

## Grant of share options and performance shares to members of the Board of Management and key employees

ALK (ALKB:DC / OMX: ALK B / AKABY / AKBLF):

### Share option programme

According to the Company's remuneration policy which was once again adopted at the Company's annual general meeting on 11 March 2020, in line with its usual practice, the Board of Directors has passed a resolution to grant a total of 18,678 share options, comprising 10,778 options to the members of the Board of Management and 7,900 options to a group of key employees. As is the norm, the share option programme is subject to the fulfilment of economic key indicators with a defined threshold, below which there would be no payout, and which also offers the opportunity to perform above target. As in previous years, in case of performance above target, a defined multiplier is used that can increase the payout by up to 100%.

The options can be exercised during the period from 1 March 2023 to 1 March 2025 during the trading windows following the release of annual and interim reports. If the option holders have not exercised their options within the period specified, the options will lapse without any compensation to the holders.

The exercise price of the options has been set at DKK 1,372 each, corresponding to an average of the closing prices of the Company's shares on Nasdaq Copenhagen during the period 12 to 18 March 2020 (both days included). To this should be added annual interest at the rate of 2.5%, which will be added the first time on 1 March 2021. The exercise price of the options will be adjusted by dividends, if dividends deviate from DKK 0 per share.

The market value of the adopted option plan of 18,678 options is approximately DKK 6.1 million applying the Black & Scholes model for valuation of options. The determination of the value is based on an assumed exercise price of DKK 1,477, an annual dividend distribution of DKK 0 per share, a volatility rate of 34% p.a. and a risk-free interest rate of minus 0.01% p.a.

Under the international financial reporting standards (IFRS), the incentive plan will be recognised in the income statement in the respective functional areas over the vesting period.

### Performance share programme

Further in line with its usual practice, the Board of Directors has passed a resolution to grant performance shares in accordance with the Company's remuneration policy, and which was also adopted at the Company's annual general meeting on 11 March 2020. The scheme, which is a long-standing component of performance management at ALK, comprises a total of 11,614 performance shares, including 2,578 shares to the members of the Board of Management and 9,036 shares to a group of key employees. The market value of the performance shares is approximately DKK 15.9 million, calculated on the basis of an average of the closing prices of the Company's shares on Nasdaq Copenhagen during the period 12 to 18 March 2020 (both days included).

The final transfer of ownership of the performance shares takes place three years after the grant (2023), and is subject to the fulfilment of economic key indicators with a threshold below which there will be no payout, and with the opportunity to perform above target. In case of performance above target, a defined multiplier is used that can increase the payout by up to 100%.

Under the international financial reporting standards (IFRS), the incentive plan will be recognised in the income statement in the respective functional areas over the vesting period.



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The grant of share options and performance shares does not change the Company's financial forecast.

No share options or performance shares have been granted to members of the Board of Directors.

**ALK-Abelló A/S**

**For further information please contact:**

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