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1. Welcome and introduction

Good afternoon ladies and gentlemen and welcome to our twenty-first AGM. I am Sir Jonathan Symonds, Chairman of GlaxoSmithKline plc. I am pleased that so many of you have been able to join us today via the Lumi AGM website, telephone or Zoom. It is important in these challenging times to make the experience as close of a “traditional” AGM as possible. I hope we succeed.

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

I would like to introduce my fellow Board members who are physically present with me today here at GSK House – appropriately socially distanced of course.

On my left is Emma Walmsley, our CEO. To the far left is Iain Mackay our CFO, and next to me on my right is our Company Secretary, Victoria Whyte.

Due to COVID restrictions, the rest of our Board is joining electronically. I would like to introduce them to you:

Dr Hal Barron, our Chief Scientific Officer & President of R&D and Vindi Banga, our Senior Independent Director; Vivienne Cox, Workforce Engagement Director and Lynn Elsenhans, Chair of our Corporate Responsibility Committee; Jesse Goodman, Chair of our Science Committee and a Scientific and Medical Expert and Urs Rohner, Chair of our Remuneration Committee; Laurie Glimcher, a Scientific and Medical Expert and Charlie Bancroft, recently appointed Chair of our Audit & Risk Committee.

Finally, Judy Lewent, until recently Chair of our Audit & Risk Committee. Judy is stepping down from the Board at the conclusion of this meeting having served 10 years on the Board.

I would like to thank Judy for her enormous contribution to GSK over her tenure. She has served with two CEOs and audit firms, three Chairmen and CFOs and significant change in GSK, the pharma industry and the UK and US regulatory environment. Through this change she contributed significantly to the Board and has been rigorous in ensuring that GSK’s financial controls and reporting were of the highest standards and integrity. She rightly has an enormous reputation in the industry earned over many decades. Judy we would like to thank you for your service and wish you well in your next venture.

I am also very pleased to introduce and welcome Dr Anne Beal, who joins the Board tomorrow as an Independent Non-Executive Director. Anne will succeed Lynn as Chair of the Corporate Responsibility Committee when Lynn steps down from the Board at next year’s AGM. The transition under Lynn’s guidance will be extremely valuable, given the increasing importance the Committee is playing in the overall governance architecture of the Board.

2. Review of the Business

Before I hand over to Emma who will present a review of the business, I want to offer some brief reflections of my own.

By any measure 2020 was an extraordinary year. The pandemic has disturbed many parts of our personal and working lives – and GSK is no exception. Despite this, the company achieved its financial goal for 2020 and it remains firmly on track to deliver its strategic goals.

As you will have seen the company has been very active in responding to the pandemic – both in vaccines and in therapeutics. However, I’m sure that many of you will ask why GSK doesn’t yet have its own Covid vaccine available.

At the beginning of the pandemic – and based on learnings from the H1N1 influenza pandemic - we took a very deliberate approach to partner our proven adjuvant technology with a number of antigen manufacturers. Given how little we knew about Covid then, this would be the fastest way to deploy our technology at scale. It was therefore disappointing that the largest of those partnerships – Sanofi – was delayed.

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We continue to work with Sanofi and others, and we expect to see results in the coming months. We are also working intensively with partners on next generation COVID vaccines as the virus will be around for some time.

Importantly, we have also recognised the emergence of mRNA as a viable new technology and we have entered into a number of strategic collaborations in the past year and have accelerated our existing mRNA and antibody research and development capabilities. We intend to be competitive across a range of vaccine technologies, including mRNA, and we are well placed to do this.

There is no doubt that this is a time of considerable change at GSK as we prepare to separate the Group into two new companies, and no doubt many of you will have seen the recent commentary about this. As you will hear from Emma in a few moments, enormous effort is being made to do this.

The Board strongly believes that the two new companies - New GSK and New Consumer Healthcare - will have much to offer as independent companies in the years ahead.

As we said at our Q1 results last week, more detail will be set out on New GSK at an Investor Update in June. In particular, we will clearly lay out its strategy, its strong growth prospects as well as capital allocation priorities and expectations for the future dividend policy.

We will also set out how the Consumer Healthcare business will be separated - and we will have a similar investor update for that business early next year.

I want to be clear that through the separation the Board – and management – absolutely recognise the need to create sustainable value and returns for all shareholders. The Board has also announced an intention to implement a new dividend policy in 2022, the year of separation. We have paid a dividend of 80 pence per share for many years and intend to do so again for 2021.

However, it is likely that from 2022 the dividend for the two new companies will be lower than it is for GSK today. I fully understand what it means to reduce a dividend and especially how important predictable returns are in uncertain times. However, it is also important that we set up the two new companies with the right capital structure and resources to invest, to grow and to grow returns in the years to come. We will provide more detail on the implementation of the new policy at the update in June.

Overall, we believe the two new companies will be attractive new investment opportunities for shareholders. Both are leaders in their respective fields. Both have compelling growth prospects. And both will be businesses that shareholders can be proud to own.

These new companies will result from the sustained and significant transformation underway at GSK since Emma set out her priorities when she became CEO four years ago.

Of course, we recognise there is much still to do, but I do want to reflect on what has been achieved so far:

- The creation of a new management team under Emma's leadership that has been augmented with some of the top talent in the industry – not just at the executive level but deep into the organisation.
- A transformed commercial organisation – now able to compete with the best in the industry – and with an incentive system that rewards results and high ethical standards of promotion.
- An industry-leading Consumer Healthcare business built through a series of bold and creative moves.
- A pipeline that has been strengthened and which continues to develop – with the number of phase 3 programmes now more than doubled since Hal Barron took over and with a distinctive approach that focusses on the immune system and promises to deliver meaningful therapies for patients.
- A cost base for each of the new companies that will be both efficient and competitively benchmarked.



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- Continued ESG leadership – with widespread recognition for global health and access to medicines alongside bold new targets for reducing our environmental impact and improving inclusion and diversity.
  - And a culture, unlike that of the past, that emphasises and rewards sustained performance and delivery, while retaining a clear purpose of improving health for all people.

This is not a trivial list – it has taken bold and courageous leadership from Emma and the team.

The Board has responded too.

In the last 18 months, we have further strengthened and enhanced Board governance and oversight so that we have an appropriate committee architecture that deepens our understanding of the science strategy and execution, commercial performance and incentives, culture and behaviour and, through the newly formed Transformation & Separation committee, the separation mechanics and delivery of the cost savings from the restructuring programmes.

We are very aligned with management on what needs to be done and what outcomes need to be delivered.

Of course, myself and members of the Board share your disappointment that this progress is not yet reflected in the current share price.

We also understand scepticism given promises made in the past. But be in no doubt that we – this Board and this management team – are determined to deliver and are prepared to be judged by our results.

I will conclude by reiterating that all members of the Board remain strongly committed to delivering long-term shareholder value.

We are confident that we have the right strategy and the right team.

Under Emma's leadership, we expect this team to deliver value through the separation and in the years beyond.