

# Welcome to ALK's annual general meeting

18 March 2021



ALK

# 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 2020**
- 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**
  - a) Authorisation to hold fully electronic general meetings**
  - b) Preparation of corporate announcements and documents for internal use by the general meeting in English**
  - c) Indemnification of the Board of Directors and Board of Management**
  - d) Update of the remuneration policy**
  - e) Authorisation to the chairman of the meeting**
- 11. Any other business**

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# Board of Directors' report

by Chairman  
Anders Hedegaard



# 2018-20: three years of overperformance

## Succeed in North America

Infrastructure & initial prescriber base established, ODACTRA® launched

Commercial strategy challenged by financial disincentives for allergists

Growth in value of bulk business pre-COVID

## Complete and commercialise tablet portfolio

Tablets launched for all five major respiratory allergies

37% average sales growth (3-year CAGR)

Clinical programme on track pre-COVID

## Patient engagement and adjacencies

Clarify digital engagement with hundreds of thousands of users

US adrenaline strategy in place

Consumer division and drug discovery partnerships

## Optimise and reallocate

Quality and robustness upgrades – site specialisation rolled-out

>300 products phased out, 3,500 regulatory updates of portfolio

Cultural transformation, efficiencies and savings

## Accumulated 3-year results

### Revenue

> **DKK 700m**

better than expected

### EBITDA

~**DKK 800m**

better than expected

### Free cash flow

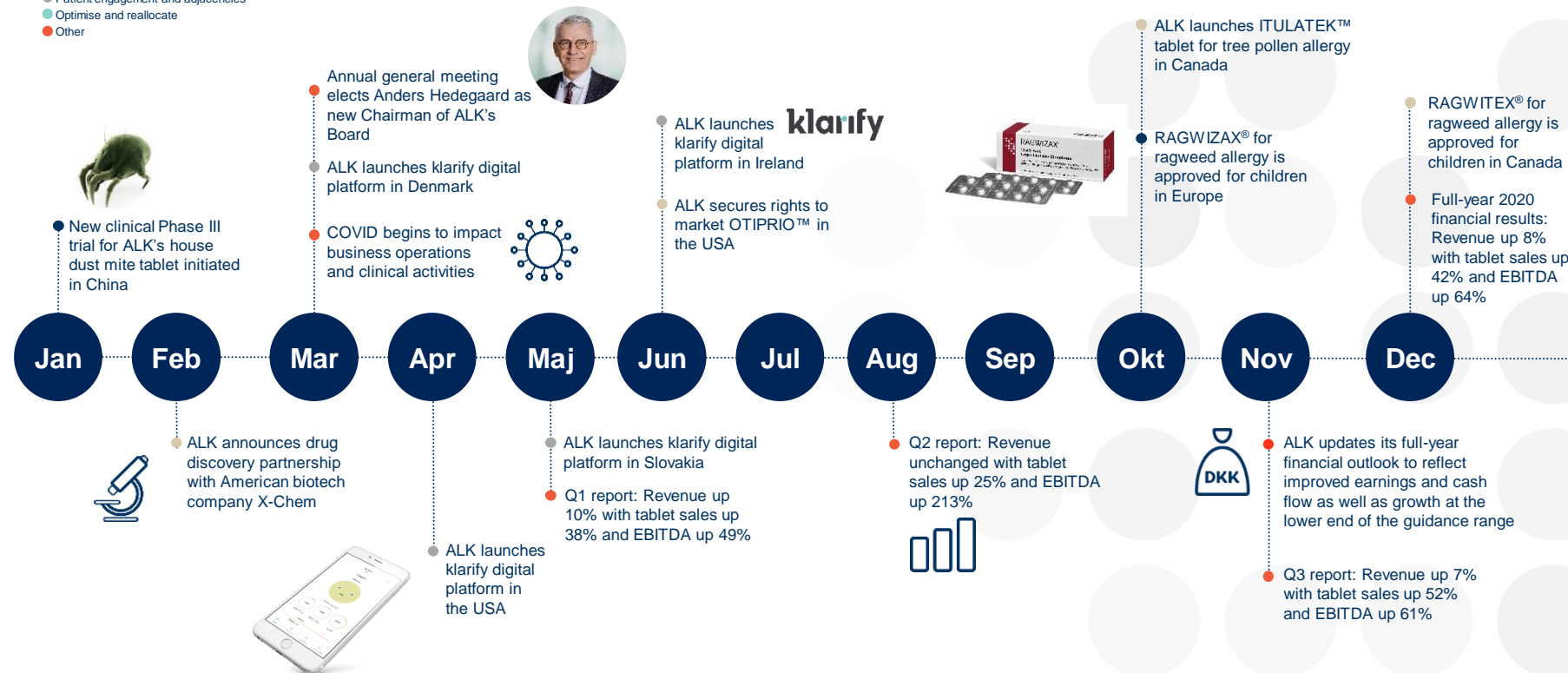
> **DKK 700m**

better than expected\*

\* Free cash flow was also positively affected by COVID by savings and delayed activities

# 2020 highlights

- Succeed in North America
- Complete and commercialise tablet portfolio
- Patient engagement and adjacencies
- Optimise and reallocate
- Other



# 2020 key figures

DKK million	2018	2019	2020
<b>Revenue</b>	<b>2,915</b>	<b>3,274</b>	<b>3,491</b>
Gross margin	56%	58%	58%
R&D expenses	392	466	515
<i>(% of turnover)</i>	13%	14%	15%
Sales, marketing & administrative expenses	1,364	1,456	1,362
<b>EBITDA</b>	<b>136</b>	<b>241</b>	<b>395</b>
Free cash flow	(294)	(25)	56

**8%**  
organic growth in  
revenue

EBITDA  
**~DKK 395m**  
and better than  
DKK 200-300m  
expected in February  
2019

**DKK 100m**  
R&D expenses  
deferred due to  
COVID



# Sales regions



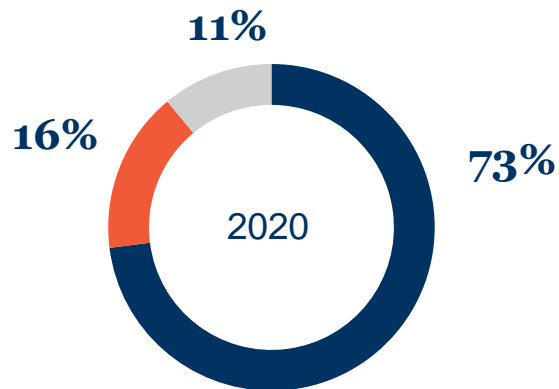


# Revenue by geography and product line

*Tablet sales increased by 42%*

## Geography:

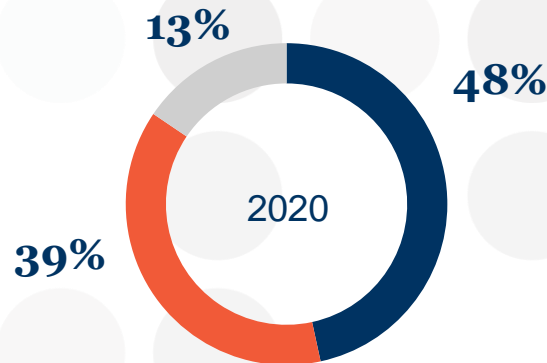
In International markets, sales increased by 58%



- Europe
- North America
- International markets

## Products:

Increasing revenue from tablets



- SCIT/SLIT-drops
- Tablets
- Other products

# Ready for the next strategy phase: 2021-23

*Now towards '25 in 25'*

**2018-20**

## Transformation & growth

- 37% avg. tablet growth (CAGR)
- Cumulative earnings DKK 800m ahead of plan
- Past issues cleaned up
- Strong growth foundations

**2021-23**

## Growth & profitability

- $\geq 10\%$  organic growth p.a. driven by tablets
- Increase profitability (EBIT)
- Expand respiratory allergy leadership
- Fast-track tomorrow's opportunities, e.g. food

**2025**

## EBIT margin

**~25%**

# Succeed in North America\*



## Key priorities

**Grow tablet** sales

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**Leverage digital platforms**  
to mobilise patients

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**Establish broader**, scalable  
sales channels for tablets



## 2021 objectives

Increase total sales  
**by 10% or more**

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**Mobilise 20,000 US consumers**  
via digital engagement

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Secure paediatric indication for  
**RAGWITEK® in the USA**  
and adolescents for  
**ACARIZAX® in Canada**



\*) Selected focus area, see annual report for information on the overall strategy

# Consumer engagement and new horizons\*



## Key priorities

**From OTC consumers to AIT patients** – develop and leverage digital ecosystem

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**Expand anaphylaxis franchise** and prepare next generation global adrenaline solution

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Develop innovative **new treatments for high impact allergic conditions**



## 2021 objectives

**Mobilise 250,000 consumers** globally to take action on their allergies

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Food allergy:  
**prepare peanut project** for clinical development

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**Progress US development** for anaphylaxis



\*) Selected focus area, see annual report for information on the overall strategy

# New food allergy solutions: very high unmet need\*

*Funded internal development programme now included in strategy*

## Sublingual, disruptive solutions

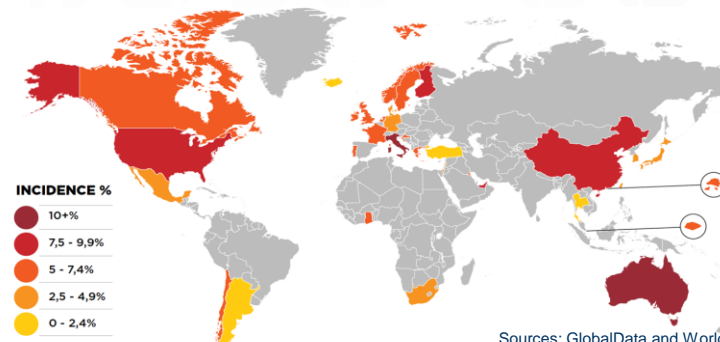
- Focus on allergies with the highest unmet need in children: Initially peanut, then tree nuts
- Building on ALK core competencies
- Aspire to deliver solution with high efficacy and benign safety



## Significant market potential

- Food allergies affect ~2.5% of global population
- Life-threatening condition
- Many peanut & tree nut cases persist into adulthood

Prevalence of food allergies



Sources: GlobalData and Worldallergy.org

\*) Selected focus area, see annual report for information on the overall strategy

# Long-term goals and sustainability

- Expected revenue growth of 10% or more per year in the existing business and an EBIT margin of ~25% in 2025
- ALK conducted a major ESG analysis in 2020
- New access to medicine strategy: Access to allergy care for all
- Independent and balanced board



# 2021 outlook

	2020	2021	Comments
Revenue	DKK 3.5bn	8-12% organic growth	Growth across all sales regions. Continued effect from COVID on sales in H1
EBITDA	DKK 395m	DKK 325-425m	Close to that seen in 2020 due to deferred R&D costs



# Shareholder returns

- Temporary dividend suspension will be continued this year to support the financing of growth initiatives



Transformation went faster and was cheaper than expected

**53%**  
increase in the  
ALK share price  
in 2020

# Corporate governance and remuneration

- 11 board meetings, including strategy seminar in November
- 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 2020

	Board meetings	Audit Committee	Remuneration Committee	Scientific Committee	Nomination Committee <sup>1</sup>
Anders Hedegaard <sup>2</sup>	●●●●●●●●●●	●●●●	●●●●●●	●●	All meetings
Steen Riisgaard <sup>3</sup>	●●	●	●		All meetings
Lene Skole	●●●●●●●●●●	●●●●●	●●●●●●●	●●	All meetings
Lars Holmqvist	●●●●●●●●●●		●●●●●●●		
Gonzalo De Miquel <sup>3</sup>	●●		●		
Jakob Riis	●●●●●●●●●●	●●●●●			
Vincent Warnery	●●●●●●●●●●				
Katja Barnkob <sup>4</sup>	●●●●●●●●●●				
Nanna Rassov Carlson <sup>4</sup>	●●●●●●●●●●				
Johan Smedsrud <sup>4</sup>	●●●●●●●●●●				

● Attended ● Absent

<sup>1</sup> the Nomination Committee meets when required

<sup>2</sup> elected at the AGM on 11 March 2020

<sup>3</sup> stepped down at the AGM on 11 March 2020

<sup>4</sup> Employee-elected

A photograph of a worker in a grey t-shirt, a grey baseball cap, and a white face mask. The worker is wearing black gloves and is lifting a large, dense clump of green, fibrous biomass from a large white bag. The background consists of tall metal shelving units filled with similar biomass. The text "Thanks to the Board of Management and the employees" is overlaid in white serif font on the left side of the image. There are several semi-transparent grey circles of varying sizes on the right side of the image.

# 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 that fees for the Board of Directors remain unchanged at:**

- DKK 300,000 base fee
- The Vice Chairman shall receive twice the base fee = DKK 600,000
- The Chairman shall receive three times the base fee = DKK 900,000

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

- DKK 100,000 DKK for members
- DKK 150,000 DKK for the Chairman of each

**The Board of Directors proposes that fees for the members of the Audit Committee remain unchanged at:**

- DKK 110,000 for members
- DKK 165,000 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

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

The Board proposes the re-election of:

- Lars Holmqvist (non-independent)
- Jakob Riis (non-independent)
- Vincent Warnery (independent)

The Board proposes the election of new members:

- Gitte Aabo (independent)
- Bertil Lindmark (independent)



**Lars Holmqvist**



**Jakob Riis**



**Vincent Warnery**

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

### Gitte Aabo

The Board of Directors proposes the election of Gitte Aabo as new member of the Board due to her extensive global leadership experience and deep understanding of international management, finance, IT, and sales & marketing, as well as considerable insights into building digital communities.

Gitte Aabo is nominated as an independent member of the Board of Directors.



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

### Bertil Lindmark

The Board of Directors proposes the election of Bertil Lindmark as new member of the Board due to his considerable experience across the R&D spectrum, gained over three decades in roles at AstraZeneca, Almirall, ASLAN Pharmaceuticals and eTheRNA Immunotherapies.

Bertil Lindmark 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) Authorisation for the Board to hold fully electronic general meetings

The Board of Directors proposes that the Board of Directors of ALK-Abelló A/S be authorised to decide that the Company's general meetings may be held without the opportunity to attend in person, i.e., as a fully electronic general meeting. This proposal is made in order to provide the greatest possible flexibility in arranging and holding the Company's general meetings, in light of the COVID-19 situation. The proposal means that article 6.5 of the Articles of Association will be worded as follows:

*“The Company's general meetings may by decision of the Board of Directors be held as fully electronic general meetings without any physical attendance. Participation in fully electronic general meetings shall take place via electronic media enabling the shareholders of the Company to attend, speak and vote at the general meeting and ensuring that the general meeting can be conducted in a proper manner and in accordance with the Danish Companies Act.”*

# Re 10b. Proposals from the Board of Directors

- b) Preparation etc. of corporate announcements and documents for internal use by the general meeting in English

The Board of Directors proposes that the Board of Directors may decide that corporate announcements are prepared and published in English only, that documents prepared for internal use by the general meeting during or after the general meeting are prepared in English only and that general meetings are held in English. The proposal implies that the following will be inserted as a new Section 11 in the Company's Articles of Association. The numbering of the subsequent provisions in the Articles of Association will be amended accordingly:

**“11. Language**

*11.1 Company announcements and documents prepared for internal use by the general meeting in connection with or after the general meeting shall be in Danish and English or in English only as decided by the Board of Directors. General meetings shall be held in Danish or English as decided by the Board of Directors.”*

# Re 10c. Proposals from the Board of Directors

## c) Indemnification of the Board of Directors and Board of Management

The Board of Directors proposes that the General Meeting resolves that the Company indemnify members of the Board of Directors and Board of Management to supplement the Company's Directors and Officers liability insurance subject to the terms of the Company's remuneration policy.



# Re 10d. Proposals from the Board of Directors

## d) Update of the remuneration policy

The Board of Directors proposes to update the remuneration policy. The update of the remuneration policy primarily concerns

- (i) an authorisation for the Company to take out and pay relevant insurances, including Directors and Officers liability insurance, for all members of the Board of Directors and Board of Management, and
- (ii) an authorisation for the Company to fix the level of indemnification of the members of the Board of Directors and Board of Management to supplement the Company's Directors and Officers liability insurance in accordance with the indemnification scheme set out in item 10(c).

# Re 10e. Proposals from the Board of Directors

## e) Authorisation to the chairman of the meeting

The chairman of the meeting is authorised 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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# Thank you for your attendance

ALK's annual  
general meeting

