committee were merged to form a single Remuneration and Nomination Committee.

The combined committee governs the remuneration policy and supports the Board on matters concerning the remuneration of the Board of Directors, its committees, and the Board of Management. It also supervises the preparation of the annual remuneration report.

The Remuneration and Nomination Charter outlines the key responsibilities of the committee and was approved at ALK's annual general meeting in March 2021.

Remuneration report 2020

ALK's 2020 remuneration report was presented at the annual general meeting in March 2021 for an advisory vote. There were no comments to the remuneration report at the meeting, and the report was approved by shareholders with 99.5% of votes cast being in favour of its adoption.

Based on the advisory vote at the annual general meeting, the 2021 report will maintain the same level of disclosure as formed the basis for the 2020 report, however with more information on the settlement of short-term incentive (STI) and long-term incentive (LTI) plans.

➤ Find out more

The Remuneration and Nomination Charter can be found on ALK's website: <https://ir.alk.net/corporate-governance/board-of-directors>

Overall company performance 2021

(Comparative figures for 2020 are shown in brackets. Growth rates are organic and are stated in local currencies)

ALK is growing fast and is on course to deliver long-term, sustainable growth with improving profitability, while also investing in, and executing, new projects and activities to deliver an EBIT in the range of 25% while safeguarding, and potentially accelerating growth, from 2025 onwards.

In 2021, ALK continued its progress towards sustainable growth and improved profitability as we successfully executed on our four strategic priorities. ALK's full-year revenue for 2021 increased 12% to DKK 3,916 million (3,491), in line with

the improved outlook, issued on 11 November 2021, and reflecting strong performances in all sales regions, with tablets being the key driver of growth.

Operating profit (EBITDA) increased by 35% to DKK 534 million, driven by higher sales, margin improvements, and efficiencies. COVID, unfortunately, still impacted the lives of millions around the world, and ALK continued to prioritise the safety and well-being of its staff, as well as the supply of products for doctors and their patients. Despite some challenges – for example, schedules for certain clinical trials had to be revised – the pandemic proved manageable for ALK, not least due to the hard work of our employees and their flexibility in accommodating changes in working practices. Thanks in part to these efforts, our supply chain, inventories, and distribution remained resilient to the raw materials and logistical challenges reported by multiple industries.

➤ Find out more

The full account of ALK's financial performance in 2021 can be found in the company's annual report, which can be found on ALK's website: <https://ir.alk.net/financial-reporting>



Board of Directors

Members of the Board of Directors

At the annual general meeting, held on 18 March 2021, Gitte Aabo and Bertil Lindmark joined the Board of Directors, increasing the number of members of the Board to ten (10), of which, three (3) are employee-elected.

Gitte Aabo joined as a member of the Audit Committee and Bertil Lindmark became Chairman of the Scientific Committee. In August 2021, Vincent Warnery resigned from the Board of Directors. As a consequence, from August onwards, the Board of Directors

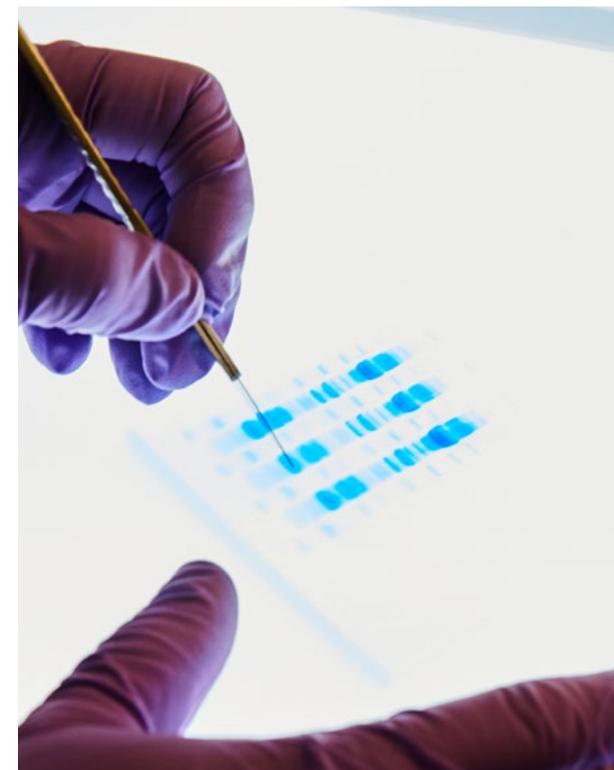
consisted of nine (9) members. A replacement will be proposed at the forthcoming annual general meeting, to be held in March 2022.

Members of the Board of Directors and board committees

	Board of Directors	Audit Committee	Remuneration and Nomination Committee	Scientific Committee
Anders Hedegaard	Chairman	Member	Chairman	Member
Lene Skole*	Vice Chairman		Member	Member
Gitte Aabo (joined March 2021)	Member	Member		
Lars Holmqvist*	Member			
Bertil Lindmark (joined March 2021)	Member			Chairman
Jakob Riis*	Member	Chairman		
Katja Barnkob**	Member			
Nanna Rassov Carlson**	Member			
Johan Smedsrud**	Member			
Vincent Warnery (resigned August 2021)	Former member		Former member	

* These board members are not regarded as independent in the sense of the definition contained in the Danish Recommendations on Corporate Governance, due to being affiliated with the Lundbeck Foundation, which owns 40.3% of ALK shares

**Employee elected member of the Board of Directors



Find out more

More information on the Board of Directors and its committees can be found on ALK's web site: <https://ir.alk.net/corporate-governance/board-of-directors>

Remuneration structure

All members of the Board of Directors receive an annual cash base fee for their work on the Board. The Vice Chairman receives double the base fee and the Chairman receives three times the base fee. In addition, an annual fee is paid to members of the Board who serve as a member or chairman on one of the Board's committees. The Chairman of the Committee receives one-and-a-half times the fee of the committee members. The Board's committees do not appoint a vice chairman.

The remuneration for the Board of Directors is reviewed annually against a benchmark for Boards of Directors in comparable Danish companies. In 2021, an annual fee of DKK 100,000 for serving on the Scientific Committee was set, aligning the fee for serving on the Scientific Committee with the fee for serving on the Remuneration and Nomination Committee, as outlined by ALK's remuneration policy. The base fee for the Board of Directors, as well as fees for serving on the Audit Committee and the Remuneration and Nomination Committee, remained unchanged.

Members of the Board of Directors are eligible to receive an additional fixed fee should they undertake ad hoc tasks that fall outside the scope of their normal duties as a Board member. Any additional fixed fee is determined by the Board of Directors and ends when the work is completed.

All members of the Board of Directors are reimbursed for travel costs associated with their participation in Board or committee meetings.

Members of the Board are not offered share options, performance shares or other incentives as payment for their work on the Board or committees, and there is no requirement for members of the Board to hold shares in ALK. Employee-elected members of the Board of Directors are eligible to participate in the general incentive plans for employees of ALK.

Multipliers of the base fee in 2021 for the Board of Directors and committees

	Board of Directors	Audit Committee	Remuneration and Nomination Committee	Scientific Committee
Chairman	3.0	0.55	0.5	0.5
Vice Chairman	2.0	n/a	n/a	n/a
Member	1.0	0.37	0.33	0.33

The Board's committees do not appoint a vice chairman, and therefore a multiplier is not applicable in the committees.

Overview of the annual fees for Board roles

	Chairman		Vice Chairman		Member	
	2021	2020	2021	2020	2021	2020
Board of Directors	900	900	600	600	300	300
Audit Committee	165	165	n/a	n/a	110	110
Remuneration and Nomination Committee	150	150	n/a	n/a	100	100
Scientific Committee	150	150	n/a	n/a	100	-

In 2021, the Remuneration Committee and Nomination Committee were merged to form a single Remuneration and Nomination Committee. The fees from the Remuneration Committee were maintained for the new combined committee and the 2020 fees are listed under those for the combined committee.

Remuneration 2021

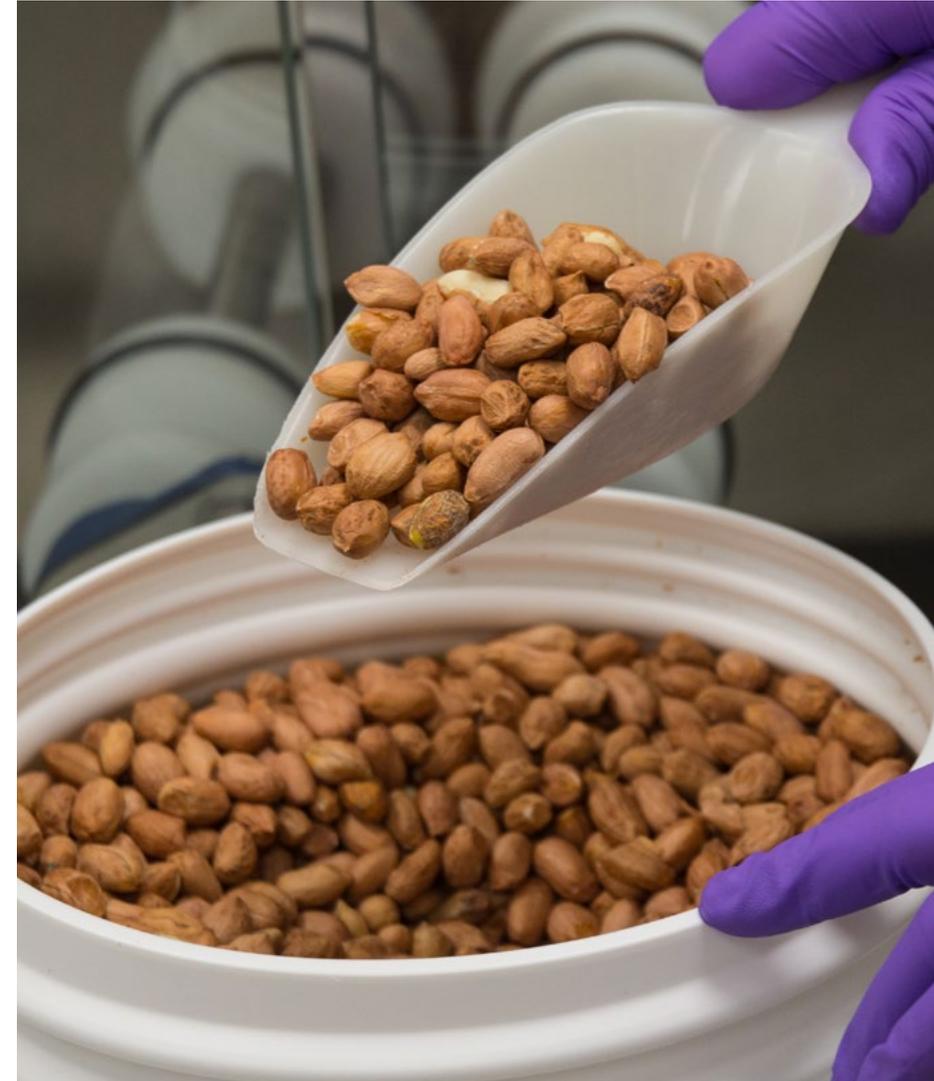
The remuneration for the Board of Directors in 2021 followed the remuneration structure for fees for the Board and committees. With the membership of the Board of Directors increasing from eight (8) to ten (10), the total remuneration for the Board, including fees for serving on Board committees, increased from DKKt 4,244 in 2020 to DKKt 4,648 in 2021.

For members joining and leaving the Board in 2021, i.e., Vincent Warnery, Gitte Aabo and Bertil Lindmark, pro rata annual base and committee fees were applied, corresponding to the periods served.

There were no payments of additional fees for ad hoc activities to members of the Board of Directors in 2021.

Remuneration for the Board of Directors

Amounts in DKKt	Base fee 2021	Committee fees 2021	Total fees 2021	Total fees 2020
Anders Hedegaard	900	367	1,267	1,053
Lene Skole	600	202	802	790
Gitte Aabo (joined March 2021)	235	86	322	-
Lars Holmqvist	300	22	322	400
Bertil Lindmark (joined March 2021)	235	118	353	-
Jakob Riis	300	165	465	465
Katja Barnkob	300	-	300	300
Nanna Rassov Carlson	300	-	300	300
Johan Smedsrud	300	-	300	300
Vincent Warnery (resigned August 2021)	179	38	217	300
Former members of the Board	-	-	-	336
Total annual payments to the Board of Directors	3,650	998	4,648	4,244



Board of Management

Members of the Board of Management

The Board of Management at ALK consists of four (4) registered members:

- Carsten Hellmann, President and Chief Executive Officer (CEO)
- Søren Jelert, Executive Vice President and Chief Financial Officer (CFO)
- Søren Niegel, Executive Vice President (EVP), Commercial Operations
- Henrik Jacobi, Executive Vice President (EVP), Research and Development

There were no changes to the members of the Board of Management in 2021.

Remuneration structure

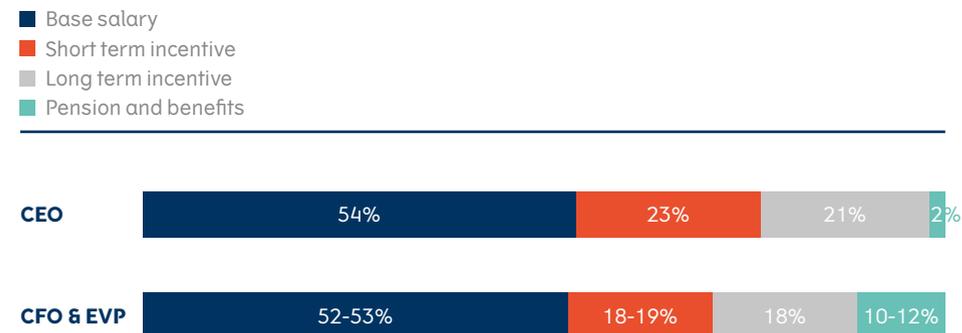
The remuneration policy approved at the annual general meeting in March 2021 provides the framework upon which the remuneration for the Board of Management in 2021 was based. Remuneration for the Board of Management consists of both fixed elements (base pay, pension, and benefits), and variable elements (short-term cash incentives and long-term incentives in the form of performance shares and share options). These components of the remuneration for the Board of Management are linked to the principles in the remuneration policy of providing market-competitive remuneration based on pay-for-performance, the alignment with shareholder interests in driving value creation, and reinforcement of ALK's business objectives, vision, and culture.

The total remuneration for the members of the Board of Management is therefore based on the company's performance, the benchmark for positions at a similar level among comparable European and Danish-based listed companies with global reach, as well as each individual's performance. The remuneration of each member of the Board of

Management is reviewed annually by the Remuneration and Nomination Committee, with proposed changes subject to approval by the Board of Directors.

The members of the Board of Management do not receive remuneration from subsidiaries of ALK.

Proportion of each pay element in the total target remuneration





Components in the remuneration of the Board of Management

	Objective	Remuneration level	Performance measure
Base salary	Attract and retain qualified executives	On a par with the benchmark for similar, listed companies in Denmark and Europe	n/a
Pension and benefits	n/a	The CFO and EVPs have a pension scheme into which the company contributes the equivalent of 15% of the individual's base salary	n/a
Short-term incentives (STIs)	Ensure a clear link between value creation and bonus payment	The target bonus is up to 50% of the annual base salary, with a potential maximum pay-out of up to double the STI target (i.e., 100% of the annual base salary) depending on the fulfilment of defined key performance indicators (KPIs) linked to the STI plan.	Bonus pay-out is based on fulfilment of defined financial and non-financial KPIs as well as a set of individually defined KPIs for each of the members of the Board of Management.
Long-term incentives (LTIs)	Reward long-term value creation and align with the interests of the shareholders	At the time of grant, the combined fair value of share options and performance shares is up to 50% of each executive's annual base salary. At vesting, the plan will vest at 0-200% depending on the fulfilment of defined KPIs linked to the LTI plan.	The KPIs relate to key financial figures and the achievement of strategic initiatives.

Remuneration 2021

The remuneration provided for the Board of Management in 2021 followed the structure and principles outlined in the remuneration policy for all pay components. There have been no deviations from the policy in the remuneration for the Board of Management in 2021 and there were no changes made to the pay elements or pay composition.

The remuneration of the Board of Management reflects a year with strong performance on both financial and non-financial objectives. The annual base salaries and total compensation were reviewed against positions in comparable European and Danish-listed companies and the annual base salaries were – with one exception – adjusted by 1.75%, corresponding to the general average salary increase for employees in Denmark. The solid financial performance positively affected both the short-term and long-term variable remuneration in 2021, with both plans settled above target.

Total payment to the Board of Management 2020 and 2021

Amounts in DKK†	2021	2020
Total payments to the Board of Management incl. LTIs (based on grant value)	37,670	35,000
Total payments to the Board of Management incl. LTIs (based on the expensed accounting value)	41,843	39,556

Remuneration for the Board of Management

Amounts in DKK†	CEO Carsten Hellmann		CFO Søren Jelert		EVP, Commercial Ops. Søren Niegel		EVP, R&D Henrik Jacobi	
	2021	2020	2021	2020	2021	2020	2021	2020
Base salary	8,024	7,886	3,333	3,100	2,951	2,900	2,969	2,918
Short-term incentive (cash bonus)	6,184	5,075	2,067	1,680	1,831	1,571	1,842	1,580
Pension incl. social security	2	2	502	467	445	437	447	440
Other benefits	243	243	239	226	112	137	109	136
Total excl. long-term incentives	14,453	13,205	6,140	5,472	5,338	5,045	5,367	5,074
Long-term incentives (total value at grant) *	3,138	3,085	1,165	1,084	1,031	1,014	1,037	1,021
Total remuneration 2021	17,591	16,290	7,305	6,557	6,369	6,058	6,404	6,094
Long-term incentive (equity based) based on expensed accounting value	5,036	4,833	1,766	1,806	1,764	1,995	1,979	2,126

* The remuneration for the Board of Management, under the long-term, share-based incentive programme, consists of the total value of granted shares in the respective years based on fair value at the time of the grant. As supplementary information, the expensed accounting value as determined under IFRS 2 is presented separately in the table. The actual value to the participants at the time of vesting depends on the fulfilment of performance criteria and the development of the share price.

CEO

The payment for the CEO totalled DKK 17.6 million in 2021. This represents an increase of 8% compared to 2020 mainly due to a larger STI payment.

The base salary for the CEO was increased by 1.75% to DKK 8.0 million. This increase was in line with the general increase for employees in ALK in Denmark.

The STI cash bonus payment totalled DKK 6.2 million reflecting strong results in the defined financial and non-financial targets set for 2021.

CFO

The payment for the CFO totalled DKK 7.3 million in 2021. This represents an increase of 11% compared to 2020 mainly due to an increase in base salary and a larger STI payment.

The base salary for the CFO was increased by 7.5% to DKK 3.3 million to move the base salary closer to the benchmark for similar positions.

The STI cash bonus payment totalled DKK 2.1 million reflecting strong results in the defined financial and non-financial targets set for 2021. On the individual KPIs, the CFO was measured on targets related to specific projects linked to ALK's strategy leading to individual KPIs settled above targets.

EVP, Commercial Operations

The payment for the EVP Commercial Operations totalled DKK 6.4 million in 2021. This represents an increase of 5% compared to 2020 mainly based on a larger STI payment.

The base salary for the EVP Commercial Operations was increased by 1.75% to DKK 3.0 million in line with the general salary increase level in ALK in Denmark.

The STI cash bonus payment totalled DKK 1.8 million reflecting strong results in the defined financial and non-financial targets set for 2021. On the individual KPIs, the EVP, Commercial Operations was measured on targets related to specific projects linked to ALK's strategy leading to individual KPIs settled above targets.

EVP, Research and Development

The payment for the EVP, Research & Development totalled DKK 6.4 million in 2021. This represents an increase of 5% compared to 2020 mainly due to a larger STI payment.

The base salary for the EVP Research & Development was increased by 1.75% to DKK 3.0 million in line with the general salary increase level in ALK in Denmark.

The STI cash bonus payment totalled DKK 1.8 million reflecting strong results in the defined financial and non-financial targets set for 2021. On the individual KPIs, the EVP Research & Development was measured on targets related to specific projects linked to ALK's strategy leading to individual KPIs settled above targets.

Short-term incentive plan

The short-term incentive (STI) plan is an annual cash bonus scheme linked to the achievement of pre-defined key performance indicators (KPIs) that align the STI plan to the principles for pay for performance and alignment with ALK's cultural values as outlined in the remuneration policy.

In 2021, the CEO had a target bonus of 50% of his annual base salary, excluding pension, which could reach a maximum of 100% of the annual base salary, while the CFO and the EVPs had target bonuses of 35% of their annual base salaries, which could reach a maximum of 70% of their annual base salaries.

The company KPIs are set and evaluated annually by the Board of

Directors. In 2021, the weighting of the company KPIs and individual KPIs was 75% and 25%, respectively, for the CFO and the EVPs, whereas the CEO's equivalent was 100% company KPIs.

The company KPIs were set collectively for the CEO, CFO and the EVPs and consisted of both financial KPIs (45% of the company KPIs) and non-financial KPIs (55% of the company KPIs). The non-financial KPIs are linked to ALK's four strategic pillars, as defined in the company's strategy, and to sustainability.

Individual KPIs were linked to activities and projects related to the specific area of responsibility for each EVP.

The final index for the STI plan for 2021 reached 173 for the company KPIs, which is above the target index of 100. The KPIs set have different weightings and, as such, the results of KPIs with a higher weighting will affect the final

Find out more

More information about ALK's strategy can be found in the annual report: <https://ir.alk.net/financial-reporting>



payment most. The main drivers in the above target results are the strong financial results and solid growth in global tablet sales. Performance on activities in consumer engagement and achievement of targets within sustainability also positively affected the final index score, while results in North America negatively impacted the final index.

The Remuneration and Nomination Committee evaluated the individual performance of the CFO and EVPs and provided a recommendation on settlement of the performance index for individual KPIs for the CFO and EVPs for final approval by the Board of Directors. The Remuneration and Nomination Committee assessed

the CFO and EVPs to have performed above expectations on the KPIs for their respective functional areas resulting in a performance index of 190 for both the CFO and the EVPs. Consequently, the total index for the CFO and EVPs reached 177 for the 2021 STI plan. Based on the strong performance in 2021, the Remuneration and

Nomination Committee provided a recommendation to the Board of Directors for a discretionary adjustment of the STI index for the CEO and have the final index for the CEO set at 177 in line with the remaining members of Board of Management.

Short-term incentive KPIs settlement 2021

KPI description	Result	Weight	CEO Carsten Hellmann	CFO Søren Jelert	EVP, Commercial Ops Søren Niegel	EVP, R&D Henrik Jacobi
Company Non-financial KPIs						
Succeed in North America	Below target					
Complete and commercialise the tablet portfolio	Above target					
Consumer engagement and new horizons	Above target					
Optimise for excellence	Above target					
Lead the way – people & planet	Above target					
Company Financial KPIs						
Global total sales	Above target					
EBITDA	Above target					
Total Company KPIs		CEO 100% CFO 75% EVP 75%	173	173	173	173
Individual KPIs		CFO 25% EVP 25%	n/a	190	190	190
Total			177*	177	177	177

* Based on the strong results in 2021, a discretionary adjustment to the STI index for the CEO has been made with the final index set at 177 in line with the remaining members of Board of Management.

Long-term incentive plan

Members of the Board of Management are eligible to participate in an equity-based plan linked to the creation of shareholder value and the fulfilment of strategic goals in line with the principle of alignment with shareholders' interests, as outlined in the remuneration policy. The Board of Directors decides on a yearly basis whether such a plan should be established.

The value of the plan can be up to 50% of the annual base salary for each member of the Board of Management at the time of grant.

In 2021, the Board of Directors approved a new three-year plan running from March 2021 until March 2024. All members of the Board of Management participate in the plan, with the value at the time of grant for each individual being decided by the Board of Directors based on the benchmark for executive remuneration and aligned to the framework in the remuneration policy. The total value at the time of grant was split equally between performance shares and share options.

Pre-defined, weighted key performance indicators (KPIs) are linked to the plan, and pay-outs are subject to fulfilment of the KPIs by the end of 2023, as well as continued employment. The KPIs set for the long-term incentive (LTI) plan reflect ALK's



strategic priorities to link remuneration for the Board of Management directly to the delivery of the long-term strategy. The KPIs have different weightings and, as such, results relating to those KPIs with a higher weighting will affect the final payment the most. The outcome value of the plan depends on two factors. Firstly,

the achievement of the pre-defined, weighted KPIs related to the plan. Based on achievement of the targets at end of the plan, the number of shares granted can increase or decrease to 0 – 200%. Secondly, the development in ALK’s share price from the time of grant to the time of vesting/exercise also impacts the final value of the plan.

The LTI plan launched in 2019 and ending in 2021 reached a final index of 161% which is above the target of 100%. The financial targets on revenue, free cash flow and EBITA as well as the SLIT-tablet sales landed above targets and positively impacted the final index score, whereas R&D progress landed at target.

Overview of LTI plans launched from 2019 – 2021

Plan	Grant	KPIs	Results	Weighted index achieved	Vesting date	Expiration date Options	Exercise price* options
Plan 2021	March 2021	Revenue 2023 EBIT Margin 2023 Total SLIT-tablets revenue 2023 North America SLIT-tablets revenue 2023 R&D progress 2021 – 2023 Deliver on sustainability aspiration			1 March 2024	1 March 2026	2,320
Plan 2020	March 2020	Revenue 2022 EBITDA 2022 Total SLIT-tablets revenue 2022 North America SLIT-tablets revenue 2022 R&D progress 2020 -2022 Deliver on sustainability aspiration 2020 – 2022			1 March 2023	1 March 2025	1,406
Plan 2019	March 2019	Revenue 2021 EBITDA 2021 Free cash flow 2019 – 2021 SLIT-tablets sales 2021 R&D progress 2019-2021	Above target Above target Above target Above target At target	161	1 March 2022	1 March 2024	1,126

* The exercise price is equivalent to the average market price of the share for the five days immediately preceding the date of grant and is increased by 2.5% p.a. and reduced by dividends paid.

Termination payments

The termination payment for the CEO is 24 months, and 18 months for the CFO and the EVPs, in addition to the salary paid during the termination period, which is six (6) months for the CEO, CFO and the EVPs.

For the EVP, Commercial Operations and the CFO, the termination payment will be increased by one month per year of service up to a maximum of 18 months. The EVP, Commercial Operations, will qualify for a termination payment of 18 months in 2024 and the CFO reaches the same threshold in 2030.

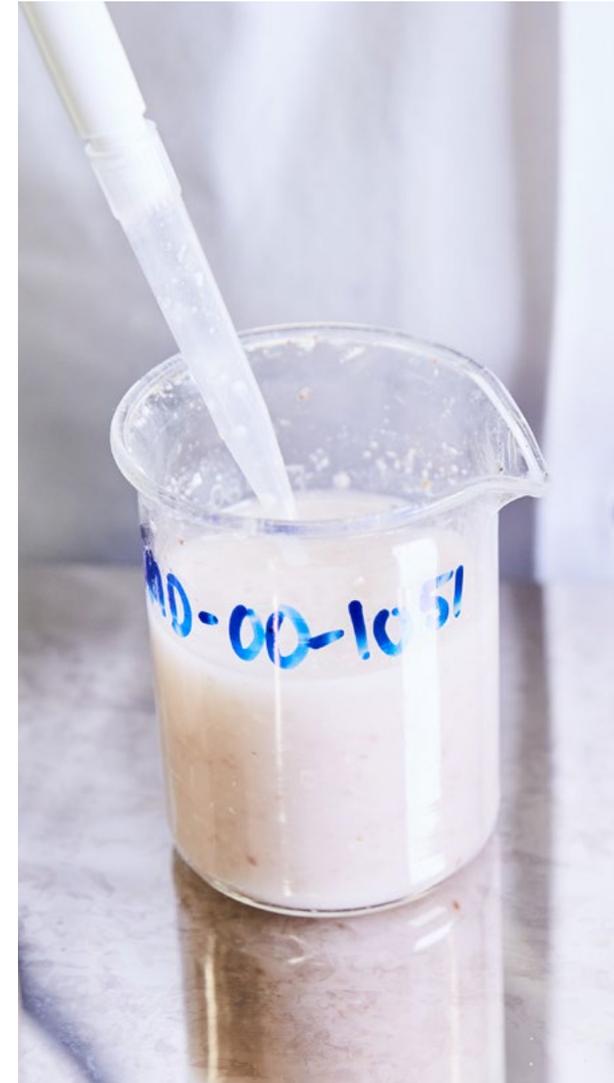
No termination payments were made in 2021.

Recovery of variable pay

The company has the right to recover payments or awards that were made under either the STI or LTI plans if payments were triggered based on data which subsequently proves to be significantly misstated. There was no reason to initiate any recovery of variable pay in 2021.

Extraordinary remuneration for recruitment

The Board of Directors is authorised to approve extraordinary bonuses in connection with recruitments to the Board of Management. No extraordinary bonuses were approved in 2021. No sign-on bonuses or other bonuses were paid to members of the Board of Management in 2021.



Share options and performance shares held by the Board of Management

Share options held by the Board of Management

Share options during 2021	Share options 1 Jan 2021	Performance adjustment	Granted during the year	Exercise during the year	Share options 31 Dec 2021	Market value* (DKKm)
Carsten Hellmann, CEO	45,973	10,656	2,726	-24,804	34,551	45.7
Søren Jelert, CFO	10,312	3,919	1,012	-10,444	4,799	9.4
Søren Niegel, EVP Commercial Operations	20,541	4,908	896	-6,514	19,831	48.5
Henrik Jacobi, EVP Research and Development	12,932	4,792	902	-13,517	5,109	10.3

* Based on the intrinsic value as of December 2021

Share options held as at 31 Dec 2021	Plan 2021	Plan 2020	Plan 2019	Plan 2018	Plan 2018 Special plan	Plan 2017	Plan 2016
Carsten Hellmann, CEO	2,726	4,697	6,266	-	20,862	-	-
Søren Jelert, CFO	1,012	1,651	2,136	-	-	-	-
Søren Niegel, EVP Commercial Operations	896	1,545	2,174	3,420	9,616	-	2,180
Henrik Jacobi, EVP Research and Development	902	1,554	2,653	-	-	-	-

Performance shares held by the Board of Management

Performance shares during 2021	Performance share 1 Jan 2021	Performance adjustment	Granted during the year	Exercise during the year	Performance share 31 Dec 2021	Market value* (DKKm)
Carsten Hellmann, CEO	6,095	2,142	676	-5,749	3,164	10.9
Søren Jelert, CFO	2,171	787	251	-2,098	1,111	3.8
Søren Niegel, EVP Commercial Operations	2,475	986	222	-2,619	1,064	3.6
Henrik Jacobi, EVP Research and Development	2,703	963	223	-2,717	1,172	4.0

* Based on the intrinsic value as of December 2021

Performance shares held as at 31 Dec 2021

	Plan 2021	Plan 2020	Plan 2019
Carsten Hellmann, CEO	676	1,124	1,364
Søren Jelert, CFO	251	395	465
Søren Niegel, EVP Commercial Operations	222	369	473
Henrik Jacobi, EVP Research and Development	223	372	577

Shares held by the Board of Directors and the Board of Management

Overview of the shares held by the Board of Directors in 2021	Shares 01 Jan 2021	Bought during the year	Sold during the year	Shares 31 Dec 2021	Market value* (DKKm)
Anders Hedegaard	1,000	-	-	1,000	3.4
Lene Skole	1,150	-	-	1,150	3.9
Gitte Aabo	-	-	-	-	-
Lars Holmqvist	-	-	-	-	-
Bertil Lindmark	-	201	-	201	0.7
Jakob Riis	550	450	-	1,000	3.4
Katja Barnkob	24	-	-	24	0.1
Nanna Rassov Carlson	-	-	-	-	-
Johan Smedsrud	-	-	-	-	-

Overview of the shares held by the Board of Management in 2021	Shares 01 Jan 2021	Bought during the year	Sold during the year	Shares 31 Dec 2021	Market value* (DKKm)
Carsten Hellmann, CEO	3,340	30,553	-29,068	4,825	16.5
Søren Jelert, CFO	424	2,098	-1,100	1,422	4.9
Søren Niegel, EVP Commercial Operations	2,500	9,133	-9,133	2,500	8.6
Henrik Jacobi, EVP Research and Development	1,324	2,717	-3,200	841	2.9

* Based on share price as of 31 December 2021

Remuneration development

Board of Management – Development in total remuneration

	Unit	2021	2020	2019	2018
Carsten Hellmann, CEO	%	8	15	-10	-34
Søren Jelert, CFO	%	11	0	-1	n/a
Søren Niegel, EVP Commercial Operations	%	5	4	-18	32
Henrik Jacobi, EVP Research and Development	%	5	2	-14	26
Board of Management total – incl. former members	%	8	7	-11	-17

Board of Directors – Development in total fees

	Unit	2021	2020	2019	2018
Anders Hedegaard	%	-3	n/a	n/a	n/a
Lene Skole	%	1	22	0	0
Gitte Aabo (joined March 2021)	%	n/a	n/a	n/a	n/a
Lars Holmqvist	%	-20	7	0	0
Bertil Lindmark (Joined March 2021)	%	n/a	n/a	n/a	n/a
Jakob Riis	%	0	9	0	0
Katja Barnkob	%	0	9	0	0
Nanna Rassov Carlson	%	0	9	n/a	n/a
Johan Smedsrud	%	0	9	n/a	n/a
Vincent Warnery (resigned August 2021)	%	50	9	n/a	n/a
Board of Directors total – incl. former members	%	10	4	4	-5

* Development for members joining or leaving the Board is based on full-year base fee and committee fees for the years joining or leaving.

Employee remuneration

	Unit	2021	2020	2019	2018
Group					
Workforce*	FTE	2,492	2,419	2,385	2,341
Development in average employee total compensation	%	2.6	5.3	4.1	2.2
Parent					
Development in average employee total compensation	%	2.2	2.5	3.1	2.7
CEO pay ratio**	times	34	34	29	33

* Workforce calculated as the average number of full-time equivalent employees in the given year

**The CEO pay ratio is calculated as the CEO total compensation / median employee compensation for the ALK Group

Financial development

	Unit	2021	2020	2019	2018
Group					
Revenue growth in local currencies	%	12	8	11	1
Revenue	DKKm	3,916	3,491	3,274	2,915
EBITDA growth	%	35	64	77	-46
EBITDA	DKKm	534	395	241	136
Parent					
Revenue growth	%	14	135	-7	-15
Revenue	DKKm	2,296	2,015	856	925
EBITDA	DKKm	434	300	-529	-309

Independent auditor's report on the remuneration report

To the shareholders of ALK-Abelló A/S

We have examined whether the remuneration report for ALK-Abelló A/S for the financial year 1 January – 31 December 2021 contains the information required under section 139b, 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 139b, 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.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional

standards and current statutory requirements and other regulation.

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 Companies Act, number 1-6, on the remuneration of each individual member of the Board of 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 139b, subsection 3.

Hellerup, 8 February 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Baungaard

State Authorised
Public Accountant
(Mne 23331)

Kim Tromholt

State Authorised
Public Accountant
(Mne33251)

Management's statement

The Board of Directors has today considered and adopted the remuneration report of ALK-Abelló A/S for the financial year 2021. The remuneration report is prepared in accordance with section 139b of the Danish Companies Act. The remuneration report is submitted to the general meeting for an indicative vote.

Hørsholm, 8 February 2022

Board of Directors

Anders Hedegaard

Chairman

Lene Skole

Vice Chairman

Gitte Aabo

Member

Lars Holmqvist

Member

Bertil Lindmark

Member

Jakob Riis

Member

Katja Barnkob

Member

Nanna Rassov Carlson

Member

Johan Smedsrud

Member



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