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

TRANSLATION

At 4.00 p.m. on 12 March 2014 the Annual General Meeting of

ALK-Abelló A/S

(company registration (CVR) no. 63 71 79 16)

was held at the company's registered office, 1 Bøge Allé, 2970 Hørsholm, Denmark.

The President and CEO of the Company, Jens Bager, opened the Annual General Meeting by introducing two TV news items.

The first news item, produced by the BBC and subtitled in Danish, was about allergy and modern allergy treatment.

After the first news item, Jens Bager presented the second one, which had been produced by the NBC and was also subtitled in Danish. It was about the prospects of the SLIT-tablets currently under review by the FDA entering the US market. Jens Bager stated that the TV news item had been shown the day before the FDA Advisory Committee met to discuss ALK's and Merck's application for the SLIT-tablet against grass pollen allergy.

After the two TV news items had been shown, the Chairman of the Board of Directors, Steen Riisgaard, welcomed everyone to the Annual General Meeting and informed that in accordance with the Company's Articles of Association, the Company's Board of Directors had appointed Niels Kornerup, Attorney-at-Law, to chair the meeting.

Steen Riisgaard then gave the floor to Niels Kornerup.

The chairman of the meeting thanked for having been appointed and declared, with the consent of the shareholders, that the Annual General Meeting was duly convened and quorate with respect to the items on the agenda.

The chairman of the meeting stated that, according to the count at the door just before the TV news items were shown, 118 people were present, of whom 84 had admission cards with voting rights and 34 had admission cards without voting rights.

The chairman of the meeting also stated that, according to the count just before the Annual General Meeting began, after deducting own shares, 14,599,268 votes were represented out of a total of 17,946,851 possible votes, corresponding to 81.35% of the votes and out of a nominal share capital of DKK 96,600,110 (after deducting own shares), a nominal total of DKK 63,127,880, corresponding to 65.35% of the share capital, was represented at the Annual General Meeting.

The Board of Directors had received proxy forms and postal votes corresponding to 1,002,362 votes, equivalent to a total of 6.87% of the represented votes.

The chairman of the meeting informed the general meeting that approvals, resolutions and elections or appointments under the items on the agenda required a simple majority of votes, with the exception of items 6 and 13 on the agenda, both of which required a majority of two-thirds of the votes cast and of the voting share capital represented at the general meeting.

The chairman of the meeting then explained the rules of section 101(5) of the Danish Companies Act on full reporting on votes. The chairman of the meeting stated that the Annual General Meeting may agree to depart from these rules for each item. The chairman of the meeting moved that this option should be used. The Annual General Meeting agreed to this motion.

Agenda

1. Annual Report in English
2. Report on the activities of the Company
3. Approval of the annual report 2013 and resolution to discharge the Board of Directors and the Board of Management from their obligations
4. Resolution on the allocation of profits
5. Approval of the remuneration to the Board of Directors for the present year
6. Amendment to the Company's Articles of Association – election of Chairman and Vice Chairman
7. Election of the Chairman of the Board of Directors
8. Election of the Vice Chairman of the Board of Directors
9. Election of other members of the Board of Directors
10. Appointment of auditor
11. Authority to the Board of Directors to purchase treasury shares
12. Approval of the revised general guidelines for incentive payments to the Board of Management
13. Authority to the Board of Directors to increase the share capital
14. Authorisation to the chairman of the general meeting

Re 1: Proposal from the Board of Directors that the annual report for 2013 and future annual reports be prepared and produced in English only

The chairman of the meeting gave the floor to the Chairman of the Board of Directors, Steen Riisgaard, who motivated the proposal:

“A new act of the Danish parliament allows companies to submit their annual reports in English only. Those of you who attend general meetings will know that many companies have chosen to do so this spring – and this also applies to ALK. Let me briefly explain why:

As I will mention in my report today, we have scrutinised ALK's expenses in the last couple of years. Positions have been cut, functions merged, budgets tightened – and throughout the Group we are focusing on what is really necessary for value creation at ALK. And on that only.

Preparing two annual reports – one in Danish and one in English – does not create value, and it does not promote value creation at ALK. But surely we could have chosen to report in Danish only, you might say. The answer is no, because our international shareholders and partners do not understand Danish, whereas our Danish shareholders are perfectly capable of understanding English. Besides, very few shareholders request a full Annual Report with all the notes, etc. So our proposal is that we report in English only: it will save us DKK 1 million, and it will release valuable resources within the organisation.

To ease the transition, we will make a Danish summary of highlights from the Annual Report with a complete five-year overview – as we have done this year. The summary will be published on the corporate website and has been distributed at this Annual General Meeting.”

Steen Riisgaard gave the floor to the chairman of the meeting.

The chairman of the meeting explained that adoption of the proposal would require the insertion of a new provision in article 12.2 of the Articles of Association, the wording of which could be found in the notice convening the Annual General Meeting.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal was adopted.

Re 2-4: Report by the Board of Directors, annual report and allocation of profits

The chairman of the meeting stated that, as is customary at ALK’s Annual General Meetings, items 2, 3 and 4 would be treated together.

The chairman of the meeting then gave the floor to Steen Riisgaard and Jens Bager, who presented oral reports and the Annual Report for 2013.

Steen Riisgaard started with his oral report:

Globalisation of allergy immunotherapy

“When we met for last year’s Annual General Meeting, I was able to inform you that ALK and our partners in North America and Japan had taken several important steps towards helping the many millions of allergy sufferers worldwide who need better treatment.

Today I am pleased to be able to say that we and our partners took further steps in 2013 – and our steps have certainly not become smaller. On the contrary.

In Europe, ALK completed two large Phase III clinical trials of the SLIT-tablet against house dust mite-induced respiratory diseases. The results for both allergic rhinitis and allergic asthma were so clear that we expect to file a registration application for this tablet against the most common allergy of them all in the course of 2014.

In North America, the first SLIT-tablet reached the market recently, when our partner Merck in Canada launched GRASTEK[®] – which is equivalent to our own GRAZAX[®] – for the treatment of grass pollen allergy. We hope that we will also be able to market GRASTEK[™] in the USA very soon, and our hopes are well-founded since the FDA Advisory Committee in December strongly and unanimously recommended the product. Likewise, we hope that the FDA will soon approve the SLIT-tablet RAGWITEK[™] for the treatment of ragweed allergy, as also recommended by the FDA Advisory Committee. In the USA, ragweed is just as common and serious a problem as grass pollen. Both allergies affect some 30 million people, but the ragweed symptoms are more severe.

Furthermore, this year Torii will be completing two Phase III clinical trials of the SLIT-tablet against house dust mite-induced respiratory diseases.

A few days ago, we reached another important milestone in Japan, as our partner Torii successfully completed the first Phase III clinical trial with the SLIT-tablet against house dust mite-induced respiratory diseases. The second Phase III trial with the SLIT-tablet is expected to complete later this year. At the same time, Torii has advanced the development of a SLIT-tablet against Japanese cedar pollen allergy – the most common type of pollen allergy in Japan. These are important achievements in a country where allergy is, in fact, more common than in both Europe and North America, but where immunotherapy is virtually non-existent at present.

Prevention and treatment of allergy

Significant clinical progress was also made in other areas in 2013 – including birch pollen allergy in Europe and house dust mite allergy in North America – and all signs point in the right direction. They all support ALK's licence to operate and our mission: improving people's lives by preventing and treating allergy.

We know that around 200 million people suffer from allergy in Europe, North America and Japan – and if we include China, the number is much higher. We estimate that almost 50 million have so severe symptoms that they should receive immunotherapy. This number is in stark contrast to the only 4.5 million people in Europe and the USA who are actually receiving immunotherapy today.

For the many patients not receiving optimum treatment, allergy means lower quality of life: it is an impediment to learning at school, it reduces productivity on the job and affects the social lives of both children and adults – furthermore, all patients have a serious risk of developing other allergies or asthma. Allergy is a severe problem for the patients, but this widespread disease is also a problem for society.

So it is important that we at ALK and our partners have come so far in respect of developing convenient, effective and clinically well-documented SLIT-tablets against the five most common allergies: house dust mite, grass, tree, ragweed and Japanese cedar. That allows us to reach far more patients and doctors.

I will return to our pipeline at the end of this report. Before that, I would like the President and CEO, Jens Bager, to present last year's results and challenges.”

Having concluded the first part of his report, Steen Riisgaard gave the floor to Jens Bager, President and CEO, who went through the results for 2013 in outline.

Growth in AIT sales

“Yes, we were certainly challenged in Europe, where the market once again receded slightly due to public sector spending cuts, restrictions on prices and reimbursement, the phasing-out of non-registered products and the crisis in general. In that perspective, it was satisfactory that ALK increased revenue in Europe by 1%, to just over DKK 1.8 billion. We gained market shares in the main markets in France and Germany, where we boosted our sales and marketing resources, and the adrenalin auto-injector Jext[®] also contributed to growth.

Before I briefly present the figures, I would like to point out that we have introduced a new segmentation of products and markets this year. The aim is to gain better insights into sales developments by market and product in future, when, hopefully, our tablets will be launched in the USA before long. But this year, with income from North America and Japan consisting almost entirely of milestone payments, it results in slightly larger fluctuations.

In North America, we increased revenue by 21%. We received a milestone payment from Merck, and we made good progress in terms of selling our own products. We also supplied products to Merck to allow them to build up stocks for the expected launches of GRASTEK™ and RAGWITEK™ in 2014, as mentioned by the Chairman.

In the international markets, revenue fell by 75%. This is because we received substantial milestone payments from Torii in 2012, which was not the case in 2013. If we exclude these one-off payments, ALK posted double-digit growth in other international markets, primarily China.

19% of revenue was generated outside Europe. Our goal is to increase this figure significantly in the coming years, starting in 2014.

Increased market share

ALK's total sales of SCIT and SLIT-drops – i.e. injection- and drop-based allergy immunotherapy products – were virtually unchanged and amounted to DKK 1.7 billion. SCIT sales grew in a number of European markets and in the overseas markets. Sales of SLIT-drops rose in France, but apart from that there was still a tendency for unregistered SLIT-drops to decline in volume in many countries due to stricter regulation.

Revenue from SLIT-tablets fell by 31%, to just under DKK 300 million. This was solely due to the fact that we did not receive milestone payments from Japan. Sales of our own tablet, GRAZAX® were stable at approximately DKK 200 million, but we were pleased to register double-digit growth towards the end of the year, as distributors began to build up stocks again. We expect this trend to continue. In North America, SLIT-tablet revenue doubled.

Revenue from other products and services grew by 19%, to DKK 227 million, driven by the adrenalin auto-injector Jext®. Sales of Jext® almost doubled in the first nine months, but regrettably we had to withdraw it from the market in November due to a production issue. We suspended production and sales – and in Q4, earnings were virtually non-existent.

Higher-than-expected operating profit

In 2013, revenue fell by 4%, to DKK 2.244 billion due to lower partner income. ALK's sales of own products increased in Europe, North America, China and other markets, but growth was offset by lower milestone payments from partners. There were simply fewer events that triggered milestone payments.

Gross profit was just over DKK 1.5 billion, and the margin fell by 3 percentage points, of which 2 percentage points were attributable to lower milestone payments, a changed product mix and increased depreciation, while 1 percentage point reflected the extraordinary costs linked to the withdrawal of Jext® from the market.

We succeeded in reducing ALK's total capacity costs by 6%, to just over DKK 1.4 billion. Viewed in isolation, research and development expenses fell by 9% after the completion of certain development programmes, while we reduced both sales and marketing expenses and administrative expenses by 5%. We have made a targeted effort to streamline the business, merge functions, sharpen our priorities and find savings, and we could reap the benefits sooner than expected.

Operating profit (EBITDA) before special items was DKK 258 million. This was in line with the most recent forecast from November, which said around DKK 250 million, but it was also within the interval of DKK 200-300 million originally announced in March. I mention this because the March figure included a large milestone payment from Merck. This payment was postponed

until 2014, but we still succeeded in hitting the original target because we increased profitability thanks to the previously mentioned reductions of expenses.

After special items of DKK 22 million for restructuring of the organisation and of production, the reported operating profit was DKK 236 million.

Net profit was DKK 61 million. When comparing with the result for 2012, it should be remembered that in 2012, ALK recognised a gain on the reversal of provisions from the sale of Chr. Hansen in 2005. If we consider the net profit for the continuing business, ALK, only, the bottom line grew from DKK 54 to 61 million.

Outlook for 2014

This year, in 2014, we expect slightly negative market growth in Europe overall, but the market will be heterogeneous. For example, the new government in Germany has decided to ease the mandatory rebate on prescription drugs introduced in 2010. That will boost ALK's sales and earnings in Germany.

Across Europe, we still expect ALK's sales to outperform the market. We will allocate further resources to sales and marketing in Europe in order to support sales and pave the way for the launch of our new SLIT-tablet against house dust mite-induced respiratory diseases – which will hopefully be in the not-too-distant future. Finally, in Europe we expect revenue from the adrenalin auto-injector Jext[®] to be in line with last year's revenue. First we must replace the products withdrawn from the market and then we can begin to generate sales growth again.

Outside Europe, the outlook is brighter, with expected growth in North America, China and other overseas emerging markets. We also have hopes that our partnership with Merck will bring substantial earnings.

As regards ALK's total expenses, cost of sales and depreciation will invariably rise as we build up production capacity.

Capacity costs will remain unchanged overall as we are transferring funds from research and development to sales and marketing in order to support growth initiatives.

All in all, we therefore expect ALK's revenue – without revenue from SLIT-tablets in North America – to increase slightly to between DKK 2.15 and 2.2 billion. In addition, we hope to post revenue from SLIT-tablets in North America in the form of three milestone payments from Merck, product supply to Merck and royalties from Merck's sale of SLIT-tablets. We have chosen not to state any specific expectations in this respect as we still do not know when the FDA will finally give the thumbs up for Merck's new products, and nor do we know what the prices and market response will be.

We expect an operating profit before special items of between DKK 225 and 400 million. This is a large spread and the top of the interval assumes receipt of all three milestone payments from Merck. To this should be added potential earnings from product supply and from royalties linked to Merck's sale of SLIT-tablets.

We will continue to invest in production. We are building up new capacity to manufacture SLIT-tablets in Denmark and the USA, and we are also investing to consolidate the ALK production network. Overall, we expect to spend DKK 200-250 million on investments.

That is the outlook. The figures indicate that there may be a basis for improving both the top and bottom lines in 2014. We will update the assumptions over the year as we know more about e.g. the US tablet launch.

On track with the Focus 2016 strategy

One thing is our performance in a single year. Another thing is whether ALK develops as we want it to in the long term. The Focus 2016 strategy sets the course for ALK's long-term development with initiatives in three central focus areas: *Simplify, Innovate, Grow*.

The Focus 2016 strategy was laid down in the autumn of 2012, and one third of the way through the strategy period we are on track. We are executing as planned: new SLIT-tablets are well underway in new geographies and against new allergies. We are trimming the product portfolio and increasingly moving sales to newer products with high volumes. We have streamlined our business, and the resultant savings have come faster and been larger than expected. We are reducing our research and development expenses to a more normal level – they peaked at a level corresponding to 23% of revenue, but we are gradually approaching a level of around 15% of revenue. And finally, we are gaining market shares in our main markets in France and Germany, and we have come relatively far in terms of entering new overseas emerging markets that offer much higher growth rates than Europe.

Financial targets in 2015

As part of the strategy, financial targets for 2015 were set two and a half years ago. 2015 is not far away now, and we still expect ALK's revenue and earnings to rise strongly as we execute the Focus 2016 strategy.

But in the short term we need to clarify a number of issues concerning developments in the USA: when the tablets will be approved, when they will be launched, what the price will be and how doctors and patients will receive the new products.

In other words, much hinges on the US launch if we are to meet our growth targets. So we think it is best not to announce more specific expectations for 2015 until we know more about developments in the USA.

With this update on our performance and strategy I give the floor to the Chairman again.”

Steen Riisgaard thanked Jens Bager for his presentation of the results for the year and the strategy update. Steen Riisgaard then continued his report:

Allocation of profits or covering of loss

“The allocation of the profits/covering of the loss for the year is based on the financial statements of the parent company, ALK-Abelló A/S. The parent company posted a loss of DKK 27 million in 2013, and the Board of Directors proposes that DKK 51 million be distributed as dividend, while DKK 78 million be transferred from the reserves.

It may sound a bit strange to distribute a dividend following a loss, but naturally the Board of Directors considers the ALK Group's overall financial result and position when proposing this dividend. And ALK remains a well-consolidated group with good liquidity. Hence there is a basis for a dividend of DKK 5 per share, which will give shareholders a reasonable cash return, while ALK retains the strength to execute the strategy and make the necessary investments. We will also have room to manoeuvre, should one or more opportunities for value-generating acquisitions arise.

Creating value for shareholders

DKK 5 per share is the same as last year, and when you add last year's dividend and share price increases, ALK's shareholders obtained a return of 60%. By comparison, the other Nordic MidCap shares yielded a return of 37% and the ultra-liquid Danish OMXC20 shares yielded 24%.

So, measured by any standard, 2013 was a good year for value-creation in ALK, and the favourable trend in the stock market has continued this year, with a price increase of approximately 10% so far.

Work of the Board of Directors

Just a few words on the work of the Board of Directors: we held seven meetings last year. The September meeting was a two-day seminar with the Board of Management and other managers, at which we reviewed the status of the Focus 2016 strategy.

In addition to these seven meetings, both the Audit Committee and the Remuneration Committee met three times, and two meetings were held in the Scientific Committee set up by the Board of Directors last year in order to work more closely with ALK in that area too. And finally, the Chairmanship and the Board of Management held a number of meetings, of course.

At the end of the year, the Board of Directors – assisted by an external consultant – evaluated our own performance and our cooperation with the Board of Management. The outcome was that cooperation within the Board of Directors and with the Board of Management is very good, but fortunately there is room for improvement. I say ‘fortunately’ because the whole point of the evaluation is to ensure that we continuously improve – and do not rest on our laurels.

Various topics were suggested, and the Board of Directors will investigate them further. One of these topics, risk management, has already been discussed by both the Board of Directors and the Audit Committee. Others will be put on the agenda during 2014.

As Jens indicated, there were plenty of challenges in 2013. There was the regrettable withdrawal of the adrenalin auto-injector Jext[®]. There were minor, but annoying delays in the US pipeline. There was organisational restructuring. And – like the industry in general – we battled with difficult market conditions in Europe, fighting for every inch of ground, but happily we can see that ALK is winning market shares. So the going was tough, and I would like to thank the Board of Management and all employees for their dedicated and targeted efforts in a challenging year.

Lots of news in 2014

Let me conclude this report where I began: the pipeline and the efforts of ALK and our partners to bring new SLIT-tablets to the market. 2014 is set to be a year with strong progress and lots of good news.

As I have already mentioned, we expect to file a European registration application for ALK’s new SLIT-tablet against house dust mite-induced allergy and asthma in the second half of the year.

In North America, we hope that the FDA will very soon give the thumbs up for both GRASTEK[™] and RAGWITEK[™] so that we can launch two SLIT-tablets in the world’s largest pharmaceutical market. We cannot say when it will be, but we have strong expectations that it will be in the first half of the year.

We also expect Merck to initiate a Phase III clinical trial of the SLIT-tablet against house dust mite allergy – the equivalent of ALK’s own house dust mite tablet – and, as already mentioned, these three events will trigger milestone payments to ALK.

As mentioned, Torii has just completed the first Phase III clinical trial with the SLIT-tablet against house dust mite allergy in Japan. Later this year, Torii will report the results of a Phase III clinical trial with this tablet into house dust mite-induced allergic asthma. Hopefully, this

should enable Torii to apply for registration of the tablet for the treatment of both allergy and asthma – just as ALK plans to do in 2014. Torii has recently completed a Phase I trial of the SLIT-tablet against Japanese cedar allergy, and later this year Torii will initiate a Phase II/III trial.

Those were the main events in 2014. There will be others too, so obviously 2014 will be another very busy year, and we hope that it will see ground-breaking results and launches that will bring us even closer to our ambition of making effective, well-documented SLIT-tablets available to allergy sufferers worldwide!

With these remarks I ask the shareholders to approve the Annual Report and the covering of the loss, and that the report submitted by the Board of Directors and Board of Management be adopted. Thank you for your attention.”

The chairman of the meeting noted that the annual report had been signed by the Board of Directors and the Board of Management and that the auditor had stated that the financial statements give a true and fair view. The chairman of the meeting noted further that the Board of Directors had proposed a dividend of DKK 5 per share, which was unchanged compared to 2013. The chairman of the meeting also stated that the proposal was based on the financial statements of the parent company, and that in 2013, the parent company posted a deficit of DKK 27 million. Consequently, the proposal from the Board of Directors entailed distribution of DKK 51 million as dividend and transfer of DKK 78 million from the reserves.

The chairman of the meeting opened up the meeting for debate and gave the floor to the first speaker, Jonas Bhatti from ATP (the Danish Labour Market Supplementary Pension).

Jonas Bhatti first thanked the Chairman of the Board and the President and CEO for their reports and presentations of the outlook for 2014.

Jonas Bhatti commented that ATP found it positive that ALK had been investing heavily in research and development for some years with a view to creating new products and that ALK adjusts its costs on an ongoing basis, e.g. through the *Simplify* programme.

Jonas Bhatti then noted that approval of GRASTEK™ and RAGWITEK™ would have interesting perspectives in the USA and that, in ATP's opinion, ALK has a strong partner in Merck, which will increase the probability of ALK's products being a commercial success.

Jonas Bhatti then posed the following question:

What do you assess to be the most important factors for the long-term success of GRASTEK™ and RAGWITEK™, and what are your expectations as regards short-term sales developments?

Finally, Jonas Bhatti thanked ALK's management and employees for their good work in 2013 and wished them luck in 2014.

The chairman of the meeting gave the floor to Steen Riisgaard so that he could answer the question.

Steen Riisgaard first thanked Jonas Bhatti for his comments and his question.

Steen Riisgaard agreed that ALK is in an interesting phase, but stated that short-term sales developments are difficult to assess.

Steen Riisgaard explained that in the long term it is important for ALK to have a portfolio of SLIT-tablets, which is essential if this is to become a generally well-introduced therapy. In addition, Steen Riisgaard explained that it is a question of underpinning the clinical and scientific arguments, e.g. by conducting trials or analyses of existing trials, and that this will require a long haul on the part of both ALK and ALK's partners in the USA.

The chairman of the meeting then gave the floor to the next speaker, John Aagaard from the Danish Shareholders Association.

John Aagaard started by introducing the Danish Shareholders Association, which is a consumer and interest organisation for large and small individual shareholders.

John Aagaard then thanked the Chairman of the Board and the President and CEO for their good and comprehensive oral reports and for the written report. As regards the latter, John Aagaard noted that it had, for the first time, been prepared in English and distributed in an electronic format.

John Aagaard initially noted that the Annual Report 2013 showed a small decline in both revenue and profit, but that a closer inspection revealed a different picture.

John Aagaard noted that he understood from the Chairman's report that the reason for the lower revenue and profit was the postponed milestone payments from Merck, which were expected to be received in 2014.

John Aagaard expressed his satisfaction that the share price had almost doubled over the last year and congratulated the Company on the recommendations from the FDA for approval of GRASTEK™ and RAGWITEK™.

John Aagaard asked the Board of Directors whether it was conceivable that the FDA would, ultimately, not approve the two products.

John Aagaard noted that according to the written report, ALK has increased its AIT market share in the European market, even though the overall market declined in 2013, and that ALK expects to increase its market share in 2014.

In that connection, John Aagaard wanted to know what ALK bases its positive sales expectations on and how the Company plans to gain market shares in a shrinking market.

John Aagaard stated that from the written report he understood that sales to China increased in 2013. In that connection, John Aagaard asked the Board of Directors to elaborate on the initiatives implemented in order to achieve this increase and to comment on the cost-benefit aspects thereof, as well as any other overseas markets that ALK might be considering and where the Company sees a substantial future growth potential.

John Aagaard then stated that the Danish Shareholders Association understands and agrees with the underlying rationale for preparing the Annual Report in English and distributing it electronically. However, John Aagaard pointed out that ALK has many shareholders, and some of them do not understand English. John Aagaard therefore proposed that next year ALK should prepare a slightly expanded 'Pixi book' version of the annual report, 10-15 pages or so with the financial highlights, key events and outlook. John Aagaard would like to know what the Board of Directors thought about that.

Finally, John Aagaard commended ALK on its international website, especially the investor tab, thanked for this opportunity to speak and wished the Company's management and all ALK employees good luck with the many opportunities and challenges. The chairman of the meeting gave the floor to Steen Riisgaard so that he could answer the questions.

Steen Riisgaard thanked John Aagaard for his contribution, his questions and his many positive comments at the end.

Re milestone payments

Steen Riisgaard started by confirming that the fall in revenue was solely linked to the postponed milestone payments.

Re risk of non-approval of GRASTEK™ and RAGWITEK™

Steen Riisgaard said that the two Advisory Committees had issued very clear recommendations to the FDA to approve the products. But commenting that only fools do not fear the FDA, Steen Riisgaard noted that nothing can be taken for granted, but that a rejection would come as a very great surprise to the Board of Directors and Board of Management.

Re market shares

Steen Riisgaard initially noted that ALK had gained market shares in 2013, but that the market was still decreasing. Steen Riisgaard stated that it would be easier once ALK had a larger range of SLIT-tablets. Steen Riisgaard also stated that momentum in sales and marketing was good and that this was also expected to be the case in 2014.

Re China and other emerging markets

Steen Riisgaard confirmed that sales in China have risen a little, but compared with the expected potential in China they are still at a very low level. Steen Riisgaard said that the Board of Directors is discussing whether to accelerate efforts in China. Riisgaard also said that other emerging markets are being considered, one of them being Russia.

Re 'Pixi book' version of the Annual Report

Steen Riisgaard said that he would make a note of the suggestion to produce an expanded 'Pixi book' and that it might be possible to make another version than the one used this year. However, Steen Riisgaard also pointed out that it is important to remember that the aim is to find a solution that costs far less than publishing a full Annual Report.

Steen Riisgaard then gave the floor to the chairman of the meeting again.

As no-one else wished to take the floor, the chairman of the meeting, with the consent of the Annual General Meeting, noted:

- that the general meeting had taken note of the report from the Board of Directors,
- that the general meeting had adopted the Annual Report and discharged the Board of Directors and Board of Management from their duties, and
- that the general meeting had approved the proposal for covering of the loss.

Re 5 Approval of remuneration to the Board of Directors for 2014

The chairman of the meeting stated that the next item on the agenda was approval of the remuneration to the Board of Directors for the present year.

The chairman informed that the Board of Directors proposed to the general meeting that the fees to the Board of Directors remain unchanged, thus

that the fee to each board member amounts to DKK 275,000,

that the Chairman receive the triple, DKK 825,000, and

that the Vice Chairman receive the double, DKK 550,000.

The Board of Directors furthermore proposed:

that the remuneration to the chairmen of these committees remained unchanged at DKK 150,000, and

that the remuneration to the members of the Board of Directors, who were part of the company's board committees, remained unchanged at DKK 100,000.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal was adopted.

Re 6: Amendment of the Articles of Association – election of Chairman and Vice Chairman of the Board of Directors

The chairman of the meeting stated that the Board of Directors proposed that the Chairman and the Vice Chairman of the Board be elected by the general meeting in future as opposed to the existing procedure, whereby the Board selected its own Chairman and Vice Chairman.

The chairman of the meeting also stated that the background to the proposal was the trend in corporate governance towards transparent election processes, as well as a wish to strengthen the link between the Board of Directors and the general meeting by giving the general meeting direct influence on the election of the Chairman and Vice Chairman of the Board.

The chairman of the meeting then informed the general meeting that, technically speaking, the proposal entailed amendment of articles 8.1, 8.4 and 5.10 of the Articles of Association, and that consequently the proposal must be passed by two-thirds of the votes cast and two-thirds of the voting share capital represented at the general meeting in order to be adopted.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal was adopted.

Re 7: Election of Chairman of the Board of Directors

The chairman of the meeting stated that the Board of Directors proposed re-election of Steen Riisgaard.

The chairman of the meeting also stated that the Chairman's directorships in other commercial enterprises were listed in the Annual Report 2013.

Since no other names were put forward as Chairman of the Board of Directors, Steen Riisgaard was re-elected for a period of one year.

Re 8: Election of Vice Chairman of the Board of Directors

The chairman of the meeting stated that the Board of Directors proposed re-election of Christian Dyvig.

The chairman of the meeting also stated that Christian Dyvig's directorships in other commercial enterprises were listed in the Annual Report 2013.

Since no other names were put forward as Vice Chairman of the Board of Directors, Christian Dyvig was re-elected for a period of one year.

Re 9: Election of other members of the Board of Directors

The chairman of the meeting stated that the Board of Directors proposed re-election of:

- Thorleif Krarup
- Anders Gersel Pedersen
- Jakob Riis

With respect to existing members' directorships in other commercial enterprises, reference was made to the annual report.

The chairman of the meeting stated that Jes Østergaard did not seek re-election and that the Board of Directors proposed the new election of Lene Skole.

The chairman of the meeting then gave the floor to Steen Riisgaard, who motivated the proposal to elect Lene Skole as a new Board member:

"First I would like to say 'thank you' on behalf of all re-elected members. And on behalf of Christian Dyvig and me – thank you for electing us Vice Chairman and Chairman, respectively.

We propose that Lene Skole be elected to replace Jes Østergaard. Lene is the Executive Vice President and Group CFO of Coloplast, where she is responsible for finances, IT, legal affairs, communications and IR, strategy, business development, acquisitions and other areas. Lene previously worked for A. P. Møller – Mærsk for more than 25 years, and she is on the Board of Directors of the listed companies DFDS and Tryg and a member of the American Chamber of Commerce and of Nykredit's Board of Representatives.

We recommend Lene on the basis of the sum of her experience, her financial expertise and her skills within strategy and communication in international companies. We are pleased that Lene is willing to accept the task and look forward to welcoming her on the Board of Directors.

I also take this opportunity to thank Jes for his very professional and dedicated work on the Board of Directors in the last three years. It has been good to have you on the Board and a pleasure to work with you. Thank you."

Steen Riisgaard then gave the floor to the chairman of the meeting again.

The chairman of the meeting noted that there were no other candidates and that Thorleif Krarup, Anders Gersel Pedersen, Jakob Riis and Lene Skole had all been elected for a period of one year. The chairman of the meeting congratulated the members of the Board of Directors on their election.

The chairman of the meeting noted that the members of the Board of Directors elected at the general meeting were:

- Steen Riisgaard, Chairman
- Christian Dyvig, Vice Chairman
- Thorleif Krarup
- Anders Gersel Pedersen
- Jakob Riis
- Lene Skole

The chairman of the meeting then stated that the Board of Directors also includes the following members elected by the employees of the Company:

- Dorthe Seitzberg
- Katja Barnkob Thalund
- Jacob Kastrup

The chairman of the meeting informed the general meeting that the members of the Board of Directors elected by the employees were not up for election at the general meeting as they had been elected by the employees of ALK for a period of four years in March 2011 and consequently they are not up for election until 2015.

Re 10: Appointment of auditor

The chairman of the meeting stated that the Board of Directors proposed re-appointment of Deloitte Statsautoriseret Revisionspartnerselskab.

The chairman of the meeting noted that the general meeting re-appointed Deloitte Statsautoriseret Revisionspartnerselskab as the Company's auditors.

Re 11: Authority to the Board of Directors to purchase treasury shares

The chairman of the meeting stated that the next item on the agenda was authority to the Board of Directors to purchase treasury shares.

The chairman of the meeting informed the general meeting that the wording of the proposal could be found on the notice convening the general meeting and on the company's website.

The chairman of the meeting stated that the proposal entailed authorising the Board of Directors for the period until 11 March 2019 to let the Company acquire own B shares on a regular basis for an amount that, together with the treasury shares already held by the Company, at no time exceed a nominal value of 10% of the share capital.

The chairman of the meeting also stated that the consideration for such shares may not deviate by more than 10% from the official quoted price of the B shares on NASDAQ OMX Copenhagen A/S on the date of acquisition.

The chairman of the meeting noted that the Company has considered the issue of authority to purchase treasury shares every year at the Annual General Meeting. Since it is possible to grant such authority for a period of five years, the Board of Directors recommended doing so in order to avoid having to inconvenience the general meeting with this issue every year.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal was adopted.

Re 12: Approval of the revised general guidelines for incentive payments to the Board of Management

The chairman of the meeting stated that the next item on the agenda was revision of the general guidelines for incentive payments to the Board of Management.

The chairman of the meeting outlined the proposal, which basically involved two revisions: revision of the cash bonus and revision of the allocation of shares and share options.

As regards the cash bonus, the chairman of the meeting stated that the Board of Directors proposed revising the guidelines so that the cash bonus would be a maximum of 9 months (until then 6 months) of the fixed remuneration for the year in question for the President & CEO and 6 months (until then 4 months) of the fixed remuneration for the year in question for the other members of the Board of Management.

The background to the proposal was a desire for a remuneration policy that is market-conform and where a larger share of the remuneration is variable.

As regards the allocation of shares and share options, the chairman of the meeting stated that the Board of Directors proposed revising the guidelines so that the total value of allocations may not exceed 30% of the basic remuneration plus pension paid to the Board of Management. That was a revision of the existing guidelines, under which the value of allocations to each individual member of the Board of Management may not exceed 30% of the individual's basic remuneration plus pension.

The background to the proposal was a desire for greater flexibility in the allocations.

Finally, the chairman of the meeting stated that proposal to revise the general guidelines has been available on the Company's website since the general meeting was convened.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal was adopted.

Re 13: Authority to the Board of Directors to increase the share capital

The chairman of the meeting stated that the next item on the agenda was authority to the Board of Directors to increase the share capital.

The chairman of the meeting noted that the Company has considered the issue of authority to the Board of Directors to increase the share capital every year at the Annual General Meeting.

Since it is possible to grant such authority for a period of five years, the Board of Directors recommended doing so in order to avoid having to inconvenience the general meeting with this issue every year.

Against this background, the Board of Directors proposed that the authority under articles 4a.1 and 4a.2 of the Company's Articles of Association be renewed to expire at the Company's Annual General Meeting in 2019.

The full wording of the proposal could be found in the notice convening the meeting and in the documents that had been available for inspection at the Company's office.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal was adopted.

Re 14: Authorisation to the chairman of the general meeting

The chairman of the meeting stated that the final item on the agenda was authorisation to the chairman of the general meeting to make such changes and additions to the resolutions adopted at the general meeting and to the notification to the Danish Business Authority as may be required by the Business Authority in connection with the registration of the amendments adopted.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposed authorisation to the chairman of the meeting was adopted.

Finally, the chairman of the Board of Directors thanked the shareholders for attending the general meeting and the chairman for chairing the meeting, and then announced that light refreshments were available in the foyer, where the shareholders would have the opportunity to meet the Board of Directors and the Board of Management.

General meeting adjourned.

Chairman of the meeting

Chairman of the Board of Directors

Niels Kornerup

Steen Riisgaard