



Welcome and introduction

Good afternoon, ladies and gentlemen and welcome to our twenty-second AGM. I am Jon Symonds, Chair of GlaxoSmithKline plc. I am pleased to welcome all of you who have joined the AGM today, in person or virtually via Lumi. We believe it is important to provide a range of means for our shareholders to access and participate in the meeting and to engage meaningfully with the Board. I hope we achieve this today.

It is now just after 2.30pm. I can confirm that a quorum is present, and I declare the AGM open.

I have a few formal statements to make about the conduct of the meeting today;

Firstly, in the unlikely event of an emergency, for those present in person please follow instructions from the Sofitel staff who will lead you to a place of safety. Guidance will be provided online to those attending the meeting electronically. Secondly, for those present in the room, please either switch off your phones or other devices or turn them to silent during the meeting.

Thank you.

Let me now turn to the business of the meeting.

I would like to introduce my fellow Board members all of whom are physically present with me today.

Starting on my far right is Dr Hal Dietz who we are welcoming to his first AGM, next to Hal is Dr Jesse Goodman, Chair of our Science Committee and a Scientific and Medical Expert, followed by Dr Anne Beal, who was appointed as an Independent Non-Executive Director in May last year. Next to Anne is Charlie Bancroft, Chair of our Audit & Risk Committee. Next to Charlie is Dame Vivienne Cox, our Workforce Engagement Director, followed by Dr Hal Barron our Chief Scientific Officer and President, R&D.

On my immediate right is Emma Walmsley, our CEO. On my left is our Company Secretary, Victoria Whyte, followed by Iain Mackay, our CFO. Next to Iain is Urs Rohner, Chair of the Remuneration Committee, followed by Lynn Elsenhans, Chair of our Corporate Responsibility Committee. Next is Dr Laurie Glimcher, a Scientific and Medical Expert and Vindi Banga, our Senior Independent Director.

In a few minutes, I will hand you over to Emma to present a review of the business and GSK's performance in 2021. But before that, I want to offer some brief reflections of my own.

Reviews of the Company and the Business

Fundamentals

This has been another busy and productive year for GSK. A year ago, I spoke of the importance of strengthening the fundamentals of the business and to build the foundations for long term creation of value. A year on, I really believe we are now seeing a clear impact of the strategic transformation started and led by Emma. This wide, overarching programme was designed to tackle the root causes of GSK's long-term underperformance, and to fundamentally reconstruct and strengthen GSK's operational capability and competitiveness.

Emma set clear priorities to do this; to improve the pipeline and R&D productivity; to sharpen commercial execution and cost discipline; and to tackle the Group's structure and capital allocation priorities, all underpinned by a shift in culture to be more competitive and performance focused.

The benefits are now becoming evident in our results. We are seeing strong momentum in sales and profit growth; increased commercial competitiveness; and significant progress in development of the company's pipeline. We are setting targets and we are meeting or beating them. We are holding ourselves accountable for outcomes.

R&D will always be at the centre of our success. Thirteen new medicines and vaccines have now been approved in the last five years, and more than 20 new medicines are currently in late-stage clinical trial development. Our R&D approach – to focus on immune science, use of genetics and advanced technologies – is starting to positively impact the pipeline. We are strongly committed to this approach, and we continue to invest in it. Last year alone, we executed



more than 20 deals, securing access to five novel clinical assets plus technologies that expand our capabilities in human genetics and AI.

I am delighted in the appointment of Tony Wood as our new CSO who will take over from Hal Barron on 1 August. Tony is an outstanding and highly respected scientist, and under Hal's leadership, has been a key architect in rebuilding our pipeline. I am also delighted that Hal is demonstrating his conviction to this strategy by staying on the Board and offering his invaluable support and guidance to Tony, Emma and me. I and the Board would like to take this opportunity to say again how enormously grateful we are to Hal for his contribution and the redirections of R&D at GSK that he has driven over recent years. These improvements, to deliver high-quality innovation together with better commercial execution, mean the fundamentals of GSK have been changed and strengthened.

A "step-change" in growth for GSK is now underway. This "step-change" in growth and the demerger of Haleon has enabled us to tackle the long-standing question of capital allocation. The Board wants value to be created from growth and with the ambitious growth targets to 2026 and beyond, we now have the right mix of capital allocation priorities which creates more resources to invest in the future of the business. With this, all the fundamentals have been reset and we can approach the future as a focussed biopharma company with confidence and enthusiasm.

CH Value Creation

The path to this exciting future will be marked in a few months by the separation of the Haleon business as an independent, category-leading, pure play consumer health business. It's worth reflecting for a moment on how this came about.

The GSK Consumer Health business has been transformed since 2015 through a series of strategic M&A and business development transactions. Beginning with the creation of the Joint Venture with Novartis, the subsequent purchase of Novartis' holding and a further Joint Venture with Pfizer, Emma and the team have created a highly attractive and unique consumer healthcare business with a portfolio of brands and geographic reach unequalled elsewhere in the sector. This is an extraordinary achievement by Emma and the team which we estimate has created more than £15 billion of value for GSK shareholders.

Two new companies

We are now in a position where we have two new, ambitious growth companies about to launch. As a standalone company, Haleon will have a highly attractive financial profile, with sector-leading sales growth, an outstanding executive team - and the offer of a compelling new investment for shareholders. GSK will focus purely on biopharmaceuticals, with new declared ambitions for growth and delivery of innovative specialty medicines and vaccines. Importantly, as a result of the demerger, GSK will have a stronger balance sheet, creating new flexibility to invest in growth and innovation.

We have also been making governance changes to support the creation and long-term success of these two companies. Sir Dave Lewis has been appointed designate chair of Haleon and a further five non-executive directors have been appointed so far. Altogether, these appointments offer a strong blend of skills, experience, diversity, and continuity, relevant for Haleon. Two of the Haleon directors will include Vindi Banga and Dame Vivienne Cox who also stand for re-election today. As has been announced, they will both step down from the GSK Board and transition to become members of the Haleon Board after the demerger. I would like to thank them both for their service to GSK and to me personally. Now they will both play an important role in supporting Haleon as a new publicly listed company. Dave is very lucky to have them.

For GSK, the demerger offers the opportunity to deepen the Board's biopharma experience and credentials. Dr Hal Dietz joined the Board in January. Hal is a world-leading expert in human genetics and Professor of genetic medicine at the Johns Hopkins University School of Medicine in the US. Together with the continued involvement of Hal Barron as a Non-Executive Board Director this now means the scientific credentials of GSK's Board are among the strongest in the industry.

You will have seen that earlier today we announced a further appointment, with Dr Vishal Sikka set to join the Board at separation. Vishal is a world leading technologist with extraordinary credentials in AI and machine learning. As a board member of Oracle and BMW he also brings valuable US and corporate experience. As was also stated earlier today, we expect to appoint a further Board Director, with deep biopharma experience, shortly after the separation.



Returning to the current Board, I would like to express my sincere thanks to Lynn Elsenhans, who has served on the Board for nine years, with notable leadership of the company's Corporate Responsibility Committee. I am also grateful that Lynn has agreed to remain on the Board until the demerger is completed to help provide continuity. Lynn has been a wonderful contributor to the Board, and we will all miss her.

Dr Anne Beal will succeed Lynn as Chair of the Corporate Responsibility Committee following this meeting. These steps to create two highly qualified boards will complement two outstanding management teams led by Emma Walmsley and Brian McNamara. Under their leadership, you can be confident that the ambitious goals set for the two companies will be delivered.

Targets and governance

At the Investor Update in June last year, new performance targets were set out for GSK – for sales and operating profit growth of more than five and ten per cent respectively over the next five years. These represent a new level of ambition that would be top quartile performance in our sector. Shareholders should rightly hold us to account for delivery of these targets. Under the new remuneration policy proposals presented to you today the Board is putting these performance targets at the heart of reward to hold the executive team to account and to support delivery of improved shareholder returns.

This new remuneration policy is designed to reward outstanding performance and penalise poor performance, with the reward for under-performance significantly reduced. The proposals will only reward meeting or beating the performance targets that were publicly declared at last year's Investor Update. We have engaged extensively with shareholders since last September to develop these new proposals. As such, this reward system is a fundamental part of the architecture of GSK post-separation to ensure that we build a performance culture and generate sustained delivery of shareholder value.

For these reasons, we ask you to support them in the vote today.

We are not presenting a compensation system appropriate for the new Haleon business. The Haleon Remuneration policy will be presented by the new Haleon board in due course.

Demerger

Before I handover to Emma, let me briefly set out for shareholders what can now practically be expected with the demerger. You should expect to receive a circular, seeking shareholder approval for the demerger, in June. This will be accompanied by a prospectus providing information required to support the listing of Haleon on the London Stock Exchange. The shareholder vote for approval is expected to be held in July 2022, with the demerger taking place shortly afterwards. The circular will also set out details for shareholders on how new shares in Haleon will be allocated.

Alongside the demerger and allocation of new Haleon shares, the company also intends to undertake a share consolidation of existing GSK shares, with the intention of maintaining broad comparability between GSK's share price before the demerger and after the GSK share consolidation. As many of you will know, after a share consolidation each shareholder will own fewer shares but will own the same proportion of the total number of shares in issue. In other words, a shareholder's proportionate ownership will be the same before and after the consolidation.

Our aim is to provide shareholders with support and timely information throughout this process. Information will be available on the company's website and through the registrars. With that I will now hand over to Emma.