



Remuneration report 2020

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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 2020 and to explain how the remuneration is linked to ALK's remuneration policy. The remuneration report is prepared in accordance with section 139 b of the Danish Companies Act.

Remuneration policy

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

The objectives of the remuneration policy are to:

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

The remuneration policy was approved at the Annual General Meeting in March 2020 and can be found on our website <https://ir.alk.net/corporate-governance>.

Compliance with policy

There have been no deviations from the policy in relation to remuneration for the Board of Directors and the Board of Management in 2020. The remuneration followed the structure and principles outlined in the remuneration policy for all pay components.





Overall company performance 2020

(Comparative figures for 2019 are shown in brackets. Growth rates are organic stated in local currencies)

2020 represented the final year of ALK's strategic transformation, and focus remained on the relentless execution of its goals. When the transformation was first announced in 2017, ALK said that it wanted to 'fix and grow' by cleaning up past issues and establishing strong foundations to support growth.

What 2020 clearly demonstrated is that ALK has been able to deliver on both of those promises, as a refocused company delivered 8% revenue growth to DKK 3,491 million (3,274) while also proving resilient to an unprecedented global challenge, without which, growth would have been even stronger.

Revenue growth was fuelled in the large part by a spectacular 42% increase in sales from ALK's tablet portfolio, with the newly launched ITULAZAX® leading the way. Tablets are now the undisputed growth engine of ALK, delivering 37% CAGR over the past three years. Tablet sales proved resilient to the effects of COVID – in part due to its suitability as an alternative option for patients who were unable to continue with their usual treatments. Meanwhile, injection based SCIT products were negatively affected by the impact of COVID as they are administered during visits to allergy clinics.

In 2020, EBITDA (operating profit before depreciation and amortisation) increased to DKK 395 million (241) and was better than expected, reflecting savings and delayed R&D expenditure due to COVID.

The full account of ALKs financial performance in 2020 can be found in the annual report on our website <https://ir.alk.net/financial-reporting#aAR>.

Board of Directors

Members of the Board of Directors and committees

The Board of Directors at ALK consists of eight (8) members. At the Annual General Meeting on 11 March 2020, Steen Riisgaard (Chairman) and Gonzalo de Miquel (member) resigned from the Board of Directors. Anders Hedegaard joined the Board of Directors and immediately took over the role of Chairman and, in this connection, also took on roles as a member or the chairman of the various board committees serving the Board of Directors.

Members of the Board of Directors and board committees

	Board of Directors	Audit Committee	Remuneration Committee	Scientific Committee	Nomination Committee
Anders Hedegaard (joined March 2020)	Chairman	Member	Chairman	Chairman	Chairman
Lene Skole*	Vice Chairman	Member	Member	Member	Member
Lars Holmqvist*	Member		Member		
Jakob Riis	Member	Chairman			
Vincent Warnery	Member				
Katja Barnkob	Member				
Nanna Rassov Carlson	Member				
Johan Smedsrud	Member				
Steen Riisgaard (resigned March 2020)	Former chairman	Former Member	Former Chairman		Former Chairman
Gonzalo de Miquel (resigned March 2020)	Former member		Former member	Former Chairman	

* 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.

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 fee for serving on a committee is linked to the base fee and calculated via a multiplier. The Board's committees do not appoint a vice chairman.

In 2020, the remuneration of the Board of Directors was reviewed against a benchmark for Boards of Directors in comparable Danish and European companies. Following this review, the annual base fee for members of the Board of Directors was increased from DKK 275,000 to DKK 300,000, and the fee for serving on the Audit Committee was increased from DKK 150,000 to DKK 165,000 for the Chairman of the Audit Committee, and from DKK 100,000 to DKK 110,000 for members of the Audit Committee. The fees for serving on the Remuneration Committee and the Scientific Committee remained unchanged.

Members of the Board of Directors do not receive remuneration from subsidiaries of ALK.



All members of the Board of Directors are reimbursed for travel costs associated with their participation in Board or committee meetings. Should they undertake ad hoc tasks that fall outside the scope of their normal duties as a Board member, Directors are eligible to receive a fixed fee, which is determined by the Board of Directors and commensurate with the work carried out.

Members of the Board are not offered any 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 of Directors to hold shares in ALK. Employee-elected members of the Board of Directors are eligible to participate in the general incentive programmes for employees in ALK.

Multipliers of base fee in 2020 for the Board of Directors and committees

	Board of Directors	Audit Committee	Remuneration Committee	Scientific Committee	Nomination Committee
Chairman	3.0	0.55	0.50	0.50	-
Vice Chairman	2.0	n/a	n/a	n/a	n/a
Member	1.0	0.37	0.33	0.33	-

Overview of annual fees for Board roles in 2020

DKK†	Chairman		Vice Chairman		Member	
	2020	2019	2020	2019	2020	2019
Board of Directors	900	825	600	550	300	275
Audit Committee	165	150	n/a	n/a	110	100
Remuneration Committee	150	150	n/a	n/a	100	100
Scientific Committee	150	150	n/a	n/a	-	-
Nomination Committee	-	-	n/a	n/a	-	-

Remuneration 2020

The remuneration for the Board of Directors in 2020 followed the remuneration structure covering fees for the Board and Committees, with the increased base fee taking effect from January 2020 and resulting in an increase in total payments to the Board of Directors versus 2019.

There were no payments of additional fees for ad hoc activities.

Remuneration for the Board of Directors from 2018 - 2020

Amounts in DKKt	Base fee 2020	Committee fees 2020	Total fees 2020	Total fees 2019	Total fees 2018
Anders Hedegaard (joined 03/2020)	723	330	1,053	-	-
Lene Skole	600	190	790	650	650
Lars Holmqvist	300	100	400	375	375
Jakob Riis	300	165	465	425	425
Vincent Warnery	300	-	300	220	-
Katja Barnkob	300	-	300	275	275
Nanna Rassov Carlson	300	-	300	220	-
Johan Smedsrud	300	-	300	220	-
Steen Riisgaard (resigned 03/2020)	177	51	228	1,075	1,055
Gonzalo de Miquel (resigned 03/2020)	59	49	108	525	421
Former members of the Board	-	-	-	110	729
Total annual payments to the Board of Directors	3,359	885	4,244	4,095	3,930



Board of Management

Members of the Board of Management

The Board of Management in ALK consists of four (4) registered executives.

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

There were no changes to the membership of the Board of Management in 2020.

Remuneration structure

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 in the remuneration of Board of Management are linked to the principles in the Remuneration policy of providing a market competitive remuneration based on pay for performance, alignment of stakeholder interests in driving value creation and reinforcement of the ALK's business objectives, vision and culture.

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

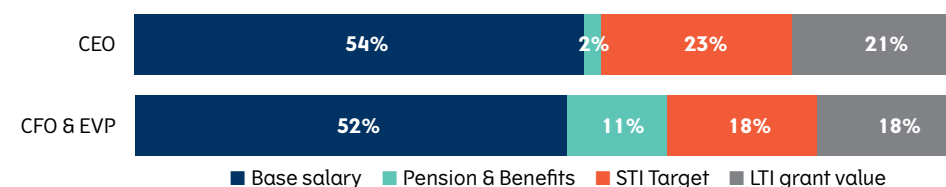
The remuneration for each member of the Board of Management is reviewed annually by the Remuneration Committee with proposed changes subject to approval by the Board of Directors.

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

Components in remuneration of Board of Management

	Objective	Remuneration level	Performance measure
Base salary	Attract and retain qualified executives	On par with market versus similar, listed companies in Denmark and Europe	N/A
Pension & benefits	N/A	The EVPs have a pension scheme into which the company contributes the equivalent of 15% of the individual's annual 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).	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 member 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 the 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 programme will vest at 0-200% depending on the fulfilment of defined KPIs linked to the LTI programme.	The KPIs relates to key financial figures and achievement of strategic initiatives.

Proportion of each pay element in the total target remuneration in 2020



Remuneration 2020

The remuneration of the Board of Management in 2020 reflects a year with solid financial results despite challenging conditions due to COVID-19.

In 2019, the Remuneration Committee conducted an analysis of the remuneration of the Board of Management in order to review both the total remuneration, as well as the pay composition of executive remuneration versus benchmarks at similar Danish and European companies. Following the analysis, changes to the pay composition of the total remuneration package were made for members of the Board of Management to ensure the remuneration and pay composition for each member are in line with the principle on market competitive remuneration in ALK's remuneration policy.

Total payment to the Board of Management from 2018 – 2020 (including former members)

In DKKt	2020	2019	2018
Total payments to the Board of Management incl. LTIs (based on grant value)	35,000	32,603	36,598
Total payment to the Board of Management incl. LTIs (based on the expensed accounting value)	39,556	39,216	29,766

Total remuneration for the Board of Management in 2020 (actuals)

Amounts in DKKt	CEO Carsten Hellmann			CFO Søren Jelert			EVP, Commercial Operations Søren Niegel			EVP, Research & Development Henrik Jacobi		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Base salary	7,886	6,500	6,250	3,100	2,850	2,300	2,900	2,900	2,881	2,918	2,854	2,798
Short-term incentives (cash bonus)	5,075	4,534	3,984	1,680	1,325	1,035	1,571	1,349	1,296	1,580	1,327	1,026
Sign-on bonus (cash)	-	-	-	-	-	686	-	-	-	-	-	-
Pension incl. social security	2	2	2	467	429	347	437	437	380	440	430	422
Other benefits	243	243	243	226	278	288	137	142	142	136	141	141
Total excl. long-term incentives	13,205	11,278	10,479	5,472	4,882	4,656	5,045	4,827	4,699	5,074	4,752	4,387
Long-term incentives. Total value at grant in respective years*	3,085	2,925	5,375	1,084	1,686	1,954	1,014	1,014	2,434	1,021	1,238	2,614
Total remuneration 2020	16,290	14,203	15,853	6,557	6,568	6,610	6,058	5,842	7,133	6,094	5,990	7,000
Long-term incentive (equity based) based on expensed accounting value in the respective year*	4,833	5,735	2,213	1,806	2,260	543	1,995	2,680	1,352	2,126	2,801	1,437

* 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.

Remuneration 2020 (continued)

CEO

The payment for the CEO totalled DKK 16.3 million in 2020, which was an increase of 15% compared to 2019. The pay composition for the CEO was changed as a result of the analysis of remuneration for the Board of Management increasing the annual base salary by 21% to meet the market benchmark, while the short-term incentive target was decreased from 70% (max. 75%) to 50 % (max. 100%) leaving the total target remuneration at same level. In 2020, the increase in total remuneration is therefore mainly based in an STI pay-out above target.

CFO

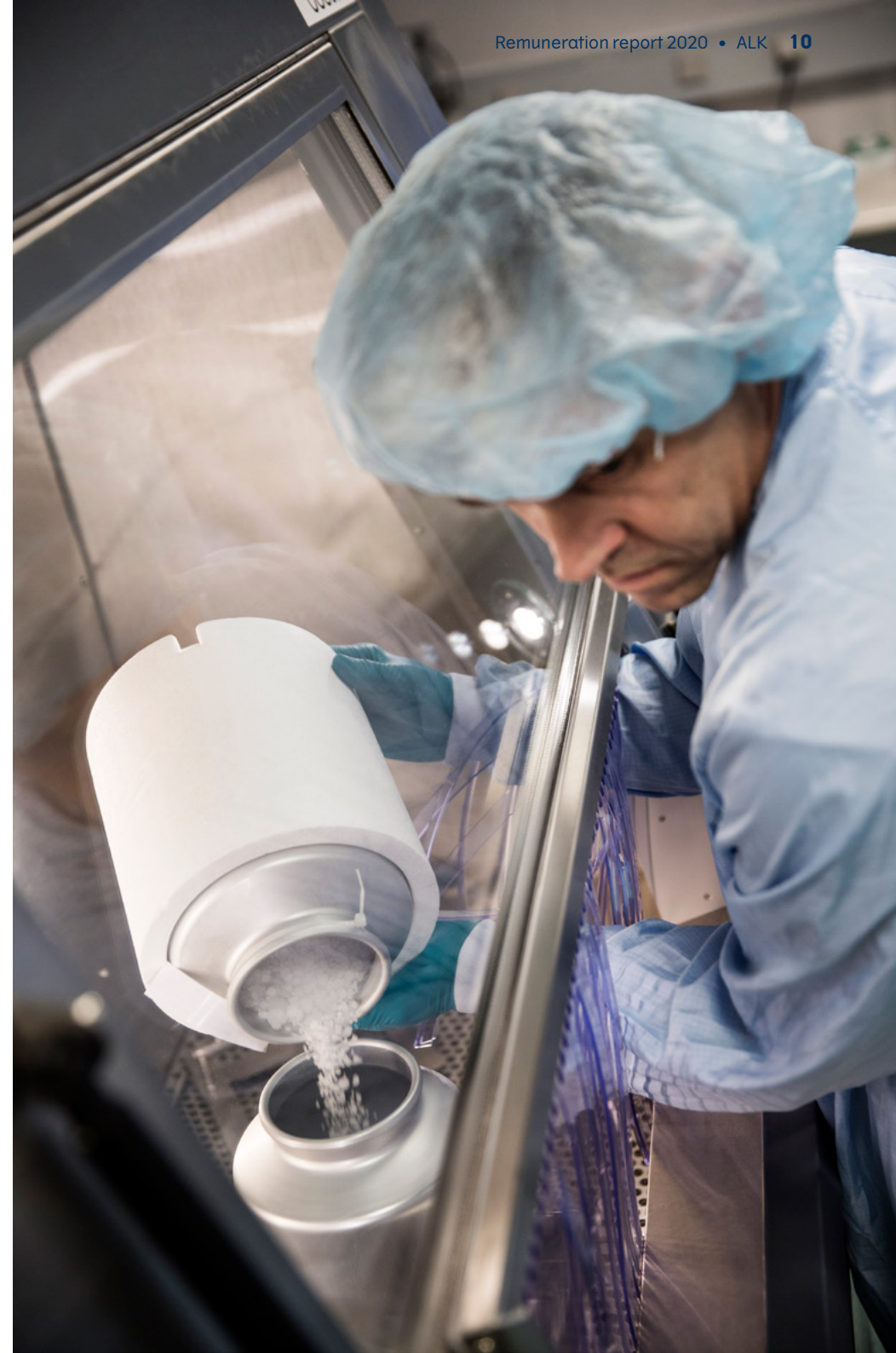
The payment for the CFO totalled DKK 6.6 million in 2020, which was unchanged compared to 2019 with the STI payment increasing while the LTI value decreased as the 2019 included the grant value from the inclusion in the existing 2017 programme. The base salary for the CFO was increased by 9% while the short-term incentive target was adjusted from 25% (max. 50%) to 35% (max. 70%.) to move the salary closer to the benchmark for similar positions.

EVP Commercial Operations

The payment for the EVP Commercial Operations totalled DKK 6.1 million in 2020. This represents an increase of 4% compared to 2019 due to an STI pay-out above target. The base salary for the EVP Commercial Operations was not adjusted from 2019 to 2020, however the short-term incentive target was adjusted from 25% (max. 50%) to 35% (max. 70%) following the remuneration analysis of the Board of Management.

EVP Research & Development

The payment for the EVP Research & Development totalled DKK 6.1 million in 2020 representing an increase of 2% compared to 2019 with an STI pay-out above target. The base salary was adjusted by 2% and the short-term incentive target was adjusted from 25% (max. 50%) to 35% (max. 70%) while the LTI level was decreased from 43% to 35% to align with the LTI level for other members in the Board of Management.



Short-term incentive programme

The STI plan is an annual cash bonus scheme linked to the achievement of pre-defined KPIs that align the STI plan to the principles for pay for performance and alignment with cultural values in the remuneration policy. In 2020, 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 Executive Vice Presidents had a target bonus of 35% of their annual base salaries excluding pension, 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 2020, the weighting of the company goals and individual goals was 75% and 25% respectively for the CFO and EVPs, whereas the CEO had 100% company goals. The company goals were set collectively for the CEO, CFO and EVPs and consisted of both financial (45% of the company goals) and non-financial KPIs (55% of the company goals). The non-financial KPIs were linked to ALK's four strategic pillars. Individual goals were linked to activities and projects related to the specific area of responsibility for each member of the Board of Management.

Short-term incentive KPIs settlement 2020

KPI description	Weight	CEO Carsten Hellmann	CFO Søren Jelert	EVP CO Søren Niegel	EVP R&D Henrik Jacobi
Company KPIs	CEO: 100% CFO: 75% EVP: 75%	148	148	148	148
Non-financial					
Succeed in North America					
Complete and commercialise the tablet portfolio for all relevant ages					
Patient engagement and adjacent business					
Optimise and reallocate					
People and organisation					
Financial					
Global total sales					
EBITDA					
Individual KPIs	CFO: 25% EVP: 25%	n/a	175	175	175
Total		148	155	155	155

Long-term incentive programme

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 in the remuneration policy. The Board of Directors decides on a year-to-year 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 2020, the Board of Directors approved a new three-year programme running from March 2020 until March 2023. All members of the Board of Management participate in the programme, with the value at the time of grant for each individual as decided by Board of

Directors based on benchmark on executive remuneration and aligned to the framework in the remuneration policy. The total value at the time of grant is split equally between performance shares and share options.

Pre-defined KPIs on revenue and strategic priorities are linked to the plan and pay-outs are subject to the fulfilment of the KPIs by the end of 2022, as well as continued employment. Should performance not meet this threshold, no payment is made. Should performance exceed the target, a multiplier is applied that can increase the pay-outs by up to 100%. In order to link the Board of Management's remuneration directly to the delivery of the long-term strategy of the Company, the KPIs set for the LTI programme reflect the Company's strategic priorities.

Overview of LTI plans launched from 2017-2020

Plan	Grant	KPIs	Index achieved	Vesting time	Expiration date Options	Exercise price* Options
Plan 2020	March 2020	Revenue 2022 EBITDA 2022 Total SLIT-tablet revenue 2022 North America tablet revenue 2022 R&D progress 2020-2022 Deliver on sustainability aspiration 2020-2022		March 2023	1 March 2025	1,372
Plan 2019	March 2019	Revenue 2021 EBITDA 2021 Free cash flow 2019 - 2021 SLIT-tablet sales in 2021 R&D progress 2021		March 2022	1 March 2024	1,099
Plan 2018	March 2018	Revenue 2020 Success on strategic priorities Revenue in North America 2020 Patients treated with SLIT-tablets 2020 Revenue from adjacent business 2020 Free cash flow 2018-2020	103	March 2021	1 March 2023	783
Plan 2017	March 2017	Revenue 2019 Success in strategic priorities Revenue in North America 2019 Patients treated with SLIT-tablets 2019 Revenue from adjacent business 2019 Free cash flow 2018-2019	132	March 2020	1 March 2022	1,025

* 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.

Long-term incentive programme (continued)

Special incentive plan: Equity based, one-off scheme

In 2018, a special incentive plan was established for the Board of Management with the aim of incentivising implementation of ALK's growth strategy. The total value of the plan was 50% of each executive's annual base salary at the time of allocation/grant, with an equal split between performance shares and share options.

The special incentive plan is conditional upon economic KPIs being attained over a period of three years with a threshold value below which there is no pay-out. If results exceed this threshold, a defined multiplier may increase the grant/allocation by up to 300%. However, the overall pay-out on the exercise date for share options or performance shares can never exceed a total value of 300% of the recipient's annual base salary on the date of grant of the share options and allocation of the performance shares.

Share options may be exercised in the two years after they have vested; if not exercised they will expire. If a member of the Board of Management leaves ALK following either their resignation or as a result of severe misconduct, all rights to the special incentive plan are cancelled.

Based on the financial results for 2020, the KPI achievements exceeded their targets, thus increasing the grant vesting in March 2021 to 100% of each recipient's annual base salary.

Sign-on programme

In connection with the employment of Carsten Hellmann in 2017, a CEO sign-on programme was established. There were no KPIs linked to the programme, which vested in January 2018 with an expiration date of 1 January 2024.

Defined targets for the special incentive plan

Plan	Grant	KPIs	Index achieved	Vesting time	Expiration date Options	Exercise price* Options
Special incentive plan	March 2018	Base KPIs with threshold values: 1. Total ALK revenue 2020 2. Accumulated free cash flow 2018–2020	above above	March 2021	1 March 2023	783
		Strategic goal multipliers: 1. Global SLIT-tablet revenue 2020 2. Total US revenue 2020	above below			

* 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.

Defined target for the sign-on programme

Plan	Grant	KPIs	Index achieved	Vesting time	Expiration date Options	Exercise price* Options
Sign-on programme	2017	No KPIs	n/a	1 January 2018	1 January 2024	924

* 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 payment

The termination payment for the CEO is 24 months and 18 months for the CFO and EVPs. In addition to the salary paid in the termination period, which is six (6) months for the CEO, CFO and EVPs. For the EVP, Commercial Operations and the CFO, the termination payment will increase by one month per year of service until reaching 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 2020.

Recovery of variable pay

The Company has the right to recover payments or awards that were made under either the short-term incentive or long-term incentive 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 2020.

Extraordinary remuneration for recruitment

The Board of Directors is authorised to approve extraordinary bonuses in connection with recruitment to the Board of Management. No extraordinary bonuses were approved in 2020. No sign-on bonuses or retention bonuses were paid to members of the Board of Management in 2020.



Share options and performance shares held by the Board of Management

Share options held by Board of Management

	Share options 01.01.2020	Performance adjustment	Granted during the year	Exercised during the year	Share options 31.12.2020	Market value* (DKKm)
Share options during 2020						
Carsten Hellmann, CEO	52,056	1,562	4,697	-12,342	45,973	67.4
Søren Jelert, CFO	10,330	534	1,651	-2,203	10,312	16.1
Søren Niegel, EVP Commercial Operations	21,643	978	1,545	-3,625	20,541	32.0
Henrik Jacobi, EVP R&D	14,234	732	1,554	-3,588	12,932	20.5

* Based on intrinsic value as of 31 December 2020.

	Plan 2020	Plan 2019	Plan 2018	Plan 2018 Special plan	Plan 2017	Plan 2017 Sign-on CEO	Plan 2016	Plan 2015
Share options held as at 31 Dec 2020								
Carsten Hellmann, CEO	4,697	6,266	7,511	10,431	-	17,068	-	-
Søren Jelert, CFO	1,651	2,136	2,687	3,838	-	-	-	-
Søren Niegel, EVP Commercial Operations	1,545	2,174	3,320	4,808	3,464	-	2,180	3,050
Henrik Jacobi, EVP R&D	1,554	2,653	4,055	4,670	-	-	-	-

Performance shares held by Board of Management

	Performance shares 01.01.2020	Performance adjustment	Granted during the year	Vested during the year	Performance shares 31.12.2020	Market value* (DKKm)
Performance shares during 2020						
Carsten Hellmann, CEO	5,956	315	1,124	-1,300	6,095	15.2
Søren Jelert, CFO	2,097	103	395	-424	2,171	5.4
Søren Niegel, EVP Commercial Operations	2,609	197	369	-700	2,475	6.2
Henrik Jacobi, EVP R&D	2,907	149	372	-725	2,703	6.8

* Based on share price as of 31 December 2020.

Amounts in DKKm	Plan 2020	Plan 2019	Plan 2018	Plan 2018 Special plan
Performance shares held as at 31 Dec 2020				
Carsten Hellmann, CEO	1,124	1,364	1,510	2,097
Søren Jelert, CFO	395	465	540	771
Søren Niegel, EVP Commercial Operations	369	473	667	966
Henrik Jacobi, EVP R&D	372	577	815	939

Shares held by the Board of Directors and Board of Management

Shares held by Board of Directors and Board of Management

	Shares 01.01.2020	Bought during the year	Sold during the year	Shares 31.12.2020	Market value* (DKK m)
Overview of shares held by Board of Directors in 2020					
Anders Hedegaard (joined March 2020)	1,000	-	-	1,000	2.5
Lene Skole	1,150	-	-	1,150	2.9
Lars Holmqvist	-	-	-	-	-
Jakob Riis	550	-	-	550	1.4
Vincent Warnery	-	-	-	-	-
Katja Barnkob	24	-	-	24	0.1
Nanna Rassov Carlson	-	-	-	-	-
Johan Smedsrud	-	-	-	-	-

* Based on share price as of 31 December 2020.

	Shares 01.01.2020	Bought during the year	Sold during the year	Shares 31.12.2020	Market value* (DKK m)
Overview of shares held by Board of Management in 2020					
Carsten Hellmann, CEO	2,040	7,742	-6,442	3,340	8.4
Søren Jelert, CFO	-	424	-	424	1.1
Søren Niegel, EVP, Com Ops	2,029	4,325	-3,854	2,500	6.3
Henrik Jacobi, EVP R&D	599	725	-	1,324	3.3

* Based on share price as of 31 December 2020.



Remuneration development

Board of Management

Development in total remuneration

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

Board of Directors

Development in total fees

	Unit	2020	2019	2018
Anders Hedegaard	%	n/a	n/a	n/a
Lene Skole	%	22	0	0
Lars Holmqvist	%	7	0	0
Jacob Riis	%	9	0	0
Vincent Warnery	%	36	n/a	n/a
Katja Barnkob	%	9	0	0
Nanna Rassov Carlson	%	36	n/a	n/a
Johan Smedsrud	%	36	n/a	n/a
Board of Directors total incl. former members	%	4	4	-5

Employee remuneration

	Unit	2020	2019	2018
Group				
Workforce*	FTE	2,419	2,385	2,341
Development in average employee total compensation	%	5.3	4.1	2.2
Parent				
Development in average employee total compensation	%	2.5	3.1	2.7
CEO pay ratio**	Times	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 CEO total compensation / median employee total compensation for the ALK Group

Financial development

	Unit	2020	2019	2018
Group				
Revenue growth in local currencies	%	8	11	1
Revenue	DKKkm	3,491	3,274	2,915
EBITDA growth	%	64	77	-46
EBITDA	DKKkm	395	241	136
Parent				
Revenue growth	%	135	-7	-15
Revenue	DKKkm	2,015	856	925
EBITDA	DKKkm	300	-529	-309

Independent Auditor's Report on 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 2020 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Board of Directors' responsibility for the remuneration report

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

Auditor's independence and quality management

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish auditor regulation 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 Companies Act, section 139 b, subsection 3.

Hellerup, 10 February 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 3377 1231

Lars Baungaard

State Authorised
Public Accountant
Mne23331

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 2020.

The remuneration report is prepared in accordance with section 139 b of the Danish Companies Act.

The remuneration report is submitted to the General Meeting for an indicative vote.

Hørsholm, 10 February 2021

Board of Directors

Anders Hedegaard
Chairman

Lene Skole
Vice Chairman

Katja Barnkob
Member

Nanna Rassev Carlson
Member

Lars Holmqvist
Member

Jakob Riis
Member

Johan Smedsrud
Member

Vincent Warnery
Member

